

Peabody Energy Chairman And CEO Calls For Australian National Commission On Resource Sector Competitiveness

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MELBOURNE, Australia, Oct. 25, 2012 [/PRNewswire/](#) -- Peabody Energy Chairman and CEO Gregory H. Boyce today called for the establishment of a National Commission on Minerals Sector Export Competitiveness to ensure Australia's resource sector policies serve the long-term national interest.

During a presentation to business leaders, public officials and media at the Melbourne Mining Club, Boyce said Australia's federal and state governments need to take a holistic approach to promoting the resource sector's competitiveness and ensuring Australia is positioned to take full advantage of opportunities presented by the Asia-Pacific region's large-scale urbanization in the decades ahead.

"Recent news of cutbacks and project cancellations across Australia's mining sector can't be attributed solely to the global macroeconomic backdrop or current pricing," said Boyce. "The fact is that inflationary pressures, a strengthening Australian dollar, permitting delays and a barrage of additional tax burdens at both a federal and state level have compromised Australia's international competitiveness."

Boyce said a National Commission, comprised of representatives from federal and state government as well as the private sector, should work together to formulate a 30-year strategy to promote Australia's resource sector competitiveness.

"In the coal sector, we undertake 'life of mine' planning – and we in Australia also need to adopt the same long-term approach to protecting the sustainability of the mining sector," said Boyce. "Federal and state governments have assumed that plugging budget holes by placing additional tax burdens on the resource sector would not affect its competitiveness, but a steady stream of news on industry cutbacks has shown clearly that this is not the case."

"Extreme policies threaten to undermine Australia's role as a global resources leader," said Boyce. "One of the immediate goals of a National Commission should be to re-evaluate the Carbon Tax, MRRT and State Royalties and assess their collective impact on the sector."

Boyce said that with emerging competitors entering the global coal sector, Australia would face a steep opportunity cost for failing to stay competitive.

"Five years ago countries like Mozambique weren't part of the global coking coal conversation. Today, Mozambique, Mongolia and Indonesia are seeing opportunity and creating threats to what should be Australia's natural advantage," said Boyce. "Despite current market headwinds, the long-term fundamentals for coal remain strong and Australia has both the national endowment and the geographical advantage needed to serve Asia's high-growth demand centers – so long as we don't ignore the global laws of economic returns."

Boyce noted that he first worked in Australia more than two decades ago and had seen firsthand the Australian coal sector's extraordinary growth story. Since Boyce joined Peabody in 2003, the company has been one of the fastest growing coal companies in Australia with major coal acquisitions in 2004, 2006 and 2011 and multiple mine expansions.

"We are committed to Australia and its success," said Boyce. "It is now up to Australia's leaders to take the action necessary to ensure that Australia's coal sector retains its position as a global leader and continues to fuel the nation's economy for decades to come."

Peabody Energy is the world's largest private-sector coal company and a global leader in sustainable mining and clean coal solutions. The company serves metallurgical and thermal coal customers in more than 25 countries on six continents. For further information, go to [PeabodyEnergy.com](#) and [CoalCanDoThat.com](#).

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