

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Output 2.1

Question No. 45

Senator Stott-Despoja asked the following question at the hearing on 31 October 2006:

How can the Australian public be confident that the subjective nature of suspect matter reports will not become even less reliable an indicator of wrong-doing once reporting obligations are extended to thousands of untrained clerks and shop assistants?

The answer to the honourable senator's question is as follows:

A suspicious matter report (SMR) is not, of itself, an indicator of wrong-doing, nor can it be used as evidence in any subsequent criminal or civil proceedings, nor can the fact that a SMR has been made be disclosed to any person other than those agencies authorised under the AML/CTF Bill to access that information for the proper performance of their legislated responsibilities.

The obligation to file a suspicious matters report will not lie with the individual employees of reporting entities. The obligation rests with the reporting entity. A reporting entity will be obliged to adopt an Anti-Money Laundering and Counter-Terrorism Financing program which must include a risk awareness training program for staff. Reporting entities will also be obliged to designate a person as the "AML/CTF Compliance Officer" at the management level. AUSTRAC will provide assistance to reporting entities to help them comply with their obligations under the AML/CTF Bill.

Law enforcement agencies have consistently reported that suspect transaction reports under the *Financial Transaction Reports Act 1988* have been a valuable source of intelligence about crime and criminals. There is no reason why suspicious matters reports under the AML/CTF Bill will be any less valuable.