



CICTAR ANNUAL REPORT 2022

About us

The Centre for International Corporate Tax Accountability and Research (CICTAR) is an activist think tank and global research centre that conducts targeted, forensic research on corporate tax avoidance, money flows and irregularities. We use this research to support existing campaigns run by our partners, mainly unions but also civil society groups. By building links between the tax justice movement, organised labour, and other social movements, we build public and political pressure in countries where opportunities exist to stop tax avoidance and change national and global tax rules.

Summary

In 2022 CICTAR published six major reports and provided a number of shorter briefings and documents to our partners for internal use. We also developed one further report that was released in early 2023. Our research delved into corporate tax practices in long term care, outsourcing of public administration (including by Amazon, Microsoft and McKinsey) and the global fast-food giant, McDonald's. We attracted global media attention and generated growing awareness and trust of CICTAR's work. Our research was drawn upon in submissions to several government enquiries where our input shaped public policy (particularly in Australia). It also created significant public debate, including among investors. We followed up our research with regular training and support activities with partners and initiated discussions with unions partners in both Africa and Latin America, where we are now scoping specific global companies active in those regions.

Key areas of activity

Long Term Care

CICTAR played a significant role in advancing union campaigns for social care reforms in Australia, France and the UK in 2022. We attracted widespread media coverage across three continents. Our work is framing a global push for transparency in public funding for social care and exposing profiteering that erodes both public health and workers' rights. We have successfully shifted public policy, particularly in Australia, where our work has helped to establish important global precedents.

Australia

In Australia, CICTAR [launched a report](#) covering a series of case studies, building on CICTAR's three previous reports on aged care, to demonstrate the urgent need for government reforms to require transparency and public accountability on federal aged care funding. This report was coordinated with both the Australian Nursing 7 Midwifery Federation (ANMF) and the United Workers' Union (UWU). UWU used the report to help mobilise age care members for strike action. Within a week of the launch of the report the Australian Labor Party (ALP) announced a five-point plan for improving aged care, including wage increases, mandated staffing levels, and transparency and accountability measures on public funding. While multiple factors have been involved, there is little doubt that CICTAR's research and campaigning by our union partners in Australia have contributed to the election of a Labor government with a clear platform to reform care. The experience in Australia can serve as a template for CICTAR's role, working with unions to help drive reform elsewhere in the world.

CICTAR also provided an internal report to the New South Wales Nurses & Midwives' Association (NSWNMA; a branch of the ANMF) that was designed to help support a campaign against the privatisation of Aged Care Assessment Teams (ACAT) at the state level. The focus of this report was an Australian company (APM) with global operations in the privatization of social services and of possible interest to several unions.

CICTAR's work with CPSU has also contributed to an ALP campaign platform commitment, now government policy, to reduce labour hire and other forms of outsourcing and privatisation in the federal public service for \$3 billion in savings. This work will continue and is tied to broader global work on IT outsourcing, with CICTAR participating in, and shaping the outcomes of, Senate enquiries into job security and the capability of the Australia public services. CICTAR's work on Uber also contributed to new government reforms to regulate work in the 'gig' economy.

Additionally, the ALP also committed to multinational tax reform proposals, most significantly including a pledge to implement public CbCR for all multinationals operating in Australia. With our union partners, CICTAR will push for this to happen soon and to follow the GRI tax standard. Such a reform would have significant global implications. Draft legislation is expected in March 2023 for a 1 July 2023 implementation. Australia is set to be a world leader in mandating public CbCR, moving significantly faster and further than the European Union and setting a new global standard for others to follow. CICTAR, with allies, has spearheaded the push for public CbCR in Australia and mobilised international support and engagement for the effort.

UK

At the end of July, 2022 CICTAR published a [briefing](#) on the offshore ownership of care homes in the UK, highlighting how such ownership structures threaten the ability of workers and citizens to identify, negotiate with, or influence the owners of an essential part of the UK's national infrastructure. The story was developed in support of a civil society coalition campaign for greater

transparency and was well covered in [a piece in the New Statesman](#), with extensive quotes from CICTAR.

