

MEDIA RELEASE

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Major step forward for Indigenous Australians and financial services

The Financial Services Council and First Nations Foundation congratulate AUSTRAC for the release of its guidance note to aid the identification of people of Aboriginal and Torres Strait Islander heritage (Guidance) announced at the FSC Leaders' Summit today.

For over two years, FNF and the FSC have sought improvements to AUSTRAC's guidelines to allow FSC's members to better identify and engage with Indigenous Australians.

"Allowing financial institutions to tailor identification of customers of Indigenous heritage will boost financial inclusion." Andrew Bragg, FSC Director of Policy said.

"The present law prevents financial institutions from taking cultural factors into account when legally identifying and engaging with the first Australians."

"This issue is particularly pronounced in remote communities where drivers licences and passports can be extremely rare," Mr Bragg said.

"In a world strangled by red tape, Aboriginal and Torres Strait Islander communities are often left out. Cultural practice may require you to change your name if it coincides with a relative who just died, an arbitrary date of birth may have been chosen for you which is not accurate, or your name is too challenging for Western spelling," said Amanda Young, CEO of the First Nations Foundation.

"It is a breath of fresh air for AUSTRAC to have found a common sense approach which can satisfy all needs and they are to be commended for this Guidance. We hope the financial sector pick up on this leadership and adopt the same practice so our First Nations people are included financially," Young said.

For example, a common challenge the Guidance specifically addresses, is the difficulty around identification that occurs when a family member has passed away. As is customary in Indigenous culture, the name of a deceased family member may not be used for a period of time after their death.

Many Indigenous Australians who share a name with a deceased person often subsequently change their name. Without official identification, such as a passport or drivers' license, verification of the new name becomes challenging for financial institutions and hampers the payment of insurance claims or superannuation to beneficiaries. For such a situation, the Guidance approves processes of verification based on reference letters by an acceptable referee, such as a doctor.

These same verification processes can also be used by individuals for setting up bank accounts, superannuation and insurance services. Indigenous community cards are also listed as an acceptable form of identification. As such, the Guidance paves the way for financial institutions to facilitate greater financial access to Aboriginal and/or Torres Strait Islander communities.

The First Nations Foundation, supported by the FSC as a community partner, is the only nationally operating Indigenous charity solely dedicated to improving financial well-being.

The AUSTRAC guidance can be found at <http://www.austrac.gov.au/aboriginal-andor-torres-strait-islander-people>. The FSC also acknowledges the contribution of the Indigenous Super Working Group towards this achievement, which includes representatives and members from the Australian Institute of Superannuation Trustees, the Association of Superannuation Funds of Australia, First Nations Foundation, as well as the FSC.

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About the Financial Services Council

The Financial Services Council (FSC) has over 110 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The industry is responsible for investing more than \$2.6 trillion on behalf of 11.5 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.