



**Australian Government**  
**Australian Institute of Criminology**

Anti-money laundering and  
counter-terrorism financing  
survey of regulated  
businesses in Australia—  
methodology report

Graham Challice  
Adele Eliseo

**AIC Reports**  
Technical and  
Background Paper **46**



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# Foreword

As is often the case with social scientific research of a quantitative nature, the detail of how surveys were conducted are sometimes relegated to deep within a long report, or attached in a lengthy appendix, often being overlooked by the average reader. This report provides a stand-alone description of how the Australian Institute of Criminology's (AIC) Anti-money Laundering/Counter-terrorism Financing Survey of regulated businesses was undertaken, thus emphasising the importance of understanding the methodology and design of this national census of regulated businesses in Australia. It reviews all of the procedures and steps undertaken from a data collection and methodological perspective and provides an important accompaniment to the major survey report published in conjunction with this methodological review. Clearly, both reports should be read together. The current report provides a summary of the methodological approach, consolidation of assorted reports generated throughout the study, a review of sample utilisation and response dynamics and a summary of issues for consideration for future similar surveys.

**Adam Tomison**  
**Director**



# Contents

<b>iii</b>	<b>Foreword</b>	
<b>vii</b>	<b>Acknowledgements</b>	
<b>viii</b>	<b>Acronyms</b>	
<b>ix</b>	<b>Executive summary</b>	
<b>1</b>	<b>Introduction</b>	
1	About this report	
1	Objectives of the Anti-Money Laundering/ Counter-Terrorism Financing Survey	
1	Timeline and sample frame	
<b>3</b>	<b>Sampling issues</b>	
3	AUSTRAC's sample frame	
4	Initial sample frame review	
5	Issues arising from the initial sample frame review	
6	Sample stratification	
<b>7</b>	<b>Materials design and testing</b>	
7	Questionnaire design	
8	Support materials development	
8	Materials testing	
<b>10</b>	<b>Data collection</b>	
10	Overview	
10	Resolution of duplicate records	
12	Initial questionnaire mailing	
12	Email reminder activity	
13	Telephone non-response follow-up	
14	Materials re-mailing	
14	Online data collection	
14	Sample database maintenance	
15	Forms based data capture	
<b>16</b>	<b>Field team briefing and quality control</b>	
16	Field team briefing	
16	Quality control procedures	
<b>17</b>	<b>Response overview</b>	
17	Response summary	
18	Response by provisional industry stratum	
18	Response by duplicate grouping	
<b>20</b>	<b>Response analysis</b>	
20	Analysis of response by mode	
21	Analysis of response by phase of survey	
22	Analysis of response by completion type	
23	Item level non-response	
<b>24</b>	<b>Data preparation</b>	
24	Returns reporting	
24	Coding	
24	Data consolidation and cleaning	
25	Preliminary data delivery	
25	Final data delivery	
<b>26</b>	<b>Summary of issues for future similar surveys</b>	
26	Sample frame	
26	Window between sample frame provision and data collection	
26	Duplicate record and DBG management	
27	Methodology	
27	Questionnaire	
27	Response rate	
27	Enumeration period	
<b>29</b>	<b>Appendix 1 – Final questionnaire</b>	
<b>44</b>	<b>Appendix 2 – Survey materials</b>	
<b>52</b>	<b>Appendix 3 – Email reminders</b>	
<b>56</b>	<b>Appendix 4 – Telephone non-response follow-up scripts</b>	
<b>73</b>	<b>Appendix 5 – Field team briefing notes</b>	
<b>84</b>	<b>Appendix 6 – Code frame extensions</b>	
<b>92</b>	<b>Appendix 7 – Derived variables</b>	

## Tables

2	Table 1: Overview of study schedule	19	Table 9: Response summary by provisional industry stratum
2	Table 2: Summary of key statistics	19	Table 10: Response summary by duplicate record type
4	Table 3: Summary of duplicate records	20	Table 11: Response mode by provisional industry stratum
4	Table 4: Outcomes from initial sample cleaning	21	Table 12: Response analysis by phase of survey
5	Table 5: Sample breakdown by provisional industry stratum	22	Table 13: Analysis of response by respondents providing profiling information only and fully completing respondents
11	Table 6: Mailing batch composition by provisional industry stratum	23	Table 14: Item level non-response
12	Table 7: Schedule of email response maximisation activities		
17	Table 8: Consolidated response summary		



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# Acronyms

<b>AGD</b>	Attorney-General's Department
<b>AIC</b>	Australian Institute of Criminology
<b>AML/CTF</b>	anti-money laundering/counter-terrorism financing
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre
<b>DBG</b>	Designated Business Group
<b>FAQs</b>	frequently asked questions

# Executive summary

The Anti-money Laundering/Counter-terrorism Financing (AML/CTF) Survey was commissioned by the Australian Institute of Criminology (AIC) as a national survey of businesses (reporting entities) regulated by the Australian Transaction Reports and Analysis Centre (AUSTRAC), Australia's financial intelligence unit and AML/CTF regulator under Australian legislation. The overall objectives of the study were to produce a clear picture of business attitudes towards compliance under the AML/CTF regime, to identify the level of perceived money laundering and terrorism financing risks faced by reporting entities and to provide an estimate of the cost burden associated with compliance. Findings from this study will be used to assist business and government in minimising the risks of money laundering and financing of terrorism in Australia, and in designing effective risk management laws and procedures.

This report reviews the conduct of the AML/CTF Survey of regulated businesses, undertaken by the AIC, from a data collection and methodological perspective. The results of the survey are published in a separate AIC publication and both reports should be read together. The current report provides a summary of the methodological approach, consolidation of assorted reports generated throughout the study, a review of sample utilisation and response dynamics and a summary of issues for consideration for future similar surveys.

The study was undertaken in two parts. The first comprised a census administered to all businesses in Australia in July 2009 that had AML/CTF regulatory obligations. Respondents were able to complete a questionnaire online, by telephone or on paper, with responses provided to a consultant research organisation engaged by the AIC to administer the survey.

The survey instrument also called for volunteers to participate in follow-up face-to-face interviews, which were conducted in October 2009 with 10 individuals from a range of sectors including one Australian Government department, pubs and clubs, a credit union, a cash delivery business, a mortgage lender, a private equity firm and a currency exchange service. Eight of the 10 interview participants came from the small business sector, which was the business sector in which most survey participants were employed.

The study was approved by the AIC's Human Research Ethics Committee as well as the Statistical Clearing House of the Australian Bureau of Statistics, which monitors large surveys undertaken of Australian businesses by government agencies. Detailed protocols were also followed in connection with the provision of the sampling frame from AUSTRAC to ensure that data were held securely and that confidential information could not be compromised or released publicly. All results were reported in aggregate form in order to preserve participants' anonymity.

The questionnaire asked respondents to report their:

- views on, and procedures for, conducting customer identification and due diligence;
- views on, and procedures for, conducting transaction monitoring and reporting;
- views on under-reporting and over-reporting suspect transactions;
- the extent of AML/CTF compliance costs, expectations of cost movements in the future, areas of greatest expense and means for reducing the expense;
- views on the effectiveness of the AML/CTF regime, the responsibilities assigned to businesses by the regime and means for improving how it operates;

- perceptions of money laundering risks to their business, including high-risk customers and changes to those risks; and
- perceptions of terrorism financing risks to their business, including high-risk customers and changes to those risks.

The follow-up interviews addressed the same themes with a specific focus on the perceptions of money laundering and terrorism financing risks to business, the risk management practices used to mitigate those risks, the costs of complying with the AML/CTF requirements and the extent and utility of contact with AUSTRAC.

AUSTRAC provided an initial sampling frame of 10,670 businesses believed to provide designated services under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act) in 2009. The final sampling frame consisted of 8,690 businesses of which 4,346 responded.

The release of the mailing list was undertaken with the authority in writing of AUSTRAC's Chief Executive Officer at the time, and was subject to strict conditions as to usage and confidentiality. A number of security measures were implemented by the consultant, the Social Research Centre, to ensure necessary privacy protocols were maintained.

The difference between the number of businesses in the initial sampling frame provided by AUSTRAC and the final sampling frame used (1,980 records or 19% were removed) was explained because of duplicate entries in the initial list which were present owing to the fact that many businesses were members of Designated Business Groups (DBG) which only needed to be contacted once—a DBG comprises two or more businesses or persons which join together to adopt and maintain joint AML/CTF program obligations under the legislation. Over 1,000 records also had incomplete or incorrect contact information.

Survey respondents fell into nine broad industry sectors. Respondents self-identified as working in:

- *managed funds or superannuation*—providing services as an investment company, managed fund, superannuation company, or unit trust manager;

- *banking*—encompassing banks, building societies, credit unions, finance corporations, friendly societies, housing societies, merchant banks and SWIFT;
- *financial services*—such as factorers, forfeiters, hire purchase companies, lease companies and pastoral houses;
- *securities/derivatives*—including futures brokers, investment banks and securities dealers;
- *gambling*—casinos, clubs, gambling houses, hotels and pubs, on course bookmakers, sports bookmakers and TABS;
- *foreign exchange*—providing services as foreign exchange providers, payment service provider/postal and courier service providers, travel agents and issuers of travellers' cheques;
- *cash delivery services*—such as cash carriers, cash custodians and payroll service providers;
- *alternative remittance dealers*—including both corporate remitters and remittance providers; and
- *other*—Australia Post outlets, newsagents and other retailers, and bullion dealers.

Respondents were asked to identify the industry sector generating the largest proportion of income, or funds under management, in the year to 30 June 2009. Businesses generating the largest proportion of their income from gambling services (n=2,252) comprised more than 50 percent of respondents. The survey participants' businesses ranged in size from zero employees (those with casual or contract staff only) to more than 200 employees. Some 79.7 percent of respondent businesses employed fewer than 20 full-time equivalent employees at 30 June 2009. This reflects the concentration of small businesses (76%) that identified their main revenue stream as coming from gambling activities.

The annual turnover for 80.9 percent of respondents, outside the managed funds and superannuation industries, was less than \$5m for the year to 30 June 2009. Managed funds and superannuation companies were asked to estimate their funds under management at 30 June 2009 with two-thirds (66.2%) reporting that they held less than \$1m.

Respondents were concentrated in senior management roles within their companies.

Approximately 65 percent (n=2,684) were owners, directors, or senior executives. A further 8.8 percent identified themselves as managers (n=364). Far fewer respondents (n=448) were employed as risk or compliance officers (n=194) or money laundering compliance officers than in other roles. The concentration of respondents as managers, executives, or owners is most likely due, in part, to the high proportion of small businesses that participated in the survey.

All retrospective survey questions asked respondents to consider the 12 month period to 30 June 2009. The reported volumes of suspect transactions, AML/CTF implementation costs and cost areas all related to this period. Respondents were also asked to consider the two year period between 1 July 2009 and 30 June 2011 when responding to the prospective questions about future trends. These addressed respondents' views concerning expected changes to AML/CTF implementation costs and any changes to risks of money laundering or terrorism financing that they considered were likely to occur within their business during the specified two year period.

The AML/CTF Survey is the first large-scale study of Australian businesses regulated with respect to AML/CTF preventive measures. More than 4,000 Australian businesses responded to the survey from a population of around 17,700 businesses with AML/CTF regulatory obligations (AUSTRAC 2009a). This sample captured businesses from all regulated sectors and encompassed micro, small, medium and large businesses. The AML/CTF Survey, as noted above, examined businesses':

- perceptions of money laundering and terrorism financing risks;
- application of core components of the AML/CTF regulatory requirements including specific detail on their approach, confidence and use of software when conducting customer identification and transaction monitoring measures, as well as the costs of implementing the measures;
- views on the necessity and effectiveness of the regime; and
- views on improving the regime.

The AML/CTF Australian Businesses study differed from AUSTRAC's survey of compliance officers in

relation to the topics covered and the sample used. AUSTRAC's (2010) survey examined the specific responsibilities of compliance officers and the AML/CTF reporting chain of command and focused predominantly on businesses offering financial services. In addition, more than half of the sample of AUSTRAC's study came from businesses that employed more than 50 staff members.

The present survey also examined in greater detail aspects of AML/CTF compliance documented in previous surveys undertaken in overseas jurisdictions. Gill & Taylor (2004) surveyed financial institutions in the United Kingdom in 2001 concerning the utility of AML/CTF regulation and the importance of customer identification requirements. They analysed 466 responses from those businesses surveyed. More recently, PricewaterhouseCoopers (2007) examined businesses perceptions of and implementation of the risk-based approach to AML/CTF by financial services entities in the United Kingdom and the associated costs of doing so. Their research involved 148 interviews with money laundering reporting officers and other compliance professionals with anti-money laundering responsibilities from across the financial services sector including retail banks, investment banks, insurers and investment managers, and covering a range of different sized organisations. KPMG India (2009) sent a survey to 100 financial institutions in India and considered the application of transaction monitoring, the costs associated with AML/CTF compliance, and risk-based assessments and customer identification, by banks and non-bank financial services in India. However, these previous surveys have involved quite small samples and have been focused on quite specific aspects of the AML/CTF regime. The present survey was far more extensive, involved a census of regulated businesses in Australia and examined a wide range of issues to do with AML/CTF regulation and compliance in Australia.

In view of the differing samples and objectives of these and other surveys, it has not been possible to draw direct comparisons between the present findings and those previously reported. Where some limited comparisons are appropriate, however, these have been identified and reported in the discussion following.





# Introduction

## About this report

This report reviews the conduct of the AML/CTF Survey of regulated businesses, undertaken by the AIC, from a data collection and methodological perspective. The results of the survey are published in a separate AIC publication and both reports should be read together. The current report provides:

- a summary of the methodological approach;
- consolidation of assorted reports generated throughout the study;
- a review of sample utilisation and response dynamics; and
- a summary of issues for consideration for future similar surveys.

Detailed reference documents are appended to this report.

## Objectives of the Anti-Money Laundering/Counter-Terrorism Financing Survey

The AML/CTF Survey was commissioned by the AIC as a national survey of businesses (reporting entities) regulated by the AUSTRAC, who are Australia's

financial intelligence unit and AML/CTF regulator under Australian legislation. The overall objectives of the study were to produce a clear picture of business attitudes towards compliance under the AML/CTF regime, to identify the level of perceived money laundering and terrorism financing risks faced by reporting entities and to provide an estimate of the cost burden associated with compliance. Findings from this study will be used to assist business and government in minimising the risks of money laundering and financing of terrorism in Australia, and in designing effective risk management laws and procedures.

## Timeline and sample frame

The AML/CTF Survey is a census of currently reporting first tranche entities, using AUSTRAC lists as the sample frame. Table 1 provides a summary of the dates associated with key research activities.

The in-scope population for the AML/CTF Survey was defined as *Australian entities currently required to report under AML/CTF legislation, which are contactable using an Australian mailing address.*

The sample frame was the AUSTRAC list of reporting entities as at March 2009, which required extensive cleaning and review to ensure it was fit for purpose.

Phase/task	Finalisation
Ethics approval	Mar 08
Sample frame finalised	Apr 09
Skirmish administered (2 phases)	Jun 09
Final questionnaire sign off	Jul 09
Main data collection—cut off for processing	Oct 09
Final coded un-weighted data file provided to AIC	Dec 09

The data collection methodology involved:

- an initial call to records identified as potential duplicates, to resolve scope status, establish reporting relationships within related entities and ascertain capacity to complete the questionnaire at an individual entity level;
- an initial hard copy questionnaire mailing (lodged in 2 separate batches), with an option to complete online;
- tailored email invitations and a series of reminder emails (including emails encouraging businesses who had partially completed the online version of the questionnaire to fully respond);
- telephone non-response follow-up activity; and
- a bulk hard copy reminder questionnaire mailing to non-responding sample members.

As can be seen at Table 2, of the 10,670 records originally provided by AUSTRAC, 8,976 were included in the initial questionnaire mailing, of which the majority (n=8,690) were confirmed as usable selections (excludes records with an ‘out of scope’ outcome from data collection activity). A total of 4,346 survey responses were received (includes records for which profiling information was collected as part of telephone non-response follow-up activity. These records were included in the final data file).

The final response rate was 50 percent, defined as *total responding entities as a percent of usable selections*. The majority (52.8%) of surveys were completed by self-completion mail return, with strong uptake of the online self-completion option (43.8%) and a small residual (3.5%) of responses comprising profiling information collected via telephone. Data were collected over a period of approximately 10 weeks from 31 July 2009 to 11 October 2009. The average time taken to complete the questionnaire was 34.5 minutes. Data from hard copy survey returns, the online survey and profiling information were consolidated and provided to the AIC in STATA format for analysis.

Item	Description		As % completed
A	Original sample frame	10,670	
B	Selections (base for initial questionnaire mailing)	8,976	
C	Usable selections	8,690	
	Completed by mail return	2,294	52.8
	Completed online	1,902	43.8
	Profiling questionnaires completed by telephone	150	3.5
D	Total responding	4,346	100.0
E	Response rate (D/C)	50.0%	
F	Sample yield (D/A)	40.7%	
	Initial mailing commencement date	31 Jul 09	
	Cut-off for data processing	11 Oct 09	
	Average time taken to complete survey (minutes)	34.5	





# Sampling issues

## AUSTRAC's sample frame

Following negotiations between AUSTRAC and the AIC, AUSTRAC agreed to release a list of current reporting entities to the Social Research Centre on 20 March 2009, to serve as the sample frame for the AML/CTF Survey. This release was undertaken with the authority in writing of AUSTRAC's Chief Executive Officer and was subject to strict conditions as to usage and confidentiality. The list comprised the details of some 10,670 entities, collected and maintained by AUSTRAC between December 2007 and February 2009.

A number of security measures were implemented by the Social Research Centre to ensure necessary privacy protocols were maintained. These included:

- password protection of the sample frame and all associated files;
- storage of the sample frame in a network drive only accessible to authorised project staff within the Social Research Centre; and
- de-identification of the data in all reports compiled throughout the project.

The original AUSTRAC sample frame was provided in Excel format and contained the following information:

- code (AUSTRAC flag for problematic records, ie international address, no address present, no email present);

- regulated entity number (unique regulated entity identifier, sourced from AUSTRAC Online);
- business legal name;
- business trading name;
- business structure (self-reported, pre-coded and 'other' text);
- industry type (self-reported, pre-coded and 'other' text);
- business email address;
- business telephone number;
- the Designated Business Group (DBG) linked with the regulated entity;
- contact person name;
- person role code;
- person email address;
- person telephone number; and
- mailing address details.

A DBG comprises two or more businesses or persons who join together to adopt and maintain joint AML/CTF program obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

Three further confidential files were provided by AUSTRAC with the original sample frame. These comprised:

- a glossary outlining a definition for each of the fields provided within the sample frame;
- a database of 336 email addresses that had been found to have bounced upon previous approach by AUSTRAC and the corresponding reason for the bounce (eg invalid email address, mailbox over quota); and
- a list of 204 registered DBG heads and corresponding contact details.

