

# Fuelling injustice:

Women's rights and Australian coal mining in Africa

# Acknowledgements

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Mavuso Mkhatshwa (84) lives close to the Imbabala Coal Mine in South Africa.

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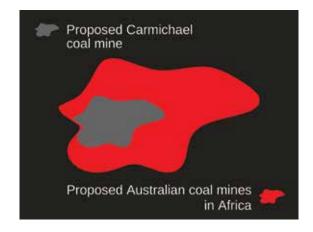
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# **Executive Summary**

In the past decade, Australia's mining presence in Africa has rapidly expanded. Politicians and the industry alike have argued that this expansion will support sustainable development, and could permanently lift millions of people in Africa out of poverty. This claim, however, has been made in the absence of adequate publicly accessible data on the location, scale, and impacts of Australian mining projects in Africa. In particular, there has been little data on the scale of Australia's fossil fuel interests in Africa.

This report draws on recently released data to assess these claims for the first time, and finds that Australia has significant coal interests in Africa. It finds that coal is the second most prevalent commodity invested in by Australian companies, and that the potential carbon liability is enormous: these projects have coal reserves three times that of the proposed Carmichael mine in Queensland. Their total emissions potential is at least 18% of the entire global carbon budget to give a reasonable chance of limiting global warming to no more than 1.5 degrees.



In addition, Australia's significant coal interests in Africa raise major questions about the potential risk of violations of human rights, and especially women's rights, that may be occurring as a result of insufficient transparency and regulation of the industry by the Australian Government.

The extractives industry in Africa has been linked to major human rights violations, and women have faced the worst impacts. The sector has been found to contribute to gender-based violence, increased HIV rates, displacement of communities, environmental degradation, and severe and chronic health problems. The coal industry in particular has had major impacts on women's unpaid labour due to the significant pollution it causes

#### **Key Findings**

- For Australian companies in Africa, coal is the second most prevalent commodity after gold
- These projects are heavily concentrated in South Africa, with a small number in Botswana and Tanzania
- The vast majority of these projects are proposed mines that would open up new reserves of coal for coalfired electricity generation
- Australian companies' coal projects in Africa contain 34 billion tonnes of coal, more than three times Adani's Carmichael mine
- This represents up to an estimated 45 billion tonnes of potential carbon emissions
- Given the need to rapidly decarbonise the global economy to have any chance of avoiding the most
  dangerous levels of climate change, there is no room of any new coal mines within our very limited global
  carbon budget, therefore it is imperative that this coal stays in the ground

and the effect this has on health and natural resources. As women are generally responsible for tasks such as collecting water, subsistence farming, and healthcare for family members, this has disproportionately impacted women in mining-affected communities. Although publicly accessible data on Australian mining operations in Africa has been limited, the studies that have been done confirm that Australian companies are often among the worst offenders.

Further, by fuelling climate change, increased coal extraction in Africa by Australian companies will risk locking in disastrous climate impacts that will entrench poverty and inequality across the continent. Climate change is already impacting women and the poorest and most vulnerable communities across Africa, and unless global warming is limited to no more than 1.5 degrees, the future impacts will be catastrophic.

The costs of Australia's coal interests in Africa are potentially devastating, but they are not inevitable. This report finds that the vast majority of these projects are still in the development phase, meaning that the coming years will be the critical time for communities and governments to influence whether or not they go ahead, and the regulatory environment around this. In recent years women's and people's movements in Africa have developed their own visions for sustainable development that does not include fossil fuel extraction.

The injustice fuelled by the expansion of the Australian coal mining industry in Africa requires a regulatory response, and this report calls on the Australian Government to:

- 1. Engage in consultation with African women from mining-affected communities to ensure their vision and recommendations are addressed in the development of Africa's mining interests.
- 2. Increase the transparency of the Australian mining industry in Africa by establishing public country-by-country and project-by-project reporting.
- 3. Increase access to justice for communities affected by the Australian coal industry in Africa by increasing the resources and effectiveness of Australia's OECD National Contact Point.
- 4. Rule out any public financing or subsidies of fossil fuel projects overseas (and in Australia) as inconsistent with Australia's global commitment to reduce carbon emissions. This should include changing the Efic Act to rule out support for fossil fuel projects.
- 5. Increase our climate finance contribution for just and sustainable alternatives in line with our international responsibility as a wealthy nation, and ensure that women most affected by climate change and poverty have direct access to resources for adaptation.
- 6. Support a binding international treaty on Business and Human Rights, and engage in multi-sector consultation in the development of Australia's National Action Plan on Business and Human Rights.
- 7. Ensure any government support for Australian investment in Africa such as trade deals, bilateral investment treaties, and aid for trade is in line with our international obligations on human rights, gender equality and climate change.

