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Australia to trial mining, oil and gas transparency initiative

Publish What You Pay Australia has welcomed the Australian Government's announcement at the Commonwealth Heads of Government Meeting that Australia will trial the Extractive Industries Transparency Initiative (EITI).

The EITI requires governments to publish what they receive in payments from mining, oil and gas companies and for companies to publish what they pay governments. This process is overseen by a multi-stakeholder group comprising equal representation of government, industry and civil society.

Peter Colley from the CFMEU's Mining and Energy Division said, "Today's announcement is warmly welcomed as a first step in helping all Australians better understand how we are benefitting from the extraction of our finite natural resources. This comes at a time when companies are making record profits and there is increasing community concern about how this wealth is shared.

"Australian implementation of the EITI will improve trust and accountability in our mining, oil and gas sector", added Mr Colley.

Carmelan Polce from Jubilee Australia said, 'The commitment by Australia to the EITI sends a strong signal to other governments and to all Australian extractive companies that we are serious about transparency and accountability in the mining, oil and gas sector.'

A pilot of the EITI is a good start but it is not enough. "We will be pushing for the Government to commit to the EITI permanently in order to cement its status as the global standard for transparency in the extractive industries", added Ms Polce.

Many resource-rich countries are also poor countries, characterised by corruption and conflict. The EITI is one way of tackling these problems.

Australia will join 35 other countries already implementing the EITI and will become the third developed country to commit to the initiative after the United States and Norway. As part of Norway's EITI process, the Norwegian Government also publishes tax concessions and subsidies given to companies allowing the net benefit from natural resource to be calculated.

Francis Grey from Economists at Large said, 'The Australian Government and mining companies involved in the EITI trial would be wise to follow Norway's lead and provide a complete picture of revenue flows to and from the public purse by including payments from the Government to companies in a future EITI report.'

For further media information please contact:

Carmelan Polce, Jubilee Australia, 02 8259 0817 or 0403 897 489

Publish What You Pay Australia's members include Anglicord, A Billion Little Stones, Caritas, CAER – Corporate Analysis. Enhanced Responsibility., the Conservation Council of Western Australia, CFMEU – Mining and Energy, Economists at Large, Friends of the Earth Australia, the Global Poverty Project, the Human Rights Law Centre, Jubilee Australia, the Mineral Policy Institute, Oxfam Australia, Tear Australia, Transparency International Australia and the Uniting Church in Australia.

The coalition is committed to ensuring that citizens of resource rich countries benefit from their natural resource wealth. We do this by campaigning for the mandatory disclosure of payments made between extractive industry companies and governments on a country-by-country and project-by-project basis. PWYP Australia works as part of the global campaign for greater transparency and accountability in the extractive industries.