

Submitted electronically to: prrt@treasury.gov.au

1 August 2017

**Expression of support for the Tax Justice Network – Australia Submission to Treasury
In response to Consultation Paper from 30 June 2017 ‘Options to address the design issues
identified in the Petroleum Resource Rent Tax Review’**

Publish What You Pay (PWYP) Australia writes in support of the Tax Justice Network Australia (TJN-A) submission to Treasury in response to their consultation paper ‘Options to address the design issues identified in the Petroleum Resource Rent Tax Review’.

PWYP Australia is a coalition of humanitarian, faith-based, environmental, anti-corruption, research and union organisations campaigning for greater transparency and accountability in the extractive industries. PWYP Australia works with the global Publish What You Pay coalition, a network of over 700 member organisations in more than 42 countries around the world, united in their call for an open and accountable extractive sector, so that oil, gas and mining revenues improve the lives of women, men and youth in resource-rich countries.

PWYP Australia believes that the opaque nature of the extractives sector in Australia is contributing to the difficulty of ensuring that the Australian public is getting a good deal from the extraction of its natural resources. A lack of systematic data collection from the sector, and little publicly available data, is a primary contributor to this opacity. PWYP Australia has outlined this issue in greater detail during our evidence to the Senate Economics References Committee ‘Inquiry into corporate tax avoidance: Australia's offshore oil and gas industry’ hearing on 3 July 2017.¹

¹<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22committees%2Fcommsen%2Fb837edf3-1ca4-4dde-86c4-6e7d2ca9ee79%2F0000%22>

PWYP Australia is deeply concerned by the gaps in Australia's data collection that have been highlighted by the Callaghan review. The consultation paper has acknowledged that opacity of Australian data and complexity of our fiscal regimes is inhibiting the ability of the Australian government to ensure Australians are receiving a fair return from the extraction of our finite natural resources. Data are crucial to creating evidence based policy, and if the Australian Government attempts to fix one fiscal regime without addressing the acknowledged data deficit in the entire extractives sector, we will continue to make policy that does not fully capture the benefits of natural resources for Australian citizens.

PWYP Australia strongly endorses all four recommendations made by TJN-A in their submission and believe that their position is the most sensible approach to addressing a system that currently, and for the foreseeable future, robs Australians of a fair return from our extractive sector.

PWYP Australia strongly endorses the introduction of a mandatory disclosure reporting regime that requires extractive companies listed or based in Australia to disclose all payments made to governments on a country-by-country and project-by-project basis. The introduction of mandatory reporting legislation would align Australia to the emerging global standard already seen in the EU, with the Accounting and Transparency Directives, and the Canadian ESTMA Bill. PWYP Australia believes any laws introduced should be harmonised to the existing regulations in the EU and Canada, requiring publicly available reporting at a country by country, and project by project level. This ensures that citizens and governments can access, and are able to monitor the payments from the sector. Information that is closed to the public does nothing to increase transparency or increase trust in the sector or the Government.

We strongly believe that if a mandatory disclosure reporting regime had been in place in Australia the issues with the PRRT would have been recognised and addressed before an inquiry was required. Further, the introduction of a mandatory disclosure reporting regime in Australia would assist in solving the data deficit we currently operate in, and create a reliable, timely and accessible source of data sets for Australia. This would bring us in alignment with the 30 other countries who already have this requirement.

Yours sincerely



Jessie Cato

National Coordinator, Publish What You Pay Australia

Email: Jessie.Cato@victas.uca.org.au

Background to Publish What You Pay Australia

Publish What You Pay is a global campaign for transparency and accountability in the mining and oil and gas industries. In Australia, the campaign is supported by a coalition of organisations that are committed to promoting good governance in resource-rich countries to ensure that citizens benefit equitably from their natural wealth, including through advocacy for the mandatory disclosure of all payments made between extractive industry companies and governments on a country-by-country and project-by-project basis.

The current members of Publish What You Pay Australia are:

- Action Aid Australia
- Aid Watch
- Australian Conservation Foundation
- Australian Council for International Development
- A Billion Little Stones
- Burma Campaign Australia
- Caritas Australia
- Catholic Mission
- ChildFund Australia
- Columban Mission Institute
- Conservation Council of Western Australia
- CFMEU – Mining and Energy
- CAER – Corporate Analysis. Enhanced Responsibility
- Economists at Large
- Friends of the Earth Australia
- Global Poverty Project
- Greenpeace Australia Pacific
- Human Rights Law Centre
- Jubilee Australia
- Mineral Policy Institute
- Oaktree Foundation
- Oxfam Australia
- Search Foundation
- SJ Around The Bay
- Tear Australia
- Transparency International Australia
- Union Aid Abroad – APHEDA
- Uniting Church in Australia – Synod of Victoria and Tasmania
- World Vision Australia