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Australia moving towards transparency: new Report on proposed Australian mandatory disclosure laws.

Publish What You Pay (PWYP) Australia is today pleased to launch its new report with ActionAid Australia ‘Towards Transparency of the Extractive Industries: An Independent Analysis of the Potential Impacts of the ALP’s Mandatory Disclosure Policy.’

Mandatory disclosure laws require mining, oil, and gas companies listed on the implementing countries stock exchange to publish their payments to government annually and publicly, domestically, and internationally, down to the project level. These laws have already been introduced in Norway, the EU, and Canada with similar laws proposed in Switzerland and Ukraine and awaiting implementation in the US. Approximately 150 companies in the EU and over 700 in Canada have reported their payments under these laws since their implementation.

Australia has one of the largest global extractive presences of any country. According to research PWYP Australia released in 2017, 717 ASX listed extractives companies are present in 106 countries, and we are the number one country by extractive company present on the African continent, outnumbering the UK and Canada¹. Despite this, Australia currently does not have any law that requires public project level reporting for mining, oil or gas companies.

“Australia is fast becoming an outlier of opacity.” Jessie Cato, National Coordinator of PWYP Australia said. “It’s staggering that as one of the biggest extractive players in the world we continue to allow ASX listed companies to operate domestically and internationally under levels of secrecy that other countries, and many extractive companies, now acknowledge are detrimental to the sector and its investors, and more importantly to resource rich countries and their citizens.”

In October 2017 the Australian Labor Party (ALP) announced a mandatory disclosure policy for the extractives sector in Australia. It would cover large Australian Stock Exchange (ASX) listed and large unlisted mining, oil, and gas companies and require them to publish their payments to government at a country by country and project by project level. In contrast to the EU and Canadian laws, ASX listed companies who did not fit the definition of large would not be required to report.

‘Towards Transparency’ looks at what the industry and geographical scope of the ALP policy the impacts the introduction of this legislation would have for transparency and accountability in Australia and globally. The report finds that of the 802 companies listed on the ASX who are involved in commercial production in the mining, oil, and gas sectors, 67 companies would be required to report under the proposed ALP mandatory disclosure law. Six² of those 67 companies already report under a mandatory disclosure law, as they are listed on either the London Stock Exchange (LSX) or

¹ <http://www.publishwhatyoupay.org/pwyp-resources/abundant-resources-absent-data/>

² BHP Billiton, Rio Tinto, South32, Alacer Gold Corp, OceanaGold Corporation, and Perseus Mining

the Toronto Stock Exchange (TSX) leading to new disclosures from 61 companies; includes Australian incorporated companies such as Iluka Resources, Woodside Petroleum and Santos Limited, and overseas incorporated but ASX listed companies from major global extractive companies not currently reporting under any other jurisdictions mandatory disclosure law, including AngloGold Ashanti and MMG Limited. The 67 publicly listed companies had a combined market capitalisation of approximately \$320 Billion AUD as of May 2018. The companies captured operate in 43 countries³ and would cover payment information from approximately 150 separate projects. Australia is the most represented country with 49 companies reporting operations with new disclosure coming from 18 countries who currently have no EITI or mandatory disclosure laws where this level of disclosure would be the first of their kind by extractive industry companies⁴.

While the biggest impact for transparency would be felt in Australia, this level of disclosure would bring transparency to some of our nearest neighbours such as Papua New Guinea and is supported by civil society as an important step Australia should be taking "Before we had trust in the Australian Government as the champion for good governance practices and so we would want to see that continue, like supporting the mandatory disclosure policy." Said Wallis Yakam as a representative for the Papua New Guinea Resource Governance Coalition (PNGRGC).

Alongside the promotion of a transparent extractives sector, mandatory reporting makes the sector accountable. Public and disaggregated reporting helps citizens identify how revenues flow directly to different government entities at the local, state and federal level, and it empowers citizens with the information they need to monitor the extractive revenues to their governments budget and spend public finances.

Ms Cato said "While the Australian Government has introduced new measures on reporting through the Voluntary Tax Transparency Code and a commitment to join the Extractive Industries Transparency Initiative (EITI), these measures, while valuable, are insufficient on their own to result in meaningful tax transparency in the extractives sector. PWYP Australia and its coalition members welcome the ALP policy as an encouraging step in transparency, but it will require bipartisan support, and we urge the Australian Government to publicly support the introduction of a mandatory disclosure law in Australia."

³ Algeria, Argentina, Australia, Brazil, Canada, Chile, China, Columbia, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Ghana, Guinea, Guyana, Indonesia, Ireland, Kenya, Laos, Malawi, Mali, Mongolia, Morocco, Mozambique, Myanmar, Namibia, New Zealand, Norway, Papua New Guinea, Peru, Philippines, Romania, Senegal, Serbia, Sierra Leone, South Africa, Tanzania, Timor Leste, Trinidad and Tobago, Turkey, United Kingdom, United States, Vietnam, Zimbabwe

⁴ Australia, United States, Brazil, New Zealand, South Africa, Argentina, Chile, Algeria, China, Gabon, Kenya, Laos, Morocco, Namibia, Romania, Turkey, Vietnam, and Zimbabwe.