“The Australian Regulatory Regime - Past, Present and Future”

Introduction

The Australian anti-money laundering and counter-terrorism financing regime was significantly enhanced with the implementation of the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act) in 2006. Australia’s legislation provides for a modern and robust system to deal with the increasing and dangerous problems of money laundering and terrorism financing not only in Australia, but also through external links to Australia.

The journey of Australia’s AML/CTF program began in the late 1980s, and will continue well into the future. The Australian Transaction Reports and Analysis Centre (AUSTRAC) - the organisation responsible for ensuring compliance with the AML/CTF legislation, has recently celebrated its 20th anniversary on 6 February this year. It has acquired extensive new regulatory powers in addition to its role as a specialist financial intelligence unit (FIU).

Over the years, AUSTRAC has embraced all challenges diligently and collaboratively. It continues to provide guidance and support to all stakeholders, including regulated entities, industry bodies, law enforcement, national security and revenue partner agencies, and to members of the public.

AUSTRAC’s journey has been in three stages:

- the first stage, commencing in 1989, was a period of learning, development and innovation.
• the second stage, commencing in the mid-1990s, was one of consolidation and further strengthening of our FIU capabilities and strategic outlook.

• the third stage was one of significant change following the events of 9/11 and leading to AML/CTF reform in Australia.

Interestingly these stages have also coincided with the appointment of the three CEOs\(^1\) who have led AUSTRAC over those 20 years.

The fourth stage is about to commence. This will be a period of consolidation in our regulatory approach, and the enhancement of our analysis and dissemination of financial intelligence. Interestingly, it will again also coincide with the change of CEO.

New challenges will involve the need to address issues arising from the global financial crisis and its impact upon money laundering and terrorism financing.

**Overview**

The acts of money laundering and terrorism financing somewhat inconspicuously and innocuously pervade the very fabric of modern society. These acts enable those involved, or those seeking to involve themselves in criminal activity, an avenue to finance their criminal objectives. Both money laundering and terrorism financing are financial crimes with far reaching consequences. Such activities enable criminals to either profit from, or to

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\(^1\) The three AUSTRAC Directors/CEOs have been Bill Coad (1989-1996), Elizabeth Montano (1996-2001) and the author, 2002 until the present.
cause widespread damage through, their illegal activities. Money launderers and terrorism financiers use the legitimate financial system to destabilise economies, and ultimately disrupt society through a variety of methods which may not be immediately evident as money laundering or terrorism financing.

It is extremely difficult to quantify the extent and reach of money laundering and terrorism financing and consequently little work has been done in this area. The International Monetary Fund’s (IMF) claim of 2.5 to 5 % of Gross Domestic Product is merely an estimate.\(^2\) In Australia the figure has been estimated at between AUD2.8 to AUD11 billion\(^3\). While the effects of terrorism financing are often difficult to directly calculate, it is clear that such activities undermine and impose substantial costs that may have devastating effects on nation states or the global economy. It is also clear that the social and economic costs of an act of terrorism are significantly higher than the cost of Australia’s AML/CTF program\(^4\).

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\(^2\) The Replacement Explanatory Memorandum to the Anti-Money Laundering and Counter – Terrorism Financing Bill 2006 at page 3.

\(^3\) Walker, J. et al, “Money Laundering in and through Australia, 2004 Report”, Australian Institute of Criminology, August 2007. The Australian Crime Commission in its 2009 report “Organised Crime in Australia” at page 5 state that “in 2008, organised crime is estimated conservatively to have cost Australia at least $10 billion”. The Replacement Explanatory Memorandum to the Anti-Money Laundering and Counter –Terrorism Financing Bill 2006 at page 3 estimates as per the IMF’s calculation that the figure is in the vicinity of AUD 11.5 billion.

Global Standards: The Financial Action Task Force on money laundering 40 + 9 recommendations

Money laundering has been on the Government’s agenda in Australia since the 1980s when a number of Royal Commissions uncovered links between tax evasion, fraud, organised crime and money laundering techniques. In the late 1980’s the Australian government introduced a range of federal legislation to collectively counter money laundering:

- **Proceeds of Crime Act 1987**;
- **Mutual Assistance in Criminal Matters Act 1987**;

Around the same time, there was growing concern within the international community about the threat posed by money laundering to the world’s financial institutions and the banking system. In 1989, the fight against money laundering was greatly assisted with the establishment of the Financial Action Task Force (FATF) under the auspices of the OECD. Australia was one of the initial member countries, and assisted to develop the FATF 40 Recommendations, which quickly became the global standards for countering money laundering, and later, terrorism financing. The standards contained measures relating to legal systems, measures to be taken by financial institutions and other non-financial businesses, the establishment of FIUs, and