This information was used to establish a master AML/CTF Survey database and create provisional industry categories for the monitoring of response by industry sector (see also *Sample stratification* in the second section of this report).

## Initial sample frame review

An initial review of the AUSTRAC sample frame was undertaken, with a view to identifying duplicate records for resolution through an initial call process and isolating unique records for final address cleaning, prior to the initial questionnaire mailing. The overall quality of contact information such as names, addresses and telephone numbers in the

original sample frame was considered to be quite good, relative to other client-supplied business listings used by the Social Research Centre.

### Duplication

Given the presence of DBG members within the sample frame, some duplication by contact person and/or contact address was expected. As can be seen at Table 3, just under one in eight (12.2%) of the sample records provided were identified as duplicates, related to one of the 229 DBGs present in the sample.

A further 14.4 percent of sample records provided, or just over half (54.2%) of all duplicate records identified, related to duplicate records not flagged as members of DBGs. Duplication across these records related to contact name, address, email and telephone details.

In total, duplication was identified for over one-quarter (26.7%) of all sample records provided. These records were streamed into an initial call workflow for resolution (refer to the fourth section of this report).

**Table 3** Summary of duplicate records

Status	n	As % sample provided	As % duplicate records
Sample records provided	10,670	100.0	
Duplicate—confirmed DBG	1,303	12.2	45.8
Duplicate—non DBG	1,541	14.4	54.2
Total duplication	2,844	26.7	100.0
Unique records	7,826	73.3	

**Table 4** Outcomes from initial sample cleaning

Issue	n	As % sample provided
Total sample records (base)	10,670	100.0
Duplicate—non DBG	1,541	14.4
No postal address	156	0.3
International address only	58	0.5
Blank, invalid or duplicate email address	475	4.5
Blank, invalid or duplicate phone number	322	3.0
Sample records with at least one issue	2,304	21.6 <sup>a</sup>

a: Under-adds due to presence of records with multiple issues

## Other sample frame issues

A number of additional issues were identified within the sample frame, including:

- blank or incomplete address fields (the majority of which were identified and flagged by AUSTRAC), or records where only an international address was present;
- blank, or unusable telephone numbers (ie too few digits, too many digits, international telephone number); and
- blank, duplicate or invalid email addresses (ie invalid domain names, incorrect email address structure).

Table 4 consolidates the common issues identified within the original sample frame (excluding duplicates identified as members of a DBG).

In addition to the 1,541 records with duplication that were not flagged as members of a DBG, there were over 1,000 other records with missing information that had the potential to impact on capacity to maximise yield from the sample. These records were streamed into a 'tracking' workflow, as described in the next section.

In total, at least one issue was identified for over one-fifth (21.6%) of sample records as part of the initial sample frame review.

## Issues arising from the initial sample frame review

Following the initial sample frame review, it was agreed that:

- the proposed courtesy call phase to screen businesses/confirm scope status was no longer necessary for sample records identified as complete and unique, given the AUSTRAC sample frame was a confirmed list of current reporting entities;
- records identified as complete and unique could be assumed to have correct contact details and could be streamed directly to the initial mailing workflow;
- where duplication of one or more records existed, an initial call would be undertaken to each group of duplicates to determine which record(s) could be included in the initial mailing;
- an attempt would be made to 'track' the sample record where blank, international or invalid addresses were present; that is, source mailing address and telephone number details using manual searches of the online Yellow Pages and other internet resources; and
- entities with a blank, international or invalid address should be excluded if no Australian address could be identified.

**Table 5** Sample breakdown by provisional industry stratum

Provisional industry stratum	Sample provided	Exclusions	Base for mailing	Base for mailing as % sample provided	Base for mailing distribution %
Managed funds/superannuation	888	269	619	69.7	6.9
Banking	900	446	454	50.4	5.1
Financial services	739	234	505	68.3	5.6
Securities/derivatives	438	190	248	56.6	2.8
Gambling	4,508	394	4,114	91.3	45.8
Foreign exchange	951	14	937	98.5	10.4
Cash delivery services	158	62	96	60.8	1.1
Alternative remittance dealers	2,087	84	2,003	96.0	22.3
AUSTRAC	1	1	–	0.0	–
Total	10,670	1,694	8,976	84.1	100.0

Given the age of the AUSTRAC sample frame, which comprised information collected and (where possible) updated between December 2007 and February 2009, and the passage of time between sample frame provision and the commencement of the enumeration period in July 2009, additional sample loss was anticipated during the conduct of data collection due to factors such as changes in entity scope status. Refer to the sixth section of this report for summary information relating to sample loss across all phases of the project.


## Sample stratification

In addition to list cleaning activities, coding of self-reported industry sector (as provided in the 'industry type' field in the AUSTRAC sample) was undertaken by the Social Research Centre to assign sampled businesses to a provisional industry stratum for the monitoring of response by sector and to facilitate targeted follow-up activities. It is important to note that coding was based on the self-reported status of reporting entities and as such, may be prone to some inaccuracy.

A breakdown of the sample provided, by provisional industry stratum, is at Table 5. As can be seen, approximately six in seven (84.1%) sample records provided were retained in the base for mailing after the sample cleaning/de-duplication process.

An above average proportion of records were retained for the gambling (91.3%), foreign exchange (98.5%) and alternative remittance dealer (96%) sectors, while the sample cleaning and de-duplication process significantly reduced the base of records for inclusion in the initial mailing in the banking and securities/derivatives sectors, in particular.

The base for mailing in the banking sector was eroded mainly due to DBG duplicate-related issues. By way of example, there were over 150 individual entries for the Commonwealth Bank on the original AUSTRAC database, with all but two excluded due to reasons associated with DBG duplicates. There were similar issues across a number of other provisional industry strata. Almost half (45.8%) of the final base for mailing comprised records from the gambling sector (primarily pubs and clubs), with a further quarter (22.3%) comprising alternative remittance dealers.



# Materials design and testing

## Questionnaire design

### *Overview*

The questionnaire design and typesetting process was undertaken between July 2008 and July 2009. Questionnaire content development was primarily undertaken by the AIC, with input from project stakeholders from the Attorney-General's Department (AGD) and AUSTRAC. Support, including item ordering, document control and forms design, was overseen by the Social Research Centre.

While a number of changes to the questionnaire scope and content took place throughout the design period, the main topic areas remained essentially the same. These included:

- business information;
- level of knowledge held by reporting entities regarding their reporting obligations;
- attitudes towards regulation;
- extent of reporting, and
- costs and burden associated with reporting.

### *Initial consultation with stakeholders*

An initial consultation process was undertaken by the AIC to ensure both public and private sector

stakeholders were represented during the initial questionnaire design process. A questionnaire workshop was convened by the AIC and was attended by representatives from Australian law enforcement agencies, Australian Government agencies (eg AGD and AUSTRAC), peak industry bodies and Australian-based academics and experts in the areas of AML/CTF. An early version of the questionnaire was also submitted to the Australian Bankers Association and the Investment and Financial Services Association for review.

### *Changes in scope and content*

The process of incorporating feedback from Australian Government agency stakeholders contributed in part to an extended questionnaire design period. Other factors which led to changes in the structure and content of the questionnaire included:

- clarification of study objectives and subsequent review of data items to ensure updated objectives were being addressed;
- considerations regarding perceived target respondent knowledge and relevance of specific items to respondents in large and small businesses from different industry sectors and with varying levels of familiarity with AMF/CTF requirements;

- timing delays brought about by the sample preparation issues described above, necessitating changes to the reference periods stipulated in the questionnaire, and
- concerns around the capacity and willingness of some regulated entities to provide detailed financial information.

## Support materials development

A number of supporting materials were developed for inclusion in the initial mailing pack. These included:

- a covering letter, authored by the AIC;
- a privacy statement;
- a Frequently Asked Questions (FAQ) document; and
- a comprehensive glossary, explaining AML/CTF-specific terminology found in the questionnaire, including summary background information about the AML/CTF regime.

All support materials content was sourced and provided by the AIC, with the forms design and typesetting process overseen by the Social Research Centre.

## Materials testing

The survey questionnaire and supporting materials were tested and refined using a two stage 'skirmish', undertaken by the Social Research Centre project manager. The primary aim of skirmish activity was to test the questionnaire for ease of navigation, comprehension of content, the performance of difficult items and for time taken to complete, across a range of industry sectors, business sizes and DBG/non-DBG sample members. Secondary aims included an assessment of the impact of the use of the AIC as the survey sponsor and the testing of the supporting materials, particularly the glossary, privacy statement and FAQ document. All skirmish participants were offered a \$100 gratuity in recognition of their time, or the opportunity to donate this amount to a nominated charity, if this was their preference.

### *Initial skirmish*

The initial round of skirmishing comprised four tele-depth interviews and one in-person interview, conducted in Melbourne in mid March 2009. A diverse group of reporting entities participated, including two DBG members.

Prior to the incorporation of feedback on issues arising from initial skirmishing, a number of additional changes to the questionnaire content and structure were proposed based on AGD and AUSTRAC input. A second round of skirmish activity was subsequently undertaken on the largely revamped questionnaire.

### *Second round of skirmish activity*

The second round of skirmish activity took place in early June 2009 and comprised a further four interviews undertaken by telephone by the Social Research Centre project manager. Reporting entities from the banking, alternative remittance and gambling sectors were represented.

The questionnaire tested during the second round of skirmish activity was considered to have performed adequately, with all participants exhibiting a high level of comprehension and very few issues encountered during the administration of the questionnaire. Refinements resulting from the second round of skirmish activity included:

- a small modification to Q1, allowing 'clubs' and 'hotels' to be captured as separate categories;
- the rewording of the question stem at Q16 and Q17, as the existing questions were considered to be confusing and ambiguous by a number of skirmish participants;
- the expansion of 'individual' and 'company' codes into both 'domestic' and 'foreign' in Q8 and Q29; and
- the inclusion of a 'not applicable' code at Q10, as skirmish findings suggested that smaller reporting entities were unlikely to use external sources when carrying out customer due diligence.

Concerns were also raised by participants regarding the willingness/capacity of reporting entities to respond effectively to questions requiring detailed financial information. While it had been anticipated that the cost ranking question (Q19) would prove

challenging to administer to participants, no problems were encountered during skirmish activity, with all skirmish participants easily able to identify a full ranking of costs.

In addition, all skirmish participants confirmed that they fully understood the terminology. There were no suggestions for the improvement of the glossary. Similarly, the privacy statement and FAQs document performed well during testing, with all skirmish participants indicating that they found the content relevant and comprehensive and the structure logical and easy to follow. Final sign off on the questionnaire and materials was provided by the AIC on 13 July 2009. A copy of the final hardcopy questionnaire, covering letter, privacy statement/FAQ document and glossary is provided at *Appendixes 1 and 2*.

# Data collection

## Overview

While there were changes to the sample frame and some refinement of the survey content throughout the project development phase, the core components of the AML/CTF Survey data collection methodology were essentially unchanged from the original project design.

The final approach to data collection featured:

- an initial telephone call to resolve duplicate records;
- the mailing of a hard copy survey form with supporting materials;
- an option to complete online;
- telephone reminder activity; and
- a range of response maximisation initiatives, including email reminders, an ad hoc survey pack re-mailing and intensive telephone non-response follow-up.

The following sections provide further details of each of these phases of the data collection process.

## Resolution of duplicate records

### *Considerations around an introductory letter for Designated Business Group key contacts*

Consideration was given to the use of the AUSTRAC list of DGB key contacts for an introductory letter mailing, to draw DGB key contacts' attention to the AML/CTF Survey and to encourage full completion across all member organisations. Following the sample frame review described above, however, it was agreed not to send such a letter to the key DBG contacts for a number of reasons, including:

- Considerations around some potential inaccuracies of the contact list of DBG heads as provided by AUSTRAC. While the contact details of 204 DBG heads were provided, an initial review of the sample frame determined that a total of 229 DBGs were present and that a number of the DBG key contacts present in the list provided by AUSTRAC were not present in the sample frame itself.



- The presence of extensive further duplication across records not flagged as part of a DBG and the lack of capacity to derive a key contact from these records without extensive ‘tracking’.
- Concerns that it may not be reasonable to approach key contacts of DBGs to complete a questionnaire for each member organisation. Feedback provided from initial call activity suggested that in most cases, while a DBG may comprise many members, only the one ‘key’ person was in place to deal with AML/CTF administration and was fully informed regarding all AML/CTF associated processes.

In these circumstances, it was agreed that DBG contacts would be approached as part of the initial call to introduce the survey and resolve how best to attempt to enumerate the individual entities within their group.

### Initial call

Further to the issues raised above, an initial call was undertaken to each group of duplicate records prior to finalising the list for the initial questionnaire mailing. Sample records for which duplicate details were identified, or where the regulated entity formed part of a DBG, were streamed to the initial call workflow wherever a seemingly valid telephone number was present, or where a telephone number could be sourced from manual and online search activity.

The initial call was carried out in early August 2009, with the initial call sample comprising a total of 2,341 records. As a result of the initial call and a range of other sample preparation activities, over 2,100 of the DBG duplicates (see Table 3) and those sample records with at least one issue (see Table 4) were resolved, such that the final base for the initial questionnaire mailing comprised some 8,976 records.

For DBG duplicates contacted as part of the initial call, there were:

- 76 DBG member entities that indicated through their DBG head that they would complete the survey at an individual entity level;
- 42 DBGs, covering 467 individual DBG member entities, that indicated that they would complete more than one survey for their group, but not one for all members of their group;
- 131 DBGs, covering 645 individual DBG member entities, that indicated that they would complete one survey only on behalf of their entire group;
- 1 DGB refusal, covering 2 individual DBG entities; and
- 9 DBGs, covering 115 individual DBG member entities, claiming that all of their DBG members were out of scope for the survey.

These outcomes illustrates the wide range of DBG responses to the request for survey participation, from outright refusal on behalf of all DBG members, to agreement to accept a survey form for each individual DBG member.

**Table 6** Mailing batch composition by provisional industry stratum

Provisional industry quota	Batch 1		Batch 2		Total
	n	%	n	%	n
Managed funds/superannuation	468	75.5	152	24.5	620
Banking	344	75.6	111	24.4	455
Financial services	412	81.7	92	18.3	504
Securities/derivatives	190	76.6	58	23.4	248
Gambling	3,946	95.9	169	4.1	4,115
Foreign exchange	918	97.9	20	2.1	938
Cash delivery services	75	79.8	19	20.2	94
Alternative remittance dealers	1,199	59.9	803	40.1	2,002
Total	7,552	84.1	1,424	15.9	8,976

## Initial questionnaire mailing

The final 16 page questionnaire booklet comprised:

- a covering letter on the outside front cover, overprinted with the sample member's address and unique online survey login number;
- an instruction sheet located on the inside front cover, and
- 14 x A4 panels of survey questions.

A unique barcode for the logging of returned forms was overprinted on the outside back cover of the questionnaire booklet. The survey pack also included a glossary, privacy statement, FAQ document and reply paid envelope. Due to some overlap with initial call activity, the initial questionnaire mailing was undertaken in two batches, lodged one week apart, on 31 July and 7 August. Table 6 summarises batch composition by provisional industry stratum.

Batch 1 comprised 7,552 'unique' records for which seemingly valid contact details were present in the original sample frame. A relatively high proportion of gambling (95.9%) and foreign exchange (97.9%) sector records were included in Batch 1.

Batch 2 comprised 1,424 sample records where the contact details had been updated through the list cleaning processes described in the second section, or where updated details had been confirmed via the initial call activity described in the fourth section of this report. A relatively high proportion of alternative remittance dealers (40.1%), managed funds/superannuation (24.5%), banking (24.4%) and securities/derivatives (23.4%) sector records were resolved for inclusion in Batch 2 as a result of these list preparation activities.

## Email reminder activity

### Overview

An essential component of the data collection methodology was targeted reminder email activity to support the response maximisation effort and encourage online completion. An email approach was considered a particularly worthwhile activity, given the perceived high quality of email addresses contained within the original AUSTRAC sample frame. With both a business and a personal email address present for most records, all 8,976 sample records selected for the initial mail out were identified as having a seemingly valid email address (includes 336 'bounced' email addresses identified by AUSTRAC in the original sample frame).

### Email script development

An initial email approach and subsequent reminder email scripts were prepared by the Social Research Centre in consultation with the AIC. The scripts sought to replicate the look and feel of the hard copy survey cover letter and included the AIC branding that was present in hard copy survey communications.

The sample member's unique online survey login was included in the email text, along with the URL of the online survey portal. Where available, the sample member's first and last name was piped into the email reminder text. Sample members were given the opportunity to opt out of further involvement in the study by emailing the helpdesk at [aml@srcentre.com.au](mailto:aml@srcentre.com.au). Refer to *Appendix 3* for copies of each of the reminder emails.

**Table 7** Schedule of email response maximisation activities

Activity	Date	Quantity
Mail lodgement (Batch 01)	31 Jul	7,552
Distribute email 1 (Batch 01)	7 Aug	7,079
Mail lodgement (Batch 02)	7 Aug	1,424
Distribute email 1 (Batch 02)	18 Aug	1,343
Distribute email 2 (Batch 01 and 02)	25 Aug	5,163
Distribute reminder email 3 (including online partial completers)	17 Sep	224

## *Timing of email communications*

The initial email reminder 'email 1' was released in two batches, to mirror the timings of the staggered initial mail out. Subsequent email reminders were sent to a consolidated list of non respondents.

Sample lists for each email approach were generated the day before the email was sent, to ensure response information was as up to date as possible. Sample records for which a completed, returned survey had previously been registered were excluded from email activity. However, sample records where a mail return to sender outcome had been recorded were still included in the email approach, as it was conceivable that the email address could remain valid, even if the mailing address was no longer accurate. Those sample members choosing to opt out by return email, or who had advised an out of scope status, were subsequently excluded from any further project communications. Details of the email reminder dates and quantities are provided in Table 7.

## *Helpdesk operation*

A considerable volume of traffic to the project email account and 1800 number was generated as a result of the email response maximisation activity. A total of 1,136 email queries were logged and actioned by the Social Research Centre helpdesk over the data collection period, including 476 opt outs and 70 out of scope notifications.

Queries received by the project helpdesk (both by email and via the 1800 number) were recorded and actioned within 24 hours by trained helpdesk operators. Where appropriate, queries were referred to the Social Research Centre project manager. Common queries received by the helpdesk related primarily to:

- difficulties in locating and accessing the online survey and requests for the unique online survey login number;
- requests for supporting hard copy materials (ie a cover letter explaining the survey), where it was claimed that these had not previously been received;
- notification of change of details where, for example, the previous Compliance Officer had departed the business and a new contact was present; and

- notification of an opt out, or an out of scope status (ie business no longer operating, or no longer involved in activities which required the business to be regulated under the AML/CTF regime).

Bounce backs were received for relatively few records (approximately 650), comprising approximately seven percent of the initial mailing sample. This is a low proportion when compared with client email lists used in other Social Research Centre projects and indicates that the email addresses provided in the AUSTRAC lists were generally of good quality and reasonably up to date.

