



## AAPF ACTIVITY COMPLETION BRIEF (9 March 2012)

### Mining Sector Public Finance Management Study Tour to Australia

6 – 18 August 2012



**Background:** The Mining Sector Public Finance Management Study Tour to Australia hosted representatives from 10 African governments. Participants were from ministries of mines and finance. The countries involved were Ghana, Kenya, Liberia, Madagascar, Malawi, Rwanda, South Sudan, Tanzania, Zambia and Zimbabwe.

The Australian Government and African governments are collaborating through a variety of means to share mining governance experiences. The study tour is a result of this ongoing collaboration and discussions with participants of previous study tours, some of whom have indicated that financial management in mining is a priority for their governments.

**Purpose:** The purpose of the Mining Sector Public Finance Management Study Tour was to help participants understand:

- the various fiscal instruments that can apply to a mining sector, and their strengths and weaknesses;
- the structure of the Australian mining industry, the fiscal instruments that apply to it and the manner in which revenue is shared between different levels of government;
- how to effectively administer a fiscal framework related to the mining sector, and the challenges associated with that administration (including compliance issues associated with multinational enterprises);
- the level of capital investment required to support a modern mining industry, and other financial issues facing mining companies; and
- the broader economic implications of large natural resource sectors and the importance of balancing mining with other economic interests.

**Activity number:** 148/01  
**Date approved:** 24/05/2012  
**Date commenced:** 06/08/2012  
**Date completed:** 18/08/2012  
**Implementation partner/s:** N/A  
**Total cost:** AUD449 612  
**AusAID:** AUD449 612

**Activity description:** The tour began with an introductory session in Sydney, followed by field trips to Canberra and the Hunter Valley. The study tour group met with the University of Sydney, Geosciences Australia, the Australian Tax Office, the Singleton Coal Industry Centre, QR National, UGL Rail and the New South Wales Department of Trade and Investment. Participants also met community, local council and industry representatives, and they were able to interact with presenters. The study tour concluded in Sydney, where participants took part in group discussions.

#### Participation by country and gender:

Country	M	F	Total
Ghana	3	0	3
Kenya	3	0	3
Liberia	3	0	3
Madagascar	3	0	3
Malawi	4	0	4
Rwanda	3	1	4
South Sudan	3	0	3
Tanzania	2	0	2
Zambia	3	1	4
Zimbabwe	2	1	3
<b>TOTAL</b>	<b>29</b>	<b>3</b>	<b>32</b>

In total, 12 participants came from ministries of mines, with the remaining 20 participants from ministries of finance.

**Results:** Participants' feedback, via the Study Tour Participant Survey as well as verbal feedback to facilitators and the AAPF, indicates that the study tour was successful. All 32 participants were asked if the study tour helped them to understand the level of capital investment required to support a modern mining industry, and other financial issues facing mining companies. Their average score was 4.3/5.

**Feedback from participants:** Participants were very happy with the program and the exposure it offered to the different topics in the public finance management domain. One participant said: "I was particularly impressed with how the Australian Government regulates the mining industry. This is one area where my country needs to work on i.e. compliance with environmental issues and compliance with investment and mining programs."

There was constructive feedback related to the tight schedule, the need for more rest time, the need to ensure participation by the appropriate government officials and the need for more interaction with key speakers.

**Next steps:** During exit interviews between country teams and the AAPF at the end of the study tour, members of each country group reflected on their learnings from the study tour and areas for proposed follow-up, including further support that the Australian Government could provide.

