Australian Government
Department of Industry, Innovation and Science

The Australian Extractive Industries Transparency Initiative

Media Release - Increasing Transparency in the Global Resources Sector (PDF 76KB)

About the initiative

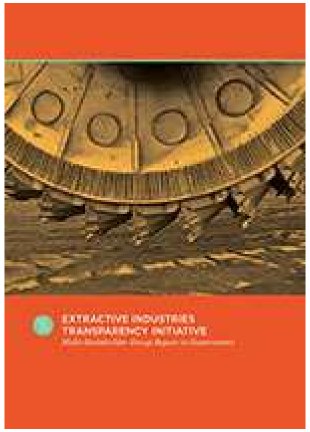
On 6 May 2016, the Australian Government announced it would implement the fiscal transparency principles of the Extractive Industries Transparency Initiative (EITI), an international standard for increased transparency and accountability in the oil, gas and mining sectors.

The EITI is a voluntary mechanism which promotes and supports improved governance in resource-rich countries through the full publication and verification of company payments and government revenues from oil, gas, and mining. It is a global standard that promotes revenue transparency and accountability in the extractive sector, and is a global benchmark for natural resource revenue management.

The EITI is a part of the increased international focus on transparency of financial markets and is supported by governments, industry, and civil society around the world. There are currently 51 countries participating in the EITI. Countries implementing the EITI disclose information on taxes and other payments made by companies in these sectors to governments as well as other information such as licences, contracts, production and exports.

Publication downloads

- Extractive Industries Transparency Initiative - Multistakeholder Group Report to Government (PDF 3.0MB) | (DOCX 9.6MB)



By joining the EITI, Australia ensures that its domestic approach is consistent with international efforts to increase transparency, including in tax systems. This will provide significant benefits for Australian companies through improved global investment conditions resulting from consistent and open reporting standards for the world's resources sector. Australia is one of the largest supporters of the EITI, committing more than $20 million since 2007. This has included funding for the EITI Secretariat, as well as the World Bank EITI Multi-Donor Trust Fund, which was established to support developing countries implementation of the EITI.

The EITI pilot

In 2011, Australia commenced a pilot of the EITI to test the applicability of EITI rules and principles to Australian conditions, and to inform whether Australia should move to full implementation of the EITI.

The Australian Pilot was a collective effort to examine EITI principles in Australia and develop a unified recommendation on the potential for Australia to adopt the EITI Standard. Three states (Queensland, South Australia and Tasmania), the Australian Government, and eight companies volunteered to participate in the Pilot. A voluntary light touch reporting model was adapted for the Australian pilot program and was found to be robust enough to meet EITI standards, with a very low margin of error. The independent Administrator who completed the Pilot's payment reconciliation found an unexplained difference of 0.03 per cent, indicating that payments from extractive industry and receipting agencies could be reconciled to a high degree of accuracy. The total amount of receipts across the eight payments scoped into the Pilot was $12.84 billion.

The Multi Stakeholder Group (MSG), equally comprised of industry, civil society and government, guided and delivered the Pilot and handed its Report to Government in June 2014. The MSG report recommended that moving to implementation of the adapted EITI model, as developed through the domestic Pilot, would be appropriate in the Australian context.