

17 May 2019

Department of Foreign Affairs and Trade
counter-terrorism.financing@dfat.gov.au

Dear DFAT,

Response to discussion paper on disrupting terrorism financing

Thank you for the opportunity to comment on the Department of Foreign Affairs and Trade (DFAT) discussion paper on disrupting terrorism financing. This is a critical issue for organisations working in international development, and we welcome DFAT's leadership.

Family Planning NSW (FPNSW) is a DFAT accredited provider of sexual and reproductive health and rights, contraception, gender, disability and cervical cancer programming in the Pacific. Domestically, we have over 90 years of experience supporting communities by delivering services, educating health professionals, promoting healthy lives, and conducting research. We operate overseas as Family Planning Australia.

As a provider of programming overseas, we are acutely aware of the risks for misuse of funds, including for terrorism financing and for this reason have a rigorous process to ensure that our programmes have clear and transparent funding agreements in place.

Family Planning Australia only works in tier 2 countries as defined in the paper, and therefore this response only applies to the recommendations in the discussion paper related to those countries and not recommendations related to tier 1 countries.

Key Issues

Family Planning Australia complies with the clauses in our DFAT ANCP agreement and with Australian legislation more broadly, in relation to mitigating the risks of terrorism financing. This includes conducting background checks on new staff members against the DFAT Consolidated list and the Listed Terrorist Services, and background checks for key contacts within our in-country partner organisations such as the leadership team and project coordinators. Given that we are a significant NGO domestically, the international programme is able to leverage our internal corporate team to ensure policies relating to terrorism financing are up to date and have not therefore had any challenges with complying.

Many of the proposed changes in the discussion paper, from our reading, clarify existing practice and we therefore do not have any particular concerns. That said, as is outlined in the discussion paper, it is critical that DFAT continues to take a risk based approach to this

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ACFID Family Planning Australia is a member of the Australian Council for International Development (ACFID) and adheres to ACFID Code of Conduct which defines minimum standards of governance, management and accountability of development in non-government organisations.



issue. Our work in the Pacific operates in low resource and capacity settings, and so while we have many checks and balances with regards to our programmes, our risk assessment is that the risk of terrorism financing in the countries we work is low.

There are a number of financial management challenges in the Pacific beyond terrorism financing, the most significant being fraud. We therefore believe that the policies and contract language related to terrorism financing should be read alongside the policies and contract language for fraud and other financial crimes more broadly. Doing so makes it easier for NGOs to comply, and is a more holistic way of approaching Australian Aid funding and ensuring that it is not misused.

It is also important to be clear about the kinds of support NGOs provide in country. We mostly provide services in our partner countries, such as training. This type of activity is not open to terrorism financing as it cannot be monetised outside of the activity that our staff conducts. While we do provide direct funding to organisations which requires tight controls, it is important to note that not all parts of development assistance are open to the risks of terrorism financing.

Finally, it is important to continue to differentiate between tier 1 and tier 2 countries, and provide lead time and advice should these change. As we only operate in tier 2 countries, we have not and do not intend on establishing processes that would address the higher level controls.

Conclusion

Family Planning NSW supports DFAT taking a proactive approach to disrupting terrorism financing. We would continue to support ongoing dialogue and guidance on best practice to reduce the risk of terrorism financing occurring through our programmes.

We remain available to discuss our views or provide further input into the development of this policy.

Yours sincerely,



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