

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2015 - 2016

Department/Agency: Treasury

Question: AET 61

Topic: Engagement in Brazil disaster

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Senator: Ludlam, Scott

Question:

Senator LUDLAM: Okay. Has your attention or capacity, or that of the other two staffers whom you work with, been engaged in the disaster in Brazil?

Mr Donnelly: I am certainly aware of it from general reading. The guidelines require the contact point to maintain confidentiality until final decisions are made in the case where we are involved.

Senator LUDLAM: Are you going to find it difficult to tell me whether you are or are not engaged?

CHAIR: Mr Donnelly, if you could just say yes or no rather than nodding because the *Hansard* does not pick up a nod.

Mr Donnelly: Yes.

Senator LUDLAM: That is complicating. It is possible then, Senator McGrath, that I might have to put some of these through you if Mr Donnelly is unable to provide information.

Senator McGrath: You can put them on notice.

Senator LUDLAM: I could put them on notice, but if Mr Donnelly is unable to tell me anything I would just rather find that out now, rather than waiting six weeks.

Mr Donnelly: It is fair to say that the role of the contact point is usually in a case where individuals who are affected by a particular set of circumstances are aggrieved at the progress or, more often, lack of progress in relation to actions taken by a multinational in respect of their particular circumstances.

Senator LUDLAM: I would have thought that this situation, and again I am going to be a bit careful about pushing on to specifics if you are not able to speak of them, which is one of the worst disasters of its kind that I have ever come across—it has destroyed a river, it has reached the Atlantic Ocean, it has depopulated an area, it has destroyed the regional economy.

CHAIR: There are plenty of disasters we can talk about—

Senator LUDLAM: This is one particular one that I am bringing up now. Has your office been approached by individuals impacted directly by that event?

Mr Donnelly: I need to take that on notice.

Senator LUDLAM: Okay. And this is where, if it gets political, I am happy for you to take this on notice, Senator McGrath. What kind of pressure are you or your office—or anybody at the desk who cares to answer—putting on BHP, which has created this extraordinary disaster?

Mr Lonsdale: I do not think we can answer that question. It goes to whether or not we have actually had an approach. I think as Mr Donnelly made clear, we cannot answer that. We are happy to take it on notice.

CHAIR: And any of the associated things that you may be able to comment on.

Senator LUDLAM: That is right. I will put a few more specific things to you and we will

see how we go. I understand that you can only encourage, rather than ensure, because this is compliant within a voluntary framework, so I am reasonably aware of the framework within which you operate.

Mr Donnelly: That is correct.

Senator LUDLAM: So what I am still seeking is what kind of encouragement, if we could put it that way, is the government directing toward BHP?

CHAIR: Senator, does that not fall into the same category as your last question?

Senator LUDLAM: Well, it might do.

CHAIR: Well, it does.

Senator LUDLAM: Could I put this to you, Senator McGrath—because it might be outside the range of Mr Donnelly's remit. Is the Australian government doing anything at all to encourage a resolution between BHP and the Brazilian authorities?

Senator McGrath: I think it is best I take that on notice.

Senator LUDLAM: Okay. I am going to put a couple of questions through DRET tomorrow—they might be a better place to answer this—but if you have any information I would appreciate it. Are you aware of whether or not BHP is abiding by DRET's Leading Practice Sustainable Development Program for the Mining Industry?

Mr Donnelly: I would need to take that on notice.

Senator LUDLAM: If you could, I would appreciate that. And again, I will follow that up tomorrow. Is it the policy of the Australian government—again, I think probably through you Senator McGrath—to support BHP funds being frozen in Brazil?

Senator McGrath: I think it is best I take that on notice.

Senator LUDLAM: Okay. And anything at all that you can ascertain for us on details of resettlement plans and the establishment of an independent monitoring mechanism?

Senator McGrath: Look, I think that should be placed on notice also.

Senator LUDLAM: As you wish.

Answer:

We have sought advice from the OECD, who confirmed that we are able to advise where a complaint has not been received. There has not been a case submitted to the Australian National Contact Point (ANCP) relating to the Samarco mining operation in Minas Geras, Brazil. The ANCP has not engaged in any specific outreach with BHP in relation to this incident.

Treasury is not in a position to respond to the question of whether BHP is abiding by the Department of Industry, Innovation & Science's Leading Practice Sustainable Development Program for the Mining Industry.