The next major CICTAR study on a care sector company in the UK, focussing on the extraction of profit from the care sector through real estate, was completed (including legal review and all technical checks) by the end of November. A webinar was held in December, for more than twenty-five union and civil society representatives, in order to build understanding of the issues covered ahead of the launch. The report was launched in early 2023 and referenced in an [editorial in the Guardian](#). More in-depth media coverage is in the pipeline.

France

In February 2022 we launched a [major report](#) (in both French and English) looking at ORPEA, Europe's largest care home operator. The report was developed in partnership with the healthcare divisions of the two major French union federations, CFDT and CGT who have both shown a high and consistent level of commitment to promoting the report in the media and using it for advocacy. The coordination between the two unions in a single campaign is notable in the context of the French industrial relations system, and CICTAR was key in the success of this intervention.

The report exposed how the publicly listed French company has built a property empire, through complex and opaque structures, while understaffing and diverting public funds. The report built on a major exposé of ORPEA in a recently published book by a well-known investigative journalist and was launched at speed to take advantage of the public interest. Despite being launched on the same day as Russia's invasion of Ukraine, the report still attracted significant media coverage including in [Le Monde](#).

The report was designed to provide a basis for campaigning and advocacy, with government enquiries underway into the funding of care sector. The largest shareholder in ORPEA is the Canada Pension Plan (CPP) and our Canadian union partners, CUPE and NUPGE, both issued statements highlighting the report and demanding a move to greater transparency and public ownership. CICTAR facilitated the publication of an [opinion piece](#) on the role of Canadian public pension plans in private for-profit care in Europe and Canada and the cross-Atlantic union collaboration continues to develop.

As follow up to the ORPEA report we have worked with our French union partners on a dual strategy: Firstly, to keep the media focus on ORPEA as an emblematic example of how financialisation in the care system fails. Secondly, we plan to build a wider narrative, in France and across other European countries, on how the for-profit care system is failing and the need for broader reform, starting with transparency.

Regarding the first of these, we provided a short briefing note ahead of the ORPEA's (delayed) annual accounts to direct journalists towards the information that we knew would be missing. We also carried out targeted research to reveal how ORPEA had created a joint venture with a sovereign wealth fund owned by the Russian government in what may be a violation of sanctions on Russia.

This was covered in [a piece](#) by Victor Castanet, the investigative journalist who originally broke the ORPEA scandal. We also provided input to (and are quoted in) [a piece by 'Investigate Europe'](#) which revealed further dodgy dealings by ORPEA in Italy and was followed up by [the most damning set of revelations](#) yet. Both Investigate Europe pieces were published in partnership with media outlets in multiple European countries, in several languages. Future collaboration with Investigate Europe and Bloomberg on care sector stories is very likely.

Towards the end of 2022, we saw trading suspended in ORPEA and announcements of a new CEO and significant restructuring, as the company fights to survive the fallout from the various revelations. We continue to track developments, alongside our French union partners and will consider future interventions as the situation unfolds.

After what is essentially a bailout, ORPEA is now majority owned by a French government-controlled investment fund, CDC, and appears to be seeking to re-establish improved relationships with CGT, CFDT and other stakeholders. However, ORPEA's situation will need to be monitored as it inevitably sells off real estate to pay down debts. The new CEO has admitted that the company had saddled itself with excessive and unmanageable debt due to rapid acquisitions and real estate investment, as documented in CICTAR's initial report.

Belgium and Netherlands

With our first shared objective (establishing ORPEA as a public example of how financialisation fails) well and truly achieved, we are holding discussions with potential partners, including unions in Belgium, the Netherlands and Germany, to develop the next stage of work. This will involve an examination of the role of one or more property companies, and how they enable the financialisation of care. As was the case in the Care UK report, excessive profits are extracted via real estate instead of funding for improved staffing levels, increased pay and acceptable levels of care for elderly residents. The research was initiated towards the end of the year. The analysis will build on previous CICTAR work, providing a broader sectoral approach as well as targeting specific companies.

