Australian Government

AUSTRAC

FIGHTING
FINANCIAL
CRIME
TOGETHER

2021–25 AUSTRAC
CORPORATE
PLAN

CONTENTS

CEO FOREWORD

Over recent years, there has been an increased public awareness of money laundering and the serious impact it has on the Australian community. This is, in part, informed by serious anti-money laundering and counter-terrorism financing (AML/CTF) compliance breaches by some of Australia's most prominent banks and businesses. With the increased public awareness, businesses are realising the threats that criminals pose to them, their customers, our communities, people's livelihoods, the safety of our most vulnerable people, and Australia's national security. Criminals that seek to exploit our financial system, and those of us seeking to stop them, navigate an ever-changing financial system with new advances in technology and platforms. These criminals exploit any gaps and use sophisticated methods to elude law enforcement efforts for their personal greed.

Financial intelligence is an integral part of the government's ability to disrupt criminals that seek to profit from their crimes.

AUSTRAC devotes our information and expertise to upholding the integrity of Australia's financial system, and provides this support to our law enforcement, national security, regulatory, border and revenue partners to combat this broad range of criminal threats that seek to exploit our financial system.

To maximise our collection ability, and the use of our actionable financial intelligence, collaboration across a diverse range of domestic and international agencies is essential. We are committed to continue strong engagement with our industry partners, through our world-leading public-private partnership, Fintel Alliance, to improve our understanding of money laundering and terrorism financing risks, and deliver more targeted operational outcomes. Our collaboration, across domestic and international partners, also allows us to realise the strategic and operational value of AUSTRAC intelligence, and improves our understanding of emerging threats to enhance the generation of timely and actionable financial intelligence.

Over the life of this plan, AUSTRAC will remain focused on increasing its regulatory capacity to deliver improved compliance and enforcement outcomes among its more than 16,000 reporting entities. AUSTRAC is developing a modern reporting system replacement to improve data capture, processing and storage systems to support our operations and make it easier for industry to engage and report to us. To help deliver this capability enhancement, we have invested in the establishment of a dedicated Education, Capability and Communications Branch. Bringing together these functions provides us with a coordinated approach to focus our efforts to uplift our regulatory capability, education, and industry engagement. Government funding has also enabled AUSTRAC to set up new enforcement and regulatory supervision teams. This staffing uplift will drive a more robust application of AUSTRAC's formal enforcement powers as we consider the range of regulatory and enforcement tools at our disposal, and how we can best use them to improve entities' compliance and deter non-compliance.

As part of $13.9 million in funding provided to the Home Affairs Portfolio under phase one of the National Strategy to Prevent Child Sexual Abuse, AUSTRAC has also been provided dedicated additional intelligence resources to enhance our ability to disrupt the flow of cash behind child sexual abuse. Through these dedicated resources, AUSTRAC will support government partners to prevent and disrupt livestreamed child sexual abuse, identify and intercept material and offenders at the border and identify offenders within the community.

AUSTRAC remains committed to pursuing opportunities to strengthen Australia's AML/CTF framework through legislation. In addition to implementation of the AML/CTF legislation which passed Parliament in late 2020 (known as Phase 1.5), AUSTRAC is also progressing the development of further legislative reforms (known as Phase 2) with the Department of Home Affairs. These reforms are designed to further streamline, modernise and strengthen AML/CTF legislation.

AUSTRAC will place a renewed focus on intelligence capabilities and governance to ensure our tools, framework and services are client focused, fit for purpose, scalable, best practice and future looking. As the level of external scrutiny and exposure of AUSTRAC's work increases, comes the opportunity to more widely communicate the seriousness of money laundering and the important role industry and the broader community play in protecting the financial system from criminal abuse.
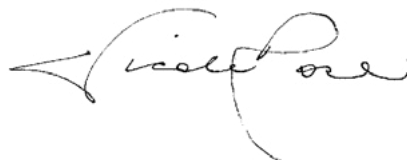
AUSTRAC welcomes scrutiny and oversight of its intelligence operations, as it serves as a valuable reminder of the need for the utmost integrity in the important work we do to preserve the safety and security of both the individual and Australia's financial system.

In the context of our enabling pillars of people, place and technology, AUSTRAC will work to ensure our workforce and organisation remains agile, effective and contemporary in a post-COVID environment. Over 2021, we are evolving our workforce operating model which will remain strongly committed to office-based collaboration and engagement, while facilitating a level of agility and flexibility through flexible work arrangements. I am confident this model combined with our positive workplace culture and recognition as an Employer of Choice places AUSTRAC and its staff in a strong position to address any challenges and leverage the opportunities presented in the future.

As the accountable authority for AUSTRAC, I present this AUSTRAC corporate plan for 2021-25 as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

Nicole Rose PSM
Chief Executive Officer
AUSTRAC

Our vision: A financial system free from criminal abuse.

Our outcome: The protection of the financial system from criminal abuse through actionable financial intelligence, risk-based regulation, and collaboration with domestic and international partners.

Our purpose: To build resilience in the financial system, and use financial intelligence and regulation to disrupt money laundering, terrorism financing, and other serious and organised crime.

Our five strategic pillars:

DISCOVER	UNDERSTAND	STRENGTHEN	DISRUPT	OPTIMISE
AUSTRAC identifies criminal risks to Australia's financial system.	AUSTRAC develops and shares a comprehensive understanding of vulnerabilities to criminal exploitation within our financial system.	AUSTRAC ensures criminal risks within Australia's financial system are identified, mitigated and managed effectively.	AUSTRAC collaborates with partners to disrupt criminal exploitation of Australia's financial system.	AUSTRAC continuously evolves and adapts business operations to succeed in a dynamic operating environment.

Our key activities (see page 6)

Our performance measures (see page 34)

ABOUT US

As Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regulator and financial intelligence unit (FIU), AUSTRAC is responsible for detecting, deterring, and disrupting criminal abuse of the Australian financial system to protect the Australian community from serious and organised crime. AUSTRAC achieves this remit by performing the following key activities:

Regulation and education:

- As Australia's AML/CTF regulator, AUSTRAC is responsible for regulating banking, casino, and remittance service providers.

- AUSTRAC ensures these reporting entities comply with their obligations to have systems and controls in place to mitigate and manage the risk of criminal exploitation and the incidence of money laundering.

- Using the information reported, together with insights gained through our intelligence function, AUSTRAC educates and provides guidance to reporting entities on their obligations and high-risk areas. This promotes compliance among reporting entities and assists in protecting Australian businesses from criminal exploitation.

- In instances where reporting entities fail to comply with their AML/CTF obligations, AUSTRAC uses our legislated powers to take enforcement action.

Provision of financial intelligence:

- AUSTRAC generates and shares critical financial intelligence to law enforcement, national security, and revenue partners to combat money laundering, terrorism financing, and other serious crime.

- All transactions and suspicious matters reported to AUSTRAC are also directly available to more than 4,500 designated users within federal, state and territory partner agencies.

Collection and analysis of data:

- AUSTRAC collects financial data from the financial transactions and suspicious matter reports submitted by reporting entities as required by the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).

- Our financial intelligence specialists analyse this information, combined with information from a range of other sources, to identify potential criminal activity or risks to national security.

Improvement of business operations:

- AUSTRAC is committed to continuously evolving and adapting our business operations. This ensures AUSTRAC's capabilities remain fit for purpose over time.

- Our ongoing participation in Whole of Government, Home Affairs Portfolio, and National Intelligence Community initiatives provides us with opportunities to optimise our enabling functions.

