



Government of Australia

Voluntary Principles on Security and Human Rights Initiative 2019 Update Report

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.

Implementation of the Voluntary Principles on Security and Human Rights (VPI) falls within Australia's human rights commitments. It also aligns with the Australian Government's:

- focus on business engagement, in particular our promotion of responsible business conduct; and
- our interest in an open, ethical and sustainable global extractives industry.

Australia is committed to endorsing, promoting and proactively implementing the Voluntary Principles (VPs), with respect to the operation of Australian companies specifically in the extractives sector. We are further committed to advocating the VPs as a tool through which partner countries can help maximise the economic and social benefits derived from the exploitation of their natural resources.

The Australian Government is a firm supporter of the government, business and civil society partnership the VPI represents and the value of this partnership in supporting effective country-level dialogue, joint problem solving and the prevention and address of human rights breaches.

In 2019, the Australian Government participated in the VPI along with six of the largest ASX-listed and Australian-based extractives companies, namely BHP, Newcrest, PanAust, Oil Search, Rio Tinto and Woodside Energy. Collectively, these companies have operations in fifteen countries across four regions. The Australian Government is represented within the VPI by the Department of Foreign Affairs and Trade (DFAT).

B. Policies, Laws and Regulations

Domestic promotion and protection of human rights in general

Australia is a party to the seven core international human rights treaties and six related protocols. The Australian Government further supports the United Nations Declaration on the Rights of Indigenous Persons as a non-legally binding document.

In 2019, Australia completed its second year on the United Nations Human Rights Council (HRC). Australia is an active participant in the HRC's Universal Periodic Review process,

which provides an in-depth analysis of Australia's compliance with our international human rights obligations every five years.

Business and Human Rights

The Australian Government believes that business and the respect for human rights go hand-in-hand. Businesses must comply with all Australian laws, including those in place to implement our international human rights obligations.

Australia has supported the UN Guiding Principles on Business and Human Rights (the Guiding Principles) since their inception in 2011. Australia strongly encourages businesses to apply the Guiding Principles in their operations in Australia and abroad.

Mechanisms through which the Australian Government advocates for, and enforces, responsible business conduct include:

- domestic laws in relation to anti-discrimination, privacy, employment conditions and criminal offences for serious misconduct such as modern slavery and torture;
- support for our national human rights institution - the Australian Human Rights Commission - and its role in promoting responsible business conduct through its education, awareness and complaint conciliation functions;
- Australia's Modern Slavery Act 2018, which promotes responsible business conduct by requiring large businesses to report annually on their actions to address modern slavery. In 2019, Australia became the first country to publish detailed guidance for businesses on how to address modern slavery in their supply chains;
- our regional leadership, including as co-chair of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime; and
- our international commitments to voluntary initiatives, codes of conduct and guidelines, including the Kimberley Process Certification Scheme, OECD Guidelines for Multinational Enterprises and VPI.

C. Promotion and Implementation

Related activity through the Australian aid program

The Australian Government supports several programs aimed at assisting partner countries in strengthening their responsible natural resource governance. These include funding for the:

- Secretariat of the Extractive Industries Transparency Initiative;
- World Bank Extractives Global Programmatic Support Trust Fund;
- International Monetary Fund Managing Natural Resources Wealth Trust Fund; and
- Transparency International-Australia's work in international extractives governance through the Mining for Sustainable Development program.

The government also supports the Global Compact Network of Australia with its efforts to support Australian companies in aligning their operations with the Network's ten universal principles on human rights, labour, the environment and anti-corruption. Australia also supports the Global Reporting Initiative (GRI), to increase corporate transparency on social and environmental impacts. This includes support for the GRI Sustainability Reporting Standards, which help businesses and governments understand and communicate the impact of business on critical sustainability issues such as human rights, climate change, governance and social wellbeing.

Related activity through public and private security programming

In Papua New Guinea (PNG), 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 and to support regional police training centres across PNG. Human rights, gender based training and ethics are cross cutting themes applied to all elements of the capacity-building program. 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.

Australia has a strong record of defence engagement in the Indo-Pacific region and globally. Under Defence Cooperation Programs, Australia works with partner countries to support security and stability through strategic dialogues, people-to-people links, education and training, military exercises and capability-building in peacekeeping, humanitarian assistance and disaster relief. Educational activities can focus on democratic military governance and professionalism; and building up legal operational capacity.

In June 2019, the Australian diplomatic mission in Ghana ran its first West Africa Mining Security Conference. Conference sessions for extractive and private security companies included those on the economic and social drivers of instability and insecurity in the region.

Update on Australia's OECD Guidelines for Multinational Enterprises National Contact Point

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), administered by Australia's Department of the Treasury, offers a non-judicial complaint handling mechanism. In 2019, the Treasury finished implementing a suite of reforms to the AusNCP's structure to enhance its transparency and independence. These included the appointment of an inaugural Independent Examiner.

Activity specific to the VPI

In 2019, the Australian Government continued to engage with Australian companies in building a community of practice on the VPs. The DFAT-chaired informal Australian VPI working group met quarterly throughout the year. In September, members of the informal working group, and the Australian Red Cross, delivered a workshop on VP implementation for members of the Australia Africa Minerals and Energy Group in Perth, Western Australia.

Throughout 2019, DFAT continued with its domestic outreach program visiting Australian states and territories to inform those Australian extractives companies, with new offshore operations, of the VPs. Department of Foreign Affairs and Trade officials also met with several Australian international development NGOs working in the area of business and human rights.

Australian ministers and senior officials worked throughout the year to raise VP awareness at domestic and international industry events. Australia's Minister of Defence delivered the opening address at the 2019 Africa Down Under mining conference in Perth, including messaging on the VPs to an audience of African leaders, industry operators and investors. Australian Embassy staff also participated in VPI In-Country Implementation Working Group meetings in Ghana, Nigeria, Myanmar and Peru.

In 2019, the Australian Government joined the Steering Committee of the VPI for the first time after becoming a full initiative member in 2016. The government contributed to the development of several policy and communication products throughout the year, including the Initiative's Strategic Plan 2019 – 2022. In 2019, the Australian Government chaired the Initiative's 20th Anniversary Working Group.

D. Lessons Learned

Over the course of 2019, the Australian Government continued to refine its VP advocacy messaging and engagement priorities.

In taking the Chair of the VPI in 2020-21, we look to intensify our outreach program over the coming fifteen months. This program includes enhanced engagement with PNG, and the broader Indo-Pacific region, through selected events. Planning is also underway for four days of VPI activities in Australia in early 2021.