

23 February 2023

Mr Brendan Pearson
Ambassador and Permanent Representative to the Organisation for Economic
Cooperation and Development (OECD)
Australian Delegation to the OECD
4 Rue Jean Rey
Paris 75724 Cedex 15

Dear Ambassador,

I write to you in relation to the review of the OECD Guidelines for Multinational Enterprises (MNE Guidelines) currently underway.

As you would be aware, the OECD MNE Guidelines have played a central role in maintaining an open trade and investment climate and achieving responsible business conduct outcomes. By setting clear and predictable standards for the private sector, the MNE Guidelines have assisted business to make sound business and investment decisions, benefitting the global community.

To this end, I am writing to you to express the Australian Chamber of Commerce and Industry's (ACCI's) serious concerns about the present review of the guidelines. ACCI shares the concerns expressed by Business at the OECD (BIAC) that this review – the first since 2011 and billed as a 'targeted update' – risks compromising those workable and practical features that have contributed to its usefulness and accordingly adoption by business.

In addition to the substantial re-writing of some chapters, which go beyond the targeted scope of changes originally envisaged, the extension of due diligence expectations to the downstream part of the value chain and added complexity for business through the incorporation of 600 pages of Due Diligence Guidance documents are concerning. Further uncertainty for business through the inclusion of references to vague and subjective criteria such as 'undue influence' and 'just transition' further heighten these concerns.

The enclosed submission by BIAC, which ACCI endorses, outlines these concerns in further detail.

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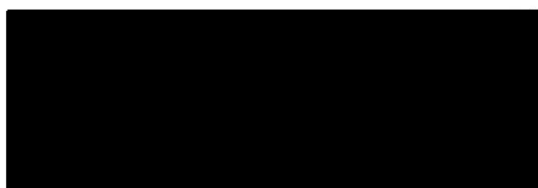
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As the global economy works to recover from the effects of the Covid-19 pandemic, supporting business confidence should be a high priority for regulators and policy makers. Unfortunately, the MNE Guideline update falls short of this objective. If left unaddressed, the review risks undermining the confidence of Australian business to grow trade and investment relationships in our immediate region. This would be counter to the OECD's own objectives to grow these relationships.

ACCI urges the Australian Government to give consideration to these important matters as the update progresses.

Yours sincerely,



Andrew McKellar
Chief Executive
Australian Chamber of Commerce and Industry