

Progressive Coal Royalties Protection (Keep Them in the Bank) Bill 2024

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Committee Secretary
Cost of Living and Economics Committee
Parliament House
George Street
Brisbane Qld 4000
By email: colec@parliament.qld.gov.au

Dear Committee Secretary

RE: Progressive Coal Royalties Protection (Keep Them in the Bank) Bill 2024

On behalf of Fox Resources, please accept my submission to the Cost of Living and Economic Committee's Inquiry into the Progressive Coal Royalties Protection (Keep Them in the Bank) Bill 2024.

Background

Fox Resources is an Australian exploration company currently advancing the development of an underground, steel-making coal mine north-west of Bundaberg, Queensland.

The company has a strong focus on engaging with the local community, minimising any environmental impacts and maximising local economic benefits, including around 200 valuable new jobs, 20 new apprenticeships and an estimated \$45 million per year in economic benefits for local suppliers of services and materials.

The proposed mine is currently at the exploration stage, with Fox conducting all activities in accordance with Queensland Government regulations.

Fox recognises the importance of protecting the region's key agricultural and other industries, with no impact on the aquifer used for local water consumption and agricultural use.

Fox welcomes feedback from the local community in ensuring the best possible outcomes from the proposed resources development, with the company establishing a Bundaberg Regional Reference Group to foster ongoing community feedback.

Fox has a Mineral Development Licence application (MDLA) before the Queensland Government. An MDLA is not a mining licence.

As respected former Queensland Resources Minister, The Honourable Dr Anthony Lynham stated as such in March 2020 regarding Fox's MDLA application, MDL 3040: *"An MDL is not a mine and does not provide any rights to mine. What an MDL does is to allow activities relating to mineral exploration and development such as explorative drilling, seismic surveys, mining feasibility studies, metallurgical testing, marketing and environmental, engineering and design studies."* Dr Lynham added: *"If Fox Resources wishes to develop MDL 3040 into a mine, they will be required to apply for a Mining Licence. Queensland has some of the most transparent and rigorous assessment processes for mining projects in the world."*

Fox is aware of the introduction of the progressive coal royalties introduced by the Queensland Government in its 2022-23 State Budget. Fox is committed to progressing its project through the regulatory assessment and approval processes, and if approved, Fox can deliver a project that the Bundaberg region can be proud of, delivery local jobs and opportunities for local suppliers, and pay the progressive coal royalties to the Queensland Government.

To better understand local community views, Fox commissioned a survey of 500 residents in the Bundaberg electorate in November 2023. Key findings included:

- 69% agreed that new coal mines should be approved if the coal is used to manufacture steel, with 13.6% neutral and 12% opposed.
- 59.3% would be more likely to support a political candidate that backed Fox's planned steel-making coal mine in the Bundaberg region if it protected prime agricultural land, while 19.3% said it would not have an impact on their decision, another 11.2% were less likely to support such a candidate and 10.2% did not know.
- 58.2% would be more likely to support a political candidate that works to ensure the proposed steel-making coal mine puts priority on employing local workers and supporting local businesses, while 19.3% said it would not affect their vote, another 12.5% were less likely to support such a candidate and 10.1% did not know.
- 49.5% would be more likely to support a political candidate that promised any proposal for a steel-making coal mine by Fox in the Bundaberg region would be independently assessed and free of political interference, while 24.7% said there would be no change to their vote, another 11.8% said they would be less likely to support such a candidate and 14% did not know.

The Bill

When introducing the Progressive Coal Royalties Protection (Keep Them in the Bank) Bill 2024 on 24 May 2024, Deputy Premier, Treasurer and Minister for Trade and Investment The Honourable Cameron Dick said:

"The bill amends the Mineral Resources Act 1989 to introduce a coal royalty rate floor by providing that a regulation may not prescribe coal royalty rates that are lower than those prescribed at the time. The progressive nature of the new tiers means they only apply during periods of high prices which has enabled Queensland to remain competitive with investors demonstrating continued confidence in the Queensland coal industry. In addition, employment in the state's coalmines has increased to record levels since the introduction of the new progressive coal royalty tiers. The additional revenue raised from coal royalties, including the new tiers, has allowed the government to invest more than \$16 billion in critical economic and social infrastructure and essential services across all regions of the state, including in coal producing regions."

When the Government announced the progressive royalty rates in 2022, respected Mines and Energy Union leader Stephen Smyth told ABC Radio *"I don't want to see another bus stop built in the CBD or Brisbane or another tunnel... It's got to be spent out in the regions on regional infrastructure and on regional people where the wealth comes from."*

Recommendation

The legislation should also be amended to enshrine a dedicated percentage to the "coal producing regions" where the royalties have been earned.

It is Fox Resources' ambition, following resource appraisal through an MDL and the comprehensive environmental assessment processes of the Queensland and Australian Governments, to develop an underground steel-making coal mine in the Bundaberg region. Royalties from that steel-making coal mine will be paid to the Queensland Government.

Fox Resources would encourage future Queensland Governments to maximise the reinvestment of those royalties into projects and services in the regions where those royalties have been derived.

Fox Resources recommends the Committee consider an amendment to the Bill requiring a Government to make that reinvestment, and report annually on the royalties and reinvestment in the separate coal producing regions.

I would welcome the opportunity to provide any further information or clarification to the Committee.

Bruce Garlick
Executive Director
Fox Resources Limited