# Introduction

#### About ActionAid Australia

ActionAid Australia is a global women's rights organisation working to achieve social justice, gender equality and poverty eradication in more than 45 countries, with an extensive presence in the African region. ActionAid works to address a broad range of socio-economic, political and environmental issues that have a specific impact on women, and ActionAid Australia focuses on economic and climate justice for women and women's rights in emergencies. ActionAid Australia is currently delivering a number of projects in Africa focused on women's economic empowerment, climate change adaptation and access to justice, funded by the Australian Aid Program and public donors. This includes work with women smallholder farmers, survivors of sexual and gender based violence in conflict, and those from mining and crisis-affected communities.

ActionAid Australia is part of a global federation that works with communities in Africa that are impacted by coal mining and power generation, and in particular with women who bear the brunt of these impacts. This includes a project with women directly affected by an Australian-run coal project in South Africa, the proposed Boikarabelo mine in Limpopo. ActionAid also works with women who are facing the worst impacts of climate change and who are leading community adaptation, and disaster preparedness and response, in a number of African countries, including Kenya, Somaliland, Uganda, Ethiopia, Zimbabwe, the Democratic Republic of the Congo, Liberia and South Africa.

## About this report

The purpose of this report is to identify for the first time the scale of Australian companies' coal interests in Africa and the potential carbon liability this represents, and to examine some of the potential climate impacts and implications for women's rights and sustainable development across the continent. It also points to an alternative vision of sustainable development that has been developed by women's organisations in Africa, and makes recommendations to the Australian Government and policy-makers.

The report concludes with an Appendix that explains the methodology used for assessing the coal reserves and carbon liability of the coal projects identified.

# Context

## The rise of Australian mining in Africa

- Australia's mining presence in Africa has expanded rapidly in the past decade, and it has been argued that this promises to lift millions in Africa out of poverty.
- However this claim has been made in the absence of adequate publicly accessible data on the location, scale, and impacts of Australian mining projects in Africa.

In the past decade, the Australian mining industry has rapidly transformed from being domestic in focus to being a leading investor nation in mining globally. The expansion has been more rapid in Africa than anywhere else in the world, where Australia has more mining companies than any other nation.



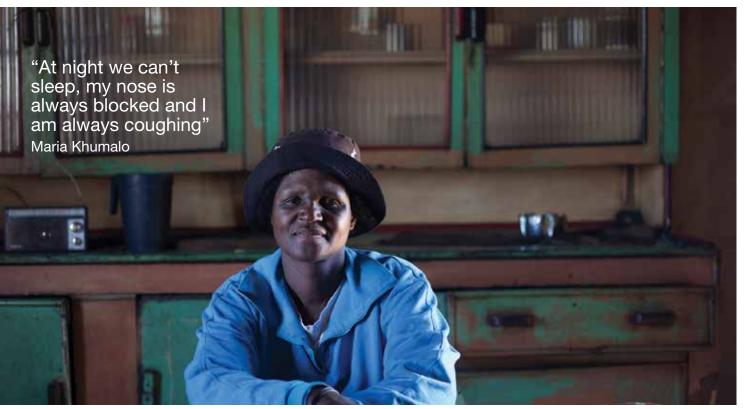
Busi Buhale pointing to the Golfview mine in South Africa.

<sup>1</sup> Centre for Exploration Targeting (2016), "Sharing the Benefits: enhancing Australia's global leadership in the mining value chain," pp. 14, http://cet.edu.au/docs/default-source/publications/133506\_sharing-the-benefits-report.pdf?sfvrsn=5
2 lbid., pp. 1

Australia's politicians and mining industry have argued that as Australia is world-leading in the extractives industry, this expansion offers considerable economic development opportunities for low income countries, as well as being in Australia's national interests. At the Africa Down Under conference in September 2016, for example, the Minister for Trade, Tourism and Investment, the Hon. Keith Pitt, stated that "a well-managed, sustainable African extractives sector will strengthen Africa-Australia trade and investment, potentially lifting millions of people out of poverty" and that "as well as best practice and innovation in operations and safety, Australian firms have an international reputation for integrity and transparency."<sup>3</sup>