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5 These Commissions were set up inter alia to ascertain the extent of criminal activity and tax avoidance in certain industries. See for example: *Australian Royal Commission of Inquiry into Drugs* (Williams, AGPS, 1980); *Royal Commission of Inquiry into Drug Trafficking* (Stewart, AGPS, Canberra, 1983); *Royal Commission on the Activities of the Federated Ship Painters and Dockers Union* (Costigan, Report, 26 October 1984).
international cooperation. The standards related to knowing your customer, global exchange of financial and other information, and the reporting of suspicious and other transactions.

As a member of the FATF, Australia has been the subject of three peer reviews referred to as mutual evaluations. The first mutual evaluation report (MER) published on 25 June 1992 was enthusiastic about Australia’s money laundering regime noting our compliance with 39 of the 40 recommendations. The FATF also lauded Australia for being the first country to adopt the monitoring of international wire transfers calling AUSTRAC a “learning laboratory”.\footnote{See Financial Action Task Force on Money Laundering, Annual Report 1991-1992, June 25, 1992 at page 11.}

The second MER published in June 1997 was also quite effusive in its praise of Australia’s anti-money laundering efforts. The FATF noted: “Australia can pride itself on a well-balanced, comprehensive and in many ways exemplary system, and must be congratulated accordingly”.\footnote{Financial Action Task Force on Money Laundering, Annual Report 1996-1997, June 1997 at page 13.} AUSTRAC was also singled out for special praise with the FATF stating: “if AUSTRAC had not taken a major leadership role, the AML regime in Australia would be far less successful”.\footnote{Ibid at page 13.}

Although the report was very positive, some deficiencies were noted, such as:

- a lack of statistical data regarding the performance of Australia’s anti-money laundering system; and
financial supervisory authorities needing to have a more active role in anti-money laundering programmes.

In May 2005 the FATF conducted its third mutual evaluation of Australia. The third MER was the first to measure Australia’s compliance with the revised FATF 40 + 9 Recommendations. FATF’s finding was published in October 2005. Whilst noting a number of strengths in Australia’s system, particularly that AUSTRAC, as the FIU, was fully compliant with Recommendation 26, it also “highlighted” that Australia was only partially compliant or non-compliant with almost half the FATF’s 40 + 9 Recommendations. Importantly, FATF concluded that the existing AML/CTF system was lagging behind international best practice. But more about that later.

Early anti-money laundering initiatives: Learning, development and innovation

Enacted in 1988, the CTR Act was the primary mechanism for Australia’s anti-money laundering initiatives. The legislation was enacted to address the growing concerns of the potential impact of money laundering in Australia, with a focus on detecting tax evasion and other serious criminal activity. The aims of the FTR Act were demonstrated in practice by:

- requiring “cash dealers” to report suspicious transactions, significant cash transactions, and international funds transfer instructions
- monitoring currency movements within Australia and into and out of Australia
• aiming to eliminate false name accounts, tax evasion, money laundering and other financial crimes through customer identification requirements.

The Cash Transaction Reports Agency established in 1989 was given the primary responsibility for monitoring and analysing suspicious transactions and large cash transactions which had been reported to it. It was subsequently renamed the Australian Transaction Reports and Analysis Centre in 1991 to reflect the broadening of the agency’s functions to include the receipt and analysis of international wire transfers. The CTR Act was also renamed as the FTR Act. A major focus for AUSTRAC at that time was on monitoring and identifying transactions of interest and reporting them to relevant law enforcement and revenue agencies. An adjunct of this was the need to ensure that cash dealers complied with their FTR Act obligations of reporting certain financial transactions and identifying their customers.

AUSTRAC’s regulatory approach at this early stage was totally focussed on education and collaboration. In its first moments of being, AUSTRAC’s CEO established a committee comprising the major financial sector industry associations, and the major financial institutions. The purpose was to communicate and establish the most effective and efficient means for implementing this new anti-money laundering program. That group, referred to as the Provider Advisory Group (PAG), still meets today, albeit under a different guise.
Another significant event was the creation of the 100 point system for identifying account customers. With a combination of more than 100 different checks and documents to choose from, cash dealers identified their customers with a much higher degree of confidence than ever before. Initially being very successful, the system was copied by many entities in Australia for identifying customers outside of the anti-money laundering program. In later years the system was less effective as only a small number of the combinations of checks were used by cash dealers.

