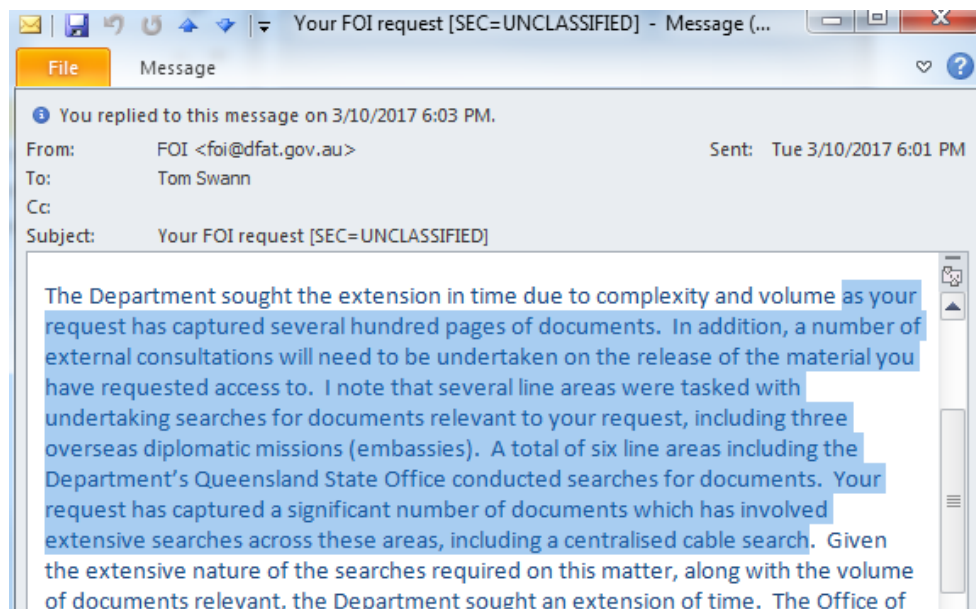


# Australian government becomes foreign finance broker for Adani?

***The Australian government appears to be actively soliciting financing from foreign governments and investors towards Adani’s coal mine and rail line, projects it plans to subsidise.***

The Department of Foreign Affairs and Trade has “several hundreds of pages” of cables and correspondence relating to Ministers and officials seeking foreign financing towards Adani’s coal projects in Queensland, a Freedom of Information request has revealed. (See Figure 1; full details are included below.)

**Figure 1 – Correspondence with DFAT**



Source: Correspondence with DFAT, full details of FOI request below

In September The Australia Institute lodged an FOI request seeking all DFAT correspondence and cables from 2017 relating to “formal representations” from Australian Ministers or officials requesting consideration of financial involvement in Adani’s projects from foreign financiers, including foreign government import-export banks, multi-lateral agencies or private investors.

The Department searched three embassies and six public service ‘line areas’, including the Department’s Queensland State Office, and found so many documents they needed an extension to process the request.

This substantial assistance from the Australian government appears to be in response to Adani’s requests for help. An earlier broader request also asked for documents relating to Adani’s requests for government help soliciting foreign financing. That request revealed so many documents the Department refused to process it.

Adani’s projects have struggled to find financing, with numerous Australian and international banks declining involvement.

Trade Minister Steve Ciobo met with Adani Group Chair Gautam Adani in India in August 2017 as part of a trade delegation.<sup>1</sup> Documents from this period are included in the scope of the FOI request.

While the FOI decision is due on 20 October, further extensions are likely, and documents are likely to be heavily redacted.

## **Adani and funders backed by government subsidies**

The government appears to be soliciting foreign funding for a project that stands to benefit from substantial subsidies. Any foreign investor would benefit from subsidised government loans which transfer cost and risk onto the Australian taxpayer. Foreign funders may get repaid before Australian taxpayers, and if the project collapses, may get repaid even if Australian taxpayers don’t.

