



## **Government of Australia**

### **Annual Report to the Voluntary Principles on Security and Human Rights Initiative 2014**

#### **A. Commitment**

Australia is pleased to be a member of the Voluntary Principles on Security and Human Rights Initiative (VPI), having joined on 27 February 2013 and is proud to add its voice to this important initiative. We continue to welcome the wide support the VPI has received from Australian mining companies, civil society and other governments.

The Australian Government sees high value in the VPs as a practical way to support best practices in the extractive industries. Australia's involvement in the VPI aims to encourage the use of the Voluntary Principles (VPs) as the industry standard and to also promote awareness and endorsement of the VPs amongst governments.

The increased profile of Australian mining companies with international operations and Australia's internationally recognised expertise in responsible mining provides a solid base for our involvement in the VPI. Joining the VPI complements the Australian Government's engagement on business and human rights and is highly relevant to our extractives industries.

In 2014, Australia has continued to work collaboratively with other members of the Government Pillar and the Outreach and Implementation Working Group to further the objectives of the VPI. Australia has been particularly active in advocacy and outreach activities aimed at developing understanding and support for the VPs among other national governments and among industry.

Australia will continue to work closely with other VPI participants over the coming year to promote best practice in extractives industries and to foster international understanding of the value of the VPs and the VPI.

#### **B. Policies, Procedures and Related Activities**

The Trade and Economic Diplomacy Division (TED) in the Department of Foreign Affairs and Trade (DFAT) is responsible for managing Australia's participation in the VPI. We also work with colleagues across DFAT and in other government departments including the Department of Industry to raise awareness of the VPs.

In 2014, Australia began drafting its National Action Plan on the VPs and aims to finalise it in March 2015. The process included consultation with industry (both large and junior companies), whole of government and civil society.

DFAT promoted the VPs domestically, through public presentations (such as at the Oil, Gas and Security Forum) and round table discussions with industry associations (including mining

and security companies) and non-government organisations. DFAT is partnering with the Global Compact Network Australia and the Australia-Africa Mining Investment Group to develop these discussions into an Australian VPs community of practice. Further workshops are planned for 2015 and the group expects to develop useful materials for the benefit of the VPI membership and wider mining, oil and gas industry.

Other domestic activities included providing VPs briefing material to government departments and meetings with Australian mining companies to encourage future membership. Since the Australian Government joined the VPI, Australian company membership has doubled from two to four, with additional companies expressing strong interest in joining the initiative.

Internationally, DFAT has worked over the past year to raise awareness of the VPs in a number of countries in Africa, Asia and Latin America, through our senior officials meetings, geographical desks, network of overseas missions and mining Indaba held in South Africa (by delivering speeches and promoting brochures on the VPs in delegate packs). DFAT also provided briefing and outreach materials on the VPI to our overseas network. Our diplomatic posts undertook a range of representations and other activities both independently and collaboratively with other VPI members in line with the outreach priorities of the VPI.

As the country lead for Indonesia, our mission in Jakarta coordinated efforts to build support for VPI membership in Indonesia. With likeminded diplomatic missions and NGOs, we made representations to the Indonesian Government on the advantages of participating in the initiative although some delays were experienced due to changes of government in Indonesia. We will continue progressing engagement with Indonesia in 2015.

In 2014, Australia made representations and shared advice with Ghana as a new member of the VPI. We look forward to working collaboratively with Ghana to further the implementation and broader objectives of the VPI.

Australia has also welcomed opportunities to promote the VPs through speeches in international fora, such as the United Nations and through regional workshops such as the VPs Workshops in Angola and Kenya in October 2014.

### **C. Country Implementation**

Fostering robust private sector-led growth, driven by trade, investment and higher productivity is a key focus of the Australian Government, with the VPs considered a valuable tool in fostering a stable investment environment for Australian mining companies operating overseas.

Australia currently has four major companies as members of the VPI. This includes BHP Billiton, Newcrest, PanAust and Rio Tinto. DFAT works collaboratively with our industry partners, including encouraging their participation in regional workshops when they take place (for both current members and those considering joining).

Australia has developed and distributed tailored materials to interested governments highlighting Australia's decision making process and the benefits of joining the VPI from an investment, productivity, risk management and best practice perspective. As a relatively new member, Australia brings a fresh perspective on the VPI.

Complementing these efforts, Australia's mission in Ghana supported local NGO Development House to conduct a grassroots sensitisation campaign on the VPs in three regions in Ghana.

#### **D. Lessons and Issues**

Based on our own decision-making process, we see a need to broaden the appeal of the VPI through promoting the economic and trade benefits of membership. In 2014, Australia participated in workshops and presentations both in Australia and overseas to VPI members and the broader oil, gas and mining community to promote the VPI. Notwithstanding the importance of human rights, our approach has included a strong focus on the economic arguments for membership, both to companies and Governments.

The domestic process of consultations with industry has also identified a need for a community of practice to be established and the creation of implementation support materials aimed at smaller mining, oil and gas companies.

Australia sees value in a staged approach to government outreach. We can best fulfil the ultimate goal of broadening implementation of the VPs by targeting outreach in phases – awareness, endorsement and then membership. Even where government membership is unlikely, endorsement or understanding can facilitate companies using the VPs and therefore reduce the risk of conflict.

Australia supports moves for greater accountability standards within the VPI framework. This should be done in a way that maintains accessibility of the VPs and avoids creating barriers that may limit participation.