OUR PEOPLE

One AUSTRAC

The One AUSTRAC philosophy recognises that employees are stronger together than as individuals. The One AUSTRAC concept was created by employees, who came together from all parts of the agency to articulate AUSTRAC's distinct cultural traits:

☑ **ACCOUNTABLE**   ☑ **COURAGEOUS**   ☑ **EMPOWERED**   ☑ **INCLUSIVE**   ☑ **UNITED**

Our employees recognise our positive workplace culture

AUSTRAC takes pride in our inclusive, collaborative workplace culture. We encourage all staff to engage in their workplace to help foster a healthy, vibrant culture across the organisation.

In the 2020 Australian Public Service Census, our staff rated AUSTRAC highly across a range of areas including engagement, workforce performance, inclusion, and wellbeing. These results show that our employees believe in their purpose and are committed to the goals of the agency.

We are committed to workforce planning and development

Attracting and retaining high performing staff is critical to AUSTRAC's ability to deliver on its purpose. This requires us to have the right people, with the right skills, when and where they are needed. Specialised learning and development also ensures our staff are supported in their personal and professional development.

In 2020, AUSTRAC was acknowledged with an Australian Business Award as an Employer of Choice. This recognises AUSTRAC's ability to attract, create and maintain a truly inclusive and collaborative culture for our staff across our office locations.
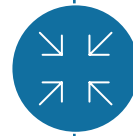
AUSTRAC embraces flexible and supportive working arrangements

AUSTRAC has developed best practice flexible work arrangements and remains committed to ensuring staff can balance their work and personal commitments.

In response to the pandemic and the post COVID-19 environment, AUSTRAC has expanded and strengthened our flexible workforce model. This allows staff to balance the wellbeing and productivity benefits of working from home with the innovation and collaboration benefits of engaging with colleagues in the office.

HOW WE WORK WITH OUR PARTNERS

Collaboration is a hallmark of how AUSTRAC interacts with our partners across government and industry, as well as how we operate across our three Divisions internally.

AUSTRAC

Regulation, Education and Policy

Ensuring compliance with the AML/CTF Act, through education and accountability of industry to secure the resilience of the financial system against money laundering and terrorism financing threats.

Intelligence

Working with intelligence, law enforcement and other government agencies and industry to combat national security threats and serious crime through financial data.

Capability and Strategy

Driving strategy around organisational capability to uplift and support agency operations, in collaboration with the Home Affairs Portfolio, National Intelligence Community and Australian Public Service.
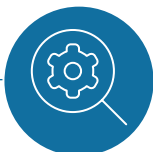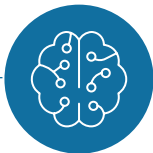
Government Partners

Home Affairs Portfolio
Sitting within the Home Affairs Portfolio unites AUSTRAC with other critical enforcement bodies in defence of the Australian community. We work with portfolio partners to detect and disrupt serious crime, undertake reforms, and implement improvements to our legislative frameworks.

National Intelligence Community
As Australia's Financial Intelligence Unit, AUSTRAC contributes our financial intelligence and expertise as part of the National Intelligence Community, contributing to the highest priority intelligence missions of the Australian Government.

Commonwealth regulatory and revenue agencies
AUSTRAC works closely with a range of regulatory and revenue agencies across the Commonwealth to protect the financial system from criminal abuse, including collaboration on shared regulatory challenges and data sharing to detect tax evasion, welfare fraud, and other financial crime.

State and Territory Governments
AUSTRAC maintains close working relationships with state and territory government entities, including state police and regulators, to drive compliance and disrupt crime.

Partnering across industry

Our Regulated Entities
As a financial regulator, AUSTRAC's relationship with the private sector is one of collaboration rather than purely supervision. This allows us to work with our more than 16,000 reporting entities on protecting the financial system from criminal exploitation.

Fintel Alliance
A world-first public/private partnership, Fintel Alliance enables its government and private sector members to exchange and analyse financial intelligence to improve industry resilience and support investigations into serious crimes and national security threats.

Other regulatory bodies
AUSTRAC works closely with our regulatory partners to identify potential risks across the financial sector, ensuring a coordinated and consistent approach to managing industry risk and non-compliance.

International Partners

International forums and partnerships
AUSTRAC engages in international exchanges, partnerships and forums to collaboratively combat financial crime, supported by our network of outposted staff located overseas.

Regional forums and partnerships
AUSTRAC plays a leading role in strengthening ties with regional partners through initiatives like the Financial Intelligence Consultative Group and the Pacific Financial Intelligence Community as well as capability building programs across the Pacific and South East Asia.

Foreign Financial Intelligence Units
AUSTRAC works collaboratively with our partners and counterparts in foreign jurisdictions to combat financial crime both in Australia and overseas.

Engagement with other sectors

Academia
AUSTRAC maintains ties with various academics and research bodies to ensure our approach to technology, data and analytics is on the cutting edge of innovation and to leverage contemporary research expertise.

RegTech/FinTech Providers and AML/CTF advisors
AUSTRAC engages with firms who provide support to our reporting entities in ensuring they have strong AML/CTF programs and comply with their obligations. This helps ensure industry compliance programs and technology solutions meet AUSTRAC requirements.

Oversight

Minister and Parliament
AUSTRAC reports to the Minister for Home Affairs, the Hon Karen Andrews MP. As a statutory Australian Public Service agency, AUSTRAC is subject to parliamentary oversight, including through parliamentary committees.

Independent oversight
AUSTRAC is also subject to external, independent oversight from various bodies, including the Australian National Audit Office and the Australian Commission for Law Enforcement Integrity.

> *After an investment banking career in London and New York, I was looking to work in an organisation that combined my experience with an area of personal interest. Here at AUSTRAC, we're developing world-first technology that will improve our ability to identify and address crimes being committed against Australians. This is innovative work that is challenging and exciting. I feel fortunate to work at this agency.*

12

OUR ENVIRONMENT

/

AUSTRAC's dual regulatory and intelligence roles require the agency to operate at the crossroads of the Australian and global financial system and the law enforcement, intelligence, and national security domains. As a result, the factors impacting our operating environment range widely from international security and technological trends to domestic social issues and legislative reform.

More information on planned capability enhancement work within AUSTRAC over 2021-25 can be found in the Capability chapter.

OPPORTUNITIES

Technology

🛡️ 1, 2   🔍 3, 4   👥 7, 10

While the pace of technological change poses challenges to AUSTRAC in the form of potential new vulnerabilities for exploitation by criminals and an increasingly digital financial system, it also presents opportunities for new applications and innovations in how we undertake our regulatory and intelligence functions. Our in-house research and development, and collaboration across the Home Affairs Portfolio, the National Intelligence Community, and industry, offers up new solutions and capabilities that enable us to manage our ever-growing datasets, establish greater automation and connectivity, surface previously undetectable risks, and increase the efficiency of our analysts.

> Continued investment and enhancement in AUSTRAC technology solutions allows the agency to optimise business processes.

Legislative reform

🛡️ 2   🔍 3   👥 5

Industry operating models, products, services, and the broader national security environment have evolved considerably since the implementation of the Anti-Money Laundering and Counter-Terrorism Financing Act in 2006. AUSTRAC remains committed to reforms that strengthen and streamline Australia's AML/CTF regime, to improve regulatory outcomes, and deliver greater efficiencies for both government and business.

The next phase of reforms has been implemented under the *Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Act 2020*, following its passage through Parliament in late 2020. Over 2021-25, AUSTRAC and the Department of Home Affairs will work closely on improving Australia's AML/CTF regime, progressively implementing recommendations from the *Report on the Statutory Review of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

Funding

🛡 1, 2   🔍 3, 4   👥 6, 7

As part of the 2020-21 Budget, AUSTRAC received an additional $104.9 million in funding to support regulated businesses in complying with their AML/CTF obligations and remain resilient to exploitation by criminals. This funding boost will allow AUSTRAC to dedicate greater resources to assessing and analysing the increasing volume of information reported by industry, generating intelligence, detecting non-compliance, and initiating enforcement action in cases of serious and/or systemic non-compliance.