Involvement from foreign import-export banks could be yet another subsidy, to support foreign suppliers. It would be surprising if the Australian government were promoting foreign over domestic suppliers.

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<sup>1</sup> ABC 4 Corners (2017) *Digging Into Adani* <http://www.abc.net.au/4corners/digging-into-adani/8997202>

Adani has applied for an Australian government subsidised loan of up to \$1 billion for Adani's rail line from the NAIF. The proposal is backed by current Minister for Northern Australia Barnaby Joyce and former Minister Matt Canavan.<sup>2</sup>

NAIF concessions can include later repayment, or lower priority repayment, taking risk out of the project for other investors.<sup>3</sup> The NAIF faces ongoing criticism over governance, secrecy and its failure to respond to political pressure, including over Adani.<sup>4</sup> It is unclear whether NAIF is involved in soliciting foreign funding.

Adani could also be eligible for financing from Efic, Australia's export credit agency. In September, Trade Minister Ciobo changed Efic's operating expectations, allowing it to again fund coal projects in Australia. Ciobo argued Australian banks were being bullied into not funding coal projects, justifying government support.<sup>5</sup>

Efic provides credit insurance and loans, again transferring risk onto the taxpayer.

There are other state and local subsidies. The Queensland government has offered a subsidised loan in the form of a secret deal on royalty deferment,<sup>6</sup> as well as an unlimited, unreviewable water license.<sup>7</sup> Local councils are subsidising Adani's airport.<sup>8</sup>

Any Australian government requests for foreign funding are presenting a proposal that backed by substantial government financial support.

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<sup>2</sup> Ludlow, Coorey (2017) *Barnaby Joyce backs federal loan for Adani mine*

<http://www.afr.com/news/politics/barnaby-joyce-backs-federal-loan-for-adani-mine-20161206-gt5mgh>

<sup>3</sup> NAIF (2017) *Presentation 29 August* slide 12 <https://naif-gov-au.industry.slicedtech.com.au/wp-content/uploads/2017/08/Queensland-Infrastructure-Conference-2017-NAIF.pdf>

<sup>4</sup> Productivity Commission (2017) *Trade & Assistance Review 2015-16*

<sup>5</sup> Benson (2017) *Overtured loans ban offers lifeline to coal exporters*

