

Undermining Women's Rights

Australia's global
fossil fuel footprint



Climate
justice for
Women



Economic
justice for
Women

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1. Executive summary

Australia has one of the largest global mining footprints in the world, with the highest number of extractive companies operating in Africa.¹ Yet analysis by both industry and civil society stakeholders has identified a concerning lack of publicly available information on the extent, nature and consequences of Australian extractive companies' expanding global reach.²

This report shines a light on a critically important, yet little-researched, aspect of Australia's global mining presence: the fossil fuel industry. In particular, it examines the impacts of coal, oil and gas extraction on women in low income countries. From the sites of coal, oil and gas extraction to the places where natural disasters are becoming more ferocious and frequent, it is women living in poverty who are the most affected by the adverse consequences of the fossil fuel industry.

The gendered impacts of fossil fuel projects in affected communities include women's exclusion from decision-making, as well as increased risk of food insecurity, unpaid labour, demand for sex work, gender-based violence, and HIV infection rates. It is also women who bear the brunt of the impacts of climate change that is caused by the burning of fossil fuels. Women and children are 14 times more likely than men to be killed in disasters,³ and their unpaid care work and risk of experiencing gender-based violence also increases during these times.

Based on publicly available information, this report has found 150 coal, oil and gas projects that are either being operated or planned by 58 ASX listed companies in low income countries. Of these projects, 35 are operational, meaning that ASX listed companies are intending to increase the number of fossil fuel projects operating in low income countries fourfold.

These projects are heavily concentrated in Papua New Guinea (PNG), Indonesia, and South Africa. Two of these countries – PNG and Indonesia – are also the countries that receive the largest proportion of Australia's Overseas Development Assistance (ODA). The vast majority of companies also publicly disclose subsidiaries located in "secrecy jurisdictions", which can indicate a risk of tax avoidance and minimisation practices. This underlines the need for improving transparency of extractives companies.

This report finds that ASX listed companies' operational fossil fuel projects in low income countries have potential carbon emissions equivalent to almost five years' worth of Australia's current annual greenhouse gas emissions, or 17 years of

operation of Adani's proposed Carmichael mine. The latest climate science indicates that in order to avoid the worst impacts of climate change, the carbon budget available could be exhausted as soon as 2020. When it is considered that the industry is also planning a further 115 fossil fuel projects, it is clear that these projects are inconsistent with efforts to limit global warming to no more than 1.5 degrees Celsius.

The Australian Government is committed to supporting gender equality, and has obligations to uphold human rights and ensure the responsible conduct of Australian corporations operating extra-territorially. ActionAid Australia recommends that the Australian Government;

1. Introduce a mandatory carbon risk disclosure framework that applies to all ASX listed companies involved in fossil fuel projects both extra-territorially and in Australia.

2. Cease public financing of fossil fuel projects, including the alteration of the Export Finance and Insurance Corporation's mandate to explicitly prohibit support for fossil fuel projects, consistent with government commitments to uphold women's rights and limit global warming to no more than 1.5 degrees Celsius.

3. Ensure transparency of mining projects, including fossil fuel projects, by developing legislation that requires ASX listed and private extractives companies to report all their subsidiaries and all payments to governments at a country and project level.

4. Introduce corporate accountability regulation and policy that will limit and mitigate the risk of human rights violations and women's rights impacts posed by Australian companies' fossil fuel projects overseas, including:

- Providing better access to remedy for women and their communities impacted by the operation of Australian mining companies overseas. This function should address the specific barriers that women face accessing remedy, and have the power to investigate both the systemic impacts of mining on women's rights and individual cases of abuse.
- Supporting the development of an international legally binding treaty on business and human rights, and actively engage in the treaty development process. This should include ensuring that a future treaty addresses specific gender impacts of corporate violations, for example through explicitly including women's rights and ensuring women are meaningfully consulted in creating, designing, reforming and operating remedial mechanisms.

¹ Centre for Exploration Targeting, *Sharing the benefits: enhancing Australia's global leadership in the mining value chain*, 2016.

² Centre for Exploration Targeting, *Sharing the benefits*; and Publish What You Pay Australia, *Abundant Resources, Absent Data: Measuring the Openness of Australian Listed Mining, Oil and Gas Companies on the African Continent*, 2017.

³ United Nations Development Programme, *Gender and disaster risk reduction policy brief*, 2015.

- Developing legislation that requires Australian mining companies operating overseas to conduct human rights due diligence. Due diligence should be gender sensitive and aim to identify and prevent real or potential adverse human rights and environmental impacts on women and their communities, and support women's equal and meaningful participation in consultations and negotiations.

Investors are also responsible for ensuring that the companies and projects they invest in do not adversely impact on women's rights, and that carbon risk is managed from both a financial and corporate social responsibility perspective. ActionAid therefore recommends that investors;

5. Incorporate independent gender-sensitive human rights due diligence into screening tools, corporate engagement, and monitoring processes. Due diligence should

be gender sensitive and aim to identify and prevent real or potential adverse human rights and environmental impacts on women and their communities, and support women's equal and meaningful participation in consultations and negotiations.

6. Encourage all companies (not just large companies) to disclose carbon risk, closely monitor carbon risk across all investments, and introduce policies to reduce carbon risk.

7. Commit to existing business relationships with companies involved in fossil fuel projects in low income countries, given the high risk of violations of women's rights and the inconsistency of these projects with limiting global warming to no more than 1.5 degrees Celsius.



“Because we don't own this land and we don't own this home, I am concerned that we will be relocated again”
Zodwa Mabaso,
Mpumalanga, South Africa.

Photo: Oupa Nkosi /ActionAid.

2. Introduction

2.1 About ActionAid Australia

ActionAid is a global women's rights organisation working in 45 countries to achieve social justice, gender equality and poverty eradication. ActionAid works to address a broad range of socio-economic, political and environmental issues that have a disproportionate impact on women. ActionAid Australia focuses on economic and climate justice for women and their rights in emergencies.

ActionAid Australia works with women across the African continent that are impacted by mining, including fossil fuel mining. ActionAid also works with women who are facing the worst impacts of climate change and who are leading community adaptation, and disaster preparedness and response, in a number of countries around the world, including Cambodia, Ethiopia, Kenya, Nepal, the Philippines, Somaliland, Uganda, and Vanuatu.

