Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 71

Hearing: Additional Estimates

Outcome: Outcome 1

Programme: Environment Standards Division (ESD)

Topic: Shenhua - Environmental history

Hansard Page: N/A

Question Date: 24 February 2016

Question Type: Written

Senator Waters asked:

In approving the Shenhua Watermark mine, the Minister's Statement of Reasons doesn't consider the company's enviro history. The Statement of Reasons dated 21 Aug 2015 says:

"…the referral from the proponent (included as part of the proponent's documentation) stated that they have a good environmental history, have not been subject to any proceedings under Commonwealth, state or territory law regarding the environment or natural resource management; and if approved, there is no reason to believe the proposed action will not operate in full accordance with its Environmental Policy.

[…] On this basis, there was no evidence to suggest the proponent would be unwilling or unable to comply with the proposed conditions of approval and that the proponent was not a suitable person to be granted an approval."

Minister Hunt failed to consider Shenhua's very poor environmental history in China which has been well documented in relation to projects in Inner Mongolia by Greenpeace here: http://www.greenpeace.org/eastasia/Global/eastasia/publications/reports/climate-energy/2013/Thirsty%20Coal%202.pdf Media release from 2013 here: http://www.greenpeace.org/international/en/news/Blogs/makingwaves/how-chinas-shenhua-group-is-plundering-water-/blog/46032/

1. Comparing the Shenhua Watermark approval and the Adani Carmichael mine approval, in the Carmichael approval the Minister considered Adani's overseas enviro history but found that they were nevertheless suitable, but the Shenhua Watermark Statement of Reasons does not include any discussion of Shenhua's Chinese environmental history at all, he didn't appear to consider it – why the difference?
2. Did anyone raise with the Department the fact that the Shenhua group has a very questionable environmental history in China? I'm aware of examples in Inner Mongolia of very serious damage to groundwater from coal operations. Did you consider that?
3. Was the Department aware in a general sense of the very controversial and sometimes harmful nature of the Chinese coal industry and the fact that Shenhua are very large players in that industry?

Answer:

1. A proponent's environmental history is a discretionary matter that may be considered when making a decision on whether of not to approve an action under the EPBC Act. Information relating to the environmental history of the proponent for the Carmichael Coal and Rail project was raised by various parties during the assessment of that action. That information was considered to the extent that it was relevant under section 134(4) of the EPBC Act for making a decision on approval.

For the Shenhua Watermark approval, the Minister took into account relevant information when considering whether the person taking the action was a suitable person to be granted an approval.

2. One public submission provided to the Minister included statistics from the Greenpeace report into Shenhua's Mongolian Coal to Liquid project.
3. Shenhua Watermark Coal Pty Limited is a wholly owned subsidiary of the Shenhua Group Corporation Limited. At the time that the approval decision was made, the Department was aware that Shenhua Group Corporation Limited produced over 400 million tonnes of coal from 62 operating mines in 2011, and is the world's largest coal supplier.