

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE

**Question No. 18**

**Senator Barnett asked the following question at the hearing on 25 May 2009:**

In relation to Open Mind Research Group's report, *Monitoring Awareness Levels for Cross Border Movement Obligations*:

- a) why was the Group chosen,
- b) who was on the select list,
- c) when was the report concluded,
- d) can the Committee be provided with an executive summary of the report, and
- e) provide details on the levels of awareness on cash reporting and bearer negotiable instruments, that were discovered through the report.

**The answer to the honourable senator's question is as follows:**

- a) Open Mind Research Group (OMRG) was appointed by AUSTRAC in July 2006 to conduct developmental research to inform a communications strategy to support amendments to the *Financial Transaction Reports Act 1988*. The amendments included new obligations relating to the cross-border movement of funds including cash and bearer negotiable instruments (such as travellers' cheques, cheques and money orders). OMRG ranked highest following the selection process. It demonstrated an excellent understanding of the brief and issues specific to this project. OMRG also had significant relevant experience and proposed an experienced team to work on the project. Sampling and research methodology was clear, appropriate and promised a high level of data quality. OMRG was assessed to represent excellent value for money. Significantly, OMRG was the only consultancy able to meet both the timing and budget requirements of the project. In June 2007, AUSTRAC re-engaged OMRG to conduct benchmark and tracking research for new cross-border movement obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.
- b) Four market research consultancies were invited to tender for the developmental research project. The consultancies were:
  - Chant, Link & Associates (withdrew from the process prior to submitting a proposal)
  - DBM Consultants
  - OMRG
  - Wallis Consulting Group Pty Ltd.
- c) Two reports were provided to AUSTRAC by OMRG on the measured levels of awareness. The first was provided in August 2007 and the second in November 2007.
- d) The reports' executive summaries are attached.
- e) Please refer to the executive summaries (attached) which contain findings on awareness levels.



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**AUSTRAC**  
CROSS-BORDER MOVEMENT COMMUNICATIONS PROJECT  
BENCHMARK RESULTS

*Executive Summary*

**PREPARED BY:** The Open Mind Research Group  
**ON BEHALF OF:** The Australian Transaction Reports and  
Analysis Centre (AUSTRAC)  
**DATE:** 21 August 2007

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## EXECUTIVE SUMMARY

This report summarises the findings of benchmark research undertaken on behalf of the Australian Transaction Reports and Analysis Centre (AUSTRAC). This benchmark research was undertaken in order to assess the effectiveness of an information campaign launched by AUSTRAC to inform travellers entering and departing Australia of new Cross Border Movement- Bearer Negotiable Instrument (CBM-BNI) obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act* introduced in December 2006. Specifically, research is required to assess the effectiveness of the campaign in terms of creating awareness and understanding among travellers of their obligations, as well as willingness to comply with the new obligations.

The target audience included inbound travellers (Australian born, CALD permanent residents, non Australian visitors) and outbound travellers (Australian born, CALD permanent residents). Key audience characteristics included age, gender, purpose and frequency of travel.

Fieldwork was conducted at four major Australian airports where Customs has a presence: Melbourne, Sydney, Cairns and Perth. Table 1 shows the dates that fieldwork was conducted.

**Table 1: Benchmark Fieldwork dates**

● Airport	●	● Dates
● Perth	● Inbound/Outbound	● 20-24 June 2007
● Sydney	● Inbound only	● 20-25 June 2007
● Melbourne	● Inbound only	● 20-26 June 2007
● Cairns	● Inbound/Outbound	● 22-26 June 2007
● Sydney	● Outbound only*	● 13-19 July 2007

\* Includes Outbound travellers (n=90) originally scheduled for Melbourne airport

Face to face interviews (averaging 10 minutes) were conducted with inbound and outbound travellers at each of the four airports. All interviews were conducted in English, with interviews scheduled during peak times (eg. 5-9am; 5-8pm).

Interviews with departing travellers were undertaken within the departure terminals at the airports (i.e. after travellers had passed through customs). Interviews with arriving travellers were undertaken as passengers left the arrivals terminal.

Table 2 outlines the achieved benchmark interviews with inbound and outbound travellers across each of the four airports.

**Table 2: Benchmark sample**

Sample frame		Outbound		Inbound		
		CALD Permanent Resident	Australian Born	CALD Permanent Resident	Australian Born	Non Australian Visitors
Sydney	<b>N= 268</b>	80	100	36	24	28
Melbourne	<b>N= 90</b>	0	0	37	24	29
Perth	<b>N=169</b>	51	51	25	21	21
Cairns	<b>N= 96</b>	20	28	11	21	16
<b>Total sample N=623</b>		<b>151</b>	<b>179</b>	<b>109</b>	<b>90</b>	<b>94</b>

The CALD segment of the sample was included to provide information about the level of awareness and understanding of reporting obligations amongst respondents whose first language is not English. Given that all interviews were conducted in English, and respondents needed a reasonable level of English proficiency to complete the interview, results for the CALD segment must be interpreted within this context. Awareness and understanding of reporting obligations may well be lower among non-English speaking travellers. Table 3 shows the background of CALD inbound and outbound travellers.

