



# PROJECT CHINA STONE

Introduction

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# 1 INTRODUCTION

## 1.1 INTRODUCTION

This section provides an introduction to the draft Environmental Impact Statement (EIS). It includes an overview of Project China Stone (the project), key regulatory approvals, the project proponent, project need and objectives, and an explanation of the structure of the EIS document.

## 1.2 PROJECT OVERVIEW

The project involves the construction and operation of a large-scale coal mine on a greenfield site in Central Queensland. The project site (the combined area of the proposed mining leases) is remote, being located approximately 270 km south of Townsville and 300 km west of Mackay at the northern end of the Galilee Basin (Figure 1-1). The project site is at the north-western limit of the Isaac Local Government Area and adjacent to the southern boundary of the Charters Towers Local Government Area. The closest townships are Charters Towers, approximately 285 km by road to the north, and Clermont, approximately 260 km by road to the south-east. The project site covers an area of approximately 20,000 ha.

The mine will produce up to approximately 55 million tonnes per annum (Mtpa) of Run of Mine coal. This equates to approximately 38 Mtpa of thermal coal for the export market. Coal will be mined using both open cut and underground mining methods (Figure 1-2). Open cut mining operations will involve multiple draglines and truck and shovel pre-stripping. Underground mining will involve up to three operating longwalls. Coal will be washed and processed on site and product coal will be transported from site by rail. It is anticipated that mine construction will commence in 2016 and the mine life will be in the order of 50 years.

Mine infrastructure will include coal handling and preparation plants, stockpiles, conveyors, rail loop and train loading facilities, workshops, dams, tailings storage facility and a power station (Figure 1-2). A workforce accommodation village and private airstrip will also be constructed on the project site.

## 1.3 KEY REGULATORY APPROVALS

The project was declared a 'coordinated project' under the Queensland *State Development and Public Works Organisation Act 1971* (SDPWO Act) by the Coordinator-General (CG) on 31 October 2012. The project was referred to as the China Stone Coal Project in the gazettal. This declaration requires an EIS to be prepared and assessed for the project in accordance with the SDPWO Act. The Terms of Reference (TOR) for the EIS were released by the CG on 9 January 2013. This EIS has been prepared to address the TOR.

Applications for Mining Leases (MLs) under the *Mineral Resources Act 1989* and an Environmental Authority (EA) for the project under the *Environmental Protection Act 1994* (EP Act) were lodged on 30 January 2014. The Department of Environment and Heritage Protection (EHP) has notified the proponent that these applications require additional information, which will be satisfied by this EIS.

The project was declared a Controlled Action under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) on 30 October 2014. This declaration requires the project to be assessed and approved under the EPBC Act. The controlling provisions are EPBC Act listed threatened flora and fauna species and vegetation communities, listed migratory species and water resources associated with a large coal mining development. The project's impacts on these controlling provisions will be assessed using an accredited assessment process under the SDPWO Act. This process is discussed in Section 2 – Regulatory Framework. Potential impacts on the controlling provisions are discussed in Section 11 – Matters of National Environmental Significance.

## 1.4 THE PROPONENT

The project proponent is MacMines Austasia Pty Ltd (MacMines). MacMines was registered and established in Queensland in 1999 and has been focussed on geological exploration since its inception. They hold a number of Exploration Permits for Coal (EPCs) in Queensland, including EPC 987 which is split between a northern and southern block. The project site is located entirely within the southern block of EPC 987.

MacMines has been wholly owned by the Yao family since 2007 and is a related entity of Shanxi Meijin Energy Group Limited (Meijin). Meijin is also owned by the Yao family and was founded in 1981. Meijin is based in Qingxu County, Shanxi Province, China. Meijin is the largest manufacturer of commercial metallurgical coke in China and is the owner, operator and manager of a fully integrated coal to steel product chain.

Contact details for the proponent are as follows:

MacMines Austasia Pty Ltd

Suite 17, Level 9

320 Adelaide Street, Brisbane, QLD, 4000

Phone: 07 3221 4856

Fax: 07 3229 4551

## 1.5 PROJECT NEED AND OBJECTIVES

### 1.5.1 Project Need

There are substantial undeveloped thermal coal resources within the project site. The project is proposed in order to efficiently extract these resources. Thermal coal is used to generate electricity and currently accounts for about 40% of global electricity needs. Despite the recent softening in the price of thermal coal, the long term forecast is for demand to remain strong, particularly in Asia.

The project will provide substantial economic benefits to the region, Queensland and Australia. The operations phase of the project will create approximately 2,082 new full time equivalent jobs in Queensland. The project will contribute up to \$1,700 million annually to the economy of the Townsville and Mackay Regions during the operations phase. The project will also contribute significant Queensland and Australian government revenue through coal royalties (approximately \$5.9 billion over the life of the mine) and additional revenues associated with other government taxes.

