



**Australian Government**

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**Department of Foreign Affairs and Trade**

**Submission to the Joint Standing Committee on  
Foreign Affairs, Defence and Trade**

**Inquiry into Australia's relationship with the  
countries of Africa**

*17 March 2010*

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## **TERMS OF REFERENCE**

The Joint Standing Committee on Foreign Affairs, Defence and Trade shall inquire into and report on Australia's relationship with Africa, with special emphasis on:

- bilateral relations at the parliamentary and government levels;
- economic issues, including trade and investment;
- cultural, scientific and educational relations and exchanges;
- development assistance cooperation and capacity building;
- defence co-operation, regional security and strategic issues; and
- migration and human rights issues.

The Committee will consider both the current situation and opportunities for the future

## **GLOSSARY**

AABC	Australia Africa Business Council
ACIAR	Australian Centre for International Agricultural Research
ACP	African, Caribbean and Pacific Group of States
AGOA	African Growth and Opportunity Act
APRM	African Peer Review Mechanism
AQIM	Al-Qa'ida in the Islamic Maghreb
ASNO	Australian Safeguards and Non-Proliferation Office
ASX	Australian Stock Exchange
AU	African Union
AusAID	Australian Agency for International Development
AUSTRAC	Australian Transaction Analysis Centre
CACF	China Africa Co-operation Forum
CMAG	Commonwealth Ministerial Action Group
CPA	Comprehensive Peace Agreement
CPPNM	Convention on the Physical Protection of Nuclear Material
CSA	Comprehensive Safeguards Agreement
CSR	Corporate Social Responsibility
DIAC	Department of Immigration and Citizenship
DFAT	Department of Foreign Affairs and Trade
EITI	Extractive Industries Transparency Initiative
EDF	European Development Fund
EFIC	Export Finance Insurance Corporation
FDI	Foreign Direct Investment
G77	Group of 77 Countries

GDP	Gross Domestic Product
GPA	Global Political Agreement
HIPC	Heavily Indebted Poor Countries
HRC	Human Rights Council
IAEA	International Atomic Energy Agency
ICC	International Criminal Court
IMF	International Monetary Fund
LDC	Least Developed Country
MDC	Movement for Democratic Change
MDG	Millennium Development Goals
NAM	Non-Aligned Movement
NEPAD	New Partnership for Africa's Development
NHRI	National Human Rights Institution
ODA	Official Development Assistance
PEPFAR	President's Emergency Plan for AIDS Relief
SPLM	Sudan People's Liberation Movement
TCF	Textile, Clothing and Footwear
TICAD	Tokyo International Conference on African Development
UN	United Nations
UNHCR	United Nations High Commission for Refugees
WTO	World Trade Organisation
ZANU-PF	Zimbabwe African National Union-Patriotic Front

## **EXECUTIVE SUMMARY**

Despite its many challenges and with some notable exceptions, Africa is changing for the better. Overall, it is a more stable, free and prosperous continent than ten years ago.

Following economic reforms, many African countries have enjoyed strong growth in recent years. Africa is especially rich in resources, offering major economic opportunities, but posing a challenge to governance.

Notwithstanding the positive trends, Africa will remain the world's poorest continent and gains in governance and political stability remain fragile. It has 33 out of 49 of the world's least developed countries; one half of the continent lives in absolute poverty.

Sustained and effective international engagement will be required for the foreseeable future to assist African countries to tackle their development and, in some cases, security challenges.

Collectively, African countries are becoming more important in global economic and political terms. They play an influential role in multilateral forums, including in the World Trade Organization and in the United Nations. African countries comprise 27 percent of each body.

African countries are taking more responsibility for managing internal African political and security issues. The importance of the African Union, the African Union Commission and other regional organisations is growing.

In response to many of the trends identified above, the Australian Government is continuing to enhance its engagement with Africa, driven by our economic and strategic interests.

Australia has significant and growing interests in Africa's resources sector. Australian companies have an estimated \$20 billion in current and prospective investments in Africa, with projects in 40 countries.

Australia also enjoys growing people-to-people links with Africa, including in education. There are over 250,000 African-born people in Australia.

As a committed multilateralist, Australia recognises the need to work closely with African countries to make progress on a range of important international issues, including trade liberalisation, climate change, refugees, UN reform, disarmament and international security, advancing human rights protections and addressing global poverty.

Australia also needs to be vigilant for possible transnational threats, such as terrorism, crime and irregular migration, emanating from Africa.

Australia is committed to broadening and deepening its engagement with Africa and wants to work with Africa in ways that our expertise and experience – in areas such as

agriculture and food security, extractive industry management and peace and security  
- can make a unique contribution.

Australia's approach to Africa focuses on four priorities:

- enhanced political and diplomatic engagement;
- supporting Africa's efforts to promote economic growth through investment and trade;
- supporting African countries in their efforts to make progress towards the Millennium Development Goals; and
- addressing peace and security challenges in Africa.

As the Minister for Foreign Affairs, Stephen Smith, has said 'to survive as a prosperous nation into the future, economically and politically, [Australia] cannot ignore a continent of nearly a billion people made up of more than 50 countries.'

# MAP OF AFRICA



United Nations, Department of Peacekeeping Operations, Cartographic Section, January 2004

## **North Africa in Australia's relations with Africa**

Given Africa's immense diversity, this submission has a strong focus on sub-Saharan Africa, which represents 48 of the 53 states on the continent.

North Africa has some features that distinguish it from sub-Saharan Africa, in particular its generally higher level of economic development and ties to the Arab World. The five North African countries (Algeria, Egypt, Libya, Morocco and Tunisia) play a role in institutions such as the Arab League and initiatives to foster security and cooperation in the Mediterranean region.

The submission refers in brief to key developments in, and Australia's relations with, the countries of North Africa. It also acknowledges the vital role North African countries play in African regional organisations and their cooperation with other African countries in multilateral forums. North Africa is covered fully in the data in Section 2 on economic and people-to-people links.

The Australian Government recognises the importance of its relations with the countries of North Africa and their strategic and economic significance in an African context.

The Government's policy of closer engagement with Africa embraces both Sub-Saharan Africa and North Africa. A number of the North African countries are among Australia's leading markets in Africa, as noted in Section 3.1 of the submission. The Joint Standing Committee on Foreign Affairs and Trade delivered a report on Australia's Trade and Investment Relations with North Africa in 2006, in the 41st Parliament.

# 1. POLITICAL AND ECONOMIC CONTEXT

## Key Messages

- Despite its many challenges and with some notable exceptions, Africa is changing. Overall, it is a more stable, free and prosperous continent than ten years ago.

### 1.1 *Political stability*

Although Africa's diversity makes it difficult to generalise about its prospects, it has experienced a marked improvement in political stability and security.

The World Bank political stability index for 2009 reports that political stability, across sub-Saharan Africa, was up by more than 10 percent from 1996, when figures were first compiled.<sup>1</sup> The number of countries in crisis has declined. By the end of the last decade many of the conflicts that engulfed Africa in the 1990s had either been resolved or were winding down.

Notable developments include the end of civil wars in Mozambique, Sierra Leone, Angola, Liberia, Cote d'Ivoire, Burundi, Rwanda and Sudan. The World Bank also notes significant increases in political stability (and the absence of violence) in South Africa, Libya, Angola, the Congo, Sierra Leone and Rwanda.

Despite these positive developments, several long-running conflicts continue to threaten regional stability in Africa.

In eastern Democratic Republic of the Congo, even with a peace agreement, elections in 2006 and the deployment of a 17,000-strong United Nations (UN) peacekeeping mission, it is estimated that hundreds continue to die each day from conflict-related violence.

In Sudan, the signing of the Comprehensive Peace Agreement in 2005 ended the 20-year North-South civil war. But violence in Darfur has claimed more than 200,000 lives and displaced two million people.

In Somalia, the clan-based conflict of the 1990s has mutated into war between a radical, al-Qa'ida-linked Islamist insurgency and a transitional government that controls only a small part of the country.

Weak or non-existent border controls mean instability from one internal conflict often is transmitted to neighbouring states as people (refugees and combatants) and contraband (weapons and the smuggled goods that sometimes finance insurgencies) cross with little restriction.

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<sup>1</sup> <http://info.worldbank.org/governance/wgi/index.asp>.

Africa has a substantial number of refugees and internally displaced persons – the United Nations High Commission for Refugees (UNHCR) *2008 Global Trends* report estimates that by the end of 2008 there were 2.1 million refugees in sub-Saharan Africa. This represents the eighth consecutive year of decline in refugee numbers (UNHCR estimates for 2000 were 3.4 million), but it still represents 20 percent of refugees covered by UNHCR globally.<sup>2</sup>

Renewed conflict and human rights violations in 2008 in the Central African Republic, Chad, the Democratic Republic of the Congo, Somalia and Sudan increased refugee outflow to neighbouring states, primarily to Kenya (65,000 new arrivals), Uganda (49,500 arrivals), Cameroon (27,500 new arrivals) and Chad (17,900 new arrivals).<sup>3</sup>

## **1.2 Governance**

Governance has improved across much of Africa over the past two decades. There has been overall progress on accountability, political liberalisation and economic management.

In particular, following the end of the Cold War, many African countries underwent relatively peaceful transitions to liberal democracy and market-based economies.

One study illustrates how formal institutional rules have displaced violence as the primary source of constraints on executive behaviour, with elections becoming more frequent and more competitive.

Whereas in the 1960s and 1970s, 75 percent of African rulers left office through a coup, assassination, or some other form of violent overthrow, from 2000 to 2005, that number had dropped to 19 percent. Of the 26 presidential elections held in Africa in the 1960s, the incumbent faced an opponent in just two of them. By the 1990s, however, more than 90 percent of presidential elections were contested, with the proportion rising to 98 percent in the period from 2000 to 2005. During the entire period between 1960 and 1990, only one African president lost an election. In the period 2000-05, the loss rate had risen to 14 percent.<sup>4</sup>

To date, 29 countries have voluntarily acceded to the New Partnership for Africa's Development's (NEPAD's) African Peer Review Mechanism (APRM), 15 have launched reviews and five countries are actively implementing the Extractive Industries Transparency Initiative (EITI) which is designed to monitor the use of funds earned from oil and other natural resources.

Political representation has widened and efforts have been made through constitutional provisions to reflect the diversity of African societies in organs of government, especially in the executive and legislature. The growing role of civil society in many countries is also a sign of progress as non-government organisations and other citizen groups are increasingly holding governments accountable for their

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<sup>2</sup> [www.unhcr.org](http://www.unhcr.org),

<sup>3</sup> *ibid*

<sup>4</sup> Daniel Young and Daniel Posner, "The Institutionalization of Political Power in Africa." *Journal of Democracy*, Vol. 18 no. 3 (2007, cited in Michelle Sieff, "Beyond Afro-Pessimism". | *World Politics Review*, 5 January 2010.

actions. For example, in Ghana, civil society played an important role in supporting free and fair presidential and parliamentary elections in 2008. New technologies – notably mobile phones – are helping to increase the fairness and transparency of electoral processes.<sup>5</sup> During the recent elections in Kenya, Ghana, Sierra Leone and the Democratic Republic of Congo, citizens used mobile phones to report vote-rigging and violence.

Freedom House notes steady gains towards democratic governance in Africa over the last two decades. Among the 48 countries of sub-Saharan Africa surveyed in 2009, 10 were rated ‘free’<sup>6</sup>, 23 were rated ‘partly free’<sup>7</sup> and 15 were rated ‘not free’<sup>8</sup>. By comparison, in 1980, only four countries were rated ‘free’, 15 were ‘partly free’ and 27 countries were rated ‘not free’.<sup>9</sup>

At the same time, there have been troubling setbacks such as the coups in Guinea, Guinea-Bissau, Mauritania, Madagascar and Niger. The quality of elections remains suspect in many countries and adherence to constitutionalism and the rule of law is still not entrenched. In terms of ending impunity for serious crimes, the African Union’s (AU’s) decision at its Summit in July 2009 not to cooperate with the indictment of Sudan’s President Omar al-Bashir by the International Criminal Court (ICC) was disappointing.

The 2009 Freedom House survey notes varying degrees of decline in democracy across the continent in the last 18 months, including a deterioration in the rule of law, the suppression of opposition groups and curbs on freedom of expression.

Nevertheless, Africa’s multilateral institutions are increasingly pushing member governments towards more democratic outcomes. Since it replaced the Organization of African Unity in 2001, the AU (see Box 1) has played a leading role in resolving conflicts arising out of disputed election outcomes.

For example, after the violence following the 2007 Kenyan presidential election, the AU invited former UN Secretary-General Kofi Annan to mediate. In the wake of military coups in Mauritania and Guinea, the African Union has been prominent in pushing the coup leaders to return to democratic rule. Madagascar and Niger have similarly been suspended by the African Union in response to the ousting of incumbent Presidents following military interventions.

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<sup>5</sup> There are about 350 million mobile-phone subscribers in Africa, and that number is expected to continue to grow rapidly.

<sup>6</sup> A ‘free country’ is one where there is broad scope for open political competition, a climate of respect for civil liberties, significant civil life, and independent media.

<sup>7</sup> A ‘partly free’ country is one in which there is limited respect for political rights and civil liberties. Partly free states frequently suffer from endemic corruption, weak rule of law, and ethnic or religious strife, and they often feature a single political party that enjoys dominance despite a facade of limited pluralism.

<sup>8</sup> A ‘not free’ country is one where basic political rights are absent, and basic civil liberties are widely and systemically denied.

<sup>9</sup> Freedom House, Freedom of the World 2009 Survey,

## ***BOX 1: The African Union***

*The African Union (AU) is an economic and political union consisting of 53 African states. It was established in 2002 as a successor to the Organisation for African Unity. The AU's objectives are to accelerate the political and socio-economic integration of the continent; to promote and defend African common positions on issues of interest to the continent and its peoples; to achieve peace and security in Africa; and to promote democratic institutions, good governance and human rights.*

*The AU is made up of both political and administrative bodies. The highest decision-making body of the AU is the Assembly, made up of heads of state or government of the member states. The current chair of the Assembly is President Bingu wa Mutharika of Malawi, who was elected in January 2010. The AU secretariat, the AU Commission, is based in Addis Ababa and is chaired by Jean Ping of Gabon. The Executive Council of the AU is made up of foreign ministers and prepares decisions for the Assembly.*

*The AU has developed a number of human rights instruments and mechanisms to promote the protection of human rights. The African Commission on Human and People's Rights is the main African human rights body, with responsibility for monitoring and promoting compliance with the African Charter on Human and People's Rights (the 'African Charter'). The African Court on Human and People's Rights was established in 2006 to supplement the work of the Commission. It will eventually be merged with the African Court of Justice.*

*Currently Guinea, Mauritania and Madagascar are suspended from the AU, following coups d'état. Eritrea announced its withdrawal after the AU called on the United Nations Security Council to impose sanctions in response to Eritrean support for Somali insurgents.*

*The AU's first military intervention in a member state was a deployment in 2003 to Burundi to oversee implementation of various peace agreements. Since then the AU has sent peacekeeping forces to the Darfur region of Sudan and to Somalia.*

*The AU Assembly and Executive Council hold two Ordinary Sessions a year. The first is held in Addis Ababa in January. The second is held mid-year, generally in the country of the chair.*

*Mr Smith's attendance at the 13<sup>th</sup> Ordinary Session in Addis Ababa in January 2009 was the first by an Australian Foreign Minister.*

Corruption remains a significant challenge in sub-Saharan Africa. Of the 47 sub-Saharan African countries reviewed in Transparency International's *Corruption Perceptions Index 2009*, corruption was perceived as rampant in 31 (a score of less than three out of 10), and a serious challenge in 13 (a score between three and five out of 10). Only three countries – Botswana, Mauritius and Cape Verde – scored more than five out of 10. In Northern Africa, corruption was perceived as 'rampant' in three of five countries, and as a 'serious' challenge in the remaining two countries.<sup>10</sup>

The prospects for systematic reform vary. Even countries with relatively low levels of corruption face challenges. In many countries weak institutions mean that

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<sup>10</sup> Transparency International, *Corruption Perceptions Index 2009*, [www.transparency.org](http://www.transparency.org),

enforcement remains inconsistent, despite increasing awareness, reporting of corruption and the strengthening of legal frameworks.

### **1.3 Human Rights**

The Australian Government considers that all States have a duty to protect and promote universal human rights. The promotion of these rights at all levels in the international system – globally, regionally and in our bilateral relations with other countries – is a core foreign policy objective.

Australia has consistently rejected the view that there exists a hierarchy or priority with respect to the rights embodied in the Universal Declaration of Human Rights and core human rights treaties.

#### *Australian Government action on human rights in Africa*

Australia works actively in the UN to ensure that strong resolutions are adopted on human rights issues in Africa. Australia has been particularly engaged in the UN Human Rights Council (HRC).

For example, in March 2008, Australia delivered strong statements on the human rights situations in Sudan, Zimbabwe and Kenya. Australia also delivered a statement in a Special Session of the HRC convened on the Democratic Republic of the Congo in November 2008.

In addition, Australia has actively participated in the HRC's Universal Periodic Review process, where we have raised human rights concerns with the governments of Mali, Burundi, Burkina Faso, Botswana, Ethiopia, Eritrea, Equatorial Guinea, Democratic Republic of Congo, Egypt and Madagascar.

Examples of Australian action on specific human rights issues are set out below.

#### *Death Penalty*

Australia strongly supports the universal abolition of the death penalty. In January 2010, Australian diplomatic missions in Africa made representations to African countries against the death penalty, as part of a campaign of global representations to countries that carry out executions or maintain capital punishment as part of their laws.

Australia welcomed the abolition of the death penalty for all crimes in Burundi and Togo in 2009.

#### *Arbitrary Arrest and Detention/Extrajudicial Executions/Torture*

The Australian Government believes that enforced disappearance is an egregious abuse of human rights. Many individuals who are arbitrarily arrested and detained suffer physical and/or psychological torture during interrogation, as well as extrajudicial punishment, execution and other abuses.

Australia remains concerned about reports of the use of torture, arbitrary arrests and detention of political opponents and extrajudicial killings in some countries in Africa. The Government has expressed these concerns recently in statements to the UN HRC for Burundi, Ethiopia, Eritrea, Equatorial Guinea, Angola, Egypt and Madagascar.

#### *National Human Rights Institutions (NHRIs)*

NHRIs, in particular those that conform with the Paris Principles, combined with an independent judiciary and a sound system for the administration of justice, are important in the promotion and protection of human rights at the national level. They also play a role in preventing and combating violations of human rights and fundamental freedoms and developing and enhancing public awareness of those rights and freedoms.

Australia has commended the establishment of NHRIs in Mali and Angola and noted the ongoing positive role of NHRI's in Egypt and South Africa. Australia has also welcomed Burundi's efforts to establish an NHRI.

#### *Discrimination against Women/Violence against Women*

Violence against women and the fear of violence are significant human rights violations. Violence causes trauma to women and their families and communities, and severely limits women's social, political and economic participation. Many studies have shown that increasing women's participation is a key factor in reducing poverty, enhancing economic growth and democratic governance, and increasing the wellbeing of women, girls and their families.

Australia remains concerned about the situation of women in a number of countries, in particular about reports of trafficking and sexual exploitation and high levels of physical and sexual violence against women in conflicts in places such as the Democratic Republic of the Congo and Sudan. While efforts have been made to curb and/or criminalise the practice of genital mutilation in some countries (such as Mali, Burkina Faso and Eritrea), the incidence of the practice remains frequent in some countries.

Australia has welcomed the establishment of a ministry for the advancement of women in Burkina Faso and efforts to better protect women's economic and social rights in Equatorial Guinea.

#### *Child Labour and Children in Armed Conflict*

UNICEF estimates that approximately 158 million children aged 5 to 14 are involved in child labour worldwide. Primary categories of child labour include factory work, mining, prostitution and agriculture. Article 32 of the Convention on the Rights of the Child states that States Parties must:

“...recognise the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral or social development.”

Children in armed conflict and children displaced by conflict are not only vulnerable to recruitment as child soldiers, but also to other grave violations, including killing, maiming, sexual exploitation and abduction. They may also suffer from the denial of humanitarian access.

Australia has recently expressed concern about reports of child labour, child trafficking and the sexual exploitation of children in Burkina Faso, Equatorial Guinea and Madagascar. The Government has also noted deep concerns about continuing recruitment of child soldiers in the Democratic Republic of the Congo. Australian officials have also made representations about the persecution of children and women accused of witchcraft in Nigeria.

#### *Sexual Orientation or Gender Identity*

The Government believes that all people are entitled to respect, dignity, the opportunity to participate in society and the protection of the law regardless of their sexual orientation or gender identity. Australia is concerned that many individuals remain subject to violence (including extrajudicial, summary or arbitrary executions, torture and other inhuman and degrading treatment or punishment), harassment (including arbitrary arrest or detention), discrimination, exclusion, stigmatization and prejudice because of their sexual orientation or gender identity.

Australia has made representations to the Ugandan government against proposed anti-homosexuality legislation. Australia has also expressed concerns about reports of criminal sanctions for homosexuality in proposed criminal code revisions in Burundi.

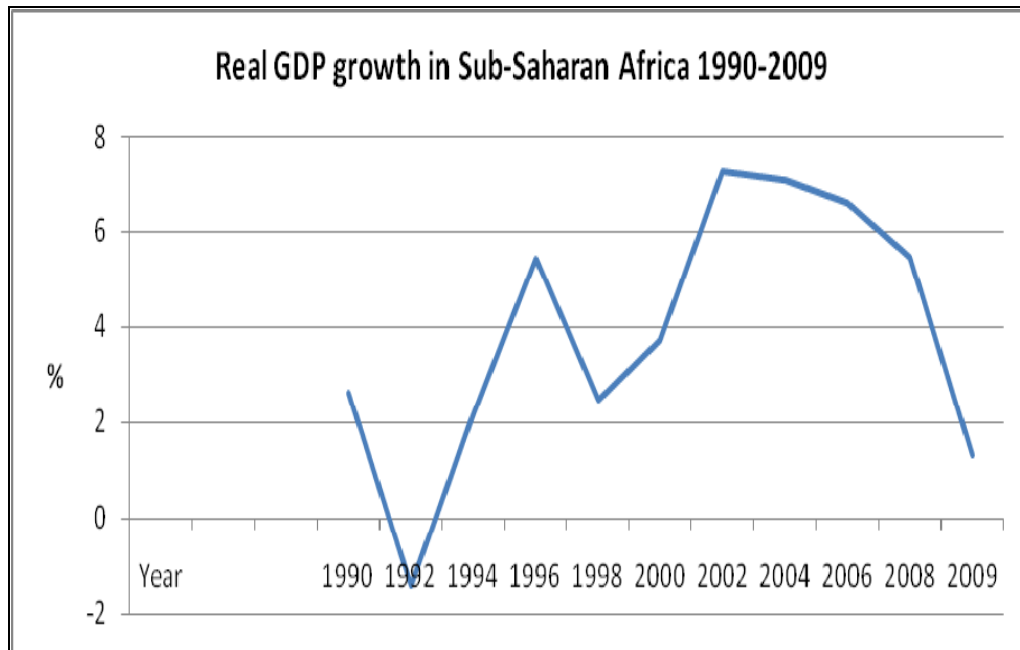
See appendices 5.1 and 5.2 for information about Zimbabwe and Sudan and the Australian Government's response.

#### ***1.4 Economic growth***

Sub-Saharan Africa has enjoyed relatively robust economic growth since the mid-1990s because of more soundly based fiscal and monetary policy, improvements in current account balances, increased earnings from tourism, and greater political stability in several countries.

