

21 August 2020

Resources Sector Regulation
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne Vic 8003

Dear Commission Members

TRANSPARENCY INTERNATIONAL AUSTRALIA'S SUBMISSION ON THE PRODUCTIVITY COMMISSION'S RESOURCES SECTOR REGULATION DRAFT REPORT

Transparency International Australia is pleased to submit its comments to the Productivity Commission on its Resources Sector Regulation Draft Report (Draft Report).¹

TRANSPARENCY INTERNATIONAL AUSTRALIA

[Transparency International \(TI\)](#) works together with governments, businesses, and citizens to stop the abuse of power, bribery and secret deals. As a global movement with one vision, we want a world free of corruption. Through chapters in more than 100 countries and an International Secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.

[TI Australia \(TIA\)](#) is the national chapter of TI, and fully supports TI's [Vision, Objectives and Guiding Principles](#) and [Mission and Strategy](#).

TIA is registered with the Australian Charities and Not-for-Profits Commission (ACNC).

TRANSPARENCY INTERNATIONAL'S ACCOUNTABLE MINING PROGRAMME

Transparency International's [Accountable Mining](#) programme² aims to enhance transparency and accountability in mining sector licensing processes. The programme is coordinated globally by TIA and led in-country by local partners (TI Chapters) in 20 resource-rich countries, including Australia. This work is funded by the BHP Foundation and Australia's Department of Foreign Affairs and Trade.

To combat corruption risks, the programme leads evidence-based, multi-stakeholder engagement at the national, regional and global levels to create change in laws, policy and the practices of key stakeholders and institutions in government, industry, civil society and communities.

Accountable Mining is focused on strengthening and improving systems to prevent and reduce corruption risks in the licence and approvals processes.

¹ Productivity Commission 2020, *Resource Sector Regulation, Draft Report*.

² Formerly called Mining for Sustainable Development (M4SD).



The [global report](#)³ and a [global snapshot](#)⁴ (including [case studies](#)⁵) provides an overview of the research conducted by TI to identify and assess corruption vulnerabilities.

ACCOUNTABLE MINING AUSTRALIA

As part of the global Accountable Mining program, in 2017, TIA completed a corruption risk assessment of the mining licensing processes in Western Australia (WA) and Queensland (Qld). TIA is now implementing our locally developed national action plan to tackle the priority corruption risks identified through this research. The results from this research, including several case studies, are outlined in [a full report](#)⁶ and [snapshot](#)⁷. The full report contains an appendix with detailed flow charts mapping the approvals process on pages 68-76.

While Australia is a mature mining jurisdiction, the corruption risk assessment uncovered several corruption vulnerabilities in the mining approvals processes of WA and Qld. A summary table of the corruption risks identified in the research can be found in the [full report](#)⁸ on pages 54-55.

In particular, I draw your attention to the following relevant corruption risks:

1. **Inadequate due diligence on an applicant's integrity such as past unlawful conduct and compliance in jurisdictions outside of Australia.** This risk was analysed in relation to mining leases⁹ and coordinated projects¹⁰ in Qld and exploration licences, mining leases¹¹ and state agreements¹² in WA.
2. **Limited verification of the accuracy of environmental impact statements.** This risk was analysed for coordinated projects in Qld.¹³
3. **The risk of external interference in the Coordinator-General's recommendations, evaluations and imposition of conditions.** This risk applies to coordinate projects in Qld.¹⁴
4. **Limited transparency in agreement-making.** This risk applies to State Agreements in WA.¹⁵

TIA would like to see these corruption risks addressed and have included relevant recommendations for the Commission's consideration when producing its final Resources Sector Regulation report.

TRANSPARENCY INTERNATIONAL AUSTRALIA'S POSITION

If corruption occurs in the Australian mining sector, the potential costs to the sector and to the community more broadly are significant. Therefore, it is necessary that mining approval processes across Australia have mechanisms in place to prevent corruption from occurring and ensure that the Australian mining sector is productive and trusted.

³ Transparency International Australia, 2017, *Combatting Corruption in Mining Approvals: Assessing the Risks in 18 Resource-Rich Countries*, <https://transparency.org.au/publications/combating-corruption-in-mining-approvals/>.

⁴ Transparency International Australia, 2017, *Corruption Risks in Mining Approvals: a Global Snapshot*, <https://transparency.org.au/publications/global-snapshot/>.

