

Senate Standing Committees on Foreign Affairs Defence and Trade

Australia's trade and investment relationships with the countries of Africa

Thursday 17 August 2017

Public Submission—Mr. Davidson, WA

Dear respected members,

I do not hail from a legal background but from a media background, which I understand from the outset throws the perceived legitimacy of this submission into question, but it is with a sense of moral obligation I bring forward the following observations, regarding terms of reference F. and G.—

f. the role of Australian based companies in sustainable development outcomes, and lessons that can be applied to other developing nations;

g. the role of Australian based companies in promoting the achievement of Sustainable Development Goals[.]

In July this year, the UK Serious Fraud Office joined [an international investigation into Rio Tinto's](#) activities in Guinea.

The notion that one must restrict themselves to usage of the term "allegations" in discussing any reported bribery of foreign governments by Australian resource companies—especially in the aftermath of consequent Rio Tinto [redundancies made in 2016](#) with regards to Guinea—is an insult to the common sense of all Australians possessing a competence for reading and literacy.

In 2014, the Investigative Consortium for Investigative Journalists (ICIJ) released their multi-part series [Fatal Extraction: Australian Mining's Damaging Push into Africa](#). This investigation did not herald the international fanfare ICIJ's 2015 investigation The Panama Papers would promote, but stands as an important collection of evidence for this inquiry.

Find this following excerpt from their follow up work in July 2015:

Number of Australian-listed mining companies active in Africa:
*more than 150**

Number of countries in Africa where Australian mining companies are active:
*33**

Number of licenses:
*about 1500**

Country with the most licences held by Australian-listed companies:
*Tanzania (about 360)**

Number of fatalities linked to Australian-listed mining companies in Africa (2004-2015):
more than 380

The last statistic awards us an alarming figure - there is more than one death per Australian mine in Africa. And, let us not forget, this statistic is not unusual for a recognised Hazardous Facility place of work.

ICIJ reporters address these concerns in this segment, published 2015 10 July:

When mining tragedies do strike in Australia, detailed coroners' inquiries and warden reports are common. After the 1994 disaster at Moura Mine in Queensland, experts and lawyers met for three months, hearing from 66 witnesses, analysing 300 exhibits and collecting 5,000 pages of transcripts. In Beaconsfield, Tasmania, where one miner died in 2006, a year-long inquiry sifted through 100 interviews and 4,000 company emails.

The cost of Australia's high standards, however, sometimes rankles industry executives.

Environmental and social protections at home are "overly sophisticated" and indigenous land claims make the country "difficult," mining executives grouse.

Africa, on the contrary, offers "low costs of production," said John Welborn, managing director of Equatorial Resources, in [2012 remarks to the Sydney Mining Club](#). Once production begins at its iron ore mine in the Republic of Congo, the company will pay less than half the royalty rate it would at home, no tax for five years and never more than 15 percent, under an agreement including "favourable fiscal terms" signed with the Congolese government, one of many African governments to offer tax incentives and other financial enticements.

The veracity of this information, and its relevance to the committee, will no doubt be forged within the perceptions of reliability awarded to ICIJ by those who read this submission. I can do nothing but suggest to make a judgement on the legitimacy of any media outlet without conducting prior research is to position oneself directly over the gaping mouth of folly.

Given the reputation this organisation have, and the importance of their work for the development of social justice in the realms of finance and trade, it is my opinion that to ignore these past works is to directly harm the efficacy of this inquiry. Law cannot function without a fourth estate - an uncomfortable duality I am sure you are all familiar with.

Regards,

Jonathon Davidson