Similarly, in 2015, Australia-Africa Mining Industry Group's CEO, Trish O'Reilly, discussed the role of Australia's mining interests in Africa in achieving the Sustainable Development Goals: "the predicted investment by Australian companies in mining... will be vital in efforts to permanently lift millions of people out of poverty. In this sense, the Australian resources industry's future investment in Africa is a potential game changer."<sup>4</sup>

However as academic, civil society and industry groups have found, this has been in the absence of sufficient publicly accessible data. According to a 2016 study by the Centre for Exploration Targeting (CET), a collaboration between several universities and industry partners, there has been "little data and recent analysis of Australia's outbound foreign direct investment profile across all sectors." Australian companies are not required to report publicly on their operations to a country and project level, and compared to other nations such as Canada, Norway, and Sweden, the Australian Government collects very little data on Australia's foreign direct investment.



Maria Khumalo (39) lives in a mining-affected community in South Africa.

 $<sup>3 \ \</sup>text{Keith Pitt} \ (2016), \ \text{Media release: Africa Down Under Showcases Partnerships, http://ministers.dfat.gov.au/pitt/releases/Pages/2016/kp\_mr\_160907.aspx$ 

<sup>4</sup> Australia-Africa Mining Industry Group (2015), Media release: Australian resource industry sits poised to support UN Sustainable Development Goals in Africa, http://aameg.org/wp-content/uploads/2015/09/AAMIG-Media-Release-Australian-resource-industry-sits-poised-to-support-UN-Sustainable-Development-Goals-in-Africa-1-September-2015-FINAL. pdf

<sup>5</sup> Centre for Exploration Targeting, "Sharing the Benefits," pp. 14

<sup>6</sup> Ibid

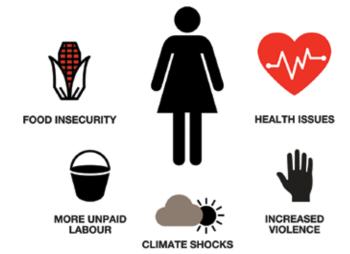


Zodwa Mabaso lives near a mine in Carolina, South Africa. She also lost her husband during the fight against the mine.

According to the CET report, this means that "policy-makers in Australia tend to be more focused on the domestic part of the industry, to the neglect of the equally important and expanding global footprint of Australian mining investment and operations." The 2017 report "Abundant resources, absent data" by civil society alliance Publish What You Pay Australia also finds a lack of transparent, publicly accessible data on Australia's mining interests overseas.

# The women's rights implications of coal mining

- Coal extraction in Africa is entrenching poverty and injustice for women, fueling food insecurity, health impacts, social breakdown, increased unpaid labour, and environmental degradation.
- Australian mining as a whole has a troubling safety and security record, with Australian mining companies recently being directly linked to 380 deaths over 10 years.



<sup>7</sup> Ibic

<sup>8</sup> Publish What You Pay Australia (2017), "Abundant resources, absent data," http://www.pwypaustralia.org/

Africa boasts some of the most impressive extractive resources. Yet the continent's wealth is plagued by corruption, poverty, conflict and crippling inequality. Often it is women that are forced to sustain the costs of the extractives industry while reaping little or no benefits. A UN Women policy brief on gender equality in the extractive industries (EI) in Africa found evidence that "suggests a gender bias in the distribution of the risks, costs and benefits within the EI sector that, if unaddressed, could further widen the gender gaps in access to resources and resource-related opportunities," ultimately locking women affected by mining into a deep cycle of poverty and inequality.

ActionAid works with communities in both Mpumalanga and Limpopo provinces in South Africa that are impacted by coal mining and power generation, and in particular with women. This includes one project with women directly affected by an Australian-run coal project, the proposed Boikarabelo mine in Limpopo.

According to ActionAid South Africa's 2017 report, "Living next door to the mine," for women living in mining-affected communities in South Africa the coal industry has resulted in food insecurity, an increased burden of unpaid labour, chronic health problems and terminal illness from environmental pollution, and increased levels of HIV infections.<sup>10</sup>

In 2012, a study by the South African Bureau for Food and Agricultural Policy found that the current rate of coal mining would transform 12% of South Africa's high potential arable land, and a further 14% of arable land was at risk due to proposed coal developments. The study found that the impacts of this transformation would include loss of maize production, loss of employment, soil degradation, pollution, and health impacts, and in some cases would be irreversible. 12

For women in rural areas, who are generally responsible for providing food for their families through agricultural activities, these impacts are devastating. According to one woman from Mpumalanga, "We used to have plenty of food. I had so much land to farm and plenty of water and grazing land for the animals. Now look, I live next to a mine dump that has polluted our water, the few animals we have are sick, my farming land is gone and now even this little patch that I try to grow some vegetables on is dying because of the toxic dust and now I have given up because I can't even afford the seed anymore. We are unhealthy as a household not only because of these toxins but because of poor nutrition." <sup>13</sup>

In the mine areas, a single woman can only be respectable if she is known to have had a husband or boyfriend who died or left her. Those who have never had a man do not get any respect. In this squatter community if you are single it's even worse – since the only way we survive is through sex. If you are [a] single woman here, everyone will draw conclusions about your work no matter how discreet you try to be. The only way to be respected here is to have a man.