Importantly, AUSTRAC will use the bulk of the funding to deliver a more modern reporting and engagement system, making it easier for over 16,000 Australian businesses to report to AUSTRAC and fulfil their compliance obligations. More information on the delivery of the Reporting Entity System Transformation can be found in the Capability chapter.

Corporate services

👥 6, 7, 8, 10

The formation of the Home Affairs Portfolio continues to generate opportunities for agencies to collaborate and integrate common capabilities to improve efficiency and reduce duplication in line with specific agency needs. Over 2021-25 this will represent a significant change in the way key enabling services are delivered across the portfolio, including in AUSTRAC. In the shorter term, AUSTRAC is already partnering with Home Affairs to realise synergies and reduce costs, including through the delivery of a joint data centre and transitioning to the Department's finance and HR management information system from 2021-22 (see the Capability chapter for more information).

How these opportunities and challenges connect to our key risks and core capabilities are shown in the references:

🛡 Regulatory-related risks and capabilities

🔍 Intelligence-related risks and capabilities

👥 Relates to enabling capability risks and capabilities

For full explanation of AUSTRAC risks see pages 20-23 and capabilities at pages 24-33.

THREATS AND CHALLENGES

Money Laundering

🛡️ 1   🔍 3   👥 10

Combatting money laundering is at the heart of AUSTRAC's intelligence function, with the black economy estimated to be draining as much as $50 billion from the Australian economy in 2017.[1] The primary driver of money laundering in Australia is transnational, serious and organised crime (TSOC). TSOC threatens the safety and security of our citizens, the prosperity of our economy, and the integrity of Australia's financial institutions.

The movement of money provides a constant picture into how TSOC groups operate and evolve in response to global and regulatory changes. AUSTRAC's financial intelligence capability translates this global movement of money into insights and targeted intelligence that provides direction to law enforcement, national security and other partners in combatting the TSOC threat.

> Money and profits are at the heart of organised crime.

National security

🔍 3   👥 10

Religiously and ideologically motivated violent extremism remains a significant and enduring threat to the safety and wellbeing of Australians. Terrorist and other violent extremist organisations rely on funding to sustain their activities, with new technologies like cryptocurrencies and new payment platforms offering more elusive channels through which these organisations can be financed. Disrupting financial flows to these organisations is one of the most effective ways to fight terrorism.

In recent years, foreign interference and espionage activity in Australia has grown more prevalent and of increasing concern. As a member of the Australian Government's Counter Foreign Interference Task Force, AUSTRAC provides financial intelligence to the Task Force to meaningfully contribute to Australia's efforts to counter this activity.

> International cooperation is key to combatting the borderless threats posed to our national security.

---

1   Australian Taxation Office, Black Economy Taskforce's Final Report, October 2017.

Cyber crime

3   8, 9, 10

With the world increasingly dependent upon technology and connectivity for daily life and operations, the threat of cybercriminals and malicious cyber actors looms large. AUSTRAC contributes financial intelligence and expertise to cross-agency efforts to combat the increasing threat of cybercrimes, including scams, by targeting the profits of these crimes. The increasing use of cryptocurrency as a methodology to move profit from all crime types provides a unique challenge.

As the sole custodian of financial transaction and suspicious matter reports on behalf of the Australian Government, it is critical that AUSTRAC - like other Australian organisations - remains resilient to, and protects itself and the data we hold from, cyber threats and security incidents.

Change in the financial regulatory environment

1, 2   10

The breadth, complexity and increasing digitisation of the global financial system continues to challenge AUSTRAC and requires a coordinated effort by financial regulators to detect and address critical vulnerabilities. Sharing knowledge, raising awareness of criminal methodologies and influencing compliance behaviours strengthens AML/CTF measures across the financial system.

Australia's financial regulatory environment continues to be shaped by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, and AUSTRAC's civil penalty proceedings. The heightened level of scrutiny and community expectations of financial institutions have motivated industry to internally review AML compliance, invest in AML/CTF compliance, and self-identify and report compliance failures, placing increasing demand on AUSTRAC's regulatory capabilities.

Increased scrutiny of the gambling sector

🛡️ 1, 2   👥 10

AUSTRAC's regulatory oversight extends beyond financial institutions to other designated services, including the casino and gambling sector. Like other reporting entities, casinos are at risk of exploitation by criminals to launder the proceeds of their crimes and require strong AML/CTF programs and systems to remain resilient to this threat.

Throughout 2020 and 2021 the sector has been subject to increased media and regulatory scrutiny. AUSTRAC's remit is limited to oversight of the sector's compliance with Australia's AML/CTF regime, but works closely with state and territory gaming regulators and law enforcement to address the risks of money laundering through casinos. The increased attention on these issues also presents AUSTRAC with the opportunity to raise broader awareness of the risks and impacts of money laundering on the Australian financial system.

Impacts of COVID-19 Pandemic

📉 3   👥 10

> COVID-19 continues to present challenges to the work, workplaces and employees of public and private organisations alike.

Criminals have taken advantage of this period of change and uncertainty to exploit money laundering and terrorism financing vulnerabilities and new schemes established by Government in response to COVID-19, with increases in fraud and scam activity. AUSTRAC will continue to contribute our systems and intelligence capabilities as well as our specialist expertise to target these areas and contribute to broader portfolio, NIC and Government efforts.

I'm proud to have been with the agency for 10 years. It's a privilege to spend every day working with talented, passionate and dedicated people to achieve outcomes that contribute to a safer community. There is a sense of belonging, resilience and a shared commitment among all of the people at AUSTRAC, which I believe, is the foundation of our strong and inspiring culture.

20

RISK MANAGEMENT

As outlined in the Environment section, AUSTRAC operates in a complex environment presenting a range of threats and opportunities. AUSTRAC's risk management frameworks and practices are critical to our ability to navigate these factors in pursuit of our purpose and ensure any risks these environmental factors pose are well-managed.

To optimise how we identify, monitor and manage risks, we will continue to mature and embed risk management in our existing governance, planning, reporting, capability and operational processes. This integration enables the consideration of risk in routine decision making processes and also supports a positive risk culture by encouraging more staff to engage with risk in their work.

AUSTRAC's risk management frameworks align with the *Public Governance, Performance and Accountability Act 2013* and the Commonwealth Risk Management Policy.

MANAGEMENT OF KEY ENTERPRISE RISKS

AUSTRAC regularly considers our operating environment throughout the year as part of our planning and reporting cycles to determine existing and new key risks that, if realised, would affect our ability to achieve our purpose and objectives. These key risks cover AUSTRAC's core capabilities as follows:

AUSTRAC's ENTERPRISE RISKS FOR 2021-22

REGULATION

1. Failure to influence reporting entities' compliance with obligations under the AML/CTF Act.

2. Failure to develop and maintain internal and external legal frameworks, guidance and reporting.

INTELLIGENCE

3. Failure to provide data and actionable intelligence which contributes to delivery of outcomes for partners.

4. Inability to meet AUSTRAC international obligations and related delivery of international programs and operations.

ENABLING CAPABILITIES

5. Failure to adapt AUSTRAC's operating model (including governance) to align with and support AUSTRAC's objectives, sound decision making and external assurance requirements.

6. Failure to have the appropriate workforce in relation to capability, size and location to deliver on business objectives and to inform strategic decision making.

7. Failure to effectively implement, use and protect AUSTRAC's technology and innovation systems and services.

8. Failure to manage data holdings appropriately.

9. Failure to effectively manage AUSTRAC's reputation.

10. Failure to respond effectively to external change.

RISK OVERSIGHT AND MITIGATION

A wide range of internal controls are in place across the agency to reduce the likelihood of these enterprise risks occurring. Existing and future controls are detailed for each enterprise risk in our Enterprise Risk Register and in branch business plans annually and reviewed regularly throughout the year. This is supported by the following overarching risk oversight and mitigation strategies:

Positive risk culture

- AUSTRAC staff are empowered to manage risk as part of their work, with all staff responsible for the identification, assessment and management of risk within their teams and span of control.