**Table 3: Percentage of inbound and outbound CALD travellers by country of birth**

Country of birth	Percentage	
	Inbound (n=109)	Outbound (n=151)
Pacific	9	14
United Kingdom	9	16
Europe	8	20
Asia	57	33
Americas	8	9
Africa	6	4
Middle East	2	3
Russia	-	1
Refused	1	-

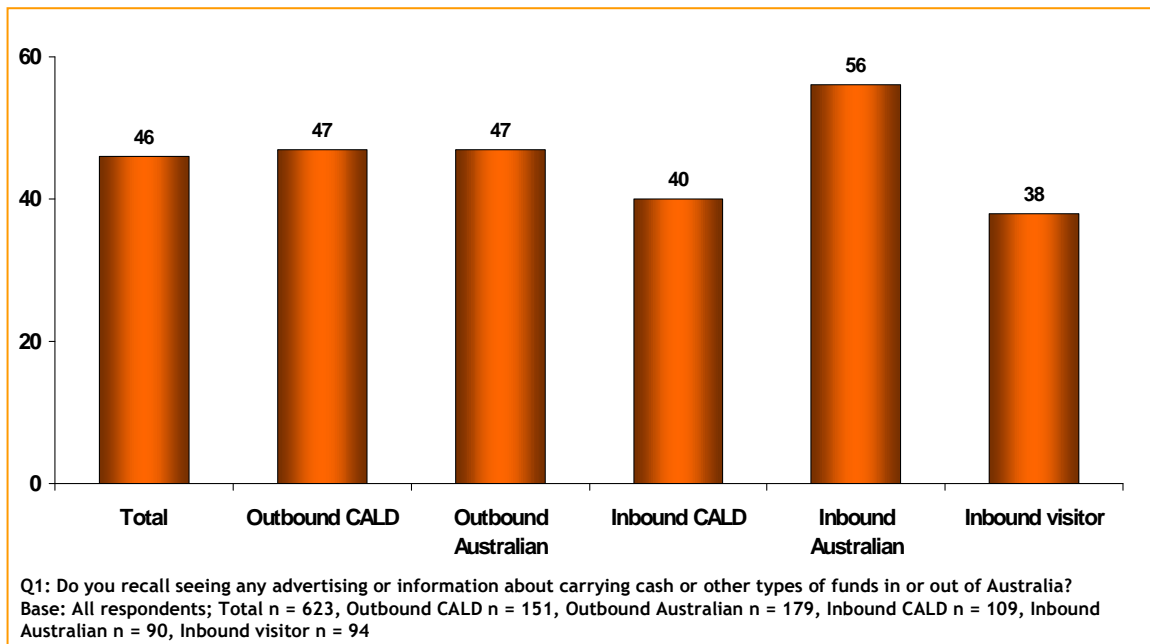
Tracking interviews are scheduled to occur across 2 periods (October 2007 and March 2008) for each airport following the communications activity. This will allow for analysis of additional activities, as well as impact of the placement of advertising materials within the airport.

## AWARENESS OF INFORMATION ABOUT CURRENT OBLIGATIONS

### Unprompted Recall of Advertising or Information

Top of mind recall (that is, without prompting) of advertising/information about carrying cash or other funds in/out of Australia is shown in Chart 1. Benchmark findings showed that less than half of all travellers recalled seeing (unprompted) any advertising or information about their reporting obligations. Inbound Australians were however significantly more likely to recall seeing advertising/information than either inbound CALD or inbound visitors.

