

MEDIA RELEASE: AUSTRALIA-AFRICA MINING INDUSTRY GROUP

[Thursday, 30 October 2014]

RESPONSE TO AUSTRALIAN GREENS ANNOUNCEMENT

The Australia-Africa Mining Industry Group (“AAMIG”) has noted that the Australian Greens announced on 27 October 2014, the introduction of the Corporations Amendment (Publish What You Pay) Bill 2014, the aim of which is to “crack down on corruption in Australian companies that operate overseas”.

Australian companies operating in Africa are regarded as being amongst the best corporate citizens and ‘investment partners of choice’ in many jurisdictions.

It is surprising that the Australian Greens announcement makes no mention of the commitment Australia has made to the Extractive Industries Transparency Initiative (“EITI”) for which the country currently has an advanced Pilot study in progress.

The EITI is a well-established, international initiative that provides for supporting companies to publish what they pay to host governments and for host governments to publish what they receive from companies. The reported payments are then reconciled by an independent auditor.. It is a methodology that ensures the support of both the governments of compliant countries and the supporting companies. In May 2013, AAMIG presented a Statement of Support at the EITI Global Conference held in Sydney.

AAMIG was formed in 2011 to represent Australian mining, exploration, service and supply companies active in Africa and currently has more than 100 member companies. The organisation is committed to supporting member companies to enhance their capacity to deliver ethical, socially responsible and sustainable resource development outcomes in Africa. AAMIG members are encouraged to commit to the principles contained in a set of internationally recognised Guiding Documentation, which includes the EITI principles. To do so is not only the right thing, it is simply good for business.

AAMIG’s four main areas of focus are community engagement, security, governance, and political and social risk. The aim is to reduce operating and financial risk for foreign investors by actively contributing to capacity building in the broadest sense, as well as helping to improve the overall investment climate in host countries.

AAMIG recognises that improved governance, including a determined effort to combat bribery and corruption, can have a significant effect on a country’s attractiveness as an investment destination. It can also promote the timely development of industries that can improve the wealth-generating capacity of a country, help governments serve their citizens better, and have a significant impact in alleviating poverty and supporting broader-based industrial development.

It is suggested that a more appropriate and engaging response to the issue raised by the Australian Greens would be for the Federal Government, the resources industry and other stakeholders to work together in a collaborative manner to support the existing, well-established EITI framework, which importantly, not only incorporates supporting companies, but also compliant host nations.

The work currently being undertaken on the Voluntary Principles on Security and Human Rights (VPSHR), which involves the Federal Government, the UN Global Compact Australia Network, the resources industry, security groups and NGOs, is a good example of how a more collaborative approach is likely to deliver a better result.

AAMIG is committed to a “Team Australia” approach, working in partnership with governments, international organisations, NGOs and the education sector, to build capability and credibility for the Australian mining industry active in Africa, and to ensure that host countries are supported in their regional development initiatives.

More detailed information on AAMIG’s objectives and work programs can be found on its website, www.aamig.com

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ABOUT AAMIG

Founded in May 2011, the Australia-Africa Mining Industry Group (“AAMIG”) represents Australian and Australian-based exploration, mining, service and supply companies active in Africa.

AAMIG aims to support member companies and enhance their Social Licence to Operate, with a key focus on stakeholder engagement, sustainable community development, human rights and governance.

AAMIG is committed to supporting a “Team Australia” approach in regard to Australia’s engagement with Africa, which includes building meaningful relationships between the mining industry and governments, not-for-profits and academia.

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This Media Release has been issued through Cannings Purple.