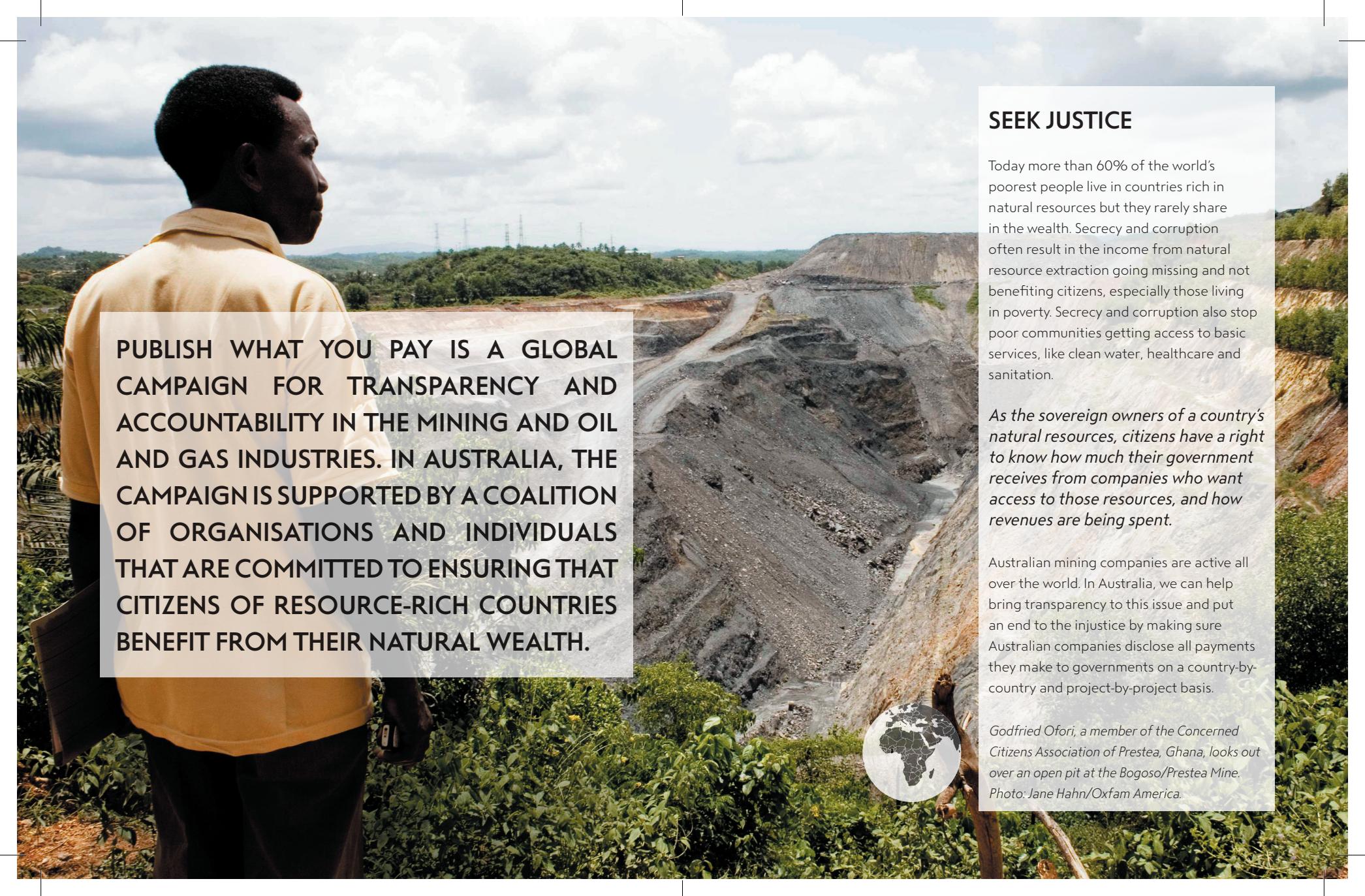


A photograph of a woman in traditional African attire, including a blue headwrap with colorful feathers and a dark patterned top, washing laundry in a large wooden tub filled with water. She is barefoot and wearing a small child on her back. In the background, there are thatched-roof huts and hills under a cloudy sky.

