



Submission No 64

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

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**Organisation:** Private Submission

Submission No:	64
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Dear John, please find attached a supplementary submission re mining.

Also, one matter which has only been mentioned briefly in passing re Australia's contributions to Africa is that of **the role of the UN**. This should be "counted" although it is difficult to be very specific because UN involvement (and Australia's part of that) can be "camouflaged".

eg **Direct assistance:**

- . AusAID funds to a UNFPA or UNICEF or FAO project in a particular country
- . Peace Keeping
- . NGOs receiving funds through WFP for delivery of Australian food aid
- . Medical research through WHO, involving Australian scientists
- . Australian staff on UN agencies working in Africa (not many but some eg in recent years the regional head of WFP, UNFPA Reps in Zambia and Ghana and the UNAIDS regional rep)\*

eg **Indirect Assistance**

GoA contributions to:

- . Assessed core UN funding, which provides support and deals with African issues, among other regions
- . Assessed contributions to agencies such as WHO
- . Extra-budgetary funding to UN agencies eg to UNFPA, ILO, UNAIDS etc, who have offices in African countries
- . Provision of Australian made equipment and supplies

\*And related to staffing – there is considerable expertise amongst Australian UN retirees (currently about 560 in total) who have first hand experience of working in Africa countries and who could well contribute to an Africa Think Tank or other such body if it existed (of course not all would be in a position to contribute, because of age and health but the younger retirees certainly could do so).

Thanking you, and best wishes for a satisfactory wrapping up of the Inquiry. The process is obviously being very beneficial in bringing all players out into the open and putting the subject onto the public agenda.

Margaret O'Callaghan.

# **SUPPLEMENTARY SUBMISSION TO JOINT INQUIRY INTO AUSTRALIA'S RELATIONSHIPS WITH AFRICAN COUNTRIES**

## **- Re MINING**

### **Private Submission from Margaret O'Callaghan**

#### **Summary:**

The subject of Corporate Social Responsibility for Mining Companies has already been addressed in submissions. However, there are some other aspects, beyond the responsibilities of mining companies, which are equally important. National and provincial governments and land owning communities may require educating about the issues and capacity building in order to effectively deal with mining companies and lessen the negative social and economic impact of mines. GoA may have a role to play in assisting such mining partners.

#### **My Background:**

I write from the point of view a former UN official whose duties in two countries (one African) included working with mining companies, governments and communities to help prevent/reduce/address negative social and health issues arising from mining activities (I will not comment on the environmental aspects of impact).

#### **Comments:**

1. It is appreciated that the extractive industry is a very high cost, highly competitive, fast paced and profit-oriented business whose priority is to produce mining products in as short a time as possible. Establishing a mine in a severely economically disadvantaged and slow paced area, as are most parts of Africa, means that a serious clash of cultures is inevitable. There are bound to be complications in negotiations and implementation and considerable and complex social and economic disruption to the effected communities, including local governments.

3. The severity of that impact can be reduced by mining companies understanding and addressing, as far as possible, the issues which have been well documented in the literature, including increasing the spread of HIV infection. Some may need educating about the steps to be taken while others may need encouraging to make the budgetary and staffing allocations needed to make the steps meaningful and not just superficial. The increasing adoption of Corporate Social Responsibility policies and guidelines by companies is a step in the right direction but implementation needs to be externally monitored to ensure the highest possible levels of compliance. The Oxfam submission, Number 39, clearly addresses many of the issues.

4. It is also appreciated that addressing these issues may not always be easy in a harshly competitive environment where other mining companies lower the standards of labour practices and conditions (some with serious infringement of human rights) and fail to address such criteria eg current issues in Zambia and DRC. However, in such cases Australian companies could well help to publicise these issues to those organizations best equipped to deal with them. eg The UN and INGO advocacy groups.

5. An additional issue is the potential for mining companies to help prop up un-savoury regimes, as can be seen in a number of countries. The question is does the Australian Government have a role to play in vetting where companies are involved and how would it deal with problematic situations? eg Australian companies mining in Zimbabwe and in DRC.

6. But the main point I want to make, which has not yet been made, is that a Mining Company can only do so much. There is also a significant role to be played by *national and provincial/local governments and affected communities*, in order to prevent and alleviate the impact of a mine. In order to fulfil their responsibilities they may require assistance with capacity building - which cannot be provided by the mining company which is a self-interested party eg

- *National Governments* need high level legal and financial negotiating skills and knowledge of the international mining market for the preparation of fair deal contracts (there is also potential for corruption of players). Some governments are very experienced (such as South Africa and Zambia), others less so, while some are new to this subject eg Uganda and oil extraction. AusAID has already mentioned that they are providing a number of scholarships for skills enhancement eg in managing the resulting resource flows. Some may require assistance with inserting contractual requirements which address issues relating to HIV and also gender matters.

- *Provincial governments* (where a mine is located) have to deal with many issues arising from the presence of a mine, including infra-structure, the local economy and human related aspects. They require both education and the skills to manage a fast changing civic environment.

- *Community*: Mines are established on communal tribal land and local chiefs/land partners require thorough education about the potential impact and also support to negotiate with both governments and the mine company their fair share of the deal. They also need the capacity to plan and manage the income generated. These processes are likely to be very time consuming and not proceed at the same pace as Mining Companies – and consequently tension creating. Communities also need advocacy skills and education to monitor and report on the potential physical, economic and social impact of a mine once it is underway. Although probably a very sensitive subject, they should have the capacity to ensure that any contractual negotiations take into account community equity, including gender issues, in regard to control of the income and other related benefits.

### **Conclusion:**

If we are serious about “doing no harm” and supporting the development of African countries it would appear that the GoA has an obvious responsibility (through government agencies and NGOs - and through mining companies themselves) to assist countries to ensure that the traditional problems associated with mining do not occur in the twenty-first century through the work of Australian mining companies.