

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS**

CBA104QON: Ms MURPHY: I would assume in that area, particularly AML and CTF functions, you would surely be looking to build up the capacity of the bank, particularly given what happened in 2018. So what active steps are you taking to move a temporary workforce, with some of the risks that are involved in having a temporary workforce in some of those sensitive areas, into more actual capacity within the bank in a permanent sense?

Mr Comyn: There are a couple of points. Firstly, it's in the minority. The vast majority of our people in areas like that are permanent employees. Secondly, we are constantly recruiting. We recruit hundreds of people incrementally. Allowing for turnover, we're recruiting hundreds and hundreds of people each year. As I referenced earlier, the market is very tight here. We're also drawing on employees who will work for CBA in international offices where there's perhaps a little more depth. So it's not 'instead of'; it's absolutely to augment existing recruitment efforts. I think that's an example where there would be a number of people we would have transferred into permanent contracts on the back of that.

Ms MURPHY: If either you or David has any data in that area that you can provide to the committee, I am happy for you to take that on notice, and I would appreciate it.

Mr Comyn: Yes, we do.

Answer: It is a responsibility of everyone working at Commonwealth Bank to understand the risks of financial crime and take appropriate actions to address these. Areas of Commonwealth Bank with primary responsibility for compliance with Anti-Money Laundering/Counter Terrorism Financing requirements include:

1. Financial Crime Compliance – specialist subject matter experts, including those responsible for setting policy, developing and maintaining the Group's Joint AML/CTF Program, and examining complex typologies, trends and escalations. As at October 2021, this area has 177.2 Full Time Equivalent positions, of which 1 is employed on a third-party contingent labour arrangement.
2. Regulatory and Control Operations (RACO) – the operational arm of the Group responsible for assessing customer transactions for the purposes of transaction monitoring, carrying out Customer Due Diligence and working alerts. The current RACO headcount is 1,991 with 718 (or 36 per cent) employed under third-party contingent labour arrangements. All due diligence checks, training and treatment of all staff on third-party contingent labour arrangements are the same as that of permanent employees.