

Mr Clancy Moore, Publish What You Pay, responses to questions on notice:

1. Q. CHAIR: What would the normal process be for another government—if the US has placed a sanction, that's a red flag effectively: 'This is a problem. This guy's got serious question marks about him.' What's the quality control process from the Australian government's perspective? Are you aware of that?

2. Response from Mr Moore:

"In relation to Viktor Vekselberg, and his Renova group, who has a stake in the parent company of Falcon Oil and Gas, Australia does include Russia and Ukraine under its autonomous sanctions regime. This includes the following:

- restrictions on the export or supply of certain goods
- restrictions on the import, purchase or transport of certain goods
- restrictions on certain commercial activities
- restrictions on the provision of certain services
- restrictions on providing assets to designated persons or entities
- Restrictions on dealing with the assets of designated persons or entities
- travel bans on designated persons

To my knowledge Mr Vekselberg is not on the designated list of people sanctioned by Australia. The department of industry when asked about Mr Vekselberg and public money for gas extraction in a senate estimates questions did outline that they were aware of the case and would conduct due-diligence as per the grant program. I would encourage the committee to raise this issues directly with the Minister and department."

3. CHAIR: Do you know much about the second-largest shareholder in the company, which appears to be an investment vehicle, Global Energy and Resources Development, which is registered in the Caribbean and is ultimately owned by Michael Tang, who, from what I understand, has an outstanding warrant for his arrest in Hong Kong?

4. Response from Mr Moore:

Mr. Tang has been involved with a group known as Global Energy and Resources Development (GERD) which is, reportedly, Caribbean-registered but also has a Perth contact address (39 Kirwan Street, Floreat, Western Australia) and which seems to be linked with Global Oil Corporation. It appears that Global Oil Corporation, of which Michael Tang is or was vice-president, is a continuing Beijing-based company. Perth-based Bart Magnus is its Australian manager. Global Oil Corporation is clearly a major player in China's oil and gas industry and has been contracted the national oil company China National Petroleum Corporation. ASIC searches show that Michael TANG, noted as a Hong Kong resident, is also a shareholder of Bart Magnus's Australian-registered COASTAL OIL & GAS PTY LTD, holding 220,000 shares. ASIC records also note that Michael TANG Yan Tian was formerly a director of the now deregistered (in Australia) Global Oil Corporation.

5. Senator WATERS: It certainly doesn't help when they get royalties holidays granted by state governments, but that's another matter. Is my information correct that Santos have paid no tax, or is your information otherwise?

6. Response from Mr Moore:

The overall weakness in Australia's system of disclosures, including for Santos, is that companies don't have to publish their payments at the project levels such as royalties, community level payments and license fees. There are many sector specific payments which makes the extractive sector different to other highly profitable industries like big-tech. These payments also raise the risks of corruption and tax avoidance.

The ATO does publish annual Corporate Income Tax data every December for the financial year ending 18 months prior. So for the 2018/2019 financial year, the ATO did reports that Santos Limited paid zero corporate income tax on a taxable income of \$8,328,076. The ATO data also includes payment of the Petroleum Resources Rent Tax which shows that two Santos subsidiaries paid approximately \$75 million in that financial year. Looking at ATO corporate income tax data from 2013/14 to 2017/18, our research shows Santos paying a rate of corporate income tax of 11.5% over the period. Whilst this may appear that Santos is not fulfilling its tax responsibilities, oil and gas companies are able to make significant deductions and write-offs to lower their corporate income tax payments.

To better inform the public, investors and traditional owners, we urge the government to implement the Extractive Industries Transparency Initiative which includes detailed project level data.