⁵ Transparency International Australia, 2017, *Combatting Corruption in Mining Approvals: Case Studies*, <https://transparency.org.au/global-mining/case-studies/>.

⁶ Transparency International Australia, 2017, *Corruption Risks: Mining Approvals in Australia*, <https://transparency.org.au/wp-content/uploads/2019/10/Australia-Report.pdf>.

⁷ Transparency International Australia, 2017, *Corruption Risks in Mining Approvals. Australia Snapshot: Mining for Sustainable Development*, <https://transparency.org.au/wp-content/uploads/2019/10/Australia-Summary-Report.pdf>.

⁸ Transparency International Australia, 2017, *Corruption Risks: Mining Approvals in Australia*, <https://transparency.org.au/wp-content/uploads/2019/10/Australia-Report.pdf>.

⁹ Ibid, p 28, 50-52.

¹⁰ Ibid, p 30-31, 50-52.

¹¹ Ibid, p 20-21, 50-52.

¹² Ibid, p 22-25, 50-52.

¹³ Ibid, p 33-35.

¹⁴ Ibid, p 31-33.

¹⁵ Ibid, p 23-25.



I draw the Commissions attention to a tool developed by Transparency International – The Mining Approvals Corruption Risk Assessment ([MACRA](#)) tool.¹⁶ This tool identifies approximately 80 known corruption vulnerabilities in mining approvals processes globally. We have also developed [factsheets](#) related to this work that I urge the Commission to consider as part of this submission.

I would be happy to discuss further and appear as a witness for the Resources Sector Regulation Productivity Commission.

TRANSPARENCY INTERNATIONAL AUSTRALIA'S RECOMMENDATIONS

TIA's recommendations in relation to the Productivity Commission's Draft Report on Resources Sector Regulation are outlined below.

1. RESOURCE MANAGEMENT (section 4)

1.1 Who should be granted a licence to explore and extract resources?

TIA commends the Commission on the inclusion of draft leading practice 4.2, which outlines the due diligence that should be done on potential licence holders to reduce the risk of non-compliance, including investigations into compliance in international jurisdictions.

Draft leading practice 4.2: *Thorough assessments of potential licence holders address the risk of repeated non-compliance. Leading practice involves regulators taking a risk-based approach to due diligence when granting or renewing tenements and considering:*

- *whether the applicant has previously failed to comply with licence conditions or health, safety and environment legislation (whether in the same jurisdiction, or in other domestic and international jurisdictions)*
- *past criminal conduct, technical competency and past insolvency.*

While all jurisdictions undertake some due diligence, none fully follows leading practice.

TIA encourages the Commission's consideration of a risk-based approach to beneficial ownership investigations using low cost and centralised mechanisms such as a centralised register of beneficial ownership or unique director identification numbers to allow the Australian Securities and Investments Commission and other regulators to track the same individual working for multiple companies.¹⁷

TIA would like to highlight that the success of risk-based regulation is dependent upon the information collected to assess risk. The inclusion of beneficial ownership investigations will assist a regulator in ensuring it is not granting a resource licence to politically exposed persons or to any with a history of corruption.

Furthermore, leading practice 4.2 would be strengthened by adding reference to best practice guidelines, such as:

- Licence to Drill: A Manual on Integrity Due Diligence for Licensing in Extractive Sectors (World Bank, 2018).¹⁸
- Beneficial Ownership Screening: Practical Measures to Reduce Corruption Risks in Extractives Licensing (Natural Resource Governance Institute, 2018).¹⁹

¹⁶ Transparency International Australia, 2017, *Mining Awards Corruption Risk Assessment Tool*, <https://transparency.org.au/publications/macra-tool/>.

¹⁷ Zuchetti 2019, cited in Productivity Commission 2020, *Resource Sector Regulation, Draft Report*, p 112.

¹⁸ C. Votava, J. M. Hauch, and F. Clementucci, *License to Drill: A Manual on Integrity Due Diligence for Licensing in Extractive Sectors* (Washington D.C.: World Bank, 2018).

¹⁹ E. Westenberg and A. Sayne, *Beneficial Ownership Screening: Practical Measures to Reduce Corruption Risks in Extractives Licensing* (New York: Natural Resource Governance Institute, 2018).



The Commission should also include licence transfers in draft leading Practice 4.2 so that companies are not able to bypass a government's due diligence requirements.

TIA recommends that draft leading practice 4.2, with the inclusion of TIA's further recommendations, be adopted as a recommendation for all Australian jurisdictions in the final report.