- Online risk training and guidance materials support staff in understanding and managing risk in their work.

Integration of risk into planning and governance processes

- Enterprise and tactical risks are considered at least three times a year by Executive Level and Senior Executive Service personnel as part of the agency's branch planning and reporting processes.

- Integration into planning and governance processes supports the timely and effective identification and consideration of risk.

GOVERNANCE

Regular Executive monitoring and oversight

- Management reporting and the review of the risk management framework and practices by the agency's Governance Committee and Audit and Risk Committee provide advice to the CEO, as the Accountable Authority, as to the ongoing effectiveness of AUSTRAC's risk management.

Evaluation of risk management practices and controls

- AUSTRAC uses management reviews and the agency's internal audit program to review risk management practices and controls within the agency.

- These reviews identify areas for improvement, with progress monitored and reported on quarterly to ensure any findings are effectively and promptly addressed.

AUSTRAC's Governance Framework supports the CEO (as accountable authority) in her responsibility for maintaining systems of risk oversight, management and internal control. More broadly, it enables well-informed, robust decision-making and accountability across the agency. Our governance model also shapes the agency's risk culture, harnesses capability development to support effective risk management and facilitates risk-based decision making. The agency's Governance Framework is reviewed annually to ensure it remains fit for purpose and effective.

Our assurance functions provide us with confidence as to the appropriateness of our governance and decision-making, including through our internal audit program. AUSTRAC decisions and actions are also subject to external oversight from various bodies, including the Australian National Audit Office (ANAO), Department of Finance, Parliament and the Australian Commission for Law Enforcement Integrity (ACLEI).

24

OUR
CAPABILITY

/

CURRENT CAPABILITIES

AUSTRAC's core capabilities underpin our ability to achieve our purpose and undertake our key activities as Australia's FIU and AML/CTF Regulator (see also About Us section).

REGULATION

- Outreach and education
- Supervision and enforcement
- Regulatory reform and policy

AUSTRAC's regulation of more than 16,000 individuals and businesses in the financial, bullion, gambling and digital currency exchange sectors enables the identification and disruption of money laundering and terrorism financing in the financial system. This includes using increasingly sophisticated and targeted supervision strategies to assess and monitor compliance. We use our diverse range of enforcement powers to secure compliance and signal the importance of our regulated population appropriately managing their money laundering and terrorism financing risks and investing in their compliance programs.

In deploying our regulatory powers, we work with law enforcement and other regulatory partners to support investigations and operations, disrupt the operations of organised crime and identify reporting entities, financial products and channels being exploited by criminals.

We prioritise targeted and effective communications and engagement with industry. AUSTRAC's education and communication increases industry knowledge of reporting obligations and the money laundering and terrorism financing risks faced by Australian businesses, so they can effectively identify and manage these risks.

INTELLIGENCE

- Generation of leads and insights
- Law Enforcement cooperation
- National Security Partnerships

- Assessments
- Fintel Alliance
- Working with international counterparts

As Australia's FIU, AUSTRAC draws upon our unique expertise to produce targeted, actionable and client-focused intelligence. AUSTRAC partners with fellow law enforcement and national security agencies to better understand and map complex and dynamic illicit financing structures, provide opportunities for disruption and develop capability to better present insights and targeted intelligence to our partners.

We maintain strong collaboration and engagement with taskforces and interagency forums dealing with serious crime, national security efforts and Government priorities combatting crime types as diverse and wide ranging as fraud, the exploitation of children, foreign interference and cybercrime.

Insights from AUSTRAC's financial intelligence are also used to keep industry apprised of contemporary money laundering and terrorism financing risks. We harness the resources of industry, government and international partners through the Fintel Alliance, to leverage our collective ability to detect crime and share actionable intelligence across a broad spectrum of threats, including tax avoidance, drug trafficking and cybercrime.

AUSTRAC remains committed to enhancing capability and upholding strong governance principles in its intelligence operations to ensure standard procedures and capabilities are effective and fit for purpose.

ENABLING CAPABILITIES

- People and workforce planning
- Financial management
- Governance

- Data governance and management
- Innovation and technology solutions
- Analytics

Our Capability and Strategy Division is responsible for delivering the diverse, specialist enabling capabilities that underpin our regulatory and intelligence activities. In the context of our enabling pillars of people, place and technology, AUSTRAC works to ensure our workforce and organisation remains agile, effective and contemporary in a post-COVID environment.

The expertise and capability of our people is key to AUSTRAC delivering its outcomes. To remain effective, we must ensure our people have the right skills and capabilities and are supported by a flexible, inclusive workplace with a strong security culture.

AUSTRAC's data holdings offer immense and valuable insights that enable AUSTRAC, and our partners, to protect the Australian financial system. AUSTRAC's data holdings now exceed 1 billion transaction reports. As this number continues to grow, our investment in data analytics, governance and infrastructure capabilities becomes increasingly important to ensure we can sustainably manage, and make use of, this data.

AUSTRAC's embedded governance, financial management and risk management frameworks underpin the delivery of capabilities across the agency. Further information on AUSTRAC's risk management can be found on pages 20-23.

Ongoing collaboration with the Home Affairs Portfolio will continue to provide opportunities to optimise our enabling functions into the future.

CAPABILITY ENHANCEMENT

To continue to achieve our purpose, and respond to our identified key risks over the four years of this Plan, AUSTRAC will need to manage our existing capabilities efficiently and make effective use of available resources. In addition, the agency will need to enhance and build upon our current capabilities to ensure we keep pace with changes in our operating environment.

The delivery of capability enhancement within AUSTRAC is managed through two programs:

CAPABILITY ENHANCEMENT PROGRAM

- Consists of projects approved to deliver new and/or improve the existing organisational capabilities (outlined above) in line with AUSTRAC's strategic direction.

- For inclusion in the Capability Enhancement Program, the project's scope of work and risks, the level of cross-agency involvement, and financial and resourcing impacts are assessed.

REPORTING ENTITY SYSTEM TRANSFORMATION (REST) PROGRAM

- Established to deliver a new industry-facing reporting and engagement system for AUSTRAC to collect the growing volumes of information reported under the anti-money laundering and counter-terrorism financing (AML/CTF) regime.

- The new system will support AUSTRAC's existing regulatory and intelligence capabilities and make it easier for industry – particularly small businesses – to comply with their reporting obligations.

In the interests of our financial sustainability and prudent capital investment, we do not maintain legacy systems that are beyond their useful life or do not effectively support our operational needs. During the period of this Plan we will decommission the following as we roll out improved capabilities in their place:

- With AUSTRAC's data analytics tools, known as the Analyst Work Bench, rolled out to our partner agencies, its predecessor the 25-year-old Traq Enquiry System will be decommissioned.

- AUSTRAC Online—AUSTRAC's current reporting system—developed over 20 years ago and in a greatly different operating environment to that of today, will be decommissioned to be replaced through the REST Program.

- A new case management system to support compliance, investigations and enforcement will replace the existing off-the-shelf customer relationship management product.

CAPABILITY DEVELOPMENT

CAPABILITY ENHANCEMENT PROGRAM

Corporate Optimisation

Aim: To generate efficiencies and enabling capabilities that support AUSTRAC.

Capability development over 2021-22 to 2024-25 will include:

- Continued implementation of the Agency Resource Strategy, including consideration of future office needs.

- Enhance functionality by modernising and relocating our data centre.

- Explore opportunities to integrate with Home Affairs and Government shared services to achieve streamlining and efficiencies, including by transitioning to Home Affairs Enterprise Resource and Planning (ERP) System.

