



AUSTRALIAN HIGH COMMISSION

PRETORIA

Welcome reception for the Australian senior mens' soccer team – the 'Socceroos'

**6.00pm on Thursday 27 May 2010
SANDTON SUN HOTEL, SOUTH AFRICA**

Remarks by Ann Harrap, Australian High Commissioner to South Africa

Good evening Ladies and Gentlemen.

Good afternoon and thank you for the kind invitation to address you today.

I first of all have to offer an apology from the Senior Trade Commissioner Greg Hull, who is unable to join us today because he is still promoting Australian business opportunities to a Cape Town audience but Austrade is certainly represented here today by one of our business development managers Yvonne Dusabe.

It is great to be here in Nelspruit, home to citrus, coal and great climate. And of course you are also home to giraffes! I have to say I love the design and look of your wonderful new stadium and very much look forward to sitting in the stands there this afternoon.

There is often a misperception that 'diplomats' like myself, whether working in political, economic, trade, or aid, only work with national governments on matters of perceived state-to-state importance. This is not true.

Our relations with provincial (and at times even municipal) governments are extremely important if we are to advance our national interests. And frankly, getting out into the provinces and touching base with people on the ground is how we find out what is really going on in a country.

At times the maintenance of such relations can stretch us, especially say in South Africa with its nine provinces. This is particularly the case when my High Commission in Pretoria is also responsible for growing Australia's partnerships with Botswana, Namibia, Mozambique, Swaziland, Angola and Lesotho.

But it doesn't mean we shouldn't make the effort.

And frankly, now is the right time to be making the effort. And the reason I say that because for the first time in a long time, Australia is looking to Africa. After a period of long neglect, the Australian government has realised what many Australian companies have known for a while – and that is that there are real Australian strategic interests at play here and there are real opportunities to enhance Australia's security and economic interests by becoming more engaged with countries, provinces and communities on the continent.

And while business often just gets on with the business of doing business, without the need for government involvement, I don't think we can underestimate the value of a positive political dynamic and the flow-on effect for business of a supportive government context.

So I am here today to let you know that while Australian business is already engaging with Mpumalanga province, at the national level the Australian government is keen to explore what options might be available to do more.

One obvious area for cooperation is in energy. As you know better than I, more than 90% of South Africa's electricity comes from coal fired power, and coal in this province is close to the surface and relatively cheap to mine. I understand you have eleven of South Africa's (Eskom's) thirteen thermal power stations and some 80% of the country's coal reserves. So in other words this province is just bursting with energy!

Now coal remains Australia's biggest export - primarily to North Asia. We have a little company that we call our own – BHP-Billiton – which tends to do most of our coal business although of course it is not the only company. Needless to say it was no surprise to me to see BHP-Billiton is now South Africa's biggest coal operator, with key operations in Mpumalanga near Witbank and Middleburg.

I am tremendously proud of the contribution that BHP-B makes to the province, particularly through its social and environment programs but I am also pleased to see the impact that BHP-B's presence here is having on interest levels by other Australian mining companies. Companies with good reputations who are looking for secure and profitable investments but who understand their corporate social responsibilities in return.

And it is not only the other Australian miners that see an existing successful, and well-supported, operation in this province and want to take a closer look themselves. Several Australian companies stand ready – once there is greater clarity in energy regulation and the role of independent power producers in South Africa – to also look at the energy opportunities in the province.

The second area I would identify for greater cooperation is transport infrastructure. I know South Africa is the World's second largest exporter of citrus fruit, much of which comes from your province. We may be competitors for some of that business but the fact of the matter is that South African ports at present are unable to process those perishable shipments fast enough.

One key solution is using the port of Maputo more. So development of the Maputo transport and logistics corridor, through Mpumalanga, is crucial. Australian companies, such as our Road Research Bureau, are already playing a role.

But from an Austrade perspective, we are endeavouring to interest others to consider opportunities here – particularly when we consider the role that Australia's East Coast road corridor plays in the Australian domestic economy and the lessons, therefore, that might be relevant here from the Australian experience.

Thirdly, we must look more at agriculture opportunities and look at partnership options, including along the lines of the joint sheepmeat/wool production program that is already underway in the province. This project started last year when Jacques Janse van Vuuren from the Mpumalanga Wool Growers Association (WGA) agreed to be Austrade's champion in the Land Reform Project (LRP), focusing on Wool and sheepmeat production.

The result of that agreement is the development of a 'model' Aussie sheep farm, if you like, here in Mpumalanga. Austrade and the WGA will be working together with other government organisations to provide training opportunities for 'emerging farmers' to work alongside established local farmers as mentors, including through the model farm arrangement. Austrade and the WGA are in discussions with two local financial institutions and the provincial National Development Agency (NDA) about funding towards the project.

This is a great initiative which will give the emerging farmers the skills and infrastructure they need to make a success of their own farms. It will lead on to partnering Australian companies with South African counterparts and the introduction of appropriate Australian farm technology and products that can help sustain South Africa's sheep meat industry which at present cannot meet local demand.

I've sought to highlight three areas where I believe there are mutually beneficial opportunities for greater cooperation between Mpumalanga and Australia and which I encourage you to actively consider. But there are two other quick points that I wanted to make and which I strongly encourage you as the MEGA to take advantage of.

The first is that we understand that there is a possibility of a senior ministerial delegation visit to Australia later in the year, possibly October. As I understand it, there is serious talk within DIRCO of getting together a trade delegation to accompany that political visit. I strongly encourage you to get in touch with, and stay in touch with, the Australia desk at DIRCO to ensure that you are well placed to participate in that trade mission.

This trade mission would be a follow on to the trade mission to South Africa and Botswana that is being organised by the Australia-Africa Business Council in Australia and the Victorian State Government for 6-14 September. We are expecting about 15-20 companies on that mission with a focus on services,

manufacturing and agriculture. We certainly expect them to visit Mpumalanga and will be liaising with MEGA to pull an appropriate program together.

Secondly, as part of Australia's enhanced engagement strategy with Africa we are significantly increasing the number of post-graduate scholarships and shorter-term fellowships available to African students. These students must come from the public sector but that can be at national or provincial level. Last year 6/8 technical and vocational education fellowship on offer to South Africa went to provincial candidates and all of the 8 infrastructure fellowships on offer were allocated at provincial level. So I encourage you to keep an eye out in national newspapers for the scholarship advertisements and to lobby your premier and the national department of Higher Education to ensure that candidates from this province are included in the mix.

You know that it is vital for Australia to win the game here over Serbia today - I have to say I'm finding it difficult to concentrate I'm so nervous. But after this World Cup is finished and all the fans have gone home, I can assure you that the Australian government, particularly through Austrade, will continue our concentration on this province and our efforts to identify opportunities for growth.

Thank you.