**Chart 1: Unprompted Awareness**

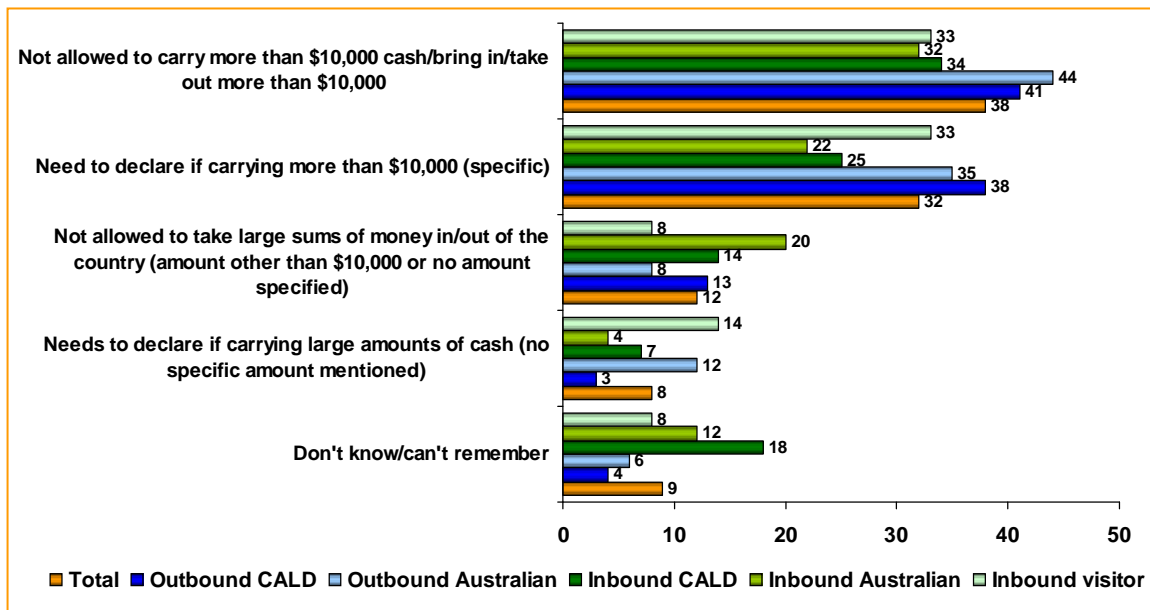


Not surprisingly, with greater opportunities for exposure to advertising/information at the airport and on the plane, those respondents who travelled more frequently were significantly more likely to be aware than non-frequent travellers (51% cf 39%)

The main source of advertising/information across all target segments was posters/signs at the airport (33-47%) and the outgoing/incoming passenger card (32-49%). For most other travellers, brochures/leaflets were the main information source regarding carrying cash/other funds when travelling in/out of Australia.

Main message takeout for almost a third of travellers who had recalled advertising/information about this topic (without prompting) was the need to declare cash when travelling in/out of Australia if the amount exceeds \$10,000. However, as Chart 2 shows a higher % of travellers (38% of 32%) said that the main message was an inability to carry more than \$10,000 cash in/out of Australia. Most others mentioned restrictions on carrying (unspecified) large sums, or the need to declare large amount (non-specified) of cash.

**Chart 2: Main Message Recall**

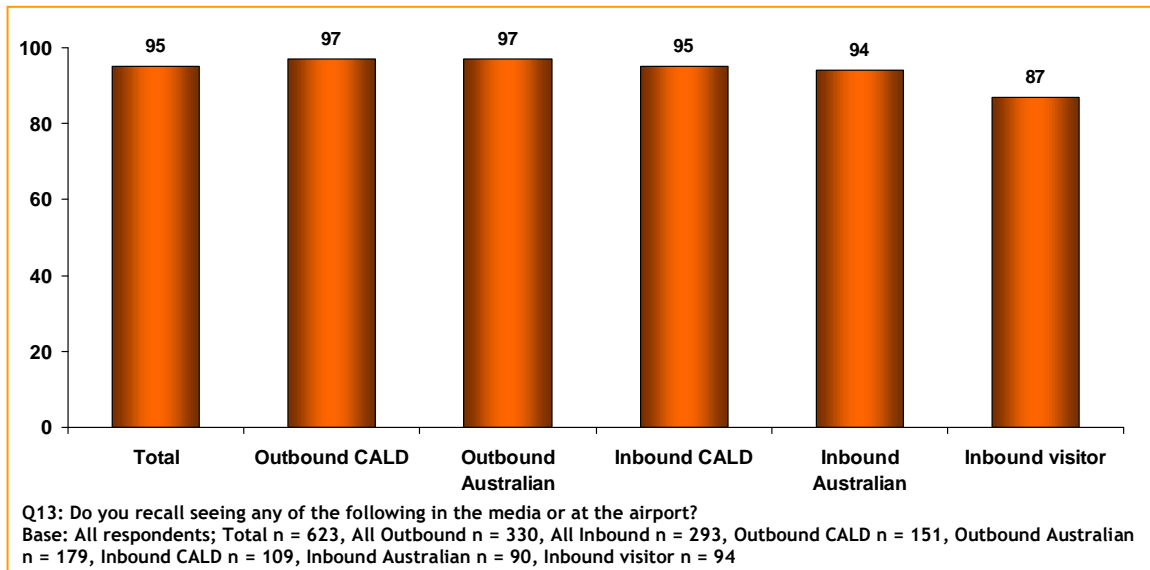


Q3: What would you say is the main message of this advertising/information?  
 Base: Recall recent advertising or information; Total n = 286, Outbound CALD n = 71, Outbound Australian n = 85, Inbound CALD n = 44, Inbound Australian n = 50, Inbound Visitor n = 36

### Prompted Recall of Advertising

At benchmark, across all target segments, prompted advertising recall was high. Chart 3 shows that, with the exception of inbound visitors, over 90% of respondents from all other target segments recalled seeing information either in the media or at the airport. Inbound visitors were significantly less likely to recall advertising related to reporting obligations than the inbound CALD segment.

