

Our ref: A47211

Secretariat
Select Committee on the Perth Mint and Commonwealth regulatory compliance
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Canberra ACT 2600

Via email: perthmintcompliance.sen@aph.gov.au

Dear Secretariat

SELECT COMMITTEE ON THE PERTH MINT AND REGULATORY COMPLIANCE

Thank you for your correspondence with The Perth Mint to date on a range of matters in relation to the Select Committee on The Perth Mint and Commonwealth regulatory compliance (Select Committee). I confirm that The Perth Mint's response to the most recent questions on notice from the Select Committee will be provided by 9.00 am AWST on Monday 29 January 2024, as agreed.

I would like to also affirm The Perth Mint's commitment to assisting the Select Committee to finalise its enquiries by 28 March 2024. As a government trading enterprise owned by the State of Western Australia on behalf of the people of Western Australia, The Perth Mint endeavours to support the important work of the Parliament.

I note that the focus of the Select Committee is centred on the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act) and Rules, which are administered by the Australian Transaction Reports and Analysis Centre (AUSTRAC).

I am pleased to note that since the Select Committee was established on 22 June 2023, The Perth Mint has actively engaged with the Secretariat and the Select Committee. I note that AUSTRAC and other Australian government entities, as well as the Government of Western Australia, the Auditor General of Western Australia and The Perth Mint, have provided the Select Committee with extensive information and evidence.

I trust the information and evidence already provided by Commonwealth and State officials has assisted the Select Committee to understand the ongoing efforts by The Perth Mint to meet its regulatory compliance obligations and to strengthen its anti-money laundering (AML) and counter-terrorism financing (CTF) systems through its comprehensive and fully funded AML Remediation Program (Remediation Program).

As the Select Committee is aware, The Perth Mint commenced its Remediation Program in March 2021 and continued to implement the Remediation Program while the 2021-22 AUSTRAC Compliance Assessment and the 2022-23 independent external audit were undertaken. In November 2023, The Perth Mint voluntarily entered into an Enforceable Undertaking with AUSTRAC to provide regular updates to AUSTRAC on the Remediation Program delivery, with the validation of an independent external auditor, and to complete the Remediation Program by 30 April 2025.

In paragraph 13 of the Enforceable Undertaking document, which was made publicly available on 23 November 2023, AUSTRAC formally acknowledges The Perth Mint's cooperation and engagement, our progress on key remediation activities, and our previous completion of a number of key improvement initiatives.

In paragraph 16 of the Enforceable Undertaking, it is noted that The Perth Mint requested that the external audit be expanded to include consideration of whether our Remediation Program is appropriate to deliver effective remediation of issues in AUSTRAC's Compliance Assessment Report of June 2022. Importantly, paragraph 16 also notes that the external auditor's report confirmed that the Remediation Program is appropriate to deliver effective remediation, subject to effective implementation and ongoing commitment by The Perth Mint.

As publicly demonstrated by The Perth Mint's legally enforceable commitments to AUSTRAC set out in paragraphs 19 to 32 of the Enforceable Undertaking, I would like to confirm that our team is working hard to meet regulatory compliance obligations and to strengthen our AML/CTF systems and processes.

I would like to recognise the ongoing oversight by the Government of Western Australia of The Perth Mint and the Government's strong support for our Remediation Program and our role in combatting financial crime, as well as supporting the Australian gold industry, delivering value-added exports from precious metal products and contributing to a diversified Western Australian economy.

As the Select Committee's inquiry draws to a close, I believe it may be helpful to provide a summary of the contribution by Western Australian government entities and representatives, outlined in **Attachment 1**, and the key milestones and progress achieved by The Perth Mint in relation to AML/CTF audits and remediation, outlined in **Attachment 2**.

I request that the Select Committee note the information provided overleaf, as well as the nature and scope of the Enforceable Undertaking between the relevant Commonwealth regulator AUSTRAC and The Perth Mint, and the strong leadership shown by the Western Australian Government regarding The Perth Mint.

The Perth Mint is available to provide supplementary information through either verbal or written evidence to the Select Committee. I look forward to receiving your formal advice on this matter in due course.

Yours sincerely

Paul Graham
Chief Executive Officer

24 January 2024

Att 1. Information from the Western Australian Government to the Select Committee

Att 2. Key milestones and progress on AML/CTF Audits and Remediation by The Perth Mint

