



MEDIA RELEASE

Authorised for release by Mr Andrew Penn, Chair of the Cyber Security Industry Advisory Committee

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3 million Aussies now trading crypto – it’s time for better education and regulation

More than three million Australians now own a crypto asset making the need for better consumer protection and stronger regulation urgent as the digital economy continues to accelerate post-pandemic.

In its think piece released today, *Exploring Cryptocurrency*, the Cyber Security Industry Advisory Committee outlined how Australians could better protect themselves from scams as well as called for forward-looking regulatory settings that would be flexible to promote innovation but strong enough to protect legitimate cryptocurrency use.

The paper also examined ways to foster the growing, legitimate use of cryptocurrencies while highlighting the need to address crypto-related criminal activity.

Industry Advisory Committee (IAC) chair, Andrew Penn, said the rise of cryptocurrencies had provided a new opportunity for criminals to launder proceeds of crime.

“Criminals are known to be early adopters of emerging technologies and it has become the currency of choice on the dark web.

“Every day there are headlines about new crypto billionaires alongside those losing their life savings by betting on crypto or being caught in a scam.

“Cryptocurrencies are more vulnerable to scams, confidence tricks and online ‘rug pulls’, which could easily see Australians lose their investments.

“Now that more and more ordinary Australians are investing in such currencies there is an urgent need for more education about how to stay safe when trading and using cryptocurrency.”

Mr Penn said blockchain, the technology behind cryptocurrencies could also facilitate business growth, track supply chains or help streamline financial operations aiding digital adoption and accelerating the digital economy.

“It is essential that forward-looking regulatory settings are put in place to support crypto-driven economic growth.

“As a new financial frontier, the IAC is also recommending more secure settings for Australia’s decentralised financial future, both at an exchange level for Australian organisations and a customer security level. There is a role for Government and Industry to work together to do this.”

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The IAC recommends five important steps to build a crypto-secure future:

1. Businesses that hold crypto assets and operate as currency exchanges need minimum cyber security standards and crypto businesses need to take action to ensure their own security.
2. Regulators and law enforcement should be resourced to meet the growing demands of the digital economy, especially in ways to better educate the public and combat sophisticated cybercrime.
3. Regulatory settings that provide greater clarity and confidence about how the cryptocurrency market can operate in Australia and how consumers can be best protected.
4. Follow international examples as other countries take significant steps to build cryptocurrency capacity and capability domestically with a view to international best practice.
5. Creating an environment of increased transparency around legitimate digital currency exchanges and providers of blockchain-based financial products and services to boost consumer confidence.

Mr Penn said everyone has a role to play in ensuring a safe, secure and accessible cryptocurrency and ‘crypto economy’.

“From consumers better educating and protecting themselves against scams, to crypto businesses taking stronger cyber security action, right through to government and policy settings that strike the right balance between innovation, protection and oversight.

“Australians can and should be able to embrace the digital economy and access the benefits offered by cryptocurrencies with confidence,” Mr Penn said.

Media contact: Matt Smithson +61 439 876 981