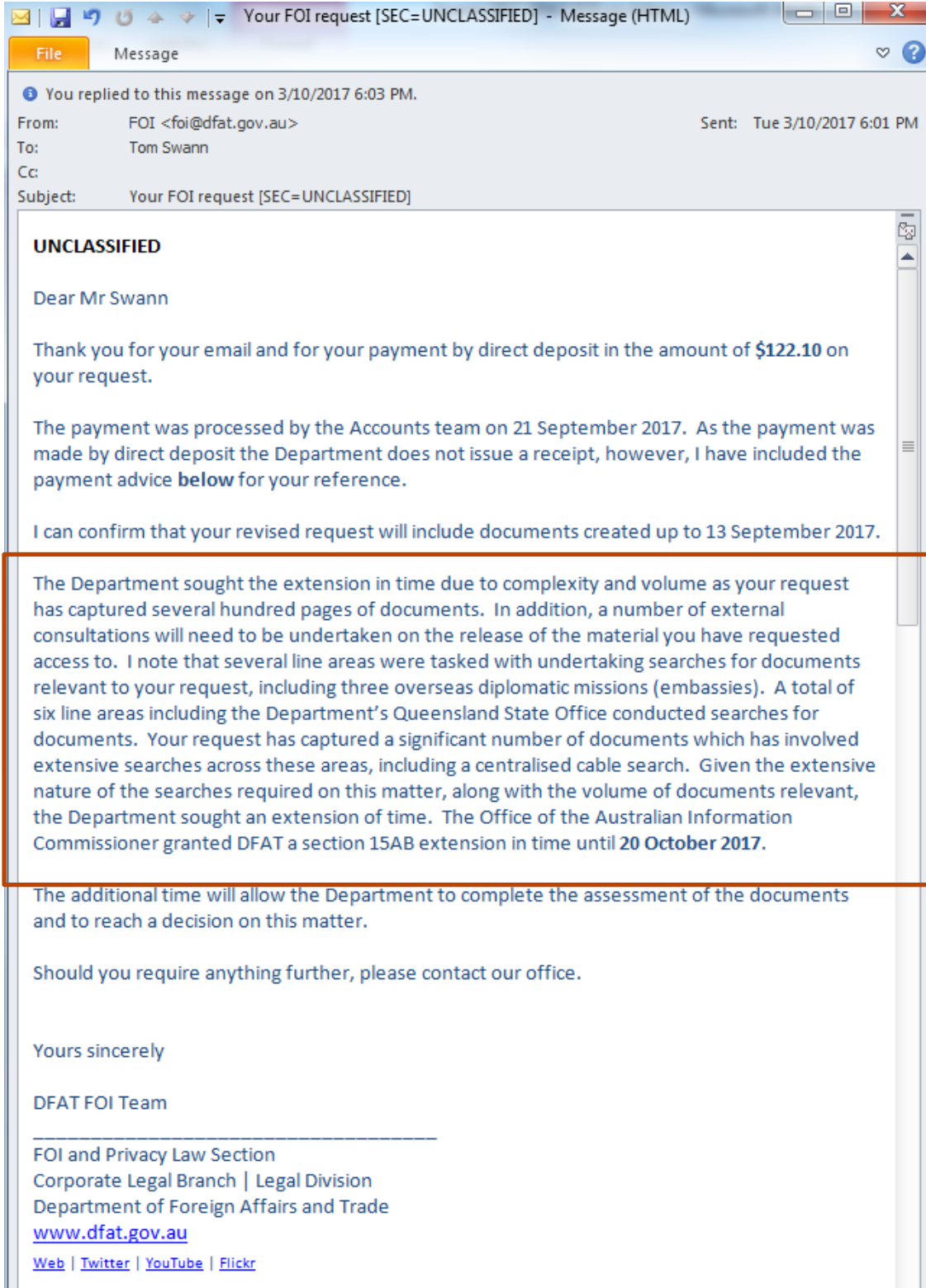
<http://www.theaustralian.com.au/business/mining-energy/overtured-loans-ban-offers-lifeline-to-coal-exporters/news-story/6e660cefdac26b6de3a624469455dd37>

<sup>6</sup> Swann (2017) *Palaszczuk's Promise* <http://www.tai.org.au/content/palaszczuk-breaks-promise-adani-subsidy-twice>

<sup>7</sup> Hannam (2017) *'Barbaric': Adani's giant coal mine granted unlimited water licence for 60 years* <http://www.smh.com.au/environment/barbaric-adanis-giant-coal-mine-granted-unlimited-water-licence-for-60-years-20170404-gvd41y.html>

<sup>8</sup> Chen (2017) *Adani: Carmichael mine FIFO workforce to come from Townsville, Rockhampton* <http://www.abc.net.au/news/2017-10-05/adani-carmichael-mine-fifo-workforce-townsville-rockhampton/9017610>

# Confirmation from DFAT - 10 Oct



The screenshot shows an email window titled "Your FOI request [SEC=UNCLASSIFIED] - Message (HTML)". The email header includes the sender "FOI <foi@dfat.gov.au>", the recipient "Tom Swann", and the date "Tue 3/10/2017 6:01 PM". The subject is "Your FOI request [SEC=UNCLASSIFIED]". The body of the email starts with "UNCLASSIFIED" and "Dear Mr Swann". It thanks the recipient for a payment of \$122.10 and confirms that the payment was processed on 21 September 2017. A key paragraph, highlighted with a red border, explains that the Department sought an extension of time due to the complexity and volume of the request, which involved extensive searches across various areas, including overseas diplomatic missions. This extension was granted until 20 October 2017. The email concludes by stating that the additional time will allow for a complete assessment of the documents and offers contact information for further inquiries.