1.2 Managing resource development in the interests of the community

TIA welcomes draft leading practice 4.3, which supports increasing transparency and improving information available to the public to improve community participation and engagement. Community participation and oversight is an effective accountability measure and we encourage the Commission to include this leading practice in its final report.

Draft leading practice 4.3: *Where resources project proposals are contentious and generate intense public concern, establishing institutions, independent of resources companies and regulators, to provide accessible information to landholders and the broader community can help inform debate. The GasFields Commission, the Office of Groundwater Impact Assessment in Queensland and the Commonwealth's Gas Industry Social and Environmental Research Alliance provide examples in relation to coal seam gas developments.*

2. APPROVAL PROCESSES (section 6)

TIA's research found that a vulnerability in the environmental impact statement (EIS) process for Coordinated Projects in Queensland was the limited independent review of the scientific modelling used to make assessments. This vulnerability leads to the risk that there is limited verification of the accuracy or truthfulness of EIS. For more details on this risk, please refer to pages 33-35 of our report *Corruption Risks: Mining Approvals in Australia*.²⁰

One way in which this risk can be mitigated is by introducing a requirement for the EIS and each technical report to be signed off by an appropriately certified professional. We have outlined these recommendations in our upcoming publication *How should mining get the green light? A guide to stronger Environmental Impact Statements*.²¹

Requiring impact assessors to be professionally certified should lead to improved accuracy and rigour of an EIS, which would assist with government decision-making and may also reduce assessment times, thereby addressing concerns outlined in the Commission's report associated with project delays (draft finding 6.1 and 6.5):

Draft finding 6.1: *Unnecessary delays in project commencements can be costly for proponents and the community, and typically dwarf other regulatory costs.*

Draft finding 6.5: *Unpredictable and lengthy delays at the approval stage are a key frustration for project proponents. That frustration is compounded where delays are seen as unnecessary or their cause is unclear.*

Draft finding 6.2 and draft leading practice 6.1

Draft Finding 6.2: *Environmental impact assessments are often unduly broad in scope and do not focus on the issues that matter most. This comes with costs — the direct costs of undertaking studies and preparing documentation and the more significant cost of delay to project commencement. Disproportionate and unfocused environmental impact assessments are also of questionable value to decision makers and the community.*

²⁰ Transparency International Australia, 2017, *Corruption Risks: Mining Approvals in Australia*, <https://transparency.org.au/wp-content/uploads/2019/10/Australia-Report.pdf>.

²¹ At the time of writing this submission, we are in the final stages of completing this publication. We would be happy to share a draft version of this, in confidence with the Commission.



As the Commission noted in the draft report, our research conducted in 2017 found that the amount and complexity of information in an EIS is a barrier to public participation²². This has been confirmed through extensive stakeholder engagement under our Accountable Mining Project.

We welcome the inclusion of any leading practices and recommendations that promote public participation, including leading practice 6.1:

Draft leading practice 6.1: *Leading-practice environmental impact assessment involves application of a risk-based approach, where the level and focus of investigations is aligned with the size and likelihood of environmental risks that projects create. In practice this means:*

- *allocating different projects to different assessment tracks depending on their level of risk, which occurs throughout Australia*
- *thorough scoping, including community consultation, to identify which matters need to be investigated more or less thoroughly. The ongoing EIA improvement project in New South Wales shows movement in this direction*
- *terms of reference that focus on projects' biggest and most likely risks*
- *regulators that are empowered to focus on what matters most, for example through Statements of Expectations as occurs at NOPSEMA*

In particular, we welcome the inclusion of “thorough scoping, including community consultation” in this draft leading practice. We would like to emphasise the importance of meaningful community engagement early on in the process; ensuring that the public can understand when and how they can engage in the process; and ensuring that information is in an accessible format that the public can understand. The OECD *Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector*²³ is also relevant here. We believe that the Commission’s report could be strengthened by including reference to this guidance material.

Furthermore, in relation to a risk-based approach we recommend that:

- High risk technical reports within an EIS, or those potential impacts with high levels of public interest, are independently peer reviewed.
- The risk assessment methodology is transparent so that proponents and the public understand how risks are assessed, and that it is consistent so that proponents and the public can be confident that all applications are treated the same way.
- When assessing risk, the track record of the proponent is considered. For example, by investigating their historical compliance with environmental regulations both in Australia and overseas.

