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*Practice Group:*

*Energy, Infrastructure  
and Resources*

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## Mining and Natural Resources Law Development: The Need for Harmonization in Light of the G20

*Australian Energy, Infrastructure and Resources Alert*

*By Robert Milbourne, Partner at K&L Gates*

**BRR** Robert Milbourne who is a Partner in the Energy, Infrastructure and Resources Team at K&L Gates joins us again to discuss the very real need for greater consistency across mining legislation globally, as we lead into of course the G20. Now Robert, thanks for joining us.

RM Thank you.

**BRR** Robert firstly why is there this greater need for discussion and consistency globally?

RM Well an interesting report came out by the Minerals Council of Australia suggesting that here domestically increased efficiency and approvals for the resources sector shaving one or two years off of approval for mineral development could enhance domestic GDP by upwards of 8% by 2020 that's a huge consequence. Now in my work I represent mining companies globally in Africa, South America, Papua New Guinea, Indonesia and the like, and the one factor that has begun to cry out to me is the tremendous variation in mining law and policy when the fundamentals of the industry and how a mining company goes about exploration, project development, operations and mine closure and rehabilitation is relatively similar. So in Canada, the United States and Australia, every single state or province has its own code. In a domestic developed economy like Australia and the United States and Canada, if we can't have consistency how is it going to be possible for consistency and harmonisation to be developed in emerging markets where there really is not the resource allocation to governmental departments to get policy right. So my argument is there will be an economic consequence to mismanagement of the sector. And that is not only for the mining companies themselves, but it's also for government.

**BRR** Well Robert we have seen a push for greater accountability and transparency of course with the EITI initiative, where do you see global governances having the most impact?

RM Well EITI is perhaps one of the few multilateral or multiple country agreed conventions out there in the mining space and EITI is about driving accountability and transparency and revenues that 50 countries a member to it, that's a very, very good sign. But EITI is a very small part of regulatory reform that's possible for the industry itself. You know I'll give you an example Australia is the current President of the G20 and we're passing the baton to Turkey. Just a few weeks ago Turkey had a mine – a coal mine disaster in which 300 men were killed underground. This type of disaster is preventable and it happens around the world regularly now, and my view is that accountability and transparency are important but safety is perhaps even

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more so. And it's outrageous to me that in this day and age we can't provide best practice in environmental and occupational health and safety standards so there is easier compliance by the resource companies and a better result for employees and for the environment.

**BRR** **Robert do you think we're likely to see these issues of global governance of resources companies being raised at the G20?**

**RM** I think the G20 has been born out of a collective desire to harmonise financial and tax policy and at the moment the G20 countries and the stakeholders that are involved, like the EU and others, the [unclear 04:25] Group, all are looking to financial leadership within the G20 and they're not expanding to other economic zones and mining clearly is just one of many. I argue its important because it's 10% of the global GDP and that's quite significant, but the response from the leadership that I'm aware of within the G20 is that the forum itself is designed for a financial reform packages, that's changing a bit under Australia's leadership and we'll see this week in addition to the 2% growth target, a target for developing a global infrastructure hub that will be based in Australia, and help support tens of billions if not you know more in infrastructure project development around the world, and that's related to the resources sector and the 2% growth target is contingent on reforms. And every country is coming to the table with their own type of reforms and mining and resources sector reforms will be included in that. So hopefully we will see in this 2% target some reforms in the mining sector, but I don't think the G20 itself has come to the table with a view that it will be inspiring new forms of global governance just yet, that may be a ways off.

**BRR** **Well hopefully we do see that happen in the future, but Robert thanks so much for sharing your ideas on this topic.**

**RM** Thank you.

**BRR** **That was Robert Milbourne, who is a Partner in the Energy, Infrastructure and Resources Team at K&L Gates. Now listeners if you have any questions feel free to send them through using the panel on your screen.**

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