External factors contributing to Africa's recent economic growth include increased flows of foreign direct investment (FDI) and official development assistance (ODA).

**GRAPH 1: Real GDP Growth in Sub-Saharan Africa, 1990-2009**



Source: IMF, *World Economic Outlook Database*, October 2009

Many African countries have worked hard over the past decade to improve macroeconomic stability (lowering inflation and debt sustainability), pursued sound economic policies and reinforced their institutions. They have promoted exports, enhanced competitiveness and encouraged inter-regional trade. Many have set out strategies for the development of infrastructure covering water, energy, transport and information and communications technology. They have called for the promotion of the private sector, including building financial markets and improving regulatory frameworks.

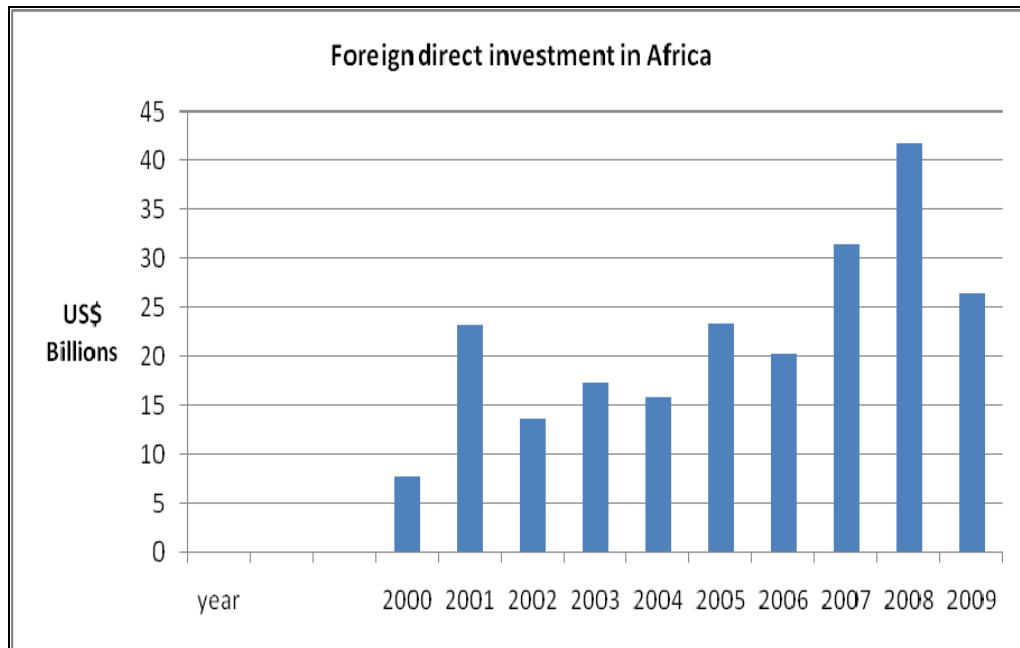
According to the World Bank's *Doing Business Report 2010*, many African governments are improving business conditions by introducing business-friendly reforms. Three African countries - Rwanda, Egypt and Liberia - feature among the top 10 reformers in the report, which also found that 28 countries had implemented more than 60 reforms that made it easier to start a business. Improvements have also been made in commercial law, property rights and investor protection.<sup>11</sup>

Africa's growth performance has been driven by rising oil and non-oil commodity prices, as a result of increased demand from Asia, particularly China. Oil price changes accounted for the bulk of the commodity price increase, while metals, minerals and fertilisers contributed significantly to the rise in non-energy commodity prices.

In the lead up to the global economic crisis, Africa recorded increased foreign direct investment flows (see graph 2 below). FDI flows to the service sector, and the electricity and wholesale and retail subsectors in particular, have risen, challenging the dominance of the extractive industry.

<sup>11</sup> World Bank, *Doing Business Report 2010*, [www.doingbusiness.org](http://www.doingbusiness.org).

**GRAPH 2: Foreign Direct Investment in Africa, 2000-2009**



Source: IMF, *World Economic Outlook*, October 2009

### **1.5 Impact of the global economic crisis**

The relative impact of the global financial crisis has so far been less severe in Africa than in advanced economies. African countries are less integrated into the global financial system and their financial institutions are much less exposed to the derivatives market, relying mainly on domestic market resource mobilisation rather than on foreign borrowings.

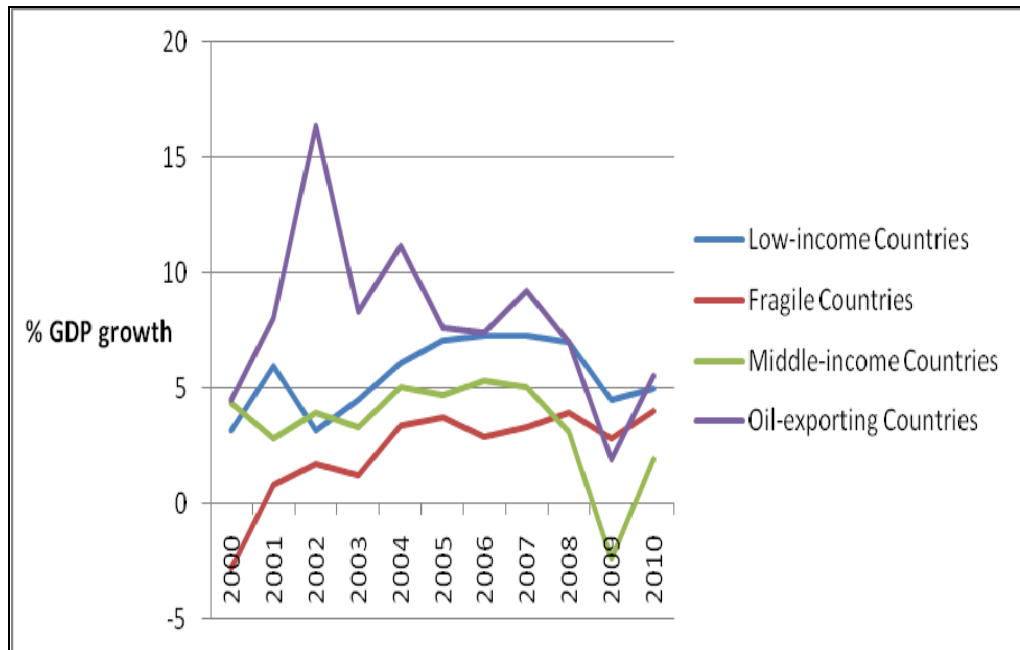
But the continent has not been immune to serious effects of the crisis, such as a reduction in financial inflows and declining export demand.

According to World Bank estimates, gross domestic product (GDP) grew only 1.1 percent for the Africa region as a whole in 2009, down from an average of 5 percent in the preceding year.<sup>12</sup> The growth slowdown varied across countries in sub-Saharan Africa, with oil exporters and middle-income countries (such as South Africa, Botswana and Seychelles) affected more severely, at least initially, than low-income, fragile and less globally integrated countries. Per capita GDP declined by an estimated 0.8 percent in 2009, the first decline in a decade.

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<sup>12</sup> *ibid*

**GRAPH 3: Impact of global economic crisis across sub-Saharan African economies**



Source: IMF, *Africa Regional Economic Outlook*, October 2009

As sub-Saharan Africa is a major commodity exporting region, lower commodity prices, declining export volumes, lower tourism revenues and declining remittances have all undermined income and private consumption, which slowed to 0.4 percent growth in 2008. FDI inflows fell by an estimated 36 percent in 2009, after a peak year in 2008.

The decline in FDI inflows was particularly felt in Africa's 33 least developed countries where demand for commodities is a major driver of FDI.<sup>13</sup>

Africa's growth recovery is expected to be moderate over the medium term. The rebound in economic activity will primarily result from a recovery in private demand, exports and investment, with the largest contribution expected to come from exports. The overall strength of the recovery will depend on growth performance in key export markets and investment partners, particularly the United States, the European Union and China. Export volumes from Africa have been forecast to increase by 4 percent in 2010, exceeding the forecast for growth in total world export volumes of 2.8 percent.<sup>14</sup> The IMF has forecast FDI to Africa to increase by 22 percent in 2010.

<sup>13</sup> UNCTAD, *Global Investment Trends Monitor: Global and Regional FDI Trends in 2009*, 19 January 2009

<sup>14</sup> [www.imf.org](http://www.imf.org)

## ***BOX 2: Regional Economic Integration***

*African countries have long-recognised the importance of regional economic integration and cooperation for fostering economic growth and development on the continent. Recent years have seen the acceleration and deepening of regional economic integration efforts as more African countries focus on enlarging their local markets to stimulate trade, production and investment.*

*The AU has recognised eight regional economic communities:*

- *Arab Maghreb Union (AMU)*
- *Common Market for Eastern and Southern African (COMESA)*
- *Community of Sahel-Saharan States (CEN-SAD)*
- *East African Community (EAC)*
- *Economic Community of Central African States (ECCAS)*
- *Economic Community of West African States (ECOWAS)*
- *Intergovernmental Authority for Development (IGAD)*
- *Southern African Development Community (SADC)*

*A challenge for African countries will be rationalising regional economic integration efforts. Many countries hold multiple memberships and consequently participate in several regional trade initiatives.*

### ***1.6 Development Outcomes and the Millennium Development Goals***

Economic growth has helped to make some inroads in reducing poverty in Africa since the mid-1990s. According to a World Bank report, the poverty rate in Africa fell from 59 percent in 1996 to 51 percent in 2005<sup>15</sup>.

Nevertheless, poverty in Africa remains significantly higher than in other continents and regions. In 2005 an estimated 391 million people in Africa were living in households with consumption per person below \$US 1.25 per day.

African states comprise 33 of the world's 49 Least Developed Countries (LDCs), as defined by the UN. LDCs are characterised by extreme poverty, economic vulnerability and low indicators in nutrition, health and education.

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<sup>15</sup> Shaohau Chen and Martin Ravallion "The developing world is poorer than we thought, but no less successful in the fight against poverty." World Bank Policy Research Working Paper 4703, revised version, August 2008. The World Bank uses a poverty line of \$US 1.25/day in its research.

**TABLE 1: LEAST DEVELOPED COUNTRIES (LDCS) IN AFRICA**

<b>Least Developed Countries (LDCs) in Africa</b>	
Angola	Madagascar
Benin	Malawi
Burkina Faso	Mali
Burundi	Mauritania
Central African Republic	Mozambique
Chad	Niger
Comoros	Rwanda
Congo, Democratic Republic of	Sao Tome and Principe
Djibouti	Senegal
Equatorial Guinea	Sierra Leone
Eritrea	Somalia
Ethiopia	Sudan
Gambia, The	Tanzania
Guinea	Togo
Guinea-Bissau	Uganda
Lesotho	Zambia
Liberia	

Source: United Nations.

Africa is the region which lags furthest behind in progress towards the Millennium Development Goals (MDGs), endorsed by UN in 2000. Even before the onset of the global financial crisis most African countries were not likely to meet their MDG targets by 2015.

Most countries are well below the trajectory required to halve poverty by 2015. Performance has also been weak on reducing maternal mortality and addressing other significant health problems such as HIV/AIDS, malaria and malnutrition. The primary education completion rate also remains low. There does, however, appear to be significant progress on meeting gender equality education targets, as well as on access to safe water.

**The Australian Agency for International Development's (AusAID's) submission provides further detail on Africa's progress in relation to the MDGs.**

## 2. AFRICA'S INTERNATIONAL ENGAGEMENT

### Key Messages

- African countries are, collectively and individually, playing an increasingly influential role in world affairs.
- African countries, through the AU and other regional bodies, are taking more responsibility for managing internal African political and security issues. Accordingly, outside countries, including Australia, are increasing their engagement with the AU and other regional groups.
- Reflecting their increasing regional cooperation, African countries are also exerting increased collective influence in multilateral bodies. They comprise 27 percent of UN and World Trade Organisation (WTO) membership and 37 percent of the Commonwealth. They are a major force in the Non-Aligned Movement (NAM).
- It is difficult to envisage multilateral cooperation on the wide range of common problems on the international agenda without taking African interests into account and working with African countries. In particular, Australia considers Africa central to progress on issues such as trade liberalisation, climate change, refugee policy, UN reform, UN peacekeeping and peacebuilding, disarmament and international security, advancing human rights protections, global energy needs and addressing global poverty.
- Economically, Africa has become more integrated into the global economy. This is largely manifested in the resources sector. Africa has the largest deposits of platinum, gold, diamonds, chromite, manganese and vanadium; and holds major deposits in many other minerals, including iron ore, bauxite and copper. It exports 12 percent of the world's petroleum.<sup>16</sup>
- Major energy importers such as the United States, Japan, China and India have all massively increased their investments in the energy sector in Africa. Similarly, the resources sector is also the major focus of Australia's economic engagement with Africa.
- Recognising the above trends, outside players are increasing their engagement with Africa. Australia's approach is consistent with this international trend.

### 2.1 Africa's influence on multilateral diplomacy

African countries are, individually and collectively, asserting their influence in multilateral forums, where they represent a significant bloc. African countries have also become more active in seeking their own solutions to the challenges they face.

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<sup>16</sup> Economic Commission of Africa, *Africa Review Report on Mining* (Summary), 2009

African countries represent over a quarter of the UN's membership (53 of the 192 UN member states) and are also a major focus of the UN's work. As the 'African Group' (one of five regional groupings in the UN) African countries often work together to advocate common positions on issues and to nominate regionally endorsed candidates for elections within the organisation.

African countries also form an important part of the membership of the Group of 77 (G77) group of developing countries (Sudan recently held the chair of the organisation) and the Non-Aligned Movement (of which Egypt is the current chair).

Africa plays a major role in the Commonwealth. Of the Commonwealth's 54 members, 19 are African countries. A number of African countries have served on the Commonwealth Ministerial Action Group (CMAG), which seeks to protect core values, especially democracy. Ghana and Namibia are both current members of CMAG (Australia became a member in 2009).

African countries make up 42 of the WTO's 153 members and are key members of negotiating groups such as the African, Caribbean and Pacific Group (ACP), the African Group, the Cairns Group and the Group of Thirty-Three. With more than a quarter of the WTO's membership, African countries have become integral to the conclusion of the Doha Round.

African countries are an increasingly important voice in international climate change negotiations. In July 2009, the AU Summit endorsed a common negotiating position on climate change for the Copenhagen COP15 negotiations (held in December 2009), with a view to better coordinating countries' positions ahead of negotiations. Ethiopian Prime Minister Meles Zenawi currently co-chairs the UN Advisory Group on Climate Change Financing with United Kingdom Prime Minister Gordon Brown.

South Africa is part of a new coalition of advanced developing countries comprising Brazil, South Africa, India and China (BRICS), that is positioning itself as a leadership group among the developing world.

## ***2.2 Africa's key bilateral relations***

### *United States and Europe*

The United States and Europe remain Africa's main trade, investment and aid partners (see appendix 5.3).

The United States has four main priorities in its engagement with Africa: supporting strong and sustainable democratic governments, promoting sustainable economic development, strengthening public health and education and assisting in the prevention and resolution of conflicts in Africa.

The United States' trade and investment policy for Africa is centred on the African Growth and Opportunity Act (AGOA) of 2000, which substantially lowered commercial barriers between the US and Africa, and allowed sub-Saharan African countries to qualify for trade benefits. The United States' has also made HIV/AIDS a priority. The President's Emergency Plan for AIDS Relief (PEPFAR) provides significant funding to tackle HIV/AIDS.

Since 2006, the United States has made it a strategic priority to diversify its energy sources – Africa is now an important supplier of energy to the United States, providing 22 percent of its net petroleum imports in 2008.<sup>17</sup>

Humanitarian and development concerns remain important to Europe and much of its financial involvement in Africa is channelled through the European Development Fund (EDF). However, like the US, Europe has recognised the role of peace and security in helping Africa to achieve its development goals and for its own security.

Europe's proximity to Africa means that it is directly affected by adverse developments on the continent, such as conflict, crime and refugee flows. Europe is involved in promoting security (participating in and funding missions to Africa) and conflict prevention in Africa. On the trade and investment side, Europe is negotiating economic partnership agreements with sub-Saharan African countries that will replace long-standing preference arrangements.

A number of European countries maintain close bilateral political and economic relations with African countries, based on historical ties. France, Portugal and Britain all maintain close links with their former colonies and are, in many cases, the largest investors, trading partners and donors in those countries.

### *Japan*

Japan shares a strong interest in Africa's natural resource wealth, particularly precious metals, oil and gas. The Japanese Government co-finances a number of resource projects on the continent. Japan is a major development partner for Africa, with a strong focus on infrastructure and agriculture. Japan convened its fifth Tokyo International Conference on African Development (TICAD V) in 2009, which was attended by more than 40 African heads of state. The Japanese Government has committed to doubling ODA to Africa to US\$3.4 billion by 2012 and to use ODA to encourage FDI, with the goal of doubling Japanese investment in Africa.

### *China*

China's rapidly expanding trade and investment links have been accompanied by a government policy of deepening political engagement with African countries. It has increased high-level visits to the continent, created the China-Africa Cooperation Forum (CACF) which meets at the ministerial level every three years (most recently in Egypt in November 2009), concluded bilateral agreements with 48 African countries, added to its strong diplomatic presence on the continent (now 48 embassies and 15 defence attaches) and is undertaking a major peacekeeping effort (more than 1,500 Chinese personnel are involved in UN peacekeeping operations in Africa). China has also signed agreements to relieve or cancel the debt of 31 African countries.

China's ODA is strategically aligned with an outward FDI policy to support Chinese enterprises investing in Africa. The actual size of Chinese official aid flows to Africa

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<sup>17</sup> US Department of Energy, Energy Information Administration, *US Total Crude Oil, Energy in Brief: How dependent are we on foreign oil?*, published 10 December 2009.

is difficult to ascertain, but are estimated to be more than twice as large as China's direct investment in Africa.

### *Emerging Economies and Africa*

Countries such as India, Brazil and Korea have also boosted their cooperation with Africa in recent years.

India and Africa adopted a Framework for Cooperation at the India-Africa Forum Summit held in New Delhi in 2008. Prior to the summit, India provided a line of credit of \$200 million to assist NEPAD. India has development projects in Senegal, Mali, Niger and the Democratic Republic of Congo worth over \$80 million under the India Technical and Economic Cooperation Program. India has also written off the debt owed by African countries under the Heavily Indebted Poor Countries (HIPC) Paris Initiative. India's commercial interests in Africa are also growing fast, based on resources, but also on markets for Indian manufactured products. Bilateral trade increased tenfold between 1990 and 2005, from \$967 million to \$9.1 billion.

Korea's Initiative for Africa's Development, launched in 2006 at the Korea-Africa Forum, included plans to triple overseas development assistance for Africa by 2008. The initiative targeted 48 African countries, focusing on human capital, public health infrastructure and information and communications technology.

Brazil has expanded its aid program in Africa, focusing on HIV/AIDS and is coordinating an international technical cooperation network on HIV/AIDS.

Turkey is also promoting partnerships with Africa, focusing on expanding two-way trade and promoting direct investment in Africa. In June 2007, Turkey held the Turkey-Africa Trade Bridge Summit in Istanbul.

## **2.3 Transnational Issues**

### *Counter-Terrorism*

Groups linked to or inspired by al-Qa'ida currently pose a significant threat to the international community, with al-Shabaab and al-Qa'ida in the Islamic Maghreb (AQIM) two of the most active recently. These groups are active in Somalia and the Sahel countries (such as Mauritania, Mali and Niger) respectively, but other parts of Africa such as Egypt have also experienced terrorist attacks by groups linked to al-Qa'ida.

AQIM and al-Shabaab are listed in Australia under both the Criminal Code and the Charter of the United Nations Act. AQIM was first listed under the Criminal Code on 14 November 2002 and was last re-listed on 8 August 2008. Al-Shabaab was listed under the Criminal Code on 21 August 2009 and was also listed by the Minister for Foreign Affairs pursuant to United Nations Security Council Resolution 1373 on the same date.

### *Irregular migration*

Irregular migration is a global and growing phenomenon, related to economic and security pressures in source countries. The outward flow of irregular migrants from Africa has predominantly been to European countries, with Somalis constituting the third largest group of asylum-seekers in the industrialised world (approximately 11,000 asylum applicants, according to the Office of the UN High Commissioner for Refugees). While there have been unauthorised arrivals to Australia, their numbers remain small compared to other caseloads.

### *Transnational crime*

African criminal groups are increasingly involved in transnational crime. Africa's lax border controls and poor security have allowed the development of criminal networks smuggling drugs, weapons and other illegal goods. The UN has identified significant shortcomings in the legislative frameworks of most African nations dealing with terrorism, other transnational crimes and on international crime cooperation, including in relation to extradition, mutual legal assistance and anti-money laundering. Corruption and weak governance are also key factors.

### 3. TRADE, INVESTMENT AND PEOPLE-TO-PEOPLE LINKS

#### Key Messages

- Australia has substantial interests in Africa, driven by expanding trade and investment by Australian companies in Africa and people-to-people links.
- Merchandise trade with Africa was valued at nearly \$6 billion in 2008-09, having grown by over 7 percent annually over the preceding decade.
- Australian resource companies have current and prospective investments in Africa worth an estimated \$20 billion; at least 150 resource companies have over 400 mining and exploration projects, spread across 40 countries.
- There are around 250,000 African-born people in Australia.

#### 3.1 Trade and investment interests in Africa

Australia's merchandise trade with Africa, although still a relatively small proportion of our overall trade, has been growing quickly.

Australian merchandise trade with Africa totalled \$5.97 billion in 2008-09, comprising \$4.15 billion in exports and imports worth \$1.83 billion. As a proportion, this represented 1.6 percent of Australia's total exports and 0.8 percent of imports.

As a point of comparison, exports to Africa were slightly higher than exports to South America and Central America combined, while imports were slightly less than the total from South America.

The average annual growth in exports to Africa was 6.7 percent over the ten years to 2008-09 and 11 percent since 1988-89. Imports have grown by 9.7 percent over the last decade and 14.7 percent over 20 years. See Table 2.

If we exclude exports to Egypt, which comprised over of half total exports to Africa in 1989, the 10- and 20-year growth rates for exports to the rest of Africa were 14.7 percent and 9.1 percent respectively.

Trade with sub-Saharan Africa has grown at an even faster rate than for Africa as a whole: exports (\$3.54 billion) grew at an average annual rate of 9.8 percent in the ten years to 1998-99 and 15.4 percent over 20 years. Imports from sub-Saharan Africa (\$1.43 billion) grew by 8.3 percent and 14.6 percent respectively.



The leading recorded Australian exports to Africa in 2008-09 were coal (\$523 million), medicaments (\$276m), meat other than beef (\$130 m), wheat (\$147m) and specialised machinery and parts (\$83m) and civil engineering equipment and parts (1.8 percent). Otherwise, the exports were spread across a wide range of items. Overall, manufactured items played a stronger role in our exports to Africa than for Australia's global trade.

The high level of confidential items makes it difficult to assess with precision, but accounting for the inclusion of alumina, manufactured items comprised over 50 percent of exports to Africa, with elaborately transformed manufactures comprising around 25 percent.