Regulatory Enhancement

Aim: To enhance regulatory capabilities for more effective education, compliance and enforcement outcomes.

Capability development over 2021-22 to 2024-25 will include:

- Delivery of an enterprise-wide case management and customer relationship management system to standardise processes and facilitate a single-view of information across AUSTRAC.

- Regulatory capability uplift and the training of new staff hired to support the compliance and enforcement outcomes of funding received in 2020-21 for Capability Uplift funding.

- Work on regulatory reform with Home Affairs to streamline and modernise the AML/CTF legal framework to clarify and strengthen compliance.

Analysis and information sharing

Aim: To improve our ability to analyse data more effectively and share data and information with partners

Capability development over 2021-22 to 2024-25 will include:

- Develop cutting edge privacy preserving technology to trace suspicious funds moving through the financial system

- Improving secure collaboration among international and private sector partners including for the Fintel Alliance and AUSTRAC's international engagement and development programs.

Migration
to Portfolio
ERP System

Data centre
relocation

Ongoing
participation
in Common
Administrative
Services

Ongoing
implementation
of Agency
Resource
Strategy

2024-25

Training and
development of
new regulatory and
enforcement staff

Implementation of
Case Management
System

Ongoing
regulatory
reform

2024-25

Exploring alerting
technologies

Improving secure
sharing platforms

2024-25

REPORTING ENTITY SYSTEM TRANSFORMATION (REST) PROGRAM

Discovery and Validation

Aim: As the initial stage of REST delivery, this stream will identify the most suitable way to uplift capability across AUSTRAC's reporting and engagement platforms. .

Capability development over 2021-22 to 2024-25 will include:

- Engagement with reporting entities and other stakeholders to revalidate issues with current AUSTRAC engagement platforms.

- Undertake an environmental scan of similar government processes and systems.

- Develop a communications and engagement strategy to support the delivery of the new reporting system.

Technical Foundations and Capability

Aim: To deliver the foundational technology components required for the REST system.

Capability development over 2021-22 to 2024-25 will include:

- Optimise the 2021 Compliance Report to provide users with more flexibility in managing future compliance reports.

- Consider ways to better manage ongoing capacity planning for AUSTRAC systems and reduce running costs.

- Deliver foundational technology components for the delivery of the new reporting and engagement system, such as the setup of technology hosting, data, system environments and future system integrations.

Discovery and
Validation

2024-25

Technical Foundations
and Capability

2024-25

"Working at AUSTRAC gives me a sense of purpose as a public servant. I can clearly see my agency's contribution to preserving the integrity of the financial system and protecting Australians from serious crime. My team proudly promotes the work of our colleagues to the public, the Portfolio and its leaders; and see how the agency's efforts feed directly into the Government's objectives."

34

OUR PERFORMANCE

AUSTRAC seeks to achieve its purpose via five strategic pillars: **Discover**, **Understand**, **Strengthen**, **Disrupt** and **Optimise**. It is through these five pillars that AUSTRAC will measure its performance and demonstrate achievement of its purpose, as outlined below. Further information on the performance measures and targets can be found in the Appendix.

DISCOVER

AUSTRAC identifies criminal risks to Australia's financial system.

To uncover risks to our financial system, we develop new insights by enriching the quality and value of our data, including through new datasets and sources. AUSTRAC also seeks to leverage our domestic and international partnerships by learning from their experiences, and the trends they have identified, to inform where new threats may emerge. We invest in innovative research and analytics to study anomalies in our data, and experiment with diverse and dynamic variants of known risks and trends to discover new and emerging risks and threats to our financial system.

To evaluate our performance towards the Discover pillar, AUSTRAC will use the following performance measures:[2]

Measure 1.1. Number of referrals to partner agencies, annually.

Measure 1.2. Number of instances when AUSTRAC's identification of a new theme, threat or use of technology has provided stakeholders with intelligence of value to them, annually.

Measure 1.3. Number of financial intelligence exchanges with foreign Financial Intelligence Units (FIUs), annually.

---

2   Further information for each performance measure, including their 2021-25 targets, rationale and method, can be found in Appendix A, page 44.

UNDERSTAND

AUSTRAC develops and shares a comprehensive understanding of vulnerabilities to criminal exploitation within Australia's financial system.

To be effective as a regulator and financial intelligence unit (FIU), AUSTRAC must understand the existing and potential future vulnerabilities that impact the financial system, and share those understandings with our government and the industry entities we regulate. To do so, we leverage our domestic, regional and international relationships to build our understanding of vulnerabilities and threats. We integrate our insights, knowledge and diverse experiences to construct a unified view of the money laundering and terrorism financing (ML/TF)-related aspects of our financial system, ML/TF-related vulnerabilities, how these vulnerabilities may be exploited, and the impacts such exploitation may have. We share these insights and knowledge with our partners and reporting entities – via mediums such as published product, training, one-on-one engagement, participation in taskforces and other collaborative opportunities – so the vulnerabilities may be managed more effectively.

To evaluate our performance towards the Understand pillar, AUSTRAC will use the following performance measures:

Measure 2.1. Number of instances a published guidance product was accessed and downloaded from our website by individual external audience members and direct email recipients, within three months of publication, per product.

Measure 2.2. Percentage of event/workshop attendees/e-learning participants who report a MODERATE (or higher) improvement in their understanding of the AML/CTF obligations as a result of their attendance/completion, annually.

Measure 2.3. Percentage of industry associations representing AUSTRAC's reporting entities who report a MODERATELY (or higher) rating on the usefulness of AUSTRAC's guidance materials, annually.

Measure 2.4. Number of intelligence products published and/or disseminated, annually.

Measure 2.5. Percentage of stakeholders who report AUSTRAC's intelligence products had a MODERATE (or higher) level impact on their understanding of vulnerabilities in the financial system, annually.

Measure 2.6. Number of taskforces we are a member of, by AUSTRAC Intelligence Priority level, annually.

STRENGTHEN

AUSTRAC ensures criminal risks within Australia's financial system are identified, mitigated and managed effectively.

AUSTRAC's purpose is to build resilience in the financial system. We do this by supporting our regulated community to improve their AML/CTF capabilities. We use targeted interventions and our full range of powers to incentivise voluntary compliance and to foster a culture of risk management, including maintaining a strong and credible deterrence for non-compliance. AUSTRAC pursues a co-designed regulatory framework – one that is proportionate, effective and collaborative, and that makes it easier for regulated entities to participate and manage risk. We also engage in international efforts to strengthen the global financial system, including assisting international partners to build their AML/CTF capabilities.

To evaluate our performance towards the Strengthen pillar, AUSTRAC will use the following performance measures:

Measure 3.1. Percentage of reporting entities who strengthened their AML/CTF controls after AUSTRAC engagement, annually.

Measure 3.2. Percentage of reporting entities who submit their compliance reports on time, annually.

Measure 3.3. Percentage of regulatory work initiated by self-disclosure as opposed to percentage of work proactively identified by AUSTRAC, annually.

Measure 3.4. Percentage of industry associations representing AUSTRAC's reporting entities who assess AUSTRAC's level of collaboration in the development of AML/CTF Rules and policy settings to be USUALLY collaborative (or higher), annually.

Measure 3.5. Percentage of industry associations representing AUSTRAC's reporting entities who believe reporting entities have a MODERATE (or higher) level of trust in AUSTRAC as a result of AUSTRAC's efforts to harden the industry against ML/TF and other crime risks, annually.

Measure 3.6. Percentage of exemptions and modifications granted, annually.

STRENGTHEN cont.

AUSTRAC ensures criminal risks within Australia's financial system are identified, mitigated and managed effectively.

Measure 3.7. Percentage of externally funded International Operations capability development programs where the funder has confirmed the program is serving their purposes, annually.

