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Cost to small business

Risk-based approach

- Australia's AML/CTF regime is risk based, allowing businesses the flexibility to apply AML/CTF measures proportionate to the level of risk they face.
- The cost will differ depending on the nature, size and complexity of the business.
- AUSTRAC is providing extensive guidance, education and outreach to new reporting sectors to assist them in implementing their AML/CTF obligations.

Cost impact analysis

- AGD contracted Nous Group to support an impact analysis in accordance with the Australian Government's Policy Impact Analysis Framework. This also considers feedback provided by industry on costs.

Annual average costs

- The annual average regulatory burden cost per business will vary.
    - Note: the costs in the impact analysis do not take account of subsequent steps to reduce the costs for small business, e.g. the development of program starter kits.
- For **small businesses** with a turnover of less than $200,000, AGD's impact analysis estimates an annual cost of **$4,460** (upfront costs) and **$6,020** (annual ongoing costs). This amount will vary depending on the size of the business.
    - The estimated upfront costs come from designing and implementing an AML/CTF program, with the majority coming from CDD **($560**) and program obligations **($3,400**).
- For businesses with turnover of more than $10 million, average regulatory burden is estimated at $58,600. Existing reporting entities of this size may expect a reduction in regulatory burden costs due to the reforms.
    - This does not include any potential levy charges. This includes upfront and ongoing costs in net present-value terms over a 10-year period.
- Smaller businesses who have lower risks of facilitating ML/TF would experience lower costs than larger businesses, who offer a broader range of designated services to a larger number, and more diverse kinds, of customers.

AUSTRAC support to alleviate cost and regulatory burden

AML/CTF program kits

- AUSTRAC has developed AML/CTF program starter kits for typical tranche 2 small businesses (lawyers, accountants, real estate agents, conveyancers and jewellers).
- For most small businesses, the kits will help them build their AML/CTF program and increase its effectiveness without significant cost.

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  - The initial cost is anticipated to reduce to around **$1,300** ($500 to link in with reporting systems, enrol and check record-keeping systems, and $800 to tweak the starter program and assign responsibilities to staff).
  - The estimated annual ongoing costs largely come from implementing program obligations (**$5,180**), such as training, personnel due diligence and reviewing/updating their AML/CTF program, and implementing CDD obligations (**$800**).
    - These obligations will still need to be implemented by the reporting entity, but the costs of doing so should be moderated by the starter program kit.
    - To reduce ongoing costs, AUSTRAC will make ongoing updates to the kits, to reflect changes in industry practices and industry-wide ML/TF risks.
- The AML/CTF program starter kits were published on 30 January 2026.

Industry engagement focus

- Cost to small business will be reduced through AUSTRAC's comprehensive education and guidance to support businesses, as part of implementing the reforms.
- We co-designed practical guidance for new regulated businesses, with a focus on small businesses.
  - Core guidance that applies to all businesses was published on 16 October 2025.
  - Sector-specific risk guidance for lawyers, accountants, real estate agents and conveyancers was published in October 2025. Program starter kits were published on 30 January 2026.
- We will continue to consult and engage closely with industry on the development of any further guidance and education. See the **Industry engagement and support** brief.

AML/CTF Rules

- The AML/CTF Rules contains provisions that reduce the cost to small businesses, including:
  - expanded simplified CDD for low-risk customers
  - expanded delayed CDD so the ordinary course of business isn't interrupted
  - the ability to rely on other reporting entities' CDD to avoid duplication, and in real estate transactions, to rely on future CDD when it is part of the one transaction
  - reduction in governance requirements for micro businesses.

Legislative changes

- The Department of Home Affairs is preparing transitional rules, which will further reduce the immediate regulatory burden on industry.
- Questions about the transitional rules should be directed to the department.

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If asked

What out-of-pocket expenses will small businesses incur to implement this regime?

- There is no single way to break down costs by staffing versus external costs, for reporting entities.
    - It is possible for almost all AML/CTF compliance functions to be performed in-house, and equally the ability to outsource many of these.
    - Whether a business chooses to keep functions in-house or outsource them is a commercial and risk-management decision for each business.
    - AML/CTF starter program kits will not assume that any functions are outsourced.
- The only obligation that will be difficult for a small business to meet in-house is for reporting entities to have an independent evaluation of their AML/CTF program at least once every 3 years.
    - AUSTRAC continues to engage with industry sectors about the scope and regulatory expectations for independent evaluations, to ensure the settings are right.
- Reducing the regulatory burden, where possible, is front-of-mind for AUSTRAC. We are considering options (beyond independent evaluation) to minimise the cost of compliance for small businesses.

Will you develop starter program kits for any other industries?

- AUSTRAC's priority is newly-regulated industries, as they are mostly small businesses and have the furthest way to go in developing their AML/CTF programs.
- Once we have assessed the effectiveness of these starter program kits for tranche 2 sectors, we will be better placed to consider their suitability for existing regulated small businesses, such as pubs and clubs, or remitters.

Table A – Breakdown of estimated cost by obligation (from AGD's impact analysis)

Reform	Frequency	Estimated cost per business $0-$200k annual revenue	Estimated cost per business $200k-$2m annual revenue
Enrolment	Upfront	230	230
	Annual	-	-
AML/CTF program	Upfront	3,400	11,240
	Annual	5,180	17,550
Customer due diligence	Upfront	560	12,140
	Annual	800	15,170
Reporting	Upfront	160	2,010
	Annual	30	410
Record keeping	Upfront	110	3,030
	Annual	10	100
Total	**Upfront**	**4,460**	**28,650**
	Annual	**6,020**	**33,230**

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Is AUSTRAC offering any initiatives as part of the government's productivity reform agenda?

- AUSTRAC is committed to the government's productivity and regulatory reform agenda. We seek opportunities wherever possible to minimise regulatory burden on our regulated population and ensure our regulatory oversight is risk based.
- I wrote to the Treasurer and Minister for Finance offering the following opportunities:
  - improvement to efficiency and effectiveness of SMR submissions, with reporting entities focusing their efforts on high-risk and high-impact areas, and reducing the volume of reports that contribute little to overall intelligence outcomes
  - adjusting AUSTRAC's regulatory engagement to critical issues and milestone events
  - AML/CTF starter program kits to help small businesses establish effective compliance programs with minimal complexity
  - co-designing guidance with industry, to reduce regulatory burden and improve reporting and compliance.
- AUSTRAC has proposed additional regulatory reform initiatives to bolster productivity growth, including:
  - automatic enrolment for entities with an Australian Financial Services Licence
  - co-design of future IFTI/IVTS reform with industry
  - streamlined digitised notice process
  - compliance report overhaul
  - greater regulatory harmonisation
  - enhancements to large-volume SMR reporting.

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Cryptocurrency ATMs

Heightened risk

- AUSTRAC intelligence shows cryptocurrency poses a heightened ML risk, and is increasingly being exploited for ML, scams and money mule activities.
- Cryptocurrency and crypto ATMs are attractive avenues for criminals looking to launder money. They are widely accessible, make near-instant and irreversible transfers, and provide an easy avenue to place cash into the financial system.
- Private ATMs and the cash-in-transit sector are also vulnerable to ML.
- Crypto ATM operators who don't comply with their AML/CTF obligations to know their customer, report suspicious activity, and identify, manage and mitigate these risks, may face enforcement action.

Cryptocurrency taskforce

- In September 2024 AUSTRAC established a cryptocurrency taskforce to address heightened ML, TF and scam risks in the digital currency sector, particularly through crypto ATMs.
- The taskforce draws upon insights from a national intelligence project, which examined the role of crypto ATMs in enabling serious financial crime. We continue to review and apply these learnings in consultation with law enforcement partners.
- The taskforce is focused on ensuring providers of crypto ATM services:
    - meet the minimum AML/CTF standards
    - have robust practices in place to identify and minimise the risk that their machines may be used to move proceeds of crime, including money from scams and fraud.
- We established this taskforce following consultation with partners from the National Intelligence Community, law enforcement and federal government, who all share concern about this risk.

Outcomes to date

- Our findings indicate a very high proportion of the largest transactions flowing through crypto ATMs had some links to crime, particularly scams and fraud.
- We took action to harden crypto ATMs against criminal misuse, reduce the number of high-risk crypto ATM providers, and raise compliance standards.
- The taskforce:
    - issued numerous compulsory notices to reporting entities to produce information and documents
    - conducted reviews of crypto ATM providers' AML/CTF programs and transaction activity

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- refused to renew the registration of one crypto ATM provider and referred 3 other providers for investigation and possible enforcement action
  - as a result of the taskforce's work, one crypto ATM provider voluntarily deregistered, and another paused crypto ATM options
  - one crypto ATM provider was issued an infringement notice and has entered into an enforceable undertaking to address its AML/CTF deficiencies
- worked closely with law enforcement partners on suspicious activity identified through the taskforce, and referred persons of interest to law enforcement
- referred 3 entities for investigation and possible enforcement action
  - 2 matters remain under investigation and are not public
  - another, Cryptolink Ltd, was issued a $56,340 infringement notice and accepted an enforceable undertaking.

Conditions imposed on crypto ATM providers

- The taskforce also consulted with industry and implemented minimum risk management standards (conditions) across all registered crypto ATM providers. These measures help identify customers whose crypto ATM transactions may be the result of scam activity, and support increased reporting on illicit activity through crypto ATMs.
- There are 10 conditions imposed.
  - Customers must not be allowed to conduct cash deposits to a provider's crypto ATMs in relation to the purchase of cryptocurrency for a value greater than $5,000, in a 24-hour period.
  - Customers must not be allowed to withdraw more than $5,000 in cash from a crypto ATM provider's machines in relation to the sale of cryptocurrency in a 24-hour period.
  - ECDD must be completed on customers that deposit $20,000 or more in any 7-day period in relation to the purchase of cryptocurrency from a provider's crypto ATMs.
  - ECDD must be completed on customers that deposit greater than $100,000 in any 12-month period in relation to the purchase of cryptocurrency from a provider's crypto ATMs.
  - Crypto ATM providers must have systems and controls that consider the age of the customer when assessing the customer's ML/TF risk, including whether the customer should be subject to ECDD.
  - Crypto ATM providers must take reasonable measures to identify the source of wealth and source of funds, when ECDD is conducted on a customer.
  - Crypto ATM providers' transaction monitoring must include consideration of their customers' transactions and behaviour using off-chain information and data.
  - Crypto ATM providers' transaction monitoring must include consideration of their customers' transactions and behaviour using on-chain information and data.

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- Certain warnings must be prominently displayed on crypto ATM user interfaces prior to acceptance of funds, including:
  - romance scams
  - payment scams
  - impersonation scams
  - money mule activity
  - investment fraud.
- Crypto ATM providers were required to provide time-specific confirmations to AUSTRAC on the implementation of the conditions.

Next steps/second stage

- We are now developing and testing a comprehensive risk model based on a range of data points, to identify DCE providers more likely to be exploited by financial crime actors.
- We will focus on enhancing understanding and collaboration across AUSTRAC and partner agency working groups with a focus on DCE providers.
- We have collected more recent information on activity occurring through crypto ATMs, and are examining the impact of the conditions applied on crypto ATM providers. We are also assessing crypto ATM providers' compliance with these obligations.

National operation

- AUSTRAC supported a nationwide law enforcement operation led by the AFP.
- Analysts from AUSTRAC's Cryptocurrency Taskforce examined profiles of the most prolific crypto ATM users in each state, based on customer and transaction indicators and data, identifying dozens of cases they believed could be linked to scams or fraud.
- AUSTRAC then referred the most prolific users to federal, state and territory law enforcement agencies.
- The joint operation led to the identification of **90** scam victims, money mules, and suspected offenders coerced into moving dirty money through crypto ATMs. Further investigations remain ongoing in relation to some other crypto ATM users.
- AUSTRAC has collected more recent data on crypto ATM users. The most prolific users will be referred to federal, state and territory law enforcement agencies for evaluation, to establish if criminal offending has occurred.

Industry support

- AUSTRAC develops materials to support DCE providers to identify financial crime risks, so they can target, monitor and report suspicious activity to AUSTRAC.
- AUSTRAC engaged intensively with crypto ATM providers, including providing tailored education sessions to each provider.
- Information on risks and indicators associated with crypto ATMs is on our website.

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- The Fintel Alliance Virtual Assets Working Group comprises the largest Australian DCE providers (by market share), law enforcement partners and the ACIC. The group shares collective insights on new and emerging risks and trends in the sector.

Private ATMs and cash-in-transit companies

- AUSTRAC's national risk assessment found that cash-intensive businesses pose a **high and stable** ML vulnerability. Cash-intensive businesses provide a high volume of legitimate cash flows, in which the proceeds of crime may be integrated or co-mingled before entering financial institutions.
- Private ATMs are vulnerable to ML due to their cash intensity, limited regulatory oversight and a lack of AML/CTF requirements. Corrupt actors can replenish ATMs with proceeds of crime without detection.
- Cash-in-transit companies are contracted to replenish fleets of private ATMs. When criminally linked or exploited, these companies can launder proceeds of crime by replenishing ATMs with dirty cash.
- Private ATMs placed in cash-intensive businesses (such as tobacconists), provide instant cash for customers who purchase illegal tobacco products, and present ML opportunities for business/ATM owners when loading illicit cash into ATMs.

If asked

Does AUSTRAC monitor digital currency exchanges?

- Under the AML/CTF Act, DCE providers, including those providing crypto ATM facilities, have to register with AUSTRAC. They are also required to:
  - undertake transaction monitoring
  - complete 'know your customer' (KYC) information checks on customers
  - report suspicious activity via SMRs
  - submit TTRs for cash deposits and withdrawals of $10,000 or more.
- There are over **440** DCE providers registered with AUSTRAC. While only a small number operate crypto ATMs, Australia has around **2,000** crypto ATMs, which is the largest in the Asia-Pacific and the third-highest number globally. (Source: https://coinatmradar.com/charts/geo-distribution/)
- AUSTRAC has administrative powers to cancel, suspend or refuse to renew registrations. If we identify systemic non-compliance that is linked to serious crime or ML risk, or if entities are charged or convicted of relevant crimes, we will take steps to remove these entities from our register(s).
- Home Affairs released a consultation paper on reforms to the AML/CTF Act that proposes to give new powers to the AUSTRAC CEO.
- The powers would enable the AUSTRAC CEO to prohibit or restrict certain high-risk products, services or channels related to designated services under the AML/CTF regime.

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- I'm committed to ensuring that we tighten monitoring of crypto ATM providers, and will take action against operators who are flouting the rules.
- The cryptocurrency taskforce will focus on non-compliant, high-risk operations and enhance our capabilities this year.

Why isn't cash-in-transit regulated?

- Private ATMs and cash-in-transit companies are not regulated under the AML/CTF Act. Cash-in-transit companies were actually deregulated in 2018 as they presented a low or negligible risk at the time. The global standard-setter, the Financial Action Task Force, also did not require them to be regulated.
- Private ATM deployers are regulated under the *Payments Systems (Regulation) Act 1998* (PSRA). The PSRA aims to increase competition in the sector by making it easier for new entrants to become participants in the ATM system, and regulating fees.
- Further consideration would be a matter for government.

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Current regulatory/enforcement cases

- At 16 January 2026:
  - **7** active (2 public) enforcement investigations (not initiated after a reporting entity's self-disclosure)
  - **5** ongoing enforcement actions (current civil penalty proceedings against the Star, Entain, Mounties, Castro and Princeton, which did not originate from self-disclosures)
  - **3** enforceable undertakings (EUs) being monitored by AUSTRAC (Sportsbet, Cryptolink and Bank of Queensland).

Current Federal Court cases

The Star

- September 2019: AUSTRAC commenced compliance assessment of The Star Pty Limited.
- June 2021: AUSTRAC commenced an enforcement investigation.
- January 2022: AUSTRAC expanded investigation to The Star Entertainment QLD Limited and other Star entities.
- 30 November 2022: AUSTRAC commenced civil penalty proceedings in the Federal Court against The Star Pty Limited and The Star Entertainment QLD Limited.
  - AUSTRAC alleges The Star failed to identify, assess, mitigate and manage its ML/TF risks. In particular, The Star failed to have a compliant AML/CTF program, and did not appropriately monitor its customers, as required by the AML/CTF Act.
- June 2025: The matter was heard and the Federal Court reserved its judgment.
  - In the months following the hearing, the parties appeared before/corresponded with the Court in respect of settling confidentiality orders and other administrative issues. We have no further information on the timing of judgment delivery, noting the 2026 Federal Court term commenced on 2 February 2026.

Entain Group Pty Ltd

- October 2019: AUSTRAC commenced an extensive supervisory campaign that assessed entities in the corporate bookmakers sector.
- September 2022: AUSTRAC commenced an enforcement investigation into Entain Group Pty Ltd, in relation to its compliance with a range of AML/CTF Act obligations.
- 16 December 2024: AUSTRAC commenced civil penalty proceedings in the Federal Court against Entain, alleging Entain did not develop and maintain a compliant AML/CTF program, and did not appropriately monitor customers as required by the AML/CTF Act.
- 30 July 2025: Mediation took place and is continuing.

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- 19 August 2025: AUSTRAC amended the statement of claim, but with no substantive impact on the claim. They aim to clarify how AUSTRAC characterises the services Entain provided, and align with Entain's interpretation of prior AUSTRAC guidance.
- 27 October 2025: Entain filed a defence.
- 10 April 2026: AUSTRAC is to file and serve our evidence in chief on the liability issues.
- 6 August 2026: Entain is to file and serve its evidence in chief on the liability issues.
- 23 September 2026: AUSTRAC is to file and serve any reply to the expert evidence Entain files in relation to the liability issues.
- 30 November 2026: the proceeding is listed for hearing of the liability issues, with an estimate of 2 weeks. It is expected a hearing on penalty will follow shortly after in 2027.

Mount Pritchard District & Community Club Ltd (Mounties)

- 2021: AUSTRAC published regulatory guide for pubs and clubs.
- 2022: Supervisory campaign conducted, with education visits to venues. This led to high-risk venue targeted compliance assessments.
- 2024: AUSTRAC commenced investigation into Mounties after earlier referral from Regulatory Operations in relation to potential contraventions of the AML/CTF Act.
- 30 July 2025: AUSTRAC commenced civil penalty proceedings against Mounties for: allegedly providing gaming services to its customers without adopting and maintaining a compliant AML/CTF program; and failing to appropriately identify, manage and mitigate ML risks faced in its provision of designated services to customers.
- 11 November 2025: Mediation attended on without prejudice basis.
- Prior to 2 April 2026 case management hearing with court proceedings continuing.

Castra Licensee Pty Ltd (Castra)

- September 2024: AUSTRAC issued infringement notices to 16 businesses, including Castra, alleging that the business did not submit an annual compliance report for the 2023 calendar year.
- 10 December 2025: the business did not pay the infringement notice, leading to AUSTRAC's decision to commence court action.
- The matter is listed in the Federal Court for the first case management hearing at 9.30am on Friday 27 February 2026.

Princeton Securities (NSW) Pty Ltd (Princeton)

- September 2024: AUSTRAC issued infringement notices to 16 businesses, including Princeton, alleging that the business did not submit an annual compliance report for the 2023 calendar year.
- 10 December 2025: the business did not pay the infringement notice, leading to AUSTRAC's decision to commence court action.

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- The matter is listed in the Federal Court for the first case management hearing at 9.30am on Friday 27 February 2026.

External audits

Breakwater Island Limited t/as The Ville Resort-Casino and Delaware North Darwin Casino Pty Limited t/as Mindil Beach Casino Resort

- May 2025: AUSTRAC instructed The Ville Resort-Casino and Mindil Beach Casino Resort to appoint external auditors to assess their AML/CTF compliance.
- This action was taken following compliance assessments of both casinos that identified potential gaps and deficiencies in their AML/CTF controls, risk and oversight.
- The final audit report for both casinos is due in early 2026.

Mercedes-Benz Financial Services

- June 2025: AUSTRAC instructed Mercedes-Benz Financial Services to appoint external auditors to assess its AML/CTF compliance.
- This action was taken following a compliance assessment of the non-bank lender that identified potential gaps and deficiencies in its AML/CTF controls, risk and oversight.
- The final audit report was received on 22 December 2025. AUSTRAC will consider the report and further actions being taken by Mercedes-Benz, and will determine what, if any, further regulatory engagement is required.

Western Union Financial Services (remitter)

- July 2025: AUSTRAC directed Western Union Financial Services to appoint an external auditor to assess its AML/CTF compliance.
- Western Union initially self-disclosed issues with its systems impacting on its reporting obligations. As AUSTRAC remained concerned about its remediation efforts, we considered it appropriate to direct the appointment of an external auditor, given the high-risk nature of the industry.
- AUSTRAC expects the final auditor's report in the second quarter of 2026.

Binance (crypto currency exchange)

- August 2025: AUSTRAC directed Binance Australia to appoint an external auditor to assess its AML/CTF compliance.
- As Binance is a high-volume business operating in a high-risk sector, AUSTRAC is concerned about: Binance's lack of understanding of local ML/TF risks; inadequate senior management oversight; inadequate independent review; and inadequate capacity and risk controls.
- AUSTRAC expects the final auditor's report in the third quarter of 2026.

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Airwallex Designated Business Group

- 22 January 2026: AUSTRAC media release announced that AUSTRAC ordered the appointment of an external auditor to assess whether global payment platform, Airwallex Designated Business Group, is meeting its AML/CTF obligations. This followed concerns about potential non-compliance in relation to its transaction monitoring program and strength of its 'know your customer' requirements.
- AUSTRAC expects the final auditor's report in the third quarter of 2026.

WorldRemit

- 19 November 2025: AUSTRAC announced it ordered the appointment of an external auditor to assess whether global payment platform WorldRemit is meeting its AML/CTF obligations. This followed an AUSTRAC supervisory campaign that assessed how well the business understood specific risk it faced, including child sexual exploitation, and the effectiveness of its monitoring of transactions and reporting suspicious matters.
- AUSTRAC expects the final auditor's report in the second quarter of 2026.

Ongoing (public) investigations

Hillside (Australia New Media) Pty Limited (bet365)

- 7 March 2024: AUSTRAC commenced an enforcement investigation into Hillside (Australia New Media) Pty Limited (bet365).
- The investigation focus is on whether bet365 has complied with its obligations under the AML/CTF Act. It follows a supervisory campaign of entities in the corporate bookmakers sector, and our consideration of the external audit report received from AUSTRAC's order to bet365 to appoint an external auditor.

Bendigo and Adelaide Bank Ltd

- 18 December 2025: AUSTRAC commenced an enforcement investigation into Bendigo and Adelaide Bank, which follows supervisory engagement and the bank's recent disclosure of deficiencies in its approach to the identification, mitigation and management of ML/TF risks.
- AUSTRAC's investigation will examine Bendigo Bank's compliance with the AML/CTF Act and inform any further AUSTRAC action.

Enforceable undertakings being monitored

Sportsbet

- 2024: AUSTRAC regulatory supervision work.
- 30 May 2024: AUSTRAC accepted an EU by Sportsbet.
- Sportsbet's remediation conducted in 2025, and the external auditor's final report received on 19 December 2025, are being considered ahead of a decision by AUSTRAC to finalise the EU.

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Bank of Queensland (BOQ)

- March 2023: Enforcement investigation commenced, following a compliance inspection that identified concerns about the adequacy of AML/CTF systems and controls.
- 30 March 2023: AUSTRAC accepted an EU by BOQ.
- AUSTRAC is closely monitoring compliance with the EU and will receive regular audit reports up to the end of 2028.

Cryptolink Pty Ltd

- October 2025: AUSTRAC CEO accepted an EU from Cryptolink, a DCE provider, following investigation that identified deficiencies with Cryptolink's reporting of threshold transactions.
- AUSTRAC is closely monitoring compliance with the EU and expects a final report from the third-party reviewer in February 2026.

If asked

Have any crimes been facilitated or committed as a result of breaches?

- It is not appropriate to comment on allegations, individual entities or intelligence operations underway.
- Generally, wherever AUSTRAC identifies suspected criminal activity, we engage with our partner agencies as appropriate. Australian casinos are vulnerable to exploitation by criminals and must be vigilant to ML/TF risks. It is vital they comply with AML/CTF obligations to help protect the Australian community from serious and organised crime.

What about Star's contested penalty? Will it be a fair penalty? Where does the money go?

- Whether a penalty is imposed, and the amount of any penalty, are unresolved issues before the court. AUSTRAC submitted to the court what we consider an appropriate penalty having regard to all the circumstances relevant at law.
- Any penalties paid go into the government's Consolidated Revenue.
- It would not be appropriate for AUSTRAC to speculate or pre-empt the resolution of those issues.

Did AUSTRAC pull back from its original claim against Entain?

