

## Budget Estimates May 2024 – AUSTRAC CEO opening statement

- Given this is my first appearance before this Committee as the new AUSTRAC CEO, I would like to take this opportunity to make a brief opening statement.
- Since commencing with AUSTRAC in January, I've witnessed the extensive mandates of each of the arms of this agency. With such a varied and diverse workload, I will call upon each of AUSTRAC's Deputy CEOs to respond to Senators' questions on operational matters today, where appropriate.
- 2024 sees a continued focus on AUSTRAC's enduring priorities of managing money laundering and terrorism financing risk, enabling high-quality reporting from our industry partners, ensuring effective anti-money laundering and counter-terrorism financing programs and a focus on high-risk sectors.
- As outlined in the 2024 regulatory priorities, released late last year, we will have an increased regulatory focus on the sectors where we've seen significant, rapid growth or heightened intelligence concern, and where we have identified increased risk. We are focusing on digital currency exchange, payment platforms, bullion, corporate bookmakers and non-bank lending sectors.
- In response to sectors of higher risk, the Government has announced \$166.4 million in funding to support major reforms to Australia's anti-money laundering and counter-terrorism financing regime.
- This funding will enable AUSTRAC to implement the new regime and support industries to meet their obligations and protect their businesses.
- The reforms will ensure our regime continues to effectively deter, detect and disrupt money laundering and terrorism financing, and meet our international obligations.
- I also note the serious and systemic AML/CTF compliance failures that AUSTRAC has identified in recent years.
- The most recent of which is the submission filed with the Federal Court proposing a \$67 million penalty over SkyCity's breaches of the AML/CTF Act.
- Although AUSTRAC and SkyCity have reached an agreement, the final penalty is a matter for the Federal Court, so I will avoid making further comment on this matter today.
- Looking forward, we will continue using the range of statutory powers we have at our disposal, to ensure our reporting entities are complying with their statutory obligations. I look forward to bringing ongoing court and other actions to swift and successful resolution.

- AUSTRAC will continue to leverage its remarkable partnerships, through Fintel Alliance, with law enforcement and other regulators, and our international counterparts.
- I can already see the extent to which AUSTRAC's financial data and intelligence analysis is relied upon, and is crucial for a range of law enforcement and national security operations — from child sexual exploitation and drug trafficking, to electoral integrity and fraud against the NDIS.
- We will soon publish our latest national risk assessments that draw upon expertise from government and industry to provide strategic insights into the threats and vulnerabilities associated with money laundering and terrorism financing in Australia.
- Our risk assessments will help us determine the areas of focus for our supervisory work and our intelligence priorities. We share those risk insights with our regulatory and law enforcement partners as well as with industry – to help them protect themselves from misuse by serious and organised criminals.
- I'm heartened to learn of the collaborative efforts and positive community impacts this agency has, and look forward to championing its mandate as both a leading financial intelligence unit and an effective AML/CTF regulator.
- My deputies and I are happy to take any questions.