

**Documents tabled on 9 May 2007:**

**National Interest Analysis [2007] ATNIA 15**

**with attachment on consultation**

**Agreement on Scientific and Technological Cooperation between the  
Government of Australia and the Government of the Republic of South Africa,  
done at Canberra on 18 October 2006**

**[2006] ATNIF 24**

**Background information:**

**South Africa political brief and fact sheet**

**List of other treaties with South Africa**

**List of treaties of the same type with other countries**

## **NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY**

### **SUMMARY PAGE**

#### **Agreement on Scientific and Technological Cooperation between the Government of Australia and the Government of the Republic of South Africa, done at Canberra on 18 October 2006**

**[2006] ATNIF 24**

#### **Nature and timing of proposed treaty action**

1. On 18 October 2006 the Australian Minister for Education, Science and Training, and the South African Minister for Science and Technology, signed the *Agreement on Scientific and Technological Cooperation between the Government of Australia and the Government of the Republic of South Africa* (Agreement).
2. Article 12 of the Agreement provides that the Parties shall notify each other when their domestic requirements for entry into force of the Agreement have been fulfilled. It is proposed to send the Australian note as soon as practicable following consideration by the Joint Standing Committee on Treaties.

#### **Overview and national interest summary**

3. The purpose of the Agreement is to lend further support to the long-standing and fruitful science and technology relationship between Australia and the Republic of South Africa (South Africa). Scientific and technological cooperation between the scientists of both countries contributes to their ability to conduct world leading research and technology development. The outcomes of such research, in turn, lead to important socio-economic benefits for each country.
4. The treaty action will strengthen and encourage bilateral cooperation by providing a formal framework that allows for the negotiation and conclusion of implementing arrangements to govern cooperative Science and Technology (S&T) activities. The range of fields in which there are scientific linkages between Australia and South Africa indicates that there is potential to expand the relationship. Doing so would generate knowledge and increase scientific and personal linkages in a mutually beneficial way.

## **Reasons for Australia to take the proposed treaty action**

5. In 2000, the Hon. Mark Vaile, Minister for Trade, signed a Statement of Intent on Scientific and Technological Cooperation with South Africa's Deputy Minister of Arts, Culture, Science and Technology, to develop an inter-governmental scientific and technological cooperation agreement.
6. South Africa's National Research Foundation has limited resources to support collaboration with Australia without a treaty-level cooperation agreement in place. The agreement will resolve this impediment, potentially allowing agencies such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to undertake new collaborations.
7. The Agreement aims to promote the development of mutually beneficial cooperation between Australia and South Africa in the fields of science and technology. It does this by identifying modalities of cooperation and by establishing a framework that allows for the negotiation and conclusion of implementing arrangements to govern cooperative science and technological activities.
8. South Africa remains Australia's most important trading partner on the African continent, with two-way merchandise trade (almost A\$3.9 billion in 2006) accounting for almost 75% of Australia's total two-way trade with sub-Saharan Africa. Australia's merchandise exports to South Africa are dominated by raw materials (alumina, coal and crude petroleum). Australian investment in South Africa, and southern Africa more broadly, is predominantly in mining. The total value of Australian mining investment in Africa is estimated at \$14 billion and involves over 1400 companies in various capacities.
9. The strong economic common ground between Australia and South Africa, as a result of our resources rich economic base, coupled with South Africa's continued growth indicates strong potential for increased scientific and technological cooperation.
10. Australia and South Africa have enjoyed a good collaborative research relationship for many years between our government agencies, universities and industry. CSIRO has strong linkages with research institutions in South Africa. Over the period 2003-2005, collaboration with South Africa ranked ninth in order of importance of CSIRO's international collaborations. The focus of these interactions has been in the areas of
  - mining, mineral exploration and processing, and associated environmental management;
  - natural resources management – especially water, catchment management and biological control of invasive species; and
  - agriculture.

