

Estimates March 2022 – AUSTRAC CEO opening statement

- Thank you, Chair.
- I'd like to provide a short update in relation to AUSTRAC's current efforts that are a matter of public record, discussion and inquiry.
- On 1 March 2022, AUSTRAC commenced civil penalty proceedings in the Federal Court against Crown Melbourne and Crown Perth for alleged serious and systemic non-compliance with Australia's anti-money laundering and counter-terrorism financing (AML/CTF) laws.
- This action follows proactive compliance work with the casino sector which led to a number of detailed enforcement investigations including into Crown Melbourne and Crown Perth's compliance.
- As these matters are before the court, I am limited in making further comment.
- Following a compliance assessment that began in 2019, in June 2021, AUSTRAC commenced an enforcement investigation into The Star Sydney Pty Ltd.
- In January 2022, AUSTRAC expanded that enforcement investigation to include other Star reporting entities, namely, The Star Entertainment Qld, The Star Entertainment Gold Coast and EEI Services (Hong Kong) Ltd.
- In June 2021 AUSTRAC commenced an enforcement investigation of SkyCity Adelaide (SCA) into potential non-compliance with a range of obligations under our legislation. Again arising from regulatory compliance work that began in the years prior.
- In June 2021 AUSTRAC commenced an enforcement investigation of National Australia Bank into potential non-compliance by NAB with a range of obligations under the AML/CTF Act.
- As has long been my practice, so as not to prejudice those ongoing investigations I will be limited in further comments I can make.
- I particularly acknowledge this in the context of the ongoing public Inquiry into the operations of the Star Casino being conducted by Mr Adam Bell SC. I can assure the committee that AUSTRAC has engaged with Mr Bell during the course of his review which was commissioned in October 2021 as AUSTRAC has done with other public inquiries conducted on related matters.
- I am on record for making similar remarks, however it is important to emphasise that finally, there is a growing realization and public discourse in relation to the devastating

harms related to money laundering. Strong action taken by AUSTRAC has led to an awareness by businesses of the threats organised criminals pose, not only to them, but to our communities, people's livelihoods, the safety of our children and our national security.

- As you have heard from my colleagues today, the threats that we face are not abating. For their part, the onus is on industry to ensure that it complies with its AML/CTF obligations. We have, over an extended period had a focus on the Banking, Remittance and the Casino sectors, however other businesses are not absent of risk and AUSTRAC's reach and scrutiny is shifting.
- Our efforts during this period have been aided by strong investment in AUSTRAC's resources with an over 50 per cent increase in our funding and staffing over the last 6 years.
- This growth has enabled enhanced education and outreach efforts, an increase in the depth of AUSTRAC's compliance engagements with business and additional enforcement teams to allow oversight of multiple investigations at once.
- Of course AUSTRAC's regulatory actions against businesses that are exposed to misuse by criminals, whilst clearly necessary to encourage wider deterrence, are undertaken by only one half of our organisation and are complementary to our efforts and those of our law enforcement partners to stem the movement of billions of dollars in proceeds of crime generated through criminal activities.
- That money and those criminal organisations dealing in drugs, scamming innocent victims and impacting lives, remain the focus of the other part of AUSTRAC, namely Australia's Financial Intelligence Unit.
- In this regard AUSTRAC continues to contribute our expertise and intelligence to law enforcement and national security priorities to disrupt financial and serious crime. We are an important partner in many law enforcement task forces, including AFP's Operation Ironside, and achieve positive operational outcomes by partnering with industry within our public private partnership, the Fintel Alliance.
- Our financial intelligence capabilities are increasingly leveraged in support of work with ASEAN members and Five Eyes partners and in the Indo-Pacific.
- And lastly, AUSTRAC has taken on additional work to ensure our intelligence contributes to Australia's efforts to counter the Russian threat to the sovereignty and territorial integrity of Ukraine, including supporting DFAT with their very important work around Sanctions.

I'm happy to take any questions.