

1st February 2018

Ms Lyn Beverley  
Secretary  
Foreign Affairs, Defence and Trade Legislation Committee  
Parliament House  
Canberra ACT 2600

Dear Ms Beverley,

I would like to draw your attention to an article that appeared in the online publication of ABC News on 20 January 2018, titled "Adani: Finance agency talks suggest door not shut on taxpayer funding".

An initial version of the article made false claims about my testimony before the Senate Estimates committee hearing on 26 October 2017. It alleged that in my testimony I had contradicted Efic's separate confirmation of particular dealings it had with the Adani Group, which had been provided in an answer to a Question on Notice. This was incorrect.

After bringing the issue to the ABC's attention, they issued a corrected version of the article (attached).

I refer you to the following editor's note in the corrected article.

*Editor's note: An earlier version of this story stated that EFIC's confirmation of dealings with Adani contradicted managing director Swati Dave's statement to a federal Senate committee that it had no contact with miner. EFIC maintains Ms Dave was referring to specific discussions with Adani about the agency's ministerial mandate, or Statement of Expectations.*

I wanted to ensure that the committee was aware of the correction and editor's note prior to my next attendance at Senate Estimates.

Yours sincerely,

Swati Dave  
Managing Director and CEO

# ABC NEWS

## Adani: Finance agency talks suggest door not shut on taxpayer funding

By Josh Robertson

Updated Tue 23 Jan 2018, 8:43pm

**Trade Minister Steven Ciobo has quietly explored the option of taxpayer support for Adani's embattled coal project through Australia's export finance agency.**

The Export Finance and Investment Corporation (EFIC) has confirmed it held "exploratory" talks on Adani with the office of Mr Ciobo, who last year ordered the agency to resume financing local mining projects after banks shied away from the coal sector.

EFIC also confirmed it had repeated dealings with Adani.

However, the agency — in answers last month to questions on notice from a Senate Estimates Hearing — said it was "not currently considering funding any coal projects".

The prospect of a loan or a guarantee from EFIC would give Adani's controversial project an alternative path to taxpayer support, after the Queensland Government shot down its bid for a \$1 billion loan through the Northern Australia Infrastructure Facility.

EFIC's revelation of contact with Adani came after its managing director Swati Dave told the Senate committee on Foreign Affairs, Defence and Trade in October it had had no contact with the miner regarding the agency's new mandate.

An EFIC spokesman said Ms Dave's statement referred only to discussions about the mandate, not general contact with Adani.

Asked by Labor senator Alex Gallacher if EFIC had had "any informal discussions, approaches, cups of tea" with Adani regarding Mr Ciobo's new direction on Australian mining projects, Ms Dave said "No, we haven't".

Mr Ciobo, who changed EFIC's mandate to support local mine projects amid a flurry of Adani-related dealings, had declined since last May to say whether EFIC was looking at funding Adani.



PHOTO: The export finance agency has been contacted by Adani multiple times. (ABC News)

**RELATED STORY:** Adani's \$1b loan bid likely to fail before Palaszczuk intervention

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MAP: QLD





PHOTO: Mr Ciobo last year ordered EFIC to resume financing local mining projects after banks shied away from the coal sector. (AAP: Mick Tsikas)

In an answer on notice to Senator Gallacher on December 18, EFIC said it had been "contacted by Adani a number of times regarding their projects in Australia".

"Adani has provided information regarding its investment in the Abbot Point port, its expansion plans in Australia and associated contracts," EFIC said.

The agency had given documents to Adani but was unable to provide copies as they "contain confidential information regarding aspects of their projects".

EFIC confirmed it had spoken to Mr Ciobo's office regarding Adani's Australian projects, saying: "The nature of the discussions was exploratory."

A spokesman for Mr Ciobo declined to elaborate on the discussions.

An Adani spokeswoman also declined to comment on talks with EFIC.

## Changing the rules

Mr Ciobo changed EFIC rules on September 9 last year.

A day earlier he and Deputy Prime Minister Barnaby Joyce wrote to the Chinese Government in support of Adani.

Mr Ciobo had travelled to India and met with Adani chairman Gautam Adani as part of an Australia-India CEO Forum on August 30.

Mr Ciobo also received Department of Foreign Affairs and Trade briefings on Adani's coal project on August 9, 14 and 25 and September 13.

The minister told Sky News last October he changed EFIC's mandate because "we've seen the Australian banking sector shirk from what I think are some very legitimate operations here in Australia".

He was speaking in response to a question about the lack of local bank support for Adani's Carmichael mine.

Mr Ciobo has elsewhere justified the EFIC change by citing "the stepped-up campaigning of activist groups which is discouraging our major retail banks from financing otherwise-viable exporters in the coal sector".

Major Chinese banks have since ruled out financing Adani, which set a March deadline for financial close on the Carmichael project.

Anti-Adani activists are calling on the Queensland Labor Government to veto a rival NAIF loan bid by Aurizon for a Galilee Basin rail line, in line with an election promise to stop any taxpayer funding to enable Adani's mine.

Tom Swann, a researcher at the progressive think tank the Australia Institute, said the Productivity Commission had long opposed EFIC propping up local mines.

"Taxpayer funding shouldn't even be on the table — whether it's Adani's coal mine, Adani's rail line, or Aurizon's rail line to Adani's mine," he said.

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PHOTO: Major Chinese banks have ruled out funding Adani.