

GOLD CORPORATION — RISK MANAGEMENT

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

I refer to revelations over recent months surrounding governance failures at Gold Corporation and its compliance obligations under part 7 of the Anti-Money Laundering and Counter-Terrorism Financing Act.

- (1) Does Gold Corporation currently conduct due diligence on all corporate customers?
- (2) If yes, what does this entail; and, if not, why not, and for how long has this lack of due diligence been occurring?

Mr W.J. JOHNSTON replied:

- (1)–(2) Yes, it is true that when we came to government, there had been a complete failure of management at Gold Corporation. When the Premier took over the portfolio, he started a reform program. Unfortunately, COVID struck, and his reform program was paused. He therefore asked me to take on that reform program in the second term of the government. It is true that that reform program is bearing success. We are identifying a range of historic failures by Gold Corporation, and that includes the fact that until 2021, it had not registered under the Anti-Money Laundering and Counter-Terrorism Financing Act arrangements required by the federal government. Interestingly, it appears that that means that the failures of the former Liberal government may be forgiven, because it is possible that a failure to register under the AMLCTF regime means that there was no failure to comply with the regime. I am not a lawyer, and I am not giving that as advice, but that appears to be the situation. It is possible that the AMLCTF obligations only became settled on Gold Corporation because of the reform program introduced by the Premier. There was a failure by the Liberal Party and the Nationals WA to do anything about bringing Gold Corporation into compliance with the AMLCTF arrangements, but, in the end—although I do not say this as a lawyer; it may well be that in the end it is not the case—it appears that Gold Corporation being unregistered may forgive the former government’s management of the business, but not ours.

As members know, Gold Corporation self-reported its failure to comply with the registration and registered in February 2021 during the caretaker period, and, for the entire time that I have been the minister, it has been properly registered under those arrangements. Gold Corporation is currently working with regulatory authorities to complete all “know your customer” checks and we are investing in that. There is a dedicated team to bring all the “know your customer” arrangements into compliance as quickly as we are able to.