### 1.5.2 Project Objectives

The key objectives of the project are to:

- Develop a new high capacity coal mine;
- Develop the project in an environmentally responsible manner, through incorporating environmental considerations into the design and operation of the mine;
- Maximise the responsible utilisation of the coal resource; and
- Maximise the socio-economic benefits of the project for the local region and the state of Queensland.

## 1.6 EIS DOCUMENT

### 1.6.1 EIS Preparation

Hansen Bailey has prepared this EIS on behalf of the proponent for Project China Stone. The EIS has been prepared to support applications for an EA and MLs, and approval under the EPBC Act.

This EIS provides an assessment of all project-related activities within the project site (i.e. the combined area of the proposed mining leases). These activities will be regulated in accordance with the EA that will be granted for the project.

The scope of the EIS does not include off-lease infrastructure that will be required for the project. Off-lease infrastructure will include a rail connection to port, port capacity, a mine site access road connection and raw water supply. These will subject to separate environmental impact assessments and approvals.

This EIS addresses the following:

- The TOR for the EIS prepared by the CG. A copy of the TOR for the EIS is included in Section 29 – Terms of Reference and a table indicating the section of the EIS addressing each term is provided in Section 30 – Guide to the TOR.
- Issues raised by government and community stakeholders. The stakeholder consultation program undertaken for the project is discussed in Section 3 – Consultation.

### 1.6.2 Purpose of EIS Document

The EIS document:

- Provides decision-makers, stakeholders and the public with information on the project;
- Discusses the need for, and alternatives to, the project;
- Describes and assesses potential adverse and beneficial environmental, social and economic impacts of the project;
- Provides performance criteria, legislation and standards to be met; and
- Provides management, monitoring and control measures to be implemented to mitigate all adverse impacts of the project.

### 1.6.3 Structure

The EIS document consists of a main volume, which is in two parts, (Volumes 1A and 1B), and four volumes of appendices (Volumes 2 – 5). The main volume addresses all areas of the environmental impact assessment and summarises the detailed specialist technical reports. Volumes 2 – 5 provide the full specialist technical reports.

The EIS table of contents is as follows:

## Executive Summary

### Volume 1A

Section 1	Introduction	Section 8	Rehabilitation
Section 2	Regulatory Framework	Section 9	Terrestrial Ecology
Section 3	Consultation	Section 10	Aquatic Ecology
Section 4	Project Description	Section 11	Matters of National Environmental Significance
Section 5	Land Use	Section 12	Groundwater
Section 6	Subsidence	Section 13	Surface Water
Section 7	Tailings and Power Station Waste Storage Facilities	Section 14	Climate

### Volume 1B

Section 15	Air Quality	Section 23	Cumulative Impacts
Section 16	Noise and Vibration	Section 24	Environmental Management
Section 17	Visual Amenity	Section 25	References
Section 18	Socio-Economic Impact Assessment	Section 26	Glossary
Section 19	Traffic and Transport	Section 27	Abbreviations
Section 20	Cultural Heritage	Section 28	EIS Study Team
Section 21	Non-Mining Waste Management	Section 29	Terms of Reference
Section 22	Hazard and Risk	Section 30	Guide to the Terms of Reference

### Volume 2

Appendix A Subsidence Report

Appendix B Draft Subsidence Management Plan

Appendix C Mine Waste Storage Facility Conceptual Design Report

Appendix D Geochemistry Report

Appendix E Soils and Land Suitability Report

### Volume 3

Appendix F Terrestrial Ecology Report

Appendix G Aquatic Ecology and Stygofauna Report

Appendix H Biodiversity Offset Strategy

### Volume 4

Appendix I Groundwater Report

Appendix J Open Cut Mine Drainage Report

Appendix K Water Management System Modelling Report

Appendix L Air Quality Report

Volume 5

Appendix M Noise Report

Appendix N Socio-Economic Impact Assessment Report

Appendix O Road Impact Assessment Report

Appendix P Non-Indigenous Cultural Heritage Report

## 1.6.4 How to Read the EIS

If you are interested in all aspects of the project, then it is suggested that you read the entire EIS document.

However, if you are only interested in specific issues, it is suggested that you familiarise yourself with the project by reading the project description in Section 4 – Project Description. This section describes the proposed mining operations including site and surrounds, mining methods and mine infrastructure.

After familiarising yourself with the project, refer to the Table of Contents in order to identify your sections of interest. For more detailed technical assessments, refer to the technical reports in Volumes 2 to 5.

For example, if you are interested in air quality impacts, you could adopt the following course of reading:

- First, familiarise yourself with the project by reading Section 4 – Project Description.
- Second, refer to the Table of Contents and note the location of the air quality section which is located in Section 15 – Air Quality.
- Finally, refer to Appendix L - *Air Quality Report* in Volume 4 for detailed technical information on air quality impacts.