**Chart 3: Total Advertising Recall**



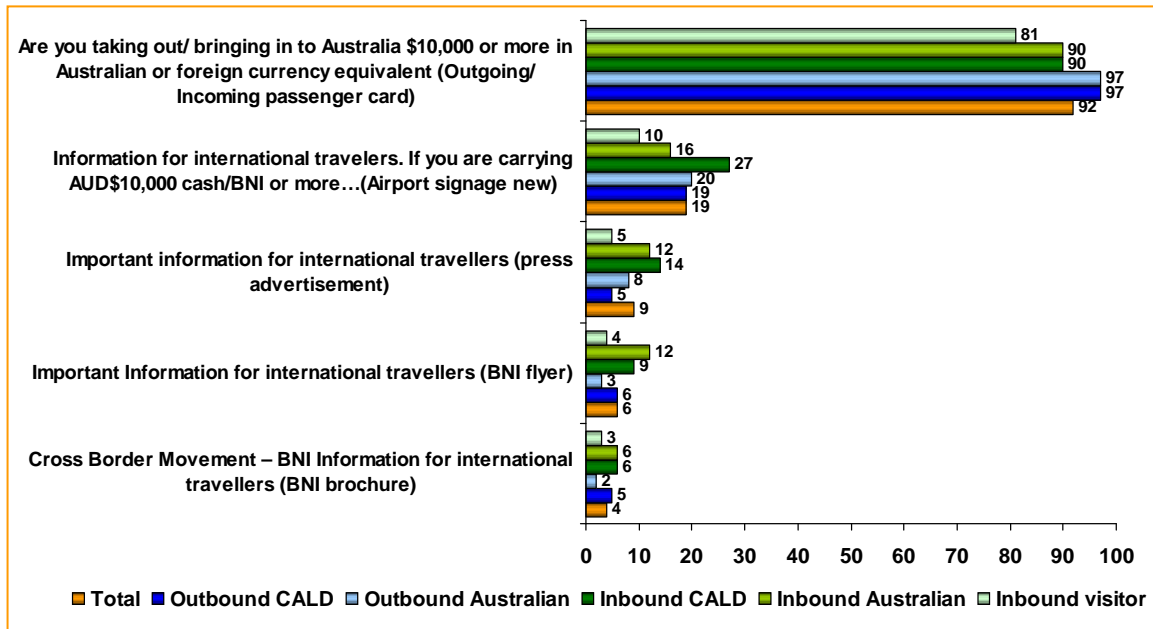
Respondents were shown, and asked if they recalled seeing, any of the following six sources of information:

- Cross Border Movement – Bearer Negotiable Instrument. information for international travellers (brochure)
- Important. Information for international travellers, Cross-Border Movement-Bearer Negotiable Instrument (CBM-BNI) (flyer)
- IMPORTANT Information for international travellers. (press advertisement)
- NOTICE If you are carrying \$A10,000 CASH or more (or foreign equivalent) you must report it to Customs (current airport signage)
- Important Information for international travellers: If you are carrying AUD\$10,000 cash or more (or foreign equivalent) you must report it using a form available from Customs: If you are carrying a bearer negotiable instrument for any amount you must report it if requested by a Customs or police officer (new airport signage)



It is clear from Chart 4 that the major information source across all target segments is on the plane (incoming/outgoing passenger card). Recall of BNI brochures and flyers, available in arrival and departure terminals, was quite low among travellers and even lower recall was found for the press advertisement.

**Chart 4: Prompted advertising recall**

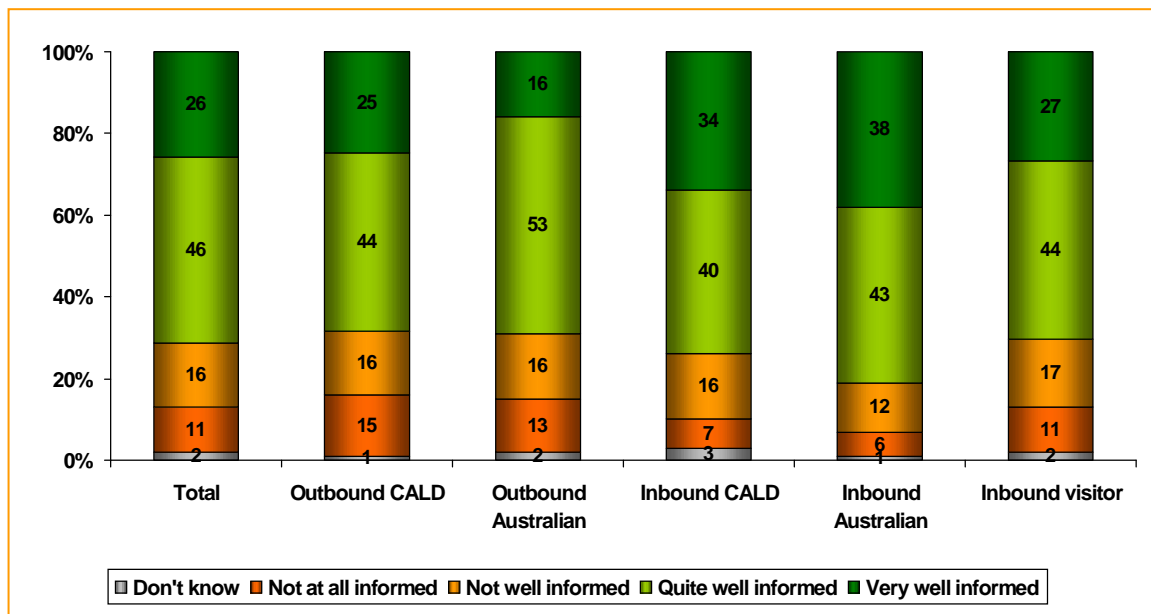


Q13: Do you recall seeing any of the following in the media or at the airport?  
 Base: All respondents; Total n = 623, All Outbound n = 330, All Inbound n = 293, Outbound CALD n = 151, Outbound Australian n = 179, Inbound CALD n = 109, Inbound Australian n = 90, Inbound visitor n = 94

## UNDERSTANDING OF CURRENT OBLIGATIONS

Travellers were asked how well informed they felt they were about their obligations when carrying funds in/out of Australia. Chart 5 shows that over two-thirds, across all target segments, felt that they were at least somewhat informed about their obligations.

