

This submission is made as a private individual, based on extensive and significant experience of AusAID projects in senior and managerial roles for Kinhill Engineers Pty Ltd and Geo-Eng International Pty Ltd (a participant in the company Australian International Mine Safety Training Company Pty Ltd). It also draws on experience accumulated over a substantial period as a Director (and sometime Chairman) of AUSTMINE Ltd.

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AusAID and its predecessor organization, AIDAB, through the 1980s and 1990s included in its portfolio of aid projects, a number which focused on (aspects) of the mining industry. Projects which met AusAID's criteria for funding assistance were required to make use of Australian technology to enhance local project development, contributing social benefits (health and employment), environmental enhancement, improved technology, and workplace (specifically mining) safety. In most cases the aid program addressed public sector projects in developing countries, which generally had been passed over by the private sector as not viable, marginal or too difficult, the latter mainly for reasons associated with regulatory requirements or local (and international) activist groups.

It is a matter of record that during this period a number of major aid-funded projects were undertaken successfully, with recipient countries being appreciative of the outcomes. Benefits included technology, skills upgrading achieved by their workforce and exposure to Australian personnel and practices – these being regarded as representing “world's best practice”. Some of the projects completed in this period included:

- The Thailand-Australia Lignite Mine Development Project (3 Phases);
- The China Land (Copper Tailings Dams) Rehabilitation Project;
- The Indian Steel Industry Operations and Environmental Training Project;
- The India (DGMS) Mine Safety Training Project.

It is estimated that expenditure of the order of \$25 million plus was expended on these projects with benefits accruing to both the donor and recipient country. Copies of Completion (and Progress) Reports should be available in AusAID archives.

In each case one of the project objectives was to permit the development of a project which created an improved and sustainable working environment using state of the art technology, capable of continuation under local management.

The AusAID reviews of the 1990s resulted in the organization's focus being re-directed to “humanitarian” projects, including programs for HIV reduction and for health education and medical treatment, improved water supply in remote areas, community development and rural development. These are legitimate objectives of a national program, but restricting the range of projects addressed to those listed results in foregone opportunities to provide much broader support which has ongoing benefits to communities and regions.

Following the successful completion of the India Mine Safety Training Project (including a one year extension), requests were made to AusAID to replicate this program in China, Vietnam and South Africa, each country having indicated their willingness to support and fund a local program component. Then current AusAID policies resulted in every request being rejected, despite the obvious benefits which would result – each of these countries having, by international standards, appalling track records in relation to safety in mines – an area in which Australian practice is acknowledged as a world leader.

This submission calls for the re-introduction of the mining sector as a focus area for the provision of technical assistance to developing countries. It is contended that including mining satisfies AusAID criteria in respect of humanitarian aid in that it leads to secure employment with dignity, improved health and living conditions, better use of a country's land and natural resources and, in respect of safety, lower fatality and injury rates.

It is of interest, although not critical in deciding the allocation of the aid dollar, that studies in both the UK (1985) and Australia (c.1990) both indicated a multiplier effect in the home country economy of between 2 and 3, reflecting one school of thought that no limit should be placed on the aid budget, national benefits accruing more than offsetting funds committed off-shore.

(Signed)

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Attach: Presentation at Third Pacific Economic Cooperation Council Minerals Network Meeting, Shanxi, China, September 2005.