**TABLE 3: AUSTRALIA'S MERCHANDISE TRADE WITH AFRICA - RANKED BY TOP 20 COMMODITIES ON 2008-09**

Merchandise exports to:	FY2006	FY2007	FY2008	FY2009		Share of total
	A\$'000	A\$'000	A\$'000	A\$'000	Rank	
<b>- Africa</b>						
<b>- Total merchandise exports</b>	<b>3,508,574</b>	<b>3,636,366</b>	<b>3,744,834</b>	<b>3,696,496</b>		<b>100.0%</b>
988 Confidential items of trade	1,466,977	1,579,775	1,343,141	1,455,440	1	39.4%
321 Coal	333,601	271,767	206,985	485,776	2	13.1%
542 Medicaments (incl veterinary)	332,354	566,216	857,761	276,106	3	7.5%
012 Meat (excl beef), f.c.f.	89,394	121,831	89,546	118,736	4	3.2%
041 Wheat	67	160	448	103,951	5	2.8%
728 Specialised machinery & parts	115,447	66,817	75,333	81,708	6	2.2%
723 Civil engineering equipment & parts	31,869	62,236	101,393	66,931	7	1.8%
022 Milk & cream	46,703	46,031	60,775	66,729	8	1.8%
699 Manufactures of base metal, nes	12,351	11,308	19,956	44,123	9	1.2%
325 Coke & semi-coke	7	178		42,630	10	1.2%
874 Measuring & analysing instruments	22,589	26,186	33,788	39,881	11	1.1%
931 Special transactions & commodities	24,252	31,584	46,539	37,336	12	1.0%
582 Plastic plates, sheets & film	2,569	7,518	17,903	30,653	13	0.8%
741 Heating & cooling equipment & parts	16,616	15,890	20,184	30,210	14	0.8%
001 Live animals (excl seafood)	10,958	15,855	19,089	28,751	15	0.8%
641 Paper & paperboard	13,894	22,053	25,530	28,117	16	0.8%
685 Lead	13,334	22,255	34,802	26,624	17	0.7%
792 Aircraft, spacecraft & parts	38,142	6,199	8,057	25,602	18	0.7%
695 Hand or machine tools	10,574	22,701	31,605	24,417	19	0.7%
764 Telecom equipment & parts	9,016	14,682	14,040	22,505	20	0.6%

Australia's leading import from Africa was passenger motor vehicles (from South Africa), comprising 26 percent of all imports from Africa, followed by crude fertilizers and crude petroleum. Table 4 provides a more detailed breakdown.

**TABLE 4: AUSTRALIA'S MERCHANDISE IMPORTS FROM AFRICA**

Merchandise imports from:	FY2006	FY2007	FY2008	FY2009		Share of total
	A\$'000	A\$'000	A\$'000	A\$'000	Rank	
<b>- Africa</b>	<b>1,901,903</b>	<b>1,867,123</b>	<b>1,892,117</b>	<b>1,792,213</b>		<b>100.0%</b>
<b>781 Passenger motor vehicles</b>	860,041	703,424	754,856	479,866	1	13.0%
<b>272 Crude fertilizers</b>	28,401	23,630	54,868	150,988	2	4.1%
<b>333 Crude petroleum</b>	48,264	224,149	127,260	149,603	3	4.0%
<b>671 Pig-iron</b>	41,210	45,414	59,301	71,990	4	1.9%
<b>098 Edible products &amp; preparations, nes</b>	10,303	50,469	54,902	59,722	5	1.6%
<b>287 Other ores &amp; concentrates</b>	9,902	7,468	9,593	53,197	6	1.4%
<b>784 Vehicle parts &amp; accessories</b>	18,968	54,644	49,819	38,787	7	1.0%
<b>728 Specialised machinery &amp; parts</b>	37,044	25,118	34,444	36,532	8	1.0%
<b>562 Fertilisers (excl crude)</b>	48,102	15,289	39,054	35,125	9	1.0%
<b>034 Fish, f.c.f.</b>	41,362	44,621	30,017	33,572	10	0.9%
<b>988 Confidential items of trade</b>	22,411	32,153	34,246	27,235	11	0.7%
<b>684 Aluminium</b>	9,552	12,248	27,365	25,592	12	0.7%
<b>782 Goods vehicles</b>	88,258	46,260	58,636	25,413	13	0.7%
<b>679 Tubes &amp; pipes of iron or steel</b>	2,785	2,180	6,235	24,309	14	0.7%
<b>072 Cocoa</b>	15,340	19,277	13,936	20,466	15	0.6%
<b>743 Pumps (excl liquid pumps) &amp; parts</b>	16,582	8,551	12,204	18,609	16	0.5%
<b>741 Heating &amp; cooling equipment &amp; parts</b>	5,801	5,175	10,428	18,223	17	0.5%
<b>121 Tobacco, unmanufactured</b>	24,133	27,783	14,420	16,009	18	0.4%
<b>058 Fruit, prepared or preserved</b>	14,106	20,274	15,515	13,770	19	0.4%
<b>641 Paper &amp; paperboard</b>	13,432	13,673	15,981	13,449	20	0.4%
Source: DFAT, STARS database consistent with ABS Cat. 5368.0, Dec 2009						

*Services trade*

Australia's trade in services with Africa has also grown strongly over the last decade (Table 5). Services exports to Africa grew from \$585 million in 2000-01, or 1.6 percent of total services exports, to \$1.46 billion, or 2.7 percent of total services exports, in 2008-09. South Africa is the principal destination for services trade.

**TABLE 5: AUSTRALIA'S TRADE IN SERVICES WITH AFRICA**

<b>Total Services Exports</b>					
<b>\$A million</b>					<b>% Growth</b>
	<b>2000-01</b>	<b>2005-06</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2007-08 - 2008-09</b>
South Africa	215	271	383	459	19.8%
Africa	585	809	1,217	1,458	19.8%
<b>Total Services Imports</b>					
South Africa	156	281	360	413	14.7%
Africa	343	537	752	908	20.7%
Total all countries	34,091	41,519	53,330	56,499	5.9%

Source: ABS - Regional data is consistent with ABS services data published in the September 2009 edition of Cat. 5368.0

#### *Direction of trade*

Among all countries on the continent, South Africa has by far the largest share of Australia's trade with Africa: 49.6 percent of merchandise exports and 68.9 percent of imports. South Africa has held that leading position for the past decade, although it represented a much smaller percentage of trade in 1989, as a result in part of sanctions imposed in response to apartheid policies (see Table 6).

**TABLE 6: AUSTRALIA'S MERCHANDISE EXPORTS TO AFRICA – RANKINGS OVER 20 YEARS**

<b>Country</b>	<b>FY1989</b>		<b>FY1999</b>		<b>FY2009</b>	
	<b>A\$'000</b>	<b>Rank</b>	<b>A\$'000</b>	<b>Rank</b>	<b>A\$'000</b>	<b>Rank</b>
<b>Exports</b>						
<b>Total Africa</b>	<b>720,280</b>		<b>2,183,040</b>		<b>4,149,122</b>	
<b>South Africa</b>	155,683	2	943,933	1	2,055,974	1
<b>Egypt</b>	432,013	1	587,933	2	452,626	2
<b>Mozambique</b>	5,754	8	20,741	11	430,379	3
<b>Sudan</b>	2,110	13	50,346	9	310,918	4
<b>Ghana</b>	8,583	6	55,529	8	162,183	5
<b>Mauritius</b>	30,254	4	106,483	3	110,276	6
<b>Tanzania</b>	2,583	11	69,694	5	81,748	7
<b>Algeria</b>	34,891	3	57,515	7	70,439	8
<b>Kenya</b>	14,306	5	78,063	4	59,511	9
<b>Nigeria</b>	2,953	10	13,682	15	51,331	10
<b>Libya</b>	3,831	9	58,500	6	39,916	11
<b>Morocco</b>	955	22	29,025	10	36,580	12
<b>Senegal</b>	841	25	1,869	26	31,619	13
<b>Guinea</b>	983	21	3,744	21	30,325	14
<b>Angola</b>	19	44	1,846	27	27,038	15
<b>Mali</b>	875	24	922	31	24,111	16
<b>Madagascar</b>	1,448	16	7,033	16	23,052	17
<b>Zambia</b>	1,260	19	1,615	28	18,644	18
<b>Mauritania</b>	252	30	275	44	17,730	19
<b>Benin</b>	4	48	311	42	12,703	20
<b>Reunion</b>	2,150	12	6,918	17	11,259	21
<b>Cote d'Ivoire</b>	250	31	733	32	10,590	22

<b>Uganda</b>	671	27	2,413	23	9,752	23
<b>Tunisia</b>	1,248	20	15,060	13	9,196	24
<b>Botswana</b>	586	28	6,453	19	8,570	25
<b>Namibia</b>	1,766	15	4,816	20	7,664	26
<b>Seychelles</b>	1,358	18	6,850	18	5,164	27
<b>Malawi</b>	1,370	17	2,405	25	4,949	28
<b>Cameroon</b>	10	46	504	37	3,856	29
<b>Ethiopia</b>	1,970	14	20,285	12	3,662	30
<b>Gabon</b>	6	47	1,168	29	3,538	31
<b>Togo</b>	950	23	93	50	2,860	32
<b>Burkina Faso</b>	24	41	685	33	2,621	33
<b>Zimbabwe</b>	6,246	7	14,822	14	2,381	34
<b>Republic of Congo</b>	0	na	527	36	2,350	35
<b>Democratic Republic of the Congo</b>	24	42	402	39	2,007	36
<b>Liberia</b>	32	40	220	47	1,945	37
<b>Djibouti</b>	76	37	350	40	1,943	38
<b>Sierra Leone</b>	87	35	341	41	1,603	39
<b>Rwanda</b>	0	na	45	53	1,069	40
<b>Chad</b>	83	36	631	34	952	41
<b>Equatorial Guinea</b>	0	na	0	na	739	42
<b>Niger</b>	24	43	2,412	24	632	43
<b>Eritrea</b>	0	na	129	48	625	44
<b>Swaziland</b>	765	26	1,149	30	444	45
<b>British Indian Ocean Territory</b>	0	na	406	38	428	46
<b>Comoros</b>	220	32	293	43	225	47
<b>Gambia</b>	178	34	252	45	212	48
<b>Somalia</b>	75	38	74	51	182	49
<b>St Helena</b>	0	na	0	na	155	50
<b>Western Sahara</b>	0	na	551	35	136	51
<b>Burundi</b>	252	29	119	49	107	52
<b>Central African Republic</b>	13	45	66	52	92	53
<b>Guinea-Bissau</b>	203	33	16	54	64	54
<b>Lesotho</b>	4	49	2,542	22	42	55
<b>Sao Tome &amp; Principe</b>	38	39	249	46	3	56
<b>Cape Verde</b>	2	50	0	na	0	57

South Africa's dominant position in trade with Africa reflects in part the fact that it is one of the most developed countries in Africa. But it is also due to strong complementarities with Australia, and the success with which the private sector in both countries has been able to develop commercial opportunities. South Africa ranked as Australia's 22nd largest trade partner in 2008-09 and our 18th largest export market, following rankings of 17th and 16th respectively in the two preceding years. Latest figures put South Africa on a par with Germany as an export market for Australia, and ranking higher than several countries with much larger economies, such as France, Italy, Canada, Brazil, Russia and Mexico.

## *Investment*

It is not possible to give a total figure for the level of Australian investment in Africa, because Australian Bureau of Statistics information for many countries in Africa are not published, for confidentiality reasons. South Africa is the one country for which there is a comprehensive set of figures for the last decade, and the only one for which figures were published in 2008, the last year available. The level of Australian investment in South Africa, according to those figures, rose from \$602 million in 2001 to \$1.17 billion in 2008.

South Africa was also a significant source of inward foreign investment in Australia, reaching a level of \$1.53 billion in 2008, just under 1 percent of total foreign investment. The only other substantial stock of African foreign investment in Australia in 2008 was \$157 million recorded as Liberian investment.

### ***BOX 3: Australia and South Africa***

*A key priority for the Government is the reinvigoration of Australia's bilateral relationship with South Africa – Australia's most significant commercial partner in the region.*

*To take forward this commitment, Mr Smith visited South Africa on 26 January 2010 and met Foreign Minister Ms Nkoana-Mashabane. He and Ms Nkoana-Mashabane agreed to meet annually to increase bilateral cooperation and review progress in the relationship. Ministers also agreed to develop a Memorandum of Understanding reflecting the broad nature of the relationship, including bilateral trade and investment and education links, and cooperation in the WTO, the G20, on non-proliferation and disarmament, climate change, peace building and peacekeeping in Africa, and the United Nations.*

*Reflecting shared interests in Zimbabwe, Ministers also agreed to cooperate in the delivery of \$6 million assistance to Zimbabwe in taxation reform and restoration of essential services.*

*In light of Australia's significant trade and investment links with South Africa, Mr Crean visited South Africa from 31 January to 6 February 2010. In addition to attending the Mining Indaba conference (see separate box), Mr Crean met a number of South African Ministers in the economic and trade portfolio, including Minister for Trade and Industry, Dr Rob Davies, Minister for National Planning in the Presidency, Trevor Manuel, Minister for Finance, Pravin Gordhan and Minister for Economic Development, Ebrahim Patel. Ministers discussed bilateral commercial issues and cooperation within the WTO and G20 in particular.*

*Mr Crean and the Minister for Water and Environmental Affairs, Buyelwa Sonjica, signed a letter of intent to frame future bilateral cooperation on climate change. Australia and South Africa have been cooperating on climate change matters under a Climate Change Partnership since 2006. The signing of the letter of intent formalised continued cooperation under this Partnership.*

Research by DFAT and other organisations has been able to obtain a more detailed picture of Australian investment and commercial operations in the resources – mining and oil/gas – sector, showing that the level of activity in the sector is much greater across Africa – including in South Africa – than the raw published investment data

would suggest. The following section examines Australian interests in Africa's resources sector in greater detail.

### **3.2 Australian resource sector interests in Africa**

The resources sector, particularly mining, has played a strong and rapidly growing role in Australian commercial interests in Africa over the last decade.

A report published by the Lowy Institute in 2008 estimated that actual and prospective investment by Australian resource companies in Africa could be close to \$US 20 billion<sup>18</sup>. This figure is an estimate and is not the same as the level of Australian investment abroad as used in Australian Bureau of Statistics data. One reason for this may be that the way investment figures are recorded reflects the way some companies, particularly multinationals, structure their investments, meaning that the Australian connection to, or interest in, a particular project is not always reflected in the official statistics.

The figure of \$20 billion does, however, reflect the order of magnitude of Australian interest in African mining. It is consistent with the value of current investment in Africa (\$US 15 billion) that DFAT obtained in 2007 based on both confidential and published information from a survey of Australian resource companies.

Moreover, the number of projects in which Australian companies have an interest, as set out below, suggests that the actual figure for current and prospective investment by Australian companies could be even higher, considering that the cost of a relatively small mine can be around \$US 100 million, while larger projects are valued in billions of dollars.

At least 150 Australian mining and oil companies have operations or assets in Africa. They operate or own (fully or partly) more than 400 distinct ongoing projects or assets. These include mines or production facilities in operation or under construction; exploration projects; and offices, in the case of mining services companies.

If all mining services and equipment companies operating in Africa are included (i.e. including those without offices but which have been involved in exporting), the total number of Australian companies involved in the African resource sector is in the hundreds. According to an estimate published by the Africa Research Bulletin in 2006, around 330 Australian companies, from small equipment suppliers to multinationals, were involved in mining in southern Africa alone.<sup>19</sup>

The number of Australian resource companies with assets in Africa has grown rapidly in recent years. The consultancy Aspect Huntley identified around 80 companies in the materials industry (including mining) and energy categories with physical assets in Africa listed on the Australian Stock Exchange (ASX) in 2006.<sup>20</sup> Data collected by

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<sup>18</sup> Roger Donnelly and Benjamin Ford. *Into Africa: How The Resource Boom Is Making Sub-Saharan Africa More Important To Australia*, Lowy Institute Paper 24, 2008, p.57

<sup>19</sup> Cited in Donnelly and Ford, *Into Africa*, p. 54.

<sup>20</sup> Cited in Greg Roumeliotis, "Oz Miners into Africa", Project Finance International, *Australia Report 2007*, [www.pfie.com/oz-miners-into-africa/397396.article](http://www.pfie.com/oz-miners-into-africa/397396.article)

DFAT identify 132 companies in the mining and energy categories by January 2010, suggesting an increase of well over 50 percent in just over four years. Some of this increase may be due to different methods of data collection, but nevertheless reflects significant growth in the number of companies active in Africa.

The extent of Australian interests in Africa's resources sector is now spread widely across the African continent. Australian companies have projects or assets in at least 40 countries. As Map 2 illustrates, the latter include most African countries of substantial size, the exceptions being Sudan, Chad and the Central African Republic, all of which have been affected by conflict and instability in recent years. Most of the other countries that lack an Australian mining or oil company presence are small in area, including several island states.

This spread of Australian interests to all regions of Africa has occurred over the last decade. Previously, the focus of Australian companies was on southern Africa and one or two other countries, such as Ghana and Tanzania. Appendix 5.4 lists the countries where Australian companies have a mine, processing plant or production facility and the names of those projects. It shows the leading countries in terms of the number of Australian projects continue to be South Africa, Namibia, Ghana, Tanzania, Mozambique and Zambia. South Africa is by far the main centre of mining investment, with 22 of the 47 mines owned or under construction by Australian companies located there, as well as five of the seven refineries and smelters.

The last decade has seen a number of mines opened, or under construction, in less familiar territory, for example:

- Blackthorn Resources' Perkoa zinc mine in Burkina Faso
- Lihir Gold's Bonikro gold mine in Cote d'Ivoire
- Anvil Mining's Dikulushi copper-silver mine in the DR Congo
- Centamin Egypt's Sukari Hill gold project
- Rio Tinto's QIT Madagascar Minerals mineral sands project in Madagascar
- Resolute Mining's Syama gold mine in Mali
- Mineral Deposits Ltd's Sabodala gold mine in Senegal.

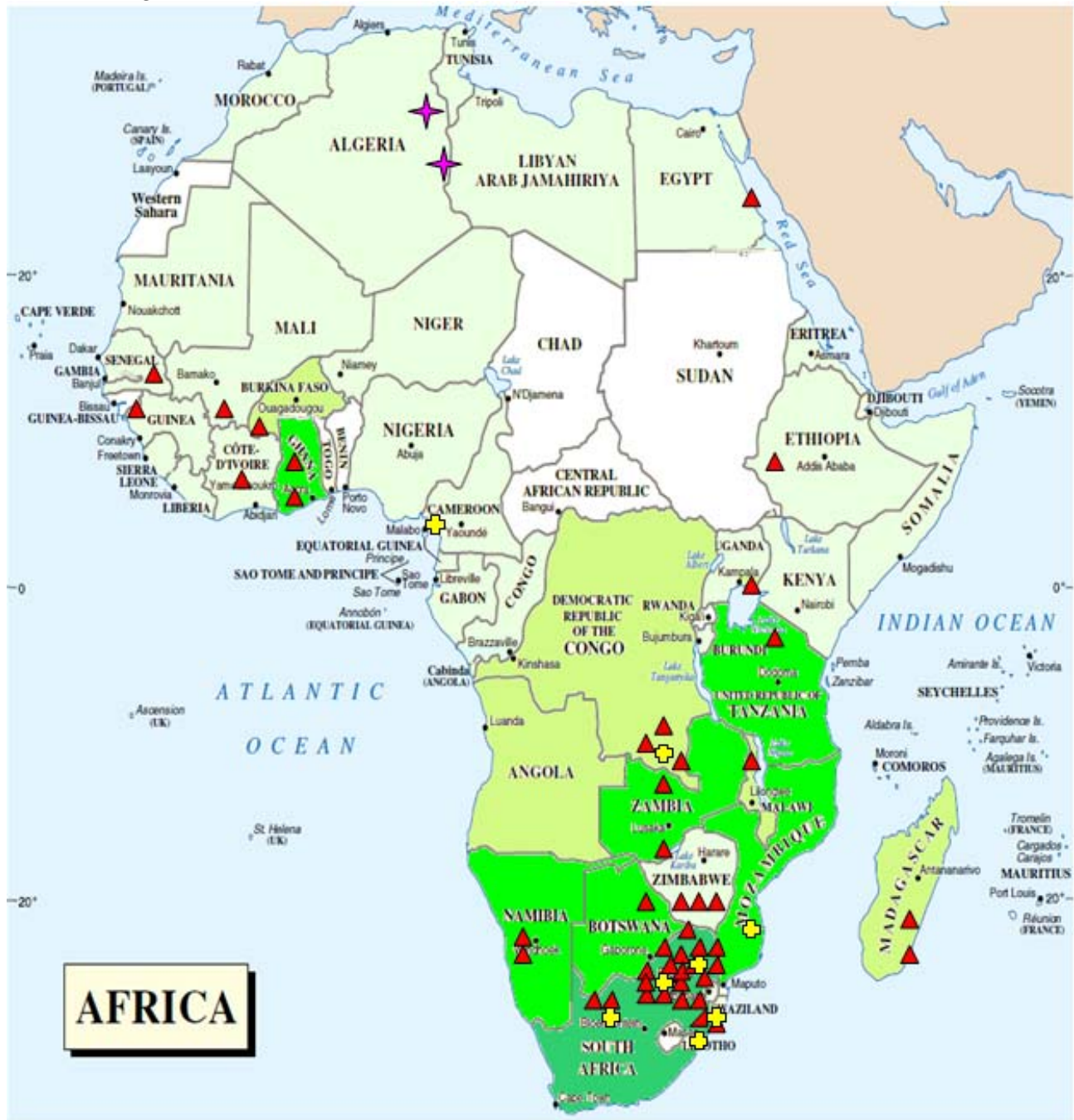
The majority of resource sector companies were engaged in mining rather than oil or gas, and most of the mining projects identified were only at the exploration stage as opposed to mine operation. Two-thirds of the 152 companies identified were involved in minerals exploration, as shown in Table 7.<sup>21</sup>

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<sup>21</sup> BHP Billiton is the one company involved in both mining and oil/gas sectors.

## MAP 2

Source: Data collected from media reports, company information, Register of Australian Mining Interests, 2009/10.



**KEY:**

- ▲ Mine
- ★ Oil/gas production
- ⊕ ore/metals refinery/smelter

**Number of projects/assets per country**

- 1-10
- 11-20
- 21-40
- 40+

**TABLE 7: RESOURCE COMPANIES BY TYPE OF ACTIVITY**

Oil Exploration	11
Mine Operation and Oil/ Gas Production*	1
Mine Operation (and exploration)	21
Minerals Exploration only	102
Services	17
<b>Total</b>	<b>152</b>

Table 8 gives a breakdown of the types of assets and projects in which Australian companies have an interest in Africa. It underlines the preponderance of activity in the mining sector and in exploration. According to 2006 figures, Australian companies ranked as the third biggest spenders on African exploration behind South African and Canadian companies.<sup>22</sup>

**TABLE 8: ASSETS OF AUSTRALIAN COMPANIES BY TYPE**

Oil production facility	1
Gas production facility	1
Oil exploration project	24
Mine	47
Minerals exploration project	315
Smelter/refinery	8
Service company office	24
<b>Total</b>	<b>420</b>

The number of projects is only one indicator of the level of activity. The size of a number of potential investment projects under consideration would dwarf many of the smaller exploration projects. For example, BHP Billiton's Guinea alumina project, Sundance Resources Mbalam iron ore project in the Cameroon or Sphere Mineral Resources Mauritania iron ore project, would require substantial investment in infrastructure, perhaps several billion dollars in some cases.

Africa also has the largest share of all Australian mining projects overseas. As shown in Table 9, nearly 40 percent of all overseas projects – mines or exploration projects - of ASX-listed companies included in the *Register of Australian Mining Interests*, were in Africa.