## *Telephone non-response follow-up*

Two phases of telephone non-response follow-up were conducted through the data collection period. Telephone non-response activity commenced in late August 2009 and was undertaken up until the cut off for processing in October 2009.

### *Initial non-response follow-up*

The primary objective of the initial non-response follow-up call was to remind respondents and encourage immediate survey completion, where possible. The call script for the initial non-response follow-up phase was developed by the Social Research Centre in conjunction with the AIC. The script incorporated flexible strategies for encouraging completion, with sample members offered support in completing the survey in a number of ways, including:

- a hard copy materials re-mailing;
- provision of login details over the telephone to access the online questionnaire;
- emailing of a survey pack, which included project support materials and instructions on completing the survey online; and
- an attempt to collect profiling information, where a respondent had refused to participate in the full survey.

If required, interviewer-assisted survey completion was also possible, with interviewers able to administer the online version of the survey as a full

telephone interview, with access to the online version of the survey via the sample member's unique login. For the administration of profiling questions, a computer assisted telephone interviewing version of selected questions was scripted. A total of 7,823 sample records were included in the initial non-response follow-up stream. Reports were generated throughout the non-response follow-up phase, with sample member requests for email packs actioned on a daily basis.

### *Intensive non-response follow-up*

Further to the initial round of telephone non-response follow-up calls, a second round of intensive follow-up calls was carried out on 2,422 identified non-responding sample members with a valid phone number, with telephone follow-up continuing until the cut-off for processing.

As with the initial non-response follow-up phase, a number of survey completion options were available to sample members. Due to the lead time required to administer a supplementary mail out, the offer to mail the sample member a survey pack was removed during this phase. Refer to *Appendix 4* for a copy of the telephone non-response follow-up scripts.

In total, across the initial non-response follow-up and intensive non-response follow-up phases, over 28,000 calls were placed. This indicates the effort that was invested in telephone follow-up activities. Refer to the seventh section for estimates of response attributable to each phase of survey activity.

## Materials re-mailing

A bulk survey pack re-mailing was undertaken for 322 sample members who requested a survey pack when contacted as part of telephone non-response follow-up activities. The bulk re-mailing took place on 7 September 2009, with survey pack contents as described in the fourth section of this report, but with an updated covering letter, specifying the revised due date (22 September 2009).

## Online data collection

The online version of the questionnaire was scripted directly from the final, approved hard copy survey booklet. The online survey sought to replicate the general appearance and branding of the hard copy survey while incorporating appropriate logic checks and automated sequencing. One question was displayed per screen and all questions were programmed as 'mandatory', with the exception of the final feedback question (Q39).

Following comprehensive testing by the Social Research Centre and the AIC, the online survey was launched to coincide with the initial questionnaire mailing. The online survey was accessible from 31 July 2009 until 9 am AEST on 11 October 2009 via [www.aic.gov.au](http://www.aic.gov.au), the online portal publicised on the hard copy cover letter and on subsequent email communications.

Respondent access to the online survey was via the unique login overprinted on the hard copy cover letter and included in subsequent email communications. Unique logins were randomly generated and consisted of six alpha-numeric characters in lower case, exclusive of characters such as '1', '0', 'l' and 'O', which can readily be confused with each other.

A small change was actioned within the online version of the survey during the data collection period to improve functionality of the questionnaire, this being the removal of the 'other specify' option from the 'alternative remittance dealers' heading at Q1, so that it was clear to respondents that a general specified other (not specific to alternative remittance dealers) was intended. The impact of the change to the online script during the data collection period was kept to a minimum, with the programmer actioning the change at a time when there was little or no activity within the survey, ensuring no survey 'downtime' was experienced.

## Sample database maintenance

The master contact database was maintained throughout the data collection period utilising data collected via a number of sources, including:

- the initial sample cleaning process (identifying and flagging duplicate records and records with incomplete, blank or international mailing address or telephone details);
- the mail returns logging report (accepted for processing, return to sender, refusal, out of scope);
- the online survey completion logging report (complete, partially complete);
- the final call outcome from initial call activity (contact details confirmed, disconnected/business not known, refusal, out of scope);
- calls to the AML/CTF Survey 1800 number and the processing of opt outs and other email queries directed to aml@srcentre.com.au; and
- the final call outcome from telephone non-response follow-up activity (profiling information collected, disconnected/business not known, refusal, out of scope).

## Forms-based data capture

Data from completed hard copy returns was captured using optical mark recognition and key from image technologies, with a full double key and verify workflow, ensuring that the data was captured exactly as recorded on the hard copy form. Standard methods were used to resolve common issues present in self completion hard copy based data collection, for example, multiple response on a single response question (by presenting an image of the question failing the input edit to the data entry operator for resolution), with further logic edits and data cleaning undertaken at the data consolidation phase (refer to the eighth section of the report).

# Field team briefing and quality control

## Field team briefing

A field team briefing was held immediately prior to the commencement of initial call activity (refer to the fourth section) and again prior to undertaking each of the two phases of telephone non-response follow-up activity. On each occasion, the briefing was delivered by the Social Research Centre project manager and included:

- full details of the AML/CTF Survey background, objectives and methodology;
- a review of the initial mailing pack materials and the online version of the survey;
- an outline of the sample management protocols and the call regime that applied for each phase of activity; and
- an overview of relevant confidentiality and privacy protocols.

A separate field team training module was administered by the Manager, Recruitment, Training and Quality, covering topics such as respondent liaison issues and strategies to overcome the likely challenges for the project, with a particular focus on common themes by industry, as well as strategies to engage sample members and to encourage completion of the survey.

A team of three interviewers was briefed on the initial call component, with this team maintaining their involvement in the project throughout the data collection period. A further seven interviewers were briefed for the telephone non-response follow-up phase. Each interviewer's work during each phase of telephone-based activity was validated in accordance with ISO 20252 requirements. Briefing notes specific to the telephone non-response follow-up phase are provided at *Appendix 5*.

## Quality control procedures

A number of quality procedures were implemented throughout the enumeration period, including:

- interviewer de-briefing after the each phase of the project;
- field team re-briefing whenever there was important information to communicate in relation to data quality, help desk operation and respondent liaison techniques; and
- an end of fieldwork de-briefing conducted by the project manager covering all telephone response maximisation and helpdesk activities.

A range of field aids were also developed to ensure consistency of administration and response to queries.

# Response overview

## Response summary

Table 8 consolidates outcomes from all phases of the project. As can be seen, there were:

- 1,980 cases of 'sample loss', where there were incomplete mailing details, no Australian mailing details, unresolved duplicates, issues with scope status from help desk activity, or other issues indicating that the business should be excluded from the base of usable sample;
- 4,196 fully responding units across the mail return and online response options;

- 150 records for which responses to key profiling questions were collected during telephone non-response follow-up activity;
- 335 cases of online partial completion—these have not been included in the total responding base and data for these cases was not included in the final data file for analysis; and
- 494 refusals from help desk and return mail activity.

The sample yield defined as *responding units as a percent of total sample provided* was 40.7 percent. The response rate, defined as *responding units as a per cent of usable sample*, was 50 percent.

**Table 8** Consolidated response summary

Outcome	n	As % sample provided	As % usable sample
Total sample provided	10,670	100.0	
Sample loss (all stages of project)	1,980	18.6	
Usable sample	8,690	81.4	100.0
Total responding	4,346	40.7	50.0
Fully responding	4,196	39.3	48.3
Profiling information collected via telephone	150	1.4	1.7
Partially responding (online—not used in analysis)	335	3.1	3.9
Refusals (all types, across all stages of the project)	494	4.6	5.7
Non-respondents	3,515	32.9	40.4

As it was not possible to establish the scope status of some non-respondents during survey activity, it is possible that the overall proportion of usable sample is overstated.

## Response by provisional industry stratum

Table 9 summarises response by provisional industry stratum (refer to the second section of this report). As can be seen, there was significant variation by provisional industry stratum in aggregated sample loss (incorporating sample loss during mailing list preparation, and incremental sample loss identified from data collection activity, such as mail return to sender and out of scope outcomes). There was relatively low sample loss in the foreign exchange sector (2.8%) and among alternative remittance dealers (8.4%), due to the relatively high incidence of non-duplicate sample records for these groups.

Overall, some 14.4 percent of total sample loss was identified during data collection, with 10.5 percent and 3.9 percent of total sample loss attributable to mail return to sender outcomes and issues with scope status respectively. There was also some variation in response rate by provisional industry stratum, with a strong response rate from the gambling (57.6%) and financial services (55.3%) sectors, and a comparatively low response rate among alternative remittance dealers (31.2%) and from the securities/derivatives sector (43%).

The highest refusal rates were in the banking (8.8%), securities/derivatives (8.5%) and managed funds/superannuation (7.7%) sectors. There was a relatively

high rate of partial online completion (5%) among alternative remittance dealers, perhaps indicating that there were particular issues of perceived relevance or potential sensitivity of the subject matter among this group.

## Response by duplicate grouping

Table 10 summarises response by records identified as DBG members, other duplicate records (refer to the second section of this report) and unique records. Further to issues raised above, the highest aggregated sample loss occurred within the DBG member group (75.4%). Aggregated sample loss was also high (35.8%) among the other duplicate group.

As was expected, given the difficulties associated with preparing sample flagged as 'duplicate' for the initial questionnaire mailing, the overall response rate was low for the DBG member (36.3%) and other duplicate (21.7%) groups, relative to the non-duplicate group (54.4%).

There was a particularly high proportion of non-respondents (71.8%) among the 'other duplicate' group. It is conceivable that, where a response was received from any one duplicate entity within a group, that response was intended to cover multiple entities. However, since there were many instances where the relationship between duplicate entities was not established during telephone non-response follow-up activity, the duplicate entities remain categorised as non-respondents.



Provisional industry stratum	Sample provided (n)	Total sample loss as % provided	Usable sample (n)	Total responding as % usable sample	Fully responding as % usable sample	Profiling information collected as % usable sample	Partially responding (online) as % usable sample	Refusals as % usable sample	Non-respondents as % usable sample
Managed funds/superannuation	888	34.3	583	52.8	51.1	1.7	4.6	7.7	34.8
Banking	900	53.1	422	50.2	49.3	0.9	3.3	8.8	37.7
Financial services	739	34.2	486	55.3	53.7	1.6	2.7	6.4	35.6
Securities/derivatives	438	46.3	235	43.0	40.9	2.1	3.4	8.5	45.1
Gambling	4,508	10.4	4,041	57.6	56.0	1.6	3.9	5.0	33.4
Foreign exchange	951	2.9	923	52.3	48.5	3.8	2.0	5.1	40.6
Cash delivery services	158	44.3	88	54.5	54.5	–	1.1	6.8	37.5
Alternative remittance dealers	2,087	8.4	1,912	31.2	30.0	1.2	5.0	5.4	58.3
AUSTRAC	1	100.0	0	–	–	–	–	–	–
Totals	10,670	18.6	8,690	50.0	48.3	1.7	3.9	5.7	40.4

Sample type	Sample provided (n)	Total sample loss as % provided	Usable sample (n)	Total responding as % usable sample	Fully responding as % usable sample	Profiling information collected as % usable sample	Partially responding (online) as % usable sample	Refusals as % usable sample	Non-respondents as % usable sample
DBG member	1,303	75.4	320	36.3	35.3	0.9	4.7	5.3	53.8
Other duplicate	1,541	35.8	990	21.7	20.9	0.8	3.5	2.9	71.8
Non duplicate	7,826	5.7	7,380	54.4	52.5	1.9	3.9	6.1	35.7
Total	10,670	18.6	8,690	50.0	48.3	1.7	3.9	5.7	40.4

# Response analysis

## Analysis of response by mode

An analysis of mode of response by provisional industry stratum was undertaken to attempt to identify preferences, if any, for mode of response by industry sector. This information could be used to optimise the methodological approach for future similar surveys.

As can be seen at Table 11, the managed funds/superannuation, banking, financial services, securities/derivatives and cash delivery services

sectors tended to favour an online mode of completion, whereas the gambling, alternative remittance dealer and, in particular, the foreign exchange sectors, tended to favour a hard copy mode of completion.

Overall, however, there was a strong uptake of both mode of completion options across all sectors. The uptake of the online option was particularly strong, considering the initial survey approach was by hard copy mail and the first email invitation to complete online did not occur until one to two weeks after the lodgement of the initial mail batch (refer also Table 7).

**Table 11** Response mode by provisional industry stratum

Provisional industry stratum	Base	Hardcopy	Online
	n	%	%
Managed funds/superannuation	298	41.6	58.4
Banking	208	41.3	58.7
Financial services	261	47.5	52.5
Securities/derivatives	96	46.9	53.1
Gambling	2,263	54.5	45.5
Foreign exchange	448	77.7	22.3
Cash delivery services	48	39.6	60.4
Alternative remittance dealers	574	54.7	45.3
Total	4,196	54.6	45.4

The analysis appears to support the widely held view among research practitioners that in order to maximise response for business surveys, it is important to attempt to accommodate sample member mode of response preferences by offering *both* hard copy and online completion options. This appears to be the case even in circumstances where sample members routinely transact with the client online, as may apply to this respondent group, for example, in the reporting of AML/CTF issues to AUSTRAC.

Given the generally strong uptake of the online option among this particular respondent group, however, consideration could be given to some minor methodological refinements. These issues are discussed in more detail in the ninth section of this report.

## Analysis of response by phase of survey

An analysis of response by phase of survey was undertaken to attempt to understand the impact of the various AML/CTF Survey response maximisation initiatives, with a view to informing the methodological approach for future similar surveys.

The date of the start of each phase of the survey and the date of survey completion was used to attribute each fully completed hard copy and online survey to a survey phase. While this process is only

an approximation, it does provide a reasonable indication of the overall pattern of response.

As can be seen at Table 12, a relatively small proportion of final responses (19%) were received in the first four to five weeks of the enumeration period, as a result of the initial mailing and the initial email invitation, without any telephone follow-up. While just over one-third (36.2%) of final responses were attributed to initial reminder call activity—a higher proportion than for any other individual phase—it is conceivable that a significant number of responses may have been received within a few days of the initial due date without telephone reminder activity.

The response rate at the conclusion of one round of mailing, email invitation and telephone reminders was 26.7 percent, just over half of the final achieved response rate (48.3%, based on fully responding units). This illustrates the benefit of perseverance, investment in additional reminder activities and of an extended enumeration period, with the reminder email phase (9.2%) and the intensive reminder call phase (10.6%) contributing almost 20 percentage points to the final response rate.

While the analysis also shows a shift towards online completion through the follow-up phase, possibly as a result of the active encouragement of online completion during intensive reminder calls, the proportion of hard copy responses remained strong across all phases, suggesting that hard copy materials are not necessarily discarded outright early in the fieldwork period.

**Table 12** Response analysis by phase of survey

Phase of survey to which response has been attributed	n	As % fully responding	Contribution to overall % fully responding	Responded online	Responded hardcopy
				%	%
Initial mailing	345	8.2	4.0	43.2	58.6
Initial email (email 1)	453	10.8	5.2	44.4	55.6
Initial reminder call activity	1,521	36.2	17.5	37.1	62.7
Subtotal initial phase	2,319	55.3	26.7	39.5	60.7
Reminder emails (email 2 and 3)	802	19.1	9.2	57.5	42.4
Intensive reminder call	924	22.0	10.6	48.7	51.1
Bulk re-mailing	151	3.6	1.7	51.0	49.0
Subtotal follow-up phases	1,877	44.7	21.6	52.6	47.2
Total	4,196	100.0	48.3	45.4	54.6

The overall contribution of telephone reminder activity to the final response rate (58.2%) suggests that there may be limitations as to what can reasonably be achieved using ‘passive’ self-completion follow-up strategies (reminder mailings, reminder emails etc) and that to maximise response for future similar surveys, ‘active’ telephone-based follow-up strategies are likely to be necessary.

## Analysis of response by completion type

As outlined in the fourth section of this report, a series of profiling questions were administered during the telephone follow-up phase to sample members who did not agree to complete the full survey. Table 13 compares the responses to these profiling questions with the responses of those who

fully completed, with a view to providing some indication of the characteristics of non-respondents.

The analysis shows that specific industry sectors, perhaps characterised by smaller, ‘non-corporate’ business types, were over-represented among those providing profiling information only. There was a very strong tendency among this group to agree (72.9%) that ‘the Australian AML/CTF regime is too onerous’, a perception likely to have influenced their decision not to participate fully in the study.

This analysis, together with anecdotal feedback from help desk operators and telephone non-response follow-up interviewers, suggested that such ‘non-corporate’ business types did not necessarily engage in the survey topic in the same way as those in sectors with a stronger corporate or financial services flavour, due to issues associated with perceived relevance.

**Table 13** Analysis of response by respondents providing profiling information only and fully completing respondents

Question	Response	Profiling information	Fully responding
Q1 Industry sector relevant to the largest proportion of the income of business (12 months to 30 Jun 2009)	Base (n)	146	3,929
	Hotels/pubs	28.1%	19.9%
	Retailer	8.2%	2.7%
	Post office	13.0%	3.5%
	Payment service	6.2%	3.2%
	Gambling NFI	6.8%	2.8%
Q.24 The Australian AML/CTF regime is too onerous	Base (n)	129	4,054
	Agree	72.9%	29.7%
	Disagree	17.8%	25.7%
	Neutral	9.3%	47.0%
Q30 Perceived level of money laundering risks business has been exposed to (12 months to 30 Jun 2009)	Base (n)	140	3,735
	Low	98.6%	97.8%
	Medium	0.7%	2.0%
	High	0.7%	0.2%
Q35 Perceived level of terrorism financing risk business has been exposed to (12 months to 30 Jun 2009)	Base (n)	140	3,406
	Low	98.6%	99.5%
	Medium	1.4%	0.4%
	High	–	0.1%

## Item level non-response

Table 14 presents item level non-response (not stated, don't know) for selected items. As was expected, there was a high level of 'not stated' for financial measures (eg Q3, Q4) and some evidence of marginally higher levels of not stated towards the end of some statement batteries (eg Q16\_5, Q17\_5, where the level of not stated earlier in the battery was some 2 to 3 percentage points lower).

There was also a relatively high level of 'don't know' responses for some items related to future expectations (eg Q20, Q31)—this was also to be expected. A proportion of the 'don't know' responses, for example, relating to 'corporate',

factual or financial items, indicated that the target respondent, typically the AML/CTF compliance officer, genuinely did not know the answer. Again, this was not unusual given that, as a rule, respondents could not be relied upon to consult other specialist managers within the responding entity to confirm a response.

There was no strong evidence in the pattern of 'not stated' responses to suggest that any specific sequencing instruction was systematically overlooked by respondents. Overall, the proportion of 'not stated' was in the one to four percent range for most items, which was considered acceptable for a self-completion survey of this nature.

