



Hon Bill Johnston MLA
Minister for Mines and Petroleum; Commerce and Industrial Relations;
Electoral Affairs; Asian Engagement

Our Ref: 71-02782

Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

fadt.sen@aph.gov.au

Dear Committee Secretary

**INQUIRY INTO AUSTRALIA'S TRADE AND INVESTMENT RELATIONSHIPS WITH
THE COUNTRIES OF AFRICA**

Thank you for the opportunity to provide a submission to the Foreign Affairs Defence and Trade References Committee (the Committee) Inquiry into Australia's trade and investment relationships with the countries of Africa (the Inquiry).

I am pleased to provide, for the consideration of the Committee, information on the Government of Western Australia's Department of Mines, Industry Regulation and Safety's (DMIRS, formerly the Department of Mines and Petroleum) engagement with Africa.

Over the last few years, DMIRS has successfully developed strong links with many African countries.

Africa has a large endowment of mineral and petroleum resources; however much of the continent is yet to be geologically mapped in a systematic manner at an appropriate scale. In order to help encourage mineral and petroleum exploration, the sustainable development of these resources, as well as better economic outcomes for communities in Africa, there is a need for more transparent, leading practice, and better administered, policy and regulatory frameworks.

In recognition of these challenges, DMIRS has successfully leveraged its status as a leading regulator of resources safety, health and environmental management; manager of equitable and secure titles and royalty systems; and provider of world-class geoscience information,¹ by sharing its expertise through capacity-building activities for African countries. Western Australia's approach to resources sector development and regulation may be a model for countries in Africa.

¹ Western Australia was ranked as the third most attractive destination for mining investment in the world in the 2016 Fraser Institute Survey of Mining companies, released in February 2017. The survey is available from: <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2016>

Africa Down Under (ADU) conference

The annual ADU Conference in Perth has been a key forum in strengthening ties between DMIRS and African countries. ADU is a mining forum that attracts ministers and senior government officials of African countries, industry executives, as well as investors. The focus of ADU on the mining sector is significant as it is one of the most significant aspects of the trade and investment relationship between Australia and Africa.

DMIRS, with the support of the Western Australia Department of Jobs, Tourism, Science and Innovation (JTSI, formerly the Department of State Development), hosted capacity-building workshops as part of ADU in 2015 and 2016. The workshops provided attendees with an overview of Western Australia's mineral regulatory system and the principles of its approach to attracting resources investment, maximising the returns of resource development, and responsible resources development. These workshops have been popular, with attendance from delegates of African governments, development organisations, industry bodies, and mining companies. Given this success, there are plans to host another series of workshops at the 2017 ADU Conference.

These workshops are complemented by the hosting of dedicated government delegations from African countries.

During the last five years, DMIRS, in partnership with JTSI, has also had an exhibition booth at ADU to promote Western Australia's world-leading mining and mining, equipment, technology and services capabilities, its internationally renowned resource-related education and training sector, and its best practice administration and regulation of the mining sector.

Common Market for Eastern and Southern Africa (COMESA) Memorandum of Understanding (MoU)

DMIRS's engagement with Africa has been supported by the Memorandum of Understanding (MoU) between the Government of Western Australia and COMESA. COMESA is an organisation of 19 sovereign states focused on the promotion of trade and security across the region. The MoU provides a framework for cooperation between Western Australia and COMESA for capacity-building in mineral and petroleum resources (and agriculture and agribusiness), as well as the transfer of mining and petroleum (and agriculture and education and training) related services and technologies.

Policy and capacity-building workshops

A major development in the engagement of DMIRS with African countries has been a series of in-country policy and capacity-building workshops in Ethiopia and Kenya (February 2016), Ethiopia, Kenya, Nigeria, Zambia, and Zimbabwe (November 2016), and Ethiopia, Kenya, Uganda and Zanzibar (June 2017). These are undertaken under

the auspices of COMESA with significant support from Australia's overseas missions in Africa.

These workshops were in the form of two-day interactive forums presented by senior officers of DMIRS. By demonstrating the administration of legislation in Western Australia that delivers certainty and predictability for the resources sector and the community, these workshops promote the enhancement of host countries capacity to encourage mineral and petroleum exploration and help ensure leading resources sector governance in Africa.

They are fulfilling an area of need for African countries in capacity-building on mining and petroleum legislative, policy and administrative frameworks. Key areas of focus include land access arrangements, titles administration, pre-competitive geoscience and other information, environmental approvals and compliance, occupational health and safety regulation, royalties and taxation, special arrangements such as State Agreement Acts, and stakeholder engagement.

Each of the workshops were well-attended, mainly by government officials, and many were opened by a resource minister. Feedback suggests they were well received and met expectations. A further indicator of their success was the considerable interest expressed by African countries and overseas consulates and embassies of the Australian Government for similar and even expanded forums in the future.

A key strength of the capacity-building workshops has been the close collaboration between the State Government, Australian Government and non-government organisations. While DMIRS provided its experience in responsible resource development, the workshops were coordinated in partnership through the Western Australian Trade Office in Nairobi, Kenya, and the overseas embassies and consulates of the Australian Government, which also provided financial and logistical support. Industry organisations such as the Australia-Africa Minerals and Energy Group also promoted the events and provided information exchange and access to networks. Cooperation between government, industry, and other stakeholders is considered critical to further developing Australia's trade and investment relationship with Africa.

To complement these workshops, DMIRS developed a publication on the principles that underpin the laws and administrative practices applied in Western Australia to support a sustainable mining sector. It also explains why these principles are important. The aim of the document is to assist other jurisdictions, including those in Africa, in setting a foundation for a policy and regulatory framework for a mining code that will help secure long-term minerals sector growth.

Economic benefits of engagement with Africa

There are a number of potential economic benefits that flow from engagement with Africa.

Many Australian mining companies are already operating in Africa. Australian companies are the largest investors in minerals projects, by number of projects, and the largest investors in exploration, by dollars invested. Of all the mining projects operated by Australian resources companies outside Australia, 36 per cent are in Sub-Saharan Africa, more than any other region.²

Africa has also been identified as a key market for Australian mining equipment, technology and services (METS) companies, with many companies already having established operations in the region.³

Sharing knowledge and systems of responsible and sustainable resources sector development helps to secure long-term economic growth in Africa. At the same time, establishment of relationships with Africa has the potential to facilitate, and provide an advantage to, Australian resources companies and METS providers operating in Africa.

Establishing leading practice occupational safety and health, environmental standards, and transparent governance, also assists in ensuring that governments and industry in Africa are doing the right thing.

DMIRS would be pleased to provide the Committee with additional details on any of the information provided in this submission.

Yours sincerely

Hon Bill Johnston MLA
Minister for Mines and Petroleum; Commerce and Industrial Relations;
Electoral Affairs; Asian Engagement

14 AUG 2017

² Centre for Exploration Targeting, *Sharing the benefits: enhancing Australia's global leadership in the mining value chain*, available from: http://www.cet.edu.au/knowledge-base/publications/133506_sharing-the-benefits-report

³ AustMine, *New Realities, Bigger Horizons: Australian Mining Equipment, Technology and Services National Survey 2015*, available from: <http://www.austmine.com.au/Industry-Insights>