

27 July 2017

Submission to: The Senate Economic References Committee
Parliament House, P O Box 6100, Canberra, ACT 2600

The Northern Australia Infrastructure Facility
(with particular reference to the Adani project)

We wish to make a submission on four of the Terms of Reference on the Enquiry into the governance and operation of the NAIF, namely (a), (b), (c) and (g).

(a) the adequacy and transparency of the NAIF's governance framework, including its project assessment and approval processes

Our concern is with the project assessment and approval process in that I have not seen evidence for the cost/benefit analysis of the Adani project.

(1) The numbers of jobs that will be generated by the project (both short-term for the construction phase and long-term for the operation phase) have been exaggerated. Numbers as high as 10,000 jobs have been suggested and shown to be a factor of ten too high (and admitted to be so by the Adani team). I have not seen any analysis of the cost per job and how it compares with other possible projects being considered by the NAIF.

(2) The long-term economic viability of the mine is doubtful. The committee will be aware of analyses (notably by several commercial Banks) that show the returns to the Australian Government, including the States and Territories, in royalties and other taxes are very unlikely to repay the investment. Even given the difficulty of forecasting such returns at least a risk analysis should be publically available.

(b) the adequacy of the NAIF's . . . public interest test in guiding decisions . .

Our concern is with the public interest analysis with the Adani project.

(1) There are arguments in the media that Adani coal exports will benefit India by providing cheap and reliable electricity. . While we are in favour of Foreign Aid, exporting coal cannot possibly be considered as Aid. While the mine may or may not be in the public interest of India, it is certainly not in Australia's.

(2) The overwhelming weight of expert opinion is that burning coal contributes significantly to global warming. It is not in Australia's public interest to add to that by opening new coal mines.

(c) processes used to appoint NAIF Board members, including assessment of potential conflicts of interest

Several of the NAIF directors have close connections to the fossil fuel industry and/or to big mining companies. This clearly creates a conflict of interest.

(g) any other related matters

I am concerned about Aboriginal Land Rights title and the way in which the law has been changed to make the approval process for projects such as the Adani mines and rail line easier. I hope the Committee will be able to address the allegations raised by Anna Krien in the current edition of *Quarterly Essay*.