ActionAid Australia's work with mining-affected communities is designed to ensure that Australia is making a positive contribution to women's empowerment and gender equality. This experience has highlighted significant potential for extractive projects to undermine women's rights where no adequate safeguards and regulations are in place. Furthermore, coal, oil and gas projects also contribute significantly to climate change, and could cause global emissions to surpass levels consistent with the Paris Agreement goal of limiting global warming to no more than 1.5 degrees Celsius. Thus, ActionAid Australia's aim is to ensure that Australian government policy and corporate practice is making a positive contribution to the lives of women and their communities living in poverty and exclusion, and does not further entrench inequalities by fuelling human rights violations and catastrophic climate change impacts.

2.2 About this report

Australia has one of the largest global mining footprints in the world, with the highest number of mining companies operating in Africa.⁴ Yet analysis by both industry and civil society stakeholders has identified a concerning lack of publicly available information on the extent, nature and consequences of Australian extractives companies' expanding global reach.⁵

The purpose of this report is to shine a light on a critically important, yet little-researched, aspect of Australia's global mining presence: the fossil fuel industry operating in low

income countries. In particular, it examines the impacts of coal, oil and gas extraction on women in low income countries, and, for the first time, provides an estimate of the scale and carbon potential of fossil fuel projects currently being operated or planned by ASX listed companies.

ActionAid Australia defines low income countries as Low, Lower-Middle, and Upper Middle Income Economies based on World Bank classification. For more information, please refer to the Methodology section below.

This report also includes an analysis of the use of secrecy jurisdictions, or tax havens, by these companies and the extent to which the Australian fossil fuel industry may be undermining the Australian Government's investments in gender equality and extractives governance programmes through its aid budget.

The data on which this report is based is available on ActionAid Australia's website (actionaidfossilfueltracker.org.au) as a resource for those committed to increasing the transparency and accountability of Australian extractives companies.

ActionAid Australia is indebted to the women and women's organisations featured throughout this report. This report's recommendations are grounded, where possible, in the experiences, demands and alternatives of women on the frontline of fossil fuel extraction around the world.⁶

3. The fossil fuel industry and women's rights

Alongside Indigenous groups, racial justice advocates, and those from the most climate-affected nations on Earth, diverse women's and feminist organisations have long been at the heart of the climate justice movement.

The term 'climate justice' has no single definition, but can be broadly understood as the call of people's movements to connect the dots between social justice and action to address global warming, and a recognition that some countries have greater historical responsibility than others for causing climate change. This means examining the unequal power relations and systems of oppression that determine those who are most affected by polluting industries and climate change, and shifting the power to these groups to reduce impacts and increase accountability.

⁴ Centre for Exploration Targeting, *Sharing the benefits*, 2016.

⁵ Centre for Exploration Targeting, *Sharing the benefits*, 2016; PWYP Australia, *Abundant Resources, Absent Data*, 2017.

⁶ For a literature review of demands made by women's organisations see: ActionAid Australia, *Women's vision for reform: an agenda for corporate accountability in Australia's mining sector*, 2018.

From the sites of coal, oil and gas extraction to the places where natural disasters are becoming more ferocious and frequent, it is women who bear the brunt of the adverse consequences of the fossil fuel industry. This is not experienced equally by all women. Depending on the context, women living in poverty and those who are excluded or marginalised due to other intersecting forms of oppression such as ethnicity, caste, sexuality, religion, disability, HIV status, or age are likely to be more adversely affected.

ActionAid works with women affected by coal mining, and with women who are affected by the impacts of climate change such as increased drought, cyclones, and flooding. It is clear from this work that the fossil fuel industry entrenches injustice, inequality and poverty for women around the world and is a major contributor to the violation of women's rights. It is in this context that the extent and nature of Australian fossil fuel companies' expansion into low income countries must be considered.

3.1 Women's rights and fossil fuel extraction⁷

A growing body of evidence shows that extractive projects, including fossil fuel projects, have the potential to undermine the human rights of women, men and children in the communities surrounding mining operations and cause significant environmental degradation. The social and structural change caused by extractive projects, particularly in the case of large-scale projects, disrupts communities, and often entrenches existing inequalities and injustices experienced by women.

In many rural communities, women are responsible for agricultural production, but have limited decision-making power over the use of the land.⁸ Women often have little say over the expropriation of land by extractive industries, but then suffer the consequences when they can no longer grow food to feed their families and generate income.⁹ Furthermore, even when land remains in the hands of women, pollution and significant environmental degradation to the land caused by coal, oil and gas extraction can affect food security as well as access to water, which women are usually responsible for gathering.¹⁰

It is well documented that women's health and safety is often negatively impacted by extractive projects, and by coal, oil and gas projects in particular. Large influxes of male workers to project sites, often working far from their community and family networks, has been shown to increase gender-based violence, HIV rates and demand for sex in exchange for money from

women in nearby areas.¹¹ Coal mining has also been linked by women in Mpumalanga, South Africa, to additional health impacts such as genital skin rashes and headaches.¹²

“Especially when you come to women, we are forced to sleep with the mine bosses to get a job. You are forced to get diseases in the name of mining. They keep on saying they are bringing development around South Africa but we have to bear the brunt of mortality, fatality, skin rashes on our private parts. When we talk about these issues they are saying we are just lying.”

Lorraine Kakaza, Women Affected by Mining United in Action, speaking about the impact of coal mining in Mpumalanga, South Africa.

It is important to note that in many contexts the above impacts also affect women by adding to their unpaid labour – for instance by increasing the time it takes to collect water, and increasing the labour required to care for sick family and community members affected by mining operations.

The fossil fuel industry further increases women's unpaid labour indirectly by reducing government revenues through tax avoidance. Although extractive projects are often heralded as an economic opportunity for communities and nations, the sector is associated with tax minimisation and avoidance practices. The UN Economic Commission for Africa High Level Panel on Illicit Financial Flows, for example, identified extractive industries as the sector with the highest concentration of illicit financial flows out of Africa due to mispricing.¹³

Tax avoidance and minimisation by extractive industries erodes government revenues, which undercuts the delivery of public services such as education and healthcare. These services are critical for meeting women's basic needs as well as for the redistribution of women's unpaid labour.

