

HD **Big four banks under pressure to rule out funding Queensland coal projects**

WC 661 words

PD 25 November 2014

SN Cihan News Agency (CNA)

SC CINEWA

LA English

CY Copyright © 2014 Cihan News Agency. Provided by Syndigate.info, an Albawaba.com Company All Rights Reserved.

LP

Australia's largest banks are coming under pressure from environmental groups not to fund huge coal projects in central Queensland, amid accusations the government is encouraging financial institutions to back the new mines.

The Australian Conservation Foundation has called on the 'big four' banks - ANZ, Westpac, Commonwealth Bank and NAB - to rule out financial support for nine proposed mines in the coal-rich Galilee Basin region of Queensland.

TD

Financial backing for the mines, which will produce a combined 350m tonnes of coal a year at capacity, is inconsistent with the banks' international environmental obligations, ACF claims.

The big four banks are all signatories to the Equator Principles, a set of guidelines on environmental and social risk management adopted by financial institutions in 34 countries.

The Galilee Basin mines should not secure funding under these principles, ACF says, because they will result in severe local and global environmental damage.

The nine mines will emit at least 700m tonnes of greenhouse gases once operational and will degrade land, use a huge amount of water and risk damage to the Great Barrier Reef due to shipped exports, an ACF analysis claims.

"If all projects planned for the Galilee Basin go ahead, the pollution from burning the coal would be more than Australia's entire annual greenhouse gas pollution," said Victoria McKenzie-McHarg, a campaigner at ACF.

"If a bank can be a signatory to a 'gold standard' in environmental risk management and still fund these sort of projects, it calls into question the bank's environmental credentials - and the credibility of the Equator Principles."

Australian banks have been pressured to join international banks that have baulked at the opening up of the Galilee Basin. Citigroup, Goldman Sachs, Deutsche Bank and HSBC have ruled out financing the expansion of the Abbot Point port, which is part of a project run by Indian firm Adani that will see the creation of the enormous Carmichael mine.

Although the banks have distanced themselves from the project, the Queensland government has been keen to actively help the Galilee Basin mines go ahead, citing the creation of 28,000 jobs in the state.

The state government has already committed an unspecified amount of taxpayer money, thought to be in the hundreds of millions of dollars, to take a short-term stake in a 388km rail line that would freight coal extracted from Carmichael to the Abbot Point port.

According to a report in the Australian newspaper, officials within the federal government have made calls to the major banks to assure them that the expansion of Abbot Point will not pose a risk to the Great Barrier Reef.

Environmentalists have accused both state and federal governments of showing preferential treatment towards the big miners, claiming that banks are now under pressure to fund the new mines.

Felicity Wishart, the Great Barrier Reef campaign director for Australian Marine Conservation Society, said "It is extremely concerning that ports like Abbot Point, with so much risk and presenting so much potential damage, are being fast-tracked and given special treatment by our governments.

"Now there are reports the Australian [federal] government is leaning on Australian banks to invest in this development that is financially questionable and environmentally disastrous. This is unacceptable and must stop."

However, the **mining** industry has said that government interventions, such as the rail line assistance and the federal government's free trade deal with **China**, will greatly boost the Queensland economy.

Michael Roche, chief executive of the Queensland Resources Council, said the financial help for the Adani project is "a combination of hard-headed commercial investment and a visionary approach to securing long-term benefits for the state.

"The end game is the creation of tens of thousands of jobs and a new wave of economic activity when the state needs it most."

The Australian Bankers' Association, the representative body for the banking industry, was contacted for comment.

CO auscf : Australian Conservation Foundation
RE austr : Australia | queensl : Queensland | apacz : Asia Pacific | ausnz : Australia/Oceania
IPD Financial Services
PUB Cihan News Agency
AN Document CINEWA0020141125eabp001e7