<sup>22</sup> Donnelly and Ford, *Into Africa*, p. 59

**TABLE 9: OVERSEAS MINING PROJECTS OF ASX-LISTED COMPANIES BY REGION**

<b>Region</b>	<b>Number</b>	<b>Percent</b>
Africa	335	38.6%
South-East Asia	126	14.5%
North America	100	11.5%
South America	92	10.6%
Pacific	74	8.5%
Europe	63	7.3%
South & West Asia, Middle East	48	5.5%
North Asia	30	3.5%
All regions	868	100%

111 projects involve mining or prospecting for gold - by far the most common mineral targeted. The next most sought after commodity is uranium, with 71 projects identified involving 35 companies, and focused on two areas: firstly, a belt from Namibia to Tanzania (the countries with most uranium projects) across South Africa, Botswana, Zambia, Malawi and Mozambique; and the Sahel belt of West Africa (Mauritania, Guinea, Mali, Burkina Faso and Niger). The Australian Government's response to the growth of uranium mining in Africa, in relation to nuclear safeguards and security, is discussed in Section 4.4.

The other most commonly prospected minerals are copper (51 projects), platinum (34, mainly in South Africa), diamonds (32) and coal (26). While there are only 16 iron ore projects, the major ones noted above in Cameroon, Rio Tinto in Guinea and Sphere Investments in Mauritania, would dwarf many other projects in terms of capital investment were they to proceed to construction and mining.

Australian mining services companies undertake a wide range of activities in Africa: contract mining, engineering/mine construction, financial analysis, exploration drilling, geological analysis, surveying, software, logistics and consulting. The two main regional office locations for services companies are South Africa and Ghana.

A small proportion of companies have interests on other continents, and over 20 percent have projects in more than one African country. However, the majority of exploration companies - nearly all of which are listed on the ASX - are small, and focused on one or two African countries. Fewer than ten percent of all companies identified have operations based in Australia. Around 85 percent of the companies are based in Perth.

### **3.3 *People-to-people links***

Africa has increased in importance in the context of Australia's migration programs. The most recent census data shows 248,699 African-born people were living in Australia in 2006. This accounts for 5.6 percent of the overseas-born population. As illustrated below, South Africa is the country of origin for the largest group of African-born residents.

**TABLE 10: AFRICAN-BORN RESIDENTS LIVING IN AUSTRALIA IN 2006**

<b>COUNTRY</b>	<b>POPULATION</b>
South Africa	104,133
Egypt	33,496
Zimbabwe	20,155
Sudan	19,049
Mauritius	18,173
Kenya	9,935
Ethiopia	5,634
Somalia	4,314
Zambia	4,078
Ghana	2,769

Source: 2006 Census Data, ABS

Between 1999-2000 and 2008-2009 80,252 skilled workers from Africa migrated to Australia. The majority of applicants were from South Africa and Zimbabwe.

Over the last 10 years, Australia has granted more than 48,000 humanitarian visas to Africans. Most of the recipients came from Sudan, Ethiopia, Sierra Leone and Somalia.

Australia's humanitarian program is a key part of Australia's relations with Africa. The Department of Immigration and Citizenship (DIAC) plans to provide 3,500 humanitarian places (about 30 percent) to African countries in 2009-10.

Australia is also assisting African governments with advice on immigration infrastructure, document fraud, and migration intelligence systems.

**Please refer to the Department of Immigration and Citizenship's (DIAC's) submission for further detail.**

#### *International students*

African students comprise 2.2 percent of international student numbers in Australia. The number of students in Australia from sub-Saharan Africa has grown from 5,541 in 2002 to 12,987 in November 2009. The top ten African source countries are shown below.

**TABLE 11: AFRICAN STUDENTS STUDYING AT AUSTRALIAN TERTIARY INSTITUTIONS**

<b>COUNTRY</b>	<b>NUMBER OF STUDENTS</b>
Mauritius	5,172
Zimbabwe	2,257
Kenya	2,182
Zambia	892
South Africa	886
Botswana	414
Nigeria	308
Tanzania	192
Ghana	129
Seychelles	128
Malawi	95

Source: Department of Education, Employment and Workplace Relations

### *Partnerships between Australian educational institutions and Africa*

A number of Australian universities have established partnerships with African institutions to deliver programs in Africa. According to Universities Australia, Australian universities have 45 agreements with African institutions. These partnerships generally take the form of cooperation, staff and student exchange or research collaboration). Some examples include:

- Monash University has established a wholly owned subsidiary (Monash South Africa), which has over 2,200 students in Arts, Business and Economics and Information Technology. In addition, a partnership with World Vision involves Monash South Africa in research, advocacy and education through graduate placement and curriculum development in five key areas: sustainability and climate change, global poverty, child labour and human trafficking, development and public health.
- The University of Sydney is developing partnerships and memorandums of understanding with African universities such as the University of Nairobi, University of Cape Town and Makerere University.
- In North Africa, Griffith University and University of Queensland have signed agreements with Libyan Universities to facilitate the transition of scholarship students to study in Australia.
- Edith Cowan University provides degrees through the Australian Studies Institute in Kenya. Degrees are offered by Edith Cowan University (Australia) and delivered by the Australian Studies Institute.

Australians have also demonstrated a strong interest in Africa. In 2008, nearly 34 percent of Australian private donations were directed towards Africa. The flow of people has also moved in the opposite direction. Australians – individuals, religious and community groups and non-government organisations – have a long history of involvement in Africa, as teachers, missionaries and in other capacities.

#### 4. AUSTRALIA'S RELATIONS WITH AFRICA

The Government's Africa policy is focused on:

- enhanced political and diplomatic engagement;
- promoting trade and investment;
- development and humanitarian assistance; and
- addressing peace and security challenges in Africa.

The Australian Government is deeply committed to enhanced engagement with the countries and regional institutions of Africa.

Improvements in governance, political stability and economic performance in Africa are creating trade and investment opportunities. Australian trade and investment with Africa has grown strongly over the last decade, and Australia has a large stake in Africa's resource sector.

As the Minister for Trade, Simon Crean, told a major audience of government and business figures at Cape Town in February 2010, 'I am pleased to say economic links [with Africa] are going from strength-to-strength'.

Australia's people-to-people links with the continent are also growing.

Australia benefits immensely from a global and regional order based on principles, norms and rules which regulate relations between states. That is why strengthening multilateral engagement, including reinvigorating engagement with the UN, is one the three pillars of the Government's foreign policy approach.

As a committed multilateralist, Australia recognises the need to work closely with African countries to make progress on important international issues including trade liberalisation, climate change, refugees, UN reform, advancing human rights protections, disarmament and international security and addressing global poverty. Australia recognises the important role Africa plays in the international community and supports sensible reform of the Security Council to reflect the modern world. Australia supports appropriate permanent representation for two African states on the UN Security Council.

In Africa, as in all regions of the world, Australia will also seek to build support for its candidacy for a temporary seat on the United Nations Security Council in 2013-14.

More broadly, growing global interdependence means that Australia has an interest in the development of a more prosperous, stable and democratic Africa.

#### **4.1 Political and diplomatic engagement**

The Australian Government has demonstrated its commitment to increased high-level political engagement through an unprecedented recent program of bilateral visits and exchanges.

2010

- Foreign Minister Stephen Smith visited South Africa and Botswana in January 2010. Mr Smith met South Africa's Deputy President, Kgalema Motlanthe, and Foreign Minister Nkoana-Mashabane and Botswana's President, Lt General Seretse Khama Ian Khama, and Foreign Minister, Phandu Skelemani. Mr Smith also visited the headquarters of the Southern African Development Community (SADC) in Gaborone, Botswana – the first Australian foreign minister to do so.
- Trade Minister Simon Crean visited South Africa to attend the Mining Indaba Conference January 2009. Mr Crean met the Mining Ministers from South Africa, Tanzania, Mozambique, Mali, Ghana, Senegal, Eritrea and Namibia. Mr Crean also met with South African ministers in the economic and trade portfolio: the Minister for National Planning in the Presidency, Trevor Manuel, the Minister for Finance, Pravin Gordhan, the Minister for Trade and Industry, Rob Davies and the Minister for Economic Development, Ebrahim Patel.

2009

- Mr Smith met with African counterparts at the Commonwealth Foreign Ministers' Meeting (Trinidad and Tobago in November 2009), the United Nations General Assembly (New York, September 2009), the Summit of the Non-Aligned Movement (July 2009).
- Mr Smith met with counterparts at the AU Summit in January 2009 – see Box 4.
- Governor General Quentin Bryce visited ten countries in southern and east Africa in March-April 2009. Ms Bryce visited Mauritius, Namibia, Zambia, Botswana, Mozambique, Ethiopia, Kenya, Tanzania, Seychelles and South Africa.
- Former Defence Minister, Joel Fitzgibbon, visited the AU in February 2009 to discuss African peace and security issues and future Australian defence cooperation. Mr Fitzgibbon met with the Ugandan Minister for Defence, senior AU representative and African Ambassadors to the AU.
- Parliamentary Secretary for International Development Assistance, Mr Bob McMullan, visited Kenya, Uganda, Malawi and South Africa in November 2009, meeting with a range of key ministers.
- The Foreign Ministers for Tanzania, Kenya, Rwanda, Botswana and Mozambique all visited Australia in 2009. This total number of visits by

African Foreign Ministers to Australia was more than the previous ten years combined.

#### ***BOX 4: Address to the African Union***

*Mr Smith travelled to Addis Ababa, Ethiopia, in January 2009 for the 14<sup>th</sup> Session of the Executive Council of Foreign Ministers of the African Union, to pursue deeper engagement with African countries.*

*This was the first time that an Australian Foreign Minister had attended a meeting of the African Union. Mr Smith addressed the Council and met 29 African Foreign Ministers to hear their views on trade, development and security priorities. He emphasised that Australia wants to be part of Africa's future in ways that our expertise and experience can make a unique and positive contribution.*

*Mr Smith announced a number of Government initiatives to progress our engagement in Africa, including an expansion in the scholarships program, support in agriculture and defence cooperation. See Appendix 5.7 for the full text of Mr Smith's speech.*

Australia has strengthened its diplomatic resources devoted to Africa.

The Government announced in the 2009-10 Budget that it would provide \$106 million over four years to enhance national security and commercial interests through further engagement with countries and regions of growing economic, security and strategic importance for Australia, including Africa. DFAT has established an Africa Branch, and additional DFAT diplomatic positions in Australian missions in Abuja, Accra, Cairo, Harare and Nairobi.

Australia has seven diplomatic posts in the African region, comprising five High Commissions and two embassies. Appendix 5.5 provides a list of Australian diplomatic missions accredited to African countries. There is also an Australian Consulate-General in Tripoli, which is managed by Austrade. The Government is in the process of appointing a new honorary consul in Maputo, Mozambique and is considering options for appointing other honorary consuls in Africa.

Australia has expanded diplomatic relations with African countries. Since 2008 Australia has established diplomatic relations with Burkina Faso, Liberia, Niger, the Republic of Congo, Equatorial Guinea, Sao Tome and Principe, Togo, Cape Verde and the Central African Republic. Australia now has relations with 50 out of 53 African countries, compared to 41 in 2007. Action is under way to establish relations with the remaining three – the Democratic Republic of the Congo, Guinea-Bissau and Somalia.

#### ***4.2 Trade and investment promotion and trade policy***

Australian trade and investment interests in Africa have been growing across Africa, particularly in the resources sector. Improved economic performance, better governance and reduced conflict have contributed to an environment where economic opportunities have grown. These opportunities are likely to continue to grow,

although the pace of growth will depend in large part on trends in Africa's major markets around the world, in particular the EU, US and China.

DFAT, in cooperation with Austrade, supports Australian business in Africa through policy advocacy, access to decision makers, and advice on political and economic conditions in countries.

Mining and resources are a particular focus for DFAT, including through consultation mechanisms and promoting the Australian mining industry at major events.

Australia will support more effective and transparent governance of Africa's resources sector, as well as African countries' capacity to engage in international trade.

Many African markets will remain difficult to access or operate in. Weak institutions and lack of transparency in government decision-making often pose challenges for foreign businesses. There is also strong international competition in many sectors. In this environment, Africa remains a region where government support for Australian businesses entering the market continues to play an important role.

DFAT's missions in Africa provide support to companies in three main ways:

- advocacy: on regulatory and policy issues that affect Australian commercial interests, as well as direct support for individual companies in dealings with government.
- access: assisting companies by providing introductions to, or seeking appointments with, relevant decision makers.
- advice: providing analysis of general political and economic conditions in a country, likely trends and risks, and advice on specific issues.

DFAT also issues travel advice for all Australians visiting countries overseas.

Strengthened political and diplomatic engagement with African countries will increase Australia's capacity to support business. Greater high level contact and enhanced bilateral relationships bring good will and leverage and strengthen Australia's reputation among decision makers and the wider public, helping to create a strong national brand in the region. The additional resources provided to Australian missions in Africa will also expand their capacity to deliver support to business.

DFAT works closely with Austrade in Africa. Austrade has expanded its own resources in Africa, with the opening in December 2008 of new positions in our High Commissions in Accra, Ghana, and Nairobi, Kenya, to service the West and East African sub-regions respectively. The Accra office currently has two Business Development Managers, who have a strong focus on the resources sector, one of whom is focused upon Francophone Africa. The Nairobi office has one Business Development Manager. These two offices report to Austrade's principal sub-Saharan Africa office, located in Johannesburg, South Africa. Austrade also has staff in Libya, where it runs the Australian Consulate-General in Tripoli, and in Mauritius.

Mining and energy is the highest sectoral priority for Austrade in Africa, with a strong focus on supporting service and equipment providers. Other priority areas that offer significant opportunity for Australian companies include infrastructure projects,

agribusiness, and education: there is growing demand for places in overseas tertiary institutions among Africa's middle class. There are also niche opportunities in food and beverages and, in South Africa, in the automotive sector.

DFAT and Austrade are working to strengthen consultation with the Australian business community in relation to Africa. There has been greater interaction with organisations such as the Australia-Africa Business Council (AABC), including participation in the AABC's 2009 national conference and events at state level.

DFAT, Austrade, AusAID and the Export Finance Insurance Corporation (EFIC) have initiated a process of regular consultations with mining industry companies active in Africa. These consultations provide an opportunity for government agencies to hear companies' views on current and potential issues of concern; to update them on government policy and programs; and to discuss areas of potential cooperation with the private sector.

The Minister for Trade, Mr Crean, chaired the latest consultative meeting, held in the wings of the Mining Indaba conference in Cape Town, South Africa, on 3 February 2010. The mining Indaba is a key annual event among DFAT's and Austrade's activities to support Australian mining companies in Africa (see Box 5).

The Government has also participated in the Africa DownUnder conference, held annually in September in Perth, which is the principal industry forum and exhibition for Australian mining companies active in Africa.

The Minister for Foreign Affairs, Mr Smith, addressed the 2009 conference and underlined Australia's commitment to enhanced engagement with Africa. Australian missions, including Austrade offices have supported the participation in Africa DownUnder of African ministers responsible for mining, and in arranging programs for them in Australia. Australian Heads of Mission also attended Africa DownUnder and made themselves available to companies for consultations.

In advancing our trade and investment agenda with Africa, Australia has a strong interest in having effective and transparent government institutions in Africa, particularly with respect to the resources sector. It is also important for the development of many African countries that their mining and energy resources are governed and managed in a way that maximises benefits to the whole population. Australia can offer significant expertise in the regulation and public administration of resource industries. A number of African countries have expressed an interest in tapping into that expertise.

### ***BOX 5: Mining Indaba 2010***

*Mr Crean attended the 2010 Mining Indaba in Cape Town, South Africa, in February 2010, where DFAT and Austrade staged a successful Australian promotion, facilitating access to African decision makers for Australian businesses.*

*Mining Indaba is Africa's largest and most important annual event for the African mining and resources sector, with around 10,000 attendees in 2009.*

*Mr Crean's presence highlighted the Government's support for Australian mining activity in Africa and for enhanced engagement. Mr Crean held bilateral meetings with Mining Ministers from South Africa, Tanzania, Mozambique, Ghana, Senegal, Eritrea and Namibia and chaired a consultative meeting with representatives of the Australian mining industry active in Africa.*

*In his main address, he said 'An emphasis on consulting and capacity building is part of the Australian brand and this is what we are bringing to Africa'.*

*Mr Crean announced that Australia would provide \$500,000 over three years to support a public-private partnership between AMIRA International (Australian Mineral Industry Association) and four West African universities. The program will assist in developing the capacity of the four universities (in Ghana, Burkina Faso, Senegal and Guinea) to conduct geological research, provide geosciences courses, fund scholarships and deliver services to the resource sector.*

For these reasons, capacity building in the resource sector is a significant sub-theme of Australia's aid program to Africa and as Mr Crean noted at his address to the Mining Indaba Conference, "is a key part of [Australia's] trade agenda". Australia recognises the importance of building the capacity of developing countries to take advantage of market openings. The Government also takes a strategic approach in its work with Australian companies looking to support capacity-building in African countries.

Such capacity building includes technical assistance under the Australia-Africa Partnerships Facility, and the scholarships program, which comprises both long-term postgraduate scholarships and short-term fellowship programs. In 2010, places have been offered for 24 African officials from 15 countries to participate in short-term (two to four months) programs covering aspects of resource sector governance.

Australia also supports efforts to foster better governance of resource industries globally, including in Africa, through the Extractive Industries Transparency Initiative (EITI). Since 2007, Australia has provided \$1.4 million to the EITI, which is a coalition of governments, companies, civil society groups and international organisations that supports improved governance and transparency in resource-rich countries. A key objective is the verification and full publication of company payments and government revenues from oil, gas and mining.

Forty-six of the world's largest mining, gas and petroleum companies participate as Supporting Companies of EITI, including several major Australian companies, such

as BHP Billiton, Rio Tinto and Woodside. Much of EITI's work to date has been in Africa and Central Asia.

Australian companies have a good record in Africa in the area of Corporate Social Responsibility (CSR) – the voluntary activities undertaken by a company to operate in an economically, socially and environmentally sustainable manner. Making a substantial contribution to local community development is an integral part of such activity. The Government encourages Australian companies' efforts to follow good practice in CSR, both in the interests of the countries in which they work, and in promoting a strong Australian "brand" in the resources sector. Australian missions in Africa are prepared to work with Australian companies to support community development projects.

The growth of uranium mining in Africa, in which Australian companies are active, requires that the international community pay greater attention to nuclear security and nuclear safeguards on the continent. The Australian Government's approach is outlined in Section 4.4 below, on Peace and Security Cooperation. As noted in section three, some 35 companies are involved in over 70 uranium projects in Africa; these include three operating uranium mines, the rest are exploration projects.

#### *Trade policy and WTO negotiations*

Assisting African governments' capacity to participate in the international trading system is another area in which the aid program reinforces broader trade objectives. As noted in AusAID's submission to the Inquiry, Australia recognises that trade is a critical element in economic growth and development, and in reducing poverty, and that developing countries require assistance to take full advantage of the benefits of trade liberalisation.

AusAID's submission notes a number of areas in which Australia has provided trade-related development assistance to African countries. They include support for participation by African officials in DFAT's annual trade policy training course.

Australia works closely with all the major negotiating coalition groups in the WTO to conclude the Doha Round, including the G20 and G33 which include a number of key African countries. Australia chairs the Cairns Group of agricultural exporting countries, including South Africa and Kenya, which seeks to reduce barriers to international agricultural trade. The Cairns Group cooperates with the African Group on agricultural issues in Geneva, especially cotton.

The Australian Government works hard to ensure that multilateral trade reform supports Africa's economic development, including by pushing for global agricultural trade reform. The only way that poverty and aid dependency will be permanently reduced in Africa is by African countries achieving sustained economic growth and becoming better integrated into the international trading system. This underscores the importance of bringing the WTO Doha Round to conclusions and, as Mr Crean has noted, "... the importance of Aid for Trade ... to enable the better engagement [of developing countries] in the multilateral trading system and regional trade initiatives".

### *Trade with LDCs in Africa*

Goods from most African countries enter Australia either duty free or at very low rates of duty. Goods from LDCs, of which there are 33 in Africa (refer Table 1), enter Australia duty free and quota free. All other African countries, with the exception of South Africa, receive developing country preferences, affording a reduction of up to five percentage points on Most Favoured Nation tariff rates for their exports to Australia. Australia's tariffs overall are very low. Almost all tariffs on agriculture, mining and energy and manufactured goods are applied at rates between zero and five percent. On 1 January 2010 tariffs on clothing and finished textiles were reduced from 17.5 to 10 percent and other textiles, clothing and footwear (TCF) tariffs were reduced to 5 percent. By 2015 all TCF tariffs will fall to 5 percent.

#### **4.3 *Development cooperation***

In 2009-10, over 30 African countries will receive Australian development assistance. This number is expected to increase to over 40 countries, when multilateral and regional support is taken into consideration.

In 2010, Australia will double the number of scholarships and awards for Africa to over 250, and include five new countries from West Africa. In 2010, a total of 19 countries will benefit from long-term scholarships and/or mining fellowships. Australia will provide 1000 scholarships a year across Africa by 2012-13.

Australia is also establishing the Australia-Africa Partnerships Facility to provide short-term technical assistance in priority areas, which are likely to include resource sector governance, agriculture, public sector management, maternal and child health and trade policy. A number of activities are already underway to address requests for assistance from African countries.

Australia will provide \$100 million over four years to promote food security in Africa. The program, to be managed by AusAID and the Australian Centre for International Agricultural Research (ACIAR), will support agricultural research to improve crop yields, address market failures particularly in rural areas and support those most vulnerable, through for example school feeding programs.

**Please refer to AusAID's submission for further detail.**

#### **4.4 *Peace and security***

Africa still faces serious security challenges. There are currently seven separate UN peacekeeping missions in Africa:

- United Nations Mission in the Central African Republic and Chad (MINURCAT)
- African Union-United Nations Hybrid Operations in Darfur (UNAMID)
- United Nations Mission in Sudan (UNMIS)
- United Nations Operation in Cote d'Ivoire (UNOCI)
- United Nations Mission in Liberia (UNMIL)
- United Nations Organisation Mission in the Democratic Republic of Congo (MONUC)

- United Nations Mission for the Referendum in Western Sahara (MINURSO)

There are also six UN political or peacebuilding missions in Africa:

- UN Political Office for Somalia (UNPOS)
- UN Peace-building Office in the Central African Republic (BONUCA)
- UN Peace-building Support Office in Guinea-Bissau (UNOGBIS)
- UN Office for West Africa (UNOWA)
- UN Integrated Peacebuilding Office in Sierra Leone (UNIPSIL)
- UN Integrated Office in Burundi (BINUB).

Addressing peace and security challenges is a key priority under Australia's strategy for enhanced engagement with Africa. Australia will continue to focus on building African peacekeeping capability through the AU and UN, providing capacity building assistance to strengthen African law enforcement agencies and assisting with governance and security issues which could reduce the drivers of terrorism.

Given the security and development challenges faced by African countries, many facets of the UN's agenda are of interest and relevance to African countries, including disarmament and international security, climate change, food security, humanitarian assistance and the responsibility to protect. Australia is an active contributor to all of these debates.

Australia supports appropriate permanent representation for two African states on the UN Security Council.

In January 2010, the Minister for Foreign Affairs announced that Australia would contribute \$6 million to peacebuilding efforts in the UN system, including \$4 million over three years to support the UN Peacebuilding Fund and \$2 million to support specific peacekeeping initiatives, focusing on Burundi and Sierra Leone.

Australia was recently elected to serve on the UN Peacebuilding Commission for the duration of 2010, which has four African countries on its agenda, Burundi, the Central African Republic, Guinea-Bissau, and Sierra Leone. The Commission brings together donors, international financial institutions and national government, providing strategic advice and coordinating finances and expertise to assist countries emerging from conflict.

