

23 March 2012

Productivity Commission
Export Credit Arrangements
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Dear Commissioners Scott and Mundy

Inquiry into Australia's Export Credit Arrangements

Oxfam Australia is pleased to make this supplementary submission to the Productivity Commission's Inquiry into Australia's Export Credit Arrangements.

Oxfam welcomes your draft report and its findings and recommendations.

We are very pleased to see a high level of the attention given to disclosure, transparency and accountability issues. We welcome recommendations 9.6 and 9.8 in particular.

We also welcome draft recommendation 9.7. A Ministerial direction articulating which human rights obligations EFIC is required to comply with will provide much needed clarity.

We do, however, suggest that this recommendation be complemented by a further recommendation from the Productivity Commission that EFIC develop a human rights policy (or framework).

Such a policy will assist EFIC implement the Ministerial direction and ensure compliance with it. Oxfam made recommendations for the content of a human rights policy in our original submission. These recommendations are copied on the final page of this letter.

As you would be aware, Oxfam recommended in our original submission that "EFIC's anti-corruption initiatives are reviewed to ensure alignment with the proposed National Anti-Corruption Plan and compliance with the UN Convention Against Corruption".

Recent media reports alleging that two EFIC clients may have made corrupt payments to secure business overseas warrants further consideration by the Productivity Commission of EFIC's response to corruption risks.

Yours sincerely

Serena Lillywhite
Mining Advocacy Lead

Summary of human rights recommendations from Oxfam Australia submission to the Productivity Commission – inquiry into EFIC

Human rights framework

A human rights framework or policy should clearly explain, as a minimum:

1. The human rights standards to which EFIC and its clients must comply with;
2. Those forms of trade and investment support that are not offered by EFIC on the basis of human rights concerns;
3. Specific information that clients are required to provide regarding the human rights impacts of proposed projects (this should include assessment of gender and conflict risks);
4. EFIC's procedure for assessing human rights impacts of a proposed project including a projects' business relationships and supply chains;
5. EFIC's procedure for assessing human rights context in the host state;
6. EFIC's procedure for including human rights considerations in decision-making processes regarding the provision of support;
7. EFIC's procedure for monitoring compliance with human rights standards during all stages of a project; and
8. The consequences of non-compliance with the framework, such as withdrawing EFIC support for a project.