**Table 14** Item level non-response

Qtn	Description	Base	Not stated (n)	Not stated (%)	Don't know (n)	Don't know (%)
Q1	What was the industry sector relevant to the <i>largest proportion</i> of the income of your business during the 12 months ending 30 June 2009?	4,196	261	6.2	0	0.0
Q3	Please estimate the turnover of your business for the 12 month period ending 30 June 2009	3,848	1,566	40.7	634	16.5
Q4	Please estimate the value of funds under management as at 30 June 2009	348	179	51.4	38	10.9
Q16_5	When there is fear of reprisal, in which of the following situations, if any, is the non-reporting of suspect transactions to AUSTRAC justifiable?	4,196	307	7.3	441	10.5
Q17_5	When there is heightened staff awareness/understanding of AML issues, in which of the following situations is the reporting of more suspect transactions to AUSTRAC than is strictly necessary under Australian law justifiable?	4,196	341	8.1	526	12.5
Q18	Please estimate the approximate cost to your business of complying with the AML/CTF regime over the 12 month period ending 30 June 2009	4,196	713	17.0	0	0.0
Q20	To what extent do you expect the AML/CTF compliance costs for your business to change in the two year period ending 30 June 2011?	4,196	229	5.5	1,052	25.1
Q30	What is the perceived level of money laundering risks your business had been exposed to during the 12 month period ending 30 June 2009?	4,196	89	2.1	372	8.9
Q31	Do you expect money laundering risks for your business to increase, decrease or remain the same for two year period ending 30 June 2011?	4,196	105	2.5	891	21.2
Q35	What is the perceived level of terrorism financing risks your business has been exposed to during the 12 month period ending 30 June 2009?	4,196	117	2.8	673	16.0
Q36	Do you expect terrorism financing risks to increase, decrease or remain the same in the two year period ending 30 June 2011?	4,196	130	3.1	1,102	26.3

# Data preparation



## Returns reporting

Consolidated progress summaries and sample yield statistics were reported to the AIC throughout the data collection period.

The returns report consolidated information taken from the following sources:

- summary reports from mail logging activity;
- summary reports from online, detailing online completes and partial completion;
- information collected via telephone response maximisation activity (out of scope, refusal, profiling information collected etc); and
- information recorded via the project 1800 number and email account.

In some cases, more than one outcome status was associated with an individual sample record across multiple activity streams. It was common, for example, for sample records initially classified as a mail return to sender, to later be logged in an online completion report. An outcome status hierarchy was therefore established to identify how such cases should be presented in the returns report.

The status hierarchy used for returns reporting by primary outcome category was as follows:

- online self completion;
- hard copy self completion;

- partial online completion;
- out of scope;
- refusal;
- return to sender; and
- non-respondent.

## Coding

Code frames were developed by the Social Research Centre in conjunction with the AIC and applied to open-ended questions at Q25, Q27, Q32, Q33, Q37 and Q38 and 'other specify' questions at Q1, Q5, Q6, Q7, Q10, Q13, Q16, Q19, Q22, and Q28. There were no code frame extensions for Q17 and Q21. The open ended 'general feedback' question at the conclusion of the survey was also left un-coded. Refer to *Appendix 6* for details of code frame extensions.

## Data consolidation and cleaning

Data from online and hardcopy self-completion modes, along with computer assisted telephone interviewing non-response follow-up, was

consolidated by the Social Research Centre into a single data file. Data was cleaned according to agreed rules and presented according to agreed conventions around the use of 'don't know' and 'not stated' codes. A number of derived variables were created for review by the AIC and included in the preliminary data file. Refer to *Appendix 7* for derived variable definitions.

## Preliminary data delivery

A preliminary file was provided in SPSS format in November 2009 and comprised unweighted, coded questionnaire data.

## Final data delivery

The final data file was provided in a STATA-compatible format in December 2009, incorporating derived variables requested by the AIC. Files were delivered with supporting documents including a data dictionary.



# Summary of issues for future similar surveys

## Sample frame

The AML/CTF Survey could not have been conducted with the same level of efficiency without access to the AUSTRAC database of regulated entities. Future surveys of this nature should also seek to arrange access to a suitable administrative frame provided by the regulator.

## Window between sample frame provision and data collection

In order to ensure that contact details are as up to date as possible, and to reduce the scope for issues associated with changes in scope/regulated entity status, the sample frame would ideally be provided as close as possible to the planned commencement of data collection. Consideration could also be given to formal procedures for updating the frame after it has been provided (eg by notifying the contractor of entities that are now in dispute with AUSTRAC regarding reporting obligations, so that these entities can be removed from the sample).

## Duplicate record and DBG management

The greatest overall sample loss for the project was associated with the treatment of duplicate records. Careful consideration should be given as to the most appropriate strategy for the handling of such cases for future surveys, for example, an abridged questionnaire, a DGB-specific workflow, or some other form of tailored approach (such as a version of the survey form that can readily be completed by individual DBG members, as appropriate) or possibly an 'initial registration' process (whereby parent entities provide formal advanced notification of how the survey is to be administered across the individual entities for which they are responsible).

It is also evident that adequate lead time between sample provision and the finalisation of the initial mailing list is a prerequisite for maximising the proportion of duplicate records that can be satisfactorily resolved through an initial call, or similar pre-mailing process.



## Methodology

The AML/CTF Survey featured a strong overall online response, with good quality email addresses in the sample frame and a respondent group that appears accustomed to transacting with government agencies in an online environment. The opportunities that this presents for refinements to the methodology for future similar surveys should be carefully considered, given that substantial savings in hard copy production and processing costs may be possible, without compromising the overall response rate.

By way of example, a methodology that involves an initial approach letter mailing, supported by an email invitation to complete the survey online, and followed by a reminder email could be considered, to accumulate 'easy to get' responses online. The response maximisation strategy may then involve a hard copy questionnaire mailing to non-respondents, followed by 'active' telephone-based follow-up of non-respondents as described above. Consideration may also be given to the tailoring of the methodology by industry sector, if there is strong evidence to suggest that a given sector is likely to favour a particular mode of completion.

## Questionnaire

Overall, the questionnaire is considered to have performed reasonably well, based on field team and project management team observations. Item level non-response, generally, was at an acceptable level for a project of this profile. There is some evidence to suggest, however, that there are issues relating to general comprehension and perceived salience, particularly for sub-sectors where there are lower overall levels of engagement in AML/CTF issues. In this context, consideration could be given to a form of simplified questionnaire for lower engagement sub-sectors, such as pubs and clubs.

It is strongly recommended that feedback from AML/CTF Survey data analysts is sought prior to future similar surveys, particularly around the performance of questions which collect financial information, ranking questions (Q19) and conceptually difficult scaled questions, such as Q16 and Q17.

## Response rate

Overall, the response rate for the AML/CTF survey was acceptable and was broadly comparable with response rates experienced by AUSTRAC when requesting information from regulated entities. Multiple factors are likely to have impacted on the response rate, including the extended enumeration period (refer also next section), the use of AIC branding, which may have connotations of 'official' and 'mandatory' for some sample members and perseverance in the follow-up of non-respondents. There is some evidence to suggest that a truly anonymous survey may have a positive impact on the propensity to respond for regulated entities in some sectors, such as banking and casinos, however, this would inhibit capacity to undertake targeted non-response follow-up.

## Enumeration period

The analysis of response by survey phase presented above suggests that an extended enumeration period is a key strategy for maximising response. The schedule for future similar surveys would ideally provide for a period of at least four weeks *after* the planned due date for questionnaire completion, to allow for comprehensive non-response follow-up activities.



# Appendixes

# Appendix 1 — Final questionnaire

## PLEASE READ THIS FIRST

Unless otherwise stated, the questions relate to the 2008 / 2009 financial year (1<sup>st</sup> July 2008 to 30<sup>th</sup> June 2009).

Some questions ask for precise information. If you cannot provide an exact answer from your business records, an estimate is acceptable. Please provide the best, carefully prepared estimate that you can.

Terms and expressions used in this survey correspond with definitions contained in the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* and subsequent amendments. In the survey, the **AML / CTF Act** refers to this legislation.

A full glossary of terms is provided as part of the survey pack. The **Refer to glossary** box indicates those questions where the terminology is defined in the glossary.

If you have any general queries or concerns regarding this survey, please refer to the privacy and confidentiality statement and frequently asked questions provided as part of the survey pack.

You can confirm the legitimacy of this survey, by contacting the Australian Institute of Criminology toll free on **1800 008 125** or email [amlsurveys@aic.gov.au](mailto:amlsurveys@aic.gov.au).

Further information is available on the AIC website ([www.aic.gov.au](http://www.aic.gov.au)).

If you require assistance with the survey, please contact the data collection agency, the Social Research Centre, on **1800 023 040** or by email [aml@srcentre.com.au](mailto:aml@srcentre.com.au).

## How to fill out this form

- Please cross boxes like this: Yes
- Correct mistakes like this:    
*(If you make a mistake, simply scribble it out and mark the correct answer with a cross).*
- Use a ballpoint blue or black pen (do not use a felt tipped pen).
- Some boxes have 'Go to' instructions that look like this  → **Go to Q4**  
Please follow the 'Go to' even if you miss out on some questions.
- Where a written answer is required, please write clearly in the boxes provided.  
**Example Q2:** Number of employees?

	1	2	3	4	5
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## Approval

This study has been approved by the Australian Government Statistical Clearing House (Approval Number 02031-01) and the Australian Institute of Criminology's Human Research Ethics Committee (Application PO-123).

## ABOUT YOUR BUSINESS

**1** What was the industry sector relevant to the largest proportion of the income of your business (or funds under management) during the 12 months ending 30<sup>th</sup> June 2009?  
(Cross one only)

### Managed funds / superannuation

- Investment company  → **Go to Q4**
- Managed fund  → **Go to Q4**
- Superannuation fund provider  → **Go to Q4**
- Unit trust manager  → **Go to Q4**

### Gambling

- Casino
- Clubs
- Gambling house
- Hotels / pubs
- On course bookmaker
- Sports bookmaker
- TAB

### Banking

- Bank
- Building society
- Credit union
- Finance corporation
- Friendly society
- Housing society
- Merchant bank
- SWIFT

### Foreign exchange

- Foreign exchange provider
- Payment service provider / postal and courier service provider
- Travel agent
- Travellers cheque issuer

### Financial services

- Factorer
- Forfeiter
- Hire purchase company
- Lease company
- Pastoral house

### Cash delivery services

- Cash carrier
- Cash custodian
- Payroll service

### Securities / derivatives

- Futures broker
- Investment bank
- Securities dealer

### Alternative remittance dealers

- Corporate remitter
  - Remittance provider
  - Other (please specify)
- 

**2** How many full time equivalent employees were on the Australian payroll of your business as at 30<sup>th</sup> June 2009?

--	--	--	--	--	--	--

Don't know

3 Please estimate the turnover of your business for the 12-month period ending 30<sup>th</sup> June 2009 (rounded estimate acceptable).

\$    ,    ,    .  0  0 } [Go to Q5](#)  
 Don't know

4 Please estimate the value of funds under management as at 30<sup>th</sup> June 2009 (rounded estimate acceptable).

\$    ,    ,    .  0  0  
 Don't know

5 Which one of the following best describes your primary role within your business? (Cross one only)

- Owner / director / CEO / MD
  - Risk / compliance officer
  - Legal officer / lawyer
  - Money laundering compliance officer
  - Accountant / auditor
  - Other (Please specify)
- 

6 Does your business use each of the following procedures as defined in the AML / CTF Act?

[Refer to glossary](#)

	Yes	No
Pre-employment screening of your staff	<input type="checkbox"/>	<input type="checkbox"/>
<b>Ongoing</b> customer due diligence for current clients/customers	<input type="checkbox"/>	<input type="checkbox"/>
Know your customer for <b>new</b> clients / customers	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

**7 Which of the following AML / CTF software tools does your business use?**  
(Cross all that apply)

- No AML / CTF software used
- WorldCheck
- Mantas
- Own software developed in-house
- Factiva
- Other (Please specify)
- Don't know

## CUSTOMER IDENTIFICATION AND DUE DILIGENCE

**8 To what extent is your business confident in identifying each of the following types of clients / customers:**  
[Refer to glossary](#)

	Not at all confident	Not confident	Neutral	Confident	Extremely confident	N / A
Domestic companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Registered foreign companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Partnerships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Incorporated and unincorporated associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Registered co-operatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic government bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign government bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charities or not-for-profit organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Politically exposed persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Individuals (including sole traders)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**9 Which of the following best describes how your business currently carries out customer due diligence?**  
(Cross one only)

- Only use manual processes
- Mainly use manual processes
- Mix of manual processes and software
- Mainly use software
- Only use software
- No customer due diligence procedures currently in place

**10 To what extent is your business confident in relying on customer due diligence procedures conducted by each of the following:**

[Refer to glossary](#)

	Not at all confident	Not confident	Neutral	Confident	Extremely confident	N/A
Financial planners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accountants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lawyers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other financial institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>						
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>						
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>						
N/A - no external CCD procedures conducted by business						<input type="checkbox"/>

## TRANSACTION MONITORING AND REPORTING

**11 To what extent is your business effective in identifying each of the following types of transaction:**

	Very ineffective	Ineffective	Neutral	Effective	Very effective	N/A
Cash transactions equivalent to or exceeding AUD\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspect transactions less than AUD\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspect transactions that exceed AUD\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transactions of politically exposed persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspect transactions to overseas countries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**12 Which of the following best describes how your business currently carries out transaction monitoring and reporting?**

*(Cross one only)*

Only use manual processes	<input type="checkbox"/>
Mainly use manual processes	<input type="checkbox"/>
Mix of manual processes and software	<input type="checkbox"/>
Mainly use software	<input type="checkbox"/>
Only use software	<input type="checkbox"/>
No transaction monitoring or reporting procedures currently in place	<input type="checkbox"/>

**13 Thinking about how your business currently monitors transactions, how effective is each of the following?**

	Very ineffective	Ineffective	Neutral	Effective	Very effective	N / A
Identification of transactions by internal staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identification of transactions by external third parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of AML / CTF software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>						

**14 Has your business identified any suspect transactions involving money laundering over the 12-month period ending 30<sup>th</sup> June 2009?**

[Refer to glossary](#)

- Yes (state number of suspect transactions identified)
- No
- Don't know

**15 Has your business identified any suspect transactions involving terrorism financing over the 12-month period ending 30<sup>th</sup> June 2009?**

[Refer to glossary](#)

- Yes (state number of suspect transactions identified)
- No
- Don't know

## UNDER AND OVER-REPORTING

**16 In which of the following situations, if any, is the non-reporting of suspect transactions to AUSTRAC justifiable?**

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
When not required by law to make reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When the business perceives that reporting is of no use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When reporting would result in loss of business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When reporting would alienate customers / clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When there is fear of reprisals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>						
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>						



17 In which of the following situations, if any, is the reporting of more suspect transactions to AUSTRAC than is strictly necessary under Australian law justifiable?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
When the business is not sure what the transaction involved	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To avoid the imposition of penalties for failure to comply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To ensure that the business's level of reporting is comparable with that of other businesses in the same sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When the use of electronic / automated transaction monitoring systems makes reporting easy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When there is heightened staff awareness / understanding of AML issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## AML / CTF COMPLIANCE COSTS

18 Please estimate the approximate cost to your business of complying with the AML / CTF regime over the 12-month period ending 30<sup>th</sup> June 2009.

[Refer to glossary](#)

Total cost \$    ,    ,    .

19 Still thinking about the costs to your business of complying with the AML / CTF regime during the 12-month period ending 30<sup>th</sup> June 2009, please *rank* the items below, including any other items you may specify, from most costly to least costly, starting with "1" as most costly.

	Rank (1=most costly)
AML / CTF training and professional development	<input type="text"/>
AML / CTF staff recruitment	<input type="text"/>
AML / CTF staff salaries	<input type="text"/>
AML / CTF monitoring software establishment costs	<input type="text"/>
AML / CTF monitoring software recurrent costs	<input type="text"/>
AML / CTF external consultancy costs	<input type="text"/>
Other (Specify) <input type="text"/>	<input type="text"/>
Other (Specify) <input type="text"/>	<input type="text"/>

**20 To what extent do you expect the AML / CTF compliance costs for your business to change in the two-year period ending 30<sup>th</sup> June 2011?**

- Increase (please estimate per cent increase)    %
- Remain the same  → [Go to Q22](#)
- Decrease (please estimate per cent decrease)    %
- Don't know  → [Go to Q22](#)

**21 If your answer to Question 20 was 'increase' or 'decrease', please indicate the area of greatest increase or decrease.**  
(Cross one only)

- AML / CTF training and professional development
- AML / CTF staff recruitment
- AML / CTF staff salaries
- AML / CTF monitoring software establishment costs
- AML / CTF monitoring software recurrent costs
- AML / CTF external consultancy costs
- Other (Specify)

**22 In what ways do you believe that the costs to your business of complying with the AML / CTF regime could be reduced?**  
(Cross all that apply)

- Avoiding duplication of compliance procedures (e.g. combining AML and fraud control compliance management)
- Sharing data and information with other businesses
- Streamlining account opening procedures
- Developing AML / CTF software in-house
- Reducing reliance on outsourced expertise
- Greater sharing of typology data and software by AUSTRAC
- Other (please specify)
- Don't know

## ATTITUDES TOWARDS THE AML / CTF REGIME IN AUSTRALIA

23 How effective would you rate the AML / CTF regime in achieving the following aims?

[Refer to glossary](#)

	Very ineffective	Ineffective	Neutral	Effective	Very effective	N/A
Deterring offenders from using regulated entities to facilitate crime	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enabling regulators to investigate financial crime effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facilitating the recovery of the proceeds of crime	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Minimising risks of financial crime and identity fraud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Minimising risks of money laundering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Minimising risks of terrorism financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Minimising risks of reputational damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maintaining the integrity of the financial system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promoting good governance practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24 To what extent do you agree or disagree with the following statement:

**In Australia, the AML / CTF regime is too onerous, given the risks.**

*(Cross one only)*

Strongly disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Neutral	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Strongly agree	<input type="checkbox"/>

25 Why do you say that?


**26** To what extent do you agree or disagree with the following statement:  
**Not enough responsibility is placed on reporting entities to ensure probity when dealing with customers.**  
*(Cross one only)*

**Refer to glossary**

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

**27** Why do you say that?


**28** How do you think that the current AML / CTF regime could be improved?  
*(Cross all that apply)*

- More extensive sharing of typologies and/or case studies by AUSTRAC
- More training courses (including seminars) by AUSTRAC
- More training courses (including seminars) by industry peak bodies
- Other *(specify)*


## PERCEPTIONS OF MONEY LAUNDERING RISKS

- 29 Which of the following types of clients / customers present the greatest risk of being involved in money laundering?  
(Cross all that apply)

Refer to glossary

Domestic companies	<input type="checkbox"/>
Registered foreign companies	<input type="checkbox"/>
Trustees	<input type="checkbox"/>
Partnerships	<input type="checkbox"/>
Incorporated and unincorporated associations	<input type="checkbox"/>
Registered co-operatives	<input type="checkbox"/>
Domestic government bodies	<input type="checkbox"/>
Foreign government bodies	<input type="checkbox"/>
Charities or not-for-profit organisations	<input type="checkbox"/>
Politically exposed persons	<input type="checkbox"/>
Individuals – Australian residents (including sole traders)	<input type="checkbox"/>
Individuals – foreign residents (including sole traders)	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

- 30 What is the perceived level of money laundering risks your business had been exposed to during the 12-month period ending 30<sup>th</sup> June 2009?

