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‘Right this wrong’: US NuCoal investors press Albanese ahead of Trump summit

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Anthony Albanese faces calls to use his trip to Washington and meeting with Donald Trump to compensate US investors in mining company NuCoal Resources for the 2014 expropriation of a coal exploration licence or risk undermining co-operation between both nations on critical minerals.

Nick Farr-Jones, director of Taurus Funds Management, which represents US shareholders in NuCoal, told The Australian the Prime Minister “needed to right this wrong” if the Australian government were to have “any credibility” when it came to mineral rights.

He said the 2014 expropriation of the licence without due process represented a breach of the US-Australia Free-Trade Agreement and rectification of the matter rested with the federal government.

US investors are seeking $300-$500m in compensation, with Mr Farr-Jones challenging Mr Albanese to convey to the US President that the states rather than the commonwealth were responsible for control of mineral resources.

“For Australia to represent that we are an investment landscape that the US can comfortably invest in – particularly on critical minerals – they have to deal with the NuCoal precedent that the Australian states under the Constitution can confiscate mineral assets without compensation,” he said.

"I think it's a critical issue because the Constitution is clear that states control mineral rights and the NuCoal issue – including having taken the case to the High Court – confirmed that states can confiscate mineral assets without honouring due process.

"I am well aware that DFAT (the Department of Foreign Affairs and Trade), the Australian embassy in Washington and the federal Trade Minister are well aware of the issue and how seriously the US Trade Representative views the issue."

The Prime Minister is hoping to use his Washington trip to tap greater US investment for Australia's vast critical minerals and rare earths deposits, with Australia hoping to benefit from Washington's bid to diversify supply away from Beijing.

Mr Farr-Jones said the failure by Australia to compensate US investors in NuCoal Resources was a major issue for the Trump administration and an obstacle to maximising co-operation on critical minerals.

The matter has been a running sore in the relationship for a decade, with the coal exploration licence in NSW's Hunter Valley cancelled without proof or any accusation of wrongdoing by special legislation – the Mining Amendment Act – passed by the NSW parliament in January 2014.

This step was taken because the licence had originally been issued to another company by Ian Macdonald, a corrupt former minister for mineral resources who is now in prison. NuCoal had no involvement with Macdonald, only buying the original licence holder after first commissioning due diligence from corporate lawyers who reported it had been granted in a regular manner.

"NuCoal shareholders, which included 30 per cent of US domiciled parties, have never been accused of any wrongdoing in this matter," Mr Farr-Jones said. "It's time for restitution of their interests that were expropriated."

In the 2025 National Trade Estimate Report on Foreign Trade Barriers produced by the US Trade Representative, the NuCoal Resources issue is listed as the singular investment barrier in the US relationship with Australia.

The same issue has been raised several times by the USTR and The Australian understands both US Vice-President JD Vance and US Trade Representative Jamieson

Greer are briefed on the matter.

Former Labor MP for Hunter Joel Fitzgibbon has been fighting for years for justice for local shareholders. He told The Australian that "justice for US shareholders now seems to be the most likely path to relief for our local people".

"The bonus is it would provide yet another boost for the Australia-US relationship. We should embrace the opportunity."

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