## **Obligations**

### *Scope of obligations*

11. Article 1(1) obliges the Parties to promote the development of cooperation in the fields of science and technology between their respective countries on the basis of equality and mutual advantages.

12. Article 1(2) obliges the Parties to promote scientific and technological cooperation between their respective government agencies, enterprises, research institutions, universities and other research and development organisations.

13. Article 2 obliges the Parties to conduct their scientific and technological cooperation subject to the domestic law of the countries of the Parties, and effected by the:

- exchange of scientists, research workers, specialists, and scholars;
- exchange of scientific and technological information and documentation;
- organisation of bilateral scientific and technological seminars and courses in areas of mutual interest; and
- joint identification of scientific and technological problems, the formulation and implementation of joint research programmes, the application of the results of such research in industry, agriculture and other fields, and the exchange of experience and know-how resulting from this work.

14. As this is a framework agreement, Article 4 provides that the Parties or any cooperating organisations may negotiate and conclude arrangements for the effective implementation or operation of any aspect of the Agreement. Any such arrangement may include provisions on intellectual property, financing and the amicable settlement of disputes arising under an arrangement. Article 4(4) obliges the Parties to conduct their cooperation relationship taking into account the applicable domestic law of the country of the Party in whose jurisdiction the particular cooperative activities are to be undertaken.

15. Article 7 obliges the Parties to promote cooperation among scientific libraries, centres of scientific and technological information, and scientific institutions for the exchange of books, periodicals and bibliographies, including the exchange of information and documents by means of electronic information and communications networks.

#### *Specific obligations*

16. Article 3 obliges the Parties, subject to the domestic law of the Parties, to facilitate the entry and stay of the other Party's citizens in its country for the purposes of this Agreement.

17. Article 6 obliges the Parties or the relevant Cooperating Organisations to agree upon the terms and delivery of the equipment and apparatus required for joint research and for pilot plant studies instituted in furtherance of this Agreement.

18. Article 10 obliges the Parties to afford to the citizens of the other Party, who are lawfully present in its territory, all reasonable assistance and facilities in carrying out activities under this Agreement.

#### *Principles of cooperation*

19. Article 4(5) obliges the Parties, unless they otherwise agree, to conclude programs of cooperation, compiled biennially or in another agreed period, setting out the details of cooperative activities.

20. Article 8 obliges a Party not to divulge confidential information obtained by it or its personnel from the other Party unless:

- (a) the other Party provides written consent to the disclosure; or
- (b) the Party is required to disclose the information in accordance with its domestic law, and has informed the other Party in writing of this obligation.

21. Article 9 obliges the Parties, the Competent Authorities or the relevant Cooperating Organisations as appropriate to settle financial arrangements involved in the implementation of this Agreement, in respect of the programmes of cooperation.

22. Article 11 obliges the Parties to settle any disputes between them arising out of the interpretation or implementation of the Agreement amicably through consultation or negotiation.

### **Implementation**

23. No new domestic legislation or amendments to existing legislation are required to allow Australia to meet its obligations under the Agreement.

### **Costs**

24. While there will be some costs associated with implementation and management of the proposed Agreement, these costs will be absorbed by the Department of Education, Science and Training. No additional costs are anticipated as a consequence of this treaty action.

### **Regulation Impact Statement**

25. The Office of Regulation Best Practice (Productivity Commission) has been consulted and advised that a Regulation Impact Statement is not required.

### **Future treaty action**

26. Article 13 of the Agreement specifies that amendments can be made, by an exchange of notes through diplomatic channels, between the Parties. Any amendment to the Agreement would be subject to Australia's domestic treaty-making process.

### **Withdrawal or denunciation**

27. Once in force, Article 12(3) of the Agreement allows either Party to terminate the Agreement upon six weeks' written notice. Cooperative activities under the Agreement which had commenced as at the date of receipt of a notification to terminate the Agreement would be allowed to be fully executed after the termination has taken effect. Termination by Australia would be subject to our domestic treaty-making process.