- AUSTRAC filed amendments to our civil penalty proceedings against Entain in the Federal Court. The changes have no substantive impact on AUSTRAC's claim. The changes were made to clarify how AUSTRAC characterises the services Entain provided, and align with Entain's interpretation of prior AUSTRAC guidance.
- AUSTRAC is committed to ensuring the guidance we provide can be relied on by reporting entities. In this case, Entain interpreted the guidance in an alternative way to AUSTRAC. We recognise that this alternative interpretation was available, and in such cases should not result in a negative outcome for Entain.

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- As the matter is before the court, AUSTRAC is unable to make further comment in relation to the amendments.

What is AUSTRAC doing about money laundering through poker machines? What's happening with Mounties?

- Venues that provide gambling services through the provision of electronic gaming machines (EGMs) are regulated by AUSTRAC under the AML/CTF Act.
- Australian gambling and pubs & clubs sectors are vulnerable to exploitation by criminals. They must manage their ML/TF risks and submit high-quality reports to AUSTRAC.
- In July 2025 AUSTRAC commenced civil penalty proceedings against Mounties for allegedly providing gaming services to its customers without adopting and maintaining a compliant AML/CTF program.
- Mounties is one of the largest and most profitable club groups in NSW. It owns 10 venues, 8 of which operate approximately 1,400 EGMs reporting over $400 million in EGM revenue across its venues, in the period relevant to these proceedings.
- AUSTRAC alleges that:
    - Mounties' program did not have appropriate risk assessment or transaction monitoring, and enhanced customer due diligence processes did not include appropriate risk-based systems and controls
    - the program failed to include appropriate staff risk awareness training, and there were deficiencies in the independent reviews performed on the program
    - in a number of specific cases, Mounties failed to appropriately monitor its customers with a view to identifying, mitigating and managing the ML risk that Mounties faced.
- I can't comment further as the matter is currently before the Federal Court.

Why has AUSTRAC taken so long to take action against a pub or club given whistleblowing in this industry in 2020?

- AUSTRAC did initiate a comprehensive supervisory campaign to look at pubs and clubs. This was in the course of regulating our reporting entity population, and partly in response to initial claims.
- We published our pubs and clubs regulatory guide in 2021 to help venues understand their obligations and how they can meet them. We then had a team visit **247** venues across the country to provide additional education and engagement. During that process, we selected a number of venues we considered higher risk due to their nature, size and complexity, and conducted in-depth compliance assessments through 2022 and 2023.
- Once those assessments were completed, Mounties was one of the venues referred to our Enforcement branch and an investigation was commenced in 2024.
- AUSTRAC also contributed to the NSW Crime Commission Project Islington report released in 2022, highlighting key insights in this sector.

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Gambling as a source of revenue for NSW government, gambling harm and cashless gaming reform?

- AUSTRAC cannot comment on gambling harm or reforms being considered by policy makers in this area.
- AUSTRAC's 2024 *Money laundering in Australia national risk assessment* identified pubs and clubs as a medium risk sector, but the risk increases when those businesses are exposed to cash, especially in circumstances where known ML risks are not being managed.
- Whether policy settings can be used to limit the amount of cash going into an EGM, is a matter for government.

What does AUSTRAC use the compliance report for?

- The requirement to submit an annual compliance report is fundamental to a reporting entity's AML/CTF obligations. AUSTRAC uses compliance reporting data to supervise regulated businesses, and to understand how businesses are meeting their obligations under the AML/CTF Act.
- Compliance reporting helps AUSTRAC to identify the industries and businesses that are more vulnerable to ML/TF and provide extra support or guidance where needed.

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Finalised enforcement cases

Recently finalised Federal Court cases

SkyCity Adelaide

- September 2019: AUSTRAC commenced a compliance assessment of Skycity Adelaide Pty Limited.
- March 2021: AUSTRAC's enforcement investigation began.
- 7 December 2022: AUSTRAC commenced civil penalty proceedings in the Federal Court against Skycity Adelaide Pty Limited. AUSTRAC alleged SkyCity:
  - failed to identify, assess, mitigate and manage its ML/TF risks
  - failed to have a compliant AML/CTF program
  - did not appropriately monitor its customers, as required by the AML/CTF Act.
- 7 June 2024: Justice Lee of the Federal Court ordered SkyCity to pay $67 million in penalties, and AUSTRAC's costs, for contraventions of the AML CTF Act, including that:
  - its AML/CTF programs did not meet the requirements of the AML/CTF Act and AML/CTF Rules, in contravention of section 81
  - it did not carry out appropriate ongoing customer due diligence on certain higher-risk customers, and customers transacting through higher-risk channels, in contravention of section 36.
- The amounts were paid.

Crown Melbourne and Perth

- September 2019: AUSTRAC commenced a compliance assessment of Crown Melbourne.
- August 2020: AUSTRAC commenced an enforcement investigation.
- 1 March 2022: AUSTRAC commenced civil penalty proceedings in the Federal Court against Crown Melbourne and Crown Perth (Burswood Nominees Ltd.).
- 11 July 2023: the Federal Court ordered Crown Melbourne and Crown Perth to pay a $450 million penalty over 2 years.
  - Consistent with the orders, at 11 July 2025 the full penalty of $450 million was paid.
- The Federal Court held that Crown contravened the AML/CTF Act, including:
  - its AML/CTF programs were not based on appropriate risk assessments, did not have appropriate systems and controls to manage their risks, and were not subject to appropriate oversight by their boards and senior management
  - Crown did not conduct appropriate enhanced customer due diligence on high-risk customers, including junket operators.
- This is a reminder to all casinos in Australia to be vigilant to ML/TF risks.

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Recently completed undertakings

PayPal Australia (PayPal)

- May 2019: PayPal self-disclosed transaction reporting failures identified by the AFP.
- December 2020: AUSTRAC notified PayPal of an enforcement investigation into potential non-compliance with a range of obligations under the AML/CTF Act.
- 17 March 2023: AUSTRAC accepted an EU from PayPal Australia Pty Ltd.
- The referral to Enforcement of approximately 6 million IFTIs that lacked information has now been remediated. Enforcement will not be taking further action.
- AUSTRAC assessed the external auditor's final report on PayPal. Both the external auditor and AUSTRAC agreed that PayPal has improved its practices in line with the requirements of the EU.
- 22 July 2025: AUSTRAC cancelled the EU after PayPal completed a 2-year remediation plan to improve its systems and controls relating to IFTIs.

Perth Mint (Gold Corporation)

- 2023: AUSTRAC regulatory supervision work.
- 22 November 2023: AUSTRAC accepted an EU by Perth Mint, after AUSTRAC found failings in its systems, controls and reporting, including the requirement to have an ongoing customer due diligence program, report suspicious matters, and maintain enrolment details within required timeframes.
- May 2025: AUSTRAC received the final progress report from the external auditor, which specified how the company had successfully completed its remediation in compliance with the EU. AUSTRAC reviewed the report and conducted further enquiries to ensure satisfaction that the remediation had been completed.
- 22 July 2025: AUSTRAC closed Gold Corporation's EU.

National Australia Bank (NAB)

- August 2020: AUSTRAC commenced an enforcement investigation, following several self-disclosures by NAB.
- 29 April 2022: AUSTRAC accepted an EU by NAB.
- 22 July 2025: AUSTRAC finalised the EU after NAB satisfied its obligations under the agreement.

Finalised infringement notices

Cointree Pty Ltd (Cointree)

- Digital currency exchange provider, Cointree, made a voluntary disclosure of late reporting of SMRs. Cointree had a prior history of issues with SMR reporting.
- AUSTRAC investigation identified alleged contraventions of paragraph 41(2)(a) of the AML/CTF Act – failure to give the AUSTRAC CEO an SMR within 3 business days of forming the relevant suspicion.

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- 26 February 2025: Infringement notice was issued for the amount of $75,120 for 4 alleged contraventions of the above paragraph. This was paid. Note: payment of an infringement notice does not amount to an admission of liability.

Revolut Payments Australia Pty Ltd (Revolut)

- Revolut, a remittance service provider, self-disclosed failures to report IFTIs within the timeframe stipulated by the AML/CTF Act.
- AUSTRAC investigation identified alleged contraventions of subsection 45(2) of the AML/CTF Act – failure to give the AUSTRAC CEO a report on the IFTI within 10 business days of an instruction being sent or received.
- 29 July 2025: infringement notice was issued for the amount of $187,800 for 10 alleged contraventions of the above subsection. This was paid. Note: payment of an infringement notice does not amount to an admission of liability.

Cryptolink Pty Ltd

- Cryptolink is a DCE provider that offers services through a network of cryptocurrency ATMs. AUSTRAC's Cryptocurrency Taskforce identified deficiencies with Cryptolink's threshold transaction reporting.
- AUSTRAC's investigation identified alleged contraventions of subsection 43(2) of the AML/CTF Act concerning failure to give reports of threshold transactions to the AUSTRAC CEO.
- 15 September 2025: AUSTRAC CEO issued an infringement notice for the amount of $56,430 for 3 alleged contraventions of the above subsection. This was paid. Note: payment of an infringement notice does not amount to an admission of liability.
- The AUSTRAC CEO also accepted an enforceable undertaking from Cryptolink, which requires Cryptolink to obtain third-party assurance of its threshold transaction reporting.

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Non-bank lending and financing sector

- There are approximately **1,900** entities in this sector, across personal, vehicle, agriculture, office and mortgage finance.
- NBLF businesses typically hold an Australian Financial Services License and/or Australian Credit License, regulated by ASIC. These businesses generally offer services including:
    - personal finance
    - payday lending
    - buy-now-pay-later (BNPL) services
    - residential property finance
    - motor vehicle finance
    - equipment and leasing finance
    - commercial finance.

NBLF sector campaigns

- In April and September 2024 AUSTRAC commenced **2** proactive supervision campaigns of **40** entities (36 from the initial campaign and 4 from the second), to understand how this sector manages its AML/CTF obligations.
- The campaigns included questionnaires to all **36** from the initial campaign, and AML/CTF program assessments of **12** businesses, which included face-to-face meetings.
- AUSTRAC drew on our regulatory and intelligence holdings to determine which reporting entities should be subject to further engagement through the campaigns.
- Campaigns covered prominent lenders operating in Australia in personal and business lending, and entities providing motor vehicle finance, including for luxury vehicles.

If asked

What has AUSTRAC done in this sector in the past?

- AUSTRAC commenced supervisory campaigns following the inclusion of NBLF as a focus area in the 2024 AUSTRAC regulatory priorities, which flagged the NBLF sector for increased regulatory scrutiny.
- Our 2024 national risk assessment of ML in Australia assessed the ML risk for the NBLF sector as low, but determined the sector is emerging as a potential ML channel. There are early indicators that the channel is being exploited domestically.
- AUSTRAC previously conducted a proactive campaign into the BNPL sector in 2022, which is a subset of the broader NBLF sector. We also engaged entities directly.
- In mid-2021 AUSTRAC released a sector-based ML/TF risk assessment focused on the NBLF sector. The overall ML/TF risk associated with the sector was found to be medium.
    - The key threat facing the sector is fraud – particularly loan application fraud, identity fraud and welfare fraud.

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- Low rates of customer interaction, and the capability for customers to transact in cash through third-party agents or branches, were cited as the most significant vulnerabilities in the sector.

What is AUSTRAC concerned about in this sector?

- Overall, a lack of financial crime maturity was observed in the sector, specifically:
  - **Risk assessments:** Broad, high-level risk assessments with insufficient detail or coherent methodology and understanding of ML/TF risk indicators.
  - **Customer due diligence:** Inadequate procedures or mechanisms for robust management of customer onboarding and monitoring for suspicious activity over the life of the customer relationship.
  - **Transaction monitoring:** Failure to monitor customer transactions in a structured and systematic manner.
  - **Suspicious matter reporting:** Inconsistent, unstructured approach to forming a suspicion and other investigative steps to trigger an SMR, which often resulted in failure to adequately lodge SMRs in a timely manner.
  - **Outsourcing:** Heavy reliance on external parties for customer verification, inadequate due diligence or monitoring of these third parties to ensure robust policies or frameworks for managing and mitigating risk of these arrangements.
  - **Capacity and assurance:** Inadequate resourcing of the AML/CTF compliance function, with resources being principally tasked with managing credit risk.
- Little, or often no, quality assurance on the AML/CTF compliance function.

What is AUSTRAC going to do next?

- **Uplift**: We are working closely with several large businesses engaged during the campaigns as they remediate and uplift their AML/CTF programs.
  - All these entities have engaged independent auditors to undertake a full review and uplift of their AML/CTF programs.
  - In June 2025 AUSTRAC appointed an external auditor to Mercedes Benz Financial Services Australia, through the use of powers under s162 of the AML/CTF Act.
  - AUSTRAC received the external auditor's report on 22 December 2025. AUSTRAC will consider the report and additional actions being taken by Mercedes Benz to determine the extent of any further regulatory engagement.
- **Communication**: In May 2025 the AUSTRAC CEO wrote to all entities in the NBLF sector, detailing AUSTRAC's concerns toward the sector and providing clear guidance on what businesses needed to do to ensure they were compliant with their obligations.
- **Monitoring**: AUSTRAC has continued to proactively monitor the NBLF sector following the communications issued in May 2025. This includes assessing AUSTRAC's data holdings to track SMRs from the sector following the campaigns.
  - Positively, in the 8 months following communication, there was a **17% increase in SMRs** compared with the same period 12 months prior.

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Regulatory activity

Regulatory priorities for 2025-26

- The AML/CTF reforms reinforce an outcomes-focused regulatory model. Our regulatory priorities are that reporting entities:
  - implement effective AML/CTF controls to manage their ML/TF/PF risks
  - provide high-quality transaction reporting that enables AUSTRAC's intelligence function to support law enforcement outcomes.

Current focus

- Tranche 2 entities understand their AML/CTF obligations and start appropriately managing their ML/TF/PF risks.
- Existing reporting entities implement changes to their AML/CTF programs and practice, to align with changes in the legislative regime, and update their enrolment details.
- Helping more entities understand and comply with their SMR obligations.
- Improved ML/TF/PF risk management in the **virtual asset service provider sector** and **businesses with higher exposure to cash**.
- Increased capability and coordination of ML/TF/PF risk management in the Pacific.

Key stats

Entities on Reporting Entities Roll

- 19,374 (at 30 June 2025, annual report figure).
  - Previous annual reports: 17,875 (2024); 17,531 (2023); 17,163 (2022).
- Some enrolled reporting entities are also required to be registered.

Registrations

Registrations	2022-23	2023-24	2024-25
Remittance Sector Register registrations	5,053	4,976	5,165
DCE Register registrations	407	389	442

Reporting activity

Report type	2022-23	2023-24	2024-25
Suspicious matter reports	317,401	381,758	452,951
Threshold transaction reports	2,087,732	1,924,285	2,038,848
International funds transfer instruction reports	190,312,191	396,329,396	232,154,349
Total number of reports	**192,717,324**	**398,635,439**	**234,646,148**

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Regulatory activity 2024-25 FY

- **126** self-disclosures of breaches from entities.
- **20** 'reviewable' registration decisions made:
  - refusal of registration or renewal (**3**)
  - cancellation of registrations (**4**)
  - conditions imposed (**11**)
  - suspension of registrations (**2**).
- Common reasons for action include:
  - key personnel of businesses charged with a serious offence, or they face adverse action in relation to the management of an entity
  - an entity fails to comply with their AML/CTF obligations
  - conditions to mitigate high ML/TF risk.
- **662** supervisory and regulatory matters identified.
  - **508** triage matters, subject to an initial assessment to determine if they can be promptly addressed or require further specialist supervisory attention. Some are unable to progress most commonly due to insufficient information or evidence.
  - **20** reviewable decisions as detailed above.
  - 94 of the 126 self-disclosures identified that were directed to industry supervision team through regular industry engagement.
  - 40 supervisory assessments, which engaged more than 350 regulated businesses.
  - These matters vary in size and complexity depending on the sector and issue. We respond to regulatory concerns in a proportionate manner, relative to the risk it poses, such as the size of the entity, the volume of transactions, customer demographic and countries these entities typically service.
- AUSTRAC uses a range of internal and external inputs to identify sectors on which we should focus our supervisory efforts and inquiries. For example: an entity's transaction and suspicious matter reporting, and compliance history; and information from partner agencies and law enforcement about the entity, their customers and the broader ML/TF threat environment.
- Our activities include in-depth compliance assessment reviews, desktop reviews, sector-wide regulatory engagements and reviewable decisions.
- Our regulatory responses can vary, from direct engagements followed by written communications directed at boards, to escalations such as directives or referral for possible enforcement action, depending on the significance of our concerns.

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If asked

What are current reporting entities expected to do now?

- On 18 December 2025 AUSTRAC updated our regulatory expectations for reporting entities to progress reform changes and meet their compliance obligations. This builds on our regulatory expectations published on 3 July 2025.
- Current reporting entities are expected to:
  - continue to implement their current ML controls
  - develop and document implementation plans that manage their ML/TF risks while they transition their policies, procedures and systems to meet the obligations under the reformed AML/CTF Act
  - identify and address compliance gaps in circumstances where they can't meet new or changed obligations within the required timeframes
  - show sustained effort and progress against their implementation plans
  - continue to manage their ML/TF risks through the changes, including implementing any tactical improvements in the short term
  - act now to review and strengthen existing frameworks, systems and processes for managing ML/TF risks.
- If their systems and controls are not effective now, AUSTRAC expects them to update these so they are effective.
- Failing to manage their ML/TF risk is a serious regulatory concern now, and will be a serious concern when the AML/CTF reforms commence.

What are AUSTRAC's expectations of tranche 2 entities? Are you going to start punishing Australian businesses as soon as the reforms commence?

- If a business is new to reporting obligations, we expect that by 1 July 2026 they will:
  - be enrolled as a reporting entity (enrolment opens 31 March 2026)
  - have an AML/CTF program, either using an AUSTRAC starter program (available in December 2025) or their own
  - have an AML/CTF compliance officer
  - train their staff on the program and internal processes
  - be ready to engage with clients and report suspicious matters.
- After 1 July 2026 we will prioritise enforcement against entities that:
  - wilfully ignore the obligation to enrol
  - are complicit with, or wilfully blind to, money laundering activities.

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If asked

What are AUSTRAC's recent CTF efforts in this space?

Counter Terrorist Financing Taskforce – Israel

- AUSTRAC works with other FIU partners as a member of the Counter Terrorist Financing Taskforce – Israel (CTFT-I). This is a group of FIUs coordinating efforts to detect and disrupt high-risk money flows related to Hamas and other designated terrorist groups, in support of global CT efforts.
    - CTFT-I members: Australia, Belgium, Canada, Estonia, Finland, France, Germany, Israel, Italy, Latvia, Liechtenstein, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Switzerland, the UK and USA.
- The taskforce formed after the 7 October 2023 attacks and first met on 19 October 2023.
- The taskforce has grown to comprise 19 FIUs, including all Five Eyes FIUs. Germany, Israel, the Netherlands and USA are the taskforce joint leads.
- The taskforce's aims are to: enhance TF intelligence on Hamas and other terrorist groups and expedite dissemination; share FIU best practice and lessons learnt on TF particularly related to the Gaza conflict; and strengthen FIU partnerships with other agencies and industry.

Joint Threat Financing Group

- The AUSTRAC-AFP-led Joint Threat Financing Group (JTFG) identifies and helps disrupt threat financing activities. The JTFG supports the operational work of Joint Counter-Terrorism Teams, as needed on a 'request for assistance' model through the AFP.

Fintel Alliance

- We engage with Fintel Alliance members to highlight major activities of interest to monitor and report on, particularly TF and sanctions evasion.

Australian Government
AUSTRAC

Chief Executive Officer

1 August 2025

The Hon Jim Chalmers MP
Treasurer
Parliament House
Canberra ACT 2600

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House
Canberra ACT 2600

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Dear Ministers

Regulatory reforms and productivity growth

I write in response to your letter of 4 July 2025 regarding identifying regulatory reform opportunities to bolster productivity growth.

AUSTRAC is committed to the Government's productivity and regulatory reform agenda and seeks opportunities wherever possible to minimise regulatory burden on our regulated population and ensure our regulatory oversight is risk-based.

AUSTRAC holds a unique position as Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regulator and financial intelligence unit (FIU). As a regulator, we ensure that regulated institutions are providing vital information and insights to the Australian Government. Our intelligence arm uses this information to work with law enforcement, security agencies and industry, to target money laundering and terrorism financing and other serious crime. This allows law enforcement to disrupt criminals from exploiting the financial system and harming our community.

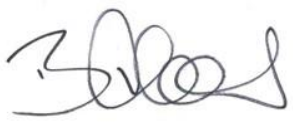
AUSTRAC currently regulates more than 17,000 'reporting entities' including: banks and credit unions; non-bank lenders and stockbrokers; gambling and bullion service providers; and remittance service and digital currency exchange providers.

We adhere to the best practice principles outlined in the Regulator Performance Framework to ensure that our regulatory approach is appropriate and proportionate to the risk and harms we see. We use a range of regulatory tools and activities to influence reporting entities in support of these objectives. Our regulatory priorities 2025–26 emphasise that we will focus our regulatory efforts on the most significant money laundering, terrorism financing and proliferation financing risk and harms.

opportunity to further streamline and reduce conflict between regulatory frameworks, and allows steps taken under other regulatory regimes to support compliance with AML/CTF obligations.

I am pleased to present a number of key opportunities that AUSTRAC has identified to directly support productivity (**Attachment A**). I look forward to hearing the outcomes of the discussions at the Economic Reform Roundtable and how we can work together to improve the regulatory environment.

