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HD **Newman set to bankroll Galilee **coal** projects**

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THE opening-up of Australia's next **coal** frontier will begin within months, with the Newman government promising to help bankroll infrastructure for proposed mega-mines in central Queensland's untapped Galilee Basin.

Just a day after US President Barack Obama slapped down Australia for not doing enough to tackle climate change and protect the Great Barrier Reef, it emerged that the state government is offering to kickstart a massive expansion in **coal** exports to some of the world's biggest carbon emitters, which include India and **China**. An in-principle agreement will be announced today for Queensland to invest and take a **stake** in Indian giant Adani's \$2.2 **billion** railway line, running from its proposed \$16.5bn Carmichael mine in the Galilee Basin to the **coal** port of Abbot Point.

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The agreement, with the amount yet to be negotiated, is being touted as critical for Adani's Indian and US bankers to back the mine, with construction of the line now set to begin in the first quarter of next year.

It is understood that the state government will offer hundreds of **millions** of dollars to fund short-term **equity** stakes in rail, port, airport, water and electricity infrastructure servicing the basin's proposed coalmines.

At full production, it is estimated that there will be at least 100 **million** tonnes of **coal** from the Galilee Basin shipped out annually through the World Heritage-listed Great Barrier Reef.

Businessman and federal MP Clive Palmer, who labelled the Newman government "corrupt" after failing to secure favourable treatment for his mine project in the Galilee Basin, will also receive a written offer for infrastructure investment this week.

The move was flagged yesterday as Queensland Premier Campbell Newman responded to Mr Obama's comments about the reef, saying he hoped to inform US officials in the future about efforts to protect the reef in the face of a global campaign of "misinformation" from green groups.

"I am not about to criticise our guest," Mr Newman said at the G20, when asked about Mr Obama's address on Saturday at the University of Queensland.

"If the President is concerned about the reef, I can absolutely reassure him that we have a government that is really solid on reef protection, and there are many examples of that. One of the things I will be doing in the future is making sure US officials perhaps know more about what is actually going on because there has been a strong campaign of misinformation by green groups." The infrastructure investment, to be partly funded through the proposed privatisation of assets that will go to the vote at the looming state election, is intended to help placate bankers and investors concerned about low **coal** prices.

But the deal is conditional on the Indian giant giving "third-party access" to other miners for its rail line, given preferred proponent status by the state government in a bid to reduce the number of rail lines throughout the region.

Deputy Premier Jeff Seeney told The Australian that the investments would be short-term, with the government planning to sell its stakes in the “next five to 10 years”.

The state government will invest in the infrastructure — including a possible airport for fly-in, fly-out workers — on the condition it is available to other miners.

Mr Seeney said he expected the first agreement would trigger an announcement from the Bank of India to extend a \$1bn line of credit to Adani.

“The bankers want this sort of endorsement from the state government, and we want these projects to go ahead because of the estimated 27,000 jobs it will create and the money that will flow into the state,” he said.

“If everything goes to plan, Adani wants to start construction in the first quarter of the year and take advantage of the low-cost construction environment at the moment.” Adani Australia chief executive Jeyakumar Janakaraj confirmed that the agreement would help win over their investors.

“Adani is well-established in building its long-term future with Queensland, with several billion dollars in investments already made across the company’s integrated mine, rail and port project,” Mr Janakaraj said in a statement. “It gives confidence to investors who are considering their long-term plans in the basin that the state is committed to the best possible infrastructure being in place to support the further development of the Galilee, and the jobs and exports that will provide.” Adani’s founder and chairman, Gautam Adani, is believed to be in Australia for today’s announcement. It is estimated that Adani’s proposed standard-gauge rail line will take two years to build. It has already received state and federal environmental approval.

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