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Dear Sir/Madam,

Implications of the Modern Global Economy for the Taxation of Multinational Enterprises

Oxfam Australia welcomes the opportunity to provide this submission in response to the Government's Issues Paper, May 2013, on 'Implications of the Modern Global Economy for the Taxation of Multinational Enterprises'.

This submission focuses on 'the extent to which another country not exercising its right to tax should be matter of concern to Australia'. It also responds to the question of data and data compliance costs and benefits. Finally, it makes comment on some of the issues raised in the OECD Base Erosion and Profit Shifting report on Tax, as referenced in the Treasury Issues Paper.

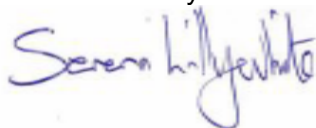
Current key global trends suggest there is global momentum for improved tax disclosure and transparency. Transparency of resource revenues would enable citizens in developing countries to hold their governments to account for the use of this income for the public good. In support of greater revenue transparency, a growing number of jurisdictions have introduced mandatory payment disclosure legislation for extractive industry companies.

Both the United States and the European Union have introduced mandatory disclosure requirements, for all US listed and EU registered companies to disclose all payments, taxes, royalties and revenues they make to governments on a country-by-country and project-by-project basis. This compliments the Extractive Industry Transparency Initiative and its Multistakeholder process.

The interconnectedness of the world's economies and the ability of multinational extractive companies to use this to circumvent national tax jurisdictions mean multinational companies must be required to disclose multi-country and project-by-project payment information in order to help ensure that companies pay their fair share of taxes in the countries where they operate.

As a minimum, Oxfam recommends The Treasury Corporate and International Tax Division include in its scoping paper a recommendation to require all extractive companies listed or based in Australia to disclose all payments made to governments on a country-by-country and project-by-project basis in line with United States and forthcoming European Union Directive.

Yours sincerely



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