**Chart 5: How Informed Are They about Their Obligations**



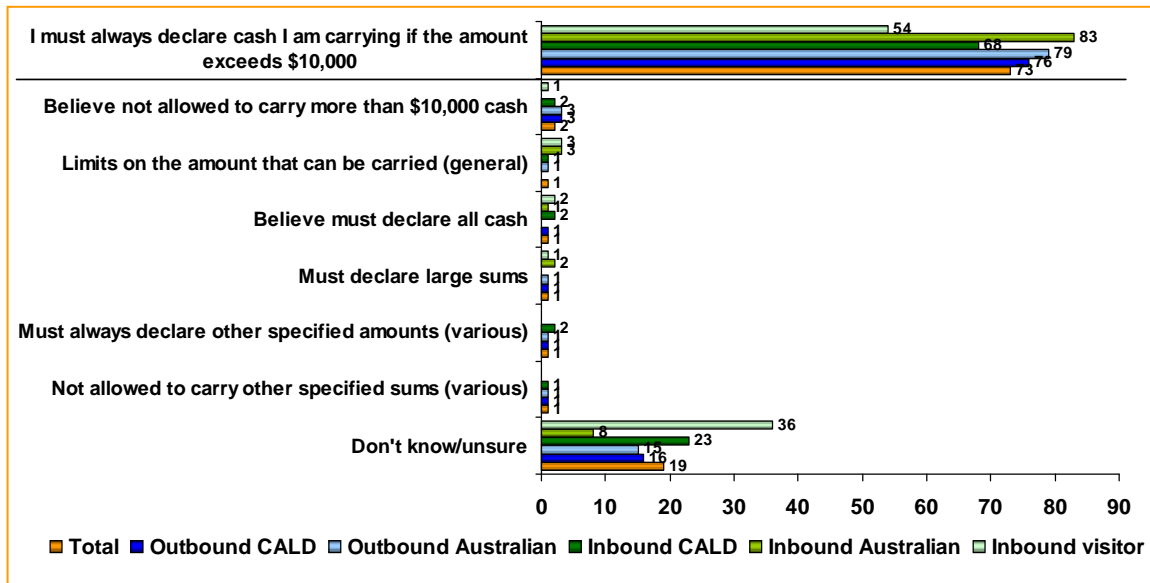
Q5: Thinking about information provided about carrying funds when travelling in and out of Australia, how well informed do you feel you are personally about your obligations when carrying funds in and out of Australia? Would you say...?  
 Base: All respondents; Total n = 623, Outbound CALD n = 151, Outbound Australian n = 179, Inbound CALD n = 109, Inbound Australian n = 90, Inbound visitor n = 94

Those travellers who were significantly more likely to feel informed about their obligations were those with unprompted awareness of information related to carrying funds, and those who travelled frequently.

Although many of those aware of the information about the topic without prompting appeared confused regarding the main message takeout (refer Chart 2), when specifically asked about their understanding of current obligations, the majority (73%) of respondents across all segments were aware of the need to declare **cash** if the amount carried exceeds \$10,000. (Refer Chart 6).

Chart 6 also shows that Inbound visitors were the least likely to be aware of this reporting obligation, with over a third of this target segment indicating they were unsure/didn't know what their obligations were.

**Chart 6: Understanding of Current Obligations (Cash)**



Q8: What do you understand to be your current obligations in regard to carrying cash in or out of Australia?  
 Base: All respondents; Total n = 623, Outbound CALD n = 151, Outbound Australian n = 179, Inbound CALD n = 109, Inbound Australian n = 90, Inbound visitor n = 94

Other travellers understood there was a requirement to declare cash being carried, but mentioned various other/no specified amounts, with some believing there were restrictions on the amount of cash that could be carried when they were travelling in/out of Australia.

**AWARENESS OF RECENT CHANGES TO REPORTING OBLIGATIONS**

At benchmark, **awareness of the recent changes to reporting obligations** for international travellers was very low across the whole sample: less than 15% of travellers across all segments (inbound and outbound) had heard anything about changes to their reporting obligations. Perhaps not surprisingly, those who travelled more frequently were significantly more likely to be aware of these changes compared with non-frequent travellers.

Of the small number of respondents (n=47) who recalled hearing about changes, the majority (40%) mentioned the need to declare cash carried if the amount was \$10,000/in excess of \$10,000. Just over one-third of travellers however mentioned that carrying or taking out/bringing in more than \$10,000 cash was not allowed, with most others believing the changes to be about (unspecified) limits on the amount of cash that can be carried in/out of Australia.

