



PROJECT CHINA STONE

Attachment B Responses to Non-specific Submissions

PROJECT CHINA STONE
RESPONSE TO NON-SPECIFIC SUBMISSIONS ON THE DRAFT EIS
for
MacMines Austasia Pty Ltd

1. INTRODUCTION

This attachment to the Supplement to the draft Environmental Impact Statement (EIS) provides the proponent's response to non-specific submissions that were received for Project China Stone. Submissions were considered to be non-specific if they did not raise any specific issues or questions directly related to the draft EIS or were pro-forma submissions. Pro-forma submissions typically raised generic issues and discussed the personal opinions of stakeholders who are philosophically opposed to coal mining.

1.1 RESPONSE TO NON-SPECIFIC SUBMISSIONS

A number of submissions were received on the project that did not raise any specific issues or questions directly related to the project or the draft EIS. These were from Government agencies and individuals.

Submissions from the following submitters did not raise any specific issues or, in some cases, confirmed they did not have any comments on the project:

- Mackay Regional Council (Submitter 26);
- Department of Education and Training (Submitter 30);
- Department of State Development – Business Solutions and Partnerships (Submitter 3a);
- Department of State Development – Major Projects Office (Submitter 3b);
- Department of Housing and Public Works – Government Employee Housing (Submitter 5);
- Department of Housing and Public Works – Housing Services (Submitter 15);
- Department of Tourism, Major Events, Small Business and the Commonwealth Games (Submitter 10);
- Department of Energy and Water Supply (Submitter 62); and
- Sunwater (Submitter 34).

The proponent appreciates the submitter lodging a submission to confirm they have no comments on the project.

Submissions from the following individuals also did not raise any specific issues about the project or the draft EIS:

- Private submitter (Submitter 1);
- Private submitter (Submitter 4);

- Private submitter (Submitter 6);
- Private submitter (Submitter 19);
- Private submitter (Submitter 53);
- Private submitter (Submitter 55);
- Private submitter (Submitter 56); and
- Private submitter (Submitter 57).

The proponent takes note of these submitter's opinions and recognises that the approval of coal mining development in Queensland is the responsibility of the State and Federal Governments.

1.2 RESPONSE TO PRO-FORMA SUBMISSIONS

A number of other submissions were received on the project that were considered to be pro-forma or replica submissions. These submissions raised the same issues about the project, using the very similar wording. These included submissions from the following organisations and individuals:

- North Queensland Conservation Council (Submitter 21);
- Correct Planning and Consultation for Mayfield Group (Submitter 22);
- Queensland Conservation Council (Submitter 31);
- Australian Marine Conservation Society (Submitter 32);
- Greenpeace Australia Pacific (Submitter 33);
- Private submitter (Submitter 13);
- Private submitter (Submitter 14);
- Private submitter (Submitter 47);
- Private submitter (Submitter 48);
- Private submitter (Submitter 49);
- Private submitter (Submitter 50);
- Private submitter (Submitter 51);
- Private submitter (Submitter 52);
- Private submitter (Submitter 54);
- Private submitter (Submitter 58);
- Private submitter (Submitter 60); and
- Private submitter (Submitter 61).

While some pro-forma submissions provided more detail than others, they all state there has been "*inadequate assessment of, and will be unacceptable impacts, on the following:*

- *Groundwater;*
- *Biodiversity;*
- *Climate change;*
- *Great Barrier Reef;*

- *Economics;*
- *Social values;*
- *Cumulative impacts; and*
- *Public interest”.*

The following collective responses have been provided to the issues raised in the pro-forma submissions. The submitter issues presented in the boxes are the most extensive provided in any of the individual pro-forma submissions. In summary, the proponent takes note of these submitter's opinions and recognises that the approval of coal mining development in Queensland is the responsibility of the State and Federal Governments.

Pro-forma Submitter Issue: Groundwater

- 1) *The groundwater modelling and assessment of impacts in the EIS is inadequate and does not allow for a proper consideration of the likely and potential impacts of the Project on groundwater, and related surface water features and biota.*
- 2) *To extent the groundwater impacts have been adequately assessed they represent unacceptable adverse impacts. Examples of the inadequacy of assessment and unacceptability of impacts include, but are not limited to, the following:*
 - a) *There are a number of concerns with the numerical modelling on which the groundwater assessment is based, such as:*
 - i) *the calibration and sensitivity analysis undertaken;*
 - ii) *the parameters applied in the model;*
 - iii) *low recharge rates; and*
 - iv) *an inaccurate conceptual model,*
 - b) *The EIS recognises that subsidence from the longwall mining will cause “connective cracking” the Clematis Sandstone, an aquifer of the Great Artesian Basin (GAB), leading to permanent ‘take’ of groundwater from the GAB, yet the impacts on the GAB are dismissed as “inconsequential” or “negligible”;*
 - c) *There is no reliable or reasonable basis for the assertion that the Project will have “no impacts on the [Doongmabulla] springs”.*

The submitter's opinions on the assessment of groundwater impacts are noted. The proponent disagrees with these opinions as the assessments were undertaken by appropriately qualified and experienced hydrogeologists, in accordance with the EIS Terms of Reference (TOR) requirements and in line with best practice environmental assessment.