Yours sincerely



Brendan Thomas
Chief Executive Officer

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Attachment A – Regulatory reform opportunities

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
Current			
Improvement to Suspicious Matter Reports	A Suspicious Matter Report (SMR) is a mandatory report that must be submitted to AUSTRAC by reporting entities when they suspect that a person or transaction is linked to criminal activity. This includes: • Money laundering • Terrorism financing • Identity fraud • Tax evasion • Other serious and organised crime. SMRs form the cornerstone of Australia's anti-money laundering and counter-terrorism financing (AML/CTF) framework and are a critical contributor to AUSTRAC's financial intelligence. Submitting SMRs to AUSTRAC helps protect Australia against money laundering, terrorism financing and other serious and organised crime. AUSTRAC received over 450,000 SMRs throughout 2024–25. SMR submission obligations have strict statutory deadlines	Utilise text analytics to assess the readability and intelligence value of SMRs, enabling targeted feedback to reporting entities. This approach aims to improve both the efficiency and effectiveness of SMR submissions by: • Providing clear, actionable guidance on what constitutes a high-quality SMR • Educating industry participants on best practices for reporting suspicious activity • Helping REs focus their efforts on high-risk, high-impact areas • Reducing the volume of reports that contribute little to overall intelligence outcomes. By fostering a clearer understanding of reporting standards, the industry can enhance its contribution to financial crime intelligence, while streamlining resources toward areas with the greatest potential for harm prevention.	**Reduction in defensive reporting:** Enables reporting entities to focus on quality over quantity. Allowing them to prioritise high-risk activities and reduce SMRs with limited value. **Operational cost savings for banks:** A more targeted reporting approach will result in reductions for banks in compliance costs, resource strain, and time spent on limited-value reports. **Improved Reporting quality from Reporting Entities**: SMRs submitted by REs will result in greater relevance, readability, and analytical usefulness. **Improved insights and intelligence**

Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	– 24 hours if the suspicion relates to terrorism financing, or within 3 business days if the suspicion relates to money laundering or any other offence.		
Adjusting AUSTRAC's regulatory engagement	AUSTRAC regulates over 17,000 businesses and has maintained regular extensive engagement with large systemically important businesses in banking and gambling. Practically this involves quarterly meetings involving financial crime representatives providing detailed packs and reporting in relation to progress in relation to their AML/CTF risk management and consideration and preparation within AUSTRAC. AUSTRAC's regulatory engagement refers to how it interacts with reporting entities and industries to ensure compliance with Australia's AML/CTF laws.	As businesses continue to improve their risk management practises, AUSTRAC has reassessed the necessity for detailed regular engagement and oversight. This will result in a reduction in meetings and therefore reduced requirement for businesses to prepare packs of information. Likewise it will reduce the requirement on AUSTRAC in relation to its own preparedness. The actual time and people commitments for each individual business will vary depending on the size and complexity of their AML/CTF program and the depth of matters to which they were engaged with AUSTRAC. Over the course of a year it will likely provide additional weeks of time for the relevant business operations.	**Strategic engagement at key moments**: Direct attention to critical issues and milestone events, ensuring that interactions deliver maximum regulatory value. **Reduced operational strain for businesses**: Minimise time-consuming preparation and meeting commitments, allowing regulated entities to focus on core risk management responsibilities.
AML/CTF starter program kits	AUSTRAC's AML/CTF Starter Program Kits will help small businesses—especially those newly regulated under AML/CTF reforms—establish effective compliance programs with minimal complexity. The kits aim to increase the effectiveness of AML/CTF programs and will include a	Previously all reporting entities needed to develop their own AML/CTF Programs. In partnership with industry associations, the starter kits will ensure AML/CTF programs are effective and businesses will not be starting with a 'blank sheet of paper'. This new, world first approach to AML/CTF management is designed to reduce time and cost for small business. Starter kits are designed in partnership with industry to ensure they	**Streamline compliance processes and make it easier for a significant number of businesses that are small and low complexity** **Support small business compliance without high costs**: The kits assist many small

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	risk assessment and program for a typical low complexity small business. The ongoing management of the starter Programs will be assumed by AUSTRAC.	meet the needs of business, and will significantly streamline compliance for a considerable proportion of the reporting entities coming under regulation from July 2026. The kits are designed to assist small businesses to establish effective anti-money laundering and counter-terrorism financing programs without starting from scratch. Each kit will be designed to reflect sector-wide risks and industry practices and will include: AML/CTF program, Risk Guidance, Implementation checklists and plans, and education material.	businesses build their AML/CTF programs and increase effectiveness without significant costs **Cost savings:** Uptake of starter kits will save small businesses the expense of developing their own AML/CTF programs. In developing the legislation the Attorney-General's Department conducted an impact analysis which assessed the annual average regulatory burden cost per business. Costs will vary across reporting entities due to size and complexity. • For small businesses with a turnover of less than $200,000, AGD's impact analysis estimates an annual cost of **$4,460** (upfront costs) and **$6,020** (annual ongoing costs). This amount will vary depending on the size of the business. • For businesses with turnover of more than $10 million, average

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
			regulatory burden is estimated at $58,600. • Therefore the quantum of productivity benefit from this initiative across a large population of small to medium businesses will lead to savings in excess of $300 million.
Co-design of guidance with industry	Co-design within AUSTRAC refers to a collaborative approach where the agency works closely with internal teams, reporting entities (REs), and other stakeholders to develop regulatory products, guidance, and initiatives that are effective, efficient, and practical.	As a part of its new regulatory strategy, AUSTRAC is adopting a co-design approach to the development of relevant guidance and education materials with industry. This will ensure that regulatory guidance is more effectively targeted to the needs of industry. Co-design is realised via a range of mechanisms—including industry forums, workshops, roundtables, and working groups—and involves regulated entities, peak bodies, and sectors not currently under AUSTRAC's remit but critical to the delivery of AML/CTF regulation. This allows for deeper engagement on detailed aspects of the AML/CTF regime. These engagements enable AUSTRAC to garner a better understanding of industry practice and leverage non-AML/CTF regulatory regimes to reduce regulatory burden, while still adhering to the	**Improved clarity of relevant guidance:** Reducing time spent learning and understanding obligations. **Reduced regulatory burden** **Improved reporting and compliance**

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
		global AML/CTF standards. This in turn leads to the development of industry-specific guidance, targeted at areas of need. For example, AUSTRAC has worked with industry to develop risk indicators in relation to financial transactions and related criminal activity and is working with businesses to outline expectations which will allow business to hone their efforts and target their resources to have the best outcome in their management of money laundering, terrorism financing and criminal risks. This guidance has led to significant benefits for our regulated entities in the sector, ensuring their compliance activities are effective and meaningful, with minimal wasted effort. Whilst a co-design approach is more time consuming, it is hoped that fit-for-purpose guidance will make compliance simpler for all participants in the regulatory framework, longer term.	
Proposed			
Automatic enrolment for entities with an Australian Financial Services Licence	An Australian Financial Services Licence (AFSL) is a legal authorisation issued by the Australian Securities and Investments Commission (ASIC) that allows businesses and individuals to provide financial services in Australia. While AUSTRAC currently auto-enrols businesses with other relevant licences, remitters and digital currency exchange (DCE) providers who hold an AFSL must	This opportunity is to streamline AUSTRAC's registrations processes by automatically registering entities conducting remittance and digital currency services that already hold an AFSL. AUSTRAC received over 1,500 applications for registration from businesses in 2024-25. There are current requirements on businesses providing certain financial products and services to obtain an AFSL and in parallel obtain registration to operate from AUSTRAC. This is likely to impact a smaller cohort of approximately 100 businesses annually but may	**Reduced regulatory overhead and minimise time to becoming operational** for businesses already licenced through parallel. **Saved time and resources** for both businesses and AUSTRAC by streamling enrolment steps. **Removed duplicative registration requirements** by eliminating the

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	still undergo a separate registration process before commencing operations.	increase over time as additional licensing requirements are applied to digital currency (cryptocurrency). The streamlining of the AUSTRAC consideration following obtaining an AFSL will provide a small productivity benefit to those businesses. The current process is resulting in duplicated checks, longer processing times, and unnecessary administrative burden.	need for a lengthy separate registration process
Co-design of future IFTI/IVTS reform with industry	IFTI reporting refers to International Funds Transfer Instruction reporting—a key requirement under Australia's AML/CTF Act. It ensures that AUSTRAC receives timely information about cross-border transfers of money or property, helping detect and prevent financial crime. AUSTRAC received over 230 million IFTI reports in 2024-25, or approximately 636,000 reports per day from approximately 600 reporting entities. AUSTRAC's current IFTI reporting regime aims to ensure consistency with third party payment platforms utlised by reporting entities and international data standards, to reduce technical and data burden on REs to comply with this obligation. International Value Transfer Services (IVTS) will replace the previous IFTI framework as part of reforms to the *Anti-Money*	AUSTRAC will adopt a co-design approach with REs to shape the future of IVTS reporting. Similar to current IFTI reporting regime, AUSTRAC will seek to minimise regulatory burden and maximise consistency, quality and timeliness of data from REs by leveraging existing payment platforms, contemporary industry data and technical standards, and / or other third party regulatory technology or financial technology capabilities used by RE's in the co-design of IVTS processes and systems. The goal is to ensure that reforms not only meet regulatory and intelligence needs but also enhance productivity for REs—rather than adding unnecessary complexity or burden.	**Data and technology systems** are designed collaboratively to support seamless IVTS reporting. **Reporting obligations** are clear, proportionate, and aligned with operational realities.

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act). This change reflects a broader approach to tracking cross-border transfers of money, virtual assets, or other property and depending upon the final scope of the new obligation, is likely to increase the number of reporting entities subject to this obligation.		
Streamlined digitised notice process	Digital notice process refers to AUSTRACs enhanced powers to issue formal requests for information under Australia's updated AML/CTF laws. These notices are part of AUSTRAC's information-gathering powers and are designed to help combat money laundering, terrorism financing, and other serious crimes. AUSTRAC uses these powers, in partnership with industry, to seek further information and target areas of criminality or known/suspected channels of money laundering. Across AUSTRAC's Intelligence and Regulatory operations, several hundred legislative notices are issued annually seeking additional information and documents from regulated entities. As Legal instruments, some notices, particularly on regulatory engagements,	Opportunity to streamline process for notices by implementing a fully digital, automated notice system, that make is easier for REs to respond to notices and provide information to AUSTRAC.	**Reduced regulatory burden** by minimising duplication and enhancing efficiency

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	carry weight of penalty on failures to address the notice within the timeframe and completeness. The standard timeframes applied to formal notices range from 2 to 4 weeks depending on the extent of information sought. Current practices mean that the response to the notice may involve various forms of reply including data, documents in various formats, image and video. Document size can be significant which has implications on any traditional email communication as well as security and confidentiality considerations. In some instances, USB drives, document portals become options for receiving large volumes of information. The variance across issue and response to notices compounds productivity impacts that a future digital approach would reduce.		
Compliance report overhaul	AUSTRAC's compliance reporting is a requirement for businesses that provide designated services under the AML/CTF Act. REs are required to submit a Compliance Report to AUSTRAC every year. This report provides AUSTRAC with critical data and insights to assess the efficacy of RE AML/CTF frameworks and	The Compliance Report is a critical regulatory tool and opportunities exist to enhance efficiency and reduce burden through: • Redesigning and simplifying question sets to improve clarity and reduce completion time • Prefilling data from existing registration sources to minimise duplication	**Reduces annual compliance obligations**, easing the process for entities submitting their AUSTRAC Compliance Report **Minimises administrative effort**, saving time and resources for entities.

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	the overall vulnerability of the financial sector.	• Leveraging smart logic and automation to tailor questions based on entity type and risk profile. This will be of greater importance when the CR requirement extends to the newly regulated businesses from July 2026. In 2025, we received approximately 8,800 CRs, and we expect this to grow to in excess of 50,000 following the extension of this obligation through Government reforms For large businesses with complex operations the time taken to complete the Compliance Report can be several weeks to months to obtain and aggregate information across an entire organisation. Any reduction in time taken and impact will provide productivity benefit to existing regulated businesses which will then be extended to businesses to be regulated.	
Greater regulatory harmonisation	Regulatory harmonisation refers to the process of aligning regulatory requirements across different systems and frameworks to reduce compliance costs and improve efficiency. The momentum toward regulatory harmonisation has grown across financial crime compliance, especially as Australia prepares for the implementation of Tranche 2 reforms. Harmonisation signals a clear commitment to reducing fragmentation, fostering	Reducing conflict between regulatory frameworks and / or leveraging data and information collection for one regulatory purpose to be used to respond to another will provide productivity benefits for businesses. As an example of regulatory harmonisation already underway - establishing the identity of a customer is a critical component in the protection of individuals and businesses. Reforms to the AML/CTF Act and Rules require that regulated businesses undertake customer due diligence to establish the identity of their customers, but do not prescribe a particular verification	**Reduced regulatory burden:** Minimising administrative complexity by streamlining obligations across related regulatory regimes—enhancing efficiency, reducing duplication, and offering clearer, more consistent compliance pathways for reporting entities.

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
	clarity, and easing navigation of AML/CTF obligations.	procedure. Professions that undertake verification of identity for other purposes, for example to support electronic conveyancing, may continue to do so and will only be required to supplement their procedures where the AML/CTF Act and Rules require additional matters to be verified. In cooperation with other regulators, AUSTRAC will seek further opportunities to ensure that steps taken under other regulatory regimes (e.g. Scams Prevention Framework) can support the multiple outcomes being sought. Ideally, this should enable information to be collected from regulated businesses once, but shared and used for multiple purposes across different Commonwealth regulatory frameworks.	
Enhancements to large volume SMR reporting	As noted above, Suspicious Matter Reports (SMRs) form the cornerstone of Australia's AML/CTF framework and are a critical contributor to AUSTRAC's financial intelligence. AUSTRAC received over 450,000 SMRs throughout 2024-25. While important, SMR reporting can be onerous and costly for regulated entities, and there are opportunities to make this reporting more efficient and more effective.	Reform the SMR reporting system to make it easier and more efficient for large volume reporters. Potential options that will be explored with regulated businesses may include providing direction and expectations in relation to reporting on certain unusual activity which may reduce defensive reporting. Exploring efficiencies in reports where there are large networks of suspect transactions and linked individuals. In addition, any future enabling of information sharing between businesses will enable exploration of joint suspicion reports which exists in other jurisdiction including the United States. This reduces multiple	**Data and technology systems** are designed collaboratively to support seamless SMR reporting **Reporting obligations** are clear, proportionate, and aligned with operational realities **Reduction in defensive reporting:** Enables reporting entities to focus on quality over quantity, allowing them to prioritise high-risk activities and reduce SMRs with limited value.

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Initiative	Summary of action	How it will uplift productivity and/or economic growth	Impact
		individual reports and provides more targets and fulsome information and intelligence.	**Improved insights and intelligence** **Enhanced pattern detection and anomaly identification** for emerging harms and threats in the financial system. **Greater traceability and auditability** to improve confidence in data driven processes and compliance activities. A **faster regulation and intelligence cycle**, as targeted insights are generated in a timelier manner.

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Additional Estimates February 2026 – hot issue brief

Illicit tobacco

- Australia is one of the largest consumers of illicit stimulants globally. Australia's illicit drug market generates substantial criminal proceeds that require laundering.
- Despite ongoing law enforcement efforts, many of Australia's illicit markets, including drugs and tobacco, remain strong and resilient to large-scale disruption.
- Tobacco is illicit when it is grown, manufactured and/or produced in Australia without an appropriate excise licence, or when imported into Australia without customs duty being paid.
- Australia's illicit tobacco market is driven by high demand and large potential criminal profits. The Australian Taxation Office's (ATO) tobacco tax gap findings estimated the illicit market cost Australia approximately $2.7 billion in lost excise revenue in 2022-23.
- ML is a key enabler of the illicit tobacco market. Given the strong ties to international markets and transnational crime groups, organised crime groups seek to move the proceeds of crime out of Australia to fund additional offending.
- Removing the profit from illicit tobacco reduces the ability of serious organised crime groups to invest in further offending, reducing harm to the community.

AUSTRAC risk assessment

- AUSTRAC's 2024 national risk assessment found that the illicit tobacco market poses a **medium and increasing** ML threat.
- ML methodologies used by organised crime groups involved in illicit tobacco include the use of **onshore and offshore business structures, remittance businesses, structured and high-value cash transactions, and third-party transfers.**
- Australia's illicit tobacco market is likely to pose an increasing ML threat over the next 3 years.
- Domestic demand will most likely remain high, and organised crime groups continue to participate in trafficking and supply activities, given the high value of potential profits.

Illicit Tobacco Taskforce

- AUSTRAC provides intelligence to the ABF-led Illicit Tobacco Taskforce (ITTF), as a member with the ATO, ACIC and Commonwealth Director of Public Prosecutions (CDPP).
- Our intelligence helps target:
  - established criminal networks engaging in the illicit tobacco and e-cigarette market
  - entities relevant to 'Priority Illicit Tobacco Networks' endorsed by the ITTF's National Illicit Tobacco Senior Management Group.
- AUSTRAC also provides tailored financial intelligence to state and territory law enforcement agencies, to target and disrupt organised crime groups engaged in the illicit tobacco market.

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Outcome

- Over the last financial year, the ABF detected and seized more than **2.5 billion** cigarette sticks and **435 tonnes** of loose-leaf tobacco.
- The Illicit Tobacco and E-cigarette Commissioner's inaugural report was released in December 2025. The government will consider it for future policies and initiatives.

Funding

- As a member of the ITTF, AUSTRAC receives $479,000 annually to generate financial intelligence in support of taskforce efforts.
- AUSTRAC has also received $800,000 over 2 years to support the recent Budget measure 'Illicit Tobacco Compliance and Enforcement Package – direct and targeted enforcement to counter profits from illicit tobacco'.
    - With Commonwealth, state and territory partners, AUSTRAC will provide intelligence to support investigations targeting the criminal assets and proceeds of groups dealing in illicit tobacco and nicotine products.

If asked

Does the ITTF engage international government partners to address these illicit imports into Australia?

- The ABF, as the lead agency, works with international partners by:
    - proactively working in source and transit countries to target and disrupt illicit tobacco and vapes before they reach Australia
    - identifying priority locations and working with international partners to develop a mutually beneficial approach to offshore detection and disruption, including posting ABF officers in key source and transit countries for illicit tobacco and vapes.
- AUSTRAC works with our international counterparts offshore, where appropriate, to track funds and assist ITTF partner investigations.

State governments are appealing to the Commonwealth to lead this work, how can AUSTRAC help?

- Illicit tobacco and vaping products are a multi-jurisdictional problem requiring a multi-faceted response. Law enforcement and regulatory health agencies at federal and state levels are working together to address the serious organised crime, health and public safety issues, as a result of illicit tobacco and vapes.
- The Australian Government allocated $49.4 million (over 2 years from 2025-26) to expand law enforcement's ability and capacity to target the profits and proceeds from illicit tobacco, through the **AFP-led Criminal Assets Confiscation Taskforce** (CACT). This includes additional funding for the AFP, ABF, ACIC, AUSTRAC, ATO and CDPP.
- A $33.5 million allocation to the AFP includes $17 million to support state and territory law enforcement agencies to partner with the AFP in the work of the CACT in targeting the profits of illicit tobacco.
- Further details are matters for the AFP and ABF.

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Additional Estimates February 2026 – hot issue brief

Industry contribution levy – historical issue

- In April 2024 following internal investigation, AUSTRAC confirmed that our calculations of industry levy contributions were not in accordance with the correct interpretation of relevant ministerial determinations. AUSTRAC was alerted to this potential error through correspondence from a regulated entity in late 2023.
- The error came from a misalignment of the financial year data used to calculate levy amounts. Some annual levies were therefore based on incorrect earnings data.

AUSTRAC actions

- AUSTRAC took appropriate actions to remedy the error. We thoroughly assessed the cause and notified relevant businesses in July 2025.
- As the error relates to the financial year earnings provided by businesses, AUSTRAC requested that businesses confirm their earnings data for each year. We encouraged businesses to request a reassessment by 16 November 2025 if they believed they may have been affected.
    - The errors relate to the possible misapplication of the ministerial determinations issued between 2014 and 2023.
    - AUSTRAC contacted businesses that paid levy invoices with an earnings component between 1 July 2014 and 30 June 2023.
    - Businesses are more likely to have been affected if their financial year end date is between 31 March and 30 June.
- If a reassessment results in an overall overpayment, businesses will be refunded. If the reassessment results in an overall underpayment, AUSTRAC will consider waiving the resulting debt.
- The results so far are subject to upcoming audit/review.

If asked

Why did it take AUSTRAC so long to uncover this issue?

- The administration of the levy is complex and relies on information provided by regulated entities. In simplifying the guidance for these entities, it appears the interaction between differing financial year-end dates and the annual census date was not fully anticipated.
- Since we first notified impacted businesses on 16 July 2025, engagement from businesses has been positive overall. Businesses appreciate the administrative process and are providing us with their financial data upon requesting a reassessment.
- We take this matter very seriously and are committed to maintaining full transparency and accountability as remediation progresses.

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If pressed: How many entities have requested reassessment?

- At 13 January 2026, 16 enquiries and 11 requests for reassessments were received.

What is AUSTRAC's position on the ANAO's findings?

- The ANAO issued an 'L1' audit finding as part of its interim audit for 2025, identifying instances of significant non-compliance with legislation that AUSTRAC is responsible for administering.
- AUSTRAC considers that a finding of 'L3' would have been a more appropriate classification of the issue by ANAO – that is, non-compliance with subordinate legislation, such as the PGPA Rules.
- However, AUSTRAC accepted all audit recommendations, developed a detailed remediation plan, and implemented corrective actions.
- To provide additional assurance, we engaged our internal auditors to independently assess the appropriateness and efficacy of our approach and methodology. Their report confirmed that our planned remediation process is robust and methodology is sound.
- The ANAO also acknowledged the actions taken and, in its final closing letter, confirmed the L1 finding had been closed.

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Additional Estimates February 2026 – hot issue brief

Industry engagement and support

- Newly-regulated entities will need to: enrol with AUSTRAC; develop an AML/CTF program (including risk assessment and policies); conduct CDD; submit relevant reports to AUSTRAC; keep records; and ensure they have effective governance in place.
- Businesses need time and support to effectively understand and implement those obligations.
- We are committed to setting them up for success in the lead-up to commencement of the reforms and onwards, through engagement, communication and education.
- The effectiveness of any AML/CTF regime relies on how well reporting entities:
  - understand the ML/TF and other financial crime risks they may reasonably face
  - implement appropriate measures to manage and mitigate those risks
  - report to AUSTRAC when needed.
- In instances of minor or technical non-compliance, we work with businesses to enable them to respond to and remediate issues.
- AUSTRAC established rules and guidance working groups for the **9** sectors. The working groups have involved industry associations and peak bodies, representative reporting entities and AUSTRAC, in a co-design process to assist in the development of AML/CTF Rules and guidance. All 9 working groups met at least 5 times since November 2024, with T2 groups meeting 6 times to enable work on program starter kits.
- AUSTRAC holds separate industry forums for industry associations and peak bodies that represent current and T2 reporting entities. The forums have included presentations on the AML/CTF Rules and guidance, digital transformation, and education and intelligence, including Fintel Alliance. They have allowed for 2-way dialogue on a range of issues. Industry forums have been held on 6 occasions since October 2024. The next industry forums are scheduled for 17 and 18 February 2026.
- AUSTRAC's senior leaders and subject-matter specialists provide information to industry through speaking engagements, keynote addresses, presentations, panel discussions, Q&A sessions and webinars.

Education and outreach

- We commenced our education campaign for T2 entities in June 2025, with a rolling introductory webinar series providing an overview of the AML/CTF regime, AML/CTF obligations, risk and outsourcing. The webinars have had over 8,000 attendees. Recordings have been published for on-demand viewing.
- We also published a checklist for new reporting entities, to guide them through a series of steps to determine if their business will have obligations under the AML/CTF Act, and prepare for regulation ahead of enrolment.
- In recent months, AUSTRAC has delivered education products on AML/CTF programs, governance and ML/TF risk assessments.

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- Going forward, AUSTRAC will continue to roll out further targeted and sector-specific education products on key AML/CTF obligations.
- We are partnering with industry to ensure all reporting entities are aware of and understand their obligations, and have sufficient time and practical guidance to implement them.
- We are working closely with industry sectors to co-design guidance and educational products that are suited to the particular challenges they face.
- Products focus on challenges faced by small businesses. They provide practical guidance through materials to help these businesses tailor their AML/CTF program to be appropriate to their unique risks, nature, size and complexity.
- Education and guidance will be accompanied by access to an enhanced Contact Centre, to address questions raised by industry.
- We will also engage industry to understand their ICT environments, to:
    - ensure information collected and provided to AUSTRAC remains safe and secure
    - co-design and test reporting entity system solutions, to ensure ease of use with minimal impact to business.
- Separately, we engaged with a subset of reporting entities – including the largest banks – alongside law enforcement partners, in Australia's public-private financial intelligence partnership, Fintel Alliance.
    - This resulted in the development of financial crime guides for government and private sector partners, and the general public.
    - Fintel Alliance has outreach into similar international forums, with a focus on increasing the resilience of the financial sector to prevent criminal exploitation.

If asked

What engagement has happened so far and how long will it take you to deliver guidance to all the new reporting entities?

- A dedicated industry engagement team was established in August 2024 to provide businesses and associations with a direct engagement avenue. In addition to engaging in industry forums and working groups, industry associations are also supporting the education and information provision to their members.
- Forums commenced on 17 and 18 October 2024, for current and T2 sector associations, respectively. Updates were provided on the AML/CTF Amendment Bill, drafting AML/CTF Rules and guidance, the intent of a co-design process, and introduction of AUSTRAC's new Education & Industry Engagement branch.
- AUSTRAC established sector-specific working groups, to work closely with associations and their members on practical AML/CTF Rules and guidance.
- The forums and working groups have been well received, and a number of attendees expressed their appreciation of AUSTRAC's collaborative approach. Many of the attendees expressed interest in, and had ideas for, further engagement.

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  - **If pressed:** Issues raised during these engagements included: the lead time for businesses to implement changes following AUSTRAC's proposed guidance rollout; the potential for duplication of process and engagement with state-based government agencies; practical issues about the delivery of services in their sector; and the need for robust education and guidance materials.

- The next forums are scheduled to be held in mid-February and will give updates on AUSTRAC's regulation approach and expectations, program starter kits and digital transformation.
- We regularly communicate with industry about the reforms via our fortnightly update emails, website, social media posts, InBrief quarterly newsletter, and direct emails to update them and help them prepare.
- In August 2025 AUSTRAC launched our awareness campaign for current reporting entities and T2 entities, to be delivered in 3 phases from now until 1 July 2026. The phases are: awareness, preparation and enrolment.

When will more education products be available for new reporting entities?

- Following the release of the core guidance in October 2025, AUSTRAC commenced publishing education products to support current reporting entities and tranche 2 sectors. These include:
  - AML/CTF program quick guide for current and new reporting entities
  - AML/CTF program quick guide for financial planners
  - governance fact sheet and quick guides
  - risk assessment framework quick guides, tailored for tranche 2 sectors
- From late-January 2026 AUSTRAC will present a 'conducting your risk assessment' webinar.
- Further education products will continue to be released in the lead-up to 1 July 2026.
- These education products are intended to complement the guidance, which provides detailed information on each AML/CTF obligation.

How has AUSTRAC co-designed its guidance with industry?

- AUSTRAC continues to co-design guidance through our industry working groups.
  - Draft core guidance was distributed to industry working groups for input from 19 May 2025 to 27 June 2025, and 30 June 2025 to 1 August 2025, with guidance being further co-designed through monthly industry workshops.
- Sector-specific guidance, including AML/CTF program starter kits, has also been co-designed through extensive engagement with industry working groups.
  - This includes workshops held with affected industry groups on 18 and 19 March 2025, and 15, 24 and 25 September 2025.
- AUSTRAC also distributed draft products to industry working groups for input from 7 July 2025 to 1 August 2025. Feedback from industry working groups encouraged

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AUSTRAC to revise the products to streamline and simplify relevant processes, ensuring they were better catered to small businesses.

- Feedback from industry was considered and incorporated extensively into the guidance AUSTRAC issued in October 2025.

Will there be transitional measures in place to support tranche 1 and tranche 2 entities at the commencement of the AML/CTF reforms?