#### *Support for UN peacekeeping operations*

Australia has participated in 13 peacekeeping operations in Africa since 1960. Fifteen Defence personnel and 10 Australian Federal Police (AFP) personnel are currently deployed to the UN Mission in Sudan. The Government has committed eight Defence personnel are committed to the UN and African Union Mission in Darfur (UNAMID). Three defence personnel are seconded to the UN Department of Peacekeeping Operations. Australia contributes ADF personnel to the Multinational Force and Observers Mission in the Sinai (Egypt), which is not a UN mission.

Australia's assessed share of contributions for UN peacekeeping missions is expected to be approximately US\$137 million for 2009-10. Australia is the 12th largest

contributor to the UN peacekeeping budget. Table 12 details Australia's assessed contributions to Africa-based UN peacekeeping operations for the 2007-08 and 2008-09 financial years.

**TABLE 12: UN PEACEKEEPING MISSIONS IN AFRICA**

<b>Name of peacekeeping operation</b>	<b>Australia's assessed contribution for 2007-08 (\$'000)</b>	<b>Australia's assessed contribution for 2008-09 (\$'000)</b>
UN-African Union Mission in Darfur	24 544	31 525
UN Mission for the Referendum in Western Sahara	834	935
UN Mission in the Central African Republic and Chad	3 514	10 839
UN Mission in Ethiopia and Eritrea (now closed)	1 717	863
UN Mission in Liberia	13 422	12 998
UN Mission in the Sudan	14 229	15 336
UN Operation in Cote d'Ivoire	8 962	10 130
UN Organization Mission in the Democratic Republic of the Congo	16 245	28 393

### *Defence engagement*

Australia's defence engagement in Africa is primarily based on support for Africa-based UN peacekeeping operations, provision of training to select AU and African Forces personnel and shared strategic priorities. Bilateral defence engagement is focused on Botswana, Kenya, South Africa and Uganda and is based on senior level training and education programs offered under the Defence Cooperation Program.

In February 2009, the former Minister for Defence announced a number of initiatives for enhancing Australia's defence engagement with Africa. These included the establishment of an Africa-based defence attaché with accreditation to the AU, modest targeted assistance to the East Africa Standby Brigade, training through peace-operations related courses in Australia, and co-sponsoring a peacekeeping symposium on the protection of civilians with the AU to be held in Ethiopia from 3-5 March 2010. The symposium will bring together approximately 120 participants, including representatives from Africa, to consider the protection of civilians and recommend actions to enhance the AU's capacity on the protection of civilian issues.

### *Transnational crime and law enforcement*

The Australian Government has allocated \$17.5 million over four years to help strengthen African law enforcement agencies, with a particular focus on combating transnational crime and countering terrorism. The program began in 2009-10 and is being implemented by the Attorney-General's Department, AFP and the Australian Transaction Analysis Centre (AUSTRAC).

The Attorney-General's Department received \$4.5 million over four years in the 2009-10 Budget to assist African countries develop or strengthen legal frameworks relating to terrorism, transnational crime and international legal cooperation. The Attorney-General's Department will offer training, legislative assistance and advice to African countries to assist with implementing international obligations, developing

legislative frameworks and strengthening international legal cooperation frameworks in these areas. Programs of assistance will be developed in partnership with African countries and tailored to meet their specific requirements and priorities.

AUSTRAC has been granted \$8.1 million to provide technical assistance and training in anti-money laundering and to develop financial intelligence unit capacity in up to nine African countries each year. Botswana, Lesotho, Malawi, Namibia, Swaziland, Tanzania and Zambia have been identified as priority countries to receive assistance for the 2009-2010 financial year.

The AFP will receive \$4.8 million to aid the development of forensic science in Africa. As part of the program, 14 African countries have been invited to participate in laboratory management training to be held in 2010 under the auspices of the Southern African Regional Forensic Science Network.

### *Counter-terrorism*

In addition to development assistance to assist with governance and security issues, there is scope for Australia to provide niche capacity building activities either bilaterally or multilaterally through UN bodies or the Commonwealth. For example, Australia is co-sponsoring a workshop being organised by the UN Counter-Terrorism Executive Directorate to help enhance border control capabilities in East Africa.

### *Safeguards*

Uranium mining and exploration activity in Africa has increased in recent years, and Africa is likely to become a major uranium producer and exporter over the coming decade for the world's civil nuclear power industry. It will be important that effective nuclear safeguards, physical protection, and export control measures are applied to this developing industry.

Seventeen African countries have not yet concluded a comprehensive safeguards agreement (CSA) with the International Atomic Energy Agency (IAEA), as is required by the Nuclear Non-Proliferation Treaty, 32 have not concluded the IAEA's Additional Protocol on strengthened safeguards, and 19 have not concluded the Convention on the Physical Protection of Nuclear Material (CPPNM).

It is likely that for many of these states the reason for not concluding these key safeguards agreements is unfamiliarity and/or insufficient resources to devote to preparing for implementation. The record on safeguards and CPPNM adherence is better however for the four states in Africa which are currently producing uranium (Malawi, Namibia, Niger and South Africa).

DFAT, including the Australian Safeguards and Non-Proliferation Office (ASNO), has begun placing more nuclear safeguards and security outreach focus on Africa and is exploring ideas for further engagement, particularly focusing on current and prospective uranium mining states in Africa.

In September 2009 during the IAEA General Conference, the Australian Embassy in Vienna hosted its second side event on responsible uranium mining practices. This was attended by around 30 countries, including seven from Africa, and featured

keynote presentations by the Namibian Ministry of Mines and Energy, ASNO, the IAEA and Paladin Resources. An outcome of the event was the establishment of an informal network of industry and government contacts to share experiences on uranium mining and export matters.

The uranium mining development in Africa was noted by the Minister for Foreign Affairs, Mr Stephan Smith, in his speech at the South African Institute for International Affairs in Pretoria on 26 January 2010, suggesting that Australia and South Africa “should also consider working together on strengthening nuclear safeguards, export controls and security in Africa, given this region is likely to become a major source of uranium for the international civil nuclear energy market in coming years.”

ASNO has considerable experience in implementing safeguards and physical protection and has conducted many international training workshops, mostly focussing on states in the Asia-Pacific region. ASNO is exploring ideas for applying some of its outreach and training experience in Africa, particularly focussing on current and prospective uranium mining states.

## **5. APPENDICES**

## 5.1 SUDAN

Sudan is scheduled to hold national elections in April 2010 and a referendum on the possible independence of southern Sudan in January 2011.

Sudan faces a complex series of internal challenges, with a risk of violence and humanitarian crisis re-emerging. The next twelve months will be crucial for Sudan, the neighbouring region and the international community. As the largest country in Africa, events in Sudan are also vital to Sudan's neighbours and to the continent as a whole.

In January 2005, the Government of Sudan and the southern Sudan People's Liberation Movement (SPLM) signed a Comprehensive Peace Agreement (CPA), which ending a two decade-long war. The CPA has been largely successful in maintaining peace between northern and southern Sudan. However, implementation of the CPA has been a slow process, impeded by distrust between the signatories. International support for the CPA will be important to help avoid a return to violence between the north and south.

Internally, Southern Sudan experienced a major upsurge of violence in 2009. Oxfam released a report on 7 January entitled "*Rescuing the Peace in Southern Sudan*" which noted that there had been over 2500 deaths and 350,000 forced evacuations in southern Sudan in 2009 due to localised conflicts.

The conflict in the Darfur region, which began in February 2003, is another major challenge in Sudan.

The UN estimates that the conflict has displaced 2.7 million people and caused approximately 300,000 deaths, including from disease, malnutrition and reduced life expectancy. 500,000 refugees are estimated to have spilled over into Chad. The security situation has improved in Darfur in terms of a reduction in clashes between armed factions over the last two years. However, Darfur remains volatile and insecure, due to an increase in kidnappings, car-jackings, robbery and tribal clashes.

Australia has provided almost \$100 million in humanitarian aid to Sudan (including assistance to neighbouring countries with Sudanese refugees) since 2003-04. This includes a contribution \$7.5 million announced in June 2009. We have a commitment of 17 ADF personnel and 10 AFP personnel to the United Nations Mission in Sudan (UNMIS), which supports the CPA.

We have made a further commitment of 8 ADF personnel to the African Union-United Nations Hybrid Operation in Darfur (UNAMID), although the failure of the Government of Sudan to provide visas to personnel from Western nations has precluded their deployment since August 2009.

The Sudanese community in Australia numbers around 20,000 Sudan-born, and is one of our fastest growing communities. Australia's exports to Sudan were worth \$311 million in 2008-09. We signed a bilateral Memorandum of Understanding on trade in live animals in October 2009.

## 5.2 ZIMBABWE

Zimbabwe's 'Inclusive Government' was formed on 11 February 2009 after the Global Political Agreement (GPA) was signed on 15 September 2008 which brought an end to widespread violence following the 2008 general elections. Parties to the GPA and the Inclusive Government are President Robert Mugabe's Zimbabwe African National Union – Patriotic Front (ZANU-PF), Prime Minister Morgan Tsvangirai's faction of the Movement for Democratic Change (MDC-T), and Deputy Prime Minister Arthur Mutambara's faction of the MDC (MDC-M).

The first year of the Inclusive Government was marked by modest progress with the implementation of sensible financial reforms, and the reopening of schools and health care facilities. The introduction of hard currency has largely brought inflation under control and goods have returned to the shelves.

However, government revenues are running at only about US\$100 million per month, not enough to start rebuilding the economy's underpinnings. Infrastructure, notably electricity, water and sanitation and transport continues to deteriorate for lack of all but emergency repairs. This will limit prospects for a sustained economic recovery. Private sector investment, both domestic and foreign, is minimal, discouraged by an uncertain business environment, including new indigenisation regulations.

Australia has supported the role of Zimbabwe's neighbours, through the Southern Africa Development Community in overseeing the GPA. Mr Smith recently discussed these efforts in his visit to South Africa and Botswana in January 2010 where he met with a range of counterparts. These included South African Foreign Minister Nkoana-Mashabane, a member of South African President Zuma's troika on Zimbabwe, Ms Lindiwe Zulu, and Botswana Foreign Minister Skelemani.

Australia has been at the forefront of international efforts to assist Zimbabwe and is working with its neighbours to assist Zimbabwe's recovery. Since the formation of the Inclusive Government, Australia has announced more than \$39 million in assistance to Zimbabwe in water and sanitation, health, food security, agriculture, education. Australia was one of the first donors to provide 'humanitarian plus' assistance to Zimbabwe, which went beyond emergency relief to support the efforts of the Inclusive Government to restore basic services. In South Africa on 26 January 2010, Mr Smith announced \$6 million in additional funding to work with South Africa in support of recovery efforts in Zimbabwe, focusing on taxation reform and water and sanitation.

In recognition of the efforts of parts of the new Inclusive Government, Mr Smith announced on 15 September 2009 that opportunities for Ministerial engagement would be made on a case-by-case basis. Ministerial contact is now permitted with those Ministers of the Zimbabwean Government assessed as making a genuine contribution to Zimbabwe's social and economic recovery. Consistent with this policy, Mr Smith met with MDC-T Finance Minister Tendai Biti on 28 January 2010 and the Assistant Treasurer, Senator Nick Sherry, met with Mr Biti in 2009.

Despite Zimbabwe's modest recent gains, Australia remains deeply concerned that ZANU-PF is not adhering to its obligations under the GPA. Many of its actions are

designed not merely to frustrate the inclusive government, but to sabotage key aspects of the agreement.

It remains vital that the parties to the GPA fully implement and respect all of its provisions. Australia calls for the full respect for human rights and the rule of law. This requires urgent legislative and governance reforms. Constitutional reform and the conduct of the land audit must be completed in accordance with the GPA. President Mugabe must further reverse unilateral appointments of the Reserve Bank Governor and the Attorney-General.

Australia has maintained autonomous sanctions against 254 individuals and four entities identified as having links to President Mugabe and his supporters. These sanctions target individuals who have been complicit acts of brutality and who continue to obstruct economic and social reforms.

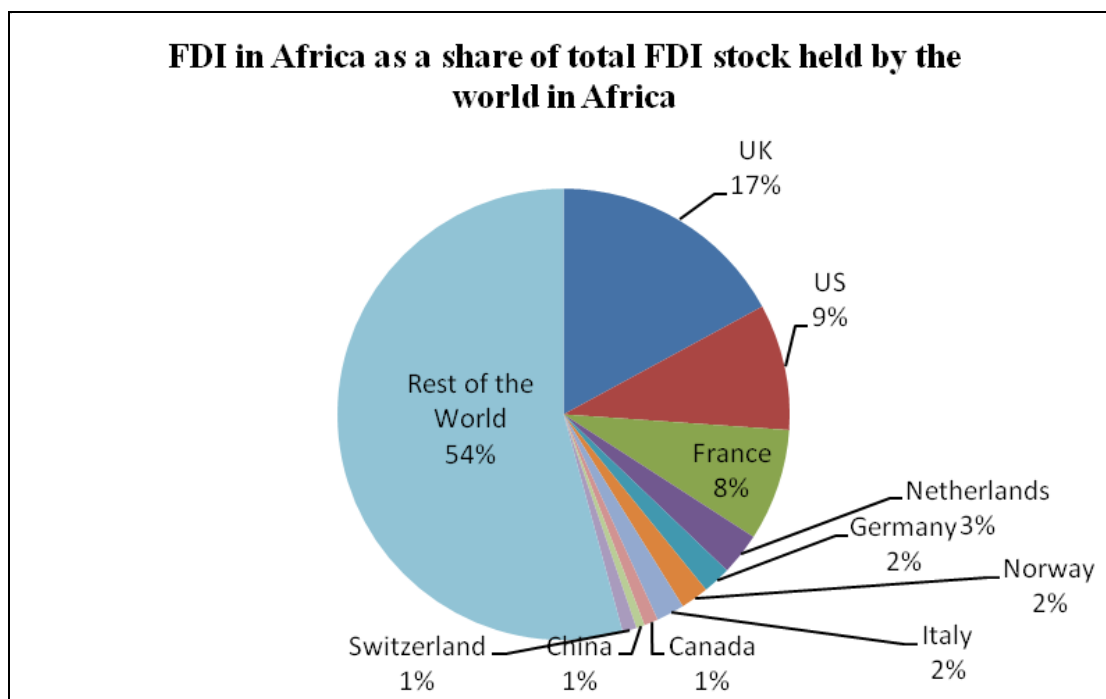
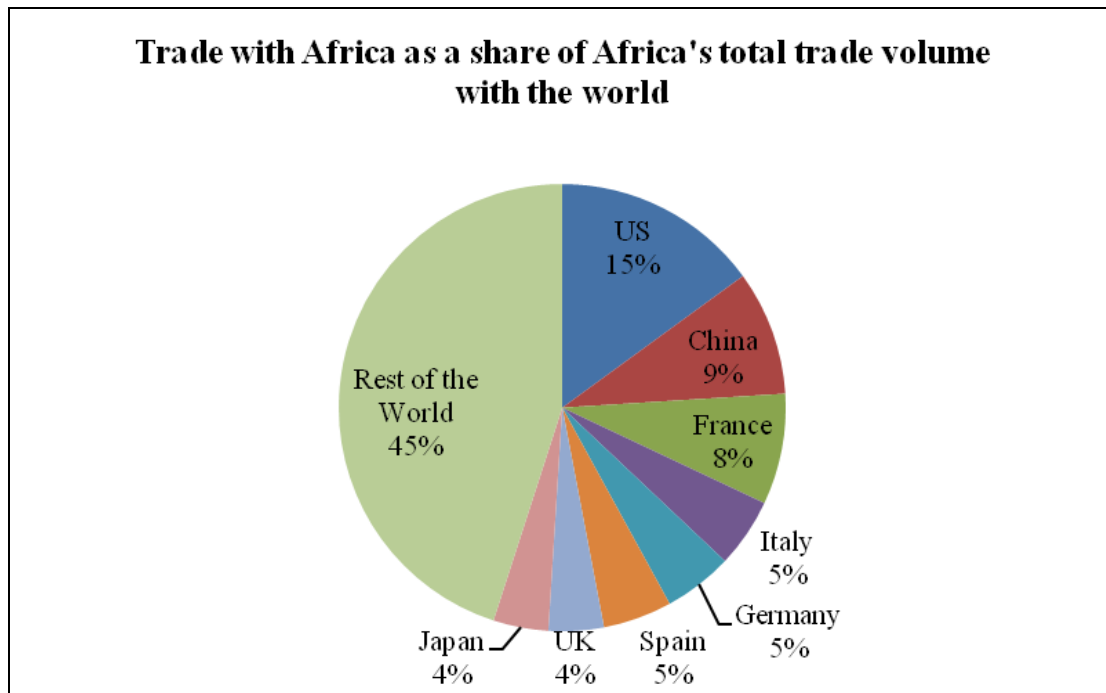
Australia similarly remains concerned at ongoing reports of human rights violations at the Marange diamond fields in Eastern Zimbabwe. Australia is working with other members of the international community, as a member of the Kimberley Process Certification Scheme, to prevent illicit diamonds from Marange being sold internationally.

Significant and sustained reform will be required before Australia considers reviewing its financial and travel sanctions. Australia's sanctions do not have an impact on the broader population and are not responsible for Zimbabwe's economic demise.

As Mr Smith has said, Australia continues to support Prime Minister Tsvangirai on the basis that the GPA represents the best prospect of a better future for Zimbabwe. Australia's approach recognises that at some point in the future, President Mugabe will leave the stage, removing the major obstacle to the reforms that Zimbabweans voted for in the March 2008 general election.

If genuine reform continues within Zimbabwe, Australia in conjunction with the international community remains ready to assist with the difficult task of rebuilding Zimbabwe's economic, social and political fabric.

### 5.3 AFRICA'S TRADE WITH THE WORLD



Source: OECD, "China 2008"

## 5.4 INTERESTS OF AUSTRALIAN MINING AND OIL/GAS COMPANIES IN AFRICA BY COUNTRY

The following lists, firstly, countries where Australian companies have a mine, processing plant or production facility (including mines or projects under construction) and with the names of those projects. Countries are then listed in order of the total number of assets/interests in each country – including distinct exploration projects, offices (in the case of services companies) in addition to mines, plants and production facilities.

### **SOUTH AFRICA (93 projects/assets)**

*Chromite Tailings Treatment Plant* (Aquarius Platinum)  
*Platinum Mile Tailings Treatment Plant* (Aquarius Platinum)  
*Blue Ridge Mine* (Aquarius Platinum)  
*Everest Mine* (Aquarius Platinum)  
*Kroondal Mine* (Aquarius Platinum)  
*Marikana Mine* (Aquarius Platinum)  
*Hillside Aluminium Smelter* (BHP Billiton)  
*Bayside Aluminium Smelter* (BHP Billiton)  
*Douglas-Middleburg Coal Mine* (BHP Billiton)  
*Samancor Manganese Metalloys alloy plant* (BHP Billiton)  
*Wessels Manganese Mine* (BHP Billiton)  
*Mamatwan Manganese Mine* (BHP Billiton)  
*Khutala Coal Mine* (BHP Billiton)  
*Klipspruit Coal Mine* (BHP Billiton)

54 Minerals exploration projects  
12 Service companies

### **NAMIBIA (36)**

*Langer Heinrich Uranium Mine* (Paladin Energy)  
*Rossing Uranium Mine* (Rio Tinto)  
33 Minerals exploration projects  
1 Oil exploration projects

### **TANZANIA (28)**

*Golden Pride Mine* (Resolute Mining)  
22 Minerals exploration projects  
3 Oil exploration projects

*Richards Bay Minerals - mineral sands* (BHP Billiton/Rio Tinto)  
*Ruighoek Chrome Mine* (Chrome Corporation)  
*Mooiplats Coal Mine* (Coal of Africa)  
*Buffelstein Ferrochrome plant* (International Ferro Metals)  
*Lesedi Chromite Mine* (International Ferro Metals)  
*Mogale Projectss Gold-Uranium Tailings Treatment* (Mintails)  
*ERGO Joint Venture - Gold-Uranium Tailings facility* (Mintails)  
*Smokey Hills Mine* (Platinum Australia)  
*Sylvania Dump Operations –platinum* (Sylvania Resources)  
*Palabora Copper Refinery* (Rio Tinto)  
*Palabora Underground Copper Mine* (Rio Tinto)  
*Palabora Vermiculite Operations* (Rio Tinto)  
*Zululand Anthracite Colliery* (Riversdale Mining)

### **GHANA (31)**

*Southern Ashanti Gold Project* (Adamus Resources)  
*Awaso Bauxite Mine* (Rio Tinto)  
24 Minerals exploration  
5 Service Companies

1 Service company

**BOTSWANA (25)**

*Lerala Diamond Mine* (Diamonex)  
24 Minerals exploration projects

**MOZAMBIQUE (22)**

*Mozal Aluminium Smelter* (BHP Billiton)  
21 Minerals exploration projects

**DR CONGO (13)**

*Lumumbashi copper smelting plant* (Austral Africa Resources)  
*Kinsevere Copper Mine* (Anvil Mining)  
*Dikulushi Copper and Silver Mine* (Anvil)  
*Mutoshi Copper Mine* (Anvil Mining)  
8 Minerals exploration projects  
1 Service company

**BURKINA FASO (11)**

*Perkoa Zinc Mine* (Blackthorn Resources)  
10 Minerals exploration projects

**COTE D'IVOIRE (9)**

*Bonikro Gold Mine* (Lihir Gold)  
9 Minerals exploration projects

**GUINEA (7)**

*Sangaredi Bauxite Mine* (Rio Tinto)  
6 Minerals exploration projects

**ETHIOPIA (5)**

*Yubdo Platinum Mine* (Nyota Minerals)  
4 Minerals exploration projects

**ZIMBABWE (3)**

*Mimosa Mine* (Aquarius Platinum)  
*Murowa Diamond Mine* (Rio Tinto)  
*Ngezi Platinum Mine* (Zimplats)

**UGANDA (1)**

*Namekara Vermiculite project* (Gulf Resources)

**MAURITANIA (9)**

8 Minerals exploration projects  
1 Oil exploration project

**ZAMBIA (21)**

*Lumwana Copper Mine* (Equinox Minerals)  
*Munali Nickel Project* (Albidon)  
18 Minerals exploration projects  
1 Service company

**MALAWI (11)**

*Kayelekera Uranium Mine* (Paladin Energy)  
10 Minerals exploration projects

**MADAGASCAR (11)**

*QIT Madagascar Minerals mineral sands project* (Rio Tinto)  
*Andranondambo Sapphire Mine* (SIAM)  
8 Minerals exploration projects  
1 Oil exploration project

**MALI (8)**

*Syama Gold Mine* (Resolute Mining)  
6 Minerals exploration projects  
2 Service companies

**EGYPT (6)**

*Sukari Hill Gold project* (Centamin Egypt)  
3 Minerals exploration projects  
2 Oil exploration projects

**CAMEROON 4**

*Edea Aluminium Smelter* (Rio Tinto)  
4 Minerals exploration projects

**ALGERIA (3)**

*ROD Oil Development* (BHP Billiton)  
*Ohanet Wet Gas Development* (BHP Billiton/Woodside)  
1 Minerals exploration project

**ANGOLA (12)**

11 Minerals exploration projects  
1 Oil exploration project

**NIGERIA (4)**

4 Minerals exploration projects

**CONGO (3)**

3 Minerals exploration projects

**LIBYA (3)**

3 Oil exploration projects

**NIGER (3)**

3 Minerals exploration projects

**LIBERIA (2)**

1 Minerals exploration project

1 Oil exploration project

**BURUNDI (1)**

1 Minerals exploration project

**EQUATORIAL GUINEA (1)**

1 Oil exploration project

**GABON (1)**

1 Minerals exploration project

**MAURITIUS (1)**

1 Service company

**SWAZILAND (1)**

1 Exploration

**TUNISIA (1)**

1 Minerals exploration project

**SIERRA LEONE (4)**

3 Minerals exploration projects

1 Oil exploration project

**ERITREA (3)**

3 Minerals exploration projects

**MOROCCO (3)**

3 Minerals exploration projects

**KENYA (2)**

2 Oil exploration projects

**SOMALIA (2)**

2 Oil exploration projects

## 5.5 AUSTRALIA'S DIPLOMATIC REPRESENTATION IN AFRICA

**Note:** Countries of residence are shown in bold. Non-African countries are in brackets.

The missions have non-resident diplomatic accreditation to the countries for which they are shown as responsible, except for those marked as follows:

- A:** Diplomatic relations have been established, but Head of Mission has not yet presented credentials for the first time
- B:** Diplomatic relations have been established, but the post of accreditation may change, pending which current post has consular responsibility.
- C:** Diplomatic relations not yet established. Mission has consular responsibility.