(Respondent, research on sex workers in Carletonville, South Africa) (Campbell, 2000: 480)

In Mpumalanga, the increased HIV rate among women has also been linked to the increase in workers in the community associated with the mining industry, and more than one in three pregnant women in Mpumalanga now have HIV.<sup>14</sup> Women that ActionAid works with in Mpumalanga have also cited sexual exploitation of young girls and teenage pregnancies as another challenge facing mining-affected communities.<sup>15</sup>

<sup>9</sup> UN Women (2014) "Gender Equality in Extractive Industries," pp. 1, http://www.hsrc.ac.za/uploads/pageContent/6090/UN%20Women%20Policy%20Brief\_Gender%20 Equality%20in%20Extractive%20Industries\_14%20July%202014.pdf

<sup>10</sup> ActionAid South Africa (2017), "Living Next Door to the Mine: Women's Struggles in Mining Affected Communities," http://www.actionaid.org/sites/files/actionaid/living\_next\_to\_the\_mine\_womens\_struggles.pdf

<sup>11</sup> Ibid., pp. 4

<sup>12</sup> Ibid., pp. 4

<sup>13</sup> Ibid., pp. 4

<sup>14</sup> Ibid., pp. 6

<sup>15</sup> Ibid.



Women are not only at risk when mines open around their communities, women working within the mining industry are exposed to extremely high levels of violence and rape, according to the "Report of the Special Rapporteur on violence against women, its causes and consequences, on her mission to South Africa" in December 2015.<sup>16</sup>

Research has shown that "women face disproportionate risks in their engagements with EI (Extractive Industries) operations and the communities that surround them: harassment, gender-based violence, HIV, and extreme levels of violence in resource-based conflicts." The 2002 lift of the ban on women in the mining sector and the introduction of a quota of 10% women employed in mining projects stipulated in the South African Mining Charter are commendable from the point of view of equal working opportunities. However women miners constitute a minority group underground and are routinely victims of sexual violence, harassment and abuses, such as male employees expecting sex from female subordinates. <sup>18</sup>

Furthermore, the extraction of high-value natural resources is known to trigger, escalate and sustain violent conflicts, in which women are particularly impacted, as conflict tends to assume gender-specific forms of violence, such as sexual harassment, sexual abuse and rape.

This evidence points to a serious systemic shortcoming - structural violence against women embedded in the extractives sector across Africa. Women in marginalised mining affected communities are forced to shoulder the direct and indirect costs of the extractive industry, while not profiting at all.

There are also significant safety and security concerns associated with the rise of the Australian mining industry in Africa. A 2015 report by the International Consortium of Investigative Journalists, "Fatal Extraction", found that Australian companies had been directly linked to 380 deaths in Africa between 2004 and 2014, and identified "a pattern of Australian mining companies whose activities have been implicated in death, disfigurement, environmental destruction and displacement across Africa." 19

<sup>16</sup> UN Human Rights Council (2016), "Report of the Special Rapporteur on violence against women, its causes and consequences, on her mission to South Africa in December 2015".

UN Women, "Gender Equality in Extractive Industries.

<sup>18</sup> WoMin, "Extractivism's Impacts on Women's Bodies, Sexuality and Autonomy," http://womin.org.za/images/papers/paper-five.pdf

<sup>19</sup> International Consortium of Investigative Journalists (2015), "Fatal extraction: Australian mining's devastating push into Africa," https://www.icij.org/project/fatal-extraction



# Climate change implications of coal mining

- Coal mining fuels climate change, which is already putting women and communities in Africa at risk.
- In order to avoid worsening the impacts already being experienced by the poorest and most vulnerable in Africa, new coal reserves must remain in the ground.
- As a greenhouse gas, the carbon dioxide produced by coal mining ensures the cost of coal mining also extends beyond mining-affected communities to the millions of women and men vulnerable to the impacts of climate change in Africa. Climate change is already being felt across the continent and future projections suggest those impacts will become even more extreme according to projections in the IPCC's Fifth Assessment Report.

