

Opening Statement – Scott Rollason, CEO, The Real Estate Institute of Australia

Capability of law enforcement to respond to money laundering and financial crime

Parliamentary Joint Committee on Law Enforcement

Public Hearing -17th November 2025

Good afternoon Chair and Committee. Thank you for the invitation to appear today on behalf of the Real Estate Institute of Australia. The Real Estate Institute of Australia is the national peak body and voice for the real estate profession in Australia. Our members are made up of State and Territory Real Estate Institutes.

Real estate agencies will become reporting entities under the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) regime as part of Tranche 2 from 1 July next year.

I acknowledge in July this year the Committee re-referred this inquiry and amended the Terms of Reference to remove previous inclusions which related to the 'tranche two reforms'.

However, as over 14,000 real estate agencies will begin to play their part in combatting anti-money laundering we feel it is prudent to remain engaged with this inquiry, in particular the term of reference (e) the role and response of businesses and other private sector organisations, including their level of awareness, assistance to law enforcement, and initiatives to counter this crime.

Over the past 12 months, we have committed to working closely with AUSTRAC on the drafting of the *Anti-Money Laundering and Counter-Terrorism Financing Rules 2025* (the Rules) and associated regulator guidance. AUSTRAC are to be commended for work to date in development of the tranche 2 regulatory framework that will sit under the Governing Act, while simultaneously preparing 90,000 additional reporting entities.

For the successful rollout of tranche 2 reforms and to ensure the best law enforcement outcomes; AUSTRAC and the Department of Home Affairs need to ensure that increasing industry and consumer's level of awareness of the incoming obligations remains a priority in the lead up to 1 July 2026. For the real estate industry this is critical.

In line with Financial Action Task Force Recommendation 22 the Governing Act will require real estate agents to undertake Customer Due Diligence (CDD) on both the seller and the buyer. The requirement to undertake CDD on the counterparty poses a challenge, as there is no direct commercial agreement, for example between the selling agent and the buyer. In turn there are minimal levers to compel buyer CDD. This is compounded by a perceived low trust within the profession and that the buyer may have already completed CDD with up to three reporting entities across the transaction prior.

As such, the real estate sector has concerns regarding wider consumer engagement and willingness to comply with their AML/CTF obligations along the real estate transaction. We have commenced work on a consumer awareness campaign, in collaboration with real estate portals, targeting individuals who are looking to buy or sell a house and a separate industry awareness campaign to encourage real estate agencies to enrol with AUSTRAC come 31 March. However, we need AUSTRAC to support this work with measures such as an Australian Government microsite with industry-specific information for consumers and Australian Government branded collateral.

The buyer CDD completion risk can also be mitigated through Section 6-33 of the Rules which allows for real estate agencies to rely on parts of the CDD conducted by other reporting entities under certain circumstances. This is a positive step by AUSTRAC to minimise the number of times consumers will be engaging in CDD processes. The transition from regulation to guidance and implementation is critical. AUSTRAC will need to provide sufficient and clear guidance to ensure both real estate agencies and other reporting entities are comfortable to adopt this provision.

We look forward to working closely with AUSTRAC and our State and Territory Institutes on the development of regulator guidance, industry awareness and education, and consumer awareness. Finally, I would like to commend the State and Territory Real Estate Institutes for their commitment and dedication to date in preparing the industry to be the new frontline in the fight against anti-money laundering in Australia. We have a lot to do collectively in the coming year.

-End-

Scott Rollason
Chief Executive Officer
The Real Estate Institute of Australia