While a small proportion of respondents typically believe they have seen advertising prior to its actual launch, the percentage of travellers (nearly 20% of the total sample) who reported that they had seen signage (not yet installed) in the airport relating to the new BNI reporting obligations was slightly higher than expected. This is likely to reflect a lack of understanding among travellers about what BNIs are, as well as potential confusion with the current (and better known) reporting obligations related to carrying cash.

## UNDERSTANDING OF OBLIGATIONS REGARDING BEARER NEGOTIABLE INSTRUMENTS

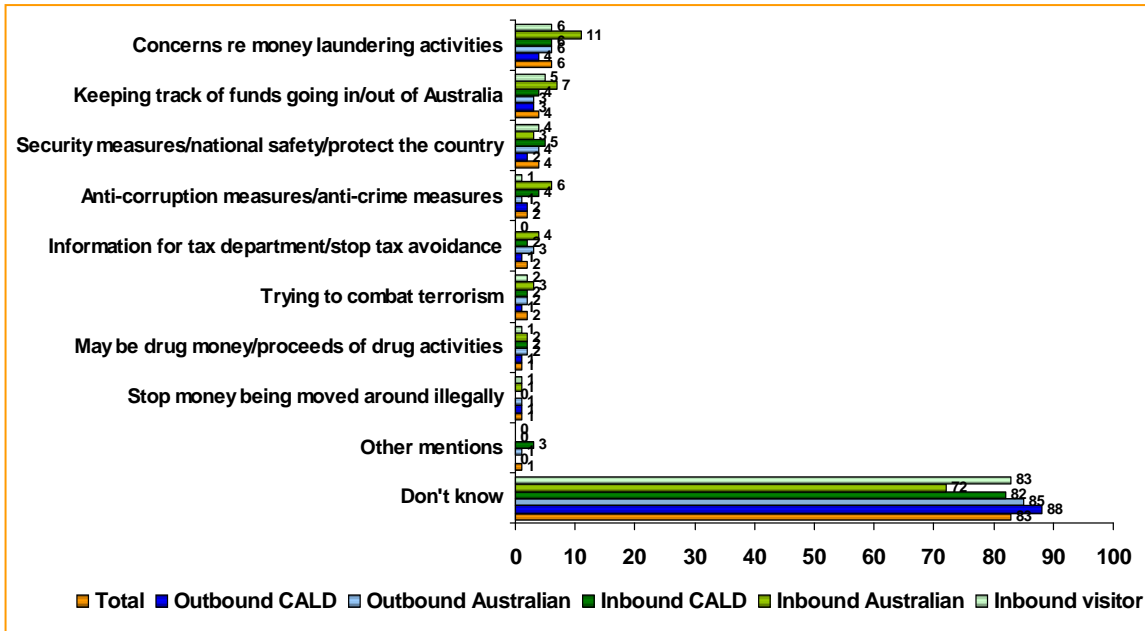
At benchmark, there was a very low **understanding of the term Bearer Negotiable Instruments** (BNIs), with few travellers able to say what the term meant. More than 70% of travellers (ranging from 72% of Inbound Australians to 88% of outbound CALDs) indicated that they did not know or were unsure what BNIs were: inbound Australians were the least likely to know. Of the very small number who indicated they did know what BNIs were, the most common response was travellers cheques and personal cheques.

Benchmark findings on traveller's understanding of regulations regarding BNIs were markedly different from their understanding of cash obligations. Despite believing they were reasonably well informed about their obligations when carrying funds in/out of Australia, when asked about their **understanding of the specific government regulations in relation to carrying BNIs**, nearly all travellers were unable to say what they were: this applied to both outbound travellers (CALD – 93%, Australian 94%) and inbound travellers (Australians – 82%, CALD – 86% and Visitors – 90%). A very small percentage of Inbound travellers did however believe that, as with cash, they needed to declare BNI's (either if in excess of \$10,000, if asked, of any value).

Given their poor understanding of the government regulations related to carrying BNIs in/out of Australia, and to a lesser extent their awareness of regulations related to carrying cash, very few travellers (across all target segments), were able to say what the **consequences were of not complying with the regulations relating to carrying cash or BNIs**. Of the 88 respondents who indicated that they were aware of the consequences of not complying with the regulations, the majority (70%) mentioned heavy fines. Others mentioned imprisonment, prosecution and confiscation of all or part of the funds being carried.

At benchmark, there was a low level of understanding about the reasons behind the introduction of changes to reporting obligations related to carrying BNIs when travelling internationally.

**Chart 7: Reasons for changes (BNIs)**



Q12: What do you understand to be the reason behind the introduction of these changes to your reporting obligations when carrying funds other than cash when travelling in or out of Australia.  
 Base: All respondents; Total n = 623, Outbound CALD n = 151, Outbound Australian n = 179, Inbound CALD n = 109, Inbound Australian n = 90, Inbound visitor n = 94

Over 80% of respondents were unable to say: this ranged from 72% of Inbound CALD to 88% of outbound CALD. Inbound Australians were the most likely target segment to mention specific reasons: the most common reasons were combating illegal activity (e.g. money laundering, corruption, crime), monitoring the movement of funds in/out of Australia and personal/national security measures.