Measure 3.8. Percentage of international development programs that realised a capability uplift, annually.

Measure 3.9. Percentage of reporting entities who advise our Risk Assessment product had a MODERATE (or higher) influence on their risk mitigation attitudes or behaviours, per product.

Measure 3.10. Percentage change in number of relevant suspicious matter reports (SMRs) received following completion of a Fintel Alliance project, over the 6 -12 month period following said project, per project.

DISRUPT

AUSTRAC collaborates with partners to disrupt criminal exploitation of Australia's financial system.

To achieve our purpose of using financial intelligence and regulation to disrupt money laundering, terrorism financing and other serious crime AUSTRAC must pursue new opportunities to collaborate closely with our partners, including through the sharing of our data and financial intelligence. Our generation and dissemination of timely, actionable financial data and intelligence enables our domestic and international law enforcement and national security partners to address and ultimately disrupt identified exploitation and criminal misuse of our financial system.

To evaluate our performance towards the Disrupt pillar, AUSTRAC will use the following performance measures:

Measure 4.1. Sum of ATO-recovered revenues and liabilities attributable to AUSTRAC data and AUSTRAC financial intelligence over the preceding 12-month period.

Measure 4.2. Sum of Criminal Assets Confiscation Taskforce (CACT) Gross Restrained assets, which AUSTRAC data and AUSTRAC financial intelligence have contributed to the restraint of, over the preceding 12-month period.

Measure 4.3. Percentage of partner agencies who rate the impact of AUSTRAC's data and financial intelligence to their work as SOMEWHAT OF AN IMPACT (or higher), annually.

Measure 4.4. Number of times partner agency users accessed AUSTRAC data via Analyst Workbench (AWB), annually.

OPTIMISE

AUSTRAC continuously evolves and adapts business operations to succeed in a dynamic operating environment.

AUSTRAC is dedicated to being an effective, efficient and sustainable business operation. By designing and implementing improved and adaptable models of operation, we transform how AUSTRAC functions at a fundamental level. These innovations foster a culture of expertise, equipping staff – and our partners – with the tools they need to strengthen the financial system. This investment in development ensures AUSTRAC can remain up-to-date with best practice intelligence and regulatory guidelines that are finely optimised to strengthening the financial system.

To evaluate our performance towards the Optimise pillar, AUSTRAC will use the following performance measures:

Measure 5.1. Percentage of technology projects, closed during either the current financial year or the previous financial year, that realise their approved benefits, annually.

Measure 5.2. Percentage of instances a streamlining opportunity from an enabling function results in a realised efficiency, annually.

Measure 5.3. Percentage of AUSTRAC staff who agree their workgroup has the appropriate skills, capabilities and knowledge to perform well, annually.

Changes to our performance measures

Over the past six months, AUSTRAC has undertaken a significant body of work to identify the most appropriate measures for the agency – those that demonstrate achievement of our purpose and that provide us with the objective information we need to make data-driven decisions that lead to our continual improvement.

This work has resulted in the majority of the measures we have used in recent years, and that have been published in previous Corporate Plans, to be updated or replaced to provide more tangible performance results that meet PGPA Rule 2014 section 16EA requirements.

Regulator performance reporting requirements

With the Australian Government setting out new performance expectations for regulators, entities' regulatory performance will be reported through existing reporting requirements under the PGPA Act and PGPA Rule. AUSTRAC's new performance measures enable it to report on achievement towards its purpose and also against the Government's three principles of regulator best practice. In doing so, AUSTRAC will not produce a standalone regulator performance framework self-assessment report from 2021-22. Instead, our regulatory performance reporting will be published via our Annual Performance Statements and Annual Report to ensure we take a holistic and integrated approach to agency performance.

The following measures will be used to report on AUSTRAC's performance towards meeting the Government's expectations for the three principles:

1. Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.

   Measure 3.5. Percentage of industry associations representing AUSTRAC's reporting entities who believe reporting entities have a MODERATE (or higher) level of trust in AUSTRAC as a result of AUSTRAC's efforts to harden the industry against ML/TF and other crime risks, annually.

2. Risk based and data driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.

Measure 3.3. Percentage of regulatory work initiated by self-disclosure as opposed to percentage of work proactively identified by AUSTRAC, annually.

Measure 3.6. Percentage of exemptions and modifications granted, annually.

3. Collaboration and engagement: regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

Measure 2.1. Number of instances a published guidance product was accessed and downloaded from our website by individual external audience members and direct email recipients, within three months of publication, per product.

Measure 2.2. Percentage of event/workshop attendees/e-learning participants who report a MODERATE (or higher) improvement in their understanding of the AML/CTF obligations as a result of their attendance/completion, annually.

Measure 2.3. Percentage of industry associations representing AUSTRAC's reporting entities who report a MODERATELY (or higher) rating on the usefulness of AUSTRAC's guidance materials, annually.

Measure 3.4. Percentage of industry associations representing AUSTRAC's reporting entities who assess AUSTRAC's level of collaboration in the development of AML/CTF Rules and policy settings to be USUALLY collaborative (or higher), annually.

APPENDICES

Appendix A – AUSTRAC performance measures

DISCOVER - AUSTRAC identifies criminal risks to Australia's financial system.

Measure	1.1. Number of referrals to partner agencies, annually.			
Targets	2021-22 Maintenance or improvement of the average	2022-23 Maintenance or improvement of the average	2023-24 Maintenance or improvement of the average	2024-25 Maintenance or improvement of the average
Rationale	Referrals occur when an alert generated by the monitoring system is assessed by an intelligence analyst, and deemed likely to be of interest to a partner agency. This measure captures the effectiveness of the intelligence monitoring system. If we are referring many matters, this indicates the system is surfacing things that are of interest.			
Method	Average will be determined by mean number of referrals per reporting period.			

Measure	1.2. Number of instances when AUSTRAC's identification of a new theme, threat or use of technology has provided stakeholders with intelligence of value to them, annually.			
Targets	**2021-22** Establish a baseline	**2022-23** To be determined upon establishment of baseline	**2023-24** To be determined upon establishment of baseline	**2024-25** To be determined upon establishment of baseline
Rationale	Monitoring how often what AUSTRAC perceives as new intelligence is of value to our stakeholders will offer us insights into the value-add AUSTRAC's strategic financial analysis capabilities provide. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Counting the instances stakeholders have confirmed AUSTRAC's identification of a new theme, threat or use of technology has been of value.			

Measure	1.3. Number of financial intelligence exchanges with foreign Financial Intelligence Units (FIUs), annually.			
Targets	**2021-22** Not practicable to set a target	**2022-23** Not practicable to set a target	**2023-24** Not practicable to set a target	**2024-25** Not practicable to set a target
Rationale	Sharing of information and intelligence between foreign Financial Intelligence Units (FIUs) is an important means of discovery as no one agency has access to all relevant data. Monitoring the level of activity in this space provides us with initial insights into our relationships with our partner FIUs, and what intelligence and information is available on topics of interest to AUSTRAC. We acknowledge enhanced activity does not necessarily lead to greater/more useful discovery but it does provide an opportunity for discovery. We do not consider it practicable to set a target, given the limited control AUSTRAC has over the number of incoming exchanges and the risk of producing unnecessary exchanges to meet a specified target.			
Method	Count of relevant exchanges.			

Measure	2.1. Number of instances a published guidance product was accessed and downloaded from our website by individual external audience members and direct email recipients, within three months of publication, per product.			
Targets	**2021-22** Avg 950 downloads per individual product published in the period	**2022-23** 2% increase on prior year target	**2023-24** 2% increase on prior year target	**2024-25** 2% increase on prior year target
Rationale	To understand how many members of our target audience reporting entities are accessing AML/CTF guidance products on our website, and which audience segments are accessing guidance documents in response to a call to action in a direct email campaign, to gain insight into audience behaviour to improve future guidance product development and distribution.			
Method	Google Analytics will provide the number of external individual users who accessed and downloaded a guidance product from our website in the three-month period after recent publication, promotion, event or media coverage. Link tracking will provide the number of external individual users within an audience segment (for example, a reporting entity or industry association) who accessed and downloaded a guidance product in response to a call to action in a direct email campaign or publication of a media release in the three month period after publication.			