You replied to this message on 3/10/2017 6:03 PM.

From: FOI <foi@dfat.gov.au> Sent: Tue 3/10/2017 6:01 PM  
To: Tom Swann  
Cc:  
Subject: Your FOI request [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Dear Mr Swann

Thank you for your email and for your payment by direct deposit in the amount of **\$122.10** on your request.

The payment was processed by the Accounts team on 21 September 2017. As the payment was made by direct deposit the Department does not issue a receipt, however, I have included the payment advice **below** for your reference.

I can confirm that your revised request will include documents created up to 13 September 2017.

The Department sought the extension in time due to complexity and volume as your request has captured several hundred pages of documents. In addition, a number of external consultations will need to be undertaken on the release of the material you have requested access to. I note that several line areas were tasked with undertaking searches for documents relevant to your request, including three overseas diplomatic missions (embassies). A total of six line areas including the Department's Queensland State Office conducted searches for documents. Your request has captured a significant number of documents which has involved extensive searches across these areas, including a centralised cable search. Given the extensive nature of the searches required on this matter, along with the volume of documents relevant, the Department sought an extension of time. The Office of the Australian Information Commissioner granted DFAT a section 15AB extension in time until **20 October 2017**.

The additional time will allow the Department to complete the assessment of the documents and to reach a decision on this matter.

Should you require anything further, please contact our office.