## 1.6.5 EIS Submissions

Section 2 – Regulatory Framework (Subsection 2.2.1) describes the key steps in the EIS process. As described in that section, government agencies and the public are invited to make submissions to the CG during the EIS public exhibition period. EIS comments and submissions must be made in writing and sent to the CG within the public exhibition period, as advertised in the public notice about the EIS.

All submissions regarding this EIS should be addressed to:

Coordinated Project Delivery  
Office of the Coordinator-General  
EIS Project Manager -Project China Stone  
PO Box 15517  
CITY EAST QLD 4002 Australia  
Fax: +61 7 3220 6502

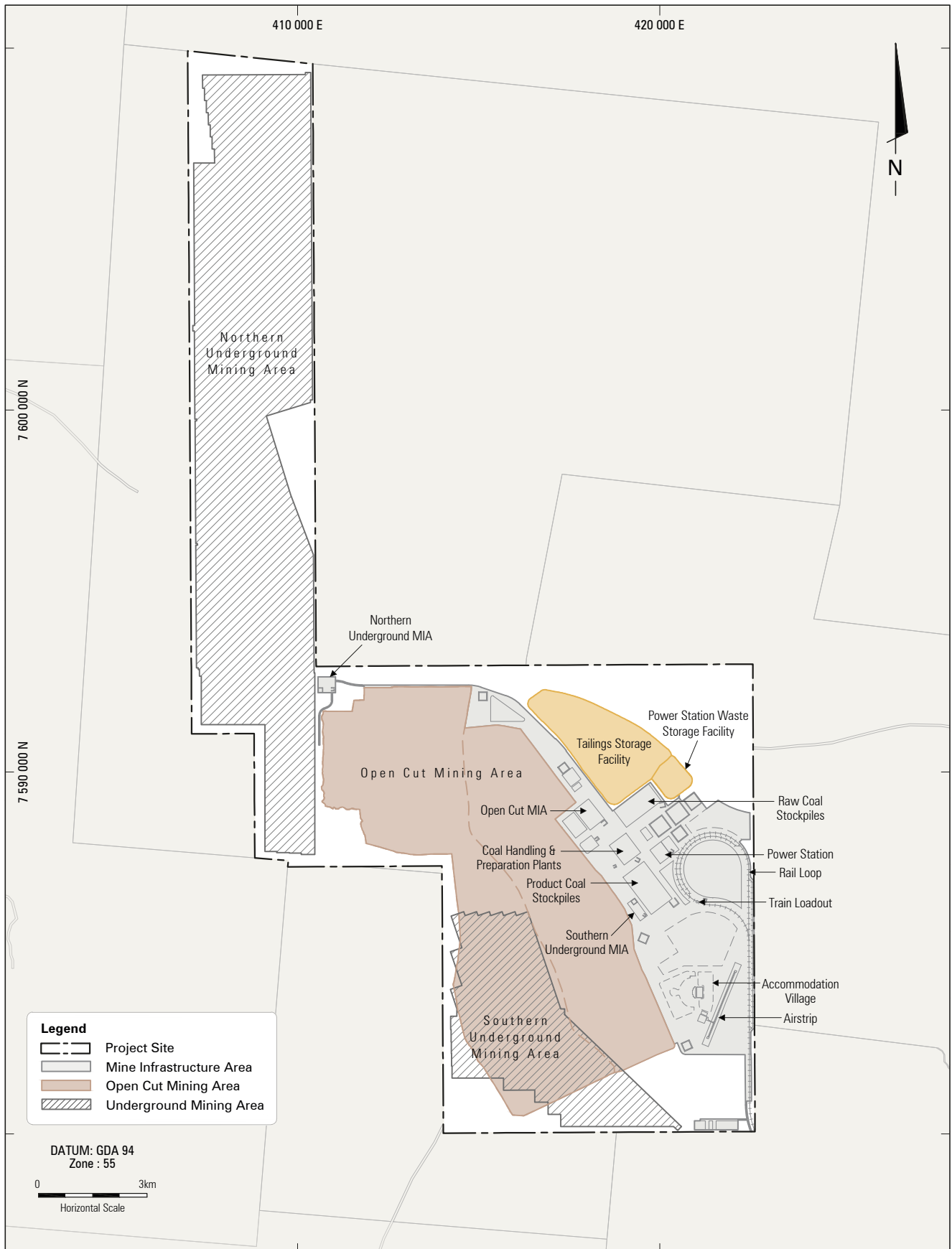
The CG will provide copies of the submissions to the proponent and the proponent will be required to provide the CG with a response to the submissions. The CG will take the submissions and the response to submissions into account when assessing the project. Additional detail on the EIS process is described in Section 2 – Regulatory Framework.

## FIGURES





PROJECT CHINA STONE



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