Tax transparency and Public Country by Country Reporting (pCBCR)

Public Services International (PSI), the broader labour movement, CICTAR and the tax justice movement have long championed greater corporate transparency and have invested in the creation of the Global Reporting Initiatives (GRI) Tax Standard 207. GRI 207 is now the most comprehensive standard for public CBCR that exists. Almost every CICTAR exposé to date has included the same conclusion: That we need far greater financial transparency to ensure that governments and citizens can see how multinational companies operate globally and hold them to account. Global union federations such as PSI have promoted adherence to the GRI standard in global framework agreements and the GRI has promoted the standard to corporations. Through 2022 CICTAR has worked with PSI, Pensions & Investment Research Consultants Ltd (PIRC; an investment advisory firm in the UK), the US FACT Coalition and other partners to gather support from investors for corporate transparency as a tactic to divide corporate influence and shift investor and business attitudes and practices on corporate tax and transparency issues.

PIRC Partnership

Following a discussion with the Steering Committee, CICTAR launched a partnership with PIRC (originally set up by public sector pension funds) in November 2021 to develop targeted shareholder campaigns to challenge corporations on tax transparency. This was designed to build on previous work to bring investors, including large public sector pension funds, together in support of promoting and broadening adherence to GRI 207. Through 2022 this partnership has enabled us to deliver several important outputs, outlined below. The long-term aim of this work is to reduce the power of corporate lobbying against tax transparency reform, normalise GRI 207 as the go-to transparency standard, and to help drive mandatory tax transparency reporting at the country level. Targeting specific companies with poor industrial relations and with major government contracts assists with other union campaigns, such as against Amazon or the care sector.

Amazon

The first public target for the work with PIRC was Amazon. Two institutional investors, including the Greater Manchester Pension Fund, agreed to put forward a resolution. Amazon attempted to block the filing through the US regulator, the Securities & Exchange Commission (SEC; previous attempts to file shareholder resolutions on tax transparency have fallen at this hurdle), but CICTAR and PIRC successfully worked with a US lawyer and US unions to persuade the SEC that the resolution should go ahead. This work has significantly increased CICTAR's profile with several US unions and tax reform/social justice allies. A key component of the theory of change has been to use the more progressive thinking of European investors to leverage change in investor attitudes in North America and globally.

Following a series of briefings and direct outreach, the vote was eventually supported by 21% of independent shareholders, including some of the world's largest investors, such as CalPERS (largest US pension fund) and Norges Bank. 21% of the vote is widely regarded as a game changing number (the initial target was 5%) and garnered significant attention in the financial media, most notably a [piece in Forbes](#) which concluded that the outcome of the vote signals that 'we are in a new world'. The SEC decision paves the way for similar filings at other major companies.

In advance of the vote, CICTAR [released a report](#) in partnership with TaxWatch in the UK, exposing Amazon's growing share of public contracts across the globe, predominantly for cloud computing services via its subsidiary, 'Amazon Web Services'. This report contrasted Amazon's track record of tax dodging with its reliance on public money. The report was published to put pressure on the company ahead of the vote and was featured heavily by the [Guardian in the UK](#), Australia, and covered in multiple [other publications](#).

Microsoft and Cisco

In July 2022 further shareholder resolutions were filed at Cisco and Microsoft, [as reported by Forbes](#). We launched [a report](#) ahead of the vote at Microsoft, which reveals new information on the firm's global financial structures, including how Microsoft Global Finance – a tax resident of Bermuda with no registered employees – has reported billions in profits, while paying no taxes. The analysis contrasts this capture of public money with its record of tax minimisation. The report received significant coverage, including pieces across Europe, Asia, Africa and the Americas. Analysis of the

strongest 18 pieces of coverage showed that the core messages reached a potential audience of 993 million people, as well as significant engagement on social media, thanks to the support of our partners and allies. Some examples of the reporting include [a report from ABC in Australia](#) which was backed up by an excellent [explanatory video](#) by the reporter involved. We also saw [this video explainer](#) from India and CICTAR's Principal Analyst, Jason Ward, was interviewed by CNBC Africa for [a segment](#) that was broadcast across the continent. More specialist coverage included a [piece in Tax Law360](#) and [in Tax Notes](#) as well as in the [specialist computing press](#). Beyond the media, we saw the report being used and promoted by allies such as [CPSU in Australia](#), the FACT Coalition in the US and [PIRC](#) in the UK. Jason Ward was also invited to make a presentation on our report to the [UN Tax Committee](#).