⁷ This section draws on a more comprehensive analysis of the impacts of the extractives industry on women's rights which can be found in: ActionAid Australia, *Women's vision for reform: an agenda for corporate accountability in Australia's mining sector*, 2018.

⁸ WoMin, *Land and food security undermined: impacts on peasant women in Women, gender and extractivism in Africa series*.

⁹ see for example, ActionAid South Africa, *Living next to the mine: Women's struggles in mining affected communities*, 2017: http://www.actionaid.org/sites/files/actionaid/living_next_to_the_mine_womens_struggles.pdf

¹⁰ ActionAid Australia, *Women's vision for reform*, 2018.

¹¹ ActionAid Australia, *Women's vision for reform*, 2018.

¹² ActionAid South Africa, *Living next to the mine*, 2017.

¹³ UN Economic Commission for Africa, *Illicit financial flows: why Africa needs to "track it, stop it and get it"*, 2015.

Case study

Impacts of coal mining on the women of Phola community, in Mpumalanga, South Africa



Yvonne Sampear, Greater Phola Ogies Women's Forum, South Africa.
Photo: Boitumelo Nkopane and Carla Sibanyoni /ActionAid.

Mpumalanga province in South Africa has been heavily impacted by coal mining. As of December 2016, 60% of the land in the province was being mined or was under exploration.¹⁴ The town of Phola in Mpumalanga is close to several large coal mines, including the Klipspruit mine that is owned and operated by South Africa Energy Coal, a subsidiary of Perth-headquartered and ASX listed South32.¹⁵

The Greater Phola Ogies Women's Forum is organising with local women to document the impacts of these mines on women's rights, and demand that the multinational mining companies responsible are held to account. According to Yvonne Sampear, the coordinator the Greater Phola Ogies Women's Forum:

"Women are sidelined when mining companies come in, they don't even consult women...most often they consult the men and the chiefs.

"Mining companies have a huge impact on our lives as women who are living in mining affected communities. The mining companies are exploiting us. They are also making us sick by polluting our water. Our air is also polluted, water is contaminated, the soil is also contaminated.

"Land now is limited. Most of the land belongs to them. Women can't do agriculture anymore, because we don't have land anymore...At the end of the day, your energy, your water, your land - it's a women's issue because we make the fire to sustain our family and livelihood."

Holding decision-makers responsible for past and ongoing adverse impacts caused by South32's mine may soon become more complicated for the women of Phola. In November 2017, South32 announced its intention to separate its South African coal projects, managed under its subsidiary South Africa Energy Coal, into a stand-alone business and gradually divest ownership.¹⁶ At the same time, South32 is planning an extension to Klipspruit mine that will extend its life by up to 20 years.¹⁷

¹⁴ GroundWork, *The Destruction of the Highveld*, 2016.

¹⁵ See: <https://www.south32.net/what-we-do/places-we-work/south-africa-energy-coal>

¹⁶ South32, 27 November 2017 announcement: https://www.south32.net/docs/default-source/exchange-releases/south-africa-energy-coal-to-become-a-stand-alone-business.pdf?sfvrsn=500a9eaa_6

¹⁷ South32, 27 November 2017 announcement.



“I constantly live in fear for my son knowing that he might not come back home one day, that the mine will swallow him just like his brother.”

Elizabeth Ngwenya,
Mpumalanga, South Africa.

Photo: Oupa Nkosi /ActionAid.

3.2 Women's rights and climate change

Women are disproportionately affected not just at the point of fossil fuel extraction, but also by the impacts of climate change that are fuelled in large part by the burning of coal, oil and gas.

Extreme weather events such as drought, cyclones, and flooding are becoming both more frequent and severe due to climate change, leading to increased humanitarian emergencies. These emergencies impact disproportionately on women and children, who are 14 times more likely than men to be killed by disasters.¹⁸ Women also often take on caring roles for those most vulnerable, and experience an increased risk of gender-based violence in times of crisis.¹⁹

These extreme weather events can cause shortages of clean water as well as water pollution leading to disease. Research shows that, in these times, women are inclined to save water

for household use rather than for personal needs.²⁰ When clean water is harder to collect, women's unpaid labour increases significantly, and they also take on care for those in the community affected by water-borne diseases and disaster-related injury or illness.²¹

In addition, slow-onset emergencies, such as drought, and the long-term impacts of rising temperatures, affect women's food security and livelihoods. Women living in rural areas in low income countries are particularly vulnerable to the impacts of climate change, as they are often engaged in agricultural work and thus dependent on natural resources such as land and water for their livelihoods.²² According to ActionAid research, women faced by crop failure may turn to alternative sources of income such as casual labour, which is low paid and often highly exploitative or associated with sexual violence.²³ In times of crisis, there are increasing reports of women trading sex for food or money as a means of survival.²⁴

18 United Nations Development Programme, Gender and disaster risk reduction policy brief, 2015.

19 ActionAid International, *On the frontline: Catalysing women's leadership in humanitarian action*, 2016

20 Hwei Mian Lim, *Climate change exacerbates gender inequality, putting women's health at risk*, 2017, <https://www.openglobalrights.org/climate-change-exacerbates-gender-inequality-putting-womens-health-at-risk/>

21 ActionAid Australia, *Women's vision for reform*, 2018.

22 G Terry, *No climate justice without gender justice: an overview of the issues in Gender & Development*, Volume 17 Issue 1, 2009.

23 ActionAid, *Hotter planet, humanitarian crisis: El Nino, the "new normal" and the need for climate justice*, 2016

24 ActionAid, *Hotter planet, humanitarian crisis*, 2016

Case study

Gender equality and women's rights in Vanuatu in the aftermath of Cyclone Pam



Dorothy Pel, Tanna, Vanuatu. Photo: Oupa Nkosi /ActionAid.

Cyclone Pam devastated Vanuatu in 2015, ripping up trees and tearing off rooftops; turning the lush green islands brown and dry. A proud mother to five adult children, 62-year-old Dorothy Pel lived through it all. Dorothy lives on the island of Tanna, one of the southern islands of Vanuatu's archipelago. As is the case for many women on Tanna, one of the roles Dorothy plays is managing the home, cooking, and ensuring her family has enough to eat and drink.

"After Cyclone Pam, we had a difficult time. There was hardly anything in the garden. It's like Pam swept away everything," Dorothy explained.

