



Australian Government

Australian Government response to the Senate
Select Committee on the Perth Mint and Commonwealth
regulatory compliance report:

The Perth Mint: Final report

SEPTEMBER 2024

Introduction

On 21 June 2024, the Senate Select Committee on the Perth Mint and Commonwealth regulatory compliance (the Committee) published a report on the corporate and regulatory compliance of Gold Corporation and its trading entity, The Perth Mint, with Australia's anti-money laundering and counter terrorism financing (AML/CTF) regime, as well as related Commonwealth legislation. The Committee was established by the Senate on 22 June 2023, and focussed on the events that led to the Australian Transaction Reports and Analysis Centre (AUSTRAC) ordering the appointment of an external auditor to Gold Corporation, the regulatory compliance of Gold Corporation with Commonwealth legislation, and other matters concerning the corporate and statutory governance of Gold Corporation.

The report makes recommendations directed at Gold Corporation, which is a Western Australian government trading enterprise, the Western Australian Government, the Western Australian Parliament and the Australian Government. Where recommendations are directed at Gold Corporation or the Western Australian Government, the Government has noted these as the Commonwealth does not have responsibility for any response to these recommendations.

The Australian Government thanks the Committee and acknowledges the concerns raised in the dissenting report. The Australian Government's response to the Committee's recommendations is detailed below.

Recommendation		Government Response
Committee Report		
1	The committee recommends that the Board of Gold Corporation (trading as The Perth Mint) publicly acknowledge that the failure to comply with the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> is the responsibility of the Board and, in particular, members of the Audit and Risk Management Committee.	The Government notes this recommendation.
2	The committee recommends that Gold Corporation publish a clear statement identifying the governance failures that ultimately led to breaches of the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> , and that the public statement specifically reference: <ul style="list-style-type: none"> • the events that lead to anti-money laundering and counter-terrorism financing compliance failings identified in the 2020 Internal Audit Report dated August 2020; • the extent to which the Gold Corporation Board informed the Western Australian Government of failures to comply with the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i>; and • the extent to which the Assistant Under Treasurer, Mr Richard Watson, as a member of the Gold Corporation Board, informed the Western Australian Government of failings in Gold Corporation’s compliance with the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i>. 	The Government notes this recommendation.
3	The committee recommends that Gold Corporation table before the Western Australian Parliament the 2020 Internal Audit Report dated August 2020.	The Government notes this recommendation.

Recommendation	Government Response
<p>4 The committee recommends that Gold Corporation table before the Western Australian Parliament a report every two months on its compliance with the Enforceable Undertaking, and that this reporting continues until one month after the Australian Transaction Reports and Analysis Centre formally releases Gold Corporation from the Enforceable Undertaking.</p>	<p>The Government notes this recommendation.</p>
<p>5 The committee recommends the Parliament of Western Australia initiate its own inquiry into matters related to the decision by the Australian Transaction Reports and Analysis Centre to impose an Enforceable Undertaking over Gold Corporation, post 30 April 2025.</p>	<p>The Government notes this recommendation.</p>
<p>6 The committee recommends the Western Australian Government detail to the Western Australian Parliament the extent of the potential financial liability to the Western Australian taxpayer if Gold Corporation fails to meet its obligations under the Enforceable Undertaking.</p>	<p>The Government notes this recommendation.</p>
<p>7 The committee recommends that the Australian Transaction Reports and Analysis Centre (AUSTRAC) provide a private briefing every two months to the Senators of this committee on the progress being made by Gold Corporation to implement the recommendations of the Enforceable Undertaking.</p> <p>Should concerns be identified through these briefings, the committee recommends a further public examination be conducted through a referral to the Senate Legal and Constitutional References Committee for extended inquiry and report on matters related to the corporate and regulatory</p>	<p>The Government does not agree to this recommendation.</p> <p>The Government notes there are existing mechanisms for the Parliament to obtain updates from AUSTRAC. Further, as the Select Committee concluded its inquiry on 21 June 2024, it would not be appropriate for AUSTRAC to report to individual Senators who do not have statutory responsibility for the agency.</p> <p>AUSTRAC, as an independent statutory authority, manages transparency in a way that maintains due process and operational integrity, especially while undertaking an ongoing investigation.</p>