Draft leading practice 6.2 and 6.3

Draft leading practice 6.2: *Timelines, statutory or otherwise, provide proponents with information about how long regulatory processes ought to take, which supports project planning. They also focus regulators' attention, and public reporting of regulator performance in meeting those timelines is a means of keeping them accountable. For example, both Western Australia and South Australia report on the share of mining proposals and other approvals finalised within target timelines.*

TIA welcomes the inclusion of draft leading practice 6.2, specifically that it promotes transparency about timelines to both the proponent and the public. This draft leading practice could be further strengthened by including that the expected timelines should be realistic, as noted on page 165 of the Commission’s draft report.

Draft leading practice 6.3: *Leading-practice use of stop the clock provisions means placing limits on when they can be used — when matters emerge that were not contained in the terms of reference or could not*

²² Transparency International Australia, 2017, *Corruption Risks: Mining Approvals in Australia*, page 33, cited in Productivity Commission 2020, *Resource Sector Regulation, Draft Report*, p 154.

²³ OECD 2017, *OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector*, OECD Publishing, Paris, https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-meaningful-stakeholder-engagement-in-the-extractive-sector_9789264252462-en.



have been reasonably anticipated — and transparency about why the clock is stopped. No examples of leading practice have been identified.

TIA welcomes the inclusion of draft leading practice 6.3, specifically that it promotes providing clear rules for when stop the clock provisions can be used, and transparency about reasons why they are used. The draft leading practice could be further strengthened by adding that information should be made publicly available – both the limits of when the stop the clock provision can be used, and reasons why it is used.

Draft leading practice 6.4

***Draft leading practice 6.4:** The use of deemed decisions, whereby the assessment agency's recommendation to the final decision maker becomes the approval instrument if a decision is not made within statutory timeframes, is a leading-practice approach to reducing delays. At the same time, deemed decisions should be subject to limited merits review. No jurisdiction ticks both boxes — the Environment Protection Act 2019 (NT) introduced deemed decisions but does not allow them to be subjected to merits review.*

TIA supports the Commission's draft leading practice that deemed decisions be subject to limited merits review and encourages the Commission to include this as a recommendation for all relevant jurisdictions.

Draft leading practice 6.5

***Draft leading practice 6.5:** Clear guidance on regulators' expectations about the content and quality of environmental impact assessments reduces the need for additional information requests. Western Australia and Queensland are examples of leading practice in this area.*

TIA welcomes the inclusion of draft leading practice 6.5, in particular that it promotes the provision of clear guidance about the expected content and quality of environmental impact assessments. This could be further strengthened by adding that the guidance should be made publicly available.

Draft recommendation 6.1

***Draft recommendation 6.1:** The Environment Protection and Biodiversity Conservation Act 1999 (Cth) should be amended, in line with the Environment Protection and Biodiversity Conservation Amendment (Bilateral Agreement Implementation) Bill 2014 (Cth), to enable negotiation of bilateral approval agreements.*

We recognise the importance of promoting efficiency in approvals processes and removing duplication. We support initiatives to improve efficiency and remove duplication if there are adequate checks and balances in place to also ensure that risks are appropriately managed. In relation to bilateral agreements between states and the federal government, TIA does not support the complete devolution of decision-making power or process to the states and sees the federal government's involvement and oversight to be an important accountability mechanism.

Draft finding 6.6, draft leading practices 6.9 and 6.10

***Draft finding 6.6:** Project approvals are often conditional on the preparation of management plans that also need to be approved by regulators ('post-approvals'). The process and timelines for securing post-approvals are often unpredictable, and over-reliance on management plans is not a first-best approach to achieving environmental outcomes.*

TIA is concerned with the findings outlined in the Commission's draft report associated with post approvals, in particular:

- The use of the post-approval stage is expanding and that the process is unpredictable, lacking in accountability and causes delays.²⁴

²⁴ Productivity Commission 2020, *Resource Sector Regulation, Draft Report*, p 174.