During this century, average temperatures in the African continent are likely to rise more quickly than in other land areas, particularly in more arid regions.<sup>20</sup> Although projections for rainfall are less certain than projections for temperature, they do show a very likely decrease in annual average rainfall over areas of southern Africa and likely increases in annual average rainfall over areas of central and eastern Africa beginning in the mid-21st century under a high emissions scenario.<sup>21</sup> The rate of sea level rise will also very likely exceed that observed during the past three decades, significantly increasing risks for Africa's coastal settlements, as well as for coastal economies, cultures and ecosystems.<sup>22</sup>

As climate change impacts become more dramatic, their effect on a range of weather extremes in Africa, including heavy rainfall, heat waves and drought, will play a more significant role in disaster impacts. Climate change will

<sup>20</sup> Intergovernmental Panel on Climate Change (2014), "Fifth Assessment Report: Africa", https://www.ipcc.ch/pdf/assessment-report/ar5/wg2/WGIIAR5-Chap22\_FINAL.pdf

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

also amplify existing stress on water availability and on agricultural systems, particularly in Africa's semi-arid environments.

Pre-existing gender inequalities make women and children more vulnerable to impacts of climate change, while the roles, responsibilities and status associated with being a woman can often bring additional burdens and fewer privileges when a climate related disaster strikes. In addition, negative "coping mechanisms" like survival sex and child marriage are employed by women and girls in such situations. Domestic violence and sexual assault have also been found to escalate in times of crisis like drought, famine and flooding.

These risks are already evident in Africa. ActionAid is currently responding to the East Africa crisis, where climate change has exacerbated drought and affected more than 26 million people, and put the rights of women at risk. An ActionAid needs assessment in Somaliland in 2016 for the El Nino drought crisis revealed that at least 50% of the women in drought-affected areas were malnourished.<sup>23</sup> Other research from Ethiopia in the same crisis showed that adult men are given priority over adult women in accessing food, including pregnant and lactating women.<sup>24</sup> Reports from communities working with ActionAid in Malawi and Lesotho affected by the Southern Africa crisis indicate that some women are resorting to sex work to make ends meet, which puts them at higher risk of violence and HIV/AIDS.25

Women often have limited decision-making power, limited or no access to community decision-making, and are often invisible in national policymaking. This means that the needs and priorities of women in disasters like the current East Africa food crisis are often overlooked, preventing them from increasing their resilience.

Fighting poverty, patriarchy and climate change, in other words, go hand in hand. When assessing the impact of coal mining on the achievement of the Sustainable Development Goals, it is essential to consider the climate implications of exploiting new reserves of coal.

In order to avoid the worst impacts of climate change, the global community has agreed under the Paris Agreement to limit warming to no more than 1.5 degrees Celsius. At current emission rates from existing fossil fuel infrastructure, the carbon budget available to have a 66% chance of limiting climate change to below 1.5 degrees Celsius of warming will be blown by the end of 2020. <sup>26</sup> The implication is that no new fossil fuel infrastructure can be built, and the world must rapidly transition from fossil fuels to renewable energy, and it is against this backdrop that Australia's coal interests in Africa should be considered.

<sup>23</sup> ActionAid (2016), "Hotter Planet, Humanitarian Crisis: El Niño, the "new normal" and the need for climate justice," pp. 19, http://www.actionaid.org/sites/files/actionaid/hotter\_

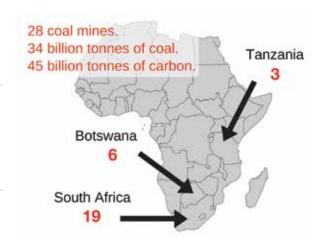
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<sup>26</sup> Carbon Brief analysis based on IPCC carbon budgets, https://www.carbonbrief.org/analysis-four-years-left-one-point-five-carbon-budget

# Key findings

## Project locations and types

- For Australian companies in Africa, coal is the second most prevalent commodity after gold.
- These projects are heavily concentrated in South Africa, with a small number in Botswana and Tanzania.
- The vast majority of these projects are proposed mines that would open up new reserves of coal for coal-fired electricity generation.



The report reveals there are 28 coal projects operated by 10 Australian companies in Africa. According to Publish What You Pay Australia data, this means approximately one in ten Australian mining projects in Africa are coal mining projects.<sup>27</sup>

#### This makes coal the second most prevalent commodity in Africa for Australian companies after gold.

These projects are heavily concentrated in South Africa, where there are 19 projects, followed by Botswana with six projects and Tanzania with three projects. All of these projects are committed to producing thermal coal - or in some cases a mix of thermal and metallurgical coal - which is generally used for coal-fired electricity generation.

