

1. Can the Minister outline the risks to the Liverpool Plains from this project?

A panel of the nation's best water experts (the IESC), and four other expert reviewers, have said the modelling is robust, the predicted groundwater impacts are conservative, and actual impacts on groundwater are likely to be smaller than what has been predicted. Eighteen of the strictest conditions in Australian history, including the Minister's ability to stop mining operations, will ensure that no unexpected impacts occur. The project is limited to the ridge country around Mt Watermark and there is no mining on the black soil plains.

2. Has a conditional approval issued under the EPBC Act ever been rescinded if a proponent's management plan did not meet the Minister's approval? If so, please cite

Mining cannot start unless the Minister approves the Water Management Plan. The Minister will not approve the plan unless he and the IESC are satisfied it is adequate.

3. Has a water management plan ever been referred back to the IESC after the Minister granted conditional approval for a project under the EPBC Act? Is so please cite.

The Minister can request scientific advice from the IESC on any matter on within its expertise, including water management plans. The Minister has guaranteed he will not approve the water management plan unless the IESC is satisfied it is adequate.

The IESC has not yet considered a Water Management Plan for this project.

4. Has a conditional approval under the EPBC ever been revoked for a breach of the conditions attached to it? If so, please cite.

Yes. EPBC approval 2003/1179 for development of Reef Cove Resort at False Cape, Queensland was granted on 15 July 2005 and revoked on 25 August 2011 as a consequence of an identified breach of approval conditions.

Additionally, the Minister can impose fines and require remediation of damage if conditions are breached.

5. Has Shenhua been required to lodge a bond against the conditions imposed upon it by the Minister under the EPBC Act. If so, what is the value of the bond, and has it been lodged?

The NSW conditions of consent require that a Conservation Bond be lodged with the NSW Government. This condition was reinforced by the Australian Government approval.

6. Is the Minister concerned that the proponent did not address the question of salinity risk at a local level? (cl 54, cl 83,

The IESC has advised that the mine will have a negligible impact on salinity. The approval conditions require that there are no significant impacts related to salinity at a local scale and that any changes to salinity are measured during mining. The mine's predicted impact on salinity must be updated every three years to ensure that this remains the case.

7. The IESC in the Final Watermark project Advice (cl45 A2 and cl 101) states “the magnitude and extend of groundwater drawdown in the alluvial aquifers is considered unlikely to be significant.” Does the Minister agree that this is a probability statement, and that the term “unlikely” means there is a 0 to 30% risk that the drawdown will be significant?

The IESC used *likely* and *unlikely* based on the common understanding of these terms.

8. Did the Minister mean to suggest during an an interview with Kelly Fuller on ABC Tamworth, that the IESC had approved the Watermark project subject to conditions? “I actually met with the independent scientific expert committee ../..and asked them if we implemented 100% of their recommendations whether they believed it was fair and appropriate to proceed? And their answer was a clear and categorical yes”

The role of the IESC is to provide advice to regulators on water related impacts. The advice of the IESC was that the groundwater modelling is robust, the predicted groundwater impacts were conservative, and that the actual groundwater impacts are likely to be smaller than predicted. The IESC found that less than one-thousandth of the available groundwater will be used.

The recommendations of the IESC have been fully implemented in 18 of the strictest conditions in Australian history.

9. Did the Minister mean to suggest during an his interview with Barrie Cassidy on Insiders on July 17, that the IESC is a decision making body, when he said: “ What we have done - and it would always have been considered by the independent expert scientific committee - is I have made it clear and it came as no surprise to any of the participants is that I would actually make the final judgement dependent on the decision and advice of the Independent expert scientific committee” If not, why did the Minister refer to the “decision and advice of the IESC ” when the IESC only issues ‘advice’ and is not a decision making body?

The IESC made recommendations and the Minister has fully implemented those recommendations.

10. Why did the Minister refer to the IESC as the “independent umpire” who will get the “final say on these three additional plans” during the same interview on Insiders “I want to make sure there is absolute community confidence that the independent expert scientific committee which is the independent umpire does get the final say on these three additional plans that I have required as a matter of law” when the final say on whether the plans are approved and therefore whether the mine proceeds, rests with the Minister?

The Minister has made clear that he will not approve the water management plan unless the IESC is satisfied it is adequate.