- The matter that has been deferred for future consideration may be fundamental both to the approval and to the proponent's investment decision, in which case, it is a matter that should have been decided upfront.²⁵
- There is no assessment framework for the plan or report, such as regulatory timeframes, criteria or appeal against refusal.²⁶

Therefore, we welcome the inclusion of draft leading practices 6.9 and 6.10:

Draft leading practice 6.9: *Regulator decisions in the post-approval stage should be subject to timelines — statutory or otherwise — and regulator performance against those timelines should be publicly reported. The New South Wales Department of Planning, Industry and Environment has recently announced its intention to report on performance against timelines for post-approvals.*

Draft leading practice 6.10: *Clear guidance from regulators on the type and quality of information that post-approval documentation needs to include can help make the process more efficient. An example of such guidance is the Instructions on how to prepare Environmental Protection Act 1986 Part IV Environmental Management Plans produced by the Western Australian Environmental Protection Authority.*

We commend the inclusion of draft leading practices 6.9 and 6.10 in relation to its promotion of transparency and accountability of time frames in post approvals and providing guidance on regulator expectations. We also welcome the inclusion in the Commission's report on page 177 that "both general material and project-specific guidance should be made publicly available" and believe that draft leading practice 6.10 would be strengthened by adding this text.

Draft finding 6.7:

Draft finding 6.7: *Court cases brought by third-party opponents to resources projects may cause delay, but this does not imply that third parties should be excluded from seeking judicial review. Process-driven legislation creates opportunities for regulators to make invalid administrative decisions that open the door for judicial review.*

TIA supports draft finding 6.7 and agrees that third parties should not be excluded from seeking judicial review.

Draft leading practices 6.11 and 6.12

Draft leading practice 6.11: *Where approval decisions are made by unelected officials it is a leading-practice accountability measure that they can be subjected to merits review that allows for conditions and approval decisions to change to reflect substantive new information. The Environment Protection Act 2019 (NT) puts this principle into practice.*

TIA welcomes the inclusion of draft leading practice 6.11 as a way of improving the accountability of approval processes. TIA would urge the Commission to consider how the term "approval decisions" is defined and whether merits review would extend to decisions of unelected officials that impact approvals. For example, decisions made by the Coordinator-General in Queensland. TIA submits that the decisions of the Coordinator-General should be subject to merits review.

We would also like to comment on draft leading practice 6.12:

Draft leading practice 6.12: *Effective coordination among agencies within a jurisdiction reduces uncertainty, facilitates timely processing and minimises overlaps and inconsistencies. This can occur through:*

- *a lead agency or major project coordination office that provides guidance to proponents and coordinates processes across agencies (without overriding the decision-making capacity of other regulators). The coordination models in Western Australia and South Australia, and the case management system in Northern Territory have been highlighted as leading practice by study participants*

²⁵ Productivity Commission 2020, *Resource Sector Regulation, Draft Report*, p 176.

²⁶ *Ibid.*



- *cooperative arrangements between agencies. These include the use of memorandums of understanding, inter-agency working groups or taskforces such as those in Western Australia. South Australia's approach of using costs recovered from resources companies to pay staff in multiple regulatory agencies also supports faster approvals and better inter-agency communication.*

TIA would like to reinforce the importance of ensuring that the coordination office does not override the decision-making capacity of other regulators. There is concern that this could occur in Queensland under the coordinated project process because of the power of the Coordinator-General to impose conditions on approvals that cannot be contradicted by other regulators.

TIA would also like to make a general comment about State Agreements in Western Australia, which are discussed in the section preceding leading practice 6.12. TIA recognises the important role State Agreements have played in economic and resource development in WA. However, our research found several corruption risks around State Agreements relating to the lack of transparency in the agreement making process. Whilst State Agreements are publicly available once they are ratified by Parliament, there is no opportunity for the public to have input into the terms of reference or negotiations or challenge the agreement in courts. Further details about our research findings associated with State Agreements can be found on pages 22-25 of our report *Corruption Risks: Mining Approvals in Australia*.²⁷

3. MANAGING ENVIRONMENTAL AND SAFETY OUTCOMES (section 7)

TIA would like to make a general comment on the management of environmental and safety outcomes. We highlight the importance of robust whistleblower protections in line with best practice, both in the private and public sectors, to increase the likelihood that staff and contractors will speak up about poor conduct.

Draft leading practice 7.8

Draft leading practices 7.8: *Having financial assurance arrangements in place to cover rehabilitation, based on the risk the project poses to the taxpayer, provides incentives for companies to undertake rehabilitation and minimises the risk that governments will be left responsible. These arrangements are present in most (but not all) jurisdictions.*

TIA supports the inclusion of draft leading practice 7.8. We believe that the Commission's report could be further strengthened to specify that when assessing the project risk, one important aspect to consider is the environmental track record of the proponent in both Australia and overseas jurisdictions.

