



AAPF ACTIVITY COMPLETION BRIEF (9 March 2013)

Study Tour to South Africa and Australia on Local Small and Medium Enterprise (SME) Procurement and Supplier Development
12 – 23 March 2012



Background: The study tour focused on the current supplier development practices of mining companies in South Africa and Australia, examining the institutional arrangements that contribute to the development and growth of local businesses. It specifically looked at good practice in local development; the issues and challenges that local suppliers and mining companies faced; and ways to raise the capacity and competitiveness of local SMEs.

Objective: The objectives of the Local SME Procurement and Supplier Development Study Tour to South Africa and Australia were to:

- provide an overview of the governance framework applied to South Africa and Australia’s mining sector;
- enhance the understanding and ability to identify good practices in local procurement;
- provide appropriate knowledge to help identify issues and challenges affecting both supplier and mining companies;
- provide the appropriate knowledge to help identify opportunities to increase the capability and competitiveness of SMEs providing goods and services in regions where mining companies have a presence;
- strengthen relationships/linkages between Australian and partner government agencies/entities; and
- help partner governments clarify their requests for assistance in the mining sector.

More broadly, a key aspect of mining study tours is to provide an opportunity for the Australian Government aid program to establish closer linkages and partnerships with the Australian mining industry and further cooperation in the delivery of aid activities.

Activity description: The tour began with an introductory session in Johannesburg, followed by field trips to Rustenburg and Witbank. Various institutions – including the Chamber of Mines of South Africa, Anglo American, BHP Billiton, Peel Development Commission and local business associations – hosted the study tour group at formal and informal functions. Participants met with community, local council and industry representatives, and they were able to interact with presenters.

Results

Activity outcomes: Participants were asked to rate their experience of the study tour. The following average scores, on a 5-point scale, summarise the overall perceived outcomes: 4.7 for the organisation of the study tour; 4.5 for the mix of technical visits and interactions with key sector people; 4.5 for the level at which participants exchanged experiences; and 4.9 for the overall usefulness of the study tour.

Participation by country and gender:

Country	M	F	Total
Ghana	4	0	4
Kenya	2	0	2
Liberia	2	1	3
Malawi	2	1	3
Mozambique	3	1	4
Nigeria	4	0	4
South Africa	2	1	3
Tanzania	3	1	4
Zambia	3	2	5
TOTAL	25	7	32

Feedback from participants: A notable achievement of the study tour was that participants shared their experiences with each other and the host institutions. As one participant explained, “the host organisations wanted to learn as much from the group as the group wanted to learn from them”.

“[The study tour] exposed me to what companies in other countries involved in the resource sector are doing to help build capacity in local business procurement.” – Participant, Ghana.

“I was able to learn about the importance of collaboration among various stakeholders in promoting local procurement.” – Participant, Nigeria.

Next steps: The study tour ended in Perth, where participants discussed with the AAPF and AusAID other potential areas of support. The AAPF will follow-up with participants and keep in touch via the Australia-Africa Mining for Development website (www.australia-africa-m4d.org).

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