



11 August 2014

Attn: Richard Bunting
Discussion Paper - AUSTRAC Industry Contribution
AUSTRAC Legal and Policy Branch
PO Box 13173, Law Courts
MELBOURNE VIC 8010

Via email: Policy_Consultation@austrac.gov.au

Dear Mr Bunting

AUSTRAC Industry Contribution Levy Discussion Paper

Thank you for the opportunity to make a submission to AUSTRAC regarding the proposed introduction of the AUSTRAC Industry Contribution Levy (ICL).

I write on behalf of Casinos & Resorts Australasia (CRA), an industry body that represents the Australian and New Zealand casino industry at a government and community level. A list of our member casinos is available at <http://www.auscasinos.com/about-us/membership-casinos.html>.

Since 2011 AUSTRAC has been recovering the cost of delivering its regulatory and supervisory activities from entities it regulates including Casinos. CRA understands that the ICL will replace the current AUSTRAC Supervisory Levy. CRA also understands that the rationale for the new levy is to recover AUSTRAC's costs associated with its current activities as well as its functions as Australia's anti-money laundering and counter-terrorism financing regulator.

The discussion paper sets out a number of statements regarding how industry benefits from being regulated by AUSTRAC. These points are non controversial and are supported by CRA members. CRA considers that AUSTRAC may wish to announce its wider purpose to the Australian community rather than limit commentary to a set of industry benefits. It may be worthwhile for AUSTRAC to therefore consider the inclusion of an overriding statement reinforcing how AUSTRAC's work helps protect Australians from criminal activities linked to money laundering and counter-terrorism financing.

In terms of specific feedback regarding the discussion paper, CRA make the following points:

- notes the transitional arrangements over the next three financial years towards full cost recovery in 2017-18;
- notes the new arrangements exempting a number of smaller casinos whilst at the same time increasing the cost burden on the larger entities;
- supports the retention of the current process for invoicing and administrative arrangements around the levy;
- has concerns relating to the potential for AUSTRAC to increase costs without consultation and ratification by industry;
- has concerns that the paper does not provide certainty to industry regarding the capping of the annual increases post 2017-18;

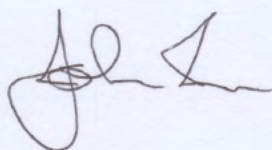
- has concerns the paper is not explicit in how AUSTRAC will ensure public sector efficiencies are achieved and therefore limit any potential increases in the ICL; and,
- has concerns that the paper does not set out how AUSTRAC will ensure its regulatory and intelligence functions do not duplicate the efforts of State and Federal law enforcement agencies who have primary responsibility in this area.

Overall, CRA values AUSTRAC's role in regulating the finance sector and related entities in relation to anti-money laundering and counter-terrorism financing. CRA reiterates that it is not opposed to the ICL. CRA would make the following practical suggestions for the consideration of Government in framing the new arrangements:

- that AUSTRAC be subject to an annual independent public sector efficiency assessment to ensure cost control and management practices are developed and maintained;
- that any proposed increase to the ICL be capped at the national Consumer Price Index;
- that AUSTRAC's functions do not duplicate the primary role of State and Federal law enforcement agencies relating to intelligence analysis; and
- that a review of the levy be conducted 12 months after its full implementation in 2018.

Thank you for the opportunity to make a submission and please do not hesitate to contact me on [redacted] to discuss CRA's response.

Yours sincerely



John Lee
Chief Executive Officer