



The Department of Home Affairs

To Whom It May Concern,

Re: Submission on Consultation Paper – 2026 Reforms to the AML/CTF Act

Clubs Australia welcomes the opportunity to provide feedback on the Department of Home Affairs - Consultation Paper - 2026 Reforms to the AML/CTF Act. We support the intent to strengthen Australia's anti-money laundering and counter-terrorism financing (**AML/CTF**) regime and recognise the importance of robust measures to protect the Australian financial system and the community from serious crime.

We note the proposal to empower the AUSTRAC CEO to restrict or prohibit certain high-risk products, services, or delivery channels across sectors, where their use has resulted in, or is likely to result in, significant money laundering, terrorism financing, or other serious crime harm, and where such harm outweighs the public interest in their continued use. We acknowledge that this approach aligns with international best practice and the evolving risk environment.

We believe it is essential that clear and robust guidelines are established for exercising the proposed powers, to ensure positive outcomes and safeguard against any unintended impacts. To ensure the proposed powers are effective, proportionate, and fair, Clubs Australia recommends the following safeguards be embedded within the legislative framework:

1. **Clear and Objective Risk Criteria:** Establish transparent, evidence-based criteria for determining when a product, service, or delivery channel is deemed "high-risk". This will ensure that any decision to restrict or prohibit is based on robust risk assessment and proportionate to the identified threat.
2. **Transparent and Meaningful Consultation:** Require mandatory, genuine consultation with all affected sectors (including clubs) prior to any decision to restrict or prohibit.

As outlined in the consultation paper, this should involve clear identification of the product, service, or channel under consideration, the risks it poses, and the proposed regulatory response. The consultation period should be sufficiently long to allow for comprehensive stakeholder input on operational, economic, and community impacts.

3. **Regulatory Certainty and Clarity:** Provide clear guidance on the scope, duration, and review mechanisms for any restrictions or prohibitions. Decisions should be made via legislative instrument, subject to parliamentary oversight and periodic review, as proposed. This will enable clubs to plan, invest, and adapt with confidence, while ensuring that measures remain targeted and proportionate over time.



4. **Recognition of Not-for-Profits:** Ensure that the framework explicitly considers the unique role of community-based, not-for-profit organisations, such as clubs, and their positive social contributions to the community. Any assessment of what is in the public interest should explicitly consider the not-for-profit sector's social value and the operational challenges faced by many not-for-profit entities.

We look forward to working collaboratively with government and regulators to ensure that the final framework is effective, balanced, and recognises the unique role not-for-profits play in the community.

For further information, please contact Daniel Mitchell at daniel.mitchell@socialservices.govt.nz.