In the aftermath of a disaster like this, women like Dorothy bear a huge responsibility for sourcing food, clean water and shelter for their families, even after everything has been blown away. This often increases their burden of unpaid care, as they may have to travel long distances to find the resources they need.

Many of the issues women faced in the aftermath of Cyclone Pam in Vanuatu were exacerbated by the pre-existing gender inequalities they already faced on a daily basis. Social and cultural norms discourage women from speaking out about their concerns and taking on leadership and decision-making positions, including in disaster response.

"Most women here on Tanna, they're scared to talk out because they're thinking that they're

nobody. Men look down on them and they're scared to speak out," said Dorothy.

Rates of gender-based violence in Vanuatu are already amongst the highest in the world, but they climb even higher in the aftermath of an emergency and intensify as family tensions over food, money and shelter increase.

After Cyclone Pam, women's rights issues are being addressed by the "Women I Tok Tok Tugeta" forums supported by ActionAid Australia, of which Dorothy is a leader. Through "Women I Tok Tok Tugeta", women across Tanna and neighbouring islands Eton and Erromango, are being supported to lead in building the resilience and preparedness of their communities for future disasters.

Dorothy's group has mapped out clear steps for how they are going to ensure decision-makers are aware of the issues women are facing.

Vanuatu is consistently ranked as the country most at risk of disasters,²⁵ and it is women who are on the frontlines of these crises. ActionAid Australia is committed to fighting for a world where women are resilient in the face of increasing crises and disaster, leading preparedness, response and recovery efforts to secure their rights.

3.3 The Australian Government's obligations

The Australian Government has made a number of binding commitments to uphold women's rights and address climate change. The nature and extent of the Australian fossil fuel industry's projects in low income countries must be considered in light of these commitments.

Some of the relevant commitments include those under the United Nations (UN) Convention on the Elimination of all Forms of Discrimination Against Women (1979), the Sustainable Development Goals, and the Paris Agreement on climate change. The Australian Government has made the promotion of gender equality and women's empowerment a central focus of its foreign policy agenda, and has recognised the critical role that climate change will play in shaping the future.²⁶

The Australian Government also has an obligation to ensure that our corporations operating overseas act responsibly and in line with international law and agreements. This is referenced in the Guiding Principles on Business and Human Rights, and a number of UN General Recommendations by the CEDAW Committee that require the Australian Government to take responsibility for the actions of non-state

actors under its effective control, including when they operate extra-territorially.²⁷

Furthermore, Australia bears significant historical responsibility for contributing to climate change. As a high income country in which industrialisation and fossil fuel extraction are significant components of the economy, Australia has an urgent obligation to dramatically cut its greenhouse gas contributions if the world is to succeed in limiting global warming to no more than 1.5 degrees Celsius. Analysis by an alliance of leading climate groups including ActionAid, however, shows that Australia is currently doing far less than its fair share of climate action.²⁸

It is clear that the Australian Government has a responsibility to address any adverse consequences for women as a result of activities of ASX companies operating or planning fossil fuel projects in low income countries. This includes both the direct impacts of coal, oil and gas extraction, as well as the contribution that the burning of these fossil fuels makes to climate change. The extent of these activities and specific recommendations are discussed below.

²⁶ Australian Government, *2017 Foreign Policy White Paper*, 2017.

²⁷ Help Resources, *Voices for Change*, Bougainville Peoples Research Centre, *Hela Women Never Give Up*, DAWN, *Shadow report to the 70th Session of CEDAW Review of Australia Extraterritorial Obligations*, 2018.

²⁸ ActionAid et al, *Fair Shares: A Civil Society Equity Review of INDCs*, 2015.

4. Key findings

- There are 58 ASX listed companies involved in 150 fossil fuel projects in low income countries.
- In the coming years, ASX listed companies are planning to increase the number of fossil fuel projects operating in low income countries fourfold.
- More than half of these projects are located in one of three countries: Papua New Guinea, South Africa, and Indonesia.
- The operational fossil fuel projects alone have reserves equivalent to 2.4 billion tonnes of carbon emissions. This is the equivalent of Adani's proposed Carmichael mine operating for 17 years, or close to 5 times Australia's current annual greenhouse gas emissions.
- 16 of 19 companies with operational fossil fuel projects in low income countries disclose having subsidiaries in secrecy jurisdictions, and one is registered in the secrecy jurisdiction of Bermuda.
- Two of the three countries with the highest number of projects, Papua New Guinea and Indonesia, are also the largest recipients of Australian Government Overseas Development Assistance under the aid program.



4.1 Overview of projects and companies

According to publicly available information from annual reports, in 2017 there were a total of 58 ASX listed companies invested in 150 fossil fuel projects in low income countries.

Five of these companies are in the ASX 200: BHP Billiton, Oil Search, South32, Santos, and Woodside Petroleum. The remaining 53 companies are smaller-cap publicly-listed companies on the ASX. This highlights the need for financial institutions and government to press for greater transparency and oversight of small companies in terms of both carbon risk and human rights issues, including but also beyond the ASX 200.

Of the 150 projects, 35 are operational, and 115 are in the exploration or development phase. In other words, in the coming years, ASX companies are planning to increase the number of operational fossil fuel projects in low income countries fourfold.

These projects are heavily concentrated in Papua New Guinea, South Africa, and Indonesia, which together contain more than half of all the projects found. Papua New Guinea alone has 32 individual projects of which seven are operational and the rest planned, South Africa has 25 individual projects of which eight are operational, and Indonesia has 22 individual projects of which six are operational.