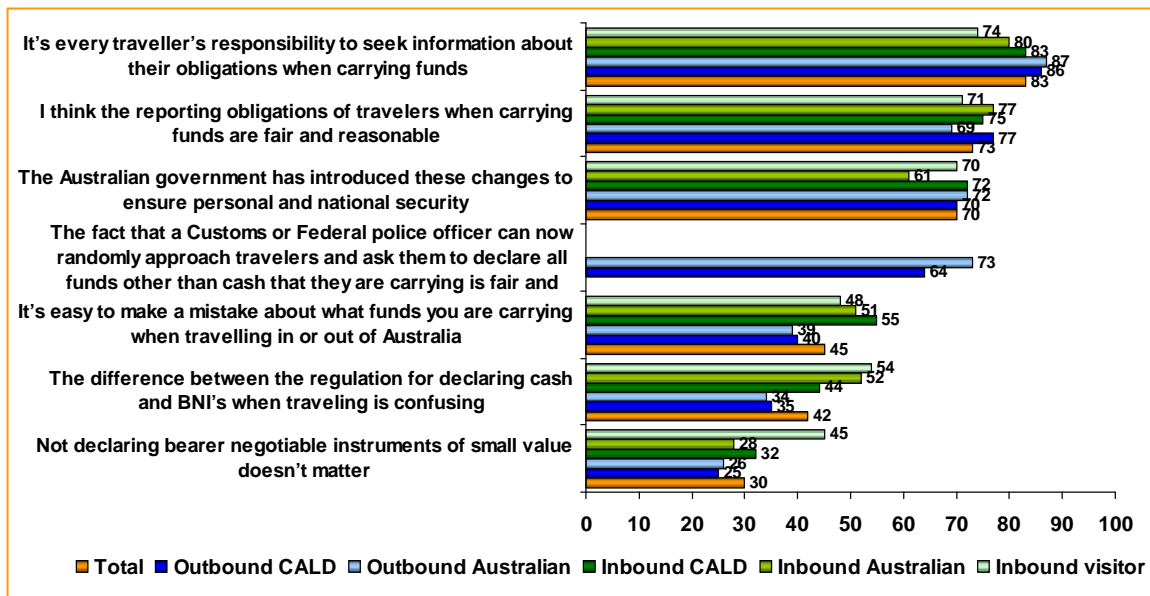
**WILLINGNESS TO COMPLY WITH REGULATIONS**

In addition to benchmarking traveller’s awareness and understanding of the information campaign, this research also sought to establish willingness of traveller’s to comply with their reporting obligations.

When asked how they normally carry funds when travelling overseas, over half (55%) of all respondents indicated that they used a combination of travellers cheques, cash and credit cards. Most other respondents either used only their credit card (21%) or only cash (17%), with very few reliant on travellers cheques alone.

Chart 8 shows that a high percentage of travellers (83% of total sample) accept it is their responsibility to ensure they are well informed of their obligations when carrying funds in//out of Australia. Further, the majority of travellers (73% of total sample) also believe their obligations when carrying any type of funds in/out Australia to be fair and reasonable (73% of total sample), and accept that the recent changes are in the interest of personal/national security.

**Chart 8: Attitudes to Carrying Cash and BNIs**



Q14: Now I'd like you to tell me whether you agree or disagree with the following statements that people have made about carrying cash or bearer negotiable instruments in or out of Australia. Using the scale on this card, do you agree or disagree with... ?  
 Base: All respondents; Total n = 623, All Outbound n = 330, All Inbound n = 293, Outbound CALD n = 151, Outbound Australian n = 179, Inbound CALD n = 109, Inbound Australian n = 90, Inbound visitor n = 94

In view of the poor understanding that most travellers have of what BNIs are, the regulations relating to carrying BNIs and the consequences of non compliance with regulations, the belief among many travellers (42% of total sample) that the difference between the regulations for declaring cash (*must declare but only if \$10,000 or more*) and BNIs (*must declare irrespective of the value, but only if asked by Customs or police officers*) is confusing, is of some concern since it has potential to undermine the willingness of travellers to comply with the regulations.

## MOVING FORWARD

Despite a diverse sample, benchmark results showed little difference in awareness and understanding of obligations, or willingness to comply with obligations, among international travellers, both across airports and between inbound and outbound travellers. Although there were some trends across the target audience segments (CALD, Australians and Visitors), overall the findings were somewhat similar across the target segments.

While over two-thirds of travellers felt they were ‘somewhat informed’ about their obligations when carrying funds (cash and BNIs), more specific assessment of their *actual* awareness and knowledge showed considerable disparity with their self perception. This was most striking in relation to BNIs. Very few travellers in fact knew what their obligations were when carrying BNIs, or that these changes had been recently introduced, or the reasons for these changes. All of this is not surprising given that very few travellers could even say what the term Bearer Negotiable Instrument meant.

In relation to cash, somewhat surprisingly, benchmark results show that a considerable proportion of travellers are not only confused/misunderstand the amount of cash that needs to be declared, but believe these regulations actually restrict the amount they can *take out/bring in* to Australia. These results are of some concern since not only have the reporting obligations related to cash been in place since 1988, but travellers had signed a declaration stating whether they were/were not carrying \$10,000 cash or more immediately prior to being interviewed. Against this context, and the current level of public understanding, new reporting regulations have now been introduced for international travellers.