Measure	2.2. Percentage of event/workshop attendees/e-learning participants who report a MODERATE (or higher) improvement in their understanding of the AML/CTF obligations as a result of their attendance/completion, annually.			
Targets	2021-22 70%	2022-23 2% increase on prior year target	2023-24 2% increase on prior year target	2024-25 2% increase on prior year target
Rationale	Monitoring whether workshop attendees perceive their understanding has improved following a workshop that is designed to do so, is an important clue as to the attendee perceived value gained from the workshop (and whether any changes may need to be made to meet customer needs).			
Method	Number of attendee/participant respondents who rate MODERATE or higher divided by total number of respondents. Ratings of MODERATE (or higher) represent the positive responses on a seven-point survey scale.			

Measure	2.3. Percentage of industry associations representing AUSTRAC's reporting entities who report a MODERATELY (or higher) rating on the usefulness of AUSTRAC's guidance materials, annually.			
Targets	2021-22 70%	2022-23 2% increase on prior year target	2023-24 2% increase on prior year target	2024-25 2% increase on prior year target
Rationale	Measuring how useful our guidance materials are perceived to be will provide us with a useful insight into the value of our product to our reporting entities (noting we are not asking REs directly). It may also be useful for informing future decision-making in terms of any adjustments required to our materials.			
Method	Number of survey respondents who report MODERATELY (or higher) divided by total number of survey respondents. Ratings of MODERATE (or higher) represent the positive responses on a seven-point survey scale.			

Measure	2.4. Number of intelligence products published and/or disseminated, annually.			
Targets	**2021-22** Not practicable to set a target	**2022-23** Not practicable to set a target	**2023-24** Not practicable to set a target	**2024-25** Not practicable to set a target
Rationale	This measure will provide some insights into our level of effort by number of intelligence products produced and published and/or disseminated. We do not consider it practicable to set a target. Year-on-year fluctuations should be compared, however an increase or decrease is not necessarily positive or negative, but will be analysed and explained.			
Method	Count of relevant products published or disseminated.			

Measure	2.5. Percentage of stakeholders who report AUSTRAC's intelligence products had a MODERATE (or higher) level impact on their understanding of vulnerabilities in the financial system, annually.			
Targets	**2021-22** Establish a baseline	**2022-23** To be determined upon establishment of baseline	**2023-24** To be determined upon establishment of baseline	**2024-25** To be determined upon establishment of baseline
Rationale	Sharing our knowledge in a way that is of use to stakeholders and partners is integral to our function. Knowing what impact our shared understanding is having on stakeholders will help us to continue to provide relevant, useful product. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Number of survey respondents who report MODERATE or higher divided by total number of survey respondents. Ratings of MODERATE (or higher) represent the positive responses on a seven-point survey scale.			

Measure	2.6. Number of taskforces we are a member of, by AUSTRAC Intelligence Priority level, annually.			
Targets	**2021-22** Establish a baseline	**2022-23** To be determined upon establishment of baseline	**2023-24** To be determined upon establishment of baseline	**2024-25** To be determined upon establishment of baseline
Rationale	A key function of AUSTRAC is to support the priorities and needs of other agencies, and one way we do this is via participation in taskforces. This measure will provide some insights into our level of effort - via taskforce participation – against AUSTRAC's own intelligence priority levels. This will help us ensure appropriate proportions of effort are achieved and maintained, as well as demonstrating AUSTRAC's support of other agencies/government priorities. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Per level – count of taskforces AUSTRAC is a member of.			

STRENGTHEN - AUSTRAC ensures criminal risks within Australian's financial system are identified, mitigated and managed effectively.

Measure	3.1. Percentage of reporting entities who strengthened their AML/CTF controls after AUSTRAC engagement, annually.			
Targets	2021-22 65%	2022-23 2% increase on prior year target	2023-24 2% increase on prior year target	2024-25 2% increase on prior year target
Rationale	One of AUSTRAC's goals is to make sure regulated businesses comply with their obligations to have systems and controls in place to manage ML/TF risks. We do this through a range of compliance, enforcement and education activities. Measuring the percentage of reporting entities who have strengthened their AML/CTF controls after engaging with AUSTRAC is an important indicator of whether our activities are achieving this objective.			
Method	Of the reporting entities that answer YES as to whether they had AUSTRAC engagement through the relevant reporting period, the percentage of those same entities who reported responding to that engagement.			

Measure	3.2. Percentage of reporting entities who submit their compliance reports on time, annually.			
Targets	**2021-22** 75%	**2022-23** 2% increase on prior year target	**2023-24** 2% increase on prior year target	**2024-25** 2% increase on prior year target
Rationale	REs are obliged to submit a report each year on their compliance with the AML/CTF Act and Rules. Submitting this report on time demonstrates both an awareness in REs of their obligations as well as some level of agreement to follow those obligations (noting submitting the report does not mean they've met all other AML/CTF obligations). Monitoring this figure overtime may inform where further education in this space is required.			
Method	Number of reporting entities who submit their compliance report before the due date divided by the total number of reporting entities who complete the compliance report.			

Measure	3.3. Percentage of regulatory work initiated by self-disclosure as opposed to percentage of work proactively identified by AUSTRAC, annually.			
Targets	**2021-22** The percentage of self-disclosure work to fall within 35% and 65% of regulatory work	**2022-23** The percentage of self-disclosure work to fall within 35% and 65% of regulatory work	**2023-24** The percentage of self-disclosure work to fall within 35% and 65% of regulatory work	**2024-25** The percentage of self-disclosure work to fall within 35% and 65% of regulatory work
Rationale	AUSTRAC is seeking to increase its proactively identified work across the regulation and enforcement functions. This measure, monitored over time, will inform us of whether this is occurring.			
Method	Number of regulatory matters resulting from self-disclosures divided by all regulatory matters.			

Measure	3.4. Percentage of industry associations representing AUSTRAC's reporting entities who assess AUSTRAC's level of collaboration in the development of AML/CTF Rules and policy settings to be USUALLY collaborative (or higher), annually.			
Targets	2021-22 70%	2022-23 2% increase on prior year target	2023-24 2% increase on prior year target	2024-25 2% increase on prior year target
Rationale	This measure will help us report our progress towards the new Regulator Performance principle 3 (collaboration and engagement). It may also provide some insights into the view held by REs of AUSTRAC as a regulator.			
Method	Number of survey respondents who report USUALLY collaborative (or higher) divided by total number of survey respondents.			

Measure	3.5. Percentage of industry associations representing AUSTRAC's reporting entities who believe reporting entities have a MODERATE (or higher) level of trust in AUSTRAC as a result of AUSTRAC's efforts to harden the industry against ML/TF and other crime risks, annually.			
Targets	2021-22 70%	2022-23 2% increase on prior year target	2023-24 2% increase on prior year target	2024-25 2% increase on prior year target
Rationale	Trust is an important component of our job – it helps with engagement, support and buy-in. Monitoring this on a regular basis may provide us with the opportunity to identify and address issues before they become too big.			
Method	Number of survey respondents who report MODERATE (or higher) divided by total number of survey respondents. Ratings of MODERATE (or higher) represent the positive responses on a seven-point survey scale.			

