

Exclusive World North America Trade

Joe Hockey goes in to bat for US investors in Trump trade dispute with Australia



Michael Koziol

March 26, 2025 – 11.45am

Washington: A coal mining company and its disgruntled US investors have hired former ambassador turned lobbyist Joe Hockey to help them pursue millions of dollars in compensation from Australia in a high-profile case that has become a key point of contention in trade negotiations with the Trump administration.

The claim stems from the [cancellation in 2014 of a mining exploration licence](#) in the NSW Hunter Valley held by NuCoal Resources following the Independent Commission Against Corruption's investigation into disgraced former Labor minister Ian Macdonald.



Joe Hockey was the Australian ambassador to the United States before launching advisory and advocacy group Bondi Partners. PETER RAE

For a decade, NuCoal and its investors have sought compensation, with the Americans arguing the failure to compensate puts Australia in breach of its free trade agreement with the United States.

This masthead can reveal that NuCoal chairman Gordon Galt and shareholders will travel to Washington next week to personally lobby the Trump administration, having retained the services of Hockey's advisory and advocacy outfit, Bondi Partners.

Frank Pfeffer, a now-retired investor who was instrumental in co-ordinating the US backers of NuCoal, said he would also attend the meetings. "He [Hockey] is involved as far as I can tell. We're hoping that his contacts will help," Pfeffer said.

Galt said Hockey had made "very good suggestions", as had other former politicians. Hockey declined to comment.



Donald Trump and Joe Hockey on the golf course in Virginia in 2018.

Hockey was Australia's ambassador to the US from 2016 to 2020 and established Bondi Partners after his stint at the embassy, leveraging relationships in both countries to "elevate trade and investment". The firm has a presence in six cities, and its senior advisers include former Australian defence minister Marise Payne, former West Australian premier Mark McGowan, former Trump chief-of-staff Mick Mulvaney and former Democratic senator Joe Manchin.

The Australian Financial Review reported on Tuesday that US trade representative Jamieson Greer raised the issue of compensating the US investors in NuCoal during a meeting with Australian Trade Minister Don Farrell last weekend.

The issue is also one of several grievances with Australia that are consistently listed in the trade representative's annual report on foreign trade barriers.

Those involved in the push argue that Australia would benefit in trade negotiations if it agreed to compensate the investors, giving Trump an easy win and showing the Australian government was prepared to compromise.



Former minerals minister Ian Macdonald arrives at the NSW Supreme Court in 2020. RENEE NOWYTARGER

They also argue NuCoal’s investors, including thousands of American “mum and dads”, did nothing wrong and deserve compensation as they were collateral damage from Macdonald’s earlier corrupt actions.

Farrell declined to comment. However, the federal and NSW governments believe Australia has complied with its obligations under the free trade agreement.

NSW Premier Chris Minns has suggested the total compensation bill could be more than \$500 million. “I don’t know where I would get half a billion dollars; it would have to come from schools and hospitals,” he told 2GB radio in March last year.

Asked about the matter last week, the NSW government reiterated it would not establish any compensation scheme for people claiming to have suffered losses as a result of the O’Farrell government’s 2014 decision.

“The former NSW Coalition government legislated against compensation and did not change position during its 12 years in office,” a NSW government spokesperson said.

“Under the former federal Coalition government, it was determined that American investors in NuCoal did not have a right to bring an investment arbitration claim against Australia under [the] Australia-US Free Trade Agreement.”

The mining licence corruptly granted by Macdonald in 2008 was not issued to NuCoal but to Doyles Creek Mining Pty Ltd, a company then bought by NuCoal.

In 2013, the ICAC said NuCoal acquired the company with knowledge of the public controversy surrounding the licence and that investors in NuCoal “must have acquired their shares in that company with an awareness of those risks”.



Doyles Creek, the site covered by the cancelled exploration licence.

But in 2019, an inquiry by the NSW Legislative Council’s standing committee on law and justice said that while NuCoal’s directors were aware, or should have been aware, of the controversy, “some of the shareholders [who] participated in the public listing, or subsequently acquired shares, are innocent parties”.

In addition to much larger losses by institutional investors, Pfeffer said he and about 30 individuals lost more than \$US10 million when the licence was cancelled.

“That put me in a very difficult spot,” he said from his home in Hilton Head Island, South Carolina. “I was very confident of this particular investment. I knew the board members; I knew the managing director. I’d been to Australia. As far as mining goes, I thought it was a slam dunk, as they say here in the States.”

Pfeffer said his previous attempts to convince Canberra to intervene in the matter were rebuffed. “They said: sorry, the states are very independent and have their own rules,” Pfeffer said.

“We were just stunned by that. The US Trade Representative was stunned by that because they were led to believe by their counterparts in Washington that we’re great allies, and we have the same rule of law.”

Galt said the Trump administration remembered the issue from its first term when the matter was raised with then-ambassador Hockey and Robert Lighthizer, then the US trade representative. “This is something that the US Trade Department has never forgotten,” Galt told this masthead. “They’re not going to let [the Australian government] ignore it again.”

The meetings in Washington will take place at the same time as Trump is due to announce reciprocal tariffs on countries he accuses of “ripping off the United States” on trade.

Trump has recently given mixed signals about what will occur on April 2. “Not all tariffs are included that day,” he said. “We may take less than what they’re charging because they’ve charged us so much, I don’t think they could take it. They’ve charged us so much that I’m embarrassed to charge them what they’ve charged us. But it will be substantial.”

Numerous concerns have been raised about Australia, including the goods and services tax, [a ban on fresh US beef imports](#), local content rules and [the Pharmaceutical Benefits Scheme](#), as well as the NuCoal matter.

Get a note directly from our foreign correspondents on what’s making headlines around the world. [Sign up for the weekly What in the World newsletter here.](#)



Michael Koziol is the North America correspondent for The Age and Sydney Morning Herald. He is a former Sydney editor, Sun-Herald deputy editor and a federal political reporter in Canberra. Connect via [Twitter](#).