In South Africa the projects are almost entirely found in Mpumalanga and Limpopo provinces.

Of the Australian companies involved, the vast majority - 70 per cent - did not own any mines that were operating at 30 June 2016 and are instead focused on building new mines.

Apart from four operational mines in Mpumalanga, one large combined mine encompassing three projects in Tanzania, and two mothballed mines in Limpopo province, all the projects were currently proposed and at various stages of exploration and development according to publicly available information.

<sup>27</sup> Publish What You Pay Australia, "Abundant resources, absent data."

## Project carbon liability

- Australian companies' coal projects in Africa contain 34 billion tonnes of coal, more than three times Adani's Carmichael mine.
- This represents up to an estimated 45 billion tonnes of potential carbon emissions.
- Given the need to rapidly decarbonise the global economy to have any chance of avoiding the most dangerous levels of climate change, there is no room of any new coal mines within our very limited global carbon budget, therefore it is imperative that this coal stays in the ground.

Collectively, this report found that Australian companies in Africa are involved in projects with coal resources totaling 34 billion tonnes. This is more than the three times that of Adani's proposed Carmichael mine.<sup>28</sup>

Assuming that 60% of this total resource is of a saleable quality, a conservative estimate would be that it could generate approximately 45 billion tonnes of CO<sub>2</sub> when burnt. According to the Stockholm Environment Institute, the world has a remaining carbon budget of 250 billion tonnes to give a two in three chance of limiting global warming to 1.5 degrees Celcius.<sup>29</sup> This means that Australia's coal interests in Africa represents approximately 18% of this global carbon budget.

Furthermore, the world is currently burning fossil fuels at an unsustainable rate. At current rates, the carbon budget that gives a two-thirds chance of limiting warming to 1.5 degrees Celsius will be blown in four years.<sup>30</sup> To have any chance of avoiding the worst impacts of climate change, the world must rapidly reduce the rate at which it burns fossil fuels, particularly thermal coal for power generation, for which alternatives already exist. There is no scope left in the carbon budget for building more coal mines that unlock new reserves of coal.



<sup>28</sup> Adani SEIS statement cited by Australian Marine Conservation Society, Adani Coal Mine and Rail Project Fact Sheet, https://www.marineconservation.org.au/pages/adanicarmichael-coal-mine-rail-project-factsheet-.html

<sup>29</sup> Stockholm Environment Institute (2016), "Implications for Australia of a 1.5 degree future", pp. 6, https://www.sei-international.org/mediamanager/documents/Publications/Climate/SEI-WP-2016-09-Australia-1-5C-climate-goal.pdf

<sup>30</sup> Carbon Brief, https://www.carbonbrief.org/analysis-four-years-left-one-point-five-carbon-budget

# A women-led vision for sustainable development

 Women's organisations and mining-affected communities across Africa are calling for sustainable alternatives to big coal - but Australia's commitment to expanding the mining industry in Africa is undermining their demands.

Across Africa, women's movements are creating their own vision of what a sustainable and just future could look like, and how development and energy access can be uncoupled from fossil fuel extraction. In January 2015, women's rights and feminist activists from across the Southern African Region gathered and produced the "Women stand their ground against big coal" declaration.

This declaration highlights the need for "a major economic, social and political transformation if humanity and the planet which hosts us are to survive climate change," and notes the huge impact that climate change is expected to have on the African continent.<sup>31</sup> It calls for "a form of development that privileges life, well-being, and the needs of the majority of our countries' and the world's citizens, with working class and peasant women at the forefront of setting this agenda."<sup>32</sup>



Portia Moliba, member of Women from Mining Affected Communities United in Action (WAMUA) protesting in Midrand, South Africa.

<sup>31</sup> WoMin (2015), "Declaration: Women stand their Ground Against Big Coal," https://womin.org.za/images/docs/women-stand-their-ground.pdf

<sup>32</sup> Ibid.



Lorraine Kakaze is a member of WAMU - a women's organisation defending women's rights from mining affected communities in South Africa.