Operational projects

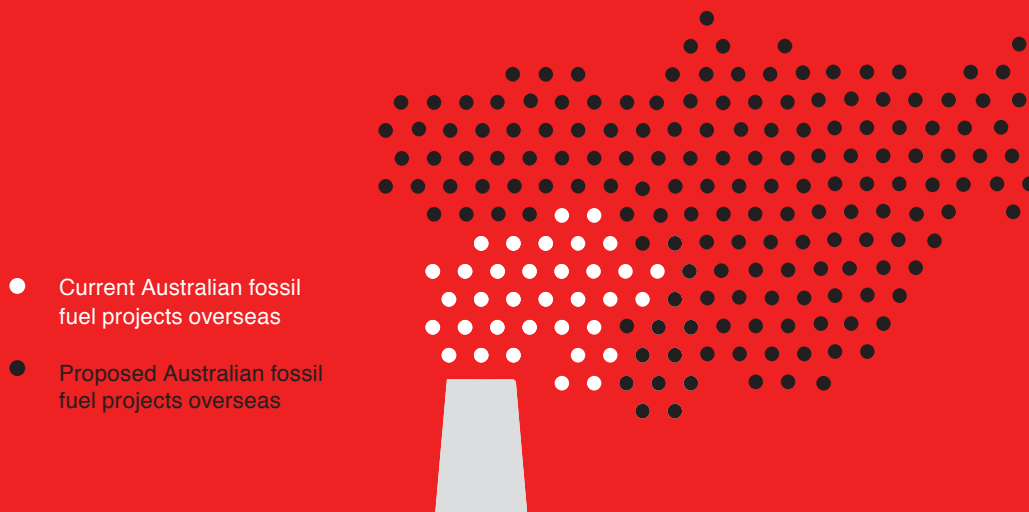
The 35 operational projects are owned wholly or partially by 19 ASX listed companies. Most of the projects are either in the Asia-Pacific region (22 projects) or in Africa (11 projects) and two thirds are oil and gas. Thirty of these are currently producing fossil fuels, and five are on hold, but have not been divested or closed by the company.

The vast majority of operational coal projects are in Africa, and predominantly in South Africa, whereas the vast majority of oil and gas projects are in the Asia-Pacific region. There are seven operational oil and gas projects in PNG, five in Indonesia, three in China, and smaller numbers elsewhere in Asia and Africa.

Planned projects

The vast majority of the 115 fossil fuel projects planned by ASX listed companies are in the Asia-Pacific region, and there are also a significant number in Africa. Planned oil and gas projects outnumber coal projects by a ratio of 2:1, perhaps reflecting lower investment in coal exploration and development projects following a prolonged slump in coal prices from 2012 to mid-2016.²⁹

In a number of countries, there are no currently operating projects but there are a number of projects being planned. In Botswana, for example, this study found no operational coal, oil and gas projects but 9 planned projects.



ASX listed companies involved in exploration and development are required to report on the resources and reserves associated with coal, oil and gas projects. The findings of this report thus relate to the plans of ASX listed companies as disclosed to the market, and is not making claims as to the commercial viability of these projects. It is also worth noting that planned fossil fuel projects pose a significant risk to women, communities, and investors prior to becoming operational.

There is no single agreed definition of a “project” in this context³⁰, and reporting quality and consistency varies greatly between companies. Some companies, for instance, list all oil and gas tenements separately despite close proximity, whereas others will group together several different tenements as a single project. This report has attempted to follow as closely as possible companies’ own presentation of their projects in their most recent annual reports, however with a different definition of “project” the numbers in this report would vary slightly. For more information, please refer to the Methodology section below.

4.2 Carbon potential

It was possible to estimate carbon potential for 30 of the 35 operational coal, oil and gas projects identified. Carbon potential was calculated based on reserves and resources statements listed in annual reports, or, where this was not included in annual reports, from recent ASX updates containing reserves and resources statements.

Based on these figures, this study estimates that ASX companies’ operational fossil fuel projects in low income countries have the potential to cause 2.4 billion tonnes of carbon emissions. This is roughly equivalent to the emissions that, if it started production, Adani’s proposed Carmichael mine in Queensland would emit over 17 years.³¹ It is also close to five times Australia’s current annual greenhouse gas emissions.³²

Of course, these figures only take into account the future emissions potential of projects that are currently operational, and not the historical emissions that have already been caused by the burning of coal, oil and gas from these projects. Further, as noted above, ASX listed companies currently have plans to increase the number of operational projects in low income countries fourfold.

The latest climate science indicates that in order to limit global warming to no more than 1.5 degrees Celsius – the international goal under the Paris Agreement – no new fossil fuel projects can be built and existing fossil fuel powered energy must be rapidly and justly transitioned to renewable sources. Although estimating the corresponding “carbon budget” is challenging,³³ at current emission rates from existing fossil fuel infrastructure and other sources, the Intergovernmental Panel on Climate Change estimates that the carbon budget available to have a 66% chance of limiting climate change to below 1.5 degrees Celsius of warming could be exhausted as soon as 2020.³⁴

It is clear that if the world is to avoid catastrophic climate impacts, ASX companies’ fossil fuel projects in low income countries must either be quickly closed or never built. This

30 Publish What You Pay Australia, *Abundant Resources, Absent Data*, 2017, p. 17.

31 Adani’s proposed Carmichael mine is expected to yield 60 million tonnes per annum: <https://www.statedevelopment.qld.gov.au/assessments-and-approvals/carmichael-coal-mine-and-rail-project.html>

32 The Guardian, “Australia’s Greenhouse Gas Emissions Soar in Recent Figures”, 4 August 2017: <https://www.theguardian.com/australia-news/2017/aug/04/australias-greenhouse-gas-emissions-soar-in-latest-figures>

33 Carbon Brief, *Analysis: How much ‘carbon budget’ is left to limit global warming to 1.5C?*: <https://www.carbonbrief.org/analysis-how-much-carbon-budget-is-left-to-limit-global-warming-to-1-5c>

34 Carbon Brief, *Analysis: Just Four Years Left of the 1.5 Carbon Budget*, 2016: <https://www.carbonbrief.org/analysis-four-years-left-one-point-five-carbon-budget>

has significant implications for local communities, national governments, investors, and the financial sector. The Australian Government, however, does not require mandatory carbon risk disclosure by Australian companies. This should be an immediate priority for investors and government, and should aim to capture large-, mid- and small-cap companies.

Efforts were made to ensure that carbon emissions estimates in this report are conservative, and may represent an underestimate of the true carbon emissions potential of these projects. For coal projects, 90% of "proven reserves" and 50% of "probable reserves" were used to calculate carbon emissions potential. In cases where only "resources" figures were given, "measured resources" were taken to be equivalent to proven reserves, and "indicated resources" equivalent to probable reserves. Figures were reduced to the company's net reserve before calculating carbon emissions potential. For oil and gas projects, "1P" figures were considered equivalent to proven reserves, "2P" figures equivalent to proven and probable reserves, and "3P" equivalent to proven, probable and possible reserves. 90% of proven, 50% of probable, and 10% of possible reserves reported by oil and gas projects were used to calculate carbon emissions potential. For more information please refer to the Methodology section below.

