

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

Question No: 194
Hearing: Supplementary Budget Estimates
Outcome: Outcome 1.5
Programme: Environment Standards Division (ESD)
Topic: Shenhua - statement of reasons
Hansard Page: 17
Question Date: 13 November 2015
Question Type: Spoken

Senator Waters asked:

Mr Knudson: The statement of reasons does not go to that point. It does talk about what we found in our assessment of the environmental history of the proponent. Dr Banks can outline what we found in that assessment, which is included in the statement of reasons.

Senator WATERS: I have read that, so thank you for the offer, but given the shortness of time I am more interested in why the approach was different in the two instances.

Mr Knudson: Again, every assessment is done individually. We take a look at a range of factors when we are conducting our assessments, and I do not have at hand the specific rationale that the assessment would have used for determining what was appropriate in this case. That is something I would have to take on notice and come back to you.

Senator WATERS: Thank you for doing so, because I am interested in whether anyone raised the environmental history of Shenhua Group. For example there is evidence of groundwater damage in Inner Mongolia, either by that company or companies within that group of companies, so I am interested in whether that was considered. The statement of reasons would infer that it was not, so can you take on notice whether it was, what information was before you and why you considered Adani's environmental history overseas but not Shenhua's environmental history overseas? That is the key that I am trying to get at. Thank you for taking that on notice.

Answer:

All of the documentation considered by the Minister in his decision of 4 July 2015 to approve the action proposed by Shenhua Watermark Coal Pty Ltd is outlined in the Statement of Reasons.

In relation to environmental history, under subsection 136(4) the Minister may consider whether the person proposing to take the proposed action is a suitable person to be granted an approval, having regard to the person's history in relation to environmental matters and if the person is a body corporate, the history of its executive officers and if relevant, the history of the parent company and its executive officers in relation to environmental matters.

As part of the referral process, Shenhua Watermark Coal Pty Ltd was required to provide information about its environmental record in response to the following questions:

- *Does the party taking the action have a satisfactory record of responsible environmental management?*
- *Has either (a) the party proposing to take the action, or (b) if a permit has been applied for in relation to the action, the person making the application – ever been subject to any*

proceedings under a Commonwealth, State or Territory law for the protection of the environment or the conservation and sustainable use of natural resources?

- *If the party taking the action is a corporation, will the action be taken in accordance with the corporation's environmental policy and planning framework?*
- *Has the party taking the action previously referred an action under the EPBC Act, or been responsible for undertaking an action referred under the EPBC Act?*

The Department advised the Minister in relation to environmental history that Shenhua Watermark Coal Pty Ltd is a subsidiary of the Shenhua Group Corporation Limited and that in the referral for the proposed action, the proponent stated that they had a good environmental history, had not been subject to any proceedings under Commonwealth, state or territory law regarding the environment or natural resource management; and if approved, there was no reason to believe the proposed action would 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.

In relation to Adani Mining Pty Ltd, information requested about its environmental history is set out in the response to Supplementary Budget Estimates QON 187.