Low	<input type="checkbox"/>
Medium	<input type="checkbox"/>
High	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

- 31 Looking at your business, do you expect money laundering risks to increase, decrease, or remain the same in the two-year period ending 30<sup>th</sup> June 2011?

Increase (please estimate per cent increase)	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="checkbox"/>
Remain the same		<input type="checkbox"/>
Decrease (please estimate per cent decrease)	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="checkbox"/>
Don't know		<input type="checkbox"/>

32 What **money laundering risks** for your business do you see for the two-year period ending 30<sup>th</sup> June 2011?


33 What **counter-measures** would be most effective in minimising money laundering risks to your business?


## PERCEPTIONS OF TERRORISM FINANCING RISKS

**34** Which of the following types of clients / customers present the greatest risk of being involved in financing of terrorism?

*(Cross all that apply)*

**Refer to glossary**

- |  |                          |
|--|--------------------------|
| Companies (both domestic and registered foreign companies) | <input type="checkbox"/> |
| Trustees   | <input type="checkbox"/> |
| Partnerships   | <input type="checkbox"/> |
| Incorporated and unincorporated associations               | <input type="checkbox"/> |
| Registered co-operatives                                   | <input type="checkbox"/> |
| Domestic government bodies                                 | <input type="checkbox"/> |
| Foreign government bodies                                  | <input type="checkbox"/> |
| Charities or not-for-profit organisations                  | <input type="checkbox"/> |
| Politically exposed persons                                | <input type="checkbox"/> |
| Individuals (including sole traders)                       | <input type="checkbox"/> |
| Don't know   | <input type="checkbox"/> |

**35**

What is the perceived level of terrorism financing risks your business had been exposed to during the 12-month period ending 30<sup>th</sup> June 2009?

- |            |                          |
|------------|--------------------------|
| Low        | <input type="checkbox"/> |
| Medium     | <input type="checkbox"/> |
| High       | <input type="checkbox"/> |
| Don't know | <input type="checkbox"/> |

**36** Looking at your business, do you expect terrorism financing risks to increase, decrease, or remain the same in the two-year period ending 30<sup>th</sup> June 2011?

- |   |  |                          |
|---|--|--------------------------|
| Increase <i>(please estimate per cent increase)</i> | <input type="text"/> <input type="text"/> <input type="text"/> % | <input type="checkbox"/> |
| Remain the same                                     |  | <input type="checkbox"/> |
| Decrease <i>(please estimate per cent decrease)</i> | <input type="text"/> <input type="text"/> <input type="text"/> % | <input type="checkbox"/> |
| Don't know  |  | <input type="checkbox"/> |

37 What **terrorism financing risks** for your business do you see for the two-year period ending 30<sup>th</sup> June 2011?


38 What **counter-measures** would be most effective in minimising terrorism financing risks to your business?




## FOLLOW UP

Any further comments on matters raised in this questionnaire?


Please provide an estimate of the time taken to complete this questionnaire.

--	--	--

mins

Please return the form in the envelope provided (no stamp required) to:

**AML / CTF Study  
Reply Paid 83077  
HAWTHORN VIC 3122**

# Appendix 2 – Survey materials

Jeanette Mangifesta  
MICOLA DISCRETIONARY TRUST T/A DOCKSIDE INVESTMENTS PTY. LTD.  
T/A COURTHOUSE HOTEL CAIRNS  
PO Box 3094  
CAIRNS QLD 4870

BSP: 4044 - 6077

**Online survey login number:**

**6c3q8y**

Dear Jeanette Mangifesta

I am writing to invite you to participate in an important national study currently being conducted by the Australian Institute of Criminology. The Anti-Money Laundering / Counter Terrorism Financing study (AML/CTF) is a survey of businesses currently regulated by the Australian Transaction Reports and Analysis Centre (AUSTRAC) under Australia's anti-money laundering and counter-terrorism financing regime. This survey is independent of AUSTRAC's Compliance Survey and seeks to:

- ascertain perceptions of, and attitudes to, reporting and other obligations of regulated businesses in Australia;
- identify perceptions of money laundering and terrorism financing risks that regulated businesses face; and
- estimate the costs associated with compliance.

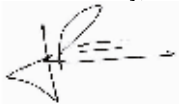
Participation in the study is expected to take up to 20 minutes. You have the option of completing the questionnaire within this booklet and returning it in the reply paid envelope provided. Alternatively, you may complete the survey online at [www.aic.gov.au](http://www.aic.gov.au) by using the unique online survey login number printed adjacent to the address panel above. The cut off date for participation is 31st August 2009.

AUSTRAC provided the Australian Institute of Criminology with your contact details in confidence and in accordance with the Anti-Money Laundering / Counter Terrorism Act 2006. Your response to this survey will be completely anonymous. Individual survey responses will not be shared with AUSTRAC or others, and only aggregate data will be presented in the final report.

Your participation in the study is very important to its success. Your input will greatly assist business and government in minimising the risks of money laundering and financing of terrorism in Australia and in designing effective risk management laws and procedures.

We look forward to your earliest response.

Yours sincerely,



Dr Judy Putt  
General Manager, Research  
August 2009



If you are willing to be interviewed on a confidential basis by the researchers concerning your attitudes and experiences about the AML / CTF regime, please contact the Australian Institute of Criminology on *1800 008 125* or email [\*\*amlsurveys@aic.gov.au\*\*](mailto:amlsurveys@aic.gov.au) by 31st August 2009 to make a suitable time.

**32428-5**

## Privacy and confidentiality statement

This study is completely private and confidential. No individual or business will be identified in any reports or publications resulting from this study. Any information that may result in the identification of businesses which have responded to this study will be withheld from all publications and reports. Results will only be published in aggregate form.

The Australian Transaction Reports and Analysis Centre (AUSTRAC) provided the Australian Institute of Criminology (AIC) with your contact details in confidence and in accordance with its legislation. Your response to this survey will be completely anonymous. No data about responding businesses will be shared with AUSTRAC or any other agencies or businesses. No individuals or businesses will be identified and no comments will be attributed to any person at any stage either during or after the study is finalised.

The researchers from the AIC are bound by the Australian Government's *Privacy Act 1998* to ensure your privacy is protected. The Social Research Centre, the data collection agency appointed by the AIC, is bound by a strict privacy code approved by the Federal Privacy Commissioner. For more information, visit [www.amsro.com.au](http://www.amsro.com.au) and follow the links to Market and Social Research Privacy Principles. Neither agency is permitted to use information collected as part of the Anti Money Laundering / Counter Terrorism Financing study (AML / CTF) for any other purpose.

The research has also been approved by the Australian Bureau of Statistics Statistical Clearing House (No 02031-01) as well as the AIC's Research Ethics Committee (Application PO-123), which is registered with the National Health and Medical Research Council.

## Frequently asked questions

### ***About the Anti Money Laundering / Counter Terrorism Financing Study (AML / CTF)***

#### **What is the purpose of the project?**

The study seeks to collect information from businesses regulated under Australia's anti-money laundering and counter-terrorism financing regime on the following three aspects:

- perceptions of, and attitudes to, reporting and other obligations by regulated businesses in Australia
- perceptions of money laundering and terrorism financing risks that regulated businesses face
- estimated costs associated with compliance.

#### **How is it different from other studies?**

No similar study has been undertaken in Australia and this study is being carried out by the AIC independent of AUSTRAC's Compliance Study.

#### **How will the results be used?**

The results will be de-identified and analysed. Selected findings of a non-confidential nature will be released publicly in AIC publications in both electronic and printed formats, to the public, businesses, government agencies, and the Minister of Home Affairs, but the respondents will not be identifiable in such a publication.

#### **How will this study help my business?**

Your input will greatly assist governments in minimising the risks of money laundering and financing of terrorism in Australia and in designing effective risk management laws and procedures.

**Who is funding this study?**

The Anti Money Laundering / Counter Terrorism Financing Study is being paid for out of Australian Government funds provided to the Australian Institute of Criminology. It is being carried out by the Australian Institute of Criminology ([www.aic.gov.au](http://www.aic.gov.au)), Australia's national research and knowledge centre on crime and justice, with the assistance of the Social Research Centre ([www.srcentre.com.au](http://www.srcentre.com.au)), a private research organisation based in Melbourne which specialises in providing research services to government agencies. The Social Research Centre is responsible for collecting AML / CTF data from participating businesses and providing a de-identified data file to the AIC researchers who will analyse the data and write-up the results of the study.

**Who can I contact if I have questions?**

If you wish to confirm the legitimacy of the study, please contact the AIC on their toll free number 1800 008 125 or email [aml\\_surveys@aic.gov.au](mailto:aml_surveys@aic.gov.au). Further information is available on the AIC website ([www.aic.gov.au](http://www.aic.gov.au))

If you require assistance completing the study, please contact the data collection agency, the Social Research Centre, on 1800 023 040 or by email [aml@srcentre.com.au](mailto:aml@srcentre.com.au)

**About AML / CTF participants****Who is taking part in the study?**

All businesses currently regulated by AUSTRAC under Australia's AML / CTF regime have been approached to take part in the study.

**We are a small business. Why should we take part?**

It is important for businesses of all types and sizes to take part, so we can understand the challenges, attitudes and estimated costs of regulated businesses in relation to reporting and other obligations imposed by the AML / CTF financing regime.

**What will my business get in return for participating?**

Individual sector specific summaries may be made available to businesses following completion of the research.

**How was my business selected?**

AUSTRAC provided the AIC with the contact details of businesses currently regulated under Australia's AML / CTF regime in confidence and in accordance with its legislation. Your response to this study will be completely anonymous and it will not be possible to link completed surveys back to the identity of respondents in any way. Individual study responses will not be shared with AUSTRAC or others, and only aggregate data will be presented in the final report.

**Am I required to take part?**

Participation in the AML / CTF study is voluntary, but the importance of having your business represented as a part of this study cannot be stressed enough. Your input will greatly assist business and government in minimising the risks of money laundering and financing of terrorism in Australia and in designing effective risk management laws and procedures.



Australian Government  
Australian Institute of Criminology



## Anti-Money Laundering / Counter Terrorism Financing Study of Regulated Businesses

### Glossary of terms

#### Australia's Anti Money Laundering / Counter Terrorism Financing (AML / CTF) Act and Rules (Q6)

##### **AML/CTF Act**

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) covers the financial sector, gambling sector, bullion dealers and other professionals or businesses ('reporting entities') that provide particular 'designated services' and has been implemented in stages. The AML/CTF Act imposes a number of obligations on reporting entities when they provide designated services. These obligations include:

- customer identification and verification
- record-keeping
- establishing and maintaining an AML / CTF program
- ongoing customer due diligence
- reporting (suspicious matters, threshold transactions, international funds transfer instructions and AML / CTF compliance reports)

The AML / CTF Act is being implemented in stages, with commencement dates for different provisions occurring one day, 6 months, 12 months and 24 months after Royal Assent.

The AML / CTF Act takes a risk-based approach to regulation. Reporting entities determine the way in which they meet their obligations based on their assessment of the risk of whether providing a designated service to a customer may facilitate money laundering or terrorism financing.

The AML / CTF Act in full is available from [www.comlaw.com.au](http://www.comlaw.com.au)  
(direct link: <http://www.comlaw.gov.au/comlaw/management.nsf/lookupindexpagesbyid/IP200627290?OpenDocument>).

### **AML/CTF Rules**

Under section 229 of the AML / CTF Act, the AUSTRAC CEO may, in writing, make AML / CTF Rules which contain further details relating to the obligations of reporting entities under that Act, or which exempt certain services from the provisions of the Act. The AML / CTF Rules are legislative instruments and are therefore binding. Registered AML / CTF Rules are available from AUSTRAC at [http://www.austrac.gov.au/aml\\_ctf\\_rules.html](http://www.austrac.gov.au/aml_ctf_rules.html)

## **Know your customer (KYC) (Q6, Q8, Q29, Q34)**

### **KYC**

Under AML / CTF legislation, KYC policy refers to documentation which sets out a business's approach to ensuring that it can effectively identify, verify and monitor its customers and the financial transactions in which they engage, relative to the risks of money laundering and terrorism financing.

KYC policies ensure that financial businesses can effectively identify, verify and monitor customers and customer-driven transactions, and implement risk management processes to effectively manage customer-driven risk.

## **Customer due diligence (CDD) (Q6, Q9, Q10)**

### **CDD**

Under AML / CTF legislation, reporting entities must monitor their customers with a view to identifying, mitigating and managing the potential risks of money laundering or financing of terrorism.

Refer to the "Ongoing Customer Due Diligence" module of AUSTRAC e-learning courses at <http://www.austrac.gov.au/courses.html> for more information.

## **Suspect transactions (Q6, Q11, Q14 – 17)**

### **Transaction**

A transaction can be constituted by any business dealing between a reporting entity and a customer. It includes negotiations or discussions that may not result in an actual dealing but does not include mere inquiries.

Refer to the AUSTRAC guidelines on "Suspect Transaction Reporting" at <http://www.austrac.gov.au/guidelines.html> for more information.

### ***Suspect transaction***

A transaction that causes a reporting entity to have a feeling of apprehension or mistrust about the transaction considering:

- its unusual nature or circumstances or,
- the person or group of persons with whom whom it is dealing,

and based on the bringing together of all relevant factors including knowledge of the person's or persons' business or background (as well as behavioural factors) should be reported as a suspect transaction.

Refer to the AUSTRAC guidelines on "Suspect Transaction Reporting" at <http://www.austrac.gov.au/guidelines.html> for more information.

## **Politically exposed persons (PEPs) (Q8, Q11, Q29, Q34)**

### ***PEPs***

Individuals who are or have been entrusted with prominent public functions in a foreign country including Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. Business relationships with family members or close associates of PEPs involve reputational risks similar to those with PEPs themselves.

## **Money laundering (Q14, Q23, Q29 – Q33)**

### ***Money laundering***

Money laundering, the process of legitimising the funds from illegal activities, typically involves a series of transactions designed to conceal the origin of the funds.

## **Financing of terrorism / terrorism financing (Q15, Q23, Q34 – Q38)**

### ***Terrorism***

Terrorism is the unlawful use of force or violence against persons and / or property, to intimidate or coerce a government and the civilian population.

### ***Terrorism financing***

The financing of terrorism may include the provision of any kind of asset in any form, including bank credits, traveller's cheques, bank cheques, money orders, shares, securities, bonds, drafts and letters of credit.



## **Costs to business (Q18 – Q22)**

### ***Costs to business***

Costs to business incurred for complying with Australia's AML / CTF Acts and Rules should include any cost that was a direct result of complying with Australia's AML / CTF Acts and Rules.

## **Regulated entities (Q23)**

### ***Regulated entities***

Cash dealers defined under section 3 of the Financial Transaction Reports Act 1988 and reporting entities defined under section 5 of the AML / CTF Act are collectively referred to hereafter as regulated entities.

## **Reporting entities (Q26)**

### ***Reporting entity***

A reporting entity, defined under section 5 of the AML / CTF Act, is a financial institution, or other person, who provides designated services listed in section 6 of the AML / CTF Act. Reporting entities have certain obligations under the AML / CTF Act, which include customer identification and verification, record-keeping and financial transaction and compliance reporting.

# Appendix 3 — Email reminders

**From email address: amlsurveys@srcentre.com.au**

**Subject line: Re: Anti Money Laundering / Counter Terrorism Financing Study**

**From display name: AML / CTF Study**



Dear <first name> <last name>,

We recently mailed you a questionnaire to complete as part of an important study the Australian Institute of Criminology is conducting in relation to your business <Business name> which is currently regulated under Australia's AML / CTF regime.

If you have already completed the survey and posted it to us, or if you have completed online, many thanks.

If you have not yet completed the survey, please click [here](#) to complete the survey online.

Alternatively, please complete and return the hard copy survey as soon as possible (no stamp required) to:  
The Social Research Centre, Reply Paid 83077, Hawthorn, Vic 3122.

The cut off date for participation is 31st August 2009.

If you would like more information about the survey, please visit [www.aic.gov.au](http://www.aic.gov.au)

If you require assistance in completing the survey, please contact the Social Research Centre via email [aml@srcentre.com.au](mailto:aml@srcentre.com.au) or freecall 1800 023 040.

We look forward to your earliest response.

Yours sincerely,

Dr Judy Putt  
General Manager, Research  
August 2009

<Insert AIC logo>

To opt out of the study click [here](#) (route to [aml@srcentre.com.au](mailto:aml@srcentre.com.au) – subject line opt out of AML / CTF study). To contact the AML / CTF Study Helpdesk click [here](#) (Route to [aml@srcentre.com.au](mailto:aml@srcentre.com.au))

**From email address: amlsurveys@srcentre.com.au**

**Subject line: Reminder - Anti Money Laundering / Counter Terrorism Financing Study**

**From display name: AML / CTF Study**



Dear <first name> <last name>,

A couple of weeks ago we mailed you a questionnaire to complete as part of an important study the Australian Institute of Criminology is conducting in relation to your business <Business name> which is currently regulated under Australia's AML / CTF regime.

If you have already completed the survey, many thanks and please disregard this reminder.

If you have not yet completed the survey please click [here](#) to complete online. You will need to enter your unique login (case sensitive): **XXXXX**

Alternatively, please complete and return the hard copy survey as soon as possible (no stamp required) to:

The Social Research Centre, Reply Paid 83077, Hawthorn, Vic 3122.

The cut off date for participation is 31st August 2009.

If you would like more information about the survey, please visit [www.aic.gov.au](http://www.aic.gov.au)

For assistance in completing the survey, please contact the Social Research Centre via email [aml@srcentre.com.au](mailto:aml@srcentre.com.au) or freecall 1800 023 040.

We look forward to your earliest response.

Yours sincerely,

Dr Judy Putt  
General Manager, Research  
August 2009

<Insert AIC logo>

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**From email address: amlsurveys@srcentre.com.au**

**Subject line: Final reminder - Anti Money Laundering / Counter Terrorism Financing Study**

**From display name: AML / CTF Study**



Dear <first name> <last name>

We have extended the final cut off date for participation in the AML / CTF Study to Tuesday 22<sup>nd</sup> September and value a response from your business <insert business name> to make the survey a success.

If you have already completed the survey, many thanks and please disregard this reminder.

If you have not yet completed the survey please click [here](#) to complete online. You will need to enter your unique login (case sensitive): **XXXXXX**

For assistance in completing the survey, please contact the Social Research Centre via email [aml@srcentre.com.au](mailto:aml@srcentre.com.au) or freecall 1800 023 040.

We look forward to your earliest response.