- New transaction reporting requirements and transitional arrangements for SMRs and TTRs were finalised in the AML/CTF Rules on 29 August 2025.
- Practically, this means:
  - tranche 1 schema reporters will continue reporting using the existing SMR and TTR forms
  - tranche 1 non-schema reporters will continue using the existing forms, with the option to move to the new reports from 1 July 2026
  - newly-regulated businesses and other non-schema reporters will report using the new forms from 1 July 2026
  - between 31 March and 1 July 2026, the existing forms will remain the only reporting option available.
- This approach:
  - maintains continuity of reporting
  - avoids gaps in intelligence at commencement
  - manages implementation and delivery risk for schema reporters
  - ensures proportionality between intelligence value and regulatory burden as the new reporting capability is introduced.
- The Minister for Home Affairs will make **transitional rules**. The Department of Home Affairs will lead initial industry engagement, through affected peak bodies. AUSTRAC will support this engagement through our established industry channels.
- Questions about the content and timing of the transitional rules should be directed to the department.

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Additional Estimates February 2026 – hot issue brief

New and revised powers

New information-gathering powers

- These enhance AUSTRAC's ability to obtain information to detect, deter and disrupt criminal abuse of the financial system.

New examination power (section 172A)

- Compels an individual to appear before the AUSTRAC CEO or examiner, to answer questions on oath or affirmation.
- Enhances AUSTRAC's powers to obtain information to make enforcement decisions and obtain evidence to be used in court or tribunal proceedings.
- Aligns AUSTRAC's powers with other regulators, e.g. ASIC and APRA. Also aligns our supervisory and enforcement powers with the *Regulatory Powers (Standard Provisions) Act 2014*. Note: the AML/CTF Act does not *trigger* the provisions of the Regulatory Powers Act – in other words, that Act does not apply.

Revised section 167 'notice to produce' power

- On 7 January 2025 section 167 was amended to broaden who AUSTRAC could compel documents and information from (any person), while narrowing when a section 167 notice could be issued.
- The amended power aligns closely with the powers of other regulators, e.g. ASIC and the ACCC.

Revised 'notice to produce' power (section 49B)

- Supports AUSTRAC's FIU functions, such as conducting broader analysis of data at a thematic level to identify trends, patterns, threats or vulnerabilities to combat ML/TF/PF or other serious crimes.
- Created as the notice power in section 167 was amended to expand who may receive a notice, but narrowed the purpose for which a notice can be issued. Section 49B accounts for this narrowing in scope, as well as allowing AUSTRAC to issue notices that are not linked to a transaction report or SMR given to AUSTRAC.

New authorisation to produce (section 49C)

- Facilitates cooperative information sharing between private sector entities, other persons and AUSTRAC, to help detect, deter and disrupt financial crime.
- Authorisation to share relevant information with AUSTRAC, to provide information or documents voluntarily, and protect cooperative persons from legal action for a breach of privacy or obligations of confidence as a result of sharing information.
- Section 49C is not limited to a particular manner or timeframe for production. It is intended to be as broad and flexible as possible, to facilitate collaboration between AUSTRAC and our partners.

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- There are no civil penalties attached to a failure to provide information under such an authorisation.

If asked

Why did AUSTRAC need additional powers?

- We needed powers adequate to meet the challenges posed by emerging business practices.
    - For example, many reporting entities use non-reporting entities (who could not be issued section 167 notices) to help with AML/CTF compliance, e.g. transaction monitoring.
    - We can now gather information from reporting entities, as part of supervision activities or enforcement investigations, not linked to a transaction report or SMR.
- We also could not previously issue a section 167 notice to suspected unregistered remittance service providers and their associates, which reduced our ability to gather intelligence.
- Without access to appropriate information-gathering powers, we were limited in our ability to gather information to investigate and take enforcement action for contravention of the AML/CTF Act. This undermined Australia's AML/CTF framework, making it easier for criminals to abuse Australia's financial system.
- This also results in more efficient investigations and subsequent enforcement action. For example, the power to examine witnesses can support AUSTRAC to understand issues and associations more swiftly, so investigations are closed faster with the right supporting evidence.
- Without an authorisation power designed to support AUSTRAC's financial intelligence work, we were hampered in obtaining intelligence that leads to the disruption of ML/TF/PF, child sexual exploitation, tax evasion and other serious crimes.
- AUSTRAC now has the powers to assist us to comply with FATF obligations requiring financial supervisors to be authorised to compel production of any information relevant to monitoring compliance with AML/CTF requirements, without a court order (Rec 27).

Are there any safeguards on the exercise of these powers?

Examination power

- The examinee has the right to have their lawyer present during the examination. Their lawyer can address the examiner or examinee about the matters being discussed.
- The examinee also has a right against self-incrimination if, before making a statement in answer to a question or signing a record, the examinee claims the statement or signing the record might tend to incriminate them or expose them to a penalty.
- If self-incrimination is claimed, the statement or fact that the individual has signed the record of examination is not admissible in evidence against the person, other than in a proceeding relating to the falsity of the statement or signed record of the examination.

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- An examinee may also claim legal professional privilege (LPP) for the information provided at an examination.

Notice to produce

- The section 49B 'notice to produce' power may only be used to support the performance of the AUSTRAC CEO's functions, and issued if the AUSTRAC CEO reasonably believes the recipient has notice of, or possession, custody or control of, the information requested.
- A recipient of the notice is not obliged to produce documents subject to LPP.

Authorisation to produce

- Subsection 49C(5) clarifies that in providing information or documents in response to the authorisation to produce notice, the recipient will be protected from inadvertently breaching any contractual obligations of confidence.
- This power is expected to be used in circumstances where the recipient wishes to provide AUSTRAC with information, but feels due to the operation of other laws, they are unable to do so. As such, an individual's right to refuse to give information on the basis that it would be self-incriminating is also not abrogated by this notice power.

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Additional Estimates February 2026 – hot issue brief

New industry contribution levy

- AUSTRAC's budget appropriation is primarily funded by **an industry contribution levy**, making the agency's combined functions largely cost neutral to government.
- The levy is collected from 'leviable entities' regulated by AUSTRAC as administered revenue, and returned to the government as consolidated revenue.
- Currently, the levy is calculated using a model based on a combination of transaction reporting AUSTRAC receives from industry, and the earnings of regulated businesses earning above $100 million per year.

New funding model

- Following enactment of the AML/CTF Amendment Act 2024, AUSTRAC will regulate a significantly broader range and larger number of businesses.
- To support AUSTRAC's increase in regulatory and financial intelligence activities, options are being considered to develop a new or amended funding model.
- Development of a new/amended funding model will be informed by:
    - the need to maximise AUSTRAC and industry's capacity to combat ML/TF/PF and other serious crime
    - the capacity of regulated entities to contribute to the funding model
    - the need for the model to be straightforward to understand and administer.
- The design of this funding model will be considered in consultation with the Department of Home Affairs, Department of Finance, Department of Treasury and industry, as part of AUSTRAC's reform program.

If asked

How is the current industry contribution levy administered?

- AUSTRAC is funded by an annual budget appropriation that is generally offset by an industry contribution levy. We levy regulated sectors to collect the funds required to perform AUSTRAC's functions.
- AUSTRAC designs the levy, develops the ministerial determination that sets the levy charging model for each financial year (signed by the responsible minister), and specifies the method for determining the liability of each leviable entity.
- During the financial year AUSTRAC administers the levy, which aims to collect a total amount equal to the annual appropriation. These funds are returned immediately to the government.
- The calculation of the current levy is based on actual earnings, as well as transaction volumes and values – which are considered indicators of money laundering risks. The majority of reporting entities are not liable to pay the levy because the model has a $100 million floor on earnings.

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What work has been completed on a new or amended funding model?

- AUSTRAC has been working on funding options in consultation with Home Affairs, Treasury and other Commonwealth government stakeholders.
- Models need to meet AUSTRAC's increased resourcing needs following the expansion of our remit, while minimising the financial and administrative impost on regulated entities that have limited capacity to pay.
- The funding model will be comprehensively consulted with industry prior to adoption.

What policy considerations will be considered in developing a new or amended funding model?

- A new or amended funding model will be developed in consideration of the need to maximise AUSTRAC and industry's capacity to combat ML/TF/PF. This includes:
  - accounting for AUSTRAC's expected resourcing requirements
  - incorporating efficient and straightforward processes for calculation, collection, and compliance
  - minimising the administrative and fiscal impost on regulated entities.
- AUSTRAC's focus is on developing a future funding model that is predictable, proportionate, transparent and administratively sound.

Will the proposed industry contribution levy models be made available for industry consultation?

- AUSTRAC will consult with industry when funding models are developed.
- These models do not represent a finalised government position.
- Industry will have the opportunity to consider proposed funding model options providing varying approaches, structures and implications.
- During the consultation period, industry stakeholders will be invited to review the models, share their perspectives, and provide feedback on the potential impacts and preferences. This feedback will be carefully considered before determining the most appropriate model to formally propose.
- Proposed funding model/s will be put forward to Treasury for consideration before seeking government approval.

Is the industry contribution levy a cost recovery mechanism or a tax?

- The current industry contribution levy is designated by government as general taxation.
- The Australian Government Charging Framework does not apply to its operation.

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Australian Government
AUSTRAC

Chief Executive Officer

15 October 2025

Senator David Shoebridge
Senator for NSW

By email: Senator.Shoebridge@aph.gov.au

Dear Senator

Re: Palantir and Westpac

I write in response to your letter dated 16 September 2025 regarding Westpac's use of Palantir, and security concerns.

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) requires regulated businesses, such as Westpac, to:

- develop and maintain an AML/CTF program
- perform customer identification and verification before providing a designated service, and perform ongoing due diligence of their customers
- monitor for unusual or suspicious activity
- ensure they adhere to reporting obligations.

It is common for regulated businesses to use one or more third-party providers to help meet their AML/CTF obligations, and wider obligations relating to sanctions monitoring, and fraud and scam prevention. Using third parties can create a range of risks, including AML/CTF risks. AUSTRAC has statutory authority to consider these risks where they create vulnerabilities or non-compliance with the obligations in the AML/CTF Act.

In acknowledging the broader risks of outsourcing, AUSTRAC provides guidance to regulated businesses on outsourcing to third-party providers. The guidance includes: the need to conduct due diligence on the provider; that businesses need to understand any legal restrictions on sharing information with outsourced providers; and businesses should put in place written agreements that clearly outline measures to deal with breaches. The guidance is available on AUSTRAC's website (https://www.austrac.gov.au/business/core-guidance/using-outsourcing-help-meet-your-amlctf-obligations).

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As part of efforts to protect the financial system and the community, financial institutions use AUSTRAC and law enforcement information to assist in improving their risk management practices. This has included actions to protect vulnerable persons. As it relates to domestic violence and harm to victims, financial institutions have applied advice provided by AUSTRAC and partner agencies in our financial crime guide Preventing misuse and criminal communication through payment text fields (https://www.austrac.gov.au/business/how-comply-guidance-and-resources/guidance-resources/payment-text-fields).

Beyond Australia's AML/CTF obligations, financial institutions have other regulatory obligations that require information from customers, which will be relevant to other regulators both domestic (for example, the Australian Taxation Office) and international (such as the Internal Revenue Service).

All businesses regulated under the AML/CTF Act are required to comply with the *Privacy Act 1988*. This recognises the sensitivity of information gathered by financial institutions and other regulated businesses to support Australia's AML/CTF regime. The AML/CTF Act also explicitly requires the AUSTRAC CEO to have regard to privacy in exercising their functions under the Act.

Federal government agencies, including AUSTRAC, use Palantir and other third-party providers to support the delivery of core agency outcomes. AUSTRAC's use of Palantir is governed by comprehensive contractual controls, which ensure the platform operates strictly in accordance with the Australian Government's privacy framework and AUSTRAC's information security environment. These controls regulate how the system is accessed, operated and managed. The platform operates in a strictly-controlled hosting environment. As a tool, Palantir does not source data itself, but is designed to integrate and analyse data already possessed and provided by its user. Palantir acts as a data processor, linking data sets into a coherent network and enabling users to derive insights, make decisions and take action. These controls ensure AUSTRAC retains full ownership and authority over our data. Palantir is one of many data tools providing AUSTRAC and Fintel Alliance (with industry members including Westpac) with capabilities to share insights, to achieve our legislated mandate.

Outsourcing to third parties is ultimately a commercial arrangement. AUSTRAC's remit is defined by the obligations in the AML/CTF Act. AUSTRAC regularly engages with the banking sector to supervise compliance with AML/CTF obligations. We have been directly engaged with Westpac on a range of AML/CTF matters, including the governance of their outsourcing arrangements.

I trust this information is of assistance.

Yours sincerely



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AUSTRAC CURRENT SIGNIFICANT LITIGATION

ADDITIONAL ESTIMATES FEBRUARY 2026

KEY POINTS

- AUSTRAC has 5 current civil penalty proceedings in the Federal Court, 3 of which are significant litigation matters.

The Star

- On 30 November 2022 AUSTRAC commenced civil penalty proceedings in the Federal Court against The Star Pty Limited and The Star Entertainment QLD Limited.
    - AUSTRAC alleges The Star failed to identify, assess, mitigate, and manage its money laundering and terrorism financing risks, as required by the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).
    - The Star failed to have a compliant AML/CTF program and did not appropriately monitor its customers.
    - The matter was heard in June 2025. The Federal Court reserved its judgment.

Entain Group Pty Ltd

- On 16 December 2024 AUSTRAC commenced civil penalty proceedings in the Federal Court against Entain Group Pty Ltd (Entain Australia).
    - AUSTRAC alleges Entain did not adopt and maintain a compliant AML/CTF program and did not appropriately monitor its customers.
    - The matter is progressing through case management in the Federal Court.

Mount Pritchard District & Community Club Ltd (Mounties)

- On 30 July 2025 AUSTRAC commenced civil penalty proceedings against Mounties for allegedly providing gaming services to its customers without adopting and maintaining a compliant AML/CTF program.
    - The matter is progressing through case management in the Federal Court.
- The Australian gambling, pubs and clubs sectors are vulnerable to exploitation by criminals. They must manage their money laundering and terrorism financing risks and submit high-quality reports to AUSTRAC.
- This helps protect the Australian community from serious and organised crime. I cannot comment further on these matters as they are currently before the Federal Court.

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BACKGROUND:

The Star

- AUSTRAC commenced a compliance assessment of The Star Pty Limited in September 2019 and commenced an enforcement investigation in June 2021.
- In January 2022 AUSTRAC expanded its investigation to The Star Entertainment QLD Limited and other Star entities.
- Proceedings allege that for 6 years, The Star did not adopt and maintain a program which identified, managed, and mitigated its AML/CTF risks (AML/CTF Act section 81), and did not undertake appropriate customer due diligence and enhanced customer due diligence in relation to over 1,000 high-risk customers (section 36).

Entain

- In October 2019 AUSTRAC commenced an extensive supervisory campaign that assessed entities in the corporate bookmakers sector. In September 2022 AUSTRAC commenced an enforcement investigation into Entain Group Pty Ltd, in relation to its compliance with a range of AML/CTF Act obligations.
- Entain has filed its defence and is preparing for its next case management hearing on 23 April 2026, a hearing on liability on 30 November 2026, and a hearing on penalty likely in 2027.

Mounties

- Mounties is regulated under the AML/CTF Act as it provides gambling services through the provision of electronic gaming machines (EGMs).
- Mounties is one of the largest and most profitable club groups in New South Wales. It owns 10 venues, 8 of which operate approximately 1,400 EGMs reporting over $400 million in EGM revenue across its venues, in the period relevant to the proceedings.
- AUSTRAC alleges that:
    - Mounties' program did not have appropriate risk assessment or transaction monitoring, and enhanced customer due diligence processes did not include appropriate risk-based systems and controls
    - the program failed to include appropriate staff risk awareness training, and there were deficiencies in the independent reviews performed on the program
    - in a number of specific cases, Mounties failed to appropriately monitor its customers with a view to identifying, mitigating, and managing the money laundering risk that Mounties faced.
- A Statement of Agreed Facts is due to be filed by 13 February 2026, with evidence to be filed by 27 March 2026. The next case management hearing is scheduled on 2 April 2026.

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Contact Officer: Lina Bui, Chief of Staff
Phone: s22(1)(a)(ii) [redacted]
Responsible Division: PA - AUSTRAC

Date updated:
23 January 2026

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AUSTRAC - KEY ISSUES

ADDITIONAL ESTIMATES FEBRUARY 2026

KEY POINTS:

Anti-money laundering and counter-terrorism financing reforms

- AUSTRAC issued the new *Anti-Money Laundering and Counter-Terrorism Financing Rules 2025* (AML/CTF Rules) on 29 August 2025, to help industry implement the latest reforms.
    - Industry co-designed these Rules, through over 200 submissions and numerous sector-specific working groups, workshops and forums.
    - AUSTRAC released core guidance and continues to provide education materials to support business compliance.
    - On 30 January 2026 AUSTRAC released (on its website) AML/CTF program kits to help small businesses manage their money laundering and terrorism financing (ML/TF) risks and protect themselves from criminal abuse.

Crypto ATMs and cash

- AUSTRAC intelligence shows cryptocurrency poses a heightened ML risk, and is increasingly being exploited for ML, scams and money mule activities.
- In addition to supporting national Australian Federal Police (AFP) operations, AUSTRAC leads a cryptocurrency taskforce targeting heightened ML, TF and scam risks in the digital currency sector.
    - The taskforce found a very high proportion of the largest transactions flowing through crypto ATMs had some links to crime, particularly scams and fraud.
    - AUSTRAC is hardening crypto ATMs against criminal misuse, reducing the number of high-risk crypto ATM providers, and raising compliance standards.
- Crypto ATM operators who don't comply with their AML/CTF obligations – to know their customer, report suspicious activity, and identify, manage and mitigate these risks – may face AUSTRAC enforcement action. Two entities have been referred for enforcement action.
- I will seek to introduce a new power enabling the AUSTRAC CEO to restrict or prohibit certain high-risk products, services or delivery channels.
- Private ATMs and cash-in-transit companies are also vulnerable to ML due to their cash intensity, limited regulatory oversight and a lack of AML/CTF requirements.

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BACKGROUND:

Expectations of industry in response to AML/CTF reforms

- AUSTRAC expects by 1 July 2026 businesses new to reporting obligations will:
    - be enrolled as a reporting entity (enrolment opens 31 March 2026)
    - have an AML/CTF program, either using an AUSTRAC starter program or their own
    - have an AML/CTF compliance officer
    - train their staff on the program and internal processes
    - be ready to engage with clients and report suspicious matters.

- After 1 July 2026 AUSTRAC will prioritise enforcement against entities that:
  - wilfully ignore the obligation to enrol
  - are complicit with, or wilfully blind to, ML activities.

Crypto ATMs

- Cryptocurrency and crypto ATMs are attractive avenues for criminals looking to launder money, as they are widely accessible, make near-instant and irreversible transfers, and provide an easy avenue to place cash into the financial system.
- In September 2024 AUSTRAC established a cryptocurrency taskforce to address heightened ML, TF and scam risks in the digital currency sector, particularly through crypto ATMs.
- The taskforce draws upon insights from a national intelligence project, which examined the role of crypto ATMs in enabling serious financial crime. AUSTRAC continues to review and apply these learnings in consultation with law enforcement partners. The taskforce:
  - issued numerous compulsory notices to reporting entities to produce information and documents
  - conducted reviews of crypto ATM providers' AML/CTF programs and transactional activity
  - consulted with industry and implemented minimum risk management standards across all registered crypto ATM providers, including a daily limit on cash deposits and withdrawals of $5,000 per customer per crypto ATM provider
  - refused to renew the registration of one crypto ATM provider and referred 2 other providers for enforcement investigation – as a result of the taskforce's work, one crypto ATM provider voluntarily deregistered, and another paused crypto ATM options
  - worked closely with law enforcement partners on suspicious activity identified through the taskforce, and referred persons of interest to law enforcement.
- A joint AFP operation led to the identification of 90 scam victims, money mules, and suspected offenders coerced into moving dirty money through crypto ATMs. Further investigations are ongoing relating to some of the other crypto ATM users.

Cash-in-transit

- AUSTRAC's national risk assessment found that cash-intensive businesses pose a high and stable ML vulnerability. Cash-intensive businesses provide a high volume of legitimate cash flows, in which the proceeds of crime may be integrated or co-mingled before entering financial institutions.
- Private ATMs are vulnerable to ML due to their cash intensity, limited regulatory oversight and a lack of AML/CTF requirements. Corrupt actors can replenish ATMs with proceeds of crime without detection.
- Cash-in-transit companies are contracted to replenish fleets of private ATMs. When criminally linked or exploited, these companies can launder proceeds of crime by replenishing ATMs with dirty cash.

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- Private ATMs placed in cash-intensive businesses (such as tobacconists), provide instant cash for customers who purchase illegal tobacco products, and present ML opportunities for business/ATM owners when loading illicit cash into ATMs.

Contact Officer: Lina Bui, Chief of Staff
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Responsible Division: PA - AUSTRAC

Date updated:
3 February 2026

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AFR Article – 'Public service hit with huge austerity cuts'

Supplementary Budget Estimates – December 2025

Information for Portfolio Entities

<u>If asked about a letter from Finance asking agencies to identify spending cuts</u>

- The Government has asked all portfolios to review existing expenditure and consider what is still aligned with priorities, and what could be reprioritised to meet future spending pressures.
- This is consistent with the usual approach of expecting agencies to identify offsets for new expenditure, as required under the Budget Process Operational Rules.
- Questions about this exercise should be directed to PM&C or Finance.

<u>If asked about the agency's response or engagement in the process</u>

- It is longstanding practice to not disclose information that could reveal the deliberations of the Cabinet and its committees. This includes spending and saving proposals that might be considered in a MYEFO or Budget process.

<u>If asked to share any correspondence</u>

- Any request for documents relating to proposals to come forward in a Budget process would need to be taken on notice, to consider whether the documents are subject to Cabinet confidentiality and to provide the Minister with an opportunity to consider making a public interest immunity claim.
- Questions about any correspondence should be directed to PM&C or Finance.

<u>If asked about allocation of election commitment savings to reduce spending on external labour and non-wage costs</u>

- Information on the allocation of savings from the Government's election commitment to reduce spending on external labour and non-wage costs will be included in the 2025 26 MYEFO and Portfolio Additional Estimates Statements.
- Any questions about whole-of-government savings should be directed to Finance.

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Additional Estimates February 2026 – hot issue brief

Disclosing AUSTRAC information

- AUSTRAC does not comment on operational matters or provide specific information regarding suspicious matter reports (SMRs).
- The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) provides that a person commits an offence if they disclose SMRs (and other AUSTRAC information), where they accessed the information, or it was disclosed to them, in contravention of the Act.
- Authorised law enforcement and regulatory partners use AUSTRAC financial intelligence, including reporting from industry, to assist with investigations.

If asked

How is AUSTRAC information protected in legislation?

- The AML/CTF Act contains provisions that restrict how SMRs and AUSTRAC information can be dealt with. These provisions strictly limit the use, disclosure and publication of AUSTRAC information.
- AUSTRAC takes seriously all potential contraventions of provisions designed to keep AUSTRAC information confidential. There are serious consequences under the AML/CTF Act – including criminal sanctions – for publishing AUSTRAC Information that has been illegally disclosed.

Does the report mentioned by Senator Shoebridge exist?

- AUSTRAC is not able to confirm whether the information referred to by Senator Shoebridge is accurate.
- The AML/CTF Act provides protections for AUSTRAC information, including SMRs and any intelligence derived from them. The protections were established by Parliament to:
    - preserve the integrity and effectiveness of the AML/CTF regime and any investigations and prosecutions
    - protect people submitting reports
    - protect the privacy of individuals named in reports.
- Disclosing or confirming the existence of such information could undermine the integrity of the AML/CTF regime.

Why can't SMRs be disclosed publicly?

- SMRs are protected by law under the AML/CTF Act. Disclosure of SMR information is an offence unless authorised by law.
- SMRs capture the suspicions of individuals employed by regulated entities. They are not prepared to a standard to be used in court or tribunal proceedings. SMRs are based on the subjective view that the reporting entity forms about the nature of the activity

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observed, and the likelihood that it may be linked to criminal activity. In many cases, no criminal activity will have occurred.

- The SMR regime is underpinned by the fundamental principle that SMR information is confidential and will not be disclosed without a lawful requirement, in accordance with the secrecy provisions of the AML/CTF Act.
- SMRs are afforded additional protections by Part 11 of the AML/CTF Act. The protections seek to maintain the sustainability of the reporting framework. They protect the identity of those providing the reports to AUSTRAC, and the confidentiality of such intelligence, so as not to prejudice investigations. This to ensure that 'raw' intelligence is ultimately substantiated by primary evidence, rather than use of raw information to support prosecution of criminal or civil offences.
- The disclosure of SMR information jeopardises individuals and businesses complying with the legislation, placing them at risk of reprisal or commercial disadvantage.

