

# Senate Standing Committee on Economics

## ANSWERS TO QUESTIONS ON NOTICE

### Treasury Portfolio

### Additional Estimates

23 – 24 February 2011

Question: AET 122

Topic: Reference to SBT 168

Hansard:E 128 - 129

Senator Ludlam asked:

**Senator LUDLAM**—I should say thank you to you both for returning the questions on notice that I put. The one that we did not get back was the one that I was going to put to you, Minister. Senator Sherry was at the table last time we had this discussion. I asked him to find out why we were not doing anything to promote the existence of the National Contact Point in host communities. This is an office that is meant to be available. If I am in Malawi and a uranium mining company is making a mess of the local river, I have a right to complain to the National Contact Point in the office of the company, but we do not appear to do anything at all to disclose to host communities the fact that this office exists and that there is a resource there. If I am incorrect in surmising that no answer came back from the minister, the answers from the department came back, but nothing came back from Senator Sherry. Is there any information that anyone can add as to whether we intend to promote the existence of this office?

**Senator Wong**—Was the question taken on notice?

**Senator LUDLAM**—It was taken on notice by Senator Sherry.

**Senator Wong**—If the minister takes it on notice then it is generally put down as a question on notice whether an answer is filed or not.

**Mr Murphy**—We have answered the list of cases before the OECD National Contact Point and we have also answered—

**Senator LUDLAM**—I have three answers back.

**Senator Wong**—in relation to the OECD National Contact Point overseas. That is this one.

**Senator LUDLAM**—I have three back from the department and nothing back from the minister's office on why we do not promote the office.

**Senator Wong**—I do not understand what you mean by the minister's office. We do not get a separate thing from the minister. The questions on notice take this form and are filed with the committee. I am a little confused as to what you are asking about.

**Senator LUDLAM**—We are quite short of time. I will give you the reference.

**Senator Wong**—No. Just give me the question and I will take it on notice. I am sure Mr Murphy or Mr Di Giorgio will ensure that an answer is considered?

**Senator LUDLAM**—I will restate it. If host communities have no idea at all that this office exists, what is the point of it? What do we do to promote it in host communities? That is the question that Senator Sherry took away.

**Mr Murphy**—We will look at overseas practice, which you have raised, and we will also look at it in terms of the OECD and the guidelines.

**Senator Wong**—Senator, I think you are wrong. Is this how you number them in this committee—SBT 168?

**Senator LUDLAM**—Yes.

**Senator Wong**—It says:

I take your point, Senator. I will take it on notice.

And then an answer has been provided.

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**Senator LUDLAM**—Can you give us the number?

**Senator Wong**—SBT 168 is the number that I have in front of me. There is a very long exchange between you and Mr Di Giorgio and then Senator Sherry says:

I take your point, Senator. I will take it on notice.

There is then an answer provided: ‘As a member of the OECD’ and it goes on to say what is done. It probably will not be as much as you would like.

**Senator LUDLAM**—It was not an answer to the question that I asked; that is why I overlooked it. I asked: what do we do to promote the existence of the office in host countries? That is not what the answer is addressing.

**Senator Wong**—It says it is committed to promoting the guidelines. It talks about the website. It talks about heads of mission being briefed.

**Senator LUDLAM**—If I am in a village in Malawi or in PNG and there is an Australian mining company setting up camp next door, what do we do to inform those people that they have a right of appeal to the NCP? That is the reason for its existence.

**Senator Wong**—I am not sure how much the NCP applies to every single place in which Australian companies are operating.

**Senator LUDLAM**—I will give you an example. Why are the mining or resource companies not required to disclose that this office exists and hand out a piece of paper?

**Senator Wong**—That question is probably—

**Mr Murphy**—Yes. We can do that. It is probably a question for the actual guidelines themselves.

**Senator LUDLAM**—It is not an unreasonable question?

**Senator Wong**—No

Answer:

OECD Guidelines for Multinational Enterprises are recommendations on responsible business conduct addressed by OECD member countries (including Australia) and a number of non member adhering countries to multinational enterprises operating in or from these countries. The common aim of the governments adhering to the Guidelines is to encourage the positive contributions that multinational enterprises can make to economic, environmental and social progress.

Companies operating in Australia and Australian companies operating overseas are expected to act in accordance with the principles set out in the Guidelines and to perform – at least – to the standards they suggest. The Guidelines can be seen as:

- a useful aid to business in developing their own codes of conduct (they are not aimed at replacing or preventing companies from developing their own codes); and
- complementary to other business, national and international initiatives on corporate responsibility, including domestic and international law in specific areas such as human rights and bribery.

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The Guidelines also provide an informal mechanism for resolving issues that may arise in relation to the implementation of the Guidelines in specific instances.

It is the responsibility of the National Contact Points in each of the adherent countries to promote the Guidelines to multinationals operating in and from their countries. The Australian National Contact Point's primary method of informing the public about the Guidelines and other OECD Investment Committee work is through the website at <http://www.ausncp.gov.au>.

The Australian National Contact Point holds regular consultations with business and non-government organisations to discuss matters relevant to the Guidelines. In addition the Guidelines are promoted through the following means:

- continued promotion of the Guidelines through Australian embassy and consular networks. This includes briefing senior Australian diplomats prior to their postings;
- including information on the Guidelines on the website of the Australian Government Export Finance and Insurance Corporation and Austrade;
- provision of information on the Guidelines in all foreign investment approvals for business proposals; and
- participating in corporate social responsibility conferences and meetings hosted by other organisations.