

# Queensland government still considering subsidising Adani

*The Queensland Government is still actively considering giving Adani up to \$100M of public funds for road upgrades – despite making election commitments to provide no funds to the project.*

## Summary

Adani's Carmichael mine requires an approximately 90km access road to be upgraded for the project to go ahead at a cost of up to \$100million. The mine is the only reason the road upgrade would occur and Adani has previously made commitments to undertake this work itself.

In relation to Adani's Carmichael project, Premier Palaszczuk has previously stated that:

- "We have said no state funding for Adani"<sup>1</sup>
- "We support the project but it needs to stack up financially, independently, it needs to stand on its own two feet"<sup>2</sup>

Media reports in November 2017 revealed that the Queensland government had made a secret deal to fund this road upgrade. At that time, Premier Palaszczuk reportedly refused to rule out the possibility of state funding.

In November 2017, Energy & Resource Insights (ERI) used right to information (RTI) laws to seek access to documents produced in 2017 relating to "potential state government funding of the Elgin-Moray Road and the Moray-Carmichael Road" from the Department of Transport and Main Roads (TMR).

The results of this RTI request reveal that:

- the Queensland government has engaged in a detailed consideration of the issues (over 1,400 pages of email correspondence in 2017)
- the government's Cabinet Budget Review Committee have made a decision on the matter,
- in April 2018, the Queensland government is still actively considering funding the \$60-100million road upgrade.

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<sup>1</sup> <http://www.afr.com/news/politics/palaszczuk-government-split-over-adanis-carmichael-mine-20171101-gzchxk>

<sup>2</sup> <http://www.abc.net.au/news/2017-11-09/public-opinion-poll-behind-adani-loan-backflip-curtis-pitt/9134584>

## Details

### The road & Adani's commitment

The Carmichael mine site is located approximately 90km by currently unsealed local roads off the Gregory Development Road.<sup>3</sup> In order for the mine to be constructed these roads need to be upgraded to a sealed, single lane carriageway. During the Carmichael mine project assessment process, Adani made a commitment to do this work.<sup>4</sup>

In his 2014 report, the Queensland Coordinator General provided recommended conditions for the approval of the project under the Transport Infrastructure Act 1994. These stated that *"The proponent must implement all necessary measures to mitigate adverse impacts on the safety, condition and efficiency of state-controlled and local roads for all stages of the project."* He also noted the Adani commitment to upgrade the road.<sup>5</sup>

### State subsidies

Despite these commitments by Adani, last November The Australian newspaper, citing a source close to the deal, reported that "the government had agreed to pay for the road upgrades, despite concerns with the Department of Treasury and that the funding was not to be recouped from Adani." Isaac Mayor Ann Baker was quoted stating that the cost of the road upgrade was between \$60 - 100 million.<sup>6</sup>

The existence of this secret deal was supported by the ABC who on the same day reported that Premier Anastacia Palaszczuk *"refuses to rule out Adani mine road upgrade funding."*<sup>7</sup> In contrast, roads minister Mark Bailey was quoted in the Daily Mercury that day insisting that Adani would not be given any public funds "in any shape or form".<sup>8</sup>

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<sup>3</sup> These local roads are currently the responsibility of Isaac Regional Council. The council have argued that should the Carmichael mine go ahead, the roads should be made state roads as the depreciation in their value is more than the council's budget can sustain plus any possible benefits of the mine would be state-level rather than local and therefore related infrastructure should not be their responsibility.

<sup>4</sup> Adani Committed to "[u]pgrade the existing Carmichael - Elgin Road to become a sealed, single lane carriageway so as to provide a trafficable road under most rain event conditions and minimise the risk of closure." See page 41, Project Commitments, Carmichael Coal Mine and Rail Project SEIS, April 2014 [Revised Project Commitments Register](#)

<sup>5</sup> [Coordinator-General's report on EIS](#)

<sup>6</sup> <https://www.theaustralian.com.au/national-affairs/queensland-election/queensland-election-alps-secret-500m-adani-sweeteners/news-story/55a3114348f6f84fa2ed69d2839788e3>

<sup>7</sup> <http://www.abc.net.au/news/2017-11-23/qld-election-palaszczuk-refuses-rule-out-adani-mine-road-funding/9183796>

<sup>8</sup> <https://www.dailymercury.com.au/news/roads-minister-promises-alp-wont-subsidise-adani/3272954/>

## The RTI request

Also last November, under Queensland freedom of information laws, ERI sought access from the Department of Transport and Main Roads to:

*"All documents related to potential state government funding of the upgrade of the Elgin-Moray Road and the Moray-Carmichael Road to a sealed road. This upgrade is required for the Carmichael Mine and Rail Project to proceed.  
Time period for request: 1 January 2017 - 15 November 2017."*

That request revealed that the Department had over 2,200 pages of relevant documents including over 650 pages of drawings and specifications and over 1,400 pages of email correspondence. Providing absolute proof that the Queensland government had, at the very least, considered in great detail providing state funding to the road upgrade.