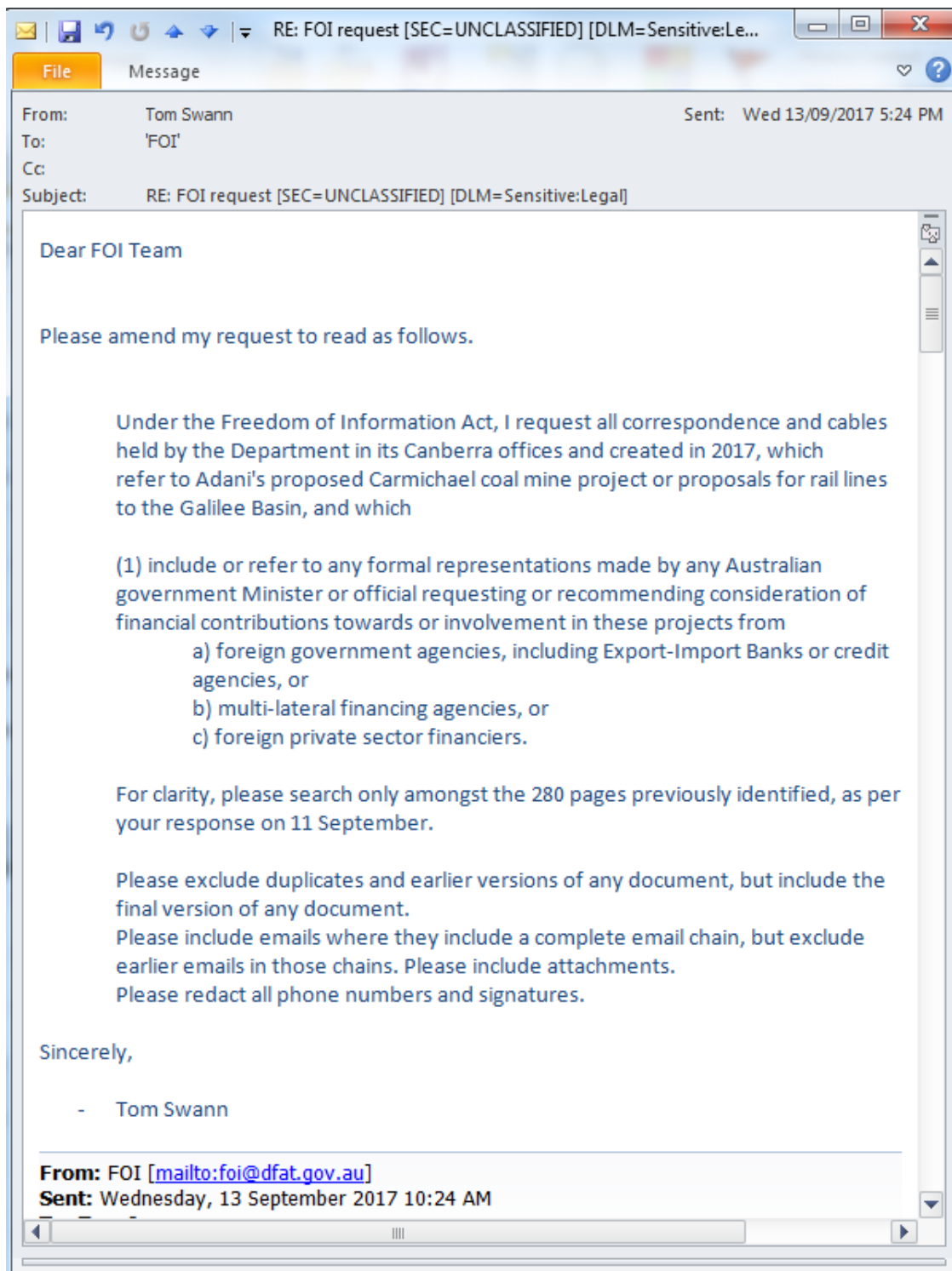
Yours sincerely

DFAT FOI Team

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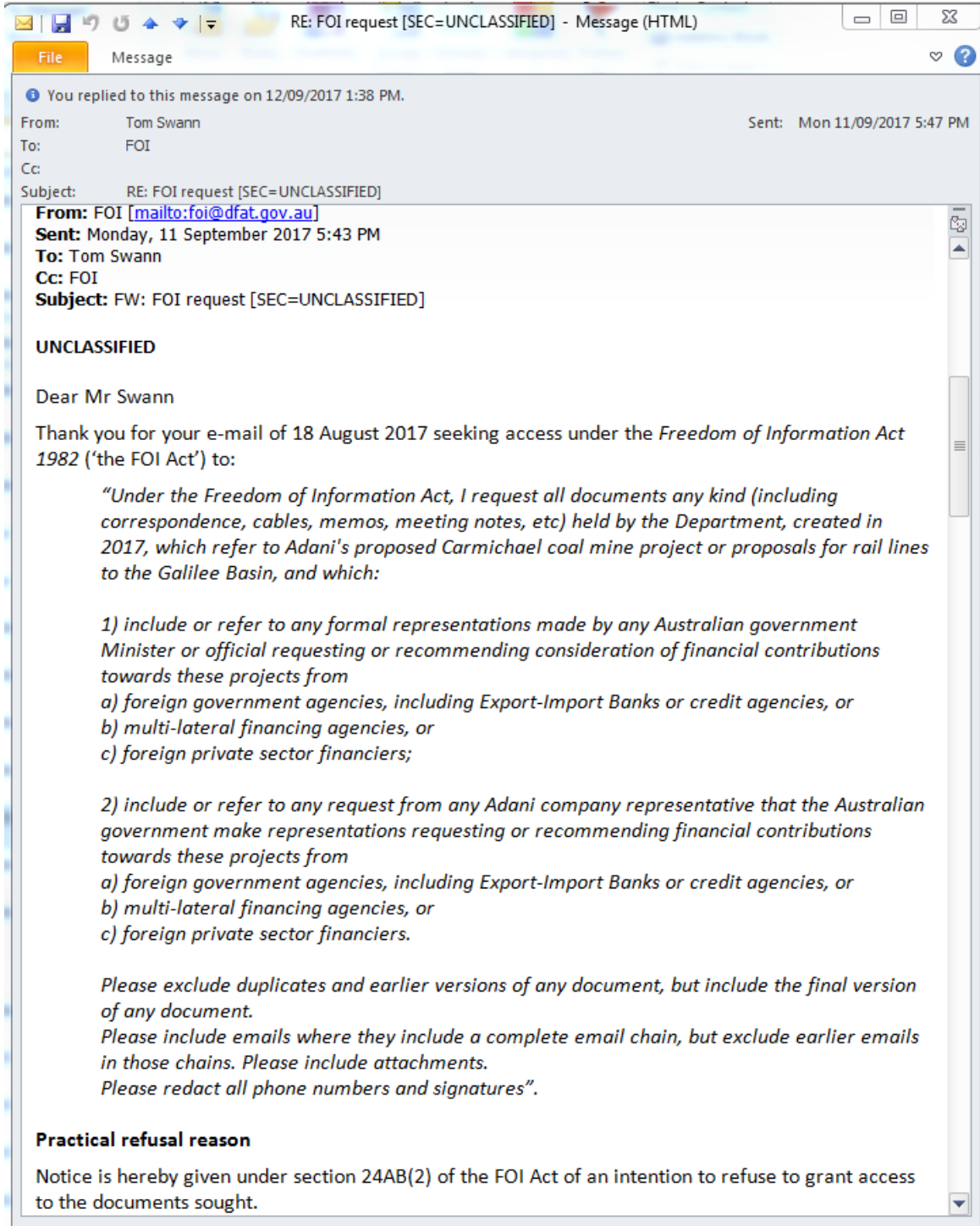
FOI and Privacy Law Section  
Corporate Legal Branch | Legal Division  
Department of Foreign Affairs and Trade  
[www.dfat.gov.au](http://www.dfat.gov.au)  
[Web](#) | [Twitter](#) | [YouTube](#) | [Flickr](#)

