

HOM Speech
Mining Indaba 2018, Cap Town

Wednesday 7 February, 0915, Stage B

- Honoured to welcome you to the first panel discussion on Australia and Africa organised by Mining Indaba
 - Sincerely hope you find this discussion rather more interesting than hearing from yours truly for the next 25 minutes as has happened in past years!
 - On behalf of the Australian Government team here, we think the panel discussions is a great initiative and we thank the Mining Indaba organisers for bringing together a diverse and experienced panel for the session on Australia and Africa.
 - In particular, like to thank Namibian Minister for Mines and Energy, His Excellency Obeth Kandjoze (*Oh-Beth Kunn-jaw-zeh*); Western Australian Minister for Mines and Energy, Hon Bill Johnston; Megan Davison of the Minerals Council of Australia and Bill Witham of the Australia Africa Minerals and Energy Group for agreeing to share their perspectives in the panel discussion.
 - Also thank mining law expert, Advocate Debbie Ntombela (*Nn-tom-bella*) for agreeing to moderate the discussion this morning.
- There is significant Australian investment in Africa's mining sector with over 170 Australian Stock Exchange listed companies invested in more than 400 projects in 35 countries across the continent

- It is in the interest of Australian companies investing in Africa, and in the interest of Australian shareholders, that African economies develop in a sustainable and inclusive way.
- Ensuring best practice in environmental stewardship and the occupational health and safety of mine workers; and building effective relationships with the communities in which you operate - including through job opportunities for locals - are important whether you are mining in Australia or Mozambique.
- Last year, the Australian Senate commenced an inquiry – which is still ongoing - into the trade and investment relationship with African countries, reflecting the growing interest of Australians in investing in and doing business with Africa
- In particular, I wanted to share some insights from the submission by former senior trade official Grame Barty regarding global competitiveness
 - Mr Barty pointed out that African countries will need to compete with other markets to attract Australian – in fact any - investment and business engagement
 - Issues that can have a dampening effect on markets or countries include lack of sufficient skills and local talent, opaque business practices, bribery and corruption, as well as security issues such as terrorism, civil unrest and crime.
 - He also noted the important role that large multinational corporations in the mining sector play – where the likes of Rio Tinto or BHP can win significant new contracts in new markets, then other Australian companies in the supply chain can enter that market more quickly and efficiently.

- Notwithstanding the themes for discussion chosen by Mining Indaba today, I'd like to stress that the contribution that Australian investment can make to African economies far outweighs any contribution the Australian Government can make through our development program
 - Both in terms of the quantum of dollars flowing into Africa and because while the Australian Government can support human capacity development, share our experiences with African governments and promote best practice and policy harmonisation – it is investment that can lead to new job opportunities, skills development and opportunities for local businesses.

Development assistance

- With respect to development assistance to the mining sector in African countries, the Australian Government has supported the mining sector in a range of African countries – including through offering Masters degrees and targeted Short Courses under our flagship Australia Awards scholarships program, and funding development assistance to African countries through our global programs
- The Australian Government was pleased to support – together with BHP Billiton Foundation - Phase 1 of Transparency International's Mining for Sustainable Development Program which aims to improve the transparency and accountability in the extractives sector in a range of resource rich countries

- We are considering our support for the second phase of Transparency International's work.
- Australia is the largest donor to the Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund, providing AUD13.6 million from 2015-2020.
 - The EGPS supports transparency, governance, legal and regulatory reform, local economic diversification, institutional strengthening and social and environmental sustainability, including the Africa Mining Legislation Atlas which has trained 44 African law students from 17 countries; and has supported the online publication of all 53 mining codes ensuring free access on line
 - It has supported projects in Cote d'Ivoire, Ethiopia, Nigeria, Senegal, Tanzania, Togo, Uganda and Zambia. And many of these projects related to implementing the Extractives Industries Transparency Initiative (EITI)
- Australia also funds the IMF Managing Natural Resources Wealth Tropical Trust Fund and provides core funding to the Extractives Industries Transparency Initiative Secretariat
- Through our long running Australian NGO Cooperation Program, the Australian Government has supported the work of a range of international and local NGOs, including Oxfam Australia, to help strengthen transparency and accountability, improve community participation, and promote linkages with the wider economy in southern Africa (Malawi, Mozambique, South Africa, Zambia and Zimbabwe).
- We are also looking at ways that we can support industry and other partners, such as from the civil society sector, to play a bigger role in uplifting the communities that they operate in

- In 2016 DFAT contributed over AUD300,000 to an agribusiness initiative supported by Base Titanium, Cotton On and development NGO Business for Development, in Kwale (*Kwa-lay*) County, Kenya.
- The initiative seeks to leverage Base Titanium's mining operations to benefit the smallholder farmers in the community.
- The project has been a success and is now scaling up for expanded cotton production – which will be supplied to Cotton On, the Australian fashion retailer that I'm sure you are all familiar with. Especially if you have teenagers.

International engagement

- The Australian Government requires Australian companies to adhere to obligations that Australia has accepted in international treaties
 - For example, Australia is a Party to the UN Convention Against Corruption and the OECD Anti-Bribery Convention, and has long criminalised the bribery of foreign public officials
 - Those offences apply extraterritorially, meaning that they apply to the activities of Australians, and Australian businesses, overseas as much as they do back home.
- Another important way in which the Australian Government works to promote sustainable mining, better governance and create more stable and attractive investment environments is through our support for international initiatives such as the Kimberley Process and the Extractives Industries Transparency Initiative

- The Kimberley Process has done much to meet consumer concerns around “blood diamonds” and Australia’s focus as Chair last year was to strengthen implementation of the Kimberley Process and support a review to ensure it keeps pace with changing consumer expectations and evolving industry challenges.
- The Australian Government also encourages Australian companies to adhere to international guidelines such as the OECD Guidelines for Multinational Companies and the Extractives Industries Transparency Initiative
 - Australia has also commenced processes to implement the EITI (announced in May 2016)
 - and we understand that updating laws and regulatory guidelines can take time.
- And work is progressing on what will be known as the International Mining Hub – so please stay tuned.
- Australian companies in the main have earned a justified reputation for good corporate social responsibility practices – at home and abroad.
- Having said all this, Australia is a partner that understands that while we have a wealth of experience to share, building a strong resource sector and ensuring good governance and resilient communities takes constant effort
 - this has been highlighted recently by the report into mining approvals processes by Transparency International.
- As with any industry, new technologies, techniques and better practices are being developed all the time, and governments and industry have to adapt to these changes constantly.

Closing

- I look forward to an interesting discussion between our esteemed panel members and guided by Advocate Ntombela on the harmonisation of policy frameworks and attracting investment, and the role of the Australian Government and industry in helping African countries to ensure tangible developmental outcomes from their mineral endowments.
- Thank you.