### **Contact Details**

Asia Pacific & Africa Section  
International Science Branch  
Science Group  
Department of Education, Science & Training.

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**CONSULTATION**

**Federal Consultation**

1. Negotiation of the Agreement commenced in mid 2002, after Ministerial approval had been obtained. Federal Government Departments and science portfolio and funding agencies were consulted during negotiations, and although clarification was sought on some points, no substantial concerns were raised, and all agencies were broadly supportive of the Agreement.
2. During negotiations and drafting, the Agreement text was also provided to the Department of Foreign Affairs and Trade and the Attorney-General's Department for legal clearance. The Attorney-General's Department was further consulted on the legislative implications of the agreement. Attorney-General's Department advised that no new legislation or modifications to existing legislation would be required for the Agreement to enter into force.
3. During August 2005, DEST also sought the views of stakeholder agencies on the suitability of the text agreed with South Africa at an officials level. During this round of consultation, a number of agencies raised matters concerning treaty language which then became the subject of further consideration and negotiation with South Africa. The draft text was subsequently amended with the agreement of South Africa to satisfy these concerns.
4. Approval for Australia to sign the Agreement in October 2006 was received from the Prime Minister and the following Australian Government Ministers: the Treasurer; the Attorney-General; Foreign Affairs; Trade; Immigration and Multicultural and Indigenous Affairs; Finance and Administration; and Industry, Tourism and Resources.

**State/Territory Consultation**

5. State and Territory Governments have been advised of the proposed Agreement through the Standing Committee on Treaties' Schedule of Treaty Action. The Agreement has been on the list of current and forthcoming negotiations since March 2004. No objections or concerns were raised by the State or Territory Governments as a result of this notification.

**Science Community Consultation**

6. The reason for this Agreement was to allow science agencies in South Africa to access Government finance for joint research projects with Australia. South Africa's National Research Foundation has limited resources to support collaboration with Australia without a treaty-level cooperation agreement in place. The treaty should resolve this impediment, potentially allowing agencies such as CSIRO to undertake new collaborations.
7. DEST consulted with the science community through the membership of the Australian Government Committee for Coordination of Science and Technology (CCST) which includes

government research agencies, funding agencies and Australian government departments with an interest in science.

8. Consulted agencies included the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC), Australian Nuclear Science and Technology Organisation (ANSTO), Defence Science Technology Organisation (DSTO) and the CSIRO. All agencies indicated their support for the provisions proposed under the Agreement. In particular, CSIRO was satisfied that the treaty would meet its requirements for enhanced collaboration with the Council of Scientific and Industrial Research (CSIR) of South Africa.

## BACKGROUND INFORMATION

### Political Brief on South Africa

1. South Africa is the economic and political powerhouse of southern Africa and plays a leading role in Africa's regional and international agendas, including through the African Union, the New Partnership for African Development and the Southern African Development Community. South Africa's leadership in Africa follows its re-integration with the international community following the end of its isolation of the Apartheid era. In 1994, South Africa resumed its seat in the UN General Assembly, rejoined the Commonwealth, and became an active and leading member of the Non-Aligned Movement.

2. Since its first post-apartheid all-party elections in 1994, South Africa has developed firmly entrenched democratic and transparent institutions, including a free press. The government is dominated by the African National Congress (ANC) which won 70 per cent of the votes in the most recent (April 2004) parliamentary elections. The economy is underpinned by an abundant supply of natural resources; well-developed financial, legal, communications, energy, and transport sectors; an effective and growing stock exchange; and a modern infrastructure supporting an efficient distribution of goods to major urban centres throughout the region. With a population of 44 million people and gross domestic product per capita estimated to be more than US\$5,300 in 2006, South Africa is an upper-middle income country. South Africa's main long-term social and economic challenges are the high rate of unemployment (currently around 27 per cent), the HIV/AIDS pandemic, high levels of violent crime and large income disparities.

