



## **Government of Australia**

### **2018 Annual Report to the Voluntary Principles on Security and Human Rights Initiative**

#### **A. Commitment to the Voluntary Principles**

The Australian Government believes the protection and promotion of human rights is vital to global efforts to achieve lasting peace and security, and freedom and dignity for all. Australia's commitment to human rights reflects our national values and is an underlying principle of Australia's engagement with the international community.

In 2018, having completed its first year on the United Nations (UN) Human Rights Council, the Australian Government took a global leadership role in advancing human rights. The Government's commitment to implementing the UN Guiding Principles on Business and Human Rights was further advanced through the passing of Australia's Modern Slavery Act and Australia's joining of the Global Alliance for Torture-Free Trade.

Australia's participation in the Voluntary Principles on Security and Human Rights Initiative (VPI) is framed by our support of the UN Guiding Principles on Business and Human Rights and is predicated on the substantial footprint of Australian extractives companies globally. Within Australia and abroad, Australian extractives companies have a strong reputation for contributing to economic development through tax revenues, employment creation and social programming. The Australian Government's enduring commitment is to work with all stakeholders, at global and country-level, to ensure that the Australian extractives industry maintains its similarly strong record in upholding the highest human rights standards.

In 2018, six of the largest Australian-based extractives companies, namely BHP Billiton, Newcrest, PanAust, Oil Search, Rio Tinto and Woodside Energy, were VPI members. Collectively, these companies have operations in fifteen countries across four regions.

#### **B. Policies, Laws and Regulations**

The Australian Government believes that business and respect for human rights go hand-in-hand. One of the ways the Australian Government encourages responsible business conduct, with specific relevance to the extractives industry, is through promotion of the OECD Guidelines for Multinational Enterprises. In addition to promoting the OECD Guidelines, the Australian National Contact Point (AusNCP) offers a non-judicial complaint handling mechanism. Around 35 per cent of the cases handled by the AusNCP have been in the extractives sector. Following an independent review of the AusNCP's structure, the Government worked in 2018 to improve the AusNCP's transparency, accountability and independence.

Throughout 2018, the Australian Government maintained its commitment not to provide, or to suspend, offshore market advisory services to companies that do not share the Government's ethical standards and human rights commitments.

### **C. Promotion and Implementation**

In 2018, the Australian Government continued to engage directly with Australian companies and to build a local community of practice on the Voluntary Principles (VPs). With VPI corporate members, the Government established an informal Australian working group with the objective of sharing innovations in VP implementation and building a collective advocacy effort. The group has met twice to date with discussion focusing on security at non-operating assets, challenges associated with site closure, memorandums of understanding (MOUs) with public security forces and new approaches to negotiating social licence.

At the implementation level, the Australian diplomatic mission in Ghana established the Australian Mining Network in West Africa. The network functions as a communications platform for sharing information on emerging security risks. It currently has 240 individual members.

In Papua New Guinea, where Australian extractives companies have a strong presence, the Australian and PNG Governments are collaborating to build the institutional capacity of the Royal PNG Constabulary (RPNGC). The PNG-Australia Policing Partnership is helping to strengthen community level policing in PNG and to support regional police training centers across the country. Human rights is a cross cutting theme applied to all elements of the capacity building program, including Use of Force and Officer Safety Training. All Australian corporate members of the VPI, with producing assets in PNG, have developed MOUs with the RPNGC governing the provision of public security around their facilities.

Australian Mission staff and companies participated throughout the year in the VPI In-Country Implementation Working Groups in Ghana and Myanmar. Australian Embassy staff attended the Working Group in Peru and, in Nigeria, the Australian High Commission facilitated VP advocacy sessions with the Minister of Mines and Steel Development.

Australia-based officials worked to raise VP awareness through presentations delivered at several international and domestic industry events, including Mining Indaba in South Africa and the biannual Oil and Gas Industry Security Forums held in Australia involving company security practitioners.

During 2018, the Australian Government participated in VP training conducted by Fund for Peace for Australian stakeholders. Several global extractives companies headquartered in Australia attended the training along with industry association representatives.

### **D. Lessons Learned**

Over the coming year, the Australian Government will continue to deliver on our VPI National Action Plan by strengthening the established Australian community of practice on the VPs. In particular, we will seek to strengthen our partnerships with Australian industry associations and enhance our outreach to Australia's smaller extractives companies. We will seek to build on Australia's government-to-government resource and energy partnerships, focusing on the Indo-Pacific Region, to promote the value of VPI membership. We will further continue to support implementation through the Australian aid program, wherever appropriate.