In those formative years, very little work of a compliance nature was undertaken. Staff resources were largely directed towards making use of the growing volume of financial transaction reporting information and educating our law enforcement and revenue agencies in usage of this new form of intelligence. The focus was around getting the transactional data reported in real time, and for the agencies to get real time results.

Even at this early stage AUSTRAC's financial intelligence was being used by partner agencies with effective results. AUSTRAC worked as a team member in joint task forces or on a bi-lateral basis with individual agencies. Some significant early results included:

- In 1992, “Operation Quit” which related to the evasion of cigarette duty, resulted in criminal charges being laid against 21 persons and resulted in tax assessments of approximately $35 million raised by the Australian tax office and state revenue offices.
In 1995, AUSTRAC intelligence assisted the successful prosecution of three persons involved in laundering in excess of AUD 1 million. The funds were being remitted to the Middle East and the USA.

The middle years 1996 to 2001: Consolidation; strengthening FIU capabilities; and strategic outlook

Throughout the late 1990’s and into the 2000’s, AUSTRAC still operated primarily as an FIU and became recognised and respected globally as an innovative and technologically advanced leader in the fight against money laundering.

During this time, AUSTRAC’s regulatory role was still focused on what I refer to as “a soft touch” strategy. Even though inspections of cash dealers were being pursued, when non-compliance was identified the matter was not progressed to formal enforcement action, but rather a timetable was agreed to ensure that the entity met its obligations. AUSTRAC considered this to be a more effective approach to get customers identified and financial transactions reported to AUSTRAC. That is, to have the relevant intelligence available for law enforcement and revenue agencies rather than tying matters up in lengthy court proceedings. The down-side to this approach was that some entities may have used this strategy to minimise their compliance until AUSTRAC visited them. The regulatory tools available to AUSTRAC at that time were also very limited and did not include the range of tools which were to later become available under the AML/CTF Act.
Consequently, much of the effort invested by AUSTRAC’s limited resources continued to be in fostering relationships with cash dealers and building partnerships with law enforcement, national security, revenue collection, and social justice agencies. Much of the regulatory focus was around education, providing information in the form of newsletters, industry guidelines, presentations, and at PAG meetings.

With the focus on getting the transactional data and providing effective intelligence assessments, our partner agencies were reaping significant benefits from that intelligence. Some of those results included:

- “Operation Blade” which involved the seizure of 6.3 kilograms of heroin with an estimated street value of AUD 6 million and AUD 740,000. Five men were arrested in Melbourne and two in Perth as part of a Melbourne-based Asian organised crime syndicate.

- Seizure of half a tonne of South American cocaine and a cache of weapons. The drugs, with an estimated street value of AUD 140 million, were wrapped in hessian sacks and placed in a 12 metre yacht. Six men were arrested for the crimes.

- Helping to identify a syndicate which was laundering money through “structured” transfers of funds to Hong Kong and helping to locate evidence.\(^9\)

\(^9\) Such is the prevalence of AUSTRAC financial intelligence information usage, the AUSTRAC Annual Report 1997-98 lists 189 examples of where AUSTRAC information was used by our partner agencies.
Post 9/11 Australian Response: Significant change and reform

In the years prior to the September 11, 2001 attacks in the United States of America, terrorism financing in Australia was considered ancillary to counter-terrorism initiatives. However, in the weeks following the attacks, the international efforts to subsequently freeze the funds of known terrorist organisations throughout the world\(^\text{10}\) heightened the need for a more focused response by Australia to the issue of terrorism financing. Accordingly, Australia implemented a multi-faceted response to the issues of increased terrorism risk. This resulted in the expansion of AUSTRAC’s mandate on money laundering to extend to transactions related to terrorism financing. AUSTRAC also began participating in Government committees such as, the Interdepartmental Committee on the Suppression of Terrorism Financing, chaired by the Department of Foreign Affairs and Trade. We assisted also in establishing procedures to ensure the early reporting of suspicious transactions.