The just and sustainable alternatives identified in this vision include: the redistribution of land and natural resources to women, men and communities for use for sustainable livelihoods; the end to privatisation and financialisation of natural resources; the recognition of unpaid care; accountability of governments and regional and global bodies to people living in poverty, and; a rapid transition to low carbon economies through renewable energy, affordable public transport, and organic agriculture.<sup>33</sup>

In South Africa, Women Affected by Mining United in Action (WAMUA) and Mining Affected Communities United in Action (MACUA) adopted the People's Mining Charter in June 2016. The People's Mining Charter was developed as a response to the constitutional obligation to redress historic inequalities as directed by the Mineral and Petroleum Resources Development Act (MPRDA), the primary legislation that governs the acquisition, use and disposal of mineral rights in South Africa.<sup>34</sup>

ActionAid South Africa, WAMUA and MACUA consulted with and obtained a mandate from over 150 mining affected communities. The charter seeks to affirm that:

"Communities living near mining operations, both rural and urban, bear the brunt of the negative environmental and socio-economic impacts of mining activities. Their voices are often not heard in the decision-making processes around where and how mining should take place. These impacts, including dust and water pollution; cracked houses; dewatering of aquifers; and depravation of land, are often felt most by communities that rely directly on the land. Communities living near mining operations in South Africa are predominantly black and some of these communities were forcefully moved into those areas by the previous apartheid government."

<sup>33</sup> Ibio

<sup>34</sup> MACUA and WAMUA (2016), "Peoples Mining Charter," http://pmg-assets.s3-website-eu-west-1.amazonaws.com/170628Peoples\_Mining\_Charter.pdf

<sup>35</sup> ActionAid South Africa, http://www.actionaid.org/south-africa/news/actionaid-south-africa-launches-report-highlighting-human-rights-violations-anglo-

# The key declaration and demands of Mining Affected Communities are:

- 1. Community Voice in decision making through negotiation based on right of consent to determine what activities occur on one's land.
- 2. Democratic community representation and customary decision making processes that are community based and not based on undemocratic traditional authority.
- 3. Benefits from mining activities (profits, employment, procurement, and local economic development) should be shared equitably distributed to directly affected communities, near mining communities, workers and the public through a democratic process.
- 4. The public, specifically mining affected communities, must have the right to free and accessible information regarding all operations that affect the economic, social and environmental well-being of communities.
- 5. Communities bear a disproportionate burden of the costs of mining and there should be independent, accessible, speedy, and effective recourse mechanisms, before during and after mining.
- 6. Rehabilitation standards should ensure that the land is no worse than when mining started.
- 7. Restitution and reparations should correct historical wrongs and should include environmental, social, cultural and heritage rights including spiritual connections to land, people and nature.
- 8. Compensation for loss of livelihoods and economic social, environmental, cultural and heritage resources should be based on full cost accounting including future losses of alternative development paths and value loss of minerals.
- 9. Women must have the right to inherit land and should be consulted on all issues affecting their bodies, families, land and lives in both customary traditional structures and community, local, provincial and national structures.<sup>36</sup>

# Conclusion and recommendations

Under the reshaped Department of Foreign Affairs and Trade, Australia's national interests are clearly paramount, as is a very clear commitment to economic development. However if the Australian Government is to respect its commitments to the Sustainable Development Goals and the Paris Agreement, as well as make a meaningful contribution to women's empowerment and gender equality, a stated aim of the Australian Aid Program, it is essential that the Government play an increased role in increasing the transparency and regulation of the Australian Mining Sector in Africa.

# Recommendations to the Australian Government

- 1. Engage in consultation with African women from mining-affected communities to ensure their vision and recommendations are addressed in the development of Africa's mining interests.
- 2. Increase the transparency of the Australian mining industry in Africa by establishing public country-by-country and project-by-project reporting.
- 3. Increase access to justice for communities affected by the Australian coal industry in Africa by increasing the resources and effectiveness of Australia's OECD National Contact Point.
- 4. Rule out any public financing or subsidies of fossil fuel projects overseas (and in Australia) as inconsistent with Australia's global commitment to reduce carbon emissions. This should include changing the Efic Act to rule out support for fossil fuel projects.
- 5. Increase our climate finance contribution for just and sustainable alternatives in line with our international responsibility as a wealthy nation, and ensure that women most affected by climate change and poverty have direct access to resources for adaptation.
- 6. Support a binding international treaty on Business and Human Rights, and engage in multi-sector consultation in the development of Australia's National Action Plan on Business and Human Rights.
- 7. Ensure any government support for Australian investment in Africa such as trade deals, bilateral investment treaties, and aid for trade is in line with our international obligations on human rights, gender equality and climate change.