# Refined request - 13 Sept



Note DFAT later confirmed (10 Oct, see above) that it is searching outside of Canberra and for documents up to 13 September.

# Original request refused 11 Sept



RE: FOI request [SEC=UNCLASSIFIED] - Message (HTML)

File Message

You replied to this message on 12/09/2017 1:38 PM.

From: Tom Swann Sent: Mon 11/09/2017 5:47 PM  
To: FOI  
Cc:  
Subject: RE: FOI request [SEC=UNCLASSIFIED]

**From:** FOI [<mailto:foi@dfat.gov.au>]  
**Sent:** Monday, 11 September 2017 5:43 PM  
**To:** Tom Swann  
**Cc:** FOI  
**Subject:** FW: FOI request [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Dear Mr Swann

Thank you for your e-mail of 18 August 2017 seeking access under the *Freedom of Information Act 1982* ('the FOI Act') to:

*"Under the Freedom of Information Act, I request all documents any kind (including correspondence, cables, memos, meeting notes, etc) held by the Department, created in 2017, which refer to Adani's proposed Carmichael coal mine project or proposals for rail lines to the Galilee Basin, and which:*

- 1) include or refer to any formal representations made by any Australian government Minister or official requesting or recommending consideration of financial contributions towards these projects from
  - a) foreign government agencies, including Export-Import Banks or credit agencies, or*
  - b) multi-lateral financing agencies, or*
  - c) foreign private sector financiers;**
- 2) include or refer to any request from any Adani company representative that the Australian government make representations requesting or recommending financial contributions towards these projects from
  - a) foreign government agencies, including Export-Import Banks or credit agencies, or*
  - b) multi-lateral financing agencies, or*
  - c) foreign private sector financiers.**

*Please exclude duplicates and earlier versions of any document, but include the final version of any document.  
Please include emails where they include a complete email chain, but exclude earlier emails in those chains. Please include attachments.  
Please redact all phone numbers and signatures".*

**Practical refusal reason**

Notice is hereby given under section 24AB(2) of the FOI Act of an intention to refuse to grant access to the documents sought.