Submission No 87

Review of Australia's Relationship with the Countries of Africa

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Organisation: Private Submission

Subject: FW: Africa Inquiry Follow Up Question

From: Joel Negin [mailto:joel.negin@sydney.edu.au]
Sent: Friday, 9 July 2010 2.28 pm
To: Carter, John Gordon (REPS)
Cc: Drew, Gillian (REPS)
Subject: Re: Africa Inquiry Follow Up Question

Dear Dr Carter,

Thank you for your email and the opportunity to respond. My response will be brief as I have been on a mixture of leave and work travel (to Kenya and elsewhere) and have not been able to pull together as thorough a response as I might have hoped.

I believe the proposal by the AAMIG is interesting and the questions that the Committee asks are the right ones.

Mining companies should be ensuring social development programmes in their areas of operation and this can be interpreted widely to include everything from providing health services to employees and their families, to training for employees, to fair hiring practices of locals, to building roads. Social development can include actions that can be seen as core to the day to day business of the company such as improvement of infrastructure and maintaining the health of their employees. Such activities should be seen as core business and
not as corporate social responsibility that would require specialist AusAID assistance or co-branding. In that way, I acknowledge the risk of abrogation of responsibility by mining companies. Fair hiring and labour practices and appropriate local investment is something that mining companies should do as normal practice.

If mining companies need assistance in thinking about such activities, then there is a role for consultants and mechanisms that can assist. There might be a role for a Mining Ombudsman of sorts that could be supported by an Australian international NGO or by AusAID that could serve as an advisor to mining companies. But international mechanisms already exist that play part of this role. The Extractive Industries Transparency Initiative (http://eiti.org/) is one such mechanism. There is not necessarily a need for AusAID to replicate such mechanisms.

AusAID's engagement in Africa should go well beyond the mining sector so the stated risk of government becoming too associated with private mining is a valid concern. AusAID's role is to work with government and NGOs to either implement projects at scale or to innovate. Helping a mining company build a school does not leverage AusAID's core strengths nor wider objectives.

On the other hand, there is ample opportunity for NGOs and mining companies to collaborate. Though there are risks there as well, there is wide opportunity for mutual learning and benefit. Additionally, academic institutions and advisors could partner with mining companies to assist their social development activities.

I reiterate my interest in doing an initial mapping of social development activities being performed by Australian mining companies engaged in Africa not as a 'name-and-shame' endeavour but rather as a 'name-and-encourage' initiative.

1

Thank you for the opportunity to respond to the Committee's questions.

Best regards,
Joel Negin