On the regulatory front AUSTRAC also began implementing new changes, while continuing to maintain dialogue with cash dealers. Significantly the changes were in part a response to the sizeable increase in the number of cash dealers reporting to us and the number of financial intelligence reports received from them. We also became selective in our approach. For example, while maintaining a close working relationship with cash dealers we

\(^{10}\) See United Nations Security Council Resolution No 1373(2001)  
http://www.un.org/News/Press/docs/2001/sc7158.doc.htm,  
European Union Council Common Position 2001/931 CFSP (Dec 2001)  
http://europa.eu/scadplus/leg/en/lvb/l33208.htm,  
Australian Government: Department of Foreign Affairs and Trade – Australia’s Terrorist Asset Freezing Regime  
sought to identify high risk cash dealers offering services such as overseas remittance, bullion and new products such as cash management trusts. Our education programs became more innovative such as multi-lingual newspaper campaigns to get the AML/CTF message to remitters of funds, and an internet-based “E-learning” program. The use of information technology (IT) to monitor our regulated entities became more sophisticated, with the introduction of data mining applications and the development of AUSTRAC’s regulatory risk analysis system.

In this post-9/11 environment AUSTRAC financial intelligence continued to be increasingly successful for our partner agencies. For example, during 2001-02 feedback from partner agencies identified the use of financial transaction reports information in 1,892 cases. In 1,259 of these cases the information was considered to be of major significance.

In 2005 AUSTRAC was lauded by the then Financial Crimes Enforcement Network Director, Bill Fox, when he stated: “AUSTRAC is the gold standard among financial intelligence units. We, and others throughout the world, consider AUSTRAC to be a model of how a financial intelligence unit should work”.\(^{11}\)

Further examples of investigations involving AUSTRAC’s financial intelligence included:

\(^{11}\) AUSTRAC Media Release, “Australia and United States’ Financial Intelligence Units strengthen efforts in counter terrorist (sic) financing”, 18 November 2005.
• In 2002, a drug trafficker was detected laundering the proceeds of his crimes through regular transfers of money into and out of Australia. These remittances were revealed after searches were conducted on the AUSTRAC database, together with documents that were seized during a search of a cash dealer's premises. The AUSTRAC database also revealed that the drug trafficker was recorded as buying and selling foreign currency and cashing out significant amounts of chips at a casino. Surveillance was undertaken of the drug trafficker and others confirming their involvement in the physical distribution of heroin. Six people were arrested following the seizure of a large quantity of heroin. They all received gaol sentences, aggregating to 79 years.

• In December 2003, an Australian law enforcement agency arrested two people and charged them with structuring 19 separate cash withdrawals each under AUD 10,000 from their bank account. AUSTRAC analysis identified that within 8 days both defendants structured a further 125 cash deposits each under AUD 10,000 into a joint account at a different bank. At the time of the arrests, the defendants' funds of approximately AUD 1.17 million were restrained. In April 2004 both defendants appeared before the County Court for sentencing. After agreeing to forfeit the AUD 1.17 they received good behaviour bonds of up to 5 years.

Reporting of terrorism financing cases has been rare. The reasons for this are speculative at best. However, allegations of terrorism financing have been raised in Australia. A prominent case which has received much media
attention, involved possible fundraising and procurement activities by
Australian-based persons on behalf of a possible terrorist organisation. It was
alleged that Australian-based individuals were sending large international wire
transfers to businesses in another country. These businesses were believed
to be front organisations used to control funds for the organisation. Reports
to AUSTRAC included numerous international wire transfers of values just
under AUD 10,000 each. One individual is alleged to have transferred in
excess of AUD 300,000 in this manner, with the transfers through several
different banks.

Understandably, a further outcome of the post September 11 attacks was that
Australia began to consider the effectiveness of the FTR Act, particularly as to
its adequacy in identifying and deterring money laundering and terrorism
financing, and as to whether it met the revised and new global standards.

Notwithstanding the two earlier FATF MERs, the findings in the FATF’s 2005
report did not come as a great surprise to the Australian Government which
had conducted its own review of AML/CTF law in 2003, and had initiated a
program of reform. Even prior to the publication of the third MER on 14
October 2005, the Australian Government on 11 October 2005 had
announced a package of reforms to be implemented in a two-tranche
approach. This ultimately led to the enactment on 12 December 2006 of the

*Anti-Money Laundering and Counter-Terrorism Financing Act 2006.*

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12 AUSTRAC Typologies and Case Studies Report 2008 – Case 4
13 The FATF on-site inspection took place from 10-23 March 2005.
AUSTRAC’s Expanded Role as a Regulator

The AML/CTF Act provides for a risk-based approach to AML/CTF compliance which assumes that businesses are best placed to identify and mitigate their own risks. The AML/CTF Act also applies to a wider range of entities than the previous FTR Act. AUSTRAC estimates that at present there are almost 17,000 “reporting entities” who provide “designated services”, and that consequently have obligations under the Act. Those obligations include:

- developing and maintaining an AML/CTF program
- identification and verification
- record keeping and
- reporting.

