

Monday 18 August 2014

Mr David Gibson MP
Chair
State Development, Infrastructure and Industry Committee
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Dear David

Waratah Coal Submission for State Development and Public Works Organisation (State Development Areas) Amendment Regulation (No. 1) 2014

Waratah Coal thank you for your letter dated 8 July 2014 seeking submission from Waratah Coal for the amendment of the State Development and Public Works Organisation (State Development Areas) Regulation 2009 to declare the Galilee Basin State Development Area (“GBSDA”).

Waratah Coal understands you chair the committee which will consider Government policy of a State Development Area over the proposed ‘Galilee Basin State Development Area’ to be given effect by the State Development and Public Works Organisation (State Development Areas) Regulation 2009, its application of fundamental principles and the lawfulness of the Regulation.

On 16 June 2014, the Deputy Premier of Queensland announced the declaration of the Galilee Basin State Development Area. In his address the GBSDA would perform amongst other things the following functions:

1. protects the geographic area where new rail infrastructure could be located;
2. controls development in an efficient way that considers existing industry and surrounding development;
3. provides proponents seeking to export coal from the Galilee Basin with potential access to rail infrastructure;
4. provides guidance and development certainty to industry;
5. minimises impacts on landholders and other stakeholders; and
6. ensures development recognises and manages impacts to social, cultural and environmental values.

Waratah Coal is strongly of the belief that the regulation being considered gives effect of the policy to declare Galilee Basin State Development Area as a State Development Area under the State Development and Public Works Organisation Regulation 2009 ‘is being done for an improper purpose’, for reasons explained below.



1.0 Protects the geographic area where new rail infrastructure could be located

The GBSDA policy does not properly consider protecting geographic area where rail infrastructure could be located, rather only that of GVK and Adani.

The current policy is not protecting where new rail infrastructure could be located servicing the transport needs of Bandanna and AMCI's 'South Galilee Project', Waratah Coal's 'China First' and 'Alpha North' projects, Vale's 'Galilee Project' and MacMines 'China Stone Project'.

The regulation being considered is being used improperly, only servicing the needs of GVK and Adani.

2.0 Controls development in an efficient way that considers existing industry and surrounding development

The GBSDA policy does not properly consider existing industry and surrounding developments, only showing a bias towards GVK and Adani developments.

The current policy is not seen as being efficient, failing to consider the needs of Bandanna and AMCI's 'South Galilee Project', Waratah Coal's 'China First' and 'Alpha North' projects, Vale's 'Galilee Project' and MacMines 'China Stone Project'.

A change to the current policy would serve all Galilee Basin proponents, if the GBSDA encapsulated an area occupied with a single alignment compiling the most effective segments of all Galilee Basin proponents proposed rail alignments. For further information, refer to **Figure 1**, Single complication of rail alignments.

The regulation being considered is being used improperly, only servicing the needs of GVK and Adani and not the greater community.

3.0 Provides proponents seeking to export coal from the Galilee Basin with potential access to rail infrastructure

The GBSDA policy does not properly consider all proponents seeking to export coal from the Galilee Basin with potential access to rail infrastructure.

The current policy allows for GVK and Adani projects to exercise GBSDA access and rights and does not contemplate the immediate nor future access and rights of Bandanna and AMCI's 'South Galilee Project', Waratah Coal's 'China First' and 'Alpha North' projects, Vale's 'Galilee Project' and MacMines 'China Stone Project'.

The regulation being considered is being used improperly, only servicing access and rights of GVK and Adani.

4.0 Provides guidance and development certainty to industry

The GBSDA policy does not properly consider providing guidance and development certainty to industry and proponents.

Business and coal proponents contemplating future outlook and growth prospects would view bias given to GVK and Adani as an untenable means to carry out business with certainty. The current policy does not provide opportunity for other Galilee Basin coal proponents.

The regulation being considered is being used improperly, only providing guidance and certainty GVK and Adani.



5.0 Minimises impacts on landholders and other stakeholders

The GBSDA policy does not properly consider minimising impacts on landholders and other stakeholders. Minimising impact on landholders and other stakeholders is best achieved where the policy contemplates serving all Galilee Basin proponents with a single GBSDA encapsulating an area which allows for a single rail alignment, compiling the best segments of all Galilee Basin proponents proposed rail alignment. For further information, refer to **Figure 1**, Single complication of rail alignments.

The regulation being considered is being used improperly, and provides for excessive impacts to landholders and other stakeholders by considering GVK and Adani alignments only, rather than a single alignment which suits all proponents.

6.0 Ensures development recognises and manages impacts to social, cultural and environmental values

The GBSDA policy does not properly consider that development recognises and manages impacts to social, cultural and environmental values.

The policy has not properly assessed or mitigated impacts to social, cultural and environmental values as it considers GVK and Adani excessive project foot print areas.

Recognising and managing impacts to social, cultural and environmental values is best achieved where the policy contemplates serving all Galilee Basin proponents with a single GBSDA, not several alignment areas which is currently the case.

The regulation being considered is being used improperly, and provides for unmanaged impacts to social, cultural and environmental values.

7.0 Policy has not considered financial viability of GVK and Adani

The GBSDA policy does not properly consider the financial capabilities of GVK and Adani, depriving opportunity to other Galilee Basin coal proponents.

The policy has not properly assessed and shows a bias to the financial capabilities of GVK and Adani as being capable of financing the projects.

The regulation being considered is being used improperly, and provides for unsubstantiated financial creditability of GVK and Adani.

For the reasons given above Waratah requests you consider the use applying the Amendment Regulation (No. 1) 2014, to amend the State Development and Public Works Organisation (State Development Areas) Regulation 2009 to declare the Galilee Basin State Development Area as an improper use of the regulation.

Waratah Coal looks forward to working with you and Government on the GBSDA and the development of the Abbot Point port. Should you have any enquiries please do not hesitate to contact me personally.

Regards,



Nui Harris
Managing Director



Figure 1 – Waratah Coal’s Proposed GBSDA