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Senator Penny Allman-Payne
Senator for Queensland



Dr Senator Michelle Ananda-Rajah
Senator for Victoria



Senator Alex Antic
Senator for South Australia



Senator Wendy Askew
Senator for Tasmania



Senator Tim Ayres
Senator for New South Wales



Senator Ralph Babet
Senator for Victoria



Senator Sean Bell
Senator for New South Wales



Senator Leah Blyth
Senator for South Australia



Senator Andrew Bragg
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Senator Slade Brockman
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Senator the Hon Carol Brown
Senator for Tasmania



Senator Ross Cadell
Senator for New South Wales



Senator the Hon Matthew Canavan
Senator for Queensland



Senator the Hon Michaelia Cash
Senator for Western Australia



Senator Claire Chandler
Senator for Tasmania



Senator the Hon Anthony Chisholm
Senator for Queensland



Senator Raff Ciccone
Senator for Victoria



Senator the Hon Richard Colbeck
Senator for Tasmania



Senator Jessica Collins
Senator for New South Wales



Senator Dorinda Cox
Senator for Western Australia

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Senator
Lisa Darmanin
Senator for Victoria



Senator
Josh Dolega
Senator for Tasmania



Senator
Richard Dowling
Senator for Tasmania



Senator the Hon
Jonathon Duniam
Senator for Tasmania



Senator the Hon
Don Farrell
Senator for South Australia



Senator
Mehreen Faruqi
Senator for New South Wales



Senator the Hon
Katy Gallagher
Senator for Australian Capital Territory



Senator
Varun Ghosh
Senator for Western Australia



Senator the Hon
Nita Green
Senator for Queensland



Senator
Karen Grogan
Senator for South Australia



Senator
Pauline Hanson
Senator for Queensland



Senator Sarah
Hanson-Young
Senator for South Australia



Senator the Hon
Sarah Henderson
Senator for Victoria



Senator
Steph Hodgins-May
Senator for Victoria



Senator the Hon
Jane Hume
Senator for Victoria



Senator
Maria Kovacic
Senator for New South Wales



Senator
Jacqui Lambie
Senator for Tasmania



Senator
Kerrynne Liddle
Senator for South Australia



Senator the Hon
Sue Lines
Senator for Western Australia



Senator the Hon
Jenny McAllister
Senator for New South Wales

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Senator the Hon
Malarndirri McCarthy
Senator for
Northern Territory



Senator
Susan McDonald
Senator for Queensland



Senator the Hon
James McGrath
Senator for Queensland



Senator the Hon
Bridget McKenzie
Senator for Victoria



Senator
Nick McKim
Senator for Tasmania



Senator Andrew
McLachlan CSC
Senator for
South Australia



Senator
Corinne Mulholland
Senator for Queensland



Senator Jacinta
Nampijinpa Price
Senator for
Northern Territory



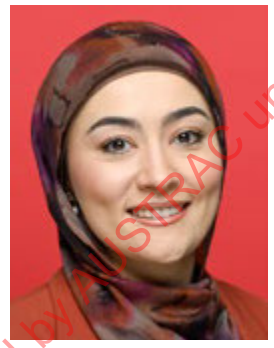
Senator
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Senator for
New South Wales



Senator
Matt O'Sullivan
Senator for
Western Australia



Senator
James Paterson
Senator for Victoria



Senator
Fatima Payman
Senator for
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Senator
Barbara Pocock
Senator for
South Australia



Senator
David Pocock
Senator for
Australian Capital Territory



Senator
Helen Polley
Senator for Tasmania



Senator
Malcolm Roberts
Senator for Queensland



Senator the Hon
Anne Ruston
Senator for
South Australia



Senator
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Senator for Queensland



Senator
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Senator for
New South Wales



Senator
Tony Sheldon
Senator for
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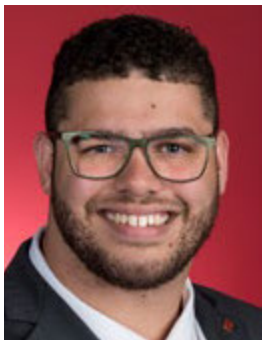
Senator
David Shoebridge
Senator for
New South Wales



Senator
Dean Smith
Senator for
Western Australia



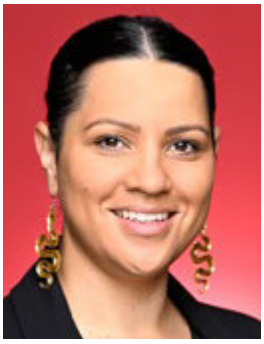
Senator
Marielle Smith
Senator for
South Australia



Senator
Jordon Steele-John
Senator for
Western Australia



Senator
Glenn Sterle
Senator for
Western Australia



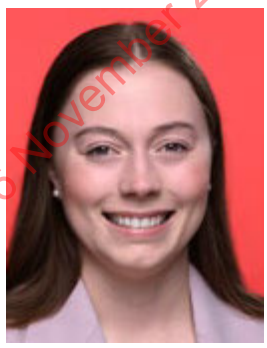
Senator
Jana Stewart
Senator for Victoria



Senator
Lidia Thorpe
Senator for Victoria



Senator
Tammy Tyrrell
Senator for Tasmania



Senator
Charlotte Walker
Senator for
South Australia



Senator the Hon
Jess Walsh
Senator for Victoria



Senator
Larissa Waters
Senator for Queensland



Senator the Hon
Murray Watt
Senator for Queensland



Senator
Peter Whish-Wilson
Senator for Tasmania



Senator
Ellie Whiteaker
Senator for
Western Australia



Senator
Tyron Whitten
Senator for
Western Australia



Senator the Hon
Penny Wong
Senator for
South Australia

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DAVID SHOEBRIDGE
SENATOR FOR NEW SOUTH WALES

Australian Transaction Reports and Analysis Centre (AUSTRAC)
By email: contact@austrac.gov.au

16th September 2025

Dear AUSTRAC,

Re: Palantir and Westpac

I am writing to request information on the steps AUSTRAC is taking regarding the use of Palantir by Westpac, specifically with regards to additional protections for people with particular security concerns. My office has been approached by a number of people concerned about their own personal protection in their banking activities because of this.

As you may be aware, Palantir has been at the center of controversy in recent times particularly for oppressive surveillance practices undertaken by the company.

In light of these concerns, I am seeking information on the steps AUSTRAC is taking to ensure that Westpac's use of Palantir is compliant with AUSTRAC's laws and regulations, and that adequate protections are in place for vulnerable individuals.

Specifically, I would like to request information on the following:

1. What steps is AUSTRAC taking to investigate the use of Palantir by Westpac and other financial institutions, and to ensure that this use is compliant with AUSTRAC laws and regulations?
2. Are there any additional protections in place for individuals with particular security concerns, such as those who have been victims of domestic violence or stalking, or those who have been involved in high-risk activities?
3. How is AUSTRAC working with financial institutions to ensure that they are providing adequate protections for vulnerable individuals, and that they are not using AUSTRAC laws as a pretext for collecting and sharing personal information with third-party companies?
4. What guidance is AUSTRAC providing to financial institutions on the use of Palantir and other third-party companies, and how is AUSTRAC ensuring that this guidance is being followed?

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I believe that it is essential that AUSTRAC takes a proactive approach to addressing these concerns and ensuring that vulnerable individuals are adequately protected. I would appreciate it if you could provide me with a detailed response to these questions, and if you could also provide any additional information that you think would be relevant to this matter.

Your thoughtful and prompt consideration on this matter is appreciated.

Yours faithfully,
David Shoebridge
Senator for NSW

GOVERNMENT GUIDELINES FOR OFFICIAL WITNESSES BEFORE PARLIAMENTARY COMMITTEES AND RELATED MATTERS

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Department of the Prime Minister and Cabinet

Canberra

February 2015

GOVERNMENT GUIDELINES FOR OFFICIAL WITNESSES BEFORE PARLIAMENTARY COMMITTEES AND RELATED MATTERS – FEBRUARY 2015

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1. INTRODUCTION

1.1. Application and scope of the *Guidelines*

1.1.1. The *Guidelines* are designed to assist departmental and agency officials, statutory office holders and the staff of statutory authorities in their dealings with the parliament. The term 'official' is used throughout the *Guidelines*; it includes all persons employed by the Commonwealth who are undertaking duties within a Commonwealth department or agency (whether employed under the *Public Service Act 1999* or other legislation) and those in government business enterprises, corporations and companies. It is recognised, however, that the role and nature of some statutory office holders and their staff will require the selective application of these *Guidelines*, depending on the individual office holder's particular statutory functions and responsibilities (see section 2.9).

1.1.2. Contractors and consultants to departments and agencies and other individuals who are invited to give evidence to a parliamentary committee will also find these *Guidelines* useful.

1.1.3. While the *Guidelines* apply primarily to the preparation of submissions and the giving of oral evidence, parts 7 to 11 cover certain other matters related to the parliament. The *Guidelines* should also generally apply to submissions to and appearances before other public inquiries, such as royal commissions, and to the preparation and presentation of speeches by officials in their official capacity (for further information on the involvement of APS employees in public information initiatives, see *APS Values and Code of Conduct in Practice: a guide to official conduct for APS employees and agency heads* (section 1: Relationship with the Government and the Parliament), published by the Australian Public Service Commission.

1.2. Powers of the parliament

1.2.1. There are obligations and protections that govern anyone who volunteers or is required to provide information to the parliament. These obligations and protections flow primarily from the Constitution and the *Parliamentary Privileges Act 1987*, supplemented by privilege resolutions adopted by both the Senate and the House of Representatives and by the Standing Orders of both houses. While very rarely called upon, the parliament has the power to impose penalties for contempt (see sections 5.1 and 5.2 on parliamentary privilege and contempt of parliament below).

1.2.2. The *Guidelines* detail obligations and protections, providing references and links to primary documents.

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1.3. Accountability

1.3.1. A fundamental element of Australia's system of parliamentary government is the accountability of the executive government to the parliament. Ministers are accountable to the parliament for the exercise of their ministerial authority and are responsible for the public advocacy and defence of government policy. Officials are accountable to ministers for the administration of government policy and programmes. Officials' accountability regularly takes the form of a requirement for them to provide full and accurate information to the parliament about the factual and technical background to policies and their administration.

1.3.2. The most common ways that officials will be required to answer directly to the parliament is through submissions to and appearances before committees. They may also be required to support ministers' accountability by, for example, drafting answers to parliamentary questions, advising a minister during the debate on legislation in the parliament or assisting a minister in responding to an order by one of the houses to produce documents.

1.3.3. The Guidelines are intended to assist in the freest possible flow of information to the parliament.

1.4. Types and powers of committees

1.4.1. Parliamentary committees may be established by the Senate, the House of Representatives, jointly by the two houses or by legislation. They have either an ongoing role (statutory and standing committees) or are established for a specific purpose (select committees).

1.4.2. Appearance as a witness before a Senate legislation committee conducting hearings into the Appropriation Bills (i.e. Senate estimates hearings) is the most common situation in which officials will appear before a parliamentary committee.

1.4.3. The functions and powers of parliamentary committees derive from enabling statutes, resolutions or the standing orders of the houses. Committees are generally established and empowered, among other things, to:

(a) seek submissions and documents and invite persons to give evidence in relation to matters under consideration

(b) summon witnesses and require the production of documents in relation to those matters.

1.4.4. The operations of joint statutory committees are governed by the relevant legislation (e.g. the *Public Accounts and Audit Committee Act 1951*, the *Public Works Committee Act 1969* and the *Australian Security Intelligence Organisation Act 1979*). Select committees are governed by the resolutions which establish them.

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1.5. Types of witnesses

1.5.1. Officials can make submissions and appear as witnesses in an official capacity or in a personal capacity. Within these two broad categories there are distinctions that affect the clearance of submissions, selection of witnesses and preparation for appearances before committees. Depending on the nature of the inquiry that the committee is undertaking, the same officials can fall into either or both of these categories.

Official witnesses

1.5.2. Most often, officials will make submissions or appear before committees as representatives of their departments or agencies to explain the administration and implementation of government policies and programmes. For those witnesses, the Guidelines provide details of procedures for the clearance of submissions, choice of witnesses and consultation ahead of committee hearings.

1.5.3. There are circumstances, however, where those procedures would not be appropriate. On occasion witnesses may choose or be required to give personal accounts of events or conduct that they have witnessed. This situation can arise in the course of any committee hearing but will most often arise when a committee is inquiring into a particular event and the accounts of individual witnesses are required to allow the committee to ascertain the facts surrounding the event. In such cases, witnesses must not have requirements placed upon them that might deter them from giving evidence or cause them to feel constrained about the nature or content of their evidence. Part 3 of the *Guidelines* provides information about the approach to be adopted in cases where witnesses have had direct involvement in or have direct knowledge of events under inquiry.

1.5.4. It is, of course, possible that the same person may appear to explain the way that a particular programme is administered and to provide an account of an event that may have occurred in the administration of the programme.

Personal witnesses

1.5.5. Officials may also make submissions and appear as witnesses in a personal capacity. Guidance on contributions by officials appearing in a personal capacity is in Part 6.

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2. PRELIMINARIES TO A COMMITTEE INQUIRY

2.1. Requests for written material and attendance

2.1.1. Without providing an exhaustive list, requests for submissions to or for the attendance of an official at a committee hearing in an official capacity may be made to one of the following:

(a) the relevant minister

(b) the relevant departmental secretary or agency head

(c) an official who previously appeared before the committee in relation to the matter being considered

(d) an official who has been identified by a committee as a person who could assist the committee in establishing facts about a particular event

2.1.2. There are exceptions to these formal requests e.g. for Senate estimates committees hearings.

2.1.3. Committees often advertise publicly for written submissions from interested persons and organisations.

2.1.4. A witness may first be invited to give evidence or produce documents, but a committee has the power to summon a witness if it considers circumstances warrant such an order. This is a rare occurrence, however, and departments are requested to bring any cases of an official receiving a summons to the attention of the Department of the Prime Minister and Cabinet (see Part 11 for contacts).

2.2. Preparation of submissions

2.2.1. If appropriate, departments and agencies making formal submissions should provide them in a written form; subsequent oral evidence would, if required, be based on the written submission but could also encompass other matters.

2.3. Matters of policy in submissions

2.3.1. Submissions:

(a) should not advocate, defend or canvass the merits of government policies (including policies of previous Commonwealth governments or state or foreign governments)

(b) may describe those policies and the administrative arrangements and procedures involved in implementing them

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(c) should not identify considerations leading to government decisions or possible decisions unless those considerations have already been made public or the minister authorises the department to identify them

(d) may, after consultation with the minister, and especially when the government is encouraging public discussion of issues, set out policy options and list the main advantages and disadvantages, but should not reflect on the merits of any judgement the government may have made on those options or otherwise promote a particular policy viewpoint.

2.4. Clearance of submissions by minister

2.4.1. Submissions should be cleared to appropriate levels within the department or agency, and normally with the minister, in accordance with arrangements approved by the minister concerned.

2.4.2. Where a committee seeks comments on the merits of government policies, it is for ministers to respond by making written submissions, by appearing personally or arranging for ministers representing them to appear personally, or by inviting committees to submit questions on policy issues in writing.

2.4.3. Part 3 provides guidance in relation to officials giving evidence of personal knowledge of or involvement in events. Part 6 covers evidence given in a personal capacity.

2.5. Declining to make a submission

2.5.1. There may be occasions where a department is requested by a committee to make a submission and considers it inappropriate to do so e.g. where the issue being examined is administered by another department. In such cases it would be appropriate for the departmental secretary or agency head, or the official to whom a request was addressed, to write to the committee advising that the department does not intend to make a submission. If a committee persists with its request for a written submission, the department or agency may wish to seek the minister's views.

2.6. Requests for more time to prepare evidence

2.6.1. If the notice is considered insufficient, the minister (or the department on the minister's behalf) may ask a committee for more time to prepare evidence. The Senate resolutions provide for a witness to be given reasonable notice and an indication of the matters expected to be dealt with (Senate resolution 1.3).

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2.7. Confidentiality of submissions and draft reports of committees

2.7.1. The release of submissions and the receipt of draft committee reports without the authority of a committee is prohibited by the *Parliamentary Privileges Act 1987* and may be judged as a contempt of the parliament. (See sections 5.1 and 5.2.)

2.7.2. It is sometimes necessary for the executive government to draw on contributions from various departments and agencies in order to provide accurate and comprehensive information. In such cases, draft submissions must be circulated between relevant agencies. The final submission may be made available to contributing departments and agencies at the time the submission is sent to the committee. Once forwarded to a committee, however, written submissions are confidential until the committee authorises their release or publication (see Senate Standing Order 37, House of Representatives Standing Order 242). Material in submissions may be used for other purposes, but the actual submission must not be published without the committee's approval.

2.7.3. Similarly, a draft report of a committee prepared for its own consideration is the property of the committee and must not be received or dealt with except with the committee's authority. If an official receives a draft report, it should be returned promptly to the committee through the committee secretary, either directly or by returning it to the individual who provided it, who should be informed of the requirement to return it.

2.8. Choice of witnesses

2.8.1. A minister may delegate to a departmental secretary or agency head the responsibility for deciding the officials most appropriate to provide the information sought by a committee. It is essential that the officials selected have sufficient knowledge and authority to be able to satisfy the committee's requirements. Where the matter before the committee involves the interests of several departments or agencies, it would be appropriate to inform the committee secretary (after consulting the other departments or agencies) so the committee can arrange for other witnesses to appear if required.

2.8.2. Where a committee specifically requests an official to appear and the official is unavailable or the department considers it more appropriate that another official appear, it is desirable to advise the committee in advance and indicate the reason e.g. that another official or another department is now responsible for the matter in question. That course is likely to be inappropriate if the specified official has direct knowledge of an event under inquiry (see paragraph 1.5.3 and Part 3).

2.9. Official witnesses from statutory authorities

2.9.1. Both Houses regard statutory office holders and the staff of statutory authorities as accountable to the parliament, regardless of the level of ministerial control of the authority. Most of them should comply with the usual rules about canvassing the merits or otherwise of policies. However, a number of statutory office holders and authorities, particularly those

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with statutory responsibilities for promoting good practice in particular fields or protecting the interests of individuals or groups, may provide comment to committees on policies relevant to their areas of responsibility to the extent that the functions of their office properly permit that role. In doing so, they should take care to avoid taking partisan positions.

2.10. How to prepare as a witness

2.10.1. All witnesses should be thoroughly prepared for hearings. Preparation should include ensuring familiarity with probable lines of questioning by discussion with the committee secretariat or by examining Hansard (for parliamentary questions and previous, related inquiries) and other sources, including the media. Officials who have not previously attended committee hearings should be briefed on the requirements and should consider training offered by the Australian Public Service Commission and by the Departments of the Senate and the House of Representatives. Senior officials should satisfy themselves, as far as possible, that all witnesses are capable of giving evidence in a professional manner.

2.11. Senate and House of Representative resolutions

2.11.1. All officials appearing before Senate committees should also make themselves aware of the Senate resolutions relating to the rights of witnesses (Senate resolutions 1.1-1.18) and matters which may be treated as a contempt of the Parliament (Senate resolutions 3 and 6.1-6.16). Officials appearing before the House of Representatives Committee of Privileges and Members' Interests should be aware of the resolution adopted by the House on 25 November 2009 in relation to the protection of witnesses.

2.12. Consultation with ministers ahead of hearings

2.12.1. The extent of consultation with ministers when preparing for hearings may vary depending on the committee and capacity in which a witness is appearing. For Senate estimates committee hearings, it is usual for officials to provide the minister, or the minister's representative in the Senate, with a list of significant matters on which the department or agency is likely to be questioned and with copies of briefing if the minister wishes. Regardless of the type of committee, witnesses should alert the minister before a hearing if it is likely that a claim of public interest immunity (PII) will be required (see sections 4.4 to 4.11). In most cases, ministers should also be given advance notice by officials of likely requests for the hearing of evidence in camera (see section 4.12), although official witnesses who will give personal accounts of an event (see Part 3) are under no obligation to indicate that they intend to request an in camera hearing.

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3. OFFICIALS GIVING EVIDENCE OF EVENTS OR CONDUCT

3.1.1. Parliamentary committees are occasionally established to inquire into particular events. Officials whose personal accounts of events or conduct are relevant to the inquiry should prepare themselves for the hearing in much the same way as officials appearing in a representative capacity (see section 2.10) by, for example, considering what questions might be asked, reviewing files and contemporaneous notes about the event and attempting to recall their experiences as exactly as possible. While these witnesses may choose to advise the minister or the departmental or agency executive before making a submission or attending a hearing, they should not be required to do so, nor should they be required to clear the content of their submissions or intended evidence.

3.1.2. An official who is appearing in relation to a particular event should, like all official witnesses, be aware that they might need to restrict the evidence they give (see section 4.2). It is possible, for example, that certain information relevant to an inquiry should properly remain confidential (see sections 4.4 to 4.11). In this situation, the official should discuss the proposed evidence with senior officials familiar with the subject matter so as to ascertain whether the minister should be given an opportunity to consider making a PII claim in respect of the information.

3.1.3. Officials giving evidence about particular events are entitled to request that their submissions and oral evidence remain confidential. This may be appropriate if the subject matter of the inquiry or the proposed evidence is inherently confidential (e.g. if it is related to defence capabilities and a PII claim is not being made), if the evidence would be damaging to personal reputations, or if the witness does not wish his or her identity to be made public.

3.1.4. Officials who intend to give evidence about their personal experiences or observations should be careful, if they discuss their intended evidence with other officials or potential witnesses, to avoid creating the perception that they are trying to influence those other witnesses or being influenced by them.

3.1.5. As indicated in paragraph 1.5.4, it is possible for the same official to be required to give evidence to the same inquiry both to explain the way a programme is administered and to provide an account of an event that might have occurred in the administration of the programme. In such cases, the witness needs to follow the appropriate clearance procedures for evidence relating to his or her evidence as a representative of the department or agency, while at the same time avoiding inappropriate processes in preparing to give evidence about his or her personal knowledge of the event or conduct in question.

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4. CONDUCT OF HEARINGS BY COMMITTEES

4.1. General Principles

4.1.1. As indicated above (paragraph 1.3.3), it is intended, subject to the application of certain necessary principles, that there be the freest flow of information between the public sector and the parliament. To that end, officials should be open with committees and if unable or unwilling to answer questions or provide information should say so and give reasons. It is also incumbent upon officials to treat parliamentary committee members with respect and courtesy. Officials who consider that a question or statement made by a committee member reflects unfairly on them can seek assistance from either the minister or the committee chair. (See also section 5.7 on Right of Reply.)

4.2. Limitations on officials' evidence

4.2.1. There are three main areas in which officials need to be alert to the possibility that they may not be able to provide committees with all the information sought or may need to request restrictions on the provision of such information. These are:

(a) matters of policy

(b) material that may be the subject of a PII claim

(c) information where in camera evidence is desirable.

4.3. Matters of policy in oral evidence

4.3.1. It is not the role of an official witness to give opinions on matters of policy. It is the role of an official witness to speak to any written submission provided to the committee and to provide, in answer to questions, factual and background material to assist the understanding of the issues involved. The detailed rules applying to written submissions also apply to oral evidence. Not all restrictions necessarily apply to statutory officers (see section 2.9).

4.3.2. The Senate resolutions (see section 2.11) provide that, "an officer of a department of the Commonwealth or of a State shall not be asked to give opinions on matters of policy, and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a Minister" (resolution 1.16).

4.3.3. Senate resolutions also prescribe the procedure by which a witness may object to answering "any question put to the witness" on "any ground" (resolution 1.10). This would include the ground that the question requires the witness to give an opinion on a matter of policy contrary to Senate resolution 1.16. In such a situation an official may ask the person chairing the committee to consider whether questions which fall within the parameters of policy positions are in order.

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4.3.4. If an official witness is directed to answer a question that goes to the merits of government policy and has not previously cleared the matter with the minister, the official should ask to be allowed to defer the answer until such clearance is obtained. Alternatively, it may be appropriate for the witness to refer to the written material provided to the committee and offer, if the committee wishes, to seek elaboration from the minister or to request that the answer to a particular question be reserved for submission in writing.

4.4. Public interest immunity

4.4.1. While the parliament has the power to require the giving of evidence and the production of documents, it has been acknowledged by the parliament that the government holds some information which, in the public interest, should not be disclosed.

4.5. Claims to be made by ministers

4.5.1. Only ministers, or in limited circumstances statutory office holders, can claim that information should be withheld from disclosure on grounds of PII. However, committees, and especially Senate estimates committees, receive most of their evidence from officials, and it is officials who are most likely in the first instance to be asked to provide information or documents that might be the subject of a PII claim. Officials need in particular to be familiar with the Senate Order of 13 May 2009 on PII claims (see Attachment A).