Yours sincerely,

Dr Judy Putt  
General Manager, Research  
September 2009

<Insert AIC logo>

To opt out of the study click [here](#) (route to [aml@srcentre.com.au](mailto:aml@srcentre.com.au) – subject line opt out of AML / CTF study). To contact the AML / CTF Study Helpdesk click [here](#) (Route to [aml@srcentre.com.au](mailto:aml@srcentre.com.au))

**From email address: amlsurveys@srcentre.com.au**

**Subject line: Final reminder - Anti Money Laundering / Counter Terrorism Financing Study**

**From display name: AML / CTF Study**



Dear <first name> <last name>,

We've noticed that you have taken the time to complete part of the AML / CTF Study online for your business <insert business name>.

So that you can complete the survey in full, we have extended the final cut off date for participation to Tuesday 22<sup>nd</sup> September. We value a full response from your business to make the survey a success.

If you have already completed the survey, many thanks and please disregard this reminder.

If you have not yet completed the survey please click [here](#) to complete online. You will need to enter your unique login (case sensitive): **XXXXXX**

For assistance in completing the survey, please contact the Social Research Centre via email [aml@srcentre.com.au](mailto:aml@srcentre.com.au) or freecall 1800 023 040.

We look forward to your earliest response.

Yours sincerely,

Dr Judy Putt  
General Manager, Research  
September 2009

<Insert AIC logo>

To opt out of the study click [here](#) (route to [aml@srcentre.com.au](mailto:aml@srcentre.com.au) – subject line opt out of AML / CTF study). To contact the AML / CTF Study Helpdesk click [here](#) (Route to [aml@srcentre.com.au](mailto:aml@srcentre.com.au))

# Appendix 4 — Telephone non-response follow-up scripts

## Appendix 4a Telephone non-response follow up script

0450 AML CTF Study Initial Reminder V5

---

### **0450 AML CTF Study Initial Reminder V5 (13 Aug 2009)**

Incorporates change to T1 as a result of interviewer debrief

#### **Sample variables**

KEY  
FIRSTNAME  
LASTNAME  
TRADINGNAME  
LEGALNAME  
TELNUM  
PASSWORD  
EMAIL  
JOBTITLE  
ADDRESS1  
ADDRESS2  
SUBURB  
STATE  
POSTCODE  
DATE

#### **Call outcome codes**

No answer  
Answering machine  
Fax machine / modem  
Busy (engaged)  
Appointment  
Telstra message / number disconnected  
Wrong number / not named business  
Not a business number  
Claims to have done the survey  
Respondent not available / away duration  
Remove number from list  
Language difficulty (no follow up)  
Stopped interview  
SUPERVISOR USE ONLY – Duplicate contact person  
SUPERVISOR USE ONLY – Refused prior (rang 1800 number / e-mailed)

#### **Quota structure**

B1 quota by industry group (field in sample record)  
Set b1 quota to number of records in industry group (acts as a count, not a quota)

DISPLAY AT FIRST SCREEN:

Trading name: <TRADINGNAME>

Legal name: <LEGALNAME>

S1. Good (...) my name is (...). I'm calling on behalf of the Australian Institute of Criminology from the Social Research Centre. May I please speak to <FIRSTNAME LASTNAME JOBTITLE> / the compliance officer?

EXPLAIN IF NECESSARY: I'm just calling to follow up a survey pack that we sent to (<FIRSTNAME LASTNAME JOBTITLE> / the compliance officer) – it's about an important national study of businesses that are currently regulated under Australia's anti-money laundering and counter-terrorism financing regime.

INTERVIEWER NOTE: IF NAMED PERSON NO LONGER AT COMPANY, ASK TO SPEAK WITH THE PERSON WHO DEALS WITH AUSTRAC ON AML/CTF RELATED ISSUES

1. Continue with named contact person / the compliance officer (GO TO S2)
2. Make appointment to speak with named contact person / compliance officer (RECORD NAME AND SCHEDULE APPOINTMENT)
3. Refused to pass on to named person / compliance officer (GO TO RR1)
4. Named contact person / compliance officer refusal (GO TO FINTRO)
5. Back to SMS

\*(COMPLIANCE OFFICER)

S2. I'm calling to follow up a survey pack that was recently sent to you by the Australian Institute of Criminology – it's about an important national study of businesses that are currently regulated under Australia's anti-money laundering and counter-terrorism financing regime. Do you remember receiving the pack?

IF NECESSARY: It included a questionnaire that could be mailed back or completed on line. The pack also had a glossary, a privacy and confidentiality statement, and responses to frequently asked questions.

1. Yes (GO TO S3)
2. No (GO TO S4)
3. Refuses to participate (GO TO FINTRO)
4. Claims to have received multiple surveys (GO TO X1)
5. Claims that business is no longer regulated (GO TO X2)
6. Claims to have launched a dispute over regulated status (GO TO TERM1)
7. Not sure whether applies to business (GO TO X2)

\*(CLAIMS TO HAVE RECEIVED MULTIPLE SURVEYS)

X1 Just checking, you've received multiple copies of the SAME questionnaire from the Australian Institute of Criminology?

CHECK THAT NOT CONFUSING AML / CTF SURVEY WITH AUSTRAC SURVEY OF COMPLIANCE

Can you please complete the survey for the MAIN business for which you are responsible for compliance issues.

1. Record main business name (Specify \_\_\_\_\_)
2. Outright refusal (GO TO FINTRO)

\*(RECEIVED MULTIPLE SURVEYS, NOT SURE WHETHER APPLIES TO BUSINESS)

X1a Which other businesses have you received questionnaires for? (I'm just asking so I can try and make sure you don't get called about these other businesses – we'll try and remove these from our list as quickly as possible)

RECORD OTHER BUSINESS NAMES ON SEPARATE SHEET – SUPERVISOR TO REMOVE FROM REMINDER CALL SAMPLE

1. Continue (GO TO S14)

\*(CLAIMS BUSINESS NO LONGER REGULATED)

X2 Just confirming, is this business (still) registered with AUSTRAC?

1. Yes
2. No (GO TO TERM1)
3. Don't know (GO TO TERM1)
4. Refused (GO TO TERM1)

\*(STILL REGISTERED WITH AUSTRAC)

X2a Well, we'd really appreciate it if you could complete the questionnaire. Could I just confirm, have you received the survey pack?

1. Yes (GO TO S3)
2. No (GO TO S4)
3. Refused outright (GO TO FINTRO)

\*(RECEIVED SURVEY PACK)

S3. That's great. Have you had the chance to complete it as yet?

1. Yes, completed hardcopy (not yet mailed back) (GO TO S15)
2. Yes, completed hardcopy and mailed back (GO TO T1)
3. Yes, completed online (GO TO T1)
4. No, not yet completed (GO TO S14)
5. Would like to complete on the phone (GO TO S9)
6. Would like to complete online (GO TO S4a)
7. No, do not intend to complete / refuse to complete (GO TO FINTRO)

\*(NOT RECEIVED SURVEY PACK)

S4. That's OK, you can complete the questionnaire online.... Just to give you a little more information about the study.....

It collects information about perceptions of, and attitudes to, reporting and other obligations of regulated businesses in Australia. It also seeks to identify perceptions of money laundering and terrorism financing risks that regulated businesses face, and collect information about the costs of compliance. Participation in the study is expected to take up to 20 minutes.

ADDRESS QUERIES WITH REFERENCE TO INFORMATION SHEET

1. Continue

\*(NOT RECEIVED SURVEY PACK / WOULD LIKE TO COMPLETE ONLINE)

S4a Would you like me to give you the website address and online login details over the phone, or would you like me to e-mail this information to you?

1. Give website address and login details
2. Send e-mail with survey information (GO TO S6)
3. Refused to participate online (GO TO S9)
4. Refused outright (GO TO FINTRO)

\*(WANTS WEBSITE ADDRESS AND LOGIN DETAILS)

S5 To complete the questionnaire online, please go to [www.aic.gov.au](http://www.aic.gov.au)  
Your online login number is: <PASSWORD> (case sensitive)

There's more information about the study on the AIC website, and also a glossary of terms that you can download.

The cut off date for participation is <DATE>.



1. Continue (GO TO T1)
2. Refused to participate online
3. Refused outright (GO TO FINTR0)

\*(WANTS E-MAIL WITH SURVEY INFORMATION)

S6 So that we can send you a survey pack online, including a link to the online survey and your login, could I please have your e-mail address?

Email address in sample: <EMAIL>

1. Email address in sample correct (GO TO S8)
2. Collect email address
3. Refused to participate online (GO TO S9)
4. Refused outright (GO TO FINTR0)

\*(COLLECT NEW EMAIL ADDRESS)

S7 COLLECT EMAIL ADDRESS IN STANDARD WAY (NAME, THEN DOMAIN NAME, NO "AT" SIGN)

1. Collect email address  
COLLECT NAME / FIRST PART OF EMAIL ADDRESS (e.g. graham.challice)  
COLLECT DOMAIN NAME (srcentre.com.au)
2. Refused to provide email address (GO TO S9)

\*(SEND EMAIL)

S8 Thanks for that, we'll send the email in the next day or two.

1. Continue (GO TO T1)

\*(REFUSED TO PARTICIPATE ONLINE / WANTS PHONE SURVEY)

S9 (You also have the option of completing the survey over the phone) - is now a convenient time (or would you like me to call you back?)

1. Launch online survey and administer over the phone
2. Make appointment to do survey (STOP INTERVIEW, RECORD NAME, CONFIRM BEST NUMBER AND SCHEDULE APPOINTMENT)
3. Refused to do survey over the phone (GO TO S11)
4. Refused outright (GO TO FINTR0)

\*(LAUNCH ONLINE SURVEY NOW AND ADMINISTER OVER THE PHONE)

S10 INTERVIEWER LAUNCH ONLINE SURVEY

Online login number for this business: <PASSWORD> (case sensitive)

1. (At the completion of online survey, continue)

\*(ADMINISTERED ONLINE SURVEY OVER THE PHONE)

S10a INTERVIEWER RECORD TELEPHONE SURVEY STATUS

1. Completed survey by phone (GO TO END1)
2. Partially completed survey by phone (GO TO END1)

\*(REFUSED TO DO SURVEY OVER THE PHONE)

S11 Would you like us to mail you a survey pack?

1. Yes - confirm mailing details
2. No – refused to accept mailed survey pack (GO TO FINTR0)

\*(WANTS MAIL PACK RE-SENT)

S12 Could I please confirm your mailing address...

CONFIRM FROM SAMPLE / COLLECT FOLLOWING ITEMS

FIRSTNAME  
LASTNAME  
JOBTITLE  
TRADINGNAME  
ADDRESS1  
ADDRESS2  
SUBURB  
STATE  
POSTCODE

\*(WANTS MAIL PACK RE-SENT)

S13 Thanks for that – the survey packs will be sent in the next couple of weeks.

1. Continue (GO TO T1)

\*(RECEIVED PACK / NOT COMPLETED YET)

S14 That's fine – just a reminder that the closing date is <DATE>

Do you have any (other) queries about the survey?  
ADDRESS QUERIES WITH REFERENCE TO INFORMATION SHEET  
Do not hesitate to call us on 1800 023 040 if there is anything we can help you with...

1. Continue (GO TO T1)

\*(ALREADY COMPLETED HARD COPY FORM)

S15 That's great – if you could please mail back the questionnaire as soon as possible – just checking you have the address – it is on the reply paid envelope provided with the survey pack.

AML CTF Study  
Reply Paid 83077  
HAWTHORN VIC 3122

Just a reminder, the closing date is <DATE>.

1. Continue

\*(PROVIDED WEB ADDRESS / SEND EMAIL / SEND PACK / FORM BEING COMPLETED)

T1 (Thanks for that) – could I just check, is this the best number to catch you on? (Just in case we have any queries or need to follow up for any reason....)

Phone number in sample: <TELNUM>  
Contact name in sample: <FIRSTNAME> <LASTNAME>

1. Phone number and contact name in sample correct
2. Collect alternative number (COLLECT 10 DIGIT NUMERIC STRING)
3. Collect alternative contact name (COLLECT FIRSTNAME, LASTNAME)
4. Refused to provide best number (use number in sample for any recontact)

END1. Thanks for your time. Just in case you missed it, my name is ( ), calling on behalf of the Australian Institute of Criminology from the Social Research Centre

Social Research Centre: 1800 023 040

Project email: aml(at)srcentre.com.au  
Australian Institute of Criminology: 1800 008 125

\*PROGRAMMER NOTE – DON'T NEED STANDARD CLOSE AFTER THIS

\*(NAMED PERSON / COMPLIANCE OFFICER REFUSED)

FINTRO Would it be ok if I asked you a few quick questions so that we can understand more about the reasons why businesses have chosen not to participate in the survey?

1. Continue (GO TO F1)
2. Refused to answer follow up questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F1. What was the industry sector relevant to the LARGEST PROPORTION of the income of your business during the 12 months ending 30th June 2009?

AID IF NECESSARY. REFER TO INDUSTRY HANDOUT FOR DEFINITIONS

1. Investment company
2. Managed fund
3. Superannuation fund provider
4. Unit trust manager
5. Bank
6. Building society
7. Credit union
8. Finance corporation
9. Friendly society
10. Housing society
11. Merchant bank
12. SWIFT
13. Factorer
14. Forfeiter
15. Hire purchase company
16. Lease company
17. Pastoral house
18. Futures broker
19. Investment bank
20. Securities dealer
21. Casino
22. Clubs
23. Gambling house
24. Hotel / pubs
25. On course bookmaker
26. Sports bookmaker
27. TAB
28. Foreign exchange provider
29. Payment service provider / postal and courier service provider
30. Travel agent
31. Travellers cheque issuer
32. Cash carrier
33. Cash custodian
34. Payroll service
35. Corporate remitter
36. Remittance provider
37. Other services (Specify)
38. (Don't know)
39. Refused to answer question
40. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F2. To what extent do you agree or disagree with the following statement: "In Australia, the AML / CTF regime is too onerous, given the risks."

1. Strongly disagree (GO TO F2a)
2. Disagree (GO TO F2a)
3. Neutral (GO TO F2b)

4. Agree (GO TO F2b)
5. Strongly agree (GO TO F2b)
6. (Don't know) (GO TO F3)
7. Refused to answer question (GO TO F3)
8. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, DISAGREES WITH STATEMENT)

F2a. Why do you say that?

1. Specify reason (GO TO F3)
2. (Don't know) (GO TO F3)
3. Refused to answer question (GO TO F3)
4. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, NEUTRAL, AGREES WITH STATEMENT)

F2b. Why do you say that?

5. Specify reason (GO TO F3)
6. (Don't know) (GO TO F3)
7. Refused to answer question (GO TO F3)
8. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F3. How do you think the current AML / CTF regime could be improved?

READ OUT

1. More extensive sharing of typologies and / or case studies by AUSTRAC
2. More training courses (including seminars) by AUSTRAC
3. More training courses (including seminars) by industry peak bodies
4. Other (specify)
5. Don't know
6. Refused to answer question
7. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F4. What is the perceived level of money laundering risks your business had been exposed to during the 12 month period ending 30<sup>th</sup> June 2009?

READ OUT

1. Low (GO TO F5)
2. Medium (GO TO F5)
3. High (GO TO F5)
4. Don't know (GO TO F5)
5. Refused to answer question (GO TO F5)
6. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F5. What is the perceived level of terrorism financing risks your business had been exposed to during the 12 month period ending 30<sup>th</sup> June 2009?

READ OUT

7. Low (GO TO RR1)
8. Medium (GO TO RR1)
9. High (GO TO RR1)
10. Don't know (GO TO RR1)
11. Refused to answer question (GO TO RR1)
12. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED)

RR1 And could you just tell me the main reason you don't want to do the survey, because that's important information for us?

1. No comment / just hung up
2. Too busy
3. Not interested

4. Negative view of AML / CTF regime (too onerous / waste of time, etc)
5. Subject matter too sensitive
6. Subject matter not relevant to business
7. Subject matter too difficult to understand
8. Confidentiality / privacy concern
9. Business exempt from AML / CTF reporting requirements
10. Business closing down / no longer operating
11. Company policy not to do surveys
12. 20 minutes is too long
13. Get too many calls for surveys / telemarketing
14. Already completed AUSTRAC survey
15. Not a business number (residence, etc) (CODE AS NOT A BUSINESS NUMBER)
16. Language difficulty (CODE AS LANGUAGE DIFFICULTY NO FOLLOW UP)
17. Already been approached to do AML / CTF survey through related business
18. Asked to be taken off list (add to do not call register)
19. Other (Specify)

\*(REFUSED)

RR2 RECORD RE-CONTACT TYPE

1. Definitely don't call back
2. Possible conversion

\*(REFUSED)

RR3 RECORD PERSON GIVING REFUSAL

1. Named person / compliance officer refusal
2. "Gatekeeper" refusal (personal assistant / receptionist)
3. CEO / MD
4. Other

TERM1 Thanks anyway, the survey relates to regulated entities, that is, businesses still registered with AUSTRAC. Thanks for your time.

---

ALLTERM (breakdown of RR1 / other termination codes)

1. Phone answerer refused to pass on to named person (S1=3)
2. Compliance officer / named person refusal (S1=4, S2=3, S3=7)
3. Refused at provision of website / login details (S4a=4, S5=3)
4. Refused at collection of email address (S6=4)
5. Refused at offer to do survey over the phone (S9=4)
6. Refused to accept mail pack (S11=2)
7. Refused – sent multiple survey forms (X1=2)
8. Refused at still registered with AUSTRAC question (X2a=3)
9. Has launched dispute over regulated status / no longer registered with AUSTRAC (TERM1)
10. All other

---

OUTCOME SUMMARY (breakdown of T1):

1. Claims to be completing (S3=1 or 4)
2. Claims to have completed (S3=2 or 3)
3. Gave web address / online login details over the phone (S5=1)
4. Email survey pack (S8=1)
5. Completed by telephone (S10a=1)
6. Partially completed by phone (S10a=2)

7. Re-mail pack (S13=1)
  8. Sent multiple questionnaires – completing for main business (X1a=1)
  9. Other
- 

!GETDET reports

1. SEND EMAIL: (FIRSTNAME, LASTNAME, UPDATED EMAIL (ELSE EMAIL FROM SAMPLE) PASSWORD) DATE OF INTERVIEW, KEY (S8=1)
  2. SEND MAIL PACK: (FIRSTNAME, LASTNAME, JOBTITLE, TRADINGNAME, ADDRESS1, ADDRESS2, SUBURB, STATE, POSTCODE) DATE OF INTERVIEW, KEY (S13=1)
  3. PHONE NUMBER: KEY, UPDATED PHONE NUMBER (ELSE PHONE NUMBER FROM SAMPLE) (T1=1 OR 2)
  4. MAIN BUSINESS NAME: KEY, MAIN BUSINESS NAME (X1=1)
-

## Appendix 4b Intensive telephone non-response follow up script

0450 AML CTF Study Intensive Reminder call script V6

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### **0450 AML CTF Study Intensive Reminder call V6 (04 Sep 2009)**

Incorporates changes to initial call script as a result of intensive reminder call activity

#### **Sample variables**

KEY  
FIRSTNAME  
LASTNAME  
TRADINGNAME  
LEGALNAME  
TELNUM  
PASSWORD  
EMAIL  
JOBTITLE  
ADDRESS1  
ADDRESS2  
SUBURB  
STATE  
POSTCODE  
DATE

#### **Call outcome codes**

No answer  
Answering machine  
Fax machine / modem  
Busy (engaged)  
Appointment  
Telstra message / number disconnected  
Wrong number / not named business  
Not a business number  
Claims to have done the survey  
Respondent not available / away duration  
Remove number from list  
Language difficulty (no follow up)  
Stopped interview  
SUPERVISOR USE ONLY – Duplicate contact person  
SUPERVISOR USE ONLY – Refused prior (rang 1800 number / e-mailed)

#### **Quota structure**

B1 quota by industry group (field in sample record)  
Set b1 quota to number of records in industry group (acts as a count, not a quota)

DISPLAY AT FIRST SCREEN:

Trading name: <TRADINGNAME>

Legal name: <LEGALNAME>

S1. Good (...) my name is (...). I'm calling on behalf of the Australian Institute of Criminology from the Social Research Centre. May I please speak to <FIRSTNAME LASTNAME JOBTITLE> / the compliance officer?

