



Submission No 103

**Review of Australia's Relationship with the
Countries of Africa**

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Points on AAMIG's Submission (No 50)

AAMIG's proposal to validate the corporate responsibility of Australian miners in Africa is a commendable response to the growing criticism in Australia and beyond about the activities of some companies. It recognises that external validation of corporate responsibility can have benefits for all stakeholders.

However, the proposal meets immediate difficulties:

AusAID does not have the resources to supervise, let alone undertake, the substance of such tasks; it sees its mission quite differently and it has no incentives to participate.

Australian political parties have not indicated any support for such an approach; that would be the necessary starting point for AusAID and for other agencies with a possible role, such as DFAT.

AAMIG's first point, that "limited government funding" could be augmented in this way could equally be seen as locking scarce money into mining ventures (however gracefully expressed) and actually squeezing initiatives elsewhere. This is a "size of cake" issue perhaps, but assumptions about the distribution of money have to be questioned.

The larger mining companies have well developed policies and practices in place. Whether they would subscribe to the scheme must be doubted; it would probably be left to the minor players at best. Their support could be very episodic, which would destroy the value of the scheme. It needs to be universal or nearly so if agreed standards are to come into practice. If an Australian government is not convinced (as is very likely), then the industry itself has to support the scheme.

Those who could undertake consultancy work on the issues (genuine community consultation as a prelude to exploration/development, assessment of risks and impacts and so on) do exist in the NGOs, universities and a number of consulting firms but they are still relatively few in number. Given the scale of the extractive industries in Africa, the coverage offered at this stage would be scant.

Miners with bases in other countries do not subscribe to such a scheme. The commercial advantage if the scheme needs to be explained.

It is not yet clear that the junior and mid-tier miners favour the proposal. The Canadian approach of industry self-regulation might be a pre-cursor to such a scheme; but this issue needs more development and option setting than it is getting.

These must seem rather negative points, but the proposal as outlined is very short on detail and does not indicate where support for it may lie.

Possible questions arising:

Does AAMIG see that bipartisan support could be won for its proposal?

Will the larger companies sign-off on a plan that they would say that already have covered?

Is a scheme of industry self-regulation on the cards?

What does the AAMIG survey of the industry's attitudes to government and self-regulation show? [meant to be concluded in early 2011]

Where do the host populations and consumers fit in?

Will AAMIG's plans for consultation extend beyond the industry?

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