The report, and attention that it created, helped to increase the pressure ahead of a shareholder vote at Microsoft and Cisco's annual meetings in late November, where 23% of Microsoft shareholders voted in favour and 27% at Cisco. There is potential for further follow-up work, based on the report, with interest in several countries for additional, more focussed research to support national campaigns. One example is a subsequent feature [article](#) from 22 January 2023 covering an unpublished update to CICTAR's Microsoft report in the Globe & Mail, Canada's largest newspaper.

IT and Public Procurement

The Amazon report and shareholder vote provide a potential model for future actions to highlight the growing role of tax-dodging tech companies in public procurement. In June 2022 CICTAR delivered a major piece of work (funded by the Friedrich Ebert Stiftung (FES)), for our partner PSI, surveying some of the most significant information technology (IT) contractors operating in the government services sector, including Microsoft, Accenture, Oracle and Infosys. It mapped the growing footprint in different countries as well as the record of tax dodging. This research will provide PSI and CICTAR with the basis for further, targeted work along similar lines to that on Amazon, in partnership with unions in multiple countries. This work builds on CICTAR's collaboration with the Community and Public Sector Union (CPSU) in Australia to oppose privatisation of core government services to Accenture, Oracle and other global IT giants.

Other research and reports

As well as work targeting specific sectors, or linked to a wider strategy, CICTAR has also continued to work with union partners reactively where there is an opportunity to link a breaking story or scandal to our wider work, or to support specific campaigns of those partners.

Uber

In November 2021, working with the FIRST Union and E tū in Aotearoa/New Zealand, CICTAR released a [further report on Uber](#), following our initial research into Uber with the Dutch trade union confederation FNV. The New Zealand report builds on analysis in Australia looking at how the complex global arrangements of Uber impacts workers and civil society in this country. This report supported a successful legal challenge to establish the employment status of Uber workers. In November, CICTAR was invited to provide expert testimony in support of a class action taken against

Uber in the federal Court of Australia to classify drivers as employees. In July 2022, CICTAR's work was featured in [articles from the International Consortium of Investigative Journalists \(ICIJ\)](#) as part of the larger 'Uber Files' story regarding Uber's use of hyper-aggressive lobbying strategies to open and exploit new markets across the globe.

McDonald's

In March, after an extended period of development, War on Want [launched a report](#), co-branded with CICTAR, on McDonald's new tax dodging scheme, now structured through the UK. This work has provided further support to the case against McDonald's, which is in dispute with unions in the US and across the globe over labour rights. Towards the end of the year, McDonalds paid a record-breaking fine in France for tax avoidance.

Government contracting and outsourcing

Building on a scandal in France, CICTAR provided a brief on McKinsey's growing government contracts and tax avoidance in Australia on the eve of the election. The analysis was covered in both French and [Australian media outlets](#).

CICTAR prepared a report with CUPE in Canada, looking into tax dodging by global food service giants, Compass, Sodexo and Aramark. CUPE will use this report in its campaign to stop outsourcing of food services in public higher education and brings those services back in-house. Launch of the report was delayed until after the provincial election in Ontario. Although the election results were not good overall, our CUPE contact was elected as an MP.

