



**Australian
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MEDIA RELEASE

Australians' banking records get a SWIFT kick - straight to the USA

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"The privacy of Australians' banking records has been put at risk by a third party passing records on to the US Government", warned Australian Privacy Foundation Chair, Anna Johnston, today.

"As if the practice of banks off-shoring customer records wasn't bad enough, now we discover that SWIFT, the organisation that processes international funds transfers for Australian banks, has been giving banking records to the US Administration for several years", she said.

"The Treasurer Peter Costello said this week that our banking records should not go offshore without our consent", said Ms Johnston. "Yet our banking records have already been compromised by the actions of SWIFT, in allowing the US Government to gain access to Australian banking records, without independent judicial oversight".

The Australian Privacy Foundation, the leading non-governmental organisation dedicated to protecting the privacy rights of Australians, last night wrote to the Australian Privacy Commissioner, urging her to investigate the role of Australian banks in this matter.

"We are concerned that the Australian banks and other financial institutions using the SWIFT services may be in breach of the Privacy Act", said Ms Johnston.

SWIFT is the Belgian-based organisation that processes the international transfers of funds on behalf of banks around the world. According to SWIFT's 2005 Annual Report, 11 banks and 88 other institutions in Australia sent more than 3 million messages over the SWIFTNet FIN service last year.

"The practice of SWIFT providing customer records to the US Administration was unearthed recently by the *New York Times*, and has since been confirmed by European privacy commissioners", said Ms Johnston.

"The Australian Privacy Commissioner is unable to investigate SWIFT itself - as an organisation based in Belgium, it is outside her jurisdiction", she said.

"However the Australian Privacy Foundation has submitted a complaint to the Australian Privacy Commissioner, asking her to investigate whether Australian banks, which use SWIFT to transmit records of our private financial affairs, are complying with their privacy obligations to not let customer records out of Australia unless there are safeguards attached", she said.

"In our democratic system of government there is no place for rogue programs which operate outside the oversight of courts and legal authorisation", she said. "If Australian privacy laws cannot be enforced in this case, then all this talk by the Treasurer and the Attorney-General about how Australia's tough privacy laws prevent our banking records leaving this country is completely meaningless".

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