Recommendation	Government Response
<p>compliance of Gold Corporation with Commonwealth legislation, with particular reference to:</p> <ul style="list-style-type: none"> • current and historical compliance with Australian anti-money laundering regulatory requirements, specifically the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> and the <i>Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)</i>; • events that led to the Australian Transaction Reports and Analysis Centre ordering the appointment of an external auditor to Gold Corporation under subsection 162(2) of the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i>; • matters concerning the corporate and statutory governance of Gold Corporation; • the potential financial liability to Western Australian taxpayers of failure to comply with the Enforceable Undertaking; and • any other related matters. 	<p>When AUSTRAC enters enforceable undertakings, it publishes advice of the commencement and terms of those undertakings. AUSTRAC only redacts sensitive material it considers may compromise the reporting entities' AML/CTF systems and controls.</p> <p>AUSTRAC also announces on its website when it is satisfied that the requirements of the enforceable undertaking have been met. If the terms of the undertaking are not ultimately met, AUSTRAC will publicise what action it decides to take.</p> <p>Progress of AUSTRAC's various undertakings can be monitored at https://www.austrac.gov.au/lists-enforcement-actions-taken.</p>
<p>8 The committee recommends that the Australian National Audit Office (ANAO) conducts an inquiry into the adequacy of the Australian Transaction Reports and Analysis Centre's oversight of anti-money laundering and counter-terrorism financing compliance by medium to high-risk entities.</p>	<p>The Government notes this recommendation.</p> <p>As an independent officer of the Parliament, the ANAO will provide a response to this recommendation directly to the Select Committee on the Perth Mint and Commonwealth regulatory compliance.</p>
<p>9 The committee recommends any continuance of the Senate's inquiry into matters related to the corporate and regulatory compliance of Gold Corporation and its trading entity The Perth Mint, through the Senate Legal</p>	<p>The Government does not agree to this recommendation, noting the Select Committee concluded its inquiry on 21 June 2024.</p>

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<p>and Constitutional Affairs References Committee, hears evidence from the following witnesses:</p> <ul style="list-style-type: none"> • the Hon Mr David Michael MLA, Western Australian Minister for Mines and Petroleum; • Ms Gaye McMath, Chair of Audit and Risk Management Committee (1 July 2016–30 June 2019); • Mr John O'Connor, Chair of Audit and Risk Management Committee (1 July 2019–present); • Mr Richard Watson, Assistant Under Treasurer, Western Australian Treasury (February 2019–present), Board Director ex-officio, and Audit and Risk Management Committee member (2018–present); • Ms Kaylene Gulich, Audit and Risk Management Committee member (2016–2018); • Mr Mark Puzey, Audit and Risk Management Committee member (2018– 2021); • other members of the Audit and Risk Management Committee from 2021 onwards; and • representatives of PwC, or any other external auditor, who participated or oversaw any audit work contracted by Gold Corporation in the period 2010 to 2021. 	
<p>10 The committee recommends that, consistent with the Enforceable Undertaking's acknowledgement that the Australian Transaction Reports and Analysis Centre (AUSTRAC) may from 'time to time publicly refer to this Enforceable Undertaking', AUSTRAC issues a statement (or statements) of progress that detail:</p>	<p>The Government notes this recommendation.</p> <p>Consistent with the terms of the enforceable undertaking, AUSTRAC, as an independent statutory authority, may provide information where it will not adversely affect AUSTRAC's ongoing investigations. Decisions to</p>

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<ul style="list-style-type: none"> • the tracking of activities regarding the completion of the Remediation Program; • the remediation of customer data in accordance with the timeframes and standards detailed in the Customer Data Remediation work stream; • the completion of any actions in the Customer Data Remediation workstream; • advice of any deviations to the actions or timeframes set out in the Remediation Program requested by Gold Corporation; • any permissions given by AUSTRAC for material deviations to the Remediation Program; • any failure to meet reporting requirements required in the Enforceable Undertaking; - any breach of the Remediation Program advised to AUSTRAC; and • any other matters relevant to informing the Western Australian community about the level of risk, or efforts to mitigate against risks, of money laundering and the financing of counterterrorism by Gold Corporation or its trading entity, The Perth Mint. 	<p>provide information on enforceable undertakings are a matter for AUSTRAC.</p>