We have continued work with the MUA (with funding from the ITF, support from the Teamsters in the US and in coordination with UWU) on Moorebank Intermodal Company (MIC) in Australia and future 'intermodal' sites. MIC is a government-controlled entity whose management has been handed over to private politically connected interests with a history of union-busting. In the post-election context there may be future opportunity to re-visit this work with union partners and interest from the Australian Democracy Network in using this as an example of the need for greater disclosure on political contributions. Intermodal sites are increasingly shifting unionised labour from waterfronts and are large and growing employment centres and critical to logistics and supply chain operations.

Capacity Building

CICTAR has worked with unions to build capacity through various webinars and training, for example, the provision of two pre-recorded sessions on tax for the Global Labour University, participation in the PSI social care webinar series and the PSI global unions tax meeting. CICTAR has also assisted unions behind the scenes and has recorded two podcasts, one with EPSU and one with the Tax Justice Network's 'Taxcast'. We have worked with Séverine Picard, a specialist consultant working with PSI, to plan CICTAR's role in a training programme to build understanding and capacity on tax justice across the labour movement. CICTAR participated in a PSI meeting of African

healthcare unions in Lagos in November 2022 and this has led to an emerging partnership with a Kenyan healthcare union.

Staff

After just over a year with CICTAR, Dr Claire Parfitt has moved on from CICTAR to take up a lectureship at Sydney University. Claire contributed significantly to CICTAR's work, including developing the report on Glencore, the research into the growth of global IT firms in public contract and most recently the report on Amazon. Claire was replaced in the short term, by Bronwyn (Bron) Lee, who has a background of working on tax and with trade unions. CICTAR will recruit a long-term researcher and coordinator in early 2023. Ben Conway, who was been supporting CICTAR on communications (in a shared position with the PSI Asia and Pacific regional office) also left CICTAR, after relocating to the UK and finding a new (full-time) position. The communications role has been picked up by Patrick Orr on a consultancy basis initially, with plans to make this a permanent position once CICTAR has established itself as a legal entity in the UK (see below).

To support our work with European partners we have developed long-term arrangements with two expert consultants, Mike Lewis and Vivek Kotecha. By putting arrangements in place to ensure that we have access to this expertise (including language skills) we are able to engage with more potential partners in discussions about future opportunities with confidence we will be able to deliver.

Organizational development and growth

Until 2022, CICTAR has been hosted by PSI (outside the UK) and the Tax Justice Network TJN (in the UK). We are grateful for their support. As CICTAR has grown and developed it became clear that that it would be necessary to establish as a legal entity, to allow further growth and more direct management of finances. In 2022 we initiated a number of activities designed to support this organisational shift and allow us to grow our work and our impact in future.

In June 2022, following a period of research and consultation, a proposal for establishing a new organisation was approved by the CICTAR Steering Committee. The agreement was to establish in the UK as a non-profit 'company limited by guarantee' (CLG) and this agreement was implemented in November 2022. This structure will allow CICTAR (through the formal Articles of Association) to continue to be governed in much the same way as previously, with a core management group providing day-to-day decision making, and a steering group providing strategic oversight. PSI will continue to provide some support outside the UK, in terms of receiving and spending funds and employment of staff.

Using the organisational development grant provided by the Laudes Foundation, we have initiated a formal process of review and forward planning, with the support of an external agency, [Purpose Union](#). Purpose Union were selected after a call for proposals and will use a series of structured interviews (with participants both internal and external to CICTAR), group sessions and feedback to develop a review and lesson learning document and a forward-looking planning document to provide practical guidance on how best to invest resources to build on the success to date. These

outputs will guide our planning and implementation in 2023 and will also act as the basis for any proposals for long-term funding.

Finally, at the end of 2022 we initiated a process to review and refresh the CICTAR website, with the new site to be launched in early 2023.

All of this work puts us in a strong position in 2023, and beyond, to build on the work and achievements to date. We have demonstrated that CICTAR's model of work with trade unions, providing forensic research, targeted to support specific campaigns can be effective, both in achieving immediate impact (as we have seen with ORPEA in France) and in supporting longer term change (as we have seen with regulatory reforms in Australia). In 2023 we will be seeking to expand our supporting group on union partners and we invite any potential partners, who see a role for the work that we do, to get in touch.