The submitter's generic issues relate to the project's groundwater model, the project's potential for impacts on the Great Artesian Basin and the project's potential for impacts on the Doongmabulla Springs. Additional information has been provided in the following sections of the Supplement regarding related, more specific issues:

- Section 4.2 – Response to Common Issues.

- Attachment A – Individual Responses to Submissions – refer to Department of Natural Resources and Mines (Submitter 41) response.
- Attachment C – Response to Independent Expert Scientific Committee (IESC) Advice.
- Attachment D – Additional Information on Groundwater.

Pro-forma Submitter Issue: Biodiversity

- 1) *The EIS does not include an adequate assessment of the impact on threatened species and, where those assessments are conducted, demonstrates an unacceptable adverse impact on those species. For example:*
- a) *The EIS identifies the site as providing habitat for the threatened Black-throated Finch and Squatter Pigeon but does not undertake sufficient targeted survey effort to accurately determine the abundance of these species, and therefore the extent of any likely impacts;*
 - b) *The limited survey periods have been insufficient to identify the full range of terrestrial and aquatic species that may be impacted by the Project;*
 - c) *The EIS does not include the Biodiversity Offset Strategy which makes it impossible to consider the adequacy of likely offset locations, appropriateness of any management actions or sufficiency of any monitoring.*

The submitter's opinions on the assessment of threatened species are noted. The proponent disagrees with these opinions as the assessments were undertaken by appropriately qualified and experienced ecologists, in accordance with the EIS TOR requirements and in line with appropriate survey methodologies. In instances where significant, residual impacts on threatened species are predicted, biodiversity offsets are proposed to be provided. This is a standard approach, consistent with the requirements of Queensland and Commonwealth legislation.

A response is also provided to the submitter's specific issues, as follows:

- a) Surveys undertaken for the draft EIS confirmed the presence of Black-throated Finch and Squatter Pigeon on the site and were undertaken in accordance with relevant Government guidelines. The submitter correctly advises that the draft EIS has also confirmed that the site provides habitat for these species. As such, the proponent has proposed mitigation and management measures, including the provision of biodiversity offsets, in accordance with the Department of the Environment and Energy (DoEE) and the Department of Environment and Heritage Protection (EHP) offset requirements, to address the projects potential impacts on both of these species. Additional surveys of the abundance of these species would not alter the conclusions of the impact assessment or change the management measures proposed to be adopted. Attachment F – Additional Information on Ecology also provides a revised assessment of the project's predicted disturbance of Black-throated Finch and Squatter Pigeon habitat. This revised assessment was conducted in consultation with DoEE and EHP.

- b) Ecological field surveys were undertaken for the draft EIS over multiple seasons. Surveys were undertaken in accordance with the EIS TOR for the project and relevant Government guidelines that were available at the time the surveys were undertaken. This is discussed in Sections 3.2.5, 3.2.6 and 3.2.7 of the draft EIS Terrestrial Ecology Report (Appendix F). Surveys were also supplemented by results from the desktop assessment which included searches of relevant Government mapping and databases, and utilised results from the Carmichael Coal Mine & Rail Project (CCM&RP). This approach provides a high degree of confidence in the mapping of vegetation communities and fauna habitats. In addition, a precautionary approach has been applied to assume the presence of some threatened fauna species where the presence of suitable habitat was recorded but the species itself was not recorded. The Australian Painted Snipe is an example of a species that was assessed in this way.
- c) The Biodiversity Offset Strategy contains commercial-in-confidence information regarding potential offset properties that is not suitable to be publicly distributed. However, this information has been made available to the relevant regulators who have responsibility for the review, assessment and approval of the strategy. A redacted version of the draft EIS Biodiversity Offset Strategy (Appendix H) is also provided in Attachment J.