Draft finding 7.2, draft leading practices 7.4, 7.4 and 7.6

Draft finding 7.2: *Limited transparency in most jurisdictions means that evidence about the effectiveness of compliance monitoring and enforcement activity is limited. This situation risks damaging public confidence in the regulation of projects.*

TIA are concerned about the limited transparency outlined in the Commission's draft finding 7.2. therefore, we welcome the inclusion of draft leading practices 7.3, 7.4 and 7.6, all of which promote transparency.

Draft leading practice 7.3: *Regular public-facing statements describing regulators' compliance activities and lessons learned from them, such as the New South Wales Resource Regulator's Compliance Priorities Outcomes reports, or NOPSEMA's The Regulator magazine, help to improve community confidence in the sector's regulation. Regulators should also inform the community of any contraventions that may have put the environment or community at significant risk, and any actions they have taken in response. The New*

²⁷ Transparency International Australia, 2017, *Corruption Risks: Mining Approvals in Australia*, <https://transparency.org.au/wp-content/uploads/2019/10/Australia-Report.pdf>.



South Wales Resource Regulator's investigation information reports, and its publication of enforceable undertakings, are good examples.

Draft leading practice 7.4: *Public registers of activities with offset obligations and the projects developed to fulfil them provide valuable transparency about the application of offset policies. Information on offset projects should include their biodiversity values, location, date of approval, completion status, and follow-up evaluations of benefits. Where companies fulfil their offset obligations by paying into a fund, the register should include the size of the payment. Western Australia's offset register is a leading-practice example.*

Draft leading practice 7.6: *Science-based implementation strategies for the use of offset funds are key to achieving their intended purpose. These should have regard to any existing recovery plans for relevant species, and be publicly available. Queensland's Brigalow Belt offsets tender project is a leading-practice example.*

4. COMMUNITY ENGAGEMENT AND BENEFIT SHARING (section 9)

TIA supports measures that encourage community engagement to increase the accountability of a government's management of natural resources and to reduce any adverse effects of resource extraction. TIA also supports increasing transparency and accountability to the public as a way of reducing corruption risks and increasing public trust and confidence in the sector.

In this context, TIA recommends that the Commission further consider the *OECD Guidelines on Multinational Enterprises*²⁸ and its associated guides on due diligence (particularly the 2017 *Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector*²⁹). These guides correlate with the themes within the Commission's Draft Report³⁰ but they have additional significance based on the Australian Government's international commitment to 'recommend to multinational enterprises operating in or from their territories the observance of the Guidelines'.³¹

TIA supports the Resources Law Network's submission dated 21 August 2020 (paras [26]-[29]) on the Commission's Draft Report regarding the reconsideration of draft finding 9.4, that 'guidance available to companies ... on how to engage with communities and other stakeholders ... cover similar themes, *and there is no one leading practice set of guidelines*'. TIA also encourages the Commission to bring the OECD Guidelines, particularly the *OECD Guidelines on Multinational Enterprises*³² and *Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector*³³, to the attention of both regulators and companies.

In addition, TIA would like to note that the word "gender" can only be found in the Commission's Draft Report once.³⁴ We encourage the Commission to place more emphasis on gender, particularly in relation to community engagement and benefit sharing.

²⁸ OECD, 2011, *OECD Guidelines for Multinational Enterprises*, OECD Publishing, https://www.oecd-ilibrary.org/governance/oecd-guidelines-for-multinational-enterprises_9789264115415-en.

²⁹ OECD 2017, *OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector*, OECD Publishing, Paris, https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-meaningful-stakeholder-engagement-in-the-extractive-sector_9789264252462-en.

³⁰ Productivity Commission 2020, *Resource Sector Regulation, Draft Report*.

³¹ OECD, 1976, *OECD Declaration on International Investment and Multinational Enterprises*.

³² OECD, 2011, *OECD Guidelines for Multinational Enterprises*, OECD Publishing, https://www.oecd-ilibrary.org/governance/oecd-guidelines-for-multinational-enterprises_9789264115415-en.

³³ OECD 2017, *OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector*, OECD Publishing, Paris, https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-meaningful-stakeholder-engagement-in-the-extractive-sector_9789264252462-en.

³⁴ Productivity Commission 2020, *Resource Sector Regulation, Draft Report*, p 135.



CONCLUSION

In summary, TIA strongly supports enhanced transparency and accountability in resources sector regulation. Enhanced transparency and accountability measures not only reduce corruption risks, they create more certainty for the industry and increased investment attractiveness.

We hope that this submission will prove to be of benefit to the important work of your committee.

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Transparency International Australia