



## FOR A MORE TRANSPARENT AND ACCOUNTABLE MINING SECTOR

# ACCOUNTABLE MINING

**Australia's mining sector is not immune to corruption. By working collaboratively to strengthen transparency and accountability, we can ensure it performs to the highest standards of integrity.**

Mining is an important part of Australia's economy and society, with a long history. Though Australia is a mature mining jurisdiction, its mining sector is not immune to corruption.

For mining to fully benefit the public interest and minimise negative impacts on the environment and communities, its operations must be transparent, accountable, and participatory.

[Transparency International Australia's research](#), focused on Queensland (QLD) and Western Australia (WA), has identified several critical corruption risks. If these risks are not addressed, they threaten to undermine the integrity of the mining sector and our public institutions - and could result in harm to our communities and environment.

By working together to embed more transparency and accountability into mining approval processes we can help ensure Australia's mining sector performs with the highest degree of integrity.

This factsheet series covers:

### **DUE DILIGENCE**

What is the track record of a mining company?

### **ENVIRONMENTAL IMPACT STATEMENTS**

Who writes an environmental impact statement and how are they verified?

### **UNDUE INFLUENCE AND POLICY CAPTURE**

Are mining approval decisions made in the public interest?

### **STATE AGREEMENTS**

How transparent are the State Agreements negotiated between a government and a mining company?

### **NATIVE TITLE AGREEMENTS**

How transparent is the negotiation process between a mining company and Indigenous parties?

# CORRUPTION RISKS

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## INADEQUATE DUE DILIGENCE

This is a risk in WA (exploration licences, mining leases and State Agreements) and QLD (mining leases and coordinated projects)

Inadequate due diligence on past conduct and compliance and a lack of examination of beneficial owners creates a risk of companies with a history of corruption or non-compliance being granted the right to mine in Australia.



## LIMITED INDEPENDENT VERIFICATION OF ENVIRONMENTAL IMPACT STATEMENTS

This is a risk in QLD (coordinated projects)

When an environmental impact statement (EIS) and the modelling systems used to predict environmental or social impact are not independently verified, there is a risk that approvals could be given or denied based on incorrect assumptions. If the EIS process is not transparent and accessible to the public, there is a risk that communities will not be able to engage with the process or advocate for their interests.



## UNDUE INFLUENCE AND POLICY CAPTURE

This is a risk in WA (State Agreements), and QLD (coordinated projects)

Political donations and funding, high-powered lobbying, and 'revolving doors' all exacerbate risks that laws and regulations relating to mining approvals will be influenced for the benefit of the mining industry at the expense of the public interest.



## LACK OF TRANSPARENCY OF NEGOTIATION PROCESS

This is a risk in WA (State Agreements)

No information regarding the negotiation and operation of State Agreements (a contract between the state of WA and a developer) is made available to the public prior to the agreement being made. The lack of public accountability creates a risk of agreements having terms that are favourable to the company but that may not be in the public interest.



## LACK OF TRANSPARENCY AND ACCOUNTABILITY FOR NATIVE TITLE AGREEMENTS

This is a risk in QLD and WA

The lack of transparency and accountability in native title negotiations creates a risk that agreements might prioritise the company's interests and one group or individual's interests above the broader community's interests. This is compounded by an imbalance of power and resources between mining companies and native title parties.

# A MORE TRANSPARENT AND ACCOUNTABLE PROCESS

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## THOROUGH DUE DILIGENCE

- Governments should develop and adopt a thorough due diligence process to assess the corporate character of mining licence applicants, including investigations into beneficial ownership and historical economic, social and environmental performance.
- Mining companies should have strong anti-corruption controls and demonstrate business integrity at the approvals stage, including being transparent about their beneficial owners.



## INDEPENDENT VERIFICATION OF ENVIRONMENTAL IMPACT STATEMENTS

- Governments should ensure that environmental and social impact assessors have the appropriate qualifications and experience to conduct the assessments by requiring [mandatory certification of impact assessors](#).
- Governments should ensure the EIS for a high-risk mine is independently verified.



## CONTROLS AGAINST CONFLICTS OF INTEREST AND UNDUE INFLUENCE

Governments should strengthen integrity controls so that there is:

- Greater transparency over political donations and lobbying.
- Improved oversight of ministerial or senior government discretion to ensure there are adequate checks and balances and transparent criteria for decision-making.



## TRANSPARENT STATE AGREEMENTS

Governments need to mandate and support:

- Greater transparency in the negotiation process for State Agreements, including: public notification of the terms of the negotiation prior to an agreement being entered into; and public opportunity to comment on applications or challenge decisions.
- Greater ministerial oversight over the State Agreement negotiation process including: increased opportunity for parliamentary debate before ratifying agreements to ensure that ministers are accountable to the public for the decisions they make; and greater transparency around company proposals and government approvals which occur under an Agreement.



## ACCOUNTABLE NATIVE TITLE AGREEMENTS

- Higher levels of transparency and accountability in native title negotiations to reduce the risk that those negotiating with a mining company on behalf of a native title party will not represent community members' interests.
- Increased transparency of the content of agreements between mining companies and Indigenous parties to increase the accountability and integrity of benefit sharing and to safeguard Indigenous cultural heritage.

We are part of Transparency International's Accountable Mining Program, a network of Transparency International offices in over 20 resource-rich countries. Together we are shining a spotlight on the corruption risks at the start of the mining value chain in the process of approving mining licences and permits.

Find out more: [transparency.org.au/global-mining](https://transparency.org.au/global-mining)

## FAQ

### 1: WHAT IS CORRUPTION?

Corruption is the abuse of entrusted power for private and political gain. Whether it be grand or petty, involving powerful individuals or low-ranking officials, corruption involves putting one's own benefit above the best interest of the people your position is supposed to serve.

### 2: WHO ELSE WORKS ON ANTI-CORRUPTION IN MINING?

Our focus on the start of the mining value chain complements the growing global movement for corruption-free mining, including the Extractive Industries Transparency Initiative and Publish What You Pay. Our global program also engages with the Natural Resource Governance Institute, the Open Government Partnership, the World Bank Extractive Practice, and the International Council on Mining and Metals.

### 3: ARE YOU TRYING TO FIND OUT WHO IS CORRUPT?

We are not looking at specific cases of corruption or corrupt individuals. Our work is focused on the corruption risks - weaknesses in the process of approving mining licences that enable corruption to occur. We want to prevent corruption before it occurs by tackling the legal, administrative, and institutional causes of corruption risks. We are doing this by promoting a more transparent and accountable process.

### 4: WHAT KIND OF MINING APPROVALS PROCESSES ARE YOU ASSESSING?

In WA: exploration licences, mining leases, State Agreements and native title agreements (expedited process and right to negotiate).

In QLD: mining leases and coordinated projects.

Find out more about these processes in our series of [process maps](#).

#### DISCLAIMER

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