Additional information has also been provided in the following sections of the Supplement regarding these issues:

- Section 4.2 – Response to Common Issues.
- Attachment A – Individual Responses to Submissions – refer to DoEE (Submitter 42), EHP (Submitter 24) and Black-throated Finch Recovery Team (Submitter 12) responses.
- Attachment C – Response to IESC Advice.
- Attachment F – Additional Information on Ecology.

Pro-forma Submitter Issue: Climate Change

- a) *The EIS does not include an adequate assessment of the climate change impacts of the Project. A proper assessment of the Project's true contribution to climate change would provide strong grounds for refusal. For example, the EIS does not assess the emissions from the transport and burning of the coal produced by the Project. The 38 million tonnes per annum (mpta) of product coal will produce approximately 90 mtpa in CO₂-e once burnt which will cumulatively total about 4.5 billion tonnes CO₂-e over the 50 year mine life. These emissions are equivalent to about 18 million cars annually and, over the life of the mine, would consume approximately 0.7% of the remaining carbon budget for the world to likely stay below 2°C warming.*
- b) *The Queensland Government has said "Climate change threatens to undermine Queensland and Australia's food security. Production from primary industries is projected to decline by 2030 over much of eastern Australia due to increased drought, reduced water resources and higher temperatures". The Climate Commission also predicts reduced water availability and increased frequency of droughts, affecting agricultural production as a result of climate change.*

c) *Climate change is also a threatening process in many species recovery plans, such as for the Painted Snipe, but the EIS fails to consider the Project's contribution to that threatening process for those species.*

- 1) The EIS TOR do not require an “assessment of the climate change impacts of the project” as suggested to be required by the submitter. In accordance with the relevant climate aspects of the EIS TOR, the draft EIS has provided an assessment of climatic conditions that may affect the management of the project (Section 14.8 of the draft EIS) and has provided an annualised inventory of greenhouse gas emissions over the life of the mine (Section 15.9 of the draft EIS). The submitter also refers to the EIS lacking an assessment of the “emissions from the transport and burning of the coal produced by the Project”. These emissions are known as Scope 3 emissions. The EIS TOR does not require Scope 3 emissions to be assessed. Furthermore, precedent has been set by the Queensland Supreme Court and Queensland Land Court that Scope 3 emissions do not fall within the operations carried out on a mining lease and should not be taken into account as impacting the public right and interest (refer to rulings on the judicial review of the Alpha Coal Mine (Coast and Country Association of Queensland v Smith & Anor; Coast and Country Association of Queensland Inc v Minister for Environment and Heritage Protection & ORs [2015] QSC 260) and the Land Court hearings for the Wandoan Coal Project (Xstrata Coal Queensland Pty Ltd & Ors v. Friends of the Earth - Brisbane Co-Op Ltd (No 2) [2012] QLC 67).
- 2) The submitter’s quote regarding climate change impacts on agricultural production is noted.
- 3) It is noted a recovery plan has not been published for the Australian Painted Snipe, although the SPRAT profile acknowledges the need for one. The conservation advice for the species raises climate change as a potential threat. However, the threat is in the context of potential reduced rainfall and runoff in the Murray Darling Basin in the future. It should be noted that the project is not in proximity to the Murray Darling Basin. Please refer to issue 1 in relation to the assessment of climate change impacts of the project.

Pro-forma Submitter Issue: Great Barrier Reef

The EIS does not adequately consider the impacts of the Project on the Great Barrier Reef either from port development and shipping, or from contributions to climate change. The World Heritage Committee recently stated that “climate change, poor water quality and impacts from coastal development are major threats to the [Reef’s] health,” and indicated concerns about new port development and capital dredging for the expansion of existing port facilities. The Project presents a significant risk to the values of the Great Barrier Reef and these impacts need to be fully quantified and considered.

The Great Barrier Reef World Heritage Area (GBRWHA) is located approximately 280 km from the project site by direct line, and approximately 410 km downstream of the project site, following the line of the downstream waterways. Due to the distance from the project site to the GBRWHA, it is not feasible that the project could have a direct impact on the GBRWHA. Potential project impacts on the GBRWHA were considered and assessed as part of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) referral. The referral decision from DoEE did not

include the GBRWHA as one of the controlling provisions for the project. This means, the DoEE did not consider that the project would have a potential significant impact on the GBRWHA.

As outlined in Section 4.13 of the draft EIS, the scope of the draft EIS is limited to the mine site activities and does not include off-lease infrastructure that will be required for the project, such as port capacity. These aspects will be subject to separate environmental impact assessment and approval which will include assessment of potential impacts on the Great Barrier Reef from port development and shipping.

