

GOLD CORPORATION — AUSTRAC AUDIT

568. Mr R.S. LOVE to the Minister for Mines and Petroleum:

I refer to the AUSTRAC review into Perth Mint and suspicions that Gold Corporation has breached federal law, and to delays in implementing the one-future program, which Gold Corp documents show left Perth Mint without a clear line of sight for transactions.

- (1) When was the minister personally briefed by Gold Corporation about the risks of falling foul of AUSTRAC and the risk of a protracted delivery of the one-future program; and, if the minister was not briefed, why not?
- (2) How long did Gold Corp operate with a registration failure regarding remittance advice?
- (3) Will the Western Australian taxpayer be responsible for any fine liability?

Mr W.J. JOHNSTON replied:

- (1)–(3) Again, I want to point out to the Deputy Leader of the Opposition that he is talking about two separate questions. The question of the registration was resolved by Gold Corporation during the caretaker period in March 2021, and ever since that occurred, that portion of its obligations under the federal legislation has been complete. I understand that that is not what was reflected in the article in *The West Australian*, but I make it clear that from March 2021, Gold Corporation exercised its obligations in respect of that particular aspect of its registration. That is a separate question to what AUSTRAC is currently reviewing—that is, whether any of the counterparties that Gold Corp has dealt with are involved in either money laundering or other improper conduct. That is not about the registration. Again, I want to emphasise that. It is exactly what I said yesterday, but I want to make it clear to the member. He is actually asking about two separate issues.

In respect of the time line for dealing with the question of anti-money laundering and counterterrorism financing—that is the money laundering question—I met with the Auditor General on 6 May. It was our introductory meeting, if you like, and we covered issues across Gold Corporation. The Auditor General and I shared a number of challenges about the way that Gold Corp had been conducting its business up to that date. On 26 May, OAG staff briefed my staff. On 28 June, as the member knows because I gave him a copy of the letter yesterday, AUSTRAC formally declined my request for a briefing about what it was doing in respect of Gold Corporation. On 13 September, the Auditor General wrote to me to provide a copy of the management letter for Gold Corporation for that year. I accepted the Auditor General's offer for a personal briefing. On 23 September, the Attorney General reissued the management letter following feedback from Gold Corp. On 14 October 2021, I was briefed by the Auditor General on the OAG's financial audit of Gold Corp. Ms Spencer, the Auditor General, indicated in that meeting that issues around the AML/CTF were "Not going to blow up" and it was suggested that the CEO of AUSTRAC had acknowledged the Auditor General's rigorous interrogation of Gold Corporation. On 11 September this year, the Auditor General wrote to me to provide Gold Corp's management letter for the 2021–22 financial year.

I want to emphasise that the Auditor General's responsibility is to make sure that all the entities for which Parliament is responsible comply with their obligations. That is the point I tried to make to the member yesterday. Of course, we have been challenged in this matter. I cannot say to the member that there are not people who have used Gold Corporation for money laundering. That is why we want—this is exactly what I said to the member in estimates—AUSTRAC to review the behaviour of Gold Corporation to make sure that it is complying with its obligations under AML/CTF rules. If not, we need to know that because we need to improve.

It is true that when we came to government, Gold Corporation was a complete shambles. It had no proper computer system to allow it to manage its customers. That was the purpose of the computer program. That is what it was intended to do. Yes, the management of the implementation of that program was suboptimal. I have never tried to defend the suboptimal performance of the leadership of Gold Corporation in badly managing the implementation of that program. But the point I have made to the Deputy Leader of the Opposition previously, including in estimates this year, is that that computer system has been implemented and is being used and, as the member was told by Jason Waters in estimates, it is now performing the duties for which it was created. I accept that it took us too long to fix the shambles left to us by your side, but the whole point here is that at every step of the way, when the Premier was the minister and since I have taken over, we have been trying to get to the bottom of the chaos that the former Liberal–National government left us. We appointed a new chair and we are changing out the board over time. There is now a Treasury official on the board. We have a highly efficient new chief executive who is determined to get to the bottom of these matters. For the first time, we are starting to get to the bottom

of it, and that is why the Auditor General told me last week that she thinks that it is a breath of fresh air having Jason Waters running the organisation. I do not apologise for trying to clean up the mess that was left to us by you.

The SPEAKER: Just before I take the supplementary, minister, that was an incredibly comprehensive answer; it just took a tiny bit too long.