Publish
What You Pay
AUSTRALIA

OUR RESOURCES, OUR RIGHT TO KNOW

HOW TRANSPARENCY CAN HELP END CORRUPTION
AND POVERTY IN RESOURCE-RICH COUNTRIES

A photograph showing a man from behind, wearing a yellow shirt, looking out over a large, open-pit mine. The mine is a deep, rocky excavation with steep walls. In the background, there are power transmission towers and some greenery under a cloudy sky.

SEEK JUSTICE

Today more than 60% of the world's poorest people live in countries rich in natural resources but they rarely share in the wealth. Secrecy and corruption often result in the income from natural resource extraction going missing and not benefiting citizens, especially those living in poverty. Secrecy and corruption also stop poor communities getting access to basic services, like clean water, healthcare and sanitation.

As the sovereign owners of a country's natural resources, citizens have a right to know how much their government receives from companies who want access to those resources, and how revenues are being spent.

Australian mining companies are active all over the world. In Australia, we can help bring transparency to this issue and put an end to the injustice by making sure Australian companies disclose all payments they make to governments on a country-by-country and project-by-project basis.

Godfried Ofori, a member of the Concerned Citizens Association of Prestea, Ghana, looks out over an open pit at the Bogoso/Prestea Mine. Photo: Jane Hahn/Oxfam America.

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 AND INDIVIDUALS THAT ARE COMMITTED TO ENSURING THAT CITIZENS OF RESOURCE-RICH COUNTRIES BENEFIT FROM THEIR NATURAL WEALTH.

THE RESOURCE CURSE

It's known as the "resource curse": many countries rich in finite natural resources such as oil, gas and minerals are burdened by their bounty instead of blessed by it. Though international companies make a profit, communities can actually become poorer when large-scale projects take place on their lands. Why?

FEW LOCAL BENEFITS

Like in Australia, mining and oil and gas activities are important parts of the economy in more than 50 developing countries. But while companies and individuals in positions of political power may benefit, the people most directly affected by these industries, as well as wider society, often do not. These industries generate fewer local jobs than traditional livelihoods, like agriculture, many of which are lost when people are displaced from their lands to make way for projects or because of damage to the environment. As has happened in Australia, booms in mining and oil and gas extraction can also push up the value of the local currency. This impacts the competitiveness of other sectors and increases the price of everyday goods.

THE PRICE OF SECRECY

Too often companies and governments keep their contracts and revenues secret, allowing mismanagement and corruption to flourish. This can prevent funds from being used to benefit all citizens. Secrecy can also enable tax avoidance by companies in the countries in which they operate. Often these countries desperately need this revenue to address poverty and inequality. In some resource-rich countries revenues end up in the hands of armed groups and are used to fund conflict.

Although gold is the top export in Mali, its people are among the world's poorest. Most Malians have little information about mining revenues so they are unable to determine if they are receiving their fair share according to the law.



Residents of Sadiola village in Mali — like this young mother — have seen few benefits from the gold mine in their community. "Youth have no jobs and the men don't have work at the mine," says community leader Sora Sakiliba.

"These days, men usually have no money."

Photo: Brett Eloff/Oxfam America.

A CONTINENT OF RICHES?

\$148 BILLION of

Africa's income is lost every year due to corruption.¹



Two thirds of the world's poorest people live in resource-rich countries.

Africa is experiencing a major expansion in natural resource extraction and currently around 240 Australian mining companies operate on the continent.

In 2010 the exports of minerals and oil and gas were worth roughly seven times the amount given to the continent in aid.³

Yet without improved transparency this natural wealth is unlikely to be turned into lasting benefits.

\$148 Billion is equivalent to **ONE QUARTER** of Africa's income being lost.



\$148 BILLION

lost to corruption would be more than enough to tackle the world's water and sanitation problems, freeing poorer communities to benefit from the wealth beneath their feet.

¹ *The Recovery of Stolen Assets: A Fundamental Principle of the UN Convention Against Corruption*, Smith, Pieth and Jorge, 2007.

² WHO, 2009

³ WTO, 2010 and OECD, 2011

A PROBLEM CLOSE TO HOME

The resource curse is not just a problem in Africa but affects people all around the world, including our nearest neighbours in the Asia-Pacific region.