Measure	3.6. Percentage of exemptions and modifications granted, annually.			
Targets	2021-22 Establish a baseline	2022-23 To be determined upon establishment of baseline	2023-24 To be determined upon establishment of baseline	2024-25 To be determined upon establishment of baseline
Rationale	Measured overtime this should help us demonstrate both whether the scheme is proportionate (i.e. are having to provide too much relief in a cumbersome system?) and whether we are making the scheme proportionate where possible (i.e. we exercise our powers to provide relief). 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Number of exemptions and modifications granted divided by total number of exemptions and modifications sought.			

Measure	3.7. Percentage of externally funded International Operations capability development programs where the funder has confirmed the program is serving their purposes, annually.			
Targets	2021-22 Establish a baseline	2022-23 To be determined upon establishment of baseline	2023-24 To be determined upon establishment of baseline	2024-25 To be determined upon establishment of baseline
Rationale	Knowing whether the program is serving the funder's purposes will enable us to (i) pivot if there are issues, (ii) know those parts of what we do that are valued, and (iii) report on this in an objective manner. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Number of instances a funder confirmed a program served their purposes divided by the total number of externally funded programs AUSTRAC delivered during the reporting period.			

Measure	3.8. Percentage of international development programs that realised a capability uplift, annually.			
Targets	**2021-22** Establish a baseline	**2022-23** To be determined upon establishment of baseline	**2023-24** To be determined upon establishment of baseline	**2024-25** To be determined upon establishment of baseline
Rationale	We run these programs to improve capability in foreign Financial Intelligence Units (FIUs). Monitoring across the board whether our programs are doing so is an important means of (a) knowing whether each program meets its desired outcomes and (b) knowing the capability of our partners to identify, mitigate and manage risks. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Number of programs that realised a capability uplift divided by the number of programs delivered.			

Measure	3.9. Percentage of reporting entities who advise our Risk Assessment product had a MODERATE (or higher) influence on their risk mitigation attitudes or behaviours, per product.			
Targets	**2021-22** Establish a baseline	**2022-23** To be determined upon establishment of baseline	**2023-24** To be determined upon establishment of baseline	**2024-25** To be determined upon establishment of baseline
Rationale	We want to know if our advice is informing reporting entity behaviour, and by extension, hopefully strengthening the financial system. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Number of respondents who advise MODERATE or higher influence divided by the total number of respondents. Ratings of MODERATE (or higher) represent the positive responses on a seven-point survey scale.			

Measure	3.10. Percentage change in number of relevant suspicious matter reports (SMRs) received following completion of a Fintel Alliance project, over the 6 -12 month period following said project, per project.			
Targets	**2021-22** Not practicable to set a target	**2022-23** Not practicable to set a target	**2023-24** Not practicable to set a target	**2024-25** Not practicable to set a target
Rationale	A desired outcome of these projects is the improved reporting behaviour of reporting entities because of our knowledge informing their identification of risks. Monitoring the impact on reporting volume following the completion of a project provides us with an understanding of activity change in reporting. The time period of 6 - 12 months was adopted noting the diverse nature of each project, and the timeframes required to translate engagement and/or product into SMRs being submitted to AUSTRAC. We do not consider it practicable to set a target. Year-on-year fluctuations should be compared, however an increase or decrease is not necessarily positive or negative, but will be analysed and explained.			
Method	Comparison between the number of relevant SMRs received following a project with the number of relevant SMRs received during same time period immediately before project.			

Measure	4.1. Sum of ATO-recovered revenues and liabilities attributable to AUSTRAC data and AUSTRAC financial intelligence over the preceding 12 month period.			
Targets	**2021-22** Not practicable to set a target	**2022-23** Not practicable to set a target	**2023-24** Not practicable to set a target	**2024-25** Not practicable to set a target
Rationale	Monitoring the outcome of the ATO's use of our data and financial intelligence to government revenue protection is one means of measuring AUSTRAC's contribution to the disruption of criminal abuse in the financial system. We do not consider it practicable to set a target, given the dependency upon ATO efforts to meet any set target.			
Method	As determined by the Australian Taxation Office.			

Measure	4.2. Sum of Criminal Assets Confiscation Taskforce (CACT) Gross Restrained assets, which AUSTRAC data and AUSTRAC financial intelligence have contributed to the restraint of, over the preceding 12 month period.			
Targets	**2021-22** $600 million over 5 years	**2022-23** $600 million over 5 years	**2023-24** $600 million over 5 years	**2024-25** $600 million over 5 years
Rationale	Monitoring asset restraint outcomes of the CACT is an effective means of measuring AUSTRAC's contribution to the CACT national strategy and disruption of criminal abuse of the financial system.			
Method	Determined by CACT – the value of the assets before any consideration of encumbrances such as mortgages, loans etc.			

Measure	4.3. Percentage of partner agencies who rate the impact of AUSTRAC's data and financial intelligence to their work as SOMEWHAT OF AN IMPACT (or higher), annually.			
Targets	2021-22 65%	2022-23 65%	2023-24 65%	2024-25 65%
Rationale	Tracking partner perception of the impact AUSTRAC's data and financial intelligence has had on their work provides us with an understanding of the value of this part of our work (noting we do not provide just raw data) to partners as well as the potential impact AUSTRAC data is having towards the disruption of crime and other areas of interest to partners.			
Method	Number of partner agencies who report SOMEWHAT OF AN IMPACT (or higher) divided by total number of respondents. Ratings of SOMEWHAT OF AN IMPACT (or higher) represent the positive responses on a seven-point survey scale.			

Measure	4.4. Number of times partner agency users accessed AUSTRAC data via Analyst Workbench (AWB), annually.			
Targets	2021-22 Establish a baseline	2022-23 Increase in access	2023-24 Increase in access	2024-25 Increase in access
Rationale	We want to monitor long-term use of AWB by our partners for changes in that pattern. This will not provide an understanding of its impact/usefulness, however, when combined with other measures that do, these measures provide us with a holistic understanding of the value of AWB to partners. 2021-22 is the first year we will have used this measure. Once a baseline is established, we will determine targets for coming years.			
Method	Count of times AWB was accessed by partner agency users.			

Measure	5.1. Percentage of technology projects, closed during either the current financial year or the previous financial year, that realise their approved benefits, annually.			
Targets	2021-22 70%	2022-23 70%	2023-24 70%	2024-25 70%
Rationale	Tracking our project benefit realisation performance is a means of ensuring our projects achieve what they were undertaken to achieve (on an agency-wide scale). The time period of two financial years (the current financial year and the previous financial year) was adopted noting the diverse nature and timeframes of every project, and that benefits may not be realised upon the immediate finalisation of a project.			
Method	The number of closed projects that realised their approved benefits divided by the total number of closed projects.			

Measure	5.2. Percentage of instances a streamlining opportunity from an enabling function results in a realised efficiency, annually.			
Targets	2021-22 70%	2022-23 70%	2023-24 70%	2024-25 70%
Rationale	AUSTRAC is committed to identifying opportunities to reduce internal red tape and implement efficiencies by improving work flows and generating time and cost savings for the agency. Monitoring how many of these identified opportunities have been successful at realising efficiencies (in accord with the Standard Operating Procedure) will allow AUSTRAC to know if improvements are being delivered, and enable the identification of what makes an opportunity successful (versus unsuccessful).			
Method	The number of successful initiated activities divided by the total number of initiated activities.			

Measure	5.3. Percentage of AUSTRAC staff who agree their workgroup has the appropriate skills, capabilities and knowledge to perform well, annually.			
Targets	2021-22 85%	2022-23 85%	2023-24 85%	2024-25 85%
Rationale	The enhancement of our employees' capabilities impacts on the agency's ability to optimise its business operations. We support our employees and ensure they have the requisite skills and capabilities to perform their roles effectively. Evaluating the percentage of employees who believe our agency and their teams have enough capability enables us to understand whether our employees, based on their perception, believe we are providing sufficient resources and support to them to do their work.			
Method	APSC Employee Census results			