



**Australian Government**  
**Indigenous Business Australia**

23 February 2011

Mr John Schmidt  
Chief Executive Officer  
AUSTRAC  
PO Box 13173  
Law Courts PO  
MELBOURNE VIC 8010

Dear Mr Schmidt

**Cost Recovery Impact Statement – Exposure Draft**

I refer to the Cost Recovery Impact Statement – Exposure Draft released by Austrac in February 2011. IBA provided a submission to AUSTRAC on 6 December 2011 in response to the earlier Cost Recovery Discussion Paper, raising concerns about the proposed model for cost recovery.


Indigenous Business Australia (IBA) is a Commonwealth statutory body established by the *Aboriginal and Torres Strait Islander Act 2005* (the ATSI Act) that promotes and encourages self-management, self-sufficiency and economic independence for Aboriginal and Torres Strait Islander peoples. As some of its activities are designated services under the AML/CTF Act, IBA is a reporting entity and has had an AML/CTF Compliance Program in place since 2008.

Page 6 of the February 2011 Exposure Draft states '*... However, in circumstances where a reporting entity has been exempted from all of the operative provisions of the Act or the only obligation retained is an obligation to lodge suspicious matter reports under section 41 of the AML/CTF Act (an 'exempt entity'), the cost to AUSTRAC of regulating that entity is not material. As a result, it is appropriate that these entities should not be subject to cost recovery.*'

As I indicated in my earlier letter, IBA is not required to report any threshold or suspicious matter transactions which may contravene the secrecy provisions contained in section 191 of the ATSI Act. To date there have been no financial transaction or suspicious matter reports lodged with AUSTRAC. The only reporting that has occurred has been mandatory annual reporting. We envisage that under the current legislative regime this will not change.

I would be grateful if you would confirm that IBA will be exempt from the revised cost recovery policy.



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Please do not hesitate to contact me or Mr. Sandy Lolicato on \_\_\_\_\_ or \_\_\_\_\_ if you would like to discuss any aspects of our response.

Yours sincerely

**Kaely Woods**  
Deputy Chief Executive Officer, Business Support  
IBA Compliance Officer, AML/CTF