# Appendix: Methodology

## Projects list

The list of projects used in this report was provided by Publish What You Pay Australia (PWYP Australia). In the report, "ASX listed companies operating in Africa", PWYP Australia drew on publicly accessible information to identify Australian mining companies operating in Africa and the location and type of their operations to the project level. This information was collected between April 9 and May 12 2017 and was sourced from Annual Company Reports as published on the Australian Stock Exchange (ASX) website. PWYP Australia's full data set is available online at http://www.publishwhatyoupay.org/members/australia/

This data set was used because it was both freely available and based on publicly accessible data. As noted by PWYP Australia, however, there are concerning discrepancies between their figures and those that have been quoted by industry and government reports. PWYP Australia found that their findings from publicly accessible information showed a similar number of companies active in Africa but a lower number of projects compared to figures quoted by AAMEG, the Australian Government, and the "Sharing the Benefits" report. Consequently the numbers quoted in this report are likely an underestimate and demonstrates the urgent need for better publicly available data on the Australian extractives industry.

## Analysis of coal reserve amounts

This analysis focused on the coal projects of all publicly identifiable Australian companies and projects in Africa and used publicly available information to gather the total amount of resource associated with these projects. This was drawn from companies' 2016 Annual Reports and where this was not available or did not include the relevant information from ASX announcements. The sources used are available in the full data table available at <a href="https://www.actionaid.org/australia/fuelling-injustice">www.actionaid.org/australia/fuelling-injustice</a>

As noted by Mining Weekly, there are difficulties with inconsistent reporting of coal resources in the industry. In general, companies listed on the ASX list only their JORC compliant total resources - the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - including indicated and inferred resources. In South Africa, on the other hand, projects may list their gross tonnes in-situ (GTIS), total tonnes insitu (ITIS), and marketable tonnes in-situ (MTIS) figures, and these can vary considerably. In general, this report has used total resources listed in the annual report, and where GTIS, TTIS and MTIS has been used, the authors have used the GTIS figure, which is considered equivalent to the total resource figures quoted by Australian companies. The unit of measurement associated with each figure used in this report is available at <a href="https://www.actionaid.org/australia/fuelling-injustice">www.actionaid.org/australia/fuelling-injustice</a>

In the case of operational mines, the reserve figure in the most recent Annual Report or ASX announcement was used, rather than the lifetime reserve figure (which in the case of operational mines has already been depleted by past mining activities). This was to ensure the report reflected a correct estimation of the future carbon liability of coal currently remaining in the ground, rather than total lifetime carbon liability of the operating mines.

Finally, the total coal resource amounts for projects have been used rather than the percentage which is owned by the Australian company involved, as a 70% stake in a coal mine does not mean that only 70% of a mine will be built – so the true carbon liability of these projects depends on the total coal resource for the entire project.

<sup>37</sup> Mining Weekly (2013), "Inconsistent resource reporting in coal industry", http://www.miningweekly.com/article/inconsistent-resource-reporting-in-coal-industry-2013-10-25/rep\_id:3650

<sup>38</sup> Ibi

<sup>39</sup> Ibid

# Calculating future carbon liability

The amount of  $\mathrm{CO}_2$  released from burning coal is dependent upon its quality. High quality coal contains more carbon and so more  $\mathrm{CO}_2$  is released from burning it compared to burning the same weight of lower quality coal. The coal mine projects identified in this study were found to be associated with coal resources of a range of qualities. To provide a conservative estimate of the  $\mathrm{CO}_2$  likely to be emitted from fully exploiting these resources it has been assumed that the coal is all medium-low quality thermal coal.<sup>40</sup>

In addition, as some of the coal within the project's resource will not be available for mining and some will be lost due to the process of preparing the coal to a marketable quality, it has been assumed that amount of product coal that a project could potentially produce is equivalent to 60% of the total resource.

<sup>40</sup> An emissions factor of 2.2 tonnes of CO<sub>2</sub> per tonne of coal burnt was applied.

# Stage of project and type of product

In most cases, Annual Reports, the corporations' websites or ASX announcements included information noting whether the project was operational, under development, put on care and maintenance, or still at exploration phase. In the data table this was summarised in three categories - operational, proposed, or mothballed, where proposed refers to any project that has not yet entered operations, regardless of how far advanced it may be, and mothballed refers to projects put on "care and maintenance".

The report draws on Annual Reports, company websites and ASX announcements to ascertain whether the end product was to be thermal coal, metallurgical coal or both. This information is included in the data table available on the ActionAid Australia website. It is worth noting that most of the cases where both products are stated, it is a majority thermal coal project with some smaller potential to also improve some of the coal to metallurgical quality.



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