Under the AML/CTF Act, primary responsibility for ML/TF risk management and statutory compliance rests with the financial, bullion and gambling sectors at the level of each reporting entity’s board and senior management. Well managed and prudent entities are implementing sound ML/TF risk management systems without waiting for guidance from AUSTRAC as the AML/CTF regulator.

The AML/CTF Act also considerably expanded AUSTRAC’s regulatory powers, adding compliance, monitoring and enforcement powers (civil and criminal) which had largely been absent in the FTR Act. In practical terms it also meant an extensive recruitment drive to hire appropriately qualified people to monitor compliance with the Act.
AUSTRAC’s approach to regulation is one which promotes ‘voluntary compliance’, underpinned by education to assist in achieving consistency, proportionality and accountability. AUSTRAC’s objectives for industry supervision of the AML/CTF regime are to promote ‘good practice’ ML/TF risk management and regulation across industry, rather than adopting a prescriptive approach to industry regulation. This market-oriented approach has the benefits of minimising the compliance burden on industry, promoting a level playing field and contributing to an economic climate that remains conducive to innovation, competition and efficiency.

In implementing the regulatory requirements of the AML/CTF Act, AUSTRAC adopted a phased approach to its deliverables. This phased approach accorded with the implementation timeline of the legislation from late 2006 until December 2008.

AUSTRAC has indicated that it has a general preference for negotiating voluntary rectification and promoting deterrence is encouraged, as opposed to moving quickly to formal intervention and statutory sanctions. AUSTRAC has encouraged similar treatment of like entities, but has tailored its regulatory approach to distinctive groups, more intensively supervising high risk entities. We have acknowledged that remedies are required that fit their purpose and are commensurate with the gravity of the problem being addressed, whilst also being realistic and practical. Ultimately, as a regulator, AUSTRAC has
adopted measures to ensure that compliance and enforcement activity is conducted professionally, objectively, fairly and reasonably.

In conducting supervision and enforcement, AUSTRAC is mindful of promoting a number of key factors, including, for example:

- allowing ample opportunity for voluntary compliance with the new regime
- a preference for solving problems rather than applying penalties, in the first instance
- similar treatment of like entities, but not ‘one size fits all’
- remedies that fit their deterrent purpose and are proportionate to the problem
- strict internal governance to ensure our actions are not capricious or excessive.

AUSTRAC’s monitoring activities include onsite inspections, desk reviews, annual consultations, thematic studies, systematic data gathering and liaison with other regulators to coordinate regulatory oversight. Monitoring of reporting entities is undertaken using a risk based approach to ensure a level playing field in relation to compliance.

The type of monitoring conducted (for example onsite visits or desk top assessments) as well as the frequency and the focus of the monitoring is carried out by AUSTRAC having regard to the potential impact of the
identified risk on the integrity of the financial system and the likelihood of that impact materialising in practice.

AUSTRAC’s formal policies for enforcement are outlined in two documents: AUSTRAC’s Enforcement Policy and Enforcement Manual. AUSTRAC is committed to ensuring that decisions relating to enforcement are based on fact, with due regard for process and natural justice. The establishment of an Enforcement Committee, comprising high level AUSTRAC staff is monitoring this process.

It is expected that the majority of reporting entities will be well intentioned, open to negotiation, and willing to comply with AUSTRAC’s rectification recommendations. A few others however, may prove to be unresponsive and/or recalcitrant. In those cases, AUSTRAC will look to take formal enforcement action. It is expected that formal enforcement action will be relatively infrequent, particularly in the early years of the AML/CTF Act and particularly for entities prepared to deal with the regulator in an honest, open and cooperative manner.

AUSTRAC will continue to develop its regulatory toolkit to assist reporting entities in complying with their obligations under the AML/CTF Act. For the most part these have been developed in partnership with industry.

AUSTRAC recently celebrated its 20th anniversary. We have gone from being a small organisation (seven staff based in Sydney) to a large and diverse organisation (420 staff based in five cities) and from an FIU, to industry regulator and FIU. Indeed, as noted in our Annual Report for 2007-08 AUSTRAC received almost 18 million financial transaction reports, in that year, adding to the database of now over 100 million reports.

