

Submission from Hon Prof Matthew E K Neuhaus, ANU

Inquiry into Strengthening Australia's Trade and Investment Relations with Africa

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Honourable Committee Members

I welcome the Australian Parliamentary Inquiry into Australia's Trade and Investment Relations with Africa. Currently trade with African nations is tiny – some \$12 billion a year, about 2% of our total global trade. Investment - mostly in the mining industry – is around \$60 billion. Both could and should be so much more, especially given Africa's demographic and economic growth. This Inquiry is thus timely and sits well with the Government's commitment to engage Africa.

I have considerable experience of Africa. I spent my childhood in East Africa from 1960-1974 before returning to Australia for my later education with my Australian missionary parents. I was posted to our High Commission in Nairobi from 1983-85 after joining the Department of Foreign Affairs and Trade (DFAT). I served twice as Head of Mission – as Australian High Commissioner to Nigeria from 1997-2000, covering all West Africa, and Ambassador to Zimbabwe from 2011-2015, with accreditation to DRC, Zambia, and Malawi.

I was Assistant Secretary for Africa in DFAT from 2015-17 and then headed the Middle East and Africa Division before appointment in 2018 as Ambassador to the Netherlands. Now in retirement as an Honorary Professor at the Australian National University (ANU) College of Law, Governance and Policy, I travel frequently to Africa, and am a Board Member of the Australian African Universities Network (AAUN) and Committee Member of the African Studies Association of Australia and the Pacific (AFSAAP). I remain committed to building Australia's relations with Africa, and write and speak regularly. This submission though is in an entirely personal capacity.

My first concern with the nature of this Inquiry is that it is too narrowly focused. Encouraging Australia's trade with Africa requires a broader approach, seeking to build on the existing successful engagement in areas like mining, education and NGO engagement which is extensive. Trade and investment can only grow and be encouraged in a context where bodies working in these areas of existing activity are engaged and supported.

My second concern is that at this stage (and I write on the last day for written submissions) is that I see no submissions from key bodies working in the Africa space such as:

- ☐ the Africa Down Under (ADU) organisation which hosts in Perth a highly successful annual conference for mining and service companies working in Africa,
- ☐ the Australia Africa Universities Network (AAUN) which regularly brings together nearly thirty universities from Australia and Africa on education cooperation, or
- ☐ the Australian Council for International Development (ACFID) which brings together the many Australian NGOs working Africa, and providing nearly \$300 million in small scale development assistance annually.

This is without mentioning the Australia Africa Chamber of Commerce (AACC) and a wide range of African business and diaspora groups in Australia. All the bodies mentioned above have websites. I encourage the Inquiry to reach out to them and seek their submissions.

My third concern is that the terms of reference suggest a single trade and investment approach to Africa. Africa is composed of fifty-four sovereign nations at different stages of political and economic development. Our engagement with them is diverse, both economically and politically. South Africa naturally stands out, as do nations like Kenya, Zambia, Mauritius, Ethiopia, Ghana, and Nigeria. The Inquiry needs to take a more granular approach to Africa to explore where the opportunities for trade and investment are the most promising.

The Africa Continental Free Trade Area (AfCTA) is a promising idea in principle, but the reality for most African nations is a continuing close economic engagement with their former metropolitan power (such as UK, France, Portugal) and increasingly China, India and the EU. The Inquiry needs to explore this more deeply to find the opportunities for engagement for Australia. China's increasingly dominant role alone requires detailed investigation, not least because much of our current trade and investment is closely linked to the Chinese market.

Finally, during my period as DFAT Assistant Secretary for Africa we established an Advisory Group on Australian African Relations (AGAAR) to provide contestable policy advice to the Minister (then Hon Julie Bishop) alongside our departmental advice. This met regularly and for most of my time was chaired by Peter Coleman, then CEO of Woodside. Bodies like ADU and AAUN were represented on it, as was ASPI as a think tank, and various diaspora and business voices. It was a significant help and played a substantial role between 2015-2018 in building and broadening the relationship supported by extremely limited departmental resources. Sadly, it died after Julie Bishop and I departed.

We now need something like it but more ambitious and better funded – ideally an Australia Africa Council. This can help support the Government in engaging African nations, their communities in Australia, Australian bodies working in Africa and in pursuing relevant relationships which will underpin trade and investment engagement. These relationships which will be ever more important as Africa grows and becomes more significant to the world's economy and to our own. It can ensure the excellent recommendations that come from Inquiries like this are followed through, and that we build a more stable long term relationship of mutual interest with Africa. It is an idea which has been widely supported by the bodies I have mentioned in this letter. I commend this proposal to you.

I look forward to appearing before the Committee in person in the new year.

With best wishes for your important work

Matthew EK Neuhaus

Hon Professor Matthew Neuhaus