EXPLAIN IF NECESSARY: We recently invited (<FIRSTNAME LASTNAME JOBTITLE> / the compliance officer) to participate in an important national study currently being conducted by the Australian Institute of Criminology about Australia's anti-money laundering and counter-terrorism financing regime.

INTERVIEWER NOTE: IF NAMED PERSON NO LONGER AT COMPANY, ASK TO SPEAK WITH THE PERSON WHO DEALS WITH AUSTRAC ON AML/CTF RELATED ISSUES

1. Continue with named contact person / the compliance officer (GO TO S2)
2. Make appointment to speak with named contact person / compliance officer (RECORD NAME AND SCHEDULE APPOINTMENT)
3. Refused to pass on to named person / compliance officer (GO TO RR1)
4. Named contact person / compliance officer refusal (GO TO FINTR0)
5. Back to SMS

\*(COMPLIANCE OFFICER)

S2. I'm calling to let you know that we have extended the cut off date for the Anti Money Laundering survey being conducted by the Australian Institute of Criminology. Do you remember receiving the survey pack or an email with information on how to complete the survey?

IF NECESSARY: it's an important national study of businesses that are currently regulated under Australia's anti-money laundering and counter-terrorism financing regime. The survey pack included a questionnaire that could be mailed back or completed on line. The pack also had a glossary, a privacy and confidentiality statement, and responses to frequently asked questions.

1. Yes (GO TO S3)
2. No (GO TO S4)
3. Refuses to participate (GO TO FINTR0)
4. Claims to have received multiple surveys (GO TO X1)
5. Claims that business is no longer regulated (GO TO X2)
6. Claims to have launched a dispute over regulated status (GO TO TERM1)
7. Not sure whether applies to business (GO TO X2)

\*(CLAIMS TO HAVE RECEIVED MULTIPLE SURVEYS)

X1 Just checking, you've received multiple copies of the SAME questionnaire from the Australian Institute of Criminology?

CHECK THAT NOT CONFUSING AML / CTF SURVEY WITH AUSTRAC SURVEY OF COMPLIANCE

Can you please complete the survey for the MAIN business for which you are responsible for compliance issues.

1. Record main business name (Specify\_\_\_\_\_)
2. Outright refusal (GO TO FINTR0)

\*(RECEIVED MULTIPLE SURVEYS, NOT SURE WHETHER APPLIES TO BUSINESS)

X1a Which other businesses have you received questionnaires for? (I'm just asking so I can try and make sure you don't get called about these other businesses – we'll try and remove these from our list as quickly as possible)

RECORD OTHER BUSINESS NAMES ON SEPARATE SHEET – SUPERVISOR TO REMOVE FROM REMINDER CALL SAMPLE



1. Continue (GO TO S14)

\*(CLAIMS BUSINESS NO LONGER REGULATED)

X2 Just confirming, is this business (still) registered with AUSTRAC?

1. Yes
2. No (GO TO TERM1)
3. Don't know (GO TO TERM1)
4. Refused (GO TO TERM1)

\*(STILL REGISTERED WITH AUSTRAC)

X2a Well, we'd really appreciate it if you could complete the questionnaire. Could I just confirm, have you received the survey pack or email information on how to complete the survey?

1. Yes (GO TO S3)
2. No (GO TO S4)
3. Refused outright (GO TO FINTRO)

\*(RECEIVED SURVEY PACK OR EMAILED INFORMATION)

S3. That's great. As I mentioned we have recently extended the cut off date until 22<sup>nd</sup> September and would really appreciate your response to the survey. Have you had the chance to complete it as yet?

1. Yes, completed hardcopy (not yet mailed back) (GO TO S15)
2. Yes, completed hardcopy and mailed back (GO TO END1)
3. Yes, completed online (GO TO END1)
4. No, not yet completed (GO TO S14)
5. Would like to complete on the phone (GO TO S9)
6. Would like to complete online (GO TO S4a)
7. No, do not intend to complete / refuse to complete (GO TO FINTRO)

\*(NOT RECEIVED SURVEY PACK OR EMAIL INFORMATION)

S4. That's OK, unfortunately we can't mail you a survey pack but you can complete the questionnaire online or over the phone.... Just to give you a little more information about the study.....

It collects information about perceptions of, and attitudes to, reporting and other obligations of regulated businesses in Australia. It also seeks to identify perceptions of money laundering and terrorism financing risks that regulated businesses face, and collect information about the costs of compliance. Participation in the study is expected to take up to 20 minutes.

ADDRESS QUERIES WITH REFERENCE TO INFORMATION SHEET

1. Continue

\*(NOT RECEIVED SURVEY PACK / WOULD LIKE TO COMPLETE ONLINE)

S4a Would you like me to give you the website address and online login details over the phone, or would you like me to e-mail this information to you?

1. Give website address and login details
2. Send e-mail with survey information (GO TO S6)
3. Refused to participate online / wants to participate over the phone (GO TO S9)
4. Refused outright (GO TO FINTRO)

\*(WANTS WEBSITE ADDRESS AND LOGIN DETAILS)

S5 To complete the questionnaire online, please go to [www.aic.gov.au](http://www.aic.gov.au)  
Your online login number is: <PASSWORD> (case sensitive)

There's more information about the study on the AIC website, and also a glossary of terms that you can download.

The extended cut off date for participation is <DATE>.

1. Continue (GO TO END1)
2. Refused to participate online (GO TO S9)
3. Refused outright (GO TO FINTRO)

\*(WANTS E-MAIL WITH SURVEY INFORMATION)

S6 So that we can send you a survey pack online, including a link to the online survey and your login, could I please have your e-mail address?

Email address in sample: <EMAIL>

Contact name in sample <FIRSTNAME> <LAST NAME>

1. Email address and contact name in sample correct (GO TO S8)
2. Collect contact name and email address
3. Refused to participate online (GO TO S9)
4. Refused outright (GO TO FINTRO)

\*(COLLECT NEW EMAIL ADDRESS)

S7 COLLECT EMAIL ADDRESS IN STANDARD WAY (NAME, THEN DOMAIN NAME, NO "AT" SIGN)

1. Collect contact name and email address  
COLLECT NAME / FIRST PART OF EMAIL ADDRESS (e.g. graham.challice)  
COLLECT DOMAIN NAME (srcentre.com.au)  
COLLECT FIRST NAME  
COLLECT LAST NAME
2. Refused to provide contact name and email address (GO TO S9)

\*(SEND EMAIL)

S8 Thanks for that, we'll send the email in the next day or two and look forward to receiving your response to the survey.

1. Continue (GO TO END1)

\*(REFUSED TO PARTICIPATE ONLINE / WANTS PHONE SURVEY)

S9 (You also have the option of completing the survey over the phone) - is now a convenient time (or would you like me to call you back?)

1. Launch online survey and administer over the phone
2. Make appointment to do survey (STOP INTERVIEW, RECORD NAME, CONFIRM BEST NUMBER AND SCHEDULE APPOINTMENT)
3. Refused to do survey over the phone (GO TO FINTRO)
4. Refused outright (GO TO FINTRO)

\*(LAUNCH ONLINE SURVEY NOW AND ADMINISTER OVER THE PHONE)

S10 INTERVIEWER LAUNCH ONLINE SURVEY

Online login number for this business: <PASSWORD> (case sensitive)

1. (At the completion of online survey, continue)

\*(ADMINISTERED ONLINE SURVEY OVER THE PHONE)

S10a INTERVIEWER RECORD TELEPHONE SURVEY STATUS

1. Completed survey by phone (GO TO END1)
2. Partially completed survey by phone (GO TO END1)

\*(RECEIVED PACK / NOT COMPLETED YET)

S14 That's fine – just a reminder that the cut off date has been extended to <DATE> and we would really appreciate your response to the survey.

Do you have any (other) queries about the survey?

ADDRESS QUERIES WITH REFERENCE TO INFORMATION SHEET

Do not hesitate to call us on 1800 023 040 if there is anything we can help you with...

1. Continue (GO TO END1)

\*(ALREADY COMPLETED HARD COPY FORM)

S15 That's great – if you could please mail back the questionnaire as soon as possible – just checking you have the address – it is on the reply paid envelope provided with the survey pack.

AML CTF Study

Reply Paid 83077

HAWTHORN VIC 3122

Just a reminder, the closing date is <DATE>.

1. Continue

END1. Thanks for your time. Just in case you missed it, my name is ( ), calling on behalf of the Australian Institute of Criminology from the Social Research Centre

Social Research Centre: 1800 023 040

Project email: aml(at)srcentre.com.au

Australian Institute of Criminology: 1800 008 125

\*PROGRAMMER NOTE – DON'T NEED STANDARD CLOSE AFTER THIS

\*(NAMED PERSON / COMPLIANCE OFFICER REFUSED)

FINTRO Would it be ok if I asked you a few quick questions so that we can understand more about the reasons why businesses have chosen not to participate in the survey?

1. Continue (GO TO F1)

2. Refused to answer follow up questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F1. What was the industry sector relevant to the LARGEST PROPORTION of the income of your business during the 12 months ending 30th June 2009?

AID IF NECESSARY. REFER TO INDUSTRY HANDOUT FOR DEFINITIONS

1. Investment company
2. Managed fund
3. Superannuation fund provider
4. Unit trust manager
5. Bank
6. Building society
7. Credit union
8. Finance corporation
9. Friendly society
10. Housing society
11. Merchant bank
12. SWIFT
13. Factorer
14. Forfeiter
15. Hire purchase company
16. Lease company
17. Pastoral house

18. Futures broker
19. Investment bank
20. Securities dealer
21. Casino
22. Clubs
23. Gambling house
24. Hotel / pubs
25. On course bookmaker
26. Sports bookmaker
27. TAB
28. Foreign exchange provider
29. Payment service provider / postal and courier service provider
30. Travel agent
31. Travellers cheque issuer
32. Cash carrier
33. Cash custodian
34. Payroll service
35. Corporate remitter
36. Remittance provider
37. Other services (Specify)
38. (Don't know)
39. Refused to answer question
40. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F2. To what extent do you agree or disagree with the following statement: "In Australia, the AML / CTF regime is too onerous, given the risks."

1. Strongly disagree (GO TO F2a)
2. Disagree (GO TO F2a)
3. Neutral (GO TO F2b)
4. Agree (GO TO F2b)
5. Strongly agree (GO TO F2b)
6. (Don't know) (GO TO F3)
7. Refused to answer question (GO TO F3)
8. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, DISAGREES WITH STATEMENT)

F2a. Why do you say that?

1. Specify reason (GO TO F3)
2. (Don't know) (GO TO F3)
3. Refused to answer question (GO TO F3)
4. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, NEUTRAL, AGREES WITH STATEMENT)

F2b. Why do you say that?

5. Specify reason (GO TO F3)
6. (Don't know) (GO TO F3)
7. Refused to answer question (GO TO F3)
8. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F3. How do you think the current AML / CTF regime could be improved?

READ OUT

1. More extensive sharing of typologies and / or case studies by AUSTRAC
2. More training courses (including seminars) by AUSTRAC
3. More training courses (including seminars) by industry peak bodies
4. Other (specify)
5. Don't know
6. Refused to answer question
7. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F4. What is the perceived level of money laundering risks your business had been exposed to during the 12 month period ending 30<sup>th</sup> June 2009?

READ OUT

1. Low (GO TO F5)
2. Medium (GO TO F5)
3. High (GO TO F5)
4. Don't know (GO TO F5)
5. Refused to answer question (GO TO F5)
6. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED, AGREED TO ANSWER PROFILING QUESTIONS)

F5. What is the perceived level of terrorism financing risks your business had been exposed to during the 12 month period ending 30<sup>th</sup> June 2009?

READ OUT

7. Low (GO TO RR1)
8. Medium (GO TO RR1)
9. High (GO TO RR1)
10. Don't know (GO TO RR1)
11. Refused to answer question (GO TO RR1)
12. Refused to answer ANY FURTHER profiling questions (GO TO RR1)

\*(REFUSED)

RR1 And could you just tell me the main reason you don't want to do the survey, because that's important information for us?

1. No comment / just hung up
2. Too busy
3. Not interested
4. Negative view of AML / CTF regime (too onerous / waste of time, etc)
5. Subject matter too sensitive
6. Subject matter not relevant to business
7. Subject matter too difficult to understand
8. Confidentiality / privacy concern
9. Business exempt from AML / CTF reporting requirements
10. Business closing down / no longer operating
11. Company policy not to do surveys
12. 20 minutes is too long
13. Get too many calls for surveys / telemarketing
14. Already completed AUSTRAC survey
15. Not a business number (residence, etc) (CODE AS NOT A BUSINESS NUMBER)
16. Language difficulty (CODE AS LANGUAGE DIFFICULTY NO FOLLOW UP)
17. Already been approached to do AML / CTF survey through related business
18. Asked to be taken off list (add to do not call register)
19. Other (Specify)

\*(REFUSED)

RR2 RECORD RE-CONTACT TYPE

1. Definitely don't call back
2. Possible conversion

\*(REFUSED)

RR3 RECORD PERSON GIVING REFUSAL

1. Named person / compliance officer refusal
2. "Gatekeeper" refusal (personal assistant / receptionist)
3. CEO / MD
4. Other

TERM1 Thanks anyway, the survey relates to regulated entities, that is, businesses still registered with AUSTRAC. Thanks for your time.

---

ALLTERM (breakdown of RR1 / other termination codes)

1. Phone answerer refused to pass on to named person (S1=3)
  2. Compliance officer / named person refusal (S1=4, S2=3, S3=7))
  3. Refused at provision of website / login details (S4a=4, S5=3)
  4. Refused at collection of email address (S6=4)
  5. Refused at offer to do survey over the phone (S9=4)
  - 6.
  7. Refused – sent multiple survey forms (X1=2)
  8. Refused with AUSTRAC question (X2a=3)
  9. Has launched dispute over regulated status / no longer registered with AUSTRAC (TERM1)
  10. All other
- 

OUTCOME SUMMARY (breakdown of END1):

1. Claims to be completing (S3=1 or 4)
  2. Claims to have completed (S3=2 or 3)
  3. Gave web address / online login details over the phone (S5=1)
  4. Email survey pack (S8=1)
  5. Completed by telephone (S10a=1)
  6. Partially completed by phone (S10a=2)
  - 7.
  8. Sent multiple questionnaires – completing for main business (X1a=1)
  9. Other
- 

!GETDET reports

1. SEND EMAIL: (FIRSTNAME, LASTNAME, UPDATED EMAIL (ELSE EMAIL FROM SAMPLE) PASSWORD) DATE OF INTERVIEW, KEY (S8=1)
  2. MAIN BUSINESS NAME: KEY, MAIN BUSINESS NAME (X1=1)
-

# Appendix 5—Field team briefing notes

Reminder call briefing notes

## Anti Money Laundering / Counter Terrorism Financing Study (AML / CTF)

Prepared for:

Australian Institute of Criminology



Australian Government  
Australian Institute of Criminology



THE SOCIAL  
RESEARCH CENTRE

## Briefing Agenda

- AML / CTF overview
- Familiarisation with support material
- Respondent liaison issues
- Detailed reminder call script run-through
- Interviewing
- Mid shift review

## AML / CTF background

- Anti Money Laundering / Counter Terrorism Financing legislation (AML/CTF Act) passed in 2006
- Legislation set up to improve Australia's existing anti-money laundering and counter-terrorism financing system.
- Requires certain types of businesses "reporting entities" to undertake regular reporting of suspicious transactions
- Reporting entities include businesses and institutions which deal in cash, bullion and financial transactions and must report transactions to Australian Transaction Reporting and Analysis Centre (AUSTRAC)



## AML / CTF terminology

### What is money laundering?

- To enjoy their ill-gotten gains, criminals commonly seek to disguise the illegal source of those profits. Money laundering is the processing of criminal profits to disguise their illegal origin.

### What is terrorism financing?

- Terrorism financing includes the financing of terrorist acts, and of terrorists and terrorist organisations. The financing of terrorism may include the provision of any kind of asset in any form, including but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, and letters of credit.

## AML / CTF reporting obligations

### What are the reporting obligations imposed on regulated entities?

- The AML/CTF Act imposes obligations on reporting entities including:
  - identification, verification and ongoing monitoring of customers
  - reporting suspicious matters and transactions above a set threshold (usually \$10000 and above)
  - ensuring customer information accompanies international funds transfer instructions
  - record keeping obligations.

## AML / CTF – role of AUSTRAC

### Who is AUSTRAC?

- The Australian Transaction Reporting Centre was established 1988
- The government authority set up to regulate the AML / CTF regime
- AUSTRAC passes information on to other government agencies to help them act against tax evasion, organised crime, money laundering and welfare fraud

## AML / CTF – Legislative background

### Legislation implemented in stages:

- Regulated businesses given two years from 12 December 2006 to implement the measures
- In addition there will be a 15 month period following commencement of each phase when AUSTRAC will not seek a civil penalty against a reporting entity if the reporting entity has taken reasonable steps to comply with its obligations.
- At August 2009 – still varying degrees of compliance and implementation of AML /CTF procedures amongst businesses

## AML / CTF overview

- AML / CTF study is a voluntary study separate to reporting obligations imposed by AUSTRAC
- Funding provided by Australian Institute of Criminology
- Data collection carried out by the Social Research Centre

## AML / CTF objectives

- Study aims to obtain information from regulated entities in regards to:
  - Perceptions of, and attitudes to, reporting and other obligations imposed by the regime
  - Perceptions of money laundering and terrorism financing risks that businesses face
  - Estimated costs associated with compliance.

