

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 62

Topic: Mining Industry

Hansard Page: E75 (22/10/09)

Senator LUDLAM asked:

Senator LUDLAM—My intention is to stay very much within the confines of this portfolio because I am interested in what is happening here. For example, has your minister ever made a speech to the mining industry or its representative bodies on human rights obligations in receiving communities?

Senator Sherry—I think I would have to take that on notice, because I do not know that Mr Colmer would be aware—

Senator LUDLAM—You do not have every speech locked up in—

Senator Sherry—of the Treasurer's speeches. As much as I read all of them, I am not sure that Mr Colmer does, so I think it is a little unfair to ask Mr Colmer. Personally, when I had my previous responsibilities, I made a number of speeches, for example, on corporate social responsibilities and socially responsible investment in a number of contexts, and those speeches are on my website. As for the Treasurer, I would have to take that on notice.

Senator LUDLAM—All right then. Because it sounds as though you are not going to be in a position to give us much specific detail here, just to flesh out the question perhaps you could provide a summary for us, perhaps over the last 12 months or so, of what the government has done but within this portfolio particularly— we are putting these questions elsewhere as well—and what it plans to do to support developments at the international level of standards and mechanisms aimed at ensuring that business respects human rights, whether in the context of Australian operators or more broadly.

Senator Sherry—Yes. Perhaps I could give you two other quick examples I am familiar with. The government has funded the St James Ethics Centre—again that was in a previous ministerial capacity.

Mr Miller—I have details.

Senator Sherry—We have details.

Senator LUDLAM—We concede that, yes.

Senator Sherry—We can provide that. Given the time, probably we can give you some additional information on notice. I am also a ministerial representative to the Asian Development Bank. Again, the Asian Development Bank, as part of its remit, places some focus on responsible investment in particular projects that it may become involved in. So there are examples. I appreciate your putting this on notice—

Senator LUDLAM—Yes. I do not expect you to—

Senator Sherry—in all estimates. I can provide a lot more detail and we will give you some of that.

Senator LUDLAM—Thank you.

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Answer:

The Government and its Treasury Ministers are committed to encouraging Australian businesses operating domestically and abroad to engage in responsible corporate behaviour, including respecting human rights.

The OECD Guidelines for Multinational Enterprises are an important benchmark for businesses operating in Australia and abroad. Australia is strongly committed to their promotion and implementation as part of a broader approach to corporate social responsibility. Related initiatives within the Treasury portfolio include:

- funding of \$2 million to assist the St James Ethics Centre in its efforts to promote responsible business practices. The funding has assisted St James to:
 - develop an online register of responsible business practice which will assist businesses of all sizes to build a responsible business profile;
 - demonstrate the linkages between the United Nations Global Compact (the Compact), the Global Reporting Initiative (the GRI) G3 Guidelines, and the Corporate Reporting Index; and
 - partner with the Compact and the GRI to establish Australian national focal points for each of these international initiatives;
- the appointment of a senior Australian Treasury official to the GRI Governmental Advisory Group. Australian membership on the Governmental Advisory Group will provide an opportunity for the Australian Government to play a role in the development of the GRI sustainability reporting framework indicators; and
- funding of \$2.5 million to the Responsible Investment Association of Australasia to assist in the establishment of a Responsible Investment Academy (the Academy). The Academy will provide responsible investment education and training, and drive innovation in responsible investment.

The Asian Development Bank (AsDB) released a new Safeguard Policy in June 2009. The new Policy reflects best practices of other multilateral financial institutions and consolidated the three previous safeguard policies: Environment Policy (2002); Policy on Indigenous Peoples (1998); and Policy on Involuntary Resettlement (1995). The main objectives of the AsDB's new Safeguards Policy are to:

- avoid adverse impacts of projects on the environment and affected people where possible;
- minimise, mitigate, and/or compensate for adverse project impacts on the environment for affected people when avoidance is not possible; and
- help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.