Pro-forma Submitter Issue: Economics

The economic assessment which forms part of the EIS is not suitable to properly inform assessment of the true costs and benefits of the project. The deficiencies of the economic assessment include, but are not limited to, the following:

- a) An assumed value of coal at over \$93 per tonne well above the Federal Treasury's long term forecast of \$80 per tonne. The current value of thermal coal is around \$50 per tonne and unlikely to rise in the foreseeable future.*
- b) No attempt to conduct uncertainty analysis or risk assessment in the face of a rapidly changing energy market and policy environment.*
- c) No attempt to value environmental or social costs, such as greenhouse gas emissions, in a manner that can be compared with economic benefits.*
- d) No attempt to value economic impacts associated with the contribution of the coal from the project to further depress coal prices by selling into an already oversupplied market.*
- e) No attempt to assess the viability of the project to ensure economic utilisation of the coal resource and avoidance of a stranded asset.*

The submitter's opinions on the assessment of economic impacts are noted. The proponent disagrees with these opinions as the assessment was undertaken by an appropriately qualified and experienced economist, in accordance with the EIS TOR requirements and in line with sound economic impact assessment methodology. The economic assessment completed is suitable to describe the economic impacts and benefits of the project, as required by the EIS TOR.

A response is also provided to the submitter's specific queries, as follows:

- a) There are a wide range of complex factors that can influence the global coal market, which make long term forecasting of cyclical pricing (and demand) difficult to accurately predict. For this reason, the draft EIS assessment assumed a value for the income from the sale of coal that was considered to be representative of the fluctuations in the coal price that would be expected to occur over the 50 year life of the mine. As such, the assumed value was not related to the price of coal in the year the modelling was conducted, nor was it intended to be representative of the value of coal at the time the draft EIS was publicly exhibited. As an example of this fluctuation, over the past 5 years, the thermal coal monthly spot price has varied from AUD\$126 (per metric ton) in October 2011 to AUD\$131 in October 2016, with a low of AUD\$71 in April 2016 (IndexMundi, 2016). This is notably higher than the submitters quoted

thermal coal price of '\$50 per tonne' which is inaccurately predicted by the submitter as "unlikely to rise in the foreseeable future". This typical variation and the recent return to prices above AUD\$100 per ton, supports the basis for the economic assessment in the draft EIS to select a representative coal price over the life of the project, rather than using the coal price that was current at a particular point in time.

- b) The proponent has undertaken rigorous internal analysis associated with the feasibility of the project which included analysis of long-term need for the project and risk assessments. The proponent is confident in the future demand for thermal coal.
- c) The submitter suggests that an assessment known as a cost-benefit analysis should have been included as part of the draft EIS. This type of analysis is not required by the EIS TOR and precedent set in recent court cases for Galilee Basin projects has confirmed that this type of analysis is not a statutory requirement under either the *Mineral Resources Act 1989* or *Environmental Protection Act 1994* (refer to rulings on the judicial review of the Alpha Coal Mine (Coast and Country Association of Queensland v Smith & Anor; Coast and Country Association of Queensland Inc v Minister for Environment and Heritage Protection & ORs [2015] QSC 260).
- d) An assessment of the coal market is not a requirement of the EIS TOR, nor is it appropriate to be included in an environmental assessment. As discussed in response to point a) the status of the coal market has changed significantly in 2016.
- e) An assessment of the economic viability of the project is not a requirement of the EIS TOR, nor is it appropriate to be included in an environmental assessment. The Office of the Coordinator General has advised that:
 - The Coordinator-General assesses the proponent of a project to determine if they have the ability to undertake the project when making a declaration as a Coordinated Project.
 - The government will also assess the proponent prior to issuing an Environmental Authority to ensure the proponent has the financial ability (through a financial assurance and guarantee) to undertake the mitigation measures to avoid environmental harm and to rehabilitate the site.
 - The government will also assess the proponent prior to issuing a Mining Lease to ensure they have the ability to undertake the project and develop the resource.
 - The Mining Lease can be cancelled if the proponent does not utilise the coal resource in the timeframe proposed in the EIS and conditioned in the government approvals.

Pro-forma Submitter Issue: Social Impacts

The EIS does not adequately consider the social impact from the proposed project. For example:

- a) *The EIS fails to comply with the terms of reference requirement to consider labour supply issues and strategies for international labour markets.*
- b) *The Social Impact Assessment (SIA) fails to consider impacts beyond the mine site including the effect of mine closure on local communities;*
- c) *The SIA does not sufficiently engage with indigenous cultural values due to the small number of landholders consulted regarding cultural values of the area;*
- d) *The SIA assumes the construction of the Carmichael project and therefore does not*

adequately consider the impacts of the Project in isolation.