Mission	Responsibilities	Mission	Responsibilities
ABUJA	<b>Nigeria</b>	LISBON	<b>(Portugal)</b>
	Benin (A)		Cape Verde
	Cameroon		Guinea-Bissau (C)
	Central African Republic (B)		
	Chad	NAIROBI	<b>Kenya</b>
	Congo, Republic of (A)		Burundi
	Equatorial Guinea (B)		Djibouti
	Gabon		Eritrea
	The Gambia		Ethiopia
	Niger (A)		Rwanda
Sao Tome & Principe (B)	Somalia (C)		
	Tanzania		
	Uganda		
ACCRA	<b>Ghana</b>	PARIS	<b>(France)</b>
	Burkina Faso		Algeria
	Cote d'Ivoire		Mauritania
	Guinea		Morocco
	Liberia		(Monaco)
	Mali		
	Senegal		
	Sierra Leone		
	PORT LOUIS	<b>Mauritius</b>	
Togo		Comoros	
		Madagascar	
CAIRO	<b>Egypt</b>		Seychelles
	Libya		
	Tunisia		
	Sudan	PRETORIA	<b>South Africa</b>
(Syria)	Angola		
	Botswana		
	Lesotho		
HARARE	<b>Zimbabwe</b>		Mozambique
	Democratic Republic of Congo (C)		Namibia
	Malawi		Swaziland
	Zambia		

## 5.6 AFRICAN DIPLOMATIC AND CONSULAR REPRESENTATION IN AUSTRALIA

There are 13 African resident missions in Canberra, and a further 16 African countries have non-resident accreditation to Australia. The earliest established missions were South Africa (1949), Ghana (1966-1985, 2005-current), and Egypt (1969). Other long-standing representation includes Liberia with consular representation in Australia since 1924, and Ethiopia since 1966.

<b>Missions in Canberra: 2010</b>
Algeria
Botswana
Egypt
Ghana
Kenya
Libya
Mauritius
Morocco
Nigeria
South Africa
Uganda
Zimbabwe
<b>Countries with no diplomatic representation: 2010</b>
Chad
Comoros
Republic of Congo
Democratic Republic of Congo
Cote d'Ivoire
Equatorial Guinea
Guinea-Bissau
Niger
Reunion (French territory)
Sao Tome and Principe
Sierra Leone
Somalia
Togo
<b>Consulates-General in Australia: 2010</b>
Egypt (2)
Eritrea (1)

<b>Countries with non-resident accreditation to Australia: 2010</b>
Benin (Tokyo)
Djibouti (Tokyo)
Ethiopia (Beijing)
Guinea (Tokyo)
Lesotho (Lesotho)
Malawi (Tokyo)
Mali (Tokyo)
Mauritania (Washington)
Rwanda (Tokyo)
Seychelles (New Delhi)
Sudan (Jakarta)
Swaziland (Kuala Lumpur)
Tunisia (Tokyo)
Yemen (Jakarta)
Zambia (Tokyo)

<b>Posts headed by Honorary Consuls: 2010</b>
Botswana (4)
Cameroon (1)
Ethiopia (1)
Gabon (1)
Ghana (2)
Lesotho (1)
Liberia (1)
Madagascar (1)
Mali (2)
Mauritania (1)
Morocco (1)
Mozambique (1)
Namibia (1)
Rwanda (1)
Senegal (1)
Seychelles (1)
South Africa (3)
Tanzania (2)
Uganda (1)

## **5.7 SPEECHES BY THE MINISTER FOR FOREIGN AFFAIRS**

### **Multilateral Engagement: Priorities for Australia and South Africa South African Institute for International Affairs, Pretoria Speech, E&OE, delivered 26 January 2010**

Excellencies, distinguished guests, ladies and gentlemen. Thank you for that kind introduction.

I'm delighted to be addressing the members of this distinguished Institute (South Africa Institute for International Affairs), which plays a key role in stimulating informed debate about international affairs and South Africa's place in the world. Australia has been a strong supporter of the Institute, contributing some \$2 million in funding since 2005.

This is my second visit to Africa as Minister for Foreign Affairs.

It is the first visit by an Australian Foreign Minister to South Africa in more than seven years, a period of neglect which should never be repeated.

I am especially pleased to be here in South Africa in 2010, the year of the World Cup, the holding of which is a triumph for South Africa.

We look forward to the tournament being a great success for South Africa and for Africa as a whole.

So far over 31,000 tickets have been applied for by Australians. We hope this influx of Australians will spur greater people to people links as well as commercial links, including through Business Club Australia.

Australia is itself bidding for the right to host the World Cup in 2018 or 2022.

As I said to my counterpart, Foreign Minister Nkoana-Mashabane, this morning Australia and South Africa need to work hard to reinvigorate high-level political engagement.

A stronger bilateral relationship is clearly in our mutual interests.

We need to build on our recent Ministerial contacts and the excellent working relationship developed between Prime Minister Rudd and President Zuma.

We have a range of common interests and a strong economic relationship.

We work closely together on issues such as agricultural liberalisation in the WTO and IMF reform in the G20.

Trade and investment are pillars of the relationship.

South Africa is by far Australia's largest and most dynamic market in Africa, with trade growing an average of 7 per cent over the past five years.

In 2008-09 two-way trade, including goods and services, was more than 4 billion Australian dollars, or 28 billion rand.

Australia is also an important export market for South Africa, with most of your exports to Australia being motor vehicles.

South Africa exports more to Australia than it does to any country in the Middle East or Southeast Asia, including countries such as Brazil and Canada.

We also have a strong two-way relationship in investment, particularly in the minerals resources sector.

The BHP Billiton merger in 2001 and the Woolworths South Africa – Country Road partnership are good examples, but there are numerous others.

As a Western Australian, I am struck by the similarities of our two economies, particularly the importance of our respective agriculture sectors and our minerals and petroleum resources industries.

Our people-to-people links are also strong.

We are great competitors in sports such as cricket, rugby and football. This competition is fierce and ongoing but the linkages built between our countries are enduring.

Our cultural links are also important.

Australia and South Africa have recently concluded negotiations on a bilateral film co-production agreement.

Australia is a country of migration and a proud and tolerant multicultural society.

Australia is home to a significant South African-born community many of whom migrated in the decades prior to the end of apartheid.

Over 25,000 now live in my home state of Western Australia.

This community is an asset to both our countries and a means to broaden and deepen our social, cultural and economic engagement.

Reflecting these strong interests and common linkages, I am pleased that Minister Nkoana-Mashabane and I agreed today to launch an Australia-South Africa Foreign Ministers' Dialogue to advance our common interests and regularly review progress in the bilateral relationship.

Australia is committed to broadening and deepening its engagement with Africa more broadly.

In January 2009 in Addis Ababa, I was the first Australian Foreign Minister to address a meeting of the African Union Foreign Ministers' summit. Yesterday, I was the first

Australian Foreign Minister to visit the Southern African Development Community (SADC) headquarters in Gaborone.

Last year, the Foreign Ministers of five African countries, Botswana, Kenya, Mozambique, Rwanda and Tanzania visited Australia as guests of the Australian Government.

That represented more such visits in one year than the previous ten years combined.

For too long Australia did not give Africa the priority it required and deserved.

This Australian Government, however, is deeply committed to enhanced engagement with the countries and regional institutions of Africa.

The need for Australia to engage much more substantially with Africa is driven by our economic interests and our strategic interests.

Australia is a country of 20 million people; Africa a continent of nearly a billion people.

To survive as a prosperous nation into the future, economically and politically, we can not ignore a continent of nearly a billion people made up of more than 50 countries. A strengthened partnership with our closest economic partner in Africa, South Africa, is a central part of this endeavour.

My central message today is that Australia wants to work even more closely with South Africa to shape effective global responses to the challenges of the 21st century.

I strongly believe it is in both our own long-term national interests to be doing more together, regionally and internationally.

### *Priority on Multilateralism*

Our partnership has both depth and breadth, for the reasons I have outlined. In my view, though, it has yet to reach its full potential.

By working more closely together in the multilateral arena Australia and South Africa can do more to help shape responses to global challenges.

Because of the values we have in common, because we are both Southern Hemisphere countries with strong multilateralist credentials, together we have the capacity to bridge the divides that all too often hinder effective multilateral diplomacy.

As good international citizens, Australia and South Africa share a fundamental commitment to multiculturalism, good governance and democracy.

We both attach great importance to the UN Charter on Human Rights and support the Declaration on the Rights of Indigenous Peoples.

Because of our pasts, we know the dangers and damage of racism and we are willing to work together to end it.

Australia is proud of its record of pressing directly, and through international bodies, for an end to apartheid in South Africa.

Successive Australian governments in the 1970s, 1980s and 1990s made that principled commitment. Importantly, they had the unwavering support of the broader Australian community, including from our trade union movement.

Regional and multilateral institutions – including the G20, the Cairns Group, the Commonwealth, and the United Nations – are essential for nations like ours.

Like South Africa, Australia benefits immensely from a global and regional order based on principles, norms and rules which regulate relations between states.

That is why when the current Australian Government came into office in 2007 we made strengthening multilateral diplomacy, including reinvigorated engagement with the United Nations, one of the three pillars of our foreign policy approach.

### *The United Nations*

Australia shares with South Africa a firm belief that the work we can do in the multilateral system is increasingly important.

The challenges facing the world in the 21st century are complex and they are global.

Climate change, poverty, terrorism, transnational crime, health pandemics and the global economic crisis, for example, are challenges that no single country can address on its own.

Nor can these problems be solved by the permanent five members of the Security Council on their own.

Acceptance of that has created opportunities for countries like South Africa and Australia to play a more prominent role in global policy making.

Australia is committed to increasing its engagement with the UN. This is based on our long history of contributions to the UN and our confidence in its future.

Australia was among the most forthright and influential of the UN's founding nations, and is a vocal advocate of the interests of small and medium sized nations.

Australia and South Africa agree that the United Nations needs reform to be more effective.

We believe the UN Security Council needs to better reflect the modern world and the emerging realities of global power and influence, including appropriate permanent African representation.

Australia is seeking election to the Security Council as a non-permanent member for the 2013-14 term.

Australia has much to contribute to the Security Council. We bring unique perspectives, creativity, energy, a practical problem-solving ethos and a proud history in peacekeeping.

In our discussions earlier today, Foreign Minister Nkoana Mashabane and I discussed South Africa's recent term on the Security Council. We also canvassed promising areas for multilateral cooperation.

I will elaborate on some of those key areas.

### *Peacekeeping and Security*

I'll start with peacekeeping and security.

Peacekeeping remains a vital and enduring element in Australia's contributions to peace and security, and is one of the bedrocks of Australia's engagement with the United Nations.

Australia was arguably the first country to have personnel on the ground in any modern peacekeeping operation, monitoring the observance of the ceasefire between Dutch and Indonesian forces in Indonesia in 1947.

Australia's national contribution to the United Nations' peacekeeping budget is the 12th largest of UN member states. Australia supports the efforts of UN Secretary-General Ban Ki-moon to strengthen the UN peacekeeping system.

But these days, peacekeeping is no longer the exclusive domain of the United Nations. Non-UN-led peacekeeping operations are now commonly undertaken by other multinational or regional groupings.

In our own neighbourhood, Australia has played a leading role in successful regional missions in the Solomon Islands, East Timor and Bougainville.

Australia is sharing our wealth of peacekeeping experience with our African partners.

Australia is co-sponsoring, together with the African Union, a symposium on peacekeeping challenges to be held in Addis Ababa in March.

This will bring together around 120 participants from across Africa to focus on the protection of civilians.

We are also providing technical assistance to African countries aimed at strengthening African law enforcement agencies and legal institutions, including support to strengthen forensic investigation capacities and anti-money laundering activities.

Australia is also committed to assisting partner governments maintain peace and security over the longer term.

We have a long tradition of assisting governments prevent conflict and promote peace in unstable environments in our region.

Our election to the UN Peace Building Commission, of which South Africa is also a member, is a clear demonstration of our commitment to do this through the UN system.

We look forward to utilising our expertise and experience to focus on the Commission's peace building efforts in its priority countries Burundi, Central African Republic, Guinea Bissau and Sierra Leone.

Today I announce that Australia will contribute \$6 million over the next two years to peace building efforts in the UN system.

\$4 million will be provided over three years to the UN Peacebuilding Fund and \$2 million to support peacebuilding initiatives identified by the Peace Building Commission, focusing on Burundi and Sierra Leone.

### *Millennium Development Goals*

Australia has a long-standing and effective bilateral development assistance program with South Africa that focuses on support for capacity-building and skills development.

In conjunction with the Office of the Deputy President, for example, Australia is offering an increased number of postgraduate awards that are aimed at the skills development priorities of the South African Government.

In terms of our broader regional strategy, I announced recently that the Government would commit over \$160 million in development assistance to Africa in 2009-10, an increase of more than 40 per cent from the previous year.

Our assistance deliberately focuses on areas where Australia is best able to make a difference.

This includes assisting African countries reach their Millennium Development Goals, particularly in the areas of food security, water and sanitation and child and maternal health.

Australia has also announced an expanded scholarships program in Africa, offering up to 1000 awards per year by 2012-13.

This is a ten-fold increase from the previous 100 awards a year. We have also created an Australia-Africa Partnership Facility to ensure that we can respond flexibly to niche areas that African countries have identified as critical constraints.

This will enable countries to access Australian expertise in areas such as mining and natural resource management, trade policy, and governance.

Food security, which is central to eradicating extreme poverty and hunger in Africa, is an area where Australia and South Africa are already beginning to work together effectively.

Australia's Food Security through Rural Development initiative is providing \$100 million over four years to support Africa's own efforts to increase food security.

Under that initiative, the Australian Centre for International Agricultural Research will work with the South African Agricultural Research Council to build agricultural research capacity in Africa, including in Ethiopia, Kenya, Malawi and Mozambique.

### *The Global Economic Crisis*

The challenges facing the global economy have also emphasised the value of multilateral cooperation.

The global economic crisis had a substantial impact on Australia and South Africa, but the economic outlook in 2010 is improving.

The G20 in particular deserves credit for helping to stabilise the global economy.

The establishment of the G20 as a new, permanent global grouping reflects new international realities.

Australia was pleased with the outcomes of both the G20 Pittsburgh Summit and the St. Andrews G20 Finance Ministers' Meeting.

We have been working closely with South Africa in G20 meetings at all levels, including as co-chairs of the G20 International Monetary Fund reform working group.

Prime Minister Rudd made special note of President Zuma's support in securing successful outcomes at the Pittsburgh G20 Summit in his post-summit media address. A risk exists that the G20's forward momentum could falter as the sense of urgency surrounding the global economic crisis eases.

We therefore need to ensure the G20's agenda for 2010 is squarely on practical implementation, particularly the reform of the IMF and the World Bank, the coordination of exit strategies and the Framework for Sustainable Growth.

Australia looks forward to working closely with South Africa on those priorities.

### *Climate Change and the Environment*

Let me make some remarks about Climate Change and the environment.

Australia welcomes the important role that South Africa played in developing the Copenhagen Accord, which provides a step forward in climate change action.

Australia also welcomes South Africa's leadership in committing to robust emissions reductions.

Australia and South Africa are founding members of the Global Institute for Carbon Capture and Storage.

We recognise the importance of developing new technologies to make our businesses cleaner and more efficient, given both of our energy sectors are reliant on coal and both of our countries are vulnerable to the potential impacts of climate change.

Africa's vulnerability to climate change is exacerbated by its relatively limited access to technology and economic resources.

South Africa's role in developing the Southern African Development Community Climate Change Plan of Action will be important in guiding African strategies to address climate change.

Today I announce that Australia will contribute \$500,000 to support South Africa in fulfilling this important role.

This will draw on Australian expertise and further our collaboration on climate change issues.

Australian technical experts will also assist the South African Department of Science and Technology and the UN Industrial Development Organisation in developing a training program.

#### *Disarmament and Non-Proliferation*

Our two nations also share a commitment to the goal of a nuclear weapon-free world. We both have strong credentials in this field.

Australia congratulates South Africa on the entry into force of the Treaty of Pelindaba – the Africa Nuclear Weapons Free Zone.

Australia also appreciates the contributions of the South African Commissioner, Dr Frene Ginwala, to the International Commission on Nuclear Non-proliferation and Disarmament.

Gareth Evans, the Commission's co-chair, was in South Africa last November to brief the South African Government on the work of the Commission.

The Commission's work is helping to reinvigorate global efforts to promote nuclear disarmament and prevent the proliferation of nuclear weapons in the lead-up to the Nuclear Non-Proliferation Treaty (NPT) Review Conference later this year.

We are working together at a government to government level to ensure a successful NPT Review Conference.

That entails holding nuclear weapon states to their disarmament commitments and ensuring the treaty's capacity to continue to prevent the further spread of nuclear weapons.

We should also consider working together on strengthening nuclear safeguards, export controls and security in Africa, given this region is likely to become a major source of uranium for the international civil nuclear energy market in coming years.

## *Zimbabwe*

Finally, I want to speak about the grave situation in Zimbabwe.

Australia welcomes the constructive role of Zimbabwe's neighbours through SADC.

SADC, with President Zuma as its facilitator, and the African Union, have critical ongoing roles to play in overseeing the Global Political Agreement.

The Australian Government supports Prime Minister Tsvangirai and his Ministers in the rebuilding of Zimbabwe.

Australia has been at the forefront of international efforts to assist Zimbabwe, and we are keen to step up trilateral cooperation in support of recovery efforts in Zimbabwe.

Since the establishment of the Inclusive Government, Australia has provided more than \$33 million in assistance to Zimbabwe, including \$5 million in funding through the Africa Enterprise Challenge Fund.

I announce today a further commitment of up to \$6 million in additional funding to cooperate with South Africa in supporting the recovery of the Zimbabwe economy and basic services.

Funding will support collaboration between the South Africa and Zimbabwe taxation authorities to build Zimbabwe's taxation administration.

It will also mobilise South African technical expertise to support recovery efforts in water, agriculture and economic governance.

Zimbabwe's needs, by any measure, are enormous.

The Australian Government, like South Africa's, is under no illusions about the political risks in Zimbabwe.

By working together, we can help that devastated country rebuild and secure a brighter future.

## *Conclusion*

Many of the most imposing problems facing the world today are complex and they are global, and lasting solutions can only be found through coordinated regional and global action.

With our shared commitment to multilateralism, Australia and South Africa have important roles to play in shaping genuinely global solutions to those problems, and in addressing economic, political and security challenges in our own regions.

We have much to offer each other and much to gain through closer cooperation.

After my conversations today with Foreign Minister Nkoana-Mashabane and Deputy President Motlanthe, I can say with confidence that this view is shared on both sides of the Indian Ocean.

I look forward to working more closely with my counterparts in South Africa in the years ahead to strengthen our partnership even further.

Thank you.

**Statement to the House of Representatives on Zimbabwe, delivered on 15 September 2009**

Mr Speaker, I wish to update the House on the situation in Zimbabwe.

Today is the anniversary of the signing on 15 September 2008 of the agreement which created the Inclusive Zimbabwe Government under the joint leadership of Robert Mugabe as President and Morgan Tsvangirai as Prime Minister.

That agreement has become known as the Global Political Agreement.

It was not until February this year that Mr Morgan Tsvangirai assumed the position of Prime Minister of Zimbabwe pursuant to that agreement.

On 13 February, I spoke to Mr Tsvangirai to congratulate him and to tell him that the Government and the people of Australia stood with him as he confronted the enormous economic, social, political and security challenges faced by the people of Zimbabwe.

At that time, the challenges faced by Prime Minister Tsvangirai and the Zimbabwe Government seemed overwhelming.

Zimbabwe's economy had collapsed, around three-quarters of Zimbabwe's estimated remaining population required food aid, a cholera epidemic had already claimed thousands of lives, and the political agreement appeared a last resort and a fragile experiment.

Mr Speaker, I can report to the House that while the challenges faced by Zimbabwe remain enormous, some progress has been made.

The Global Political Agreement between Prime Minister Tsvangirai's Movement for Democratic Change and Mr Mugabe's ZANU-PF remains in place.

Improvements in the economy are in no small part due to the strong and sensible reforms implemented by Prime Minister Tsvangirai's colleague, Finance Minister, Mr Tendai Biti.

The end of price controls and adoption of hard currency, necessary steps after the total collapse of the Zimbabwe dollar, have put an end to hyperinflation.

Goods are returning to shelves as the business environment slowly improves. For the moment, the cholera epidemic has been contained.

Schools and health care facilities are reopening. Salaries of teachers and health professionals are being gradually increased. Levels of political violence have reduced significantly.

An agreement, yet to be implemented, has been reached for the appointment of new provincial governors.

We are seeing growing signs of a sense of hope and optimism among the people of Zimbabwe.

These hard fought gains have taken a long time to achieve and Prime Minister Tsvangirai and his MDC Ministers are to be congratulated for the strength of their resolve and commitment.

Mr Speaker.

Australia has been proud to play a role in Zimbabwe's recent progress.

Australia has been at the forefront of international efforts – both political and humanitarian – to assist Zimbabwe.

In recent years, Australia's assistance to Zimbabwe has been humanitarian. Most of that has necessarily been emergency food aid to assist the people of Zimbabwe during a severe humanitarian crisis.

After the new Government was sworn in on 13 February this year, Australia was one of the first countries to deliver assistance in a manner that has become known as 'humanitarian plus' assistance.

This goes beyond purely emergency humanitarian relief, to include longer term measures to help restore essential services such as water, education and healthcare. Since the establishment of the Inclusive Government, Australia has provided more than \$20 million in assistance to Zimbabwe.

In February, I announced \$5 million in assistance, through UNICEF for essential water and sanitation works and essential medicines to deal with Zimbabwe's cholera epidemic.

In May, I announced a further \$5 million comprising \$2million for seeds and fertiliser to begin revitalising Zimbabwe's devastated agricultural sector and a further \$3 million for water and sanitation mostly through our highly regarded Australian NGOs – World Vision, Caritas and Oxfam.

Between these two announcements, on 11 March, I announced a \$10 million package of measures which went beyond our previous humanitarian-only contributions.

\$5 million was for water and sanitation services - particularly to address the cholera epidemic.

This funding was provided through UNICEF to local authorities for water and sanitation safety assessments and urgently needed water treatment chemicals.

As Zimbabwe's local authorities had taken back responsibility for water infrastructure, and UNICEF was dealing directly with these local authorities, the prospects of this funding being diverted by Mr Mugabe or his associates was greatly reduced and the more direct work with these authorities increased the likely benefits to the people of Zimbabwe.