4.5.2. It is important that the public interest is not inadvertently damaged as a result of information or documents being released without a proper assessment of the possible consequences. Officials who consider that they have been asked to provide information or a document (either by way of a submission or in a hearing) that might properly be the subject of a PII claim should either:

(a) advise the committee of the grounds for that belief and specify the damage that might be done to the public interest if the information or document were disclosed; or

(b) ask to take the question on notice to allow discussion with the minister. A committee would be expected to allow an official or minister at the table to ascertain the portfolio minister's views on the possible release of the information or document or seek further advice on whether a PII claim was warranted.

4.5.3. If a minister concludes that it would not be in the public interest to disclose the information or document, a statement should be provided to the committee setting out the ground for that conclusion and specifying the harm to the public interest that could result from the disclosure of the information or document.

4.5.4. Where practicable, decisions to claim PII should take place before hearings, so that the necessary documentation can be produced at the time. The normal means of claiming PII is by way of a letter from the minister to the committee chair. The Department of the

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Prime Minister and Cabinet should be consulted on the appropriateness of the claim in the particular circumstances and the method of making the claim.

4.5.5. Before making a claim of PII, a minister or, in appropriate circumstances, a statutory office holder, might explore with a committee the possibility of providing the information in a form or under conditions which would not give rise to a need for the claim (including in camera, see section 4.12).

4.6. Grounds for a PII claim

4.6.1. There are several generally accepted grounds on which a minister or, in appropriate circumstances, a statutory office holder, may rely when claiming PII. For example, PII claims may be made in relation to information and documents the disclosure of which would, or might reasonably be expected to:

(a) damage Australia's national security, defence or international relations

(b) damage relations between the Commonwealth and the States

(c) disclose the deliberations of Cabinet (other than a decision that has been officially published)

(d) prejudice the investigation of a possible breach of the law or the enforcement of the law in a particular instance

(e) disclose, or enable a person to ascertain, the existence or identity of a confidential source or information, in relation to the enforcement or administration of the law

(f) endanger the life or physical safety of any person

(g) prejudice the fair trial of a person or the impartial adjudication of a particular case

(h) disclose lawful methods or procedures for preventing, detecting, investigating, or dealing with matters arising out of breaches or evasions of the law, the disclosure of which would, or would be reasonably likely to, prejudice the effectiveness of those methods or procedures

(i) prejudice the maintenance or enforcement of lawful methods for the protection of public safety.

4.6.2. The Senate Order of 13 May 2009 made it clear that committees will not accept a claim for public interest immunity based only on the ground that the document in question has not been published, is confidential, or is advice to or internal deliberations of government; a minister must also specify the harm to the public interest that may result from the disclosure of the information or document that has been requested. Further advice on the Senate Order and PII claims is at Attachment A.

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4.6.3. If a minister concludes that a PII claim would more appropriately be made by a statutory office holder because of the independence of that office from ministerial direction or control, the minister should inform the committee of that conclusion. A statutory office holder might, for example, consider the disclosure of particular information would be likely to have such a substantial adverse effect on the proper and efficient conduct of the operations of his or her agency that it would be contrary to the public interest to disclose that information.

4.7. Classified documents

4.7.1. Documents, and oral information relating to documents, having a national security classification of 'confidential', 'secret' or 'top secret' would normally be within one of the categories in paragraph 4.6.1, particularly sub-paragraph 4.6.1(a). If, however, a document bearing such a classification is to be provided to a committee, an official should seek declassification of the document in accordance with relevant government policies. (Note that it does not follow that documents without a security classification may not be the subject of a PII claim. Nor does it follow that classified documents may not in any circumstances be produced. Each document should be considered on its merits and, where classified, in consultation with the originator.)

4.8. Legal professional privilege and legal advice

4.8.1. Legal advisers owe a duty to their clients not to disclose the existence or content of any advice. It would therefore be inappropriate for any official who has provided legal advice to government, who has obtained advice from an external lawyer or who possesses legal advice provided to another agency, to disclose that advice. All decisions about disclosure of legal advice reside with the minister or agency who sought and received that advice. The Attorney-General or the Attorney-General's Department must always be consulted about disclosure of constitutional, international and national security legal advice.

4.8.2. If asked by a committee, it will generally be appropriate for an official to disclose whether legal advice had been sought and obtained on a particular issue and, if asked, who provided the advice and when it was provided, unless there are compelling reasons to keep that information confidential. Where an official has been asked a question about the content of legal advice, it may be appropriate to advise the committee that such information might properly be subject to a public interest immunity claim and refer the question of disclosure to the responsible minister as outlined in paragraph 4.5.2.

4.8.3. While it has not been the practice for the government's legal advisers to provide advice to parliamentary committees, situations may arise during a hearing where a committee asks an official a question which amounts, in effect, to a request for legal advice. Officials should provide committees with such information as they consider appropriate, consistent with the general understanding that the Government's legal advisers do not provide or disclose legal advice to the parliament, and consistent more generally with these Guidelines.

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(It may be, for example, that officials are in a position to explain in general terms the intended operation of provisions of Acts or legal processes, particularly where this reflects the settled government view on the matter.)

4.9. Freedom of information (FOI) legislation

4.9.1. The *Freedom of Information Act 1982* (FOI Act) establishes minimum standards of disclosure of documents held by the Commonwealth. The FOI Act has no application as such to parliamentary inquiries, but it may be considered a general guide to the grounds on which a parliamentary inquiry may reasonably be asked not to press for particular information. The converse also applies. Any material which would be, or has been, released under the FOI Act should (with the knowledge of the minister in sensitive cases or where the minister has a particular interest or has been involved) be produced or given to a parliamentary committee, on request. However, officials should bear in mind that, because of the Executive's primary accountability to the parliament, the public interest in providing information to a parliamentary inquiry may be greater than the public interest in releasing information under the FOI Act. In addition, the ability to provide information and documents to the parliament on a confidential basis might provide scope to release information that would not be appropriate for release under the FOI Act (see section 4.12). For a more detailed understanding of the exemption provisions, refer to the FOI Act and separate guidelines on its operation issued by the Australian Information Commissioner and the FOI Guidance Notes issued by PM&C (references and links to these documents are in Part 12).

4.10. Commercial-in-confidence material

4.10.1. There is no general basis to refuse disclosure of commercial information to the parliament, even if it has been marked 'commercial-in-confidence'. The appropriate balance between the interests of accountability (i.e. the public interest in disclosing the information) and appropriate protection of commercial interests (i.e. the public interest in the information remaining confidential) should be assessed in each case.

4.10.2. A Senate order, adopted on 30 October 2003, states that, 'the Senate and Senate committees shall not entertain any claim to withhold information from the Senate or a committee on the grounds that it is commercial-in-confidence, unless the claim is made by a minister and is accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information.'

4.10.3. As a general guide, it is inappropriate to disclose information which could disadvantage a contractor and advantage competitors in their business operations. Further information about the circumstances in which a PII claim based on commercial-in-confidence information might legitimately be made, and about information that would normally be disclosed, is at Attachment B.

4.10.4. A department or agency receiving commercial information on the basis of undertakings of confidentiality does not automatically preclude release of that information to

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the parliament. Agencies should consider where, on balance, the public interest lies as part of their advice to the minister and may wish to seek the views of any person or organisation to whom undertakings were given about the possible release of the document.

4.10.5. In most cases, the sensitivity of commercial-in-confidence material diminishes with time and this should be taken into account when assessing the public interest balance.

4.10.6. As with any other PII claim, a claim around commercial-in-confidence information should be supported by reference to the particular detriment that could flow from release of the information.

4.11. Secrecy provisions in legislation

4.11.1. Some Commonwealth legislation contains secrecy provisions that protect certain information from disclosure except to specified persons or in specified situations. Examples include s.37(1) of the *Inspector-General of Taxation Act 2003*, which protects information relating to a taxpayer's affairs; s.86-2 of the *Aged Care Act 1997* which protects information obtained under or for the purposes of that Act; and s.187(1) of the *Gene Technology Act 2000* which limits the provision of commercial-in-confidence information.

4.11.2. The existence of secrecy provisions in legislation does not provide an automatic exemption from providing information to the parliament unless it is clear from the provision that a restriction has been placed on providing information to a committee or a House of the parliament (section 37 of the *Auditor-General Act 1997* is an example). The fact that the parliament has included secrecy provisions in legislation suggests, however, that an official may be able to put to a committee a satisfactory case for not providing requested information, at least in public hearings. If the official's case is not accepted by the committee and the official remains concerned about providing the information, it would be open to the responsible minister to make a PII claim in the manner outlined in sections 4.4 to 4.10.

4.11.3. In some instances it might be possible to meet a committee's request by removing information that identifies individuals.

4.11.4. Officials may wish to seek legal advice when a request for information covered by secrecy provisions is pressed by a committee.

4.12. In camera evidence

4.12.1. Witnesses may seek a committee's agreement to give evidence in a private session (i.e. in camera). Senate estimates committees, however, must conduct hearings in public.

4.12.2. It would be unusual for an official witness to seek to give evidence in camera, but it may be necessary in situations where:

(a) a case could be made for a PII claim but the minister considers, on balance, that the public interest lies in making information available to the committee;

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(b) similar or identical evidence has previously been given in camera to other hearings of the committee or other committees of the parliament and has not been made public.

4.12.3. Requests for an in camera hearing would normally be made by the minister or by a witness after consultation with the minister and departmental secretary or agency head. Such consultation might not be appropriate, however, in the case of officials giving evidence of events or conduct, as described in Part 3.

4.12.4. It is important to be aware that committees (or the Senate or House of Representatives) are able to decide that evidence taken in camera or provided in confidential submissions should be published. Committees would usually inform a witness before publication, and possibly seek concurrence, but there is no requirement for that to occur.

4.12.5. If a committee seeks an official witness's concurrence to publish in camera evidence, the witness should ask the committee for time to allow him or her to consult the minister or the departmental secretary or agency head (noting that this may not be necessary if the witness is appearing in a personal capacity – see Part 6).

4.13. Requests for evidence 'off the record'

4.13.1. There is no category of 'off the record' provision of information to a committee and officials should not offer to brief committees or members in this way. In the event that an official is asked to provide information to members of a committee 'off the record' or in any manner that would not appear to be covered by parliamentary privilege, the official should request a postponement until the minister can be consulted, unless the possibility has been clearly foreshadowed with the minister and the official has been authorised to provide the information.

4.13.2. Some committees, such as the Joint Committee on Public Accounts and Audit, frequently hold relatively informal, or roundtable, committee hearings. These hearings are usually recorded by Hansard and are in all cases covered by parliamentary privilege.

4.14. Qualifying evidence

4.14.1. During hearings, committees may seek information which could properly be given, but where officials are unsure of the facts or do not have the information to hand. In such cases, witnesses, if they choose not to take the question on notice, should qualify their answers as necessary so as to avoid misleading the committee and, if appropriate, undertake to provide additional or clarifying information. It is particularly important to submit such further material promptly.

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4.15. Taking questions on notice

4.15.1. While it is appropriate to take questions on notice if the information sought is not available or incomplete, officials should not take questions on notice as a way of avoiding further questions during the hearing. If officials have the information, but consider it necessary to consult the minister before providing it, they should state that as a reason for not answering rather than creating the impression that the information is not available.

4.16. Written questions and questions taken on notice

4.16.1. Where a committee asks written questions, written replies should be provided through the committee secretary. It is common practice at Senate estimates committee hearings for questions to be taken on notice. Responses should be provided promptly to the minister for clearance so that answers can be lodged with the committee by its deadline. Where answers cannot be provided by the deadline, the committee should be advised when responses are expected to be available.

4.16.2. When the interests of several departments are involved, adequate consultation should take place in preparing material.

4.17. Questions about other departments' responsibilities

4.17.1. It is important that witnesses take care not to intrude on responsibilities of other departments and agencies (see also paragraph 2.7.2). Where a question falls within the administration of another department or agency, an official may request that it be directed to that department or agency or be deferred until that department or agency is consulted.

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5. PROTECTION OF SUBMISSIONS AND WITNESSES

5.1. Parliamentary privilege

5.1.1. The act of submitting a document to a parliamentary committee is protected by parliamentary privilege (subsection 16(2)(b) of the *Parliamentary Privileges Act 1987*). Any publication of the submission other than to the committee, however, is protected by parliamentary privilege only if that publication takes place by or pursuant to the order of the committee, in which case the content of the document is also protected (subsection 16(2)(d) of the Act). The unauthorised disclosure of a document or evidence submitted to a parliamentary committee (that is, a disclosure not authorised by the committee or the House concerned) may be treated as a criminal offence under section 13 of the Act or as a contempt (Senate resolution 6.16.). (See also section 2.7.)

5.1.2. The protection of parliamentary privilege means that a person cannot be sued or prosecuted in respect of the act or the material protected, nor can that act or material be used against a person in legal proceedings.

5.2. Contempt of the parliament

5.2.1. Officials need to be aware that the *Parliamentary Privileges Act 1987* and Senate Resolutions have defined offences against a House. Each House has the power to declare an act to be a contempt of the House and to punish such an act.

5.2.2. The *Parliamentary Privileges Act 1987* creates the following offences in relation to attempts to improperly influence a person about evidence given or to be given:

(a) a person shall not, by fraud, intimidation, force or threat, by the offer or promise of any inducement or benefit, or by other improper means, influence another person in respect of any evidence given or to be given before a House or a committee, or induce another person to refrain from giving any such evidence (subsection 12(1));

(b) a person shall not inflict any penalty or injury upon any person, or deprive any person of any benefit, on account of the giving or proposed giving of any evidence, or any evidence given or to be given, before a House or a committee (subsection 12(2)).

5.2.3. As indicated in paragraph 5.1.1 above, section 13 of the *Parliamentary Privileges Act 1987* creates an offence in relation to the disclosure of submissions or evidence without the authority of the parliament or a committee.

5.2.4. The giving of any evidence that a witness knows to be false or misleading is also a contempt (see Senate resolution 6(12)).

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5.3. Self incrimination

5.3.1. In general, a witness cannot refuse to answer a question or produce documents on the ground that the answer to the question or the production of documents might incriminate the witness. The exceptions to this are witnesses appearing before the Joint Committee of Public Accounts and Audit or the Parliamentary Standing Committee on Public Works, who are permitted to refuse to give evidence on grounds on which a witness in court is able, including self incrimination.

5.3.2. If concerned about self incrimination, a witness may request that the committee take the evidence in camera (see section 4.12).

5.4. Access to counsel

5.4.1. A witness may apply to have assistance from counsel in the course of a hearing. In considering such an application, a committee shall have regard to the need for the witness to be accompanied by counsel to ensure the proper protection of the witness. If an application is not granted, the witness shall be notified of reasons for that decision (see Senate resolution 1.14). If an application is granted, the witness shall be given reasonable opportunity to consult counsel during a committee hearing (see Senate resolution 1.15 and p 693 of *House of Representatives Practice* – references and links in Part 12).

5.4.2. In normal circumstances officials should not need counsel when appearing before parliamentary committees. Should the need arise, however, the Attorney-General's Department should be consulted.

5.5. Publication of evidence

5.5.1. Evidence provided to committees in a public hearing is normally published in the form of a Hansard record.

5.5.2. Authority for the publication of evidence is vested in committees by virtue of ss.2(2) of the *Parliamentary Papers Act 1908*. Evidence taken in camera is confidential and its publication without a committee's consent constitutes a contempt (see s.13 of the *Parliamentary Privileges Act 1987* and Senate resolution 6.16.).

5.6. Correction or clarification of evidence

5.6.1. Witnesses will receive transcripts of their evidence in the days following their appearance. The transcript should be examined promptly to establish whether any evidence needs to be corrected or clarified. On occasions, a witness may become aware of the need for correction or clarification before the receipt of the transcript or, in the case of a written submission, before the commencement of hearings.

5.6.2. Once the need to provide a committee with revised information has been established, it is most important that the committee receive that revised information at the earliest

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opportunity. In the case of officials who made submissions or appeared as witnesses in relation to the administration and implementation of government policy (but not necessarily those covered by Part 3), the departmental secretary or agency head (or senior official who represented the secretary at the hearing) should be informed that revised information is to be provided. Depending on the nature of the correction, it may also be appropriate to inform the minister. Officials need to keep in mind that, while their evidence remains uncorrected or unclarified they are vulnerable to allegations that they have misled a committee.

5.6.3. Supplementary information for a committee should be forwarded to the committee secretary. If uncertain of the most appropriate way to provide a committee with additional or corrected information, officials should seek the guidance of the committee secretary.

5.7. Right of reply

5.7.1. Where evidence taken by a committee reflects adversely on an official, the committee shall provide reasonable opportunity for the official to have access to that evidence and to respond to that evidence by written submission and appearance before the committee (Senate resolution 1(13)).

5.7.2. Officials have the same right as other citizens who have been adversely referred to in a House of the parliament (see Senate resolution 5 and House of Representatives resolution adopted on 27 August 1997 – pp 774-6 of *House of Representatives Practice*). They may make a submission to the President of the Senate or to the Speaker of the House of Representatives requesting that a response be published, and the relevant presiding officer may refer such a submission to the relevant Privileges Committee. The procedures of each House then provide for scrutiny of the submission and for the possibility of it being incorporated in Hansard or ordered to be published.

5.7.3. Officials proposing to exercise their right of reply should inform their departmental secretary or agency head.

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6. APPEARANCE IN A PERSONAL CAPACITY

6.1.1. Nothing in these guidelines prevents officials from making submissions or appearing before parliamentary committees in their personal capacity, and the *Parliamentary Privileges Act 1987* makes it clear that an agency has no power to prevent an official from doing so. An official proposing to give evidence in a personal capacity should consult the *APS Values and Code of Conduct in Practice: a guide to official conduct for APS employees and agency heads* (section 1: Relationship with the Government and the Parliament), published by the Australian Public Service Commission. Individual agencies may also have developed advice for their own staff on these matters.

6.1.2. An official giving evidence in a personal capacity might do so in relation to matters entirely unrelated to his or her current or recent responsibilities e.g. an official in the Attorney-General's Department putting forward personal observations or suggestions on aged care accommodation. It would be a matter completely for that official to decide whether to inform either a senior official in his or her own department or anyone in the department responsible for aged care policy. The official should, of course, seek leave to attend the hearing, if necessary.

6.1.3. There is no intention for there to be any restriction arising from these Guidelines on officials appearing before parliamentary committees in their 'personal' capacity. An official so called, however, should pay heed to the guidelines relating to public comment contained in the *APS Values and Code of Conduct in Practice*. As those guidelines emphasise, it is particularly important for senior officials to give careful consideration to the impact, by virtue of their positions, of any comment they might make. Indeed heads of agencies and other very senior officials need to consider carefully whether, in particular cases, it is possible for them realistically to claim to appear in a 'personal' rather than an 'official' capacity, particularly if they are likely to be asked to comment on matters which fall within or impinge on their area of responsibility. An official who is appearing before a committee in a personal capacity should make it clear to the committee that the officer's appearance is not in an official capacity.

6.1.4. An official contemplating giving evidence in a personal capacity in these circumstances might consider discussing his or her intentions with the departmental executive or agency head or other senior officials, as the views that he or she wishes to put forward might be covered in the agency's submission or the evidence of official witnesses. There is, however, no obligation on the official to do so.

6.1.5. An official who gives evidence in his or her personal capacity is protected by parliamentary privilege and must not be penalised for giving that evidence (see section 5.1).

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7. PARTY COMMITTEES

7.1. General issues

7.1.1. Officials may be invited to attend party committees, both government and non-government to, for instance, explain proposed legislation.

7.1.2. Requests for briefing from any party committee should be directed to the minister concerned. It is also open to a minister to initiate proposals for briefing of committees where the minister considers that to be desirable.

7.1.3. Officials will not be expected or authorised to express opinions on matters of a policy or party political nature.

7.1.4. Unlike committees of the parliament, party committees do not have the powers or privileges of parliamentary committees, so officials appearing before them do not have the protection afforded to witnesses appearing before parliamentary committees. Party committee hearings are generally held in private.

7.1.5. Where the minister does not attend the committee proceedings, officials should keep the minister informed of the nature of the discussions and of any matters the officials could not resolve to the committee's satisfaction.

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8. REQUESTS FOR INFORMATION FROM NON-GOVERNMENT PARTIES AND MEMBERS OF PARLIAMENT

8.1. Rules at times other than during the caretaker period

8.1.1. Requests for information from members of parliament are usually made to the minister, but direct approaches to officials for routine factual information, particularly on constituency matters, are also traditional and appropriate.

8.1.2. Depending on the nature or significance of a request, an official may judge it appropriate to inform the minister and departmental secretary or agency head of the request and response. Ministers should be informed of any matter which is likely to involve them.

8.1.3. A request should also be referred to the minister if it seeks an expression of opinion on government policy or alternative policies, or would raise other issues of a sensitive nature, or where answering would necessitate the use of substantial resources of the department or agency.

8.1.4. When a request is for readily available factual information, the information should be provided.

8.1.5. Care should be taken to avoid unlawful disclosure of information, for example, unauthorised disclosure of information that is classified or otherwise confidential information such as where a breach of personal privacy or commercial confidentiality could be involved.

8.2. Requests from shadow ministers

8.2.1. Requests from shadow ministers for briefing by officials would normally be made through the appropriate minister and, where this is not the case, the minister should be informed. If the minister agrees to the briefing, it would be normal for him or her to set conditions on the briefing, such as the officials to attend, matters to be covered and whether a ministerial adviser should also be present. These conditions are matters for negotiation between the minister and shadow minister or their offices.

8.2.2. With regard to the substance of such a briefing, officials will not be authorised to discuss advice given to government, such as in Cabinet documents, or the rationale for government policies, or to give opinions on matters of a party political nature. Officials should limit discussions to administrative and operational matters and observe the general restrictions relating to classified or PII material. If these latter matters arise, officials should suggest that they be raised with the minister.

8.2.3. Where a ministerial adviser is not present, it would be usual for officials to advise the minister of the nature of matters discussed with the shadow minister.

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8.3. Special rules for pre-election consultation with officials during the caretaker period prior to an election

8.3.1. On 5 June 1987 the government tabled in the parliament specific guidelines relating to consultation by the Opposition with officials during the pre-election period. These guidelines, which are almost identical to the guidelines first tabled on 9 December 1976, are as follows:

(a) The pre-election period is to date from three months prior to the expiry of the House of Representatives or the date of announcement of the House of Representatives election, whichever date comes first. It does not apply in respect of Senate only elections.

(b) Under the special arrangement, shadow ministers may be given approval to have discussions with appropriate officials of government departments. Party leaders may have other members of parliament or their staff members present. A departmental secretary may have other officials present.

(c) The procedure will be initiated by the relevant Opposition spokesperson making a request of the minister concerned, who is to notify the Prime Minister of the request and whether it has been agreed.

(d) The discussions will be at the initiative of the non-government parties, not officials. Officials will inform their ministers when the discussions are taking place.

(e) Officials will not be authorised to discuss government policies or to give opinions on matters of a party political nature. The subject matter of the discussions would relate to the machinery of government and administration. The discussions may include the administrative and technical practicalities and procedures involved in implementation of policies proposed by the non-government parties. If the Opposition representatives raise matters which, in the judgement of the officials, call for comment on government policies or expressions of opinion on alternative policies, the officials should suggest that the matter be raised with the minister.

(f) The detailed substance of the discussions will be confidential but ministers will be entitled to seek from officials general information on whether the discussions kept within the agreed purposes.

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9. APPEARANCES BEFORE THE BAR OF A HOUSE OF PARLIAMENT

9.1.1. Only in exceptional circumstances would an official be summoned to the bar of a House of the parliament and each case would need individual consideration.

9.1.2. As a general rule, it would be appropriate for these guidelines to be followed insofar as they apply to the particular circumstances.

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10. REQUESTS RELATING TO INQUIRIES OF STATE AND TERRITORY PARLIAMENTS

10.1.1. Commonwealth officials may receive a request to appear before or make a submission to a state or territory parliamentary inquiry. In considering the appropriate response, officials should be aware that it would be rare for Commonwealth officials to participate in such inquiries.

10.1.2. However, there may be cases where, after consulting the minister about the request, it is considered to be in the Commonwealth's interests to participate. Officials should not participate in any state or territory parliamentary inquiry without consulting the minister.

10.1.3. Where additional guidance is required regarding appearances before state or territory inquiries or if an official is summoned to appear at such an inquiry, advice should be sought from the Department of the Prime Minister and Cabinet, the Attorney-General's Department, and the Australian Government Solicitor or the agency's legal service provider[1].

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[1] Use of a legal service provider must be consistent with the Legal Service Directions issued by the Attorney-General under the *Judiciary Act 1903*.

11. USEFUL CONTACT NUMBERS

11.1.1. The following contact numbers are provided for use where these guidelines suggest consultation with the Department of the Prime Minister and Cabinet, the Attorney-General's Department or the Australian Government Solicitor:

(a) Department of the Prime Minister and Cabinet:

Assistant Secretary Parliamentary and Government Branch	phone: (02) 6271 5400
First Assistant Secretary Government Division	phone: (02) 6271 5786

(b) Attorney-General's Department:

General Counsel (Constitutional) Office of Constitutional Law	phone: (02) 6250 3650 OCL@ag.gov.au

(c) Australian Government Solicitor:

Australian Government Solicitor	phone: (02) 6253 7000
Office of General Counsel	phone: (02) 6253 7074

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12. REFERENCES

12.1.1. The following material is available to assist officials in their contact with parliament:

(a) Odgers' *Australian Senate Practice*, 13th Edition, Canberra, 2012.

