

## Senate Select Committee Public Hearing on the Perth Mint and Commonwealth Regulatory Compliance

QUESTION NUMBER: NIL

Senator Dean Smith asked the following question:

**CHAIR:** Can someone talk to the evolving international threat and risks, perhaps in a general way? Ms Hurst?

**Ms Hurst:** I would probably have to take that on notice and come back to you in relation to that. But certainly, if we're speaking about a money-laundering perspective, most of what we actually see is that a lot of the criminals that we look at are based offshore and have a lot of offshore money-laundering activity. But to give you more detail about that I'd take that on notice, and we can come back to you on that.

**CHAIR:** What sort of detail would the answer on notice provide?

**Ms Hurst:** General trends in relation to what is going on from an international perspective with money laundering.

**CHAIR:** Do you look at those international trends region by region? Am I right to assume that perhaps the regional threat from South-East Asia might be different from the regional threat from South Asia?

**Ms Hurst:** Not specifically, but that might come out in some of the detail. .

**The ACIC** has provided the following answer to the senator's question:

The international threat of money laundering varies, but jurisdictions that present the highest risk typically have weak anti-money laundering regimes. This presents an opportunity for money launderers to take advantage of these weaknesses to facilitate the flow of illicit funds internationally.

Money Laundering Organisations are using increasingly complex, diverse and clandestine methodologies to launder proceeds of crime. The clandestine nature of money laundering makes it difficult to determine the volume of proceeds of crime laundered for TSOC networks impacting Australia. For certain methods, in particular informal value transfer systems such as offsetting may have limited intersection with the formal banking system and thus obscures visibility of regulators and law enforcement.

Australia is not a source country for the majority of illicit drugs consumed and the significant profits generated require repatriation to offshore jurisdictions (where TSOC actors reside), with these funds also furthering future TSOC criminal endeavours.