

Productivity Commission  
Resources Sector Regulation Study  
LB2, Collins Street East  
Melbourne Vic 8003

15 November 2019

Dear Sir/Madam,

Thank you for the opportunity to provide a submission to the Productivity Commission's inquiry into Resources Sector Regulation.

With our joint venture partners, Anglo American owns and operates five metallurgical coal mines and associated infrastructure in central Queensland and has other equity and exploration interests in Australia. We currently have a number of expansion projects in execution or under study across our metallurgical coal portfolio, cumulatively representing hundreds of millions of dollars in potential investment into our Australian business between 2019 – 2022. This year, the Anglo American Board approved the Aquila Project, which is a US\$226 million project (Anglo American 70% share), extending the life of the Capcoal metallurgical coal underground operations for another six years.

Anglo American has contributed to the development of the Minerals Council of Australia and the Queensland Resources Council submissions and we support the comprehensive recommendations contained within these submissions.

The focus of our submission (attached) is the development of more efficient and effective regulatory approvals processes over the life cycle of mining, from exploration through to closure. Although it may be simple to calculate the economic impacts of major project delays, it is more difficult to identify opportunity cost as a result of the timing of project approvals being misaligned with the commodity cycle investment window. It may even seem counter-intuitive that when there is an uplift in the number of project studies underway at a high point in the cycle, Australian governments must work even harder to convert these approvals to investment decisions to see the economic benefits of these projects materialise.

The productivity of our sector has materially improved over the past few years and at Anglo American we will continue to focus on achieving benchmark production at each of our operations (refer Anglo American investor presentation 12 November 2019 [here](#) for details about our productivity and growth plans). Our detailed responses to the information requests set out in the Discussion Paper are in support of measures to improve the productivity of our sector through the development of a world-class and sustainable approvals framework in

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Australia, and to attract investment in mines and communities for the benefit of regional, state and national economies.

We look forward to further participating in this inquiry, and would be happy to elaborate on any of the areas we have raised. Our point of contact for the inquiry is our Head of Corporate Relations, Victoria Somlyay

Yours sincerely

**Tyler Mitchelson**  
Chief Executive Officer

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