Information from the Western Australian Government to the Select Committee

Date	Information type	Entity/Representative	Notes
26 July 2023	Written submission	State of Western Australia	
31 July 2023	Written submission	The Perth Mint	Supplementary to submission by State of Western Australia
2 November 2023	Written response to Questions on Notice (QONs) received on 24 October 2023	The Perth Mint	
3 November 2023	Verbal and written Opening Statements at public hearing held in Perth	1. WA Auditor General 2. The Perth Mint	Written copy of Statements tabled on 3 November 2023
3 November 2023	Verbal evidence at public hearing held in Perth	1. WA Auditor General 2. The Perth Mint 3. Minister for Mines and Petroleum	55 minutes 1 hour 45 minutes 1 hour 20 minutes Total 4 hours of verbal evidence at hearing
15 November 2023	Written information further to hearing on 3 November 2023	Minister for Mines and Petroleum	
24 November 2023	Written response to Questions taken on Notice at hearing on 3 November 2023	1. WA Auditor General 2. The Perth Mint	
24 November 2023	Written response to supplementary Questions on Notice received on 24 October 2023	The Perth Mint	
Due 29 January 2024	Written response to clarified Questions on Notice received on 19 January 2024	The Perth Mint	Original QONs received on 2 January 2024, clarification sought by Perth Mint on 11 January 2024

Key milestones and progress on AML/CTF Audits and Remediation by The Perth Mint

Date	AML/CTF Milestone	Evidence to Select Committee
Pre-2020	The Perth Mint (Perth Mint) regularly engages external specialists to conduct independent assurance audits of its compliance with AML/CTF regulatory obligations	Yes Verbal evidence by Perth Mint at hearing on 3 November 2023
August 2020	Perth Mint receives report regarding 2019-20 independent assurance audit of its AML/CTF compliance for the period August 2017 to 31 March 2020 Report makes nine findings, some of which identify new AML/CTF issues for Perth Mint	Yes Verbal evidence by Perth Mint at hearing on 3 November 2023 Written response by Perth Mint to questions taken on notice at hearing on 3 November, provided on 24 November 2023
September 2020	Perth Mint commences scoping and planning remediation program to address issues identified in August 2020 audit report	Yes Verbal evidence by Perth Mint on 3 November 2023
November 2020	Perth Mint completes initiatives to address four of the nine recommendations from audit report	Yes Verbal evidence by Perth Mint on 3 November 2023
January 2021	AUSTRAC commences a Compliance Assessment of Perth Mint AML/CTF systems and processes Perth Mint actively engages with AUSTRAC to support the Compliance Assessment in 2021-22	Yes Verbal evidence by AUSTRAC on 27 July 2023 Enforceable Undertaking between AUSTRAC and Perth Mint, published on 23 November 2023
March 2021	Perth Mint commences Phase 1 of its Remediation Program to address remaining recommendations from 2020 audit report	Yes Written submissions by State of Western Australia and by Perth Mint in July 2023 Written response by Perth Mint to questions taken on notice at hearing on 3 November, provided on 24 November 2023
April 2022	Perth Mint concludes Phase 1 of its Remediation Program, commences scoping and planning Phase 2	Yes Verbal evidence by Perth Mint on 3 November 2023
June 2022	Perth Mint receives Compliance Assessment Report from AUSTRAC	Yes Written submission by AUSTRAC in July 2023
August 2022	AUSTRAC orders the appointment an external auditor to assess Perth Mint compliance with AML/CTF Act and Rules for the period 14 January 2021 to 30 August 2022	Yes Written submissions by AUSTRAC, State of Western Australia and Perth Mint, each provided in July 2023



September 2022	Perth Mint requests that the external audit be expanded to include consideration of whether its Remediation Program is appropriate	Yes Enforceable Undertaking between AUSTRAC and Perth Mint, published on 23 November 2023
September 2022	Perth Mint commences Phase 2 of its Remediation Program to finalise resolution of recommendations from 2020 audit report	Yes Verbal evidence by Perth Mint at hearing on 3 November 2023
October 2022	WA Auditor General publishes findings on 2021-22 audit of AML/CTF compliance by relevant WA agencies Audit findings are consistent with issues being addressed through Perth Mint's AML Remediation Program	Yes Verbal evidence by Auditor General at hearing on 3 November 2023 Verbal evidence by Perth Mint at hearing on 3 November 2023
November 2022	Perth Mint makes submission to WA Government for \$34 million to support implementation of Remediation Program Phase 2 Note: this funding submission was subsequently approved	Yes Written submission by State of Western Australia, provided in July 2023 Verbal evidence by Perth Mint on 3 November 2023 Written response by Perth Mint to questions taken on notice at hearing on 3 November, provided on 24 November 2023
November 2022	External auditor commences audit of Perth Mint	Yes Written submission by AUSTRAC in July 2023
May 2023	Perth Mint submits initial external audit report to AUSTRAC	Yes Written submission by AUSTRAC in July 2023 Written response by Perth Mint to questions taken on notice at hearing on 3 November, provided on 24 November 2023
July 2023	Perth Mint submits final external audit report to AUSTRAC	Yes Written submission by AUSTRAC in July 2023 Written response by Perth Mint to questions taken on notice at hearing on 3 November, provided on 24 November 2023
November 2023	Perth Mint voluntarily enters into Enforceable Undertaking with AUSTRAC which requires Perth Mint to complete its Remediation Program by 30 April 2025	Yes Enforceable Undertaking between AUSTRAC and Perth Mint, published on 23 November 2023