

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

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 seek 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 financial 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 (ML/TF) 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 risks and harms.

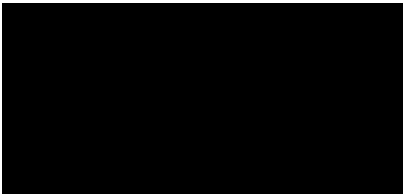
As a result of the *Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024*, there will be an expansion of our regulated population to more than 100,000, including lawyers, accountants and other professional service providers. The reforms adopt an outcomes-based approach to the principal regulatory obligations and provide an opportunity to further streamline

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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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