(b) *House of Representatives Practice*, Sixth Edition, Canberra, 2012.

(c) *Procedures to be observed by Senate Committees for the Protection of Witnesses*. Department of the Senate.

(d) *Procedures for the protection of witnesses before the Committee of Privileges and Members' Interests*. Resolution adopted by the House of Representatives on 25 November 2009.

(e) *Standing Orders and other orders of the Senate*, July 2014.

(f) *House of Representatives Standing and Sessional Orders* (and Resolutions) as at 14 November 2013.

(g) *Appearing Before Parliamentary Committees*, Legal Practice Briefing No. 29, 1996, Australian Government Solicitor.

(h) *How to make a submission to a Senate or Joint Committee inquiry*. Department of the Senate.

(i) *Preparing a submission to a Parliamentary Committee Inquiry*. Department of the House of Representatives, 2011.

(j) *Notes for the Guidance of Witnesses Appearing before Senate Committees*. Department of the Senate.

(k) *Appearing as a witness at a Parliamentary committee hearing*. Department of the House of Representatives, 2011.

(l) *Outline of the Inquiry Process*. Department of the House of Representatives, 2011.

(m) *Parliamentary Privileges Act 1987*

(n) *Public Accounts and Audit Committee Act 1951*

(o) *Public Works Committee Act 1969*

(p) *APS Values and Code of Conduct in practice*. Australian Public Service Commission, 2009.

(q) Reports of the Senate Committee of Privileges, including the Committee of Privileges *1966-96 History, Practice and Procedures (76th Report)*.

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(r) Reports of the House of Representatives Committee of Privileges and Members' Interests.

(s) Guidelines on exemption provisions of the *Freedom of Information Act 1982*. Australian Information Commissioner 2011.

(t) FOI Guidance Notes. Department of the Prime Minister and Cabinet, July 2011.

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ATTACHMENT A

Claims of public interest immunity

See also sections 4.4 to 4.11 in the *Guidelines*

On 13 May 2009, the Senate passed an Order setting out the process for making claims of public interest immunity (PII) in committee proceedings. A copy of the order is attached (Attachment A1).

2. The Senate Procedure Committee reviewed the operation of the Order in August 2009. A copy of the Procedure Committee's report can be downloaded from the Parliament of Australia website.

3. Officials who are expected to appear at estimates and other parliamentary committee hearings need to be familiar with the requirements of the Order and the grounds for claiming public interest immunity as set out in the Guidelines.

4. The process for claiming public interest immunity described in the Order is largely consistent with the process that is set out in sections 4.4 to 4.11. While the Guidelines explain the process for making public interest immunity claims to protect against the disclosure of information or documents at committee hearings, it has been relatively uncommon in practice for officials appearing as witnesses at committee hearings, particularly estimates hearings, to be asked to provide copies, for example of departmental briefs to ministers. The Order of 13 May 2009 makes it seem more likely that officials and ministers will be asked to provide information or documents of this kind at Senate committee hearings, including estimates hearings, than has been the case in the past.

Summary of advice

5. It is important that the public interest is not inadvertently damaged as a result of information or documents being released without a proper assessment of the possible consequences. Accordingly, if an official is asked to provide information or documents to a Senate committee:

- if the official is satisfied that its disclosure would not harm the public interest, he or she should advise the minister that the material can be provided;
- if the official is satisfied that the disclosure of the material would damage the public interest, he or she should advise the committee that the material cannot be provided and explain how its disclosure would damage the public interest; and
- if the official is uncertain whether the disclosure of the material would damage the public interest, he or she should take the question on notice.

The grounds for claiming public interest immunity and the process for making such a claim at estimates hearings are set out below.

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Grounds for a public interest immunity claim

6. While the parliament has the power to require the production of documents, it is acknowledged that the Government holds some information the disclosure of which would be contrary to the public interest. Where the public interest in the information remaining confidential outweighs the public interest in its disclosure, the Government would normally make a public interest immunity claim.

7. There are several recognised and accepted grounds on which ministers may rely when claiming public interest immunity in relation to information or documents requested by the Senate or a Senate committee. These are set out at section 4.6 of the Guidelines. As the Procedure Committee notes in its report, however, it is conceivable that new grounds could arise.

8. By way of example, public interest immunity claims may be made in relation to information or documents whose disclosure would, or might reasonably be expected to:

- damage Australia's national security, defence or international relations;
- damage relations between the Commonwealth and the States;
- disclose the deliberations of Cabinet; and
- prejudice the investigation of a criminal offence, disclose the identity of a confidential source or methods of preventing, detecting or investigating breaches of the law, prejudice a fair trial or endanger the life or safety of any person.

9. It is, of course, possible for more than one ground to apply to the same document, in which case all relevant grounds should be specified.

Public interest conditional exemption – deliberative processes

10. A public interest immunity claim may also be made in relation to material disclosing matters in the nature of, or relating to, opinion, advice or recommendation obtained, prepared or recorded, or consultation or deliberation that has taken place in the course of, or for the purpose of, the deliberative processes involved in the functions of the Government *where disclosure at that time would, on balance, be contrary to the public interest* [emphasis added – see paragraph 4.6.2 of the Guidelines]. Because the Senate Order requires ministers to specify the harm that could result from disclosure of information or a document of this kind, claims for public interest immunity on this ground will involve a greater degree of judgment and subjectivity, and may therefore be less readily accepted, than claims based on the various grounds described in paragraph 8 above.

11. Information and documents whose disclosure would not damage the public interest should be provided to parliamentary committees as soon as possible. It is important, however, that officials and ministers do not inadvertently damage the public interest by disclosing information that ought to remain confidential. Officials and ministers therefore need to consider carefully whether particular documents should be the subject of a public interest immunity claim before they are released. This will frequently not be possible in the relatively short timeframe available for estimates hearings, particularly as the responsible minister and

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relevant officials may need to devote their time to the hearings. If the request relates to a small number of documents, it may be possible to respond before the committee completes its hearings. If a large number of documents have been sought, or if the issues involved are complex, the minister may need to advise the committee that it will not be possible to respond until a later date (although it may be possible to provide some documents, or parts of some documents, while the committee is sitting).

12. In briefing ministers on the question whether it is appropriate to disclose information or documents to a committee, officials must assess and balance the public interest in disclosure of the information or document against the public interest, if any, in maintaining its confidentiality. This is a similar process to that which is undertaken when officials provide advice to ministers in relation to a Senate order to produce documents, or in deciding whether to provide access to documents under section 47C of the *Freedom of Information Act 1982* (although it should be noted that the provisions of the FOI Act have no direct application to questions about the provision of information to a Senate committee), or in response to an order to discover documents that are relevant to litigation involving the Commonwealth.

13. It may also be appropriate to decline to provide information or documents if to do so would unreasonably disclose personal information or disclose material that could be the subject of a claim for legal professional privilege.

Process for claiming public interest immunity

14. Public interest immunity claims must be made by ministers. However, Senate committees, particularly estimates committees, receive most of their evidence from officials, and it is they who are most likely in the first instance to be asked to provide information or documents that might be the subject of a public interest immunity claim.

15. The Senate Order describes in some detail the process leading up to a claim for public interest immunity. An official who considers that he or she has been asked to provide information or a document that might properly be the subject of a public interest immunity claim could either:

- advise the committee of the ground for that belief and specify the damage that might be done to the public interest if the information or document were disclosed (paragraph 1 of the Order); or
- take the question on notice.

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The official could also refer the question to the minister at the table, but it is unlikely that the minister would be well-placed to make a considered decision on the question at that time.

16. The public interest in not disclosing information or documents on any of the grounds described in paragraph 8 above is self-evident and in many cases the need for such a claim would be readily apparent to officials at the hearing. If it is not, the official should ask if the question can be taken on notice so that it can be properly considered and the minister briefed.

17. It would be reasonable to expect that an official's evidence that a document is a Cabinet document or that, in his or her view, disclosure of the information or document in question might damage Australia's national security, for example, would be accepted by individual senators and committees with the result that the matter would not be taken further.

18. If that is not the case, however, the committee or the senator may request the official to refer the matter to the responsible minister (paragraph 2 of the Order). This would frequently mean that the question would need to be taken on notice. It is possible that the minister at the table, if he or she is not the relevant portfolio minister, may wish to ascertain the portfolio minister's views on the possible release of the information or document.

19. If the minister concludes that it would not be in the public interest to disclose the information or document, he or she "shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document" (paragraph 3 of the Order).

20. Paragraph 4 of the Order is not relevant for the purposes of estimates committees, which cannot take evidence in camera, but needs to be considered in the context of other committee hearings.

21. If a committee considers that a minister's statement in support of a public interest immunity claim does not justify the withholding of the information or document, it can report the matter to the Senate (paragraph 5 of the Order). In that event, the Senate would probably consider whether to order that the documents be produced. If the committee decides not to report the matter to the Senate, the senator who sought the information or document may do so (paragraph 6 of the Order).

22. In recent years, officials and ministers have not normally been pressed for copies of deliberative documents, particularly during Estimates hearings, with questions being limited to whether ministers have been briefed on particular issues and, if so, when that occurred. Paragraph 7 of the Order makes it clear, however, that committees will not accept a claim for public interest immunity based only on the ground that the document in question is a deliberative document: a minister must also specify the harm to the public interest that may result from the disclosure of the information or document that has been requested. Again, the need to give careful consideration to the issues involved will frequently mean that the matter has to be taken on notice.

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23. Finally, the Order recognises that there may be occasions when it would be more appropriate for the head of an agency, rather than the minister, to make a claim for public interest immunity (paragraph 8 of the Order). This might occur, for example, in relation to information or documents held by agencies that have a significant degree of independence from Government, such as law enforcement agencies, courts and tribunals, the Auditor-General, Commonwealth Ombudsman and some regulatory agencies.

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Order of the Senate, 13 May 2009

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee,

the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

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(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009)

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ATTACHMENT B

Provision of commercial-in-confidence material to the Senate

See also section 4.10 in the *Guidelines*

On 30 October 2003 the Senate agreed to the following motion on commercial-in-confidence material:

> That the Senate and Senate committees shall not entertain any claim to withhold information from the Senate or a committee on the grounds that it is commercial-in-confidence, unless the claim is made by a minister and is accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information.

Senate committees have not always pressed a request for material when officials have stated the grounds on which they consider material to be confidential-in-confidence. The Senate order set out above does not mean that officials should no longer indicate that they consider that material might appropriately be withheld. However, if the Committee presses its request, officials should refer it to the relevant minister. If the minister determines that a claim of public interest immunity should be made, the procedures set out at sections 4.4 to 4.11 should be followed.

As a general guide, it would be inappropriate to disclose information that could disadvantage a contractor and advantage their competitors in future tender processes, for example:

(a) details of commercial strategies or fee/price structures (where this would reveal information about the contractor's cost structure or whether the contractor was making a profit or loss on the supply of a particular good or service)

(b) details of intellectual property and other information which would be of significant commercial value

(c) special terms which are unique to a particular contract, the disclosure of which may, or could reasonably be expected to, prejudice the contractor's ability to negotiate contracts with other customers or adversely affect the future supply of information or services to the Commonwealth.

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The following information would normally be disclosed:

(a) details of contracting processes including tender specifications, criteria for evaluating tenders, and criteria for measuring performance of the successful tenderer (but not information about the content or assessment of individual tenders)

(b) a description of total amounts payable under a contract (i.e., as a minimum the information that would be reported in the Commonwealth Gazette or, for consultants, the information that would be reported in an agency's annual report)

(c) an account of the performance measures to be applied

(d) factual information about outcomes.

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PARLIAMENT OF AUSTRALIA

HEARING PROGRAM

Additional Estimates 2025-26

Legal and Constitutional Affairs Legislation Committee

Monday, 9 February 2026 and Tuesday, 10 February 2026
Main Committee Room, Parliament House, Canberra

Times listed are indicative only, * indicates interstate agency

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Hearing location

Main Committee Room (MCR),
Parliament House, Canberra
Waiting rooms: Committee Room 1S2, MCR Waiting Room 1, MCR Waiting Room 2
Waiting overflow room: Committee Room 1S3

Broadcasts of proceedings

Television channel 110
Radio 92.7
https://www.aph.gov.au/Watch_Read_Listen

Contact

legcon.sen@aph.gov.au
+61 2 6277 3560

Committee rooms

Main Committee Room (MCR): (02) 6277 5840
Committee Room 1S2: (02) 6277 5849
MCR Waiting Room 1: (02) 6277 4440/4245
MCR Waiting Room 2: (02) 6277 2346/5839
Committee Room 1S3: (02) 6277 5845

Committee members

Senator Jana Stewart, Chair
Senator Leah Blyth, Deputy Chair
Senator Dorinda Cox
Senator Andrew McLachlan CSC
Senator Helen Polley
Senator David Shoebridge

Ministers attending

Senator the Hon Don Farrell
Senator the Hon Nita Green
Senator the Hon Jenny McAllister
Senator the Hon Murray Watt

Secretariat

Alan Raine, Committee Secretary
Senal Kiridena, Estimates Officer

Questions on notice

Written questions on notice should be provided to the secretariat by **20 February 2026.**

Answers to questions taken on notice are due to the committee by **10 April 2026.**

Monday, 9 February 2026

Attorney-General's Portfolio

9.00am	Attorney-General's Department **Cross-portfolio, corporate and general matters**
9.30am	**Justice and Communities Group – Encompassing: First Nations and Justice Policy Division (First Nations Justice Branch, Native Title and Priority Reforms Branch, Legal Assistance Branch, Interim Justice Reinvestment Unit); Children and Families Division (Family Law Branch, Family and Community Safety Branch, National Office for Child Safety,); and Courts, Tribunals and Commercial Division (Federal Courts Branch, Administrative Law Branch, Commercial and Copyright Branch Law Branch).** **Closing the Gap Outcome 10: Adult Incarceration** **Closing the Gap Outcome 11: Youth Detention** **Closing the Gap Outcome 15: Native Title**
11.00am	*Morning tea*
11.15am	**Justice and Communities Group and Closing the Gap Outcomes (Cont.)**
12.00pm	*Lunch*
12.45pm	**Integrity and Security Group – Encompassing: International Cooperation and Human Rights Division (Human Rights Branch, Modern Slavery and Human Trafficking Branch, International Cooperation Unit, Commonwealth Parole Taskforce); Integrity and Criminal Law Division (Transparency Frameworks Branch, Fraud Prevention and Anti-Corruption Branch, National Security and Criminal Law Branch, Pacific Branch); Identity and Information Division (Information Law Branch, Privacy Reform Taskforce, Identity Branch); and International and Public Law Division (Office of International Law, Office of Legal Services Coordination, Office of Constitutional Law); and Royal Commission Branch.**
3.00pm	*Afternoon tea*
3.15pm	Australian Human Rights Commission* Mr Hugh de Kretser, President Ms Katie Kiss, Aboriginal and Torres Strait Islander Social Justice Commissioner Ms Deborah Tsorbaris, Children's Commissioner Ms Rosemary Kayess, Disability Discrimination Commissioner Ms Lorraine Finlay, Human Rights Commissioner Ms Leanne Smith, Chief Executive
4.45pm	National Anti-Corruption Commission
5.45pm	Office of the Inspector of the National Anti-Corruption Commission*
6.00pm	*Dinner*

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6.45pm	Office of the Australian Information Commissioner*
7.15pm	Federal Court of Australia*
7.45pm	Federal Circuit and Family Court of Australia*
8.15pm	Office of the Commonwealth Director of Public Prosecutions*
8.45pm	Administrative Review Tribunal*
9.05pm	Independent National Security Legislation Monitor
9.25pm	Office of the Inspector-General of Intelligence and Security
9.45pm	Australian Law Reform Commission*
10.00pm	Office of the Commonwealth Ombudsman **National Student Ombudsman**
10.15pm	Office of the Special Investigator
10.30pm	***Adjournment***

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Tuesday, 10 February 2026

Home Affairs portfolio

9.00am	National Emergency Management Agency
10.00am	Department of Home Affairs (incl. Australian Border Force and Illicit Tobacco and E-cigarette Commissioner) **Cross-portfolio, corporate and general matters**
10.30am	*Morning tea*
10.45am	**Outcome 1: Deliver national coordination, regulation and policy that safeguard Australia's domestic interests from national security threats, including cyber threats** 1.1 Transport Security 1.2 National Security and Resilience 1.3 Cyber Security 1.4 Counter Terrorism 1.5 Regional Cooperation
11.45am	**Outcome 2: Support a united and prosperous Australia through effective coordination and delivery of immigration and citizenship policy and programs underpinned by robust integrity and assurance** 2.1 Migration 2.2 Visas 2.3 Refugee Humanitarian, Settlement and Migrant Services 2.4 UMA Offshore Management 2.5 Multicultural Affairs and Citizenship
1.30pm	*Lunch*
2.30pm	**Outcome 3: Advance a prosperous and secure Australia through trade and travel facilitation and modernisation, and effective customs, immigration, maritime and enforcement activities across the border continuum** 3.1 Trade Facilitation and Industry Engagement 3.2 Border Management 3.3 Border Revenue 3.4 Border Enforcement 3.5 Onshore Compliance and Detention
4.30pm	Australian Transaction Reports and Analysis Centre*
4.45pm	*Afternoon tea*
5.00pm	Australia's Special Envoy to Combat Antisemitism*
6.00pm	*Dinner*
7.00pm	Australian Federal Police

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8.15pm	Australian Security Intelligence Organisation
9.00pm	*Tea break*
9.15pm	Australian Criminal Intelligence Commission (incl. the Australian Institute of Criminology)
10.00pm	Australia's Special Envoy to Combat Islamophobia*
11.00pm	***Adjournment***

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2024–25 AUSTRAC YEAR IN REVIEW

AUSTRAC collects a large volume of data from industry

SMR
452,951
Suspicious matter reports (SMRs)

19% INCREASE from 2023–24

TTR
2,038,848
Threshold transaction reports (TTRs)

6% INCREASE from 2023–24

IFTI
232,154,349
International funds transfer instruction (IFTI) reports

41% DECREASE from 2023–24

19,374
REPORTING ENTITIES



COMPLIANCE REPORTS

8,812 submissions

83% submitted on time

and makes it directly available to domestic partners

ANALYST WORKBENCH (AWB)

OVER **10 MILLION** searches

4,801 users

42 agencies

in the form of actionable financial intelligence for law enforcement and national security operations

507 products

Impacting the work of
80% of stakeholders
+ **15** taskforces

TASKFORCE OPERATIONS

177 referrals to select taskforces

65% generated outcomes

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which is shared with domestic and international partners

memorandum of understanding (MoUs)

50 domestic

107 international

5 STAFF Deployed overseas

Total international information exchanges

USA	UK	Canada	NZ	Singapore
214	126	61	48	27

FINTEL ALLIANCE

30 members (incl. AUSTRAC)

SMR **18,791** Suspicious matter reports (SMRs) relating to Fintel Alliance

48% increase from 2023-24

and from which AUSTRAC draws insights to inform its regulatory education activities.

27 workshops provided

2,381 individuals participated in AUSTRAC workshops and e-learning modules

71% of attendees strengthened controls after engagement with AUSTRAC

36 guidance publications

Non-lodgement campaign
609 reporting entities referred for roll removal

Non-lodgement campaign
487 candidates for warning letters

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Additional Estimates February 2026 – hot issue brief

Tranche 2 budget and progress

- From 31 March 2026 AUSTRAC's regulatory remit will expand to include new industries and services, following commencement of the AML/CTF Amendment Act in December 2024.
- In the 2024-25 Budget, the government announced a $166.35 million investment to support major reforms to Australia's AML/CTF regime. AUSTRAC is receiving **$160.79 million** over 2 years from 2024-25.
    - Government-imposed indexation and saving measures reduced AUSTRAC funding by $1.42 million, to $159.37 million.
- The funding will enable AUSTRAC to implement the new regime and support industries to understand their obligations, and protect their businesses and the Australian community from ML/TF.
- The reforms will ensure Australia's AML/CTF regime continues to effectively deter, detect and disrupt ML and TF, and meet our international obligations.

Critical project topics

Rules and guidance

- We finalised and published:
    - guidance for tipping-off obligations (31 March 2025)
    - new AML/CTF Rules (29 August 2025)
    - core guidance (16 October 2025)
    - starter program kits (30 January 2026).
- We are continuing to refine AML/CTF Rules and develop sector-specific guidance using working groups, formal public consultation processes, and industry forums to seek and receive feedback in line with co-design principles.
- Approximately **$3.9 million spend 2024-25 and forecast $8.7 million 2025-26.**

Channel uplift and Contact Centre

- We are building and expanding our entity engagement capabilities, to enhance and scale the agency's engagement channels to meet changing demand and the needs of reporting entities.
- Key focus: implement multi-content channel strategy roadmap activities; enhance website; awareness campaign launch and suite of education and communications products; and Contact Centre's new operating model.
- Contact Centre new operating model went live on 5 January 2026.
- **Channel Uplift 2024-25 actual $2.1 million, 2025-26 budget $6.0 million.**
- **Contact Centre 2024-25 actual $0.2 million, 2025-26 budget $2.1 million.**

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Industry readiness

- To help reporting entities build an understanding of their new obligations efficiently and on time. It is focused on delivery of various industry engagement activities and events for T1 and T2 entities and targeted initiatives for T2 sector entities. Awareness and engagement is being tracked through activity on AUSTRAC's social media channels, communications subscriptions, and industry forums including Rules & Guidance Working group attendance, and industry benchmarking.
- Approximately **2024-25 actual $1.1 million, 2025-26 budget $4.1 million.**

Enrolment, registration and reporting (data and digital capability)

- To implement changes to existing, and delivery of new, technology solutions to onboard and manage the T2 population.
- To improve data governance, enterprise digital and data architecture, and analytic insights and systems for broader enterprise and partner use.
- The **3 initiatives** under this workstream cover:
  - transaction reporting solution to enable new/changes to reporting requirements
  - enrolment and registration workflows including contact centre
  - front-end portal integration for T1 and T2 entities' user journeys to enrol, register and manage their details and system access, in alignment with reforms.
- AI SMR initiative leveraging reported data for intelligent insights generation.
- Approximately **2024-25 actual $4.2 million, 2025-26 budget $28.9 million**.

Enabling projects

Staff and property

- To ensure workforce needs are met, and organisational capabilities are matured. Expanding the agency's geographic footprint, and building capability for core business functions and expanding specialist skill sets.
- Property **2024-25 actual $0.3 million, 2025-26 budget $4.7 million.**
- Staff & Enabling Capability **2024-25 actual $6.5 million, 2025-26 budget $10.6 million.**

Innovation and technology solutions uplift

- To deliver new solutions and changes to existing systems such as cloud-enabled capabilities, internal productivity and services software.
- Strengthened ICT/security capabilities across enterprise architecture to meet the increased scale and complexity of agency functions, as well as maturing our ICT and the data ecosystem, data storage and disaster recovery, and cybersecurity posture.
- Approximately **2024-25 actual $2.1 million, 2025-26 budget $13.2 million.**

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AUSTRAC funding model

- Focusing on developing options for a new funding model designed to meet AUSTRAC's increased resourcing needs, following the expansion of our regulatory remit, while minimising the financial and administrative impost on regulated entities that have limited capacity to pay.
- Approximately **2024-25 actual $0.4 million, 2025-26 budget $2.0 million.**

Business process and ops redesign (phase 1) and FTR Act repeal

- Established an enhanced process governance framework to help redesign AUSTRAC's regulatory approach and processes.
- Delivered the changes required to repeal the FTR Act in January 2025, decommissioning forms and disabling system access for reporting and other obligations, including data management.
- Business Process and Ops Redesign (Phase 1) **2024-25 actual $0.4 million.**
- FTR Act 2024-25 **actual $0.2 million.**

Program governance

- Resources across Transformation, Data and Regulation divisions, with capability required to deliver, assure and test effective solutions through project delivery, business, operations and data analytics, legal advisory, service design and change management.
- Oversight and enablement activities for effective and efficient operations, including: change management, training and communications; benefits management (measures tied to policy objectives); and to ensure that delivery is aligned to budget and key objectives for reform.
- Approximately **2024-25 actual $7.1 million, 2025-26 budget $19.9 million.**

Upcoming projects

- In 2025-26 initiatives are underway to further support reforms outcomes. Reform Implementation focuses on resource mobilisation supporting regulatory capability. Fintel Alliance progresses capability uplift of Collaborative Analytics Hub.
- Business Process Ops and Redesign (Phase 2) **2025-26 budget $2.0 million.**
- Reform Implementation **2025-26 budget $1.8 million;** and Fintel alliance **2025-26 budget $1.6 million.**

If asked

What will you spend the money on?