4.3 Use of secrecy jurisdictions

For companies with operational projects in low income countries, close to 85 per cent report subsidiaries in secrecy jurisdictions (16 of 19 companies). These include jurisdictions commonly used by multinational companies headquartered in Australia, such as Hong Kong and Singapore, that may be legitimate regional trading hubs but also may be used to avoid and minimise tax. Subsidiaries were also found in jurisdictions more universally accepted as "tax havens" such as the British Virgin Islands, the Cayman Islands, and Mauritius.

There is no single list of tax havens or "secrecy jurisdictions", and many official lists have been criticised for perceived partiality. The European Union (EU) blacklist of jurisdictions, for example, omits EU member states that are considered by many to be tax havens.³⁵ This report opts to use the Tax Justice Network's Financial Secrecy Index, and considers any country with a "secrecy score" of more than 65 to be a secrecy jurisdiction. For more information, please refer to the Methodology section.

In addition, while the vast majority of companies are headquartered in Australia, one company is registered in Bermuda according to its latest Annual Report, another secrecy jurisdiction that is associated with tax avoidance and minimisation practices.

Of course, having a subsidiary in a secrecy jurisdiction does not necessarily indicate any wrongdoing, either legal or illegal. It is, however, generally considered to be a risk factor of tax avoidance and minimisation, depending on the purpose of these subsidiaries.

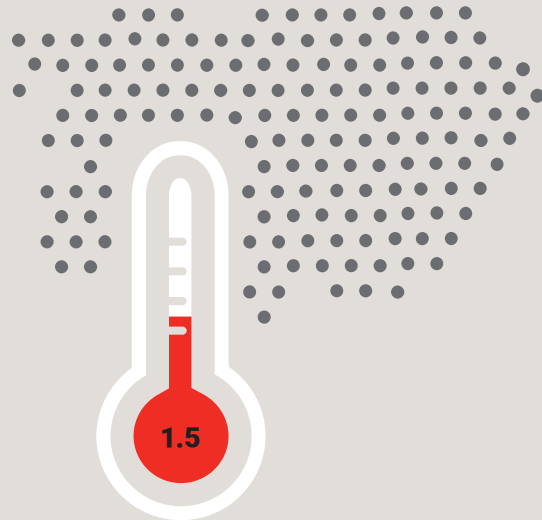
ASX companies are currently only required to report subsidiaries in their annual reports that are deemed to be material to their operations. ASX companies are also not required to report publicly on their operations and payments to government on a project-by-project and country-by-country basis, despite the recent introduction of mandatory disclosure laws in other jurisdictions including the EU and Canada.³⁶

Improving the transparency of publicly-listed companies through stronger reporting requirements on payments to government and subsidiaries would go some way to discouraging ASX listed fossil fuel companies operating in low income countries from engaging in tax avoidance and minimisation. This is especially important given the impact of tax avoidance and minimisation on gender equality and the realisation of women's rights, as discussed above in section 3.1.

³⁵ The Guardian, "Is the EU Tax Haven Blacklist a Whitewash?", 6 December 2017, <https://www.theguardian.com/business/2017/dec/05/is-the-eu-tax-haven-blacklist-a-whitewash>

³⁶ Publish What You Pay Australia, *Abundant Resources, Absent Data*, 2017.

ASX companies' operational fossil fuel projects in low income countries have the potential to cause **2.4 billion tonnes** of carbon emissions.



4.4 Overseas Development Assistance for extractive industries

As noted above, two of the three countries with the highest proportion of operational and planned projects are Papua New Guinea, with 32 projects, and Indonesia, with 22 projects. This is significant given that these are also the countries that together receive by far the highest share of Overseas Development Assistance (ODA) from the Australian Government.

Given the Australian Government's commitment to prioritising women's rights and gender equality through its aid program, and the adverse impacts fossil fuel projects have on women's rights discussed above in section 3.1, there is a very real risk that the outcomes of Australian ODA is being directly undermined by Australian corporate practice.

In recent years, the Australian Government has committed significant ODA to various initiatives designed to support low income countries to strengthen their governance and management of the extractives sector in order to maximise

benefits for communities.³⁷ ActionAid Australia welcomes this type of investment when it prioritises funding locally driven development of sustainable livelihoods and alternatives, including influencing local, national and regional policy-making on extractives and natural resource management. ActionAid Australia, for instance, has received funding under the Australian NGO Cooperation Scheme to partner with women in communities affected by mining in Kenya and Uganda, including artisanal and large-scale mining, to better understand their rights and come together to develop a common vision and charter for proposed national and regional reform.

Recent research, however, into the PNG Liquefied Natural Gas (PNG LNG) project suggests that the Australian Government has used state-backed loans to actively support projects that have then undermined the stated aims of its aid programming. The PNG LNG project was financed through an Australian Government agency, the Export Finance and Insurance Corporation (Efic), and significant evidence suggests that this project has resulted in worse economic outcomes in Hela Province and the country as a whole.³⁸ For more information on how this has impacted on women's rights, see the following case study.

37 For more information, see DFAT information sheet: <http://dfat.gov.au/aid/topics/investment-priorities/infrastructure-trade-facilitation-international-competitiveness/extractives-sector-development-assistance/Pages/extractives-sector-development-assistance.aspx>

38 Jubilee Australia, *Double or Nothing: The broken economic promises of PNG LNG*, 2018.

Case study

Women in Hela province and the PNG LNG project



Dr. Ruth Saovana Spriggs.