3. South Africa remains Australia's most important trading partner on the African continent, with two-way merchandise trade (A\$3.8 billion) accounting for almost 75% of Australia's total two-way trade with sub-Saharan Africa in 2005-06. Two-way merchandise trade rose 28.4% in 2005-06 on the previous year, having risen by an average of over 10% over the three preceding financial years. Australia's merchandise exports to South Africa are dominated by raw materials (alumina, coal and crude petroleum), although elaborately transformed manufactures, predominantly passenger motor vehicles, are more significant than in the past. South Africa is also a significant services trade partner for Australia, with two-way trade of A\$544 million evenly shared between the two countries. On both sides services trade is dominated by tourism and business travel. South Africa remains a significant source of FDI in Australia, with investments valued at A\$2.4 billion in 2004 and A\$1.4 billion in 2005. South Africa's most significant investments in Australia in terms of turnover are mainly in food and other consumables distribution and retail, including household names such as IGA, Franklins and Country Road.

4. Australia has provided more than \$100 million in development assistance to South Africa since 1993-94. Under the Africa Framework, which was agreed in March 2003, Australia's aid program focuses on improved governance (particularly in macroeconomic and financial management, trade-related issues and broader public sector reform processes), health (particularly HIV/AIDS), education and food security.

**May 2007.**





# SOUTH AFRICA

Fact Sheet

## General information:

Fact sheets are updated biannually; May and September

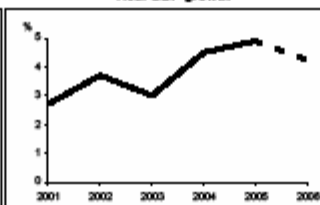
<b>Capital:</b>	Pretoria (administrative); Cape Town (legislative); Bloemfontein (judicial).	<b>Official languages:</b>	Afrikaans, English, IsiZulu, IsiXhosa, Sepedi, Setswana Sesotho, Xitsonga, Swazi, Tshivenda, IsiNdebele
<b>Surface area:</b>	1,219 thousand sq km	<b>Head of State and Head of Government:</b>	President The Hon Mr Thabo Mbeki
<b>Population:</b>	46.9 million (2005)		
<b>Exchange rate:</b>	A\$1 = 5.3147 Rand (July 2006)		

<b>Recent economic indicators:</b>	2001	2002	2003	2004	2005(a)	2006(b)
GDP (US\$bn) (current prices):	118.6	111.1	166.2	215.0	239.4	256.5
GDP PPP (US\$bn) (c):	453.2	477.6	500.9	533.2	570.2	604.7
GDP per capita (US\$):	2,633	2,440	3,612	4,627	5,106	5,411
GDP per capita PPP (US\$) (c):	10,065	10,486	10,888	11,476	12,161	12,760
Real GDP growth (% change YOY):	2.7	3.7	3.0	4.5	4.9	4.2
Current account balance (US\$m):	142	714	-2,216	-7,359	-10,118	-14,002
Current account balance (% GDP):	0.1	0.6	-1.3	-3.4	-4.2	-5.5
Goods & services exports (% GDP):	30.1	32.8	28.0	26.6	27.1	31.2
Inflation (% change YOY):	5.7	9.2	5.8	1.4	3.4	4.6

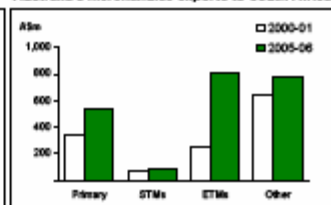
Australia's merchandise trade with South Africa



Real GDP growth



Australia's merchandise exports to South Africa



## Australia's trade relationship with South Africa (d):

Australian merchandise trade with South Africa, 2005-06:		Total share:	Rank:	Growth (yoy):
Exports to South Africa (A\$m):	2,210	1.5%	15th	33.8%
Imports from South Africa (A\$m):	1,619	1.0%	21st	21.8%
Total trade (exports + imports) (A\$m):	3,829	1.2%	19th	28.4%

Major Australian merch. exports*, 2005-06 (A\$m):		Major Australian merch. imports, 2005-06 (A\$m):	
Medicaments (incl. veterinary)	330	Passenger motor vehicles	860
Coal	248	Motor vehicles for transporting goods	88
Crude petroleum	161	Pig iron	41
Passenger motor vehicles	126	Furniture	37

\*Includes \$769m of confidential items (mainly alumina) and special transactions, 35% of total exports.

