

# Media Release



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## AG'S PROPOSED AML REFORMS WOULD IMPACT HOUSING TRANSACTIONS

At a time when the cost-of-living is rapidly rising and housing affordability near record lows, the Attorney General is considering making Australia's real estate system even more complex and expensive for Australians to navigate.

REIA President, Mr Hayden Groves, said that while REIA welcomed input into Australia's anti-money laundering and counter-terrorism financing regime, he warned that the proposals would increase regulation and cost for very little community benefit.

"The Australian Government's response to the inquiry into the efficacy of Australia's AML/CTF regime would do nothing for Australian consumers and a comprehensive cost - benefit analysis to support the proposal must be undertaken.

"If there are tangible benefits to be had, it is property consumers that will ultimately wear the costs. It was not that long ago when the AFP and AUSTRAC admitted that collecting surveillance information from real estate agents would not provide any additional useful information to track criminal activity.

"As if buying a house is not as challenging enough in Australia in 2023, the government wants it to be even more difficult and more expensive for both home buyers and sellers.

"The Australian Government is now saying home buyers will have to go through additional identity checks and have their real estate transactions supervised by both the Australian Federal Police and AUSTRAC to prove that you are not a money launderer when you are simply trying to buy a home."

Mr Groves said that turning real estate agents effectively into a quasi-workforce for the AFP and AUSTRAC would cost consumers.

"Obviously if suburban real estate agents are now required to report every home buyer to authorities and do the AFP and AUSTRAC's job for them this cost will ultimately be worn by the those involved in the transaction.

"This will increase affordability challenges for Australians by increasing transaction costs; we need less red tape, not more.

"Whilst the intent is understood, the benefits are underwhelming and unproven. There are already many identity checks through the conveyancing and financing of real estate purchases. These should be utilised before imposing unnecessary costs on buyers, sellers and the agents that represent them."

"The REIA looks forward to helping the Attorney General understand our position on this matter.

Key facts:

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- REIA has not been consulted by the Attorney Generals Department (the Department), AUSTRAC or the Australian Federal Police since prior to 2017.
- There is no design model in place for a Tranche 2 reporting framework and REIA understands the Department has not developed one.
- There is no comprehensive cost/benefit analysis to support the proposal
- Any cash transaction in Australia over \$10,000 triggers an automatic report to the ATO.
- Across a standard real estate transaction in Australia, there are at least 14 verifications of identify (VOI) of the buyer by both banks and lawyers.
- In New Zealand, the cost to businesses to implement Gatekeeper transactions has ranged from \$30,000 – \$100,000 per real estate agency.
- During the 2021 Inquiry, the AFP and AUSTRAC admitted on record that collecting surveillance information from real estate agents would not increase any useful surveillance.

## ENDS

For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350 [olwyn.conrau@reia.com.au](mailto:olwyn.conrau@reia.com.au)

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit [www.reia.com.au](http://www.reia.com.au)