Due to an over \$2,000 processing fee requested for this RTI, ERI refined the request to:

*"Documents in relation to the nature of the potential state government funding of the upgrade of the Elgin-Moray Road and the Moray-Carmichael Road. In particular, documents related to the following topics:*

- *the quantum of the potential funding,*
- *the source of the potential funding,*
- *the method by which the potential funding would be provided, and*
- *any terms or conditions associated with the potential funding.*

*Time period for request: 1 January 2017 - 15 November 2017."*

The department determined that it held 139 pages of documents within scope of the revised request.

Of these, 67 pages were related to Cabinet Budget Review Committee (CBRC)<sup>9</sup> processes namely:

- draft submissions to the CBRC and related correspondence and discussions,
- documents which "record the official discussions about the implementation of a CBRC decision."

**This provides confirmation that the CBRC have made a decision regarding the provision of state government funding of the upgrade of roads for Adani.**

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<sup>9</sup> The Queensland government defines the CBRC "a core Standing Committee that has a primary role of considering matters with financial or budgetary implications for the government."  
The committee consists of four Ministers, with the Premier and Treasurer as standing members the two other positions are filled on a (typically) annual rotational basis by other senior Ministers selected by the Premier.  
The committee typically considers matters that have a significant budgetary impact and initiatives and proposals that can't be funded by from existing appropriations.

Of the remaining 72 pages found to be within the scope of the RTI request, some parts of almost every page were redacted after the department considered their release was "contrary to the public interest" - despite them relating to public funding of a road for a private coal mine. The main cited reason favouring non-disclosure of the information by the department was that "this issue is still subject to significant deliberation and negotiation between several parties (namely the department, the Office of the Coordinator General, Isaac Regional Council and Adani Pty Ltd)".

This reveals that **in April 2018 the Queensland government was still actively considering funding the \$60-100million road upgrade.**

## Details from the RTI release

From the limited information contained in the released documents it's possible to glean that

- Significant discussions occurred related to the road between the Coordinator General and his deputy and various staff from TMR on the issue.
- An email from the assistant Coordinator General, Kerry Smeltzer, notes that an action point resulting from a meeting between her and TMR and Isaac Regional Council is "Discuss funding arrangements with QTRIP" [Queensland Transport and Roads Investment Program] (RTI pdf page 7)
- A separate email chain within TMR from February 2017, also heavily redacted, includes contributions from Cathy Currier the A/Director (Investment Funding) within Portfolio Investment & Programming in the department.
- Later emails from March 2017 involved correspondence with Co-ordinator General, Barry Broe, himself.
- Documents related to the CBRC were generated between March and July.
- Emails in July begin discussing the "Galilee Basin Access Road - Information on Likely Cost and Realistic Delivery Schedule" and include attachments with filenames such as "Preconstruction Schedule - v5.pdf".
- A draft email intended for the Director General of TMR, Neil Scales, dated 5th July 2017 from Deputy Director General Sally Noonan  
*"I have had a number of discussions with the Premier's and Treasurer's offices over the last 48 hours with regard to options for the Queensland Government to facilitate development to the Galilee Basin. Primarily, the discussions are about road access to the Adani Mining Carmichael Coal Project."*  
and how  
*"TMR has no funding or planning for upgrading the Moray - Carmichael Road or building road infrastructure to open up the Galilee Basin in its current Queensland Transport and Roads Investment Program."*
- Cabinet deliberation related documents appear to have been generated between July and September 4.
- An email of dot points possibly for a briefing paper dated 4 September includes the following:  
*TMR has no funding or planning for upgrading the Moray-Carmichael Road or*

*building road infrastructure to open up the Galilee Basin in its current Queensland Transport and Roads Investment Program. TMR also has no funding for ongoing maintenance for this road.*

- An email dated Tuesday, 19 September 2017 had as its subject:  
*Subject: FW: IRC Meeting with Director-General, Office of the Premier and Cabinet, Director-General DTMR & Coordinator-General Re: Designation of Access Road to the Proposed Carmichael Mine as a State Controlled Road*  
The email describes a meeting with Adani is due to occur on the 21st September 2017
- A document titled "Adani Projects - Actions progress table" from 19 September 2017 includes as a topic "Investigating options for funding / upgrading Carmichael - Moray Rd".
- On the 21st September TMR staff were discussing "Adani road estimates - Further Update".
- It is noteworthy that emails from both the Co-ordinator General, Barry Broe, and the Assistant Coordinator-General, Kerry Smeltzer, were identified as within the scope of the Right To Information request to TMR. Yet a separate, identical, request made to their department by ERI was knocked back on the basis that "there are no reasonable grounds to believe that the requested documents are in the possession or under the control of the department."