Benchmark results highlight a clear need for public education relating to reporting obligations when carrying funds when travelling internationally. Specifically, this should focus on:

- Reinforcement of the reporting obligations related to carrying cash.
- Clarification about what BNI’s are.
- Explanation of the reasons for the recent introduction of changes to reporting (BNI) obligations.
- Explanation of the reasons for difference in regulations for declaring cash and BNIs



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**AUSTRAC**  
CROSS-BORDER MOVEMENT COMMUNICATIONS PROJECT  
TRACKING RESULTS

*A Research Report*

**PREPARED BY:** The Open Mind Research Group  
**ON BEHALF OF:** The Australian Transaction Reports and  
Analysis Centre (AUSTRAC)  
**DATE:** 12 November 2007



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**KEY FINDINGS**..... ERROR! BOOKMARK NOT DEFINED.

- **AWARENESS OF COMMUNICATIONS ABOUT CARRYING CASH OR OTHER TYPES OF FUNDS IN OR OUT OF AUSTRALIA** ..... **ERROR! BOOKMARK NOT DEFINED.**
  - Unprompted Recall of Communications*.....*Error! Bookmark not defined.*
  - Travellers Perceptions of Their Level of Knowledge About Their Obligations*.....*Error! Bookmark not defined.*
  - Prompted Recall of Communications* .....*Error! Bookmark not defined.*
  - The Role of Light Box Placement in Generating Awareness of Communications* ..*Error! Bookmark not defined.*
- **AWARENESS AND UNDERSTANDING OF OBLIGATIONS**..... **ERROR! BOOKMARK NOT DEFINED.**
  - Understanding of Current Obligations*.....*Error! Bookmark not defined.*
  - Awareness of Recent Changes to Reporting Obligations*.....*Error! Bookmark not defined.*
  - Understanding of Obligations Regarding Bearer Negotiable Instruments**Error! Bookmark not defined.*
- **ATTITUDES TO CARRYING CASH AND BNIS** ..... **ERROR! BOOKMARK NOT DEFINED.**

## EXECUTIVE SUMMARY

This report outlines the findings of the benchmark and first wave of tracking research undertaken to evaluate the impact of the AUSTRAC communications to advise international travellers of the financial transaction reporting obligations for international travellers.

The aim of the research was to determine the level of awareness and understanding among international travellers of their reporting obligations when carrying cash and other funds in/out of Australia, as well as their attitudes towards these obligations. Specifically, the research was designed to assess the effectiveness of the light box communications across four airports (Sydney, Melbourne, Perth, Cairns), together with the other supporting communication activities.

- Just over half of the sample recalled (unprompted) seeing any communications about carrying cash/other funds in/out Australia, with the main sources being the incoming/outgoing passenger card, followed by signage at the airport.
- Consistent with the benchmark findings, the main message recalled was the need to declare cash carried when travelling internationally (the existing reporting obligations). There was little mention of the obligations regarding BNIs amongst those travellers who recalled communications without prompting.
- The majority of respondents recalled having seen at least one of the communications when prompted, however, once again the passenger card played a significant role.
- Awareness of the new light box advertising increased at Wave 1, particularly amongst arriving travellers. The higher awareness amongst arriving travellers is considered a reflection of the greater concentration of AUSTRAC light box advertising within the arrival terminals. The highest levels of awareness amongst arriving travellers were those airports with the greatest concentration of light boxes positioned above baggage carousels (Sydney and Cairns). In the case of departing travellers, placement in areas where travellers had to queue resulted in higher awareness (Perth).
- There was little awareness of flyers or brochures about this topic. This low level of awareness may indicate that the distribution of this material is low. While brochures and flyers have been available within departure and arrival halls at all four airports since December 2006, it is not known how these have been made available to travellers (i.e. whether Customs Officers are handing them out to travellers or whether travellers can collect them from particular locations within the terminal). Irrespective of the distribution, the results to date suggest that these are not being utilised to their full capacity.
- There was little awareness of the recent changes to reporting obligations for international travellers. The majority of those travellers who indicated that they had heard of changes to their reporting obligations mentioned the need to declare cash carried if the amount was \$10,000/in excess of \$10,000 rather than the new obligations.
- Despite believing they were reasonably well informed about their obligations when carrying funds in/out of Australia, when asked about their understanding of the specific government regulations in relation to carrying BNIs, nearly three quarters of travellers were unable to say what the term meant. Of the small number of respondents who indicated that they knew what BNIs were, the most common responses were travellers cheques and personal cheques (consistent across both waves).

- Given their low awareness of changes to the requirements and reported poor understanding of the term BNI, it is not surprising that the majority of travellers were unable to say why the changes had been implemented. Moreover, around a third of travellers were unable to say whether they found the difference between the regulation for declaring cash and BNIs when travelling in or out of Australia confusing, as well as whether not declaring BNIs matters.
- These findings reinforce the need for further work to be done communicating to travellers in order to increase their level of understanding of the term BNI and their reporting obligations.