The other element of this package was \$5 million in short term incentive payments for health workers delivered through the UK Department for International Development (DFID).

This assistance was necessary to restore some level of stability to health services which had been severely damaged by the exodus of trained staff due to the unreliability of salary payments from the Mugabe regime.

In moving beyond strict humanitarian-only assistance and in dealing more closely with Zimbabwe Government authorities on these two measures, the risks were increased but sensible risk management strategies were put in place and this more direct assistance provided greater benefit to the people of Zimbabwe.

These measures have underlined Australia's commitment to assisting Prime Minister Tsvangirai and his Ministers in the rebuilding of Zimbabwe.

Mr Speaker.

The Government supports Prime Minister Tsvangirai in his view that the Global Political Agreement currently presents the best prospect of a better future for Zimbabwe.

Australia supports the role of Zimbabwe's neighbours, through the Southern Africa Development Community (SADC), in overseeing the Global Political Agreement.

It is vital that the parties to the Global Political Agreement fully implement and respect all its provisions.

In a sign of growing frustration at the slow pace of reform, Prime Minister Tsvangirai over the weekend said that President Mugabe and ZANU-PF were violating the rule of law and pointed to evidence that they were not committed to reconciliation or genuine power-sharing under the Agreement.

One of Prime Minister Tsvangirai's key concerns is that ZANU-PF is trying to erode the Parliamentary majority secured by Mr Tsvangirai's Movement for Democratic Change in last year's election.

Several MDC MPs have been arrested and are at risk of losing their seats, on what the MDC believes are trumped-up charges.

Mr Mugabe has refused to reverse his earlier appointments of the Reserve Bank Governor and the Attorney-General – further hampering MDC efforts to implement economic reform and ensure an independent judiciary.

Zimbabwe's repressive media legislation remains in place. State media continues to be controlled by ZANU-PF as a propaganda tool.

Reports of human rights violations continue, as do farm invasions. Prominent human rights activist Jestina Mukoko, after being grossly mistreated in detention, still faces charges of conspiring to overthrow Mr Mugabe.

While the Global Political Agreement stipulates a clear timetable for constitutional reform, progress has slowed to a crawl.

Prime Minister Tsvangirai has said he is not able to stand by and allow ongoing violations of the power-sharing agreement to continue and has called on Zimbabwe's neighbours, in particular SADC countries, for assistance.

Mr Speaker.

Australia recognises the important role the African Union and SADC have played to date in supporting Zimbabwe to address its grave economic, political and social challenges.

South Africa itself facilitated the inter-party negotiations that led to the current agreement.

Regional leaders, including from Botswana and Zambia, have played a prominent role in calling for a just and timely resolution to Zimbabwe's protracted disputes.

The Southern African Development Community (SADC), as facilitator and guarantor of the Global Political Agreement, has a critical role to play in ensuring its terms are adhered to.

SADC discussed Zimbabwe at its annual summit, held in Kinshasa in the Democratic Republic of Congo, from 7 to 8 September.

It referred the situation in Zimbabwe to the SADC Organ on Politics, Defence and Security.

Last week in Perth and again yesterday in Canberra, I met with Mr Oldemiro Baloi, the Minister of Foreign Affairs and Cooperation from Mozambique.

As a leading member of SADC and as current Chair of the SADC Organ on Politics, Defence and Security, Mozambique will play an all important role in overseeing implementation of the Global Political Agreement in the coming months.

I offered to Minister Baloi and to SADC Australia's support for this objective.

I will continue to discuss Zimbabwe with African counterparts, as I have with the Foreign Ministers of Tanzania, Kenya, Botswana and Rwanda during their visits to Australia over recent months.

Mr Speaker.

Zimbabwe's needs are enormous.

After decades of neglect, infrastructure has deteriorated significantly. There are not enough schools, hospitals or functioning water and sanitation systems. Zimbabwe's government and private sectors are run down and are unable to adequately provide essential services.

The unemployment rate in the formal economy is estimated to be over 90 per cent. The economy is less than half its pre-2000 level, and will take years, if not decades, to regain its strength.

Three million people have fled Zimbabwe searching for a better life, taking with them essential skills needed for Zimbabwe's rebuilding.

Australia will work with the international community to address these challenges.

How the international community can further assist Zimbabwe will be addressed by a senior officials' meeting of donor countries scheduled to take place in Berlin in late October.

This will provide an important opportunity for the international community to both assess and assist Zimbabwe's rebuilding, to both contemplate and support prospects for longer term reform.

Australia urges the international community to make this step a significant one.

Australia strongly believes the international community needs to take a flexible, pragmatic and active approach to its consideration of the next steps.

We have a responsibility to do what we can to support Prime Minister Tsvangirai and his Ministers in their efforts to bring positive change to Zimbabwe.

Mr Speaker.

At the peak of the "hungry season" in March 2009, almost seven million Zimbabweans relied on emergency food aid.

After a better-than-expected harvest in 2009, the outlook for the coming year is more positive. However, it is still estimated that nearly three million people will need food aid before the next harvest in April 2010.

I announce today a substantial assistance package of food and agriculture assistance for Zimbabwe.

Zimbabwe has tremendous potential in agriculture and historically was a significant agricultural exporter.

Australia leads the world in dry-land agriculture and agricultural science.

The first element of this package is that Australia will provide \$5 million in food aid immediately through the World Food Programme to help meet the needs of the most vulnerable.

Importantly, and for the first time in more than a decade, Zimbabwean suppliers who have been able to increase production this season, will be able to tender to supply this food.

This will have the double benefit of both feeding those who desperately need food and also contributing to the strengthening and rebuilding of the agricultural sector in Zimbabwe.

The resuscitation of the country's agricultural sector is central to its overall economic recovery.

Longer term recovery in the agricultural sector must also address the private sector. The second element of this package is a joint effort between Australia and the Netherlands through the Dutch Ministry of Development Cooperation.

Under this measure, Australia will contribute \$1 million in 2009-10 to support private sector activities aimed at boosting agricultural production, for example, by contracting farmers to grow seeds for food crops.

Creating these links between farmers and the private sector is the first step in reinvigorating private sector interest and engagement in Zimbabwe's agricultural sector. It is an area of significant Australian experience and expertise.

Australia is also continuing to support agricultural recovery in Zimbabwe by funding the distribution of more productive and disease resistant maize seeds through the World Bank's global food security fund.

The fund was announced in July 2008 and Australia was one of the first countries to contribute, providing \$50 million to the global food security fund. Nearly \$9 million has now been allocated to Zimbabwe from the fund.

Australia believes it is time to carefully consider working directly with select Zimbabwean Government Ministries and agencies to help build capacity and support the restoration of essential services for the long term.

Education and health are important areas for such consideration.

Today I announce that Australia will contribute \$2 million through UNICEF to help Zimbabwe's Ministry of Education reinvigorate the education sector.

Australia's funding will support the procurement and distribution of textbooks and learning materials for Zimbabwean schools, as well as teaching materials. It will also help address capacity constraints and assist the Ministry of Education in policy development and implementation.

Australia's assistance to the Ministry of Education follows support provided earlier this year to help restore the ability of the Ministry's headquarters to operate and function.

Yesterday in Harare the Minister of Education, David Coltart, welcomed Australia's assistance in this respect.

Mr Speaker.

The Australian Government is under no illusions about the political risks in Zimbabwe, and the track record of Mr Mugabe and ZANU-PF.

Australia's financial and travel sanctions will remain in place for the present.

These sanctions target individuals who have been responsible for, or involved in, acts to undermine the rule of law, corruption, violence and intimidation and restrictive laws and regulations.

The sanctions do not impact on the broader population in Zimbabwe and are not responsible for Zimbabwe's economic demise over the last decade.

Since 2002, Australia has also applied a ban on Minister-to-Minister contact with Zimbabwean Ministers.

In recognition of the efforts of parts of the new inclusive government over its first year, Australia will consider opportunities for Ministerial engagement on a selective case-by-case basis with those Ministers of the Zimbabwean Government who we judge to be making a real and genuine contribution to Zimbabwe's social and economic recovery.

Australia is not considering and will not consider at this time a removal of sanctions which target those individuals who have been complicit in the brutality of decades past and who continue to present barriers to Zimbabwe moving forward.

Much more significant progress will be required before the Australian Government undertakes any broader review of Australia's sanctions with respect to Zimbabwe.

Australia places the utmost importance on the need for real and demonstrated improvement in economic and political governance.

There must be substantial progress towards real reform.

Zimbabwe's long term future will not be secure without such reform.

A united international community must send that strong message to Zimbabwe.

Many more improvements will need to be effected before full normalisation of relations, including in the area of development assistance, can take place.

Australia's views in this respect were shared by the delegation from the European Commission which visited Zimbabwe on 12-13 September.

Mr Speaker.

All efforts must be made, both in the region and by the international community, to ensure that recent gains are not lost, and that Zimbabwe continues to move forward.

The terms of the Global Political Agreement must be adhered to in letter and in spirit. Constitutional reform must proceed smoothly, and in accordance with the terms of Agreement.

This would allow the holding of full, free and fair democratic elections.

Restrictive media legislation must be repealed.

Mr Mugabe's unilateral appointments of the Reserve Bank Governor and the Attorney-General must be reversed.

The rule of law must be respected.

The people of Zimbabwe must be given hope for a brighter future.

Australia's assistance announced today and its ongoing support adds to this hope for the people of Zimbabwe.

## **Africa Down Under Conference Speech, Perth, delivered on 3 September 2009**

Thank you, Bill Repard, Executive Chairman for Paydirt Media, for your invitation to address Africa DownUnder.

I extend to all of you a warm welcome to the Conference, to Australia and to Perth..

I extend a particularly warm welcome to our African Ministerial guests, to:

- Hon Susan Shabangu, Minister of Mineral Resources and Energy of the Republic of South Africa;
- Hon Collins Dauda, Minister of Land, Mines and Natural Resource of Ghana; and
- Hon Ahmed Haj Ali, Minister for Mines of Eritrea.

I also welcome my Parliamentary colleague the Hon Gary Gray, Parliamentary Secretary for Regional Development and Northern Australia.

I welcome to Perth High Commissioners from a number of African countries, whom I have met previously in Canberra.

- HE Dr Christopher James LUKABYO, High Commissioner for Uganda;
- HE Prof. Sunday Oluwadare AGBI, High Commissioner for Nigeria;
- HE Mr Molosiwa SELEPENG, High Commissioner for Botswana; and
- HE Mr Lenin Magigwane SHOPE, High Commissioner for South Africa.
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I welcome today Australian High Commissioners and Ambassadors from African countries:

- HE Ms Ann Harrap, Australian High Commissioner in Pretoria, South Africa;
- HE Ms Lisa Filipetto, Australian High Commissioner in Nairobi, Kenya;
- HE Mr Jeff Hart, Australian High Commissioner in Abuja, Nigeria;
- HE Mr John Courtney, Australian Ambassador in Harare, Zimbabwe; and
- HE Mr Billy Williams, Australian High Commissioner in Accra, Ghana

I also acknowledge Australia's Senior Trade Commissioner for sub-Saharan Africa, Mr Greg Hull – who has joined us today from Johannesburg.

I acknowledge senior mining officials from a number of African countries and representatives from Australia's minerals resources industry.

Now in its seventh year, Africa DownUnder has become the key Australian event for Australians involved in Africa's minerals resources sector.

This Conference is a valuable opportunity for Australian companies to make contact with African Governments and together identify opportunities to enhance their industry and commercial opportunities.

The presence today of some 900 industry participants, representing the best of Australian minerals resources management, technology and innovation, is testament to the confidence that Australians have in Africa's future.

This is a confidence shared by the Australian Government.

## *Australia's Strengthened Engagement with Africa*

The Australian Government is deeply committed to strengthening Australia's engagement with Africa.

In the past, Australia has not given Africa the priority it requires and deserves. The Australian Government is determined to change that.

We have worked hard at this since coming to office, and we are making good progress.

In January, I was the first Australian Foreign Minister to address a meeting of African Union Foreign Ministers in Addis Ababa.

There, I identified three priority areas of engagement for Australia:

- to support Africa's efforts to promote economic growth and prosperity through investment and trade;
- to accelerate Africa's progress towards the achievement of its Millennium Development Goals; and
- to address Africa's peace and security challenges.

Australia wants to build on our existing trade, commerce, investment and industry links, our education exchanges and people-to-people contacts, and contribute our expertise and experience to the development, security and prosperity of Africa in this century.

### *Trade and Investment Links*

The growth of Australian investment in Africa's minerals and petroleum resources sector has been impressive.

There are now over 300 Australian companies active across Africa, with current and prospective investment estimated at approximately US\$20 billion.

Australian companies are particularly well-represented in mining, oil and gas, and have exploration or mining licences in nearly 30 countries across the continent, from gold in the Democratic Republic of Congo to platinum in South Africa, from copper in Zambia to mineral sands in Senegal.

Australian companies are also active in delivering a broad range of mining services, including engineering, consulting and analysis.

Australian companies bring world-class technology and expertise to their Africa operations.

They have a well-earned reputation for integrity, for good mining practice, for mining safety, for environmental sustainability and protection, and for developing the skills of their workforce.

Australian companies stand for good corporate behaviour and good mining practices in Africa and globally.

The Australian Government is committed to ensuring that Australia's investment meets Africa's economic and development objectives.

We want to work closely with African governments to maximise opportunities for investment and as a consequence employment, skills development, technology transfer, community development and sustainable environmental management. Australia is in a unique position to help build Africa's mineral resource sector and harness its economic potential.

Much of our own economic strength is built on the success of the Australian minerals resources industry.

Australia has established our own successful minerals resources industry management arrangements.

We are keen to work with African governments, industry and international donors to ensure that effective standards of transparency and accountability are in place.

Australia's significant investment in Africa's mining sector is also providing an important stimulus to Australian merchandise and services exports to the continent. Australia's merchandise trade with Africa has grown at an annual average rate of over 10 per cent over the past decade.

Australia's total merchandise trade with the countries of Africa in 2008 exceeded \$6 billion, with Australia's merchandise exports to the continent accounting for \$4 billion.

#### *Strengthened High-Level Engagement*

The Australian Government has placed priority on establishing high-level contact with African governments, to convey personally Australia's commitment to enhanced long-term relationships with the countries of Africa.

I have met many of my African counterparts in Addis Ababa at the African Union, in New York at the UN General Assembly and most recently, in Sharm el-Sheikh at the meeting of the Non-Aligned Movement.

Australia is also stepping up high-level visits to Africa.

I visited Addis Ababa this year and am planning another visit in 2010.

The visit of the Governor-General, to nine African countries in March and April, was an historic step that underlined Australia's commitment to increased engagement.

We are also expanding Australia's network of formal diplomatic relationships in Africa.

Last year, Australia established diplomatic relations with Burkina Faso and Liberia. This year, we have established diplomatic relations with Niger, the Republic of the Congo, Equatorial Guinea, Sao Tome and Principe, and Togo.

Australia now has diplomatic ties with 48 of the 53 countries of Africa.

These ties enable us to work closely and collaboratively with African partners to address global challenges such as climate change, financial reform and transnational crime and to highlight Australian companies.

I have been pleased to welcome to Australia four of my counterparts in recent months: the Tanzanian Minister for Foreign Affairs and International Cooperation, Mr Bernard Membe, the Kenyan Minister for Foreign Affairs, Mr Moses Wetang'ula, the Rwandan Minister for Foreign Affairs and Cooperation, Mrs Rosemary Museminali, and the Botswana Minister of Foreign Affairs and International Cooperation, Mr Phandu Skelemani.

Next week I will have the honour of hosting in Perth, a visit by Foreign Minister Baloi of Mozambique, a country which has now become Australia's second largest trading partner in Africa and where Australian mining investment continues to grow.

These visits present historic opportunities to identify areas in which Australia can expand our relationships with traditional and new African partners.

In my discussions with African Ministers and senior officials, I am often told that African Governments welcome greater Australian investment in Africa's minerals resources sectors.

#### *Consultations with Australian Industry*

The Government is committed to supporting trade and investment with Africa through greater consultation and collaboration with Australian industry.

Australia's diplomatic missions in Africa – our Embassies and our High Commissions – play a key role in advancing Australia's commercial interests in Africa.

Our High Commissioners and Ambassadors in sub-Saharan Africa and Austrade's Senior Trade Commissioner, Mr Greg Hull are here today and they will participate in a panel presentation this afternoon.

Africa DownUnder is an excellent opportunity for Australian Government agencies to engage directly with Australian companies.

I encourage you to speak directly with Australian Government representatives here about your interests, and how Government agencies can assist.

Many of you will be familiar with Austrade in South Africa. Austrade heads the Consulate General in Libya, and has recently expanded its presence in sub Sahara Africa with the appointment of representatives in Ghana and Kenya with responsibility for West and East Africa.

The Australian Government welcomes your ideas and your advice about how to move forward.

You have an important impact to make on Australia's strategy to enhance our engagement with Africa.

Yesterday the Department of Foreign Affairs and Trade and Austrade convened a meeting with industry representatives to explore how to improve our consultation on issues relating to the mining industry in Africa.

I am pleased that yesterday's meeting strongly endorsed the establishment of a regular forum for consultation. I look forward to seeing ambitious and practical outcomes from these discussions.

In addition to supporting this Africa DownUnder Conference, each year Australia's Department of Foreign Affairs and Trade, together with the Australian Trade Commission, have a significant presence at Mining Indaba.

Mining Indaba is Africa's largest mining conference, and is held annually in February in Cape Town, South Africa.

Many companies represented here today have previously sponsored Australia's involvement in Indaba and I take this opportunity to thank them for their support.

Like Africa DownUnder, Mining Indaba is an excellent platform for African governments and Australian investors, mining operators and service providers to identify new industry opportunities and to further strengthen collaboration.

Australia will have a strong presence at Indaba again next year.

#### *Australia's Overseas Development Assistance*

We want Australia's overseas development assistance program with Africa to make a unique and positive contribution to Africa's future.

This year we increased Australia's development assistance to Africa by 40 per cent to over \$160 million.

One focus is the key area of scholarships.

#### *Scholarships*

Australia's education links with Africa are strong and growing. Over 9,000 African students are currently in Australia.

The Australian Government sees education as a key to help Africa's economic and social development potential.

Our world-class education services put in a unique position to respond to this demand.

Australia has provided more than 3,600 tertiary scholarships to Africa since 1960.

In Addis Ababa I announced an historic expansion of Australia's scholarships program. This expansion is already underway.

By 2012-13 the program will provide up to 1,000 long and short-term awards each year, and will be available to all African countries.

A key focus of the short-term fellowships is natural resource management and infrastructure, with a view to harnessing the economic growth and development benefits of revenue from the minerals resources industries.

A key part of the fellowships programme help is to build capacity in areas such as Geospatial Information Systems for the resources sector, strengthening skills in the management of geological surveys, resource sector revenues and resource sector regulation.

I am pleased to announce that Australia will be providing twenty-four new resources industries fellowships this year, up from five fellowships in 2008.

The program will also be expanded from five (Kenya, Malawi, Mozambique, Tanzania and Zambia) to fifteen countries across Africa (Botswana, Burkina Faso, Cameroon, Ghana, Kenya, Liberia, Malawi, Mozambique, Namibia, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda and Zambia).

#### *Viable Resources Industries*

Building on Australian knowledge and expertise, Australia has a strong interest in helping African countries develop their mining sector and encourage greater investment, including by identifying and addressing barriers to industry development and by providing targeted support.

In order to raise capital and bring projects to fruition, Australian companies also need African countries to deliver legal and regulatory clarity, transparency and certainty, particularly when it comes to mining titles, leases and licences.

Those African countries that have the most attractive mining codes and the most transparent investment rules will be the ones best-positioned to benefit from a global economic recovery.

I am pleased to announce today that Australia is creating a new technical facility – the Australia-Africa Partnership Facility.

Through the Facility, Australia will provide technical assistance to help African countries tap into their mineral wealth.

The Partnerships Facility will provide an important means for African Governments to access Australian technical expertise in the minerals resources sector, as well as in trade policy, public sector reform, and private sector development.

One of our objectives as a Government is to help ensure that the minerals resources industries contribute to sustainable social and economic development.

In March, the Australian Government co-sponsored a conference in Mozambique on how the effective use of revenues and corporate social responsibility investments could accelerate long-term development. This illustrates how business and development can go hand in hand.

We support international programs such as the **Extractive Industries Transparency Initiative**. Australia has committed \$1.45 million to the World Bank administered Multi-donor Trust Fund to support that initiative.

### *Global Financial Crisis*

The global economic crisis has had a substantial adverse impact on Africa. Demand for African exports has fallen, as have commodity prices, government revenues and remittances from abroad.

Tighter global credit and greater risk aversion have reduced levels of foreign investment and made trade finance more expensive.

It is expected that 2009 economic growth will slow to less than three per cent.

However, we must not lose sight of the positive, longer term trends we have been witnessing in African economies.

Last year Africa enjoyed an economic growth rate estimated at 5.7 per cent. This represented the fifth consecutive year where Africa's economic growth exceeded five per cent.

While high commodity prices played a significant role in this growth, improved economic governance also had an impact.

While the global economic outlook remains uncertain, there is more to achieve on this front.

### *Concluding Remarks*

Africa's relevance and importance for Australia is growing, through business, education and people-to-people links.

The Australian Government, for its part, is committed to strengthening those links further, both as a friend and a partner.

We're making good progress, but there is more work to be done.

I thank all of those who are contributing to the success of Africa DownUnder. I wish you all every success for the future.

## **Africa Day Speech, Canberra, delivered 25 May 2009**

Excellencies

I warmly welcome my Tanzanian counterpart, the Honourable Bernard Membe, here this evening.

We are fortunate also to have the presence of two other groups of distinguished African visitors.

I welcome five senior African journalists, who are in Australia as part of an International Media Visit sponsored by the Department of Foreign Affairs and Trade. I also welcome officials from seven African countries, who are in Canberra this week for a trade policy course being run by the Department.

### *Africa Day*

Tonight we commemorate the founding, 46 years ago, of modern-day African unity, the Organisation of African Unity, now the African Union.

30 of the then 32 independent African states gathered to sign the Organisation's founding charter in Addis Ababa.

Decolonisation was nearing its end. African leaders made a commitment to work together towards a brighter future for the whole of their continent.

A great deal has been accomplished by the peoples of Africa since then, often in the face of considerable challenges.

Australia congratulates the African Union and the countries of Africa for those achievements.

We celebrate African unity and honour an organisation that has dedicated itself to securing Africa's rightful place on the world stage, and to achieving a better life for all the peoples of Africa.

### *Australia and Africa: a new commitment*

One year ago I attended my first Africa Day celebration here in Canberra with a strong sense that Australia had not always given Africa the priority it required and deserved.

As Foreign Minister, I was determined to ensure that Australia rectified that. Today, I am convinced that we're making good progress.

We've worked hard to broaden and deepen our engagement with Africa.

In January, it was my privilege to be the first Australian Foreign Minister to address a meeting of African Union Foreign Ministers in Addis Ababa and to then meet almost 30 of my African counterparts.

I told my colleague African Foreign Ministers that Australia wanted to be part of Africa's future in ways where our expertise and experience could make a unique and positive contribution.

I identified priority areas:

- to support Africa's efforts to promote economic growth and prosperity through investment and trade,
- to accelerate progress towards the Millennium Development Goals, and to
- address peace and security challenges.

I spoke of the importance of trade liberalisation. I discussed the contribution Australia could make through cooperation on agriculture and mining, on maternal and child health, and on peacekeeping.

In the four short months since my visit to Addis Ababa, Australia has taken important steps to implement these objectives.