Papua New Guinea has a history of mining since the 1930s but this history is littered with accounts of land disputes and environmental disasters rather than improved standards of living. Civil unrest has occurred in affected communities, most famously surrounding the Ok Tedi and Bougainville gold and copper mines.

Every new project promises a better life for Papua New Guineans but in general these promises have remained unfulfilled. Now the country's citizens have had their expectations raised once more as they await the beginning of the \$19 billion PNG LNG (liquefied natural gas) Project in 2014.

Rosa Koian from Bismarck Ramu Group, an organisation which works with mining-affected communities in Papua New Guinea and advocates for better natural resource management, says:

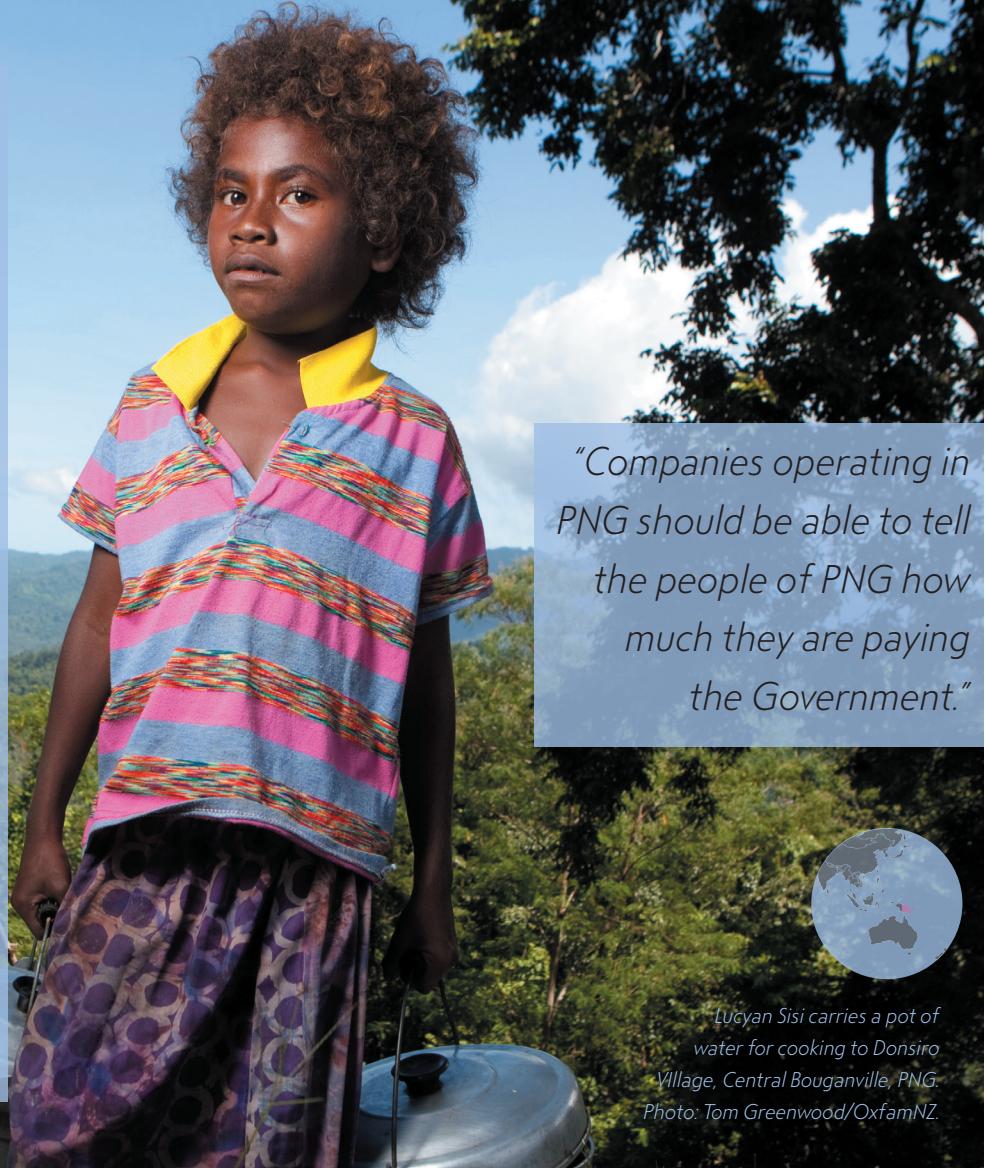
"Millions of kina are projected for the country's revenues which should help improve our health, education and transport services and support our agriculture sector. Yet, the state of health in the country is appalling.