- e) *The SIA acknowledges the FIFO employment model but does not provide recommendations to manage the problems that will create.*

The submitter's opinions on the assessment of social impacts are noted. The proponent disagrees with these opinions as the assessments were undertaken by an appropriately qualified and experienced social planner, in accordance with the EIS TOR requirements and in line with appropriate social impact assessment methodologies.

A response is also provided to the submitter's generic queries, as follows:

- a) The draft EIS includes a comprehensive Labour Market Study. As stated in Section 4.4.1 of the draft EIS Socio-Economic Impact Assessment (SIA) Report (Appendix N), the proponent intends to recruit available domestic labour for the project workforce. Alternative sources of the required workforce, such as personnel from overseas, will be considered only where the Australian labour market cannot meet the needs of the project and it is not possible to address shortages through training programs. The proponent does not currently intend on recruiting overseas labour.
- b) Consistent with advice from the Department of State Development (DSD), the SIA considers the impacts associated with the first 20 years of operation, acknowledging the limitations associated with predicting social impacts beyond this period. Although mine closure was not considered in detail in the SIA, the social aspects of mine closure will be addressed in social impact management planning conducted during the 50 year mine life and as part of standard progressive mine closure planning over that time.
- c) As documented in Section 3 of the draft EIS, all landholders on properties within and adjacent to the project site were consulted as part of the preparation of the draft EIS. As noted in Section 3.3 of the draft EIS SIA Report (Appendix N) this consultation included discussion of the potential cultural use of the area by Aboriginal and Torres Strait Islander (ATSI) people. Section 2 of the Supplement also includes a summary of the consultation that was conducted to communicate the results of the draft EIS to stakeholders. This included an offer to consult with the legal representatives of the Traditional Owners, which was declined.
- d) Due to the remote location of the CCM&RP and Project China Stone and the considerable off-lease infrastructure that is required for both projects (such as the rail line to the Port of Abbot Point), there are inter-dependencies between the projects which are financially attractive. For the purposes of the assessment of cumulative impacts, the SIA has, therefore, assumed the CCM&RP would be operating at the same time as Project China Stone and has recognised the commitments of the CCM&RP proponent in the discussion of management of social impacts that are common to both projects. However, the proponent recognises that there are significant external factors that create uncertainty for the timing of the development of both projects. In the event Project China Stone proceeds in the absence of the CCM&RP, the proponent will continue to implement the commitments made in the draft EIS and would be solely responsible for the delivery of mitigation and management measures to address the environmental impacts of the project that are identified in the draft EIS.

- e) The draft EIS SIA Report (Appendix N) includes management measures that are specifically designed to address potential social impacts arising from a long-distance commuting workforce. These measures are discussed throughout Sections 6 and 7 of the draft EIS SIA Report (Appendix N), and include, but are not limited to, the Employee Wellbeing Plan, Project Servicing Strategy and the Stakeholder Communication Strategy.

Pro-forma Submitter Issue: Cumulative Impacts

The EIS does not adequately consider the cumulative impacts of the Project, together with other projects proposed in the region, including, but not limited to, impacts on groundwater, climate change, the Great Barrier Reef, or threatened species such as the Painted Snipe.

Cumulative impacts for the project are described in Section 23 of the draft EIS. Due to the remote location of the project site, there are no significant industrial developments that currently exist in the region that have the potential to have cumulatively interacted with the predicted impacts of the project. The assessment of cumulative impacts undertaken for the draft EIS was, therefore, limited to potential impacts with the CCM&RP and the associated Moray Power Project. Both of these projects are approved, but yet to commence construction.

In response to the submitter's specific queries, cumulative impacts are described in the draft EIS in relation to groundwater in Section 23.6, and threatened species specifically including the Painted Snipe in Section 23.5.2. The EIS TOR do not require an assessment of the project's impacts (and therefore any subsequent cumulative impacts) on the Great Barrier Reef and climate change, or an assessment of cumulative impacts of the climate aspects that are provided in the draft EIS. Please also refer to the response to the submitter's previous issues in relation to the Great Barrier Reef and climate change.

Pro-forma Submitter Issue: Public Interest

The consideration of public interest requires the weighing of pros and cons for the Project. In my submission the extent of the demonstrated and potential impacts outweighs the potential benefits of the project and warrant refusal in this instance.

The submitter's opinions regarding the public interest are noted. The draft EIS has described the environmental impacts along with the economic and social benefits that are predicted from the project. These factors will be considered by the Federal and State Governments in their assessment of the draft EIS