- The funding included **91** ASL in 2024-25, increasing to **259** ASL in 2025-26. This enables AUSTRAC to deliver the organisational capability uplift and new tools and systems needed to support regulated entities to comply with the new legislation, including through comprehensive industry education and guidance.

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- The program budget for 2024-25 supported several key areas, to mobilise the agency to implement reform, and prepare to regulate in the broader AML/CTF environment.
    - **173 full-time equivalent** roles were created over the financial year across high-demand job families and specialist skill sets to deliver reforms. The agency tracked ASL at **97** for the financial year, with 173 FTE on 30 June 2025. Due to volume demands, recruitment firms were engaged to assist with sourcing and acquisition processes to reduce impact on business delivery.
        - Following the 2025-26 budgeting process, the agency workplan was updated to reflect resource prioritisation aligned to business-critical reform delivery.
    - Ongoing projects: Rules, Guidance and Interpretation Manual; Channel Uplift and Contact Centre; Industry Readiness (Industry Engagement Activities); and Enrolment, Registration and Reporting (Data and Digital Capability including AI SMR project).
    - Enabling projects: Property; Staff and Enabling Capability Uplift; Innovation and Technology Solutions Uplift; and AUSTRAC Funding Model.
    - Delivered projects: Business Process and Operations Redesign (Phase 1); and FTR Act Repeal.
    - Program Governance resource supports broader program management and delivery oversight to achieve key objectives for reform. This includes effective internal adoption of reform through change management, training and communications.

Budget allocation for 2025-26 and 2024-25 actual spend for the program:

Funding type		Total NPP funding available $'m	Actual spend 2024-25 $'m	Balance $'m	Budget allocated 2025-26 $'m	Unallocated budget $'m
Operating		160.90	26.53	80.37	82.98	-2.61
Capital		54.47	1.82	50.65	22.73	27.92
Total		159.37	28.35	131.02	105.71	25.31

How are you progressing? Will you be ready within such a tight timeframe?

- The government is committed to progressing implementation of the reforms. We've already achieved several implementation milestones, including:
    - repeal of the *Financial Transaction Reports Act 1988* (FTR Act) on 7 January 2025 and cessation of reporting requirements for entities under the FTR Act
        - most entities captured under the FTR Act already transitioned to the AML/CTF Act – motor vehicle dealers no longer have obligations with AUSTRAC, and solicitors providing prescribed services will be brought back under AML/CTF legislation from July 2026, with these 2 industries being the bulk of FTR entities

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- commencement of changes to AUSTRAC's information-gathering powers from 7 January 2025, including new examination power and new authorisation to produce power
- finalisation of amended tipping-off offence and guidance published 31 March 2025, including industry engagement in February 2025
- consultation with industry on AML/CTF Rules including expanded regime to T2 sectors in June 2025
- new Rules made, registered and published on the Federal Register of Legislation on 29 August 2025
- industry consultation (working groups) for core guidance completed July 2025
- release of draft sector-specific guidance (risk products) including starter program kits for industry consultation (working groups)
- core guidance published 16 October 2026
- publication of program starter kits on 30 January 2026.

Reform program progress

- Program mobilised, establishing core teams, governance and decision-making forums, documented implementation plans approved for critical reform projects.
- Industry engagement and communication strategy, and feedback loops established through industry forums and events, working groups and direct engagement activities.
- Technology solutions proof-of-concept and high-level design approved.
- Digital and Data initiatives being finalised: multi-content strategy; information architecture website draft design; co-design consultation on reporting format and schemas; and data requirements for Enrolment and Registration Transaction Reporting.
- Progress of office fit-outs in Melbourne, heads of agreement signed new lease in Brisbane for a larger site including to accommodate an expanded Contact Centre, and planned expansion in Canberra, as well as consideration of options in other states.
- Progress Contact Centre new service model implementation, ready for go-live.
- Progress channel uplift initiatives to website, reform communications and education products, awareness campaign phases, engagement analytics and measures.

Preparations underway in advance of key legislative milestones

31 March 2026

- Modernised obligations commence for T1 entities, including reporting obligations for TTRs and SMRs.
  - Travel rule change commences while IFTI reporting obligation remains the same.
- Enrolment and registration requirements commence for VASPs providing the 4 new designated services for cryptocurrencies.
- Enrolment and registration opens for T2 entities.

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1 July 2026

- New T2 obligations commence (for example, AML/CTF programs, CDD and record-keeping obligations).
    - Reforms to IFTI reports are expected to commence at a later date under transitional rules, to give industry and AUSTRAC time to make systems changes.

Post-2027 (date TBC)

- Transition from IFTI reporting to IVTS reporting.
- AUSTRAC and industry will need time to prepare and bed down these reforms, and align with other payment system changes.

Where does the rest of the funding go?

- AGD received **$5.36 million and 8 ASL over 4 years** from 2024-25 to implement the reforms, funded through the Confiscated Assets Account.
- The Department of Finance received **$0.20 million over 2 years** from 2024-25 to review implementation progress (i.e. undertake gateway reviews).

What is the breakdown of funding across agencies/years?

Fiscal balance $ million						
	2023-24	**2024-25**	**2025-26**	**2026-27**	**2028-29**	**Total**
AUSTRAC	0.0	47.57	113.22	0.00	0.00	160.79
AGD	0.0	1.31	1.33	1.35	1.37	5.36
Finance	0.0	0.10	0.10	0.0	0.00	0.20
Total	0.0	48.98	114.65	1.35	1.37	166.35

What oversight will AUSTRAC be subject to in implementing the reforms?

- The Reform Program is subject to the Department of Finance's Gateway Review process, providing independent assurance and advice to improve delivery and implementation.
- The first gateway review occurred from 11-15 November 2024.
- If pressed: The AML/CTF Reform Program First Stage Review received an Amber/Red rating. All of the 16 recommendations are complete. The Mid-Stage Review of the Reform Program is scheduled for February 2026.
- The government's investment is also subject to oversight as part of the Digital Transformation Agency's (DTA) Investment Oversight Framework.
- We are working closely with the DTA to ensure visibility of implementation progress and assurance that the program will deliver the expected benefits. This includes: inclusion of the DTA in governance committees; sharing assurance plans and other assurance reports; annual reviews of the program's assurance plan; and regular WAVE reporting.

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- AUSTRAC's independent auditor conducted a hygiene check of the Reform Program's governance, financial controls and benefits management settings in August 2025, with a green/low-risk outcome. We are implementing the recommended actions to further improve internal readiness visibility, benefits reporting and decision transparency.
- AUSTRAC has engaged an independent assurance adviser to provide delivery confidence assessments and technical readiness snapshots for the Reform Program.

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Additional Estimates February 2026 – hot issue brief

AML/CTF Rules

- New AML/CTF Rules, made on 29 August 2025, allow industry to work on implementing the reforms with legislative certainty of their obligations.
- The AML/CTF Rules are now in 2 instruments:
  - ***Anti-Money Laundering and Counter-Terrorism Financing Rules 2025*** – contain the Rules that set out the general obligations that align with the amended AML/CTF Act
  - **AML/CTF Exemptions Rules** – this instrument will be called the *Anti Money Laundering and Counter Terrorism Financing (Class Exemptions and Other Matters) Rules 2007* and preserves certain exemptions made prior to the reforms.
- Core guidance was published in October 2025 and provides practical detail on compliance expectations.

Key areas changed in response to industry consultation

- Customer due diligence (CDD): redeveloped by only prescribing minimum KYC information, which is a more outcomes-based approach compared to strict requirements about when to collect and verify KYC information.
- Opening up delayed initial CDD for all designated services, subject to safeguards to minimise ML/TF harm.
- Reporting groups: AUSTRAC accommodated industry's preference to form reporting groups only where they want to, rather than requiring corporate groups to become a reporting group.
- Long transitional arrangements for reporting entities already enrolled with AUSTRAC to report using the new SMR and TTR format. This allows them to focus on implementing the reforms before updating reporting systems.
- Scope of the domestic PEP definition: AUSTRAC reduced the scope of the domestic PEP definition, particularly in relation to local government councils, and state and territory government bodies, in response to feedback that the number of Australian PEPs would be too large.

AML/CTF Rules structure

- The AML/CTF Rules are organised to reflect the order in which reporting entities consider obligations in the AML/CTF regime, to make them easier to use by reporting entities. They will be supported by guidance and education materials to help current and new reporting entities to implement effective AML/CTF measures.
  - The AML/CTF Rules follow the outcomes-based approach to regulation. Primary legislation outlines reporting entity obligations. Rules provide additional legal requirements. AUSTRAC's guidance will deal with any other issues requiring clarification.
  - This ensures the regime is scalable to small business, allowing reporting entities to focus resources on mitigating risks, rather than interpreting legislation.

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- We aim to avoid excessive prescription in the AML/CTF Rules, to maintain the flexibility built into the AML/CTF Act.

Co-design with industry

- These AML/CTF Rules are the result of extensive co-design with industry, including 2 rounds of public exposure drafts (garnering over **200** submissions), and numerous sector-specific working groups, workshops and forums.
- Industry reacted positively to the level and manner of engagement. (See the **Industry engagement and support** brief for further detail.)
- Key feedback from industry groups across the entire co-design process related to:
  - the scope of 'assisting' under the new professional services designated services
  - implications of the 'reporting group' concept
  - integrating existing customer identification processes into the CDD processes they will develop under the AML/CTF regime
  - scope of requirements against existing processes for reporting and travel rule (particularly for financial institutions or other large entities with substantial existing systems and processes)
  - application of key concepts through worked examples in guidance, e.g. simplified and enhanced CDD
  - implementation timing.
- Most issues raised are dealt with in either the AML/CTF Rules, guidance, or AUSTRAC's regulatory practice.

Amendments to AML/CTF Rules 2025 and exemptions

- Industry stakeholders requested some technical amendments to the Rules to address implementation pain points.
- AUSTRAC is also considering adding some exemptions to the AML/CTF Rules for:
  - barristers accepting direct briefs from Australian government bodies
  - activities undertaken by Legal Aid and community legal centres
  - activities conducted by ASX clearing and settlement facilities
  - the relief of gift cards from 'travel rule' obligations where risk management criteria are met.
- The proposed amendments will be published on the AUSTRAC website and subject to a short public consultation. AUSTRAC will consider feedback raised and make the amendments before commencement of the reforms generally on 31 March 2026.
- AUSTRAC can make Rules to exempt or modify AML/CTF obligations for particular segments of industry when they engage in certain activities. Exemption applicants must satisfy the AUSTRAC CEO of the need for the exemption, that the ML/TF risk is low, and that the exemption is clearly needed to avoid unnecessary regulatory and financial burden on reporting entities.

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If asked

What if businesses aren't ready in time?

- We appreciate some existing (tranche one) entities may not be fully compliant with the changed obligations by 31 March 2026, due to the scale and nature of changes needed to their processes and technology.
- Their priority should be continuing to manage ML risks, while transitioning to the new obligations, against clear implementation plans.
- We will continue to communicate our expectations about obligations we consider can be met by 31 March 2026, such as updating governance arrangements and enrolment.
- I have published statements on the AUSTRAC website outlining what AUSTRAC expects in terms of compliance for both new and existing reporting entities.

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Palantir

AUSTRAC use of Palantir

- AUSTRAC uses Palantir and other third-party providers to support the delivery of core agency outcomes.
- AUSTRAC's use of Palantir is governed by comprehensive contractual controls, which ensure the platform operates strictly in accordance with the Australian Government's privacy framework and AUSTRAC's information security environment.
    - These controls regulate how the system is accessed, operated and managed. The platform operates in a strictly controlled hosting environment.
- As a tool, Palantir does not source data itself, but is designed to integrate and analyse data already possessed and provided by its user. Palantir acts as a data processor, linking data sets into a coherent network and enabling users to derive insights, make decisions and take action.
- These controls ensure AUSTRAC retains full ownership and authority over our data.
- Palantir is one of many data tools providing AUSTRAC and Fintel Alliance with capabilities to share insights, to achieve our legislated mandate.

Banks' use of Palantir

- The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) requires regulated businesses to:
    - develop and maintain an AML/CTF program
    - perform customer identification and verification before providing a designated service, and perform ongoing due diligence of their customers
    - monitor for unusual or suspicious activity
    - ensure they adhere to reporting obligations.
- It is common for regulated businesses to use one or more third-party providers to help meet their AML/CTF obligations, and wider obligations relating to sanctions monitoring, and fraud and scam prevention.
- Using third parties can create a range of risks, including AML/CTF risks. AUSTRAC has statutory authority to consider these risks where they create vulnerabilities or non-compliance with the obligations in the AML/CTF Act.
- In acknowledging the broader risks of outsourcing, AUSTRAC provides guidance to regulated businesses on outsourcing to third-party providers. The guidance includes:
    - the need to conduct due diligence on the provider
    - that businesses need to understand any legal restrictions on sharing information with outsourced providers

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  - businesses should put in place written agreements that clearly outline measures to deal with breaches.

- AUSTRAC does not issue guidance on the use of any particular third-party provider, although a range of available technology applications may be discussed in regulatory and intelligence engagements with financial institutions.
- Outsourcing to third parties is ultimately a commercial arrangement.
- AUSTRAC's remit is defined by the obligations in the AML/CTF Act.

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Legal and Constitutional Affairs Legislation Committee

February 2026

Chair: Senator Jana Stewart



Australian Labor Party, Victoria.

Parliamentary service

Chosen by the Parliament of Victoria on 6.4.2022 under section 15 of the Constitution to represent that State in the Senate, vice K Kitching (deceased). Elected to the Senate for Victoria, 2022.

Relevant/current committee service

Senate Legislative and General Purpose Standing

- Economics:
  - Legislation from 28.7.2022 to 21.7.2025
  - References from 28.7.2022 to 21.7.2025
- Finance and Public Administration:
  - Legislation from 28.7.2022 to 21.7.2025
  - References from 28.7.2022 to 21.7.2025
- Legal and Constitutional Affairs:
  - Legislation from 22.7.2025 to 25.7.2025; 7.11.2025 to present; Chair from 24.7.2025 to present
  - References from 22.7.2025 to 25.7.2025; Deputy Chair from 25.7.2025 to present.

Senate Select

- Measuring Outcomes for First Nations Communities from 28.11.2024 to 6.12.2024; and Deputy Chair from 6.12.2024 to present.

Joint Standing

- Foreign Affairs, Defence and Trade from 24.7.2025 to present
- Aboriginal and Torres Strait Islander Affairs (Chair) from 28.2.2024 to present.

Joint Statutory

- National Anti-Corruption Commission from 29.3.2023 to 30.3.2023; and 24.7.2025 to present
- Human Rights from 28.7.2022 to 28.3.2025.

Qualifications/personal

- MFamTher and GradCertFamTher (La Trobe University).
- Aboriginal Facilitator in the Public Service from 2013 to 2018.
- Senior Adviser from 2018 to 2019.
- Public Servant from 2019 to 2021.
- Born 27.8.1987, Preston, Australia.
- Aboriginal and/or Torres Strait Islander: Mutthi Mutthi and Wamba Wamba.

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Deputy Chair: Senator Leah Blyth



Liberal Party of Australia, SA.

Parliamentary service

Chosen by the Parliament of South Australia on 6.2.2025 under section 15 of the Constitution to represent that State in the Senate, vice S Birmingham (resigned).

Relevant/current committee service

Senate Legislative and General Purpose Standing

- Legal and Constitutional Affairs:
  - Legislation served from 27.10.2025 to 29.10.2025; and Deputy Chair from 29.10.2025 to present
  - References served from 27.10.2025 to 29.10.2025; and Chair from 29.10.2025 to present.

Member: Senator Dorinda Cox



Australian Labor Party, WA.

Parliamentary service

Chosen by the Parliament of WA on 14.9.2021 under section 15 of the Constitution to represent that State in the Senate, vice R Siewert (resigned). Elected to the Senate for WA, 2022.

Committee service

Joint Standing

- Aboriginal and Torres Strait Islander Affairs from 14.9.2023 to 28.3.2025.

Joint Statutory

- Law Enforcement from 24.7.2025 to present.

Senate Legislative and General Purpose Standing

- Legal and Constitutional Affairs:
  - References from 22.7.2025 to present
  - Legislation from 22.7.2025 to present.

Senate Select

- Perth Mint and Commonwealth regulatory compliance Deputy Chair from 22.6.2023 to 21.6.2024
- Measuring Outcomes for First Nations Communities from 28.11.2024 to 6.12.2024; and Chair from 6.12.2024 to present.

Qualifications/Personal

- Born: 25.5.1976, Kojonup, Australia.
- Aboriginal and/or Torres Strait Islander: Yes.
- Awarded the Aboriginal Police Medal, 2020.

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Member: Senator Andrew McLachlan CSC



Liberal Party of Australia, SA.

Parliamentary service

Chosen by the Parliament of SA on 6.2.2020 under section 15 of the Constitution to represent that State in the Senate, vice C Bernardi (resigned). Elected to the Senate for SA, 2022.

Parliamentary positions

- Deputy President of the Senate from 26.7.2022 to 22.7.2025.
- Chair of Committees from 26.7.2022 to 22.7.2025.

Relevant/current committee service

Joint Standing

- Foreign Affairs, Defence and Trade from 20.6.2023 to present.

Joint Statutory

- Human Rights from 11.2.2020 to 11.4.2022
- Law Enforcement from 13.5.2021 to 11.4.2022
- Australian Commission for Law Enforcement Integrity from 1.12.2021 to 2.12.2021; and Chair from 2.12.2021 to 11.4.2022.

Senate Legislative and General Purpose Standing

- Legal and Constitutional Affairs:
  - References from 1.8.2022 to present
  - Legislation from 22.7.2025 to present
- Foreign Affairs, Defence and Trade:
  - Legislation from 22.7.2025 to present
  - References from 22.7.2025 to present.

Qualifications/personal

- Born: 14.1.1966, Adelaide, Australia.
- LLB, University of Adelaide.
- LLM, University of Edinburgh.
- MBA, Australian Graduate School of Management.
- Solicitor in Legal Practice from 1989 to 1991.
- Senior Associate in Legal Practice from 1993 to 1996.
- Senior Executive in Financial Services from 1996 to 2011.
- Non-Executive Director in Financial Services from 2011 to 2014.

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Member: Senator Helen Polley



Australian Labor Party, Tasmania.

Parliamentary service

Elected to the Senate for Tasmania 2004. Re-elected 2010, 2016 and 2022.

Relevant/current committee service

Senate Legislative and General Purpose Standing

- Legal and Constitutional Affairs:
  - References from 28.7.2022 to 29.2.2024
  - Legislation from 28.7.2022 to 7.11.2025; 24.11.2025 to present; and Chair from 7.11.2025 to 24.11.2025.

Senate Standing

- Scrutiny of Bills from 12.11.2013 to 10.2.2014; Chair from 11.2.2014 to 9.5.2016; and Chair from 1.9.2016 to 25.7.2022.

Joint Statutory

- Australian Crime Commission from 1.7.2005 to 25.11.2010
- Law Enforcement from 25.11.2010 to 5.8.2013; 4.7.2019 to 11.4.2022; 28.7.2022 to 3.8.2022; and Chair from 3.8.2022 to present
- National Anti-Corruption Commission from 24.7.2025 to 25.8.2025.

Qualifications/personal

- Born 9.2.1957, Ulverstone, Australia.
- DipBusAdmin (Launceston Business College).

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Member: Senator David Shoebridge



Australian Greens, NSW.

Parliamentary service (federal)

Elected to the Senate for New South Wales, 2022.

Parliamentary party positions

- Australian Greens Spokesperson for Justice, Defence and Veterans' Affairs and Digital Rights from 17.6.2022 to 15.5.2023.
- Australian Greens Spokesperson for Justice, Defence, Veterans' Affairs, Digital Rights and Science from 15.5.2023 to 25.3.2024.
- Australian Greens Spokesperson for Defence and Veterans' Affairs, Digital Rights and IT, Home Affairs, Immigration, Citizenship and Multicultural Affairs and Justice (includes Attorney-General and Drug Law Reform) from 25.3.2024 to 4.6.2025.
- Australian Greens Spokesperson for Foreign Affairs, Peace and Nuclear Disarmament, Defence and Veterans' Affairs, Home Affairs, Immigration, Citizenship and Multicultural Affairs, Justice, Digital Rights and IT from 4.6.2025.

Relevant/current committee service

Senate Legislative and General Purpose Standing

- Legal and Constitutional Affairs:
  - Legislation from 26.7.2022 to present
  - References from 26.7.2022 to present
- Foreign Affairs, Defence and Trade:
  - Legislation from 24.7.2025 to present
  - References from 24.7.2025 to present.

Joint Select

- National Anti-Corruption Commission Legislation from 29.9.2022 to 10.11.2022.

Joint Standing

- Implementation of the National Redress Scheme from 6.3.2023 to present
- Foreign Affairs, Defence and Trade from 24.7.2025 to present.

Joint Statutory

- Law Enforcement from 26.7.2022 to present
- Australian Commission for Law Enforcement Integrity from 26.7.2022 to 1.7.2023
- National Anti-Corruption Commission from 9.2.2023 to present.

Senate Select

- Adopting Artificial Intelligence, Deputy Chair from 27.3.2024 to 26.11.2024.

Qualifications/personal

- Born 17.9.1971, Sydney, Australia.

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Additional Estimates February 2026 – hot issue brief

Bondi response

- AUSTRAC's immediate response included engagement with, and support of, AFP counterparts and interrogation of internal holdings on open-source information as it came to light.

Joint Threat Financing Group (JTFG)

- This provided a rolling start to AUSTRAC's formal operational response through the AUSTRAC-AFP JTFG. This group:
  - identifies and helps disrupt threat financing activities
  - functions as the primary mechanism for AUSTRAC's response to unfolding domestic national security incidents
  - supports the operational work of Joint Counter-Terrorism Teams (JCTTs) at the AFP's request.

Fintel Alliance

- Through our public-private partnership, Fintel Alliance, AUSTRAC worked with the banking sector to explore financial aspects of the incident and the individuals.

If asked

Has AUSTRAC intelligence/SMR reporting informed law enforcement investigations into the Bondi attack? How?

- Australia's investigative agencies, including the AFP, have direct access to SMR and transaction reporting through AUSTRAC's Analyst Workbench, as well as receiving financial intelligence through other channels.
- AUSTRAC also provides financial intelligence support and analysis, through the JTFG, to the operational work of Australia's JCTTs.
- In response to critical incidents or operations, AUSTRAC follows the direction of the lead investigative agency for intelligence tasking and proactive dissemination of SMRs and financial intelligence products.
- I cannot make comments about specific details.
- **If pressed (intelligence shared):** Although I cannot comment on ongoing operations, AUSTRAC continues to provide financial intelligence support to law enforcement's response. AUSTRAC:
  - received and analysed more than **30 SMRs** from industry partners in response to this investigation
  - responded to several requests for information from state and federal authorities
  - produced **3 intelligence products**.
- Questions about Operation Arques should be directed to the AFP.

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Has AUSTRAC seen transactions showing: interference from foreign parties or organised crime groups linked to anti-Semitic attacks in Australia; or funds flows to corrupt individuals?

- Although I cannot comment on ongoing operations, AUSTRAC is providing financial intelligence support to law enforcement efforts in this area.
- AUSTRAC's financial intelligence makes a significant contribution to the national intelligence picture and investigations by government partners – whether they relate to transnational, serious and organised crime, terrorism, or any religious/ideologically-motivated crime.
- **If pressed:** AUSTRAC, through monitoring TF profiles, routinely shares information proactively, and in response to requests for information from the National Intelligence Community and law enforcement agencies.
    - AUSTRAC's reporting entities are required to submit international funds transfer instruction (IFTI) reports and SMRs.
    - We provide the details of foreign entities and their financial behaviour to relevant agencies, to assist in attribution of foreign parties or organised crime groups.
- **If pressed (operational):** That's a matter for the AFP.
- **If pressed (policy):** That's a matter of policy best directed to government.

Have any banks lodged SMRs regarding Naveed Akram and Sajid Akram concerning their trip to the Philippines and Davao?

- AUSTRAC does not comment on operational matters and is prohibited under law from providing specific information regarding SMRs.
- Authorised law enforcement and regulatory partners use AUSTRAC information, including reporting from industry, to assist with investigations.

How does AUSTRAC approach religious and ideologically-motivated terrorism?

- AUSTRAC takes a motivation-agnostic approach to tackling religious and ideologically-motivated terrorist acts.
- Our approach and priorities are informed by:
    - the CT assessments of our national security and law enforcement partner agencies
    - our 2024 national risk assessment of terrorism financing– which allows us to prioritise our intelligence efforts towards the highest areas of risk in the Australian financial system.
- In accordance with the threat environment, AUSTRAC has provided financial intelligence support to Commonwealth and state partners for investigations into anti-Semitic attacks.

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