The PNG LNG project in Papua New Guinea is a USD \$19 billion Liquefied Natural Gas project that is currently PNG's largest extractives project, and is expected to run for 30 years.³⁹ ASX listed companies Oil Search and Santos are major joint venture partners in the project. The project was also the recipient of an USD \$500 million loan from an Australian Government agency, Efic, despite major concerns raised by organisations including Jubilee Australia about the human rights risks involved in the project. Eighty per cent of this loan came from Efic's National Interest Account as directed by Trade Minister at the time, Simon Crean.⁴⁰

Recent research by Jubilee Australia shows that the PNG LNG project, which was promoted by industry and government alike as a development opportunity for PNG, has left the people of PNG worse off on almost every measure of economic welfare. Research also found that a build-up of armed conflict and violence in Hela Province was linked to the project, and that there is a high risk of escalation.⁴¹

Women in PNG report that they have had to bear the brunt of these adverse impacts. According to local women's organisations in their shadow report to the CEDAW Committee in June 2018, the PNG LNG project has undermined women's access to and control over land, excluded women from decision-making, and diminished access to justice and services for women who are victims of violence.⁴²

Local women also report an increase in women's vulnerability to gender-based violence. In testimony to the CEDAW Committee in July 2018, Dr. Ruth Saovana Spriggs, a Bougainvillean academic, researcher and activist, spoke of the impact of large-scale extractive industry projects on women in PNG:

"The Australian Government finances large-scale Extractive Industry Projects in PNG, which systematically exclude women and entrench male monopoly over decision-making and benefit flows. Women lose access to economic resources and status, increasing their vulnerability to violence.

"Highly profitable, Australian Joint Venture Projects operating in regions with pre-existing high levels and extreme forms of gender-based violence and armed conflict are contributing to increased impunity for perpetrators and reduced access to justice."⁴³

39 PNG LNG website: <https://pnglng.com/About>

40 The Hon. Simon Crean, "Media release: Australian Government Support for Gas Project in PNG", 8 December 2009: http://trademminister.gov.au/releases/2009/sc_091208.html

41 Jubilee Australia, *On Shaky Ground Report*, 2018.

42 DAWN et al, *Shadow report to the 70th Session of CEDAW Review of Australia Extraterritorial Obligations*, 2018.

43 For full text, see: <https://dawnnet.org/publication/oral-statement-to-the-cedaw-committee-session-70/>

Given the significant evidence of women's rights impacts associated with the PNG LNG project, and the civil unrest and adverse economic impacts it has been linked to, it is extremely concerning that ASX listed companies currently have plans to rapidly expand the number of operational fossil fuel projects in PNG from seven to 32, that this is occurring without sufficient Australian Government oversight and regulation, and that these projects could receive financial support from government agencies such as Efic.

It is essential that the Australian Government takes swift action to ensure that its aid program investments in women's rights programs both in PNG and globally are not undermined by the operations of the Australian fossil fuel industry. This requires the introduction of requirements for independent gender-sensitive human rights due diligence, improved transparency and disclosure laws, and access to remedy for affected communities that addresses women's barriers to accessing justice. Additionally, the Efic Act should be amended to ensure that fossil fuel projects are excluded from funding opportunities in the future on the basis of the unacceptable risks they pose to women's rights and efforts to address climate change.

5. Conclusion and recommendations

This report has highlighted that the fossil fuel industry puts women's rights at risk, both in the communities affected by coal, oil and gas extraction and in the regions of the world most vulnerable to the impacts of climate change. The lack of open source data on extractive projects overseas means that the scale of ASX listed companies' fossil fuel interests globally, and especially in low income countries where women are most vulnerable, has previously been unknown.

Based on publicly available information in annual reports, this study has found that ASX listed companies currently operate 35 fossil fuel projects in low income countries, and have plans to increase this number of projects fourfold. These projects are heavily concentrated in PNG, South Africa and Indonesia, with PNG and Indonesia also the countries that receive the largest proportion of Australia's ODA. The vast majority of companies publicly disclose subsidiaries located in secrecy jurisdictions, underlining the need for improved transparency of extractive companies to address possible tax avoidance and minimisation practices.

This report finds that these operational fossil fuel projects alone have potential carbon emissions equivalent to almost five years' worth of Australia's annual greenhouse gas emissions, and 17 years of operation of Adani's proposed Carmichael mine. When it is considered that the industry

is also planning an additional 115 fossil fuel projects, it is clear that these projects are inconsistent with the globally agreed goal to limit global warming to no more than 1.5 degrees Celcius. This goal, ratified by Australia under the Paris Agreement, instead demands that existing fossil fuel infrastructure is rapidly transitioned to renewable energy and no new fossil fuel projects are developed.

Australia, as a significant current and historical source of global warming through our carbon emissions, and home to a large number of fossil fuel companies, has a special responsibility to take action on climate change. Australia must not only substantially increase its pledge to cut domestic carbon emissions under the Paris Agreement, but must also go further by ensuring that ASX companies are not driving fossil fuel extraction and emissions extra-territorially to levels that are inconsistent with global efforts to tackle climate change.

The Australian Government is committed to supporting gender equality in the region, and has obligations to uphold human rights and ensure the responsible conduct of Australian corporations operating extra-territorially. ActionAid Australia recommends that the Australian Government:

- 1 Introduce a mandatory carbon risk disclosure framework** that applies to all ASX listed companies involved in fossil fuel projects both extra-territorially and in Australia.
- 2 Cease public financing of fossil fuel projects**, including the alteration of Efic's mandate to explicitly prohibit support for fossil fuel projects, consistent with government commitments to uphold women's rights and limit global warming to no more than 1.5 degrees Celsius.
- 3 Ensure transparency of mining projects, including fossil fuel projects**, by developing legislation that requires ASX listed and private extractives companies to report all their subsidiaries and all payments to governments at a country and project level.
- 4 Introduce corporate accountability regulation and policy that will limit and mitigate the risk of human rights violations and women's rights impacts posed by Australian companies' fossil fuel projects overseas, including:**
 - Providing better access to remedy for women and their communities impacted by the operation of Australian mining companies overseas. This function should address the specific barriers that women face accessing remedy, and have the power to investigate both the systemic impacts of mining on women's rights and individual cases of abuse.



“At night we can’t sleep,
my nose is always blocked
and I am always coughing”
Maria Khumalo,
Mpumalanga, South Africa.

Photo: Oupa Nkosi /ActionAid.

- Supporting the development of an international legally binding treaty on business and human rights, and actively engage in the treaty development process. This should include ensuring that a future treaty addresses specific gender impacts of corporate violations, for example through explicitly including women's rights and ensuring women are meaningfully consulted in creating, designing, reforming and operating remedial mechanisms.
- Developing legislation that requires Australian mining companies operating overseas to conduct human rights due diligence. Due diligence should be gender-sensitive and aim to identify and prevent real or potential adverse human rights and environmental impacts on women and their communities, and support women's equal and meaningful participation in consultations and negotiations.

