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**Submission:**

**Mineral Resources (Galilee Basin) Amendment Bill 2018**

Resolve Coal Pty Ltd is a developer of coal resources, having successfully identified, technically supported and promoted coal and coal seam gas development projects in numerous jurisdictions around the world, including Indonesia, China, Russia, Ukraine, Colombia, Scotland, British Columbia (Canada), Chile, New Zealand and Australia. We have a particular interest in the Galilee Basin, as the owner of the Hyde Park Coal Project, comprising an area of 330Km<sup>2</sup>, with a shallow coal JORC (2012) resource of 1.62Bt, and a total endowment of ~3Bt. The project comprises EPC's 1754, 2050, 2166 and 2348. The Hyde Park project, in common with other Galilee Basin coal deposits contains high quality thermal coal with a product specification of 5600Kcal (NAR), 11% ash, 0.27% sulphur, and trace elements that are uniformly below Australian averages, and up to ¼ of world averages. The high Initial Deformation Temperatures and low carbon in ash makes Galilee Basin coal ideal for utilisation in high efficiency, low emission coal fired power stations.

The purpose of the Mineral Resources (Galilee Basin) Amendment Bill 2018 is to stop any possibility of Galilee Basin coal deposits being developed. If, as the briefing notes indicate, this is motivated to reduce CO<sub>2</sub> emissions from electricity generation then this proposal will have the opposite effect. Coal from the Galilee Basin will force lower energy coal from the market, thereby lowering CO<sub>2</sub> emissions. Galilee Basin coal will also force higher ash coals, and coals with higher proportions of deleterious trace elements from the market. Indeed, as we speak, low quality coal from a number of jurisdictions, and from Indonesia particularly, is expanding export market share without competition from higher quality Australian coals, in part because the investment environment has been poisoned by the overblown rhetoric of coal opponents. This has resulted in very little new Australian capacity being brought to market. The long term consequence is increased CO<sub>2</sub> emissions in a market dominated by other countries and importantly, reduced Australian state and federal government income, and the eventual demise of the Australian thermal coal industry for no net gain to the environment.

This submission does not seek to question the IPCC Special Report conclusions, rather it seeks to highlight the enormously flawed logic of the Mineral Resources (Galilee Basin) Amendment Bill 2018, outlined above.

We note that the proponent of this bill is unable to think of any alternative way of achieving the policy objective. Without wanting to provide an exhaustive list, there are a host of other measures that could be taken to reduce Australian greenhouse gas emissions, including but not limited to:

- Utilising high efficiency low emission coal fired power generation with the current Australian electricity generation fleet.
- Placing power stations proximal to the regions of greatest demand to reduce transmission losses and thereby to reduce overall power generation
- Utilising higher quality coals within the current generating fleet
- Implementing a program to increase overall generation capacity by introducing nuclear power plants into the generation fleet

This submission notes that the proponent sees no significant cost impacts from this bill. The Queensland royalty regime requires coal mines to pay 7.0% of revenue from the first A\$100 earned per tonne of coal, and 12.5% for any portion thereafter to A\$150. Any amount earned above A\$150/T is subject to a 15% royalty rate. The Galilee Basin is capable of producing large tonnages of high quality coal for a significant period of time. If we assumed a 50 million tonne per annum production from the Galilee Basin, this would equate to an annual royalty revenue at today's prices of ~A\$500,000,000.00 per annum, without taking other state and federal taxes into consideration.

This submission is also strongly concerned about the impact on the investment environment a decision to remove the legal rights of tenement holders within the Galilee Basin. The act of submitting this bill is, in the opinion of this submission, designed to make the investment environment for coal mining in Queensland more difficult, through increasing the perception of sovereign risk. If this reckless bill succeeds in moving through the house, this would be a disaster for the general investment environment in Queensland, with impacts across all areas of the economy.

The bill's proponent is also mistaken when they state that the only existing Mining Lease in the Galilee Basin is held by Adani Mining Pty Ltd. In fact, under the changes to the Mineral Resource Act 1998, enacted in 2012, all exploration leases and mine development leases are a "mining leases" per se'.

In conclusion, should this bill be enacted into legislation, the state government will face a storm of opposition, both from the general public, and more particularly in the courts from companies damaged by this bill. Queenslanders want to protect the future prosperity of themselves, their children, and the state in which they live. Queensland companies want to enjoy the rights and protections of the current mineral tenement administration framework, and move forward with certainty that the significant investments they have made are protected by a statutory environment that enables growth and opportunity for all.