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1 February 2019

Committee Secretary  
State Development, Natural Resources and  
Agricultural Industry Development Committee  
Parliament House  
George Street  
Brisbane, QLD 4000

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**RE: Inquiry into the Mineral Resources (Galilee Basin) Amendment Bill 2018**

The proposed Mineral Resources (Galilee Basin) Amendment Bill 2018 would prohibit thermal coal mining in the Galilee Basin. We do not support passage of this Bill for the reasons discussed below.

The global demand for energy is growing. The outlook for thermal coal demand is strong and remains strong throughout the forecastable future, especially amongst our trading partners in Asia.

Queensland will harm its reputation as a good destination for foreign investment and the Bill would have a significantly negative impact on the State's economy and community.

This Bill disregards respect and consideration of the needs of many millions of people seeking access to reliable and affordable electricity. It is difficult to separate science and politics and the Bill serves ideological considerations rather than sound long-term policy.

### **Thermal Coal Demand**

Strong electricity demand is driven by many factors as populations and national economies develop in line with urbanisation and industrialisation. Many studies show the benefits to the environment when people have access to higher standards of living. If legislators in Queensland were to visit India and other countries in south Asia, and the ASEAN countries also, the evidence is plainly visible.

The world energy outlook in reports by organisations such as IEA are providing ongoing evidence that coal will remain the single largest source of electricity through to 2040 and beyond. It is beyond dispute that the foundations of prosperity rest on affordable energy. Advancing technologies such as the use of higher efficiency lower emission coal-fired power stations are driving environmental improvements.

The recent COAG endorsed National Hydrogen Roadmap recognises the opportunity in converting coal into hydrogen. A zero-emission hydrogen solution is possible when combined with carbon capture and return technologies. Queensland should look ahead at the innovations in energy creation rather than trying to change the world through the application of unequal blanket bans on some fossil fuels.

It is inevitable that the poorest people in the world bear the burdens of this push by some people in wealthy nations to prescribe outcomes ("zero coal") without regard to the humanistic consequences.

### **Galilee Basin**

Coal resources in the Galilee Basin underpin long-term prosperity in Queensland. Last year over 80% of the State's total merchandise exports were from the resources sector. This wealth can continue if the Galilee Basin is developed to supplement and eventually replace other resources regions. A direct and immediate concern is Queensland having the highest unemployment rate in Australia. Coal jobs provided \$6 billion in wages to Australian workers in regional areas.

This Bill ignores the contributions that the Galilee Basin could deliver to our community wealth and well-being. The shareholders of the GVK Hancock Coal companies, comprising majority shareholder GVK from India, and Hancock Prospecting in Australia, have thus far committed more than \$2 Billion to the development of our high-quality thermal coal assets in the Galilee Basin in Central Queensland.

### **Confusion and Concern**

Our stakeholders have worked for over ten years in the development of our coal assets. Major projects have long and expensive lead times. It is confusing when governments are changing priorities, and it is concerning when such changes add time, cost and uncertainty to major capital investments.

Australian mining activities are undertaken in ways that minimise impacts to the environment. The current policy and regulatory frameworks are robust and projects are rigorously evaluated at both State and Commonwealth levels. The efforts of the government should be focused on sustainable development, not introducing measures that erode this framework and destroy investor confidence.

The Explanatory Notes promote false narratives. It is not true to say there are no alternatives to protecting the environment. The problem is not “dangerous global warming” but promotion of legislative proposals which impose poorly considered policy. The notes also say there are no significant cost impacts from the Bill. This is false; we would incur significant losses from our investments.

### **Summary**

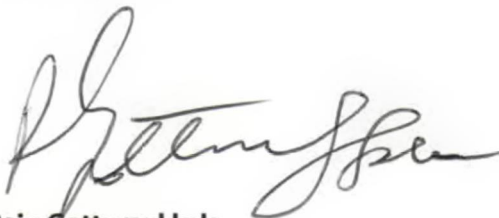
The government has said Queensland is open for business. This decades-long message has brought a significant amount of investment to the State and the economic benefits are shared by everyone. We are dismayed at the thought that democratic principles could be trampled for convenience.

Australia promotes policies at both State and Commonwealth levels to support and facilitate growth and stability in resources sector, and coal is often our highest export earner. Australia is a trading nation and its geopolitical interests are inextricably tied to serving the global commodities markets. The best way to accommodate social expenditures and service significant debts is to increase exports.

The underpinning factors driving global energy demands are always strong. The economic benefits are enormous and Australia acting wisely is positioned to be one of the major economies of the century, and so the coal assets in the Galilee Basin are uniquely positioned to respond to those needs.

The government must ensure legislative changes help, not hinder, the resources sector. This is entirely consistent with the national interest. The Galilee Basin Amendment Bill has the opposite effect.

Yours sincerely,



**Raju Gottumukkala**  
Executive Director