Investors are also responsible for ensuring that the companies and projects they invest in do not adversely impact on women's rights, and that carbon risk is managed from both a financial and corporate social responsibility perspective.

ActionAid therefore recommends that investors:

- 5 Incorporate independent gender-sensitive human rights due diligence** into screening tools, corporate engagement, and monitoring processes. Due diligence should be gender-sensitive and aim to identify and prevent real or potential adverse human rights and environmental impacts on women and their communities, and support women's equal and meaningful participation in consultations and negotiations.
- 6 Encourage all companies (not just large companies) to disclose carbon risk**, closely monitor carbon risk across all investments, and introduce policies to reduce carbon risk.
- 7 Commit to exiting business relationships with companies involved in fossil fuel projects** in low income countries, given the high risk of violations of women's rights and the inconsistency of these projects with limiting global warming to no more than 1.5 degrees Celsius.

6. Methodology

6.1 List of projects and companies

This report is based on a data set provided by Publish What You Pay (PWYP) Australia. This data set, which used annual report information to identify all ASX listed companies with extractive projects, formed the basis of the 2017 report “Abundant Resources, Absent Data,”⁴⁴ and was then updated by the authors and PYWP Australia in June 2018 through a comparison with a more recent list of all ASX materials and energy companies.

As noted in “Abundant Resources, Absent Data”, there is no single agreed definition of a “project” in this context,⁴⁵ and reporting quality and consistency varies greatly between companies. Some companies, for instance, list all oil and gas tenements separately despite close proximity, whereas others will group together several different tenements as a single project. This report has attempted to follow as closely as possible companies’ own presentation of their projects in their most recent annual reports, however with a different definition of “project” the numbers in this report would vary slightly. This in itself demonstrates the importance of mandatory disclosure laws that ensure reporting to a project level is consistent between extractive companies.

As this report seeks to examine the impact of the fossil fuel industry on low income countries, projects that were located in High Income Countries according to World Bank classification were excluded.⁴⁶ The most recently available annual report of the ASX company involved in each project, or in some cases information from other recent ASX announcements, was then used to identify project locations to a country and where possible regional level.

Annual reports were also used to classify projects as one of: operational; operational and on hold; planned; or divested/withdrawn. Any projects that were divested were excluded from this list, and any project that was pre-production (in the exploration or development phase) was classified as planned. Given that this was based on latest annual reports, by the time of publication of this report some projects’ status may have changed.

6.2 Coal, oil and gas reserves figures and carbon potential of projects

For the projects that were classified as either operational or operational and on hold, annual report resources and reserves statements were then used to quantify the amount of coal, oil and gas in reserve.

Five projects were then excluded from the carbon potential estimate due to there not being a resources and reserves statement in the latest available annual report, or estimates given for multiple projects including substantial projects outside low income countries (although in one case, an estimate was used that included a small project in a High Income Country, as it also contained estimates from significant projects in low income countries included in the data). While most projects had clear estimates, the significant minority that did not points to the importance of strong reporting and disclosure, especially in the context of carbon risks.

Efforts were made to ensure that carbon emissions estimates in this report are conservative, and likely represent an underestimate of the true carbon emissions potential of these projects. For coal projects, 90% of “proven reserves” and 50% of “probable reserves” were used to calculate carbon emissions potential. In cases where only “resources” figures were given, “measured resources” were taken to be equivalent to proven reserves, and “indicated resources” equivalent to probable reserves. Where a gross reserves figure was reported for a coal project along with the company’s share in the project, the figure was reduced to the company’s net reserve before calculating carbon emissions potential.

For oil and gas projects, “1P” figures were considered equivalent to proven reserves, “2P” figures equivalent to proven and probable reserves, and “3P” equivalent to proven, probable and possible reserves. 90% of proven, 50% of probable, and 10% of possible reserves reported by oil and gas projects were used to calculate carbon emissions potential.⁴⁷

The calculations for converting different units of fossil fuels to carbon emissions potential is based on the IPCC’s Default IPCC Tier 1 emission factors methodology as recommended by the World Resources Institute.⁴⁸

44 Publish What You Pay Australia, *Abundant Resources, Absent Data*, 2017.

45 Publish What You Pay Australia, *Abundant Resources, Absent Data*, 2017.

46 For a full list of countries’ income level classifications according to the World Bank, see <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2017-2018>

47 For an explanation of 1P, 2P, 3P and corresponding probabilities, see: <https://www.appea.com.au/industry-in-depth/australian-oil-and-gas-glossary/>

48 For the emissions factors and explanation of this methodology, see: http://wri.org/sites/default/files/A_Recommended_Methodology_for_Estimating_and_Reporting_the_Potential_Greenhouse_Gas_Emissions_from_Fossil_Fuel_Reserves.pdf

Of course, there is a high degree of uncertainty involved in how much of any given project's reserves will actually be sold and then burnt, and so the potential carbon emissions figures given should be taken as an estimate based on information available to the market.

6.3 Secrecy jurisdictions

There is no single list of tax havens or "secrecy jurisdictions", and many official lists have been criticised for perceived partiality. The European Union (EU) blacklist of jurisdictions, for example, omits EU member states that are considered by many to be tax havens.⁴⁹

This report opts to use the Tax Justice Network's Financial Secrecy Index, and includes countries with a "secrecy score" of more than 65 in its list of secrecy jurisdictions. The Financial Secrecy Index was last updated on January 30 2018, and there are 63 jurisdictions with a secrecy score of 65 or above.⁵⁰

Annual report information was then used to determine if companies were registered in or had subsidiaries (controlled entities) registered in countries that were both secrecy jurisdictions and not the location of disclosed operational activity. ActionAid Australia notes that having subsidiaries or headquarters in these jurisdictions is not proof of tax avoidance or illegal activity, and is not suggesting any wrongdoing by particular companies.

49 The Guardian, "Is the EU Tax Haven Blacklist a Whitewash?", 6 December 2017, <https://www.theguardian.com/business/2017/dec/05/is-the-eu-tax-haven-blacklist-a-whitewash>

50 For the full Financial Secrecy Index, see: <https://www.financialsecrecyindex.com/introduction/fsi-2018-results>

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