Significantly, FIU intelligence was also used in 2,698 operational cases by partner agencies contributing to the resolution of multi agency matters such as “Operation Girra”. In this case AUSTRAC intelligence detected unusual financial transfers leading to the discovery of 250 kilograms of cocaine with an estimated potential street value of AUD 87.5 million. and the freezing of AUD1.2 million. Three people were arrested and charged with importing and attempting to possess a commercial quantity of cocaine. One additional person was charged with dealing with the proceeds of crime worth AUD 1 million.

Other notable examples include:

- A law enforcement agency commenced an investigation into an individual involved in money laundering activities. The total value of all the activities identified exceeded $58 million. Inquiries identified the individual as the director of an offshore company who operated accounts in Australia using legitimate personal and business details. AUSTRAC analysis identified extensive money movements in and out of Australia with some transactions being conducted under a false
name. Contraventions of section 24 of the FTR Act, by opening a bank account using a false name, were alleged. Officers also obtained restraining orders under section 18 of the Proceeds of Crime Act 2002 to restrain funds in company accounts totalling $6.7 million, with $3.37 million ultimately being forfeited.

- Over a number of years from 1995, a couple had sent more than $3 million to Asia in structured transfers. The cash for the transfers was generated from their business. It was further revealed through investigations that approximately $4.8 million in taxable income was unaccounted for. AUSTRAC information not only revealed the transfers leaving Australia, but also the existence of large transfers back into Australia. After being receipted back into Australia, the funds from the tax evasion were invested in real estate and therefore successfully laundered and integrated into the Australian economy. A proceeds of crime investigation conducted in conjunction with the initial investigation restrained $16 million of real estate.

AUSTRAC financial intelligence also provided other benefits for revenue and social justice agencies such as:

- ATO assessments of $76 million
- Centrelink annualised savings of $8.5 million.
The Future: Consolidation in regulatory approach and focussing
analysis and dissemination of financial intelligence

As AUSTRAc enters its 21st year there are many new AML/CTF challenges
awaiting us. One that is of grave concern to all participants here today is the
impact of the global financial crisis, and whether it could lead to a surge of
money laundering activity. I can say that AUSTRAc is in a state of “alertness”
or vigilance, and expects its reporting entities to also be vigilant during this
period. We have repeatedly passed this message on to our 17,000 reporting
entities. What I can also say is that AUSTRAc will continue to position itself
as an essential partner both nationally and internationally in relation to AML
and CTF during this difficult period.

AUSTRAc will continue to monitor compliance with Australia’s AML/CTF laws
across industries captured by the AML/CTF Act to ensure that Australia has a
robust defence against financial crime. AUSTRAc has advised reporting
entities that obligations such as “know your customer” and risk management
should be everyday practice for all legitimate businesses. AUSTRAc has
also advised reporting entities that they must remain vigilant and that
AML/CTF compliance will assist them to readily identify, and consequently
limit the effect of, organised criminal activity during the global financial crisis.
While AUSTRAc is focussed on a collaborative approach with the reporting
entities, it is prepared to use the suite of tools it has under the AML/CTF Act in
cases of persistent non-compliance.
This is also the time when AUSTRAC will have to be more vigilant in analysing the many reports it receives, and ensure that our analysts identify trends in the data that may be indicative of abuse of the financial system.

**Conclusion:**

As I have documented, the Australian AML/CTF regime has evolved over time to take into consideration changes within Australia, and globally. We have been fortunate to have had successive Federal governments who have understood the damage that money laundering and terrorism financing activities can do to our country and world-wide, and they have responded accordingly. AUSTRAC has and continues to be at the forefront of these changes. As the industry regulator we will continue to do what we have always done and be innovative, resourceful, collaborative, generous with our time and resources, and now during this economic crisis even more vigilant. We also demand that reporting entities meet their obligations under the AML/CTF Act and remain vigilant with regard to their customers. This is our collective challenge going forward. AUSTRAC has been entrusted with the mandate from the Federal Government and the powers under the AML/CTF Act to ensure that we can deter money laundering and terrorism financing in this country.

I must mention the support we have received in developing our role as the new AML/CTF regulator. The support from industry associations has been both gratifying and extremely productive. Thank-you to all of those
associations for assisting us in getting the AML/CTF message and obligations out to their members.

I must also mention the role of the media, both mainstream, and industry media. In 2008, more than 30 articles per month were published providing industry and the public with information about Australia’s AML/CTF program and the role of AUSTRAC. Without this support our ability to get the message across would not have been as successful.

Finally, to my team at AUSTRAC, a relatively small team with a huge task. Morale is high and the unquestioning commitment is very evident. They are respected and they get results.