## AML / CTF overview

- Data collection carried out by the Social Research Centre between late July – mid September
- Questionnaire mailed to 7,552 regulated entities on 31<sup>st</sup> July
- Followed by response maximisation activities:
  - Email reminder 10<sup>th</sup> August
  - Reminder calls



## AML / CTF overview

- Sample members received hard copy questionnaire and supporting materials:
  - Privacy and FAQ document
  - Glossary to assist in completing the questionnaire
- Option to complete the hard copy survey and post back in reply paid envelope provided or complete online using unique survey login id

## AML / CTF sample frame

- Sample list of current registered entities provided by AUSTRAC
  - In confidence
  - In accordance with privacy information
- Only includes those who are currently registered through AUSTRAC and have not disputed their regulated status
- No data about responding businesses will be shared with AUSTRAC or any other agencies or businesses
- No individuals or businesses will be identified and no comments will be attributed to any person at any stage either during or after the study is finalised

## AML / CTF methodology overview

1. Initial call to all regulated businesses where a phone number is available
2. Mailing of survey booklet (including glossary, privacy & confidentiality statement, FAQs) under AIC letterhead
3. Options to complete by mail return, online or phone-in
4. Follow-up of non-response by telephone (may involve doing online survey over the phone at time of reminder call)

## AML / CTF telephone non-response follow up objectives

- Make contact with named person – confirm they have received the mail pack and remind them of the cut off date
- If not received pack – confirm speaking to person who looks after AML obligation (compliance officer), give out online login
- If likely to improve participation rate – remind them of options to complete the survey online (or over the phone)
- If business thinks survey is not relevant to them / refuses to participate – attempt to complete follow up questions (6 quick questions) at the time of reminder call.

## AML / CTF respondent liaison

- Soft approach
  - Do not “push” too hard
  - Reminder call is simply to check that respondent received mail pack and to remind them of the cut off date for participation
- Judge when it is ok to ask profiling questions
  - No hard and fast rules other than to avoid refusal
  - Important to differentiate the call from telemarketing
- Ability to respond to questions
  - Be completely familiar with support material

## AML / CTF respondent liaison

- Expect to “resolve” most sample records at the first contact
- First reminder call to be made approx. 10 days after receipt of mail pack
- Only make hard/real appointments
- In field until early early September

## Project Procedures

- Hard copy and online survey self completion will continue to be processed throughout the reminder call fieldwork period
  - **Focus is on encouraging online response**
- Refusals and completes will continue to be processed throughout the reminder call period
  - May be some overlap

## Project Procedures

- CATI script will display the appropriate business information for individual sample member (combination of business legal and trading name)
  - Important to probe and clarify to obtain access to compliance officer
- sample member's unique username and password for online completion will display in the script (last resort, at RR1)

## Project procedures

- Survey length approx 15 minutes duration
- Calls initiated between 9.00 am and 5 pm weekdays
- Appointments can be made for any time the call centre or 1800 information line is operational



## AML / CTF privacy and confidentiality provisions

### Privacy and confidentiality

- Respondent names and identifiers are removed from the final data
- Details of sample members contacted for the interview are not stored (just used for reference)
- We are explicitly prohibited from passing on information about a respondent to a third party by our contract with AIC

## AML / CTF respondent liaison

### Respondent queries

- Where possible, focus on resolving issues within reminder call
- Refer respondents to 1800 023 040 (helpdesk)
- Serious concerns / queries to Adele
- AIC website
  - [www.aic.gov.au](http://www.aic.gov.au)
  - Follow links through for details of how research is used

# Appendix 6 — Code frame extensions

Q1 – Industry sector relevant to largest proportion of income		
Precodes	1	Investment company
	2	Managed fund
	3	Superannuation fund provider
	4	Unit trust manager
	5	Bank
	6	Building society
	7	Credit union
	8	Finance corporation
	9	Friendly society
	10	Housing society
	11	Merchant bank
	12	SWIFT
	13	Factorer
	14	Forfeiter
	15	Hire purchase company
	16	Lease company
	17	Pastoral house
	18	Futures broker
	19	Investment bank
	20	Securities dealer
	21	Casino
	22	Clubs
	23	Gambling house
	24	Hotel / pubs
	25	On course bookmaker
	26	Sports bookmaker
	27	TAB
	28	Foreign exchange provider
	29	Payment service provider / Postal and courier service provider
	30	Travel agent

	31	Travellers cheque issuer
	32	Cash carrier
	33	Cash custodian
	34	Payroll service
	35	Corporate remitter
	36	Remittance provider
Agreed extensions	37	Post Offices
	38	Retailer
	39	Bullion dealers
	40	Managed funds / Superannuation (NFI)
	41	Banking (NFI)
	42	Financial services (NFI)
	43	Securities / Derivatives (NFI)
	44	Gambling (NFI)
	45	Foreign exchange (NFI)
	46	Cash delivery services (NFI)
	47	Alternative remittance dealers (NFI)
	49	Other

#### Q5 – Primary role within business

Precodes	1	Owner / Director / CEO / MD
	2	Risk / Compliance officer
	3	Legal Officer / Lawyer
	4	Money laundering compliance officer
	5	Accountant / Auditor
Agreed extensions	6	Admin / Other admin
	7	Manager/ Other manager
	8	Other

#### Q6 – Procedures used as defined in AML / CTF Act

Precodes	1	Q6_1 – Pre-employment screening of your staff
	2	Q6_2 – Ongoing customer due diligence for current clients/customers
	3	Q6_3 – Know your customer for new clients / customers
Agreed extensions	4	Q6_4 – Record keeping, monitoring and reporting (undetermined whether new or ongoing)
	5	Q6_5 – General compliance with AML / CTF regime
	6	Q6_6 – AML/CTF training and professional development
	7	Q6_7 – Limiting risk (Restrictions on provision of cash/credit to customers)
	8	Q6_8 – Customers and staff personally known so KYC unnecessary

#### Q7 – AML / CTF software tools used in business

Precodes	1	Q7_1 – No AML / CTF software used
	2	Q7_2 – WorldCheck

	3	Q7_3 – Mantas
	4	Q7_4 – Own software developed in-house
	5	Q7_5 – Factiva
Agreed extensions	6	Q7_6 – Internal (AHA)
	7	Q7_7 – Internal (Australia Post)
	8	Q7_8 – AUSTRAC website/ AML/ CTF
	9	Q7_9 – Norkom
	10	Q7_10 – SAS
	11	Q7_11 – Ultradata & ULTRACS
	12	Q7_12 – VEDA
	13	Q7_13 – Internal (Western Union)
	14	Q7_14 – Complanet/ complispace
	15	Q7_15 – Internet
	16	Q7_16 – RIA
	17	Q7_17 – Other external software
	18	Q7_18 – Internal (Clubs QLD & clubs generally)
	19	Q7_19 – Other unspecified electronic procedures
	20	Q7_20 – Excel
	21	Q7_21 – Quicken
	22	Q7_22 – MYOB
	23	Q7_23 – Other

#### Q10 – level of confidence relying on due diligence procedures conducted by...

Precodes	1	Q10_1 – Financial planners
	2	Q10_2 – Accountants
	3	Q10_3 – Lawyers
	4	Q10_4 – Other financial institutions
Agreed extensions	5	Q10_5 – Australia Post
	6	Q10_6 – Internal employees/ management
	7	Q10_7 – Western Union
	8	Q10_8 – Broker
	9	Q10_9 – VEDA
	10	Q10_10 – Industry peak body
	11	Q10_11 – Clients/ customers
	12	Q10_12 – Other

#### Q13 – how effective is... in how business currently monitors transactions

Precodes	1	Q13_1 – Identification of transactions by internal staff
	2	Q13_2 – Identification of transactions by external third parties
	3	Q13_3 – Internal audit
	4	Q13_4 – External audit

	5	Q13_5 – Use of AML / CTF software
Agreed extension	6	Q13_6 – Use of internal software systems
	7	Q13_7 – Other
<b>Q16 – Situations in which non reporting of suspect transactions to AUSTRAC is justifiable</b>		
Precodes	1	Q16_1 – When not required by law to make reports
	2	Q16_2 – When the business perceives that reporting is of no use
	3	Q16_3 – When reporting would result in loss of business
	4	Q16_4 – When reporting would alienate customers / clients
	5	Q16_5 – When there is fear of reprisal
Agreed extensions	6	Q16_6 – Must report all suspect transactions
	7	Q16_7 – When there is nothing to report
	8	Q16_8 – In order to maintain confidentiality/Privacy Act
	9	Q16_9 – Other
<b>Q17 – Situations in which reporting of more suspect transactions to AUSTRAC than is strictly necessary is justifiable</b>		
Precodes	1	Q17_1 – When the business is not sure what the transaction involved
	2	Q17_2 – To avoid the imposition of penalties for failure to comply
	3	Q17_3 – To ensure that the business's level of reporting is comparable with other businesses in the same sector
	4	Q17_4 – When the use of electronic / automated transaction monitoring systems makes reporting easy
	5	Q17_5 – When there is heightened staff awareness / understanding of AML issues
<b>Q19 – Rank relative cost of complying with AML / CTF regime</b>		
Precodes	1	Q19_1 – AML / CTF training and professional development
	2	Q19_2 – AML / CTF Staff recruitment
	3	Q19_3 – AML / CTF Staff salaries
	4	Q19_4 – AML / CTF Monitoring software establishment costs
	5	Q19_5 – AML / CTF Monitoring software recurrent costs
	6	Q19_6 – AML / CTF External consultancy costs
Agreed extensions	7	Q19_7 – Record keeping/ monitoring/ reporting
	8	Q19_8 – Equipment and administration costs
	9	Q19_9 – Customer relations
	10	Q19_10 – General cost of compliance
	11	Q19_11 – Other
<b>Q21 – Area of greatest cost increase / decrease in compliance in reference period</b>		
	1	AML / CTF training and professional development
	2	AML / CTF staff recruitment
	3	AML / CTF staff salaries
	4	AML / CTF monitoring software establishment costs
	5	AML / CTF monitoring software recurrent costs

	6	AML / CTF external consultancy costs
	7	Other

### Q22 – Ways that costs to business of complying with AML / CTF regime could be reduced

Precodes	1	Q22_1 – Avoiding duplication of compliance procedures (e.g. combining AML and fraud control compliance management)
	2	Q22_2 – Sharing data and information with other businesses
	3	Q22_3 – Streamlining account opening procedures
	4	Q22_4 – Developing AML / CTF software in-house
	5	Q22_5 – Reducing reliance on outsourced expertise
	6	Q22_6 – Greater sharing of typology data and software by AUSTRAC
Agreed extensions	7	Q22_7 – Avoid surveys
	8	Q22_8 – Exemption from / abolition of regime
	9	Q22_9 – Regime more specific to size / risk of reporting business
	10	Q22_10 – Regime more industry specific
	11	Q22_11 – No external audit
	12	Q22_12 – Simplify requirements
	13	Q22_13 – Compliance support through industry body
	14	Q22_14 – Less / better trained staff
	15	Q22_15 – Minimal costs / Don't believe cost can be reduced

### Q25 – Why agree / disagree that in Australia, the AML / CRF regime is too onerous, given the risks

Code frame	1	Q25_1 – Not onerous / Easy / The system works / Adequate / Sufficient-generic
	2	Q25_2 – Necessary / Essential / Important / Beneficial-generic
	3	Q25_3 – Counter terrorism / Safety / Security
	4	Q25_4 – Counter money laundering / Crime
	5	Q25_5 – In line with international standards
	6	Q25_6 – Many of the required procedures already in place / We would do it anyway
	7	Q25_7 – Regime not onerous because business low risk / low turnover
	8	Q25_8 – The process is onerous / Unnecessary
	9	Q25_9 – Our business is small / Reporting threshold is too low
	10	Q25_10 – Our business/area/industry is low risk
	11	Q25_11 – Regime time consuming / Work intensive / Costly
	12	Q25_12 – Regime complicated / Hard to understand / We need guidance
	13	Q25_13 – Business should be exempt / Doesn't apply to us
	14	Q25_14 – Regime is prescriptive / Compliance too general / Not specific enough for my business or industry
	15	Q25_15 – Over-regulated / Issues all ready regulated by other bodies / Duplication
	16	Q25_16 – Other

### Q27 – Why agree / disagree that not enough responsibility is placed on reporting entities to ensure probity when dealing with customers

Code frame	1	Q27_1 – Enough responsibility / Regime is OK / Generic-positive
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	2	Q27_2 – Over regulated / Too much responsibility / Generic-negative
	3	Q27_3 – Current system onerous / Time consuming / Costly
	4	Q27_4 – Obligated to comply / Penalties high / Currently compliant / Requirements clear
	5	Q27_5 – Too much for low risk
	6	Q27_6 – Need assistance or support / Difficult to implement / Don't understand the system fully
	7	Q27_7 – We would do the requirements anyway / Has other benefits / Manages reputation risk
	8	Q27_8 – Current requirements already cover AML
	9	Q27_9 – System is ineffective
	10	Q27_10 – Irrelevant
	11	Q27_11 – Needs more vigilance from some / More responsibility needed
	12	Q27_12 – AML is important / essential
	13	Q27_13 – Other

### Q28 – How current AML / CTF regime could be improved

Precodes	1	Q28_1 – More extensive sharing of typologies and/or case studies by AUSTRAC
	2	Q28_2 – More training courses (including seminars) by AUSTRAC
	3	Q28_3 – More training courses (including seminars) by industry peak bodies
Agreed extensions	4	Q28_4 – Provide more feedback on compliance/reporting
	5	Q28_5 – More case studies / Typologies / Examples of effectiveness
	6	Q28_6 – Abolish AML/CTF regime
	7	Q28_7 – Simplify process / More user friendly / Streamline
	8	Q28_8 – Take into account size of business or amount of risk / Industry specific regulation / More exemptions
	9	Q28_9 – More data sharing / Central database
	10	Q28_10 – Stop duplication in reporting/ of legislation/ of requirements
	11	Q28_11 – More AML/CTF training or assistance / More industry specific training / Training in regional areas/ examples of how
	12	Q28_12 – Provision of software
	13	Q28_13 – Cost too high / Reimbursements / Concessions
	14	Q28_14 – Increase awareness / Public information / Advertising
	15	Q28_15 – Other

### Q32 – Money laundering risks for busines in the two year period ending 30 June 2011

Code frame	1	Q32_1 – Low risks / Decreasing risks
	2	Q32_2 – Gambling
	3	Q32_3 – Money transfers / Foreign exchange / Value transfer instruments
	4	Q32_4 – Fraud-generic
	5	Q32_5 – Money laundering / Proceeds of crime-generic
	6	Q32_6 – Identity theft / Identity fraud / Identity verification
	7	Q32_7 – New clients / Unknown clients
	8	Q32_8 – Increase-generic
	9	Q32_9 – Superannuation

	10	Q32_10 – Tax evasion
	11	Q32_11 – Internal fraud / Staff issues (e.g. Training and monitoring problems)
	12	Q32_12 – Financial services
	13	Q32_13 – Use of cash
	14	Q32_14 – Drugs
	15	Q32_15 – Other
	16	Q32_16 – None

### Q33 – Counter measures that would be most effective in minimising money laundering risks to business

Code frame	1	Q33_1 – Inhouse / Existing procedures / No change needed-Generic
	2	Q33_2 – Staff training / Staff awareness / Staff vigilance / Staff assessments
	3	Q33_3 – Intelligence sharing / ID verifying database / List of high risk customers
	4	Q33_4 – Ongoing monitoring-generic / Vigilance / Observation
	5	Q33_5 – Update procedures / Procedures assessment / Improvement
	6	Q33_6 – KYC / Customer ID / More customer ID / ID card
	7	Q33_7 – General public awareness
	8	Q33_8 – Reporting
	9	Q33_9 – Limit transactions (such as by size) / Eliminate cash
	10	Q33_10 – Need information / Training / Typologies from Austrac
	11	Q33_11 – Transaction monitoring
	12	Q33_12 – No risks/ Low risk / Need nothing at all
	13	Q33_13 – Compliance / Increase compliance / Austrac or AML / CTF act measures fine
	14	Q33_14 – Software
	15	Q33_15 – Other legislation / Regulation already covers it
	16	Q33_16 – Other

### Q37 – Terrorism financing risk for business in two year period ending 30 June 2011

Code frame	1	Q37_1 – No risk/low risk
	2	Q37_2 – Gambling
	3	Q37_3 – Identity fraud/ other fraud
	4	Q37_4 – Money transfer/ foreign exchange
	5	Q37_5 – Risk of unknown customers / Investors / Services used to process money involved in financing terrorism
	6	Q37_6 – Charities
	7	Q37_7 – Cash
	8	Q37_8 – Increase business/new customers/new products
	9	Q37_9 – Other
	10	Q37_10 – Don't know / Can't predict

### Q38 – Counter measures that would be most effective in minimising terrorism financing risks to business

Code frame	1	Q38_1 – No suggestions/ none needed
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2	Q38_2 – Follow existing legislation, policies and procedures, which are adequate – Government/ AUSTRAC
3	Q38_3 – Education and training
4	Q38_4 – Perform due diligence/ KYC
5	Q38_5 – Better communication with government/law enforcement/other organisations / ability to access/share resources
6	Q38_6 – Transaction monitoring
7	Q38_7 – Reporting suspect transactions/ individuals/ institutions
8	Q38_8 – Follow existing policies and procedures, which are adequate – in house/ company/ organisation – NOT Government
9	Q38_9 – Limits on service (eg cashout limits, no cheques)
10	Q38_10 – Awareness and observation/ be alert and vigilant
11	Q38_11 – Identification checks/ criminal checks/ institution checks/ watch lists
12	Q38_12 – Other

# Appendix 7 — Derived variables

Qtn	Description	Derived variable	Value label	Code
Q1	Industry groups (aggregated by bolded industry group headings from questionnaire)	Q1X	Industry groups aggregated by industry headings specified in q'aire	
Q2	Equivalent full time employees on payroll at 30th June 2009	Q2X	0	1
			1–4	2
			5–19	3
			20–49	4
			50–99	5
			100–199	6
			200 +	7
			Not stated	8
Q3	Estimated turnover of business	Q3X	< \$100,000	1
			\$100,001–\$500,000	2
			\$500,001–\$1,000,000	3
			\$1,000,001–\$5,000,000	4
			\$5,000,001–\$10,000,000	5
			> \$10,000,000	6
			Don't know	-999
			Not stated	7
Q4	Estimated value of funds under management of business (SUMMARY)	Q4X	\$0	1
			\$1–\$100K	2
			\$100,001K–\$499,999K	3
			\$500K–\$999,999	4
			\$1M–\$4,999,999	5
			\$5M–\$9,999,999	6
			\$10M–\$49,999,999	7
			\$50M +	8
			Don't know	-999
			Not stated	9

Qtn	Description	Derived variable	Value label	Code
Q6	Does your business use each of the following procedures as defined in the AML / CTF Act? (ANY)	Q6X	At least one	1
			None / not stated	2
Q8			Nett confident	1
			Nett not confident	2
			Neutral	3
			N/A	4
			Not stated	5
Q18	Estimated AML / CTF compliance cost for the 12-month period ending 30 June 2009 (SUMMARY)	Q18X	\$0	1
			\$1-\$500	2
			\$501-\$1000	3
			\$1001-\$2000	4
			\$2,001-\$10,000	5
			>\$10,001	6
			Not stated	7