Australia's trade in services with South Africa, 2005-06:		Total share:
Exports of services to South Africa (A\$m):	272	0.6%
Imports of services from South Africa (A\$m):	272	0.7%

Major Australian service exports, 2005-06 (A\$m):		Major Australian service imports, 2005-06 (A\$m):	
Personal travel excl. education	106	Personal travel excl. education	129
Business-related travel	29	Business-related travel	27

## South Africa's global merchandise trade relationships:

South Africa's principal export destinations, 2005:			South Africa's principal import sources, 2005:		
1	Japan	11.0%	1	Germany	14.0%
2	United Kingdom	10.8%	2	China	9.0%
3	United States	10.4%	3	United States	7.9%
7	Australia	3.0%	12	Australia	2.1%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) all recent data subject to revision; (b) IMF forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.  
n.m. Data not meaningful

## **LIST OF OTHER TREATIES WITH THE REPUBLIC OF SOUTH AFRICA**

1. Agreement between the Government of the Commonwealth of Australia and the Government of the Republic of South Africa concerning Postal Parcels  
**[1971] ATS 16**
2. Agreement between the Government of the Commonwealth of Australia and the Government of the Republic of South Africa concerning an International Observer scheme for Land-Based Whaling Stations  
**[1971] ATS 22**
3. Agreement between the Government of Australia and the Government of the Republic of South Africa relating to Air Services  
**[1995] ATS 23**
4. Agreement between the Government of Australia and the Government of the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income  
**[1999] ATS 34**
5. Agreement between the Government of Australia and the Government of the Republic of South Africa for the Reciprocal Protection of Classified Information of Defence Interest  
**[2001] ATS 15**
6. Treaty on Extradition between Australia and the Republic of South Africa  
**[2001] ATS 19**

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## LIST OF TREATIES OF THE SAME TYPE WITH OTHER COUNTRIES

1. Agreement between the Government of Australia and the Government of the People's Republic of China on Cooperation in Science and Technology  
**[1980] ATS 14**
2. Agreement between Australia and the European Community relating to Scientific and Technical Cooperation  
**[1994] ATS 24**
3. Agreement between Australia and the European Community amending the Agreement relating to Scientific and Technical Cooperation of 23 February 1994  
**[1999] ATS 29**
4. Agreement between the Government of Australia and the Government of the Federal Republic of Germany on Scientific and Technological Cooperation  
**[1976] ATS 28**
5. Agreement between the Government of Australia and the Government of Japan on Cooperation in Research and Development in Science and Technology  
**[1980] ATS 28**
6. Exchange of Notes Constituting an Agreement to extend the Agreement between the Government of Australia and the Government of Japan on Cooperation in Research and Development in Science and Technology of 27 November 1980  
**[1985] ATS 28**
7. Agreement between the Government of Australia and the Government of the Republic of Korea on Scientific and Technological Cooperation  
**[2000] ATS 13**
8. Agreement between the Government of Australia and the Government of Russia [originally with the Union of Soviet Socialist Republics] on Scientific-Technical Cooperation  
**[1975] ATS 3**
9. Agreement between the Government of Australia and the Government of the Republic of Indonesia for cooperation in scientific research and technological development  
**[2005] ATNIF 11**
10. Agreement relating to Scientific and Technical Cooperation between the Government of Australia and the Government of the United States of America  
**[2006] ATNIF 4**

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