Take the Ok Tedi mine and the health impacts of the communities around the vicinity of this project.

The argument has been that these companies are paying the Government for the country's resources and it is the Government's responsibility to deliver the services to its people.

The thing is the people do not know what their Government should be receiving. Many companies are cleverly escaping taxes. So what is there for the people of PNG?

The LNG Project will be the biggest in PNG so far and the people of PNG need to know what they are earning through their Government. They need to know how much of these monies will go into upgrading or building schools and hospitals and roads."



"Companies operating in PNG should be able to tell the people of PNG how much they are paying the Government."



*Lucyan Sisi carries a pot of water for cooking to Donsiro Village, Central Bougainville, PNG.
Photo: Tom Greenwood/OxfamNZ.*



TRANSPARENCY IS THE KEY

Transparency of revenues from the sale of natural resources could help end corruption, strengthen tax systems and ensure that this income is used for the public good. It is also a starting point to enable communities to hold both companies and governments to account for the wider impacts of mining and oil and gas activities on their lands.

MANDATORY REPORTING

Thanks to pressure from Publish What You Pay members, a great step was taken in 2010, towards improved revenue transparency when the United States passed legislation (the Dodd-Frank Act) requiring all mining and oil and gas companies listed on US stock exchanges to publish what they pay governments where they operate, on a country-by-country and project-by-project basis. In 2013, the European Union will finalise legislation that will require EU-listed and large private extractive companies to disclose the same information.

Photo: Audrey Berry.

TIME FOR AUSTRALIA TO ACT

Resource-rich but poor communities seeking to hold their governments to account need Australia to introduce transparency legislation.

Australia is a mining giant. There are over 1,000 mining and oil and gas companies, operating at home and overseas, listed on the Australian Securities Exchange valued at more than \$400 billion.

Resource rich but poor communities seeking to hold their governments to account need Australia to follow the United States and European Union and introduce transparency legislation. Such legislation could help combat corruption and release billions of dollars to tackle poverty.

People all around the world have a right to know what companies are paying to extract their natural resources and be empowered to make sure that this finite wealth is used to move beyond dependency on aid.

In Australia the collection of mining revenues and tax, and the financial assistance the extractives sector receives from Government, is complex and varies from state to state. Greater transparency would also help Australians understand the value of the nation's natural resources and assist with improved benefit sharing here.



The world's largest open pit gold mine, dubbed 'Super Pit', Kalgoorlie, Western Australia.

Photo: Shutterstock



Evan Nancy and Pauline Trisa play downstream from the gold mine at Be Muta Village in the Solomon Islands.

Photo: Lara McKinley/Oxfam Australia.

STAND WITH US AND SPEAK OUT

Join the global movement for transparency to help end corruption and poverty in resource-rich countries and support the people's right to know the value of their oil, gas and minerals.

Call on the Australian Government to act and introduce legislation requiring mining and oil and gas companies to publish what they pay to governments where they operate.

Find out more and how to take action at:

www.pwypaustralia.org

You can also follow us on Twitter: [@PWYPtweets](https://twitter.com/PWYPtweets)

Or become a fan on Facebook at:

[www.facebook.com/PWYPAustralia](https://facebook.com/PWYPAustralia)



Anglican Overseas Aid



Photo Credits: Cover - Fily Cissokho uses a sluice to separate gold particles from crushed rock in Bambaraya, Senegal. Rebecca Blackwell/Oxfam America. Back Cover - Tim Keegan.

Author: Claire Spoors, **Editor:** Mark Chenery, **Design:** Mitchell Bellach

Acknowledgments: Oxfam America, Tearfund

Publish 
What You Pay
AUSTRALIA