### *Strengthening Links*

High-level contact is an important component of strengthened relations.

Defence Minister Joel Fitzgibbon visited Africa in February to discuss African peace and security issues and future Australian defence cooperation.

The Governor-General, Ms Quentin Bryce, visited nine African countries in March and April, underlining Australia's commitment to heightened engagement.

It is a true pleasure to host Mr Membe in Australia. I look forward to a number of African colleagues visiting Australia in the coming weeks and months.

In recent months, Australia has moved to establish diplomatic relations with a number of African countries.

Late last year, Australia established diplomatic relations with Burkina Faso and Liberia.

On 7 May, signing ceremonies for the establishment of diplomatic relations with Niger and the Republic of the Congo were held in New York.

Australia now has diplomatic relations with 45 of the 53 countries in Africa, and we intend to add to this number shortly.

Formal diplomatic relations will provide new opportunities for achieving our bilateral trade and investment objectives, and in pursuing global solutions on such issues as trade and financial reform, climate change, transnational crime and international security.

Our people-to-people links are crucial in supporting our broad engagement.

The visit of the journalists here tonight is an important part of deepening our understanding of Australia in Africa, and vice versa.

It is my firm belief that students, including the 9000 or so Africans studying in Australia, can make the personal linkages and embody the mutual understanding that will be the foundation of a shared future.

Young Africans who have studied in Australia will return to Africa with not only a world class education, but also as friends of Australia, and ambassadors for Australia for life.

*To promote economic growth and prosperity through investment and trade*

Australia's trade with Africa has grown very steadily over the last decade, at annual average of over 8 per cent.

The growth of investment has been particularly impressive. Twenty-odd years ago, there were barely half a dozen African countries where Australian firms had substantial investments. Now we are proud to note that there are over 300 Australian companies active across Africa, with current and prospective investments estimated at US\$20 billion.

This aspect of our engagement is vital, because it is trade and investment that will transform Africa.

Minerals and petroleum resource companies are currently the most prominent, many from my home state of Western Australia.

I met with some of those companies in Perth in February and outlined for them the Australian Government's plans to increase our engagement on the continent to match their own growing interests.

Australia once again had a leading presence at Africa's largest mining conference, Mining Indaba, in Cape Town this year. We now look forward to Africa DownUnder in Perth in September to expand our links in this sector.

The Australia Africa Business Council does important work in uniting business communities and promoting trade and investment on both sides of the Indian Ocean.

The Council will hold a major national conference in Queensland in early September, giving further impetus to economic relations and closer government-business dialogue.

We also share with Africa the goal of opening markets around the world to promote long-term prosperity.

*Development Cooperation*

Overall, we have increased our development assistance funding for Africa by over 40 per cent for the 2009-10 financial year. Africa will continue to benefit from the Australian Government's commitment to scale up our aid program to 0.5 per cent of GNI by 2015-16.

## *Agriculture*

Like many African countries, Australia is a major agricultural exporter. We need to work together to bring down protectionist measures through the Doha Round of the World Trade Organisation negotiations.

The participation of African officials in DFAT's trade policy course is a practical expression of support for African countries' expansion of access to the global trading system.

Food security is central to Africa's ability to eradicate extreme poverty and hunger, and is an area in which Australia is well placed to make a unique contribution.

Our recently announced Food Security through Rural Development initiative will provide \$100 million over four years to support Africa's own efforts.

Australian government and research teams have recently visited several African countries to consult with governments and regional organisations on the development of Australia's program.

We will work with key partners including the African Union to support agricultural research, raise crop yields, develop social safety nets and enhance trade through regional market integration.

## *Education*

Human resource development is a key to Africa's future. African countries have told us they place a high value on the education provided by Australian institutions.

Under Australia's new development assistance strategy for Africa we will support many more African students to develop their skills and realise their potential.

Within four years we will increase our scholarships program to comprise up to 1,000 long- and short-term scholarships across Africa, including in food security, natural resource management, maternal and child health, and water and sanitation.

We have already made a start. By January 2010, we will double the number of awards offered in Africa to 200, by opening access to several more countries. The program will continue to increase significantly in subsequent years.

Many African governments have specifically requested capacity-building assistance in the natural resources sector. In the latter half of this year, we will expand coverage of our existing program of extractive industry governance fellowships.

Australia will also help build Africa's human resource capacity through targeted technical assistance. Our Australia-Africa Partnerships facility will provide technical assistance to African countries, in areas of Australian expertise such as natural resource management, agriculture, trade policy and governance.

### *Maternal and child health*

Maternal and child health will continue to be a priority for our development program, along with improved access to clean water and sanitation.

In January I visited the Addis Ababa Fistula Hospital, and saw for myself the impact specialised and dedicated assistance - such as that provided over so many years by Dr Catherine Hamlin - can have on the lives of women and families.

The Government is committed to increasing further the training of midwives, support for HIV/AIDS orphans, and support for treatment of obstetric fistula.

### *To address peace and security challenges*

We recognise that peace and security are vital to Africa's sustained development. Australia has long participated in peacekeeping operations in Africa. Australian personnel are currently serving in the UN Mission in Sudan and the UN-AU Mission in Darfur. Australia also makes a major financial contribution to UN missions in the Democratic Republic of Congo, Liberia, the Central African Republic and Chad.

In my discussions in Addis Ababa, we had the chance to reflect that peacekeeping has come to embrace a wide range of activities that include much more than just armed forces. The promotion of human security, confidence building and capacity building, the provision of electoral support, programs to strengthen the rule of law, and economic and social development, are all vital to the success of the mission.

As we know from the success of regional missions in East Timor and the Solomon Islands, peacekeeping is no longer the exclusive domain of the United Nations. Non-United Nations led peacekeeping operations are now commonly undertaken by multinational or regional groupings.

We welcome continuing efforts on the part of the African Union to join with the United Nations to help address conflicts in Africa; to provide regional solutions to regional problems.

My colleague Defence Minister Joel Fitzgibbon had very good meetings with the African Union during his visit to Addis Ababa in February.

As first steps, Australia plans to establish a Defence Attaché in Africa, and offer training in Australia to African defence personnel.

In addition, Australia will co-host with the African Union and the United Nations a peacekeeping symposium to allow for exchange of experience and expertise. Australia wants to play its part to assist in addressing specific challenges faced by African countries.

We were pleased to provide an additional \$2 million in April for humanitarian relief and support for the African Union Mission to Somalia, which is playing a key role in efforts to help bring a return to stable government in the country.

African countries have an increasingly important role in finding collective multilateral solutions to global issues such as trade reform, the global financial crisis, climate change, arms control, terrorism and regional conflicts.

Australia stands ready to assist African countries in the effort against terrorism and transnational crime.

My colleague, the Minister for Home Affairs, announced funding in the Budget of \$17.2 million over four years to help strengthen African law enforcement agencies and legal institutions as part of a wider international program.

We will provide technical assistance to African countries to develop forensic investigation capacities, support anti-money laundering activities and strengthen legal frameworks and capacity.

### *Zimbabwe*

Australia welcomes the voice of African states in the councils of international affairs. The Southern African Development Community played a key role in bringing the power sharing agreement into effect in Zimbabwe. As guarantors of the agreement, SADC and the African Union have an ongoing role in ensuring that Zimbabwe remains on the path of reform.

While Zimbabwe's challenges remain daunting, some progress is being made. Australia is committed to assisting Prime Minister Tsvangirai and his Ministers to rebuild Zimbabwe.

I announced today a further \$6 million in assistance for Zimbabwe, which will support agricultural recovery, help restore water and sanitation services, and assist ongoing programs to assist Zimbabwe's transition to democracy.

\$2 million will help improve food security and support agricultural recovery, through the Protracted Relief Programme that Australia co-funds with the United Kingdom Department for International Development. By supporting the procurement of seeds and fertiliser for the coming agricultural season, Australia's assistance is helping to create the conditions for Zimbabwe's transition from emergency food aid to longer term agricultural sustainability.

\$2 million will be for Australian NGOs to help restore water and sanitation services in a number of small towns and rural growth centres. We will give an additional \$1 million to UNICEF for water and sanitation. Repair and rehabilitation of Zimbabwe's water and sanitation system are essential for Zimbabwe's return to economic growth, and also to help avert the risk of renewed outbreaks of cholera.

This is in addition to the \$10 million I announced in March, in support of better health, water and sanitation. As part of this commitment, Australia provided \$5 million through UNICEF to local councils for essential water treatment chemicals, and \$5 million through the United Kingdom Department for International Development to help essential health workers return to work.

This assistance will bring Australia's aid for Zimbabwe in 2008-09 to \$42 million.

These have been important steps. They have gone beyond humanitarian assistance, and represent longer term support for the restoration of essential services and the rebuilding of Zimbabwe.

We are under no illusions regarding the political situation in Zimbabwe. We know that notwithstanding recent progress, many problems remain. We also continue to look at what more we can do.

Water and sanitation and food security are likely to be continuing priorities. It will also be important to provide capacity building assistance to help restore essential services, and to implement reform.

#### *Visit of Foreign Minister of Tanzania*

As I said at the beginning, it is my great pleasure to welcome my colleague, the Minister for Foreign Affairs and International Cooperation of Tanzania, Mr Bernard Membe to Australia.

Mr Membe's visit is the first by a Tanzanian Foreign Minister to Australia since 1989. The bilateral relationship between Tanzania and Australia goes back decades. Today we discussed how to strengthen that relationship, in practical ways, in our mutual interests. We have much in common. The Australian Government appreciates the strong voice of Mr Membe and his government on political and security issues in Africa, and his calls for democracy including in Zimbabwe.

Minister, it is an honour to welcome you on your first visit to Australia. I am confident that your time will be productive, and I look forward to making a return visit to Tanzania in the near future.

#### *Conclusion*

In celebrating Africa's achievements today we also look to the future and the greater role that Africa is destined to play on the world stage.

Australia is determined to work with Africa as a friend and partner over the coming years and decades. We are confident our joint efforts to deepen our engagement will be to the benefit of both our continents.

I congratulate you again on Africa Day.

Thank you.

**Presentation to the Executive Council of the African Union, Addis Ababa, Ethiopia, 29 January 2009**

Thank you for the privilege of addressing this meeting.

It is a great honour for me to be the first Australian Foreign Minister to attend a meeting of the African Union since its establishment in 2002.

I have come to Addis Ababa at this time, to the seat of the African Union, to convey to you personally the Australian Government's deep commitment and strong resolve to enhance Australia's relationships with the nation states and the continent of Africa. The Australian Government acknowledges that the African Union, the principal body for African integration and cooperation, is playing an internationally recognised role in advancing Africa's economic prosperity and peace and security objectives.

In the past, Australia has not given Africa the priority it requires and deserves. Over the past months, we have been talking with you, with African countries, starting the process of meeting that priority with you.

Australia wants to be part of Africa's future in ways where our expertise and experience can make a unique and positive contribution.

We want our contributions to be designed to support Africa's efforts to promote economic growth and prosperity through investment and trade, to accelerate progress towards the Millennium Development Goals, and to address peace and security challenges.

Fortunately, Australian industry is already very active. More than 300 Australian mining, oil and gas companies are active throughout Africa. Current and prospective investment in the sector has been estimated at USD 20 billion.

Trade between Africa and Australia is growing steadily. As is the case across the globe, long-term prosperity for the nations of Africa will depend on opening markets around the world.

We have common interests as agricultural producing countries in bringing down protection levels. We need to work together to pursue these interests in the Doha round of the World Trade Organization negotiations.

Australia will implement a new development assistance strategy, to give effect to our renewed commitment to Africa.

This new strategy will mark a substantial increase in our development assistance to the continent. We have already increased funding for Africa by 23 per cent since our election in November 2007. Africa will continue to benefit from our commitment to scale up Australia's aid program to 0.5 percent of GNI by 2015-16.

Human resource development is a key to Africa's future. Within four years, Australia will increase by up to ten-fold our scholarships and fellowships to students from across Africa – including in agriculture, mining, maternal and child healthcare, and water and sanitation.

This will see up to 1,000 scholarships and fellowships available to young African students.

Australia will support Africa in its efforts to enhance food security, particularly through the AU and NEPAD (New Partnership for African Development) Comprehensive Africa Agricultural Development Program.

Australian agricultural expertise in a range of climatic conditions is well-placed to help Africa face the growing food crisis by lifting agricultural productivity, raising farmers' incomes, and improving access to global markets.

Maternal and child health will continue to be a priority for our development program, along with improved access to clean water and sanitation.

Improving global peace and security remains a challenge for us all.

Australia has long participated in peacekeeping missions in Africa. Australian personnel are currently participating in the UN Mission in Sudan and the UN-AU Mission in Darfur.

The AU is playing a vital role as it works with the United Nations to help address conflicts in Africa. In a few weeks, the Australian Minister for Defence will visit Africa to discuss African peace and security issues and future Australian defence cooperation.

Australians are deeply concerned about conflicts and their terrible human impact. We commend the AU for its central role in resolving crises in Africa. On Zimbabwe, we support your deliberations to help find a solution that reflects the will of the Zimbabwe people and gives them hope for a better future.

The Australian Government took office determined to change the way Australia engages with the international community. The Government recognises that critical problems confronting our world such as the global financial crisis, climate change, and peace and security require a regional and multilateral response.

Australia's commitment to Africa is for the long term. The strong people-to-people links which already exist, including nearly 9000 African students already studying in Australia, will help drive our relationships forward.

Australia is determined to work with Africa as a friend and partner. I am here both to listen to your views, and to plot a path forward to deepen our engagement.

It is a great pleasure for me to renew some old acquaintances here, and to make many new ones. I look forward to meeting you all in the course of the next two days.

Thank you for the honour you have bestowed on me by allowing me to address you.

## **5.8 SPEECHES BY THE MINISTER FOR TRADE**

### **The Australia-Africa Partnership”, Address to the Mining Indaba Conference Cape Town, South Africa, 2 February 2010**

Ministers, Excellencies, distinguished guests, ladies and gentlemen.

Thank you, High Commissioner Ann Harrap, for that kind introduction.

I have a long-standing interest in Africa, this is my first visit to the continent as Trade Minister and I have been very impressed about what I have seen so far.

On a personal note, I have had a long-term interest in the anti-apartheid campaign and I am pleased to say Australia played a significant role in the struggle. As president of the union movement, and then as a member of the Labor Government in the 1980s and the 1990s, we significantly strengthened sanctions against the then South African Government all of which contributed to the international pressure and successful campaign to end apartheid.

It is a great privilege to be giving this address today on the 20th anniversary of the announcement of the release of Nelson Mandela.

This morning I visited the Green Point stadium that will be a venue for the FIFA 2010 World Cup and it is a truly magnificent facility.

The World Cup will be the biggest sporting event in this year’s international calendar. I have seen first-hand the work and preparation for the tournament and I have no hesitation in saying that I am absolutely confident that the World Cup will be a tremendous success for South Africa and the greater African continent.

Thousands of Australian Soccerroo fans will be here and I think this will be a great boost for Australia - Africa relations.

During the World Cup, the Australian Government’s trade and investment promotion body, Austrade, will be actively involved with an initiative called Business Club Australia and I encourage your participation in this event.

When I arrived in Capetown on Sunday, we drove to the township Nyanga to watch a very competitive game of Australia Rules Football between the Australian indigenous youth team the Flying Boomerangs and the South African Coastal Lions.

It was a great community sporting and social event. At the end of the game I had the pleasure in congratulating 19-year Byanda Sobetwa on being awarded a sporting traineeship with the new Western Sydney AFL club. He is the first South African to be listed with an AFL club.

It was a great example of sport breaking down barriers between people, highlighting our common interests and links with each other.

There are already strong mining and resource links between Australia and Africa and what I want to build on that foundation to broaden our trade and investment partnership.

Underscoring this is the knowledge that it is not enough for developing countries just to liberalise trade barriers at the border. They must also be supported by trade and economic reform behind the border - along with capacity building measures. There is no point opening a new market if the ability does not exist to take advantage of the opportunity. Often the starting point of capacity building is skill development - training and the transfer of skills to local communities.

The Australian Government knows the importance of capacity building and it is a key part of our trade agenda.

Capacity building was a key element of the ASEAN-Australian-New Zealand Free Trade Agreement that is our largest FTA and came into force at the start of this year. The agreement spans a region with more than 600 million people and a combined GDP of almost \$US 3 trillion.

Capacity building is what we are doing with Pacific nations. For example, the Australian Government is giving support to a multi-billion dollar LNG project in Papua New Guinea that will require 12,000 skilled workers.

Australia knows the importance of working with indigenous populations and working in remote areas. In Australia there is respect for the land and an appreciation for the importance of land rehabilitation.

This is the Australian brand and this is what we are bringing to Africa.

I like to think of this holistic approach to capacity building as the Australian way. But it is an approach that is not just coming from the Australian Government it is the Government working in tandem with Australian companies.

And what better place to build momentum and focus on capacity building than here at Mining Indaba in Cape Town. As the region's premier conference on natural resources - it brings together senior leaders from business and government from Africa and all over the world.

#### *Australia's Strengthened Engagement with Africa*

My visit to Africa needs to be seen as part of an overall strengthening of diplomatic, political and economic contacts between Australia and Africa.

The Australian Foreign Minister was here last week, and the Minister for Resources, Energy, and for Tourism is planning to visit later this month. Last year was a big year for visits in both directions, including the historic visit to ten African countries by Australia's Governor General. Five African Foreign Ministers visited Australia last year which is more in one year than in the previous ten. Mining ministers from Eritrea, Ghana, Nigeria and South Africa visited Australia last year to attend the 2009 Africa DownUnder Conference, Australia's premier event on mining in Africa.

What these high-level visits underscore is that the Australian Government is deeply committed to substantially enhanced engagement with the countries and regional institutions of Africa.

Australia's enhanced engagement with Africa involves working on individual bilateral relationships, strengthening cooperation with African regional institutions and working more closely with African countries in multilateral fora, including in the WTO, the Cairns Group, the United Nations and the G20.

While Australia and the countries of Africa have long been associated with different regional groupings, we have a shared interest in working together more closely – in genuine partnership - to tackle the most pressing challenges of the 21st century. I'm speaking here of challenges such as climate change, energy and food security, health pandemics, poverty reduction and the global economic crisis.

Australia's approach to enhanced engagement with Africa has three core priorities. These are:

- supporting Africa's efforts to promote economic growth and prosperity through investment and trade
- understanding that this cannot happen without strengthened and meaningful commitment to capacity building; and
- addressing peace and security challenges.

### *Economic links*

I am pleased to say economic links are going from strength to strength.

Australia's trade with Africa has grown steadily over the last decade, at an annual average of over 9 per cent. Australia's total merchandise trade with Africa was valued at \$5.5 billion in 2008-09.

But trade is no longer primarily focused on the movement of goods. Increasingly trade is about market access for services and flows of overseas investment.

Take investment, for example. Actual and prospective investment by Australian resource companies in Africa has been estimated at around US\$20 billion, spread across 38 African countries.

There are now hundreds of Australian companies active in the African resources sector. In fact, around 40 per cent of Australian mining companies' overseas projects are in Africa. Many of these great companies are represented here at Mining Indaba. In the resources sector, Australia has a particularly strong presence in mining, oil and gas exploration. Australian companies are active in delivering a wide range of world-class mining services - including engineering, consulting and analysis. They enjoy a well-earned reputation for excellent safety records and high environmental standards. They have experience working in diverse multicultural environments, and they apply that expertise all around the world.

Australia is an example of how resource development used wisely can deliver wealth for the entire nation.

Australian companies are committed to Africa for the long-term. Australian companies take seriously their corporate social responsibility when it comes to doing business in Africa.

Paladin Energy, for example, makes important contributions to the Namibian Institute of Mining and Technology (NIMT), which operates one of the largest vocational training centres in the country.

I could cite many other examples - including Rio Tinto's HIV/AIDS Community Program here in South Africa's Limpopo Province. Or BHP-Billiton's anti-malaria campaign at its aluminium smelter in Mozambique, which substantially reduced the malaria infection rate.

In this context, corporate social responsibility is not just about new wells, roads and buildings – it is broader than that. It's a philosophy about the way you work – equality, a fair go for workers as well as listening and being responsive.

As the South African Minister for Mineral Resources, Susan Shabangu, told me yesterday “Australian companies respond better to communities – they don't bulldoze they consult”.

Adam Malima, the Deputy Mining Minister of Tanzania, also told me today that Australian companies are good “non-intrusive” friends.

These are great endorsements from African Governments for the approach of Australian companies.

One of my key messages today is that we are here to listen. We are here to respond to your concerns. We want to help African nations achieve their goals.

On the other side, I believe here in Africa there needs to be a high priority placed on improvements to investment regimes to provide greater certainty for the business sector. I discussed this yesterday with Minister Susan Shabangu and I very much welcome her announcement this morning that South Africa will be bringing forward legislation to provide greater certainty on this front. The Tanzanian Deputy Mining Minister told me Tanzania is preparing legislation to enhance the investment environment.

#### *Development Assistance – Capacity Building*

In the spirit of greater engagement, I would like to make an important announcement today about Australia's commitment to Africa.

Last year the Australian Government announced the establishment of an Australia-Africa Partnerships Facility to provide capacity building for African governments and institutions.

The facility will work across Africa in key areas such as agriculture, natural resource management and public policy development challenges and examine ways to foster public-private partnerships.

Today I can announce, under this program, Australia will provide \$500,000 over three years to support a public-private partnership between AMIRA International (Australian Mineral Industry Research Association), which is an association of the world's largest mining companies, to four West African Universities. These universities are in Ghana, Burkina Faso, Senegal and Guinea.

The program will assist in developing the capacity of the four universities to conduct geological research, to provide high calibre geoscience courses, to fund student scholarships and to deliver services to the resources sector.

This is another concrete example of the Australian Government's commitment to building the partnership with Africa through a targeted development assistance program. Other examples are:

- The Australian Government is growing our targeted development assistance program to \$163 million in 2010 an increase of 40% from last year
- An expanded scholarships program which this year will deliver 200 scholarships. With the goal of expanding this to 1000 scholarships a year by 2012-13.
- Engagement of a team to scope further opportunities for the government's development assistance program to engage in the mining sector in Africa.

#### *Aid for Trade*

Australia recognises that trade is a critical element in economic growth and development, and in reducing poverty.

That underscores the importance of bringing the WTO Doha Development Round to a successful conclusion.

It also underscores the importance of the concept of Aid for Trade, funding for which now accounts for 10 per cent of Australia's total aid program.

Aid for trade is about providing development assistance for the trade-related needs of developing countries to enable their better engagement in the multilateral trading system and regional trade initiatives. It is based on the pillars of assisting countries to improve market access and to build competitive economies.

Over the past two years, Australia has undertaken effective and relevant aid-for-trade activities in Africa, including in South Africa, Mozambique, Malawi, Lesotho, Tanzania, Zambia, Botswana, Kenya and Uganda.

#### *Moving forward*

Looking ahead, let me just say that I know the Global Economic Crisis has had an impact on all sectors of the global economy, not least mining resources, and that Sub-Saharan Africa has been hit hard.

But there are growing signs of optimism among economists. Growth in Sub-Saharan Africa is expected to pick up to 4.3 per cent in 2010, according to the IMF.

The challenge for all of us – as business and government leaders – is to make the most of the opportunities that will flow from that growth.

As I look around the room at the innovative companies represented here, I'm struck by both the rising profile of Australian business in Africa and the potential for Australia to play an even bigger role in Africa's economic future in the years ahead.

The Australian Government is driving hard and is committed to fostering a stronger trade and investment relationship between our two great continents. I firmly believe we can take this partnership to a new level with great mutual benefits for Australia and Africa.

Thank you