

AGENDA ITEM 4: Resources and Energy (Australia to lead)

s.22(1)(a)(ii) and s.33(a)(iii)

Sensitivities:

- UNESCO is considering whether to designate the Great Barrier Reef "in danger" [decision due 2015]. A number of parties have mounted legal challenges to prevent greenfield coal projects in the Galilee Basin from proceeding on environmental grounds. This has the

s.22(1)(a)(ii) and s.33(a)(iii)

CONFIDENTIAL

DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

s.22(1)(a)(ii) and s.33(a)(iii)

REDACTED

CONFIDENTIAL

s.22(1)(a)(ii) and s.33(a)(iii)

Adani: Carmichael Coal Mine and Rail Project

Adani Group's \$16.4 billion **Carmichael Coal Mine and Rail Project** consists of the Carmichael Coal Mine in the Galilee Basin, proposed expansion of ports at Abbot Point and Dudgeon Point and associated rail infrastructure. The project was approved by the Queensland government in May 2014 (subject to extensive set of environmental and social conditions). The Federal Minister for the Environment will make a final decision on the project on or before 1 August 2014.

The **Abbot Point Port** development was approved (with conditions) under the Commonwealth environmental act on 10 December 2013. Development of the port has been hampered by delays in finding a suitable site to dump dredged sand and mud. Media reports speculate that if dredging work at Abbot Point is not completed in 2015, Adani may consider scrapping the project.

The proposed \$12 billion development of **Dudgeon Point** appears to have stalled. An Environmental Impact Statement for the project was not submitted within the requisite time under Queensland legislation, reportedly because of weakening demand for coal.

The **Chairman** of Adani Group, Mr Gautam Adani, met the Prime Minister and Ministers for Industry, Trade and Foreign Affairs on 16 July 2014 to discuss Adani's investments in Australia, including the Carmichael Project and his concerns over environmental approvals and UNESCO.

~~CONFIDENTIAL~~
DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

CONFIDENTIAL*Abbot Point: UNESCO and World Heritage Committee Concerns*

In June 2014, UNESCO's World Heritage Committee (WHC) expressed concern over the Government's management of the Great Barrier Reef, including the decision to allow dredging work to occur at Abbot Point Port. The WHC has deferred its decision on whether to **list the Reef** as '**in danger**' until June 2015. An 'in danger' listing has the potential to negatively impact tourism and investment in the Reef area.

India is an influential member of the WHC. Widespread campaigning by civil society, including Greenpeace and the World Wildlife Fund has the potential to influence the views of WHC members as well as investors concerned with corporate social responsibility. Deutsche Bank and HSBC, for example, have stated they will not fund the Carmichael project without assurances that the development would not harm the Reef. Australia's 'Big 4' banks are now being targeted by a civil society campaign to dissuade them from financing the project.

Abbot Point: Legal Challenges

Minister Hunt's decision to approve the port expansion, as well as decisions by the Great Barrier Reef Marine Park Authority to permit sea dredging and dumping, are under legal challenge. Previously, legal challenges to environment act decisions have only been successful on administrative points.

GVK Hancock

GVK Hancock, a JV between India's GVK and Hancock Prospecting, is developing two 30Mtpa mines: **Alpha Coal** and **Kevin's Corner** in the Galilee Basin. These mines will be linked by a rail line from the mines to a port facility located at Abbot Point (approved 2012).

In March 2013, GVK Hancock and **Aurizon** (Australian listed infrastructure company) signed a non-binding termsheet to jointly progress the development of rail and port infrastructure associated with the Galilee projects. Mr GVK Reddy, founder, chairman and managing director of GVK, will travel to Australia late July for the signing of the GVK Hancock-Aurizon deal and is likely to seek ministerial-level meetings while here.

GVK Hancock: Legal Challenges at Projects

In April 2014, the Queensland Land Court handed down its non-binding decision to the Queensland State Government, recommending the Alpha Coal project either be rejected or approved subject to conditions regarding management of groundwater. While the Queensland Government and the land holders accepted the Court decision, the Coast and Country Association of Queensland, backed by Queensland's Environmental Defenders' Office, have filed a legal challenge in the Supreme Court, which is due to be heard in October 2014.

**Meeting with: Mr Piyush Goel, Minister of State
(Independent Charge) for Power, Coal and New & Renewable
Energy**

s.22(1)(a)(ii) and s.33(a)(iii)

Sensitivities:

UNESCO is considering whether to designate the Great Barrier Reef "in danger" [decision due 2015]. A number of parties have mounted legal challenges to prevent greenfield coal projects in the Galilee Basin from proceeding on environmental grounds. This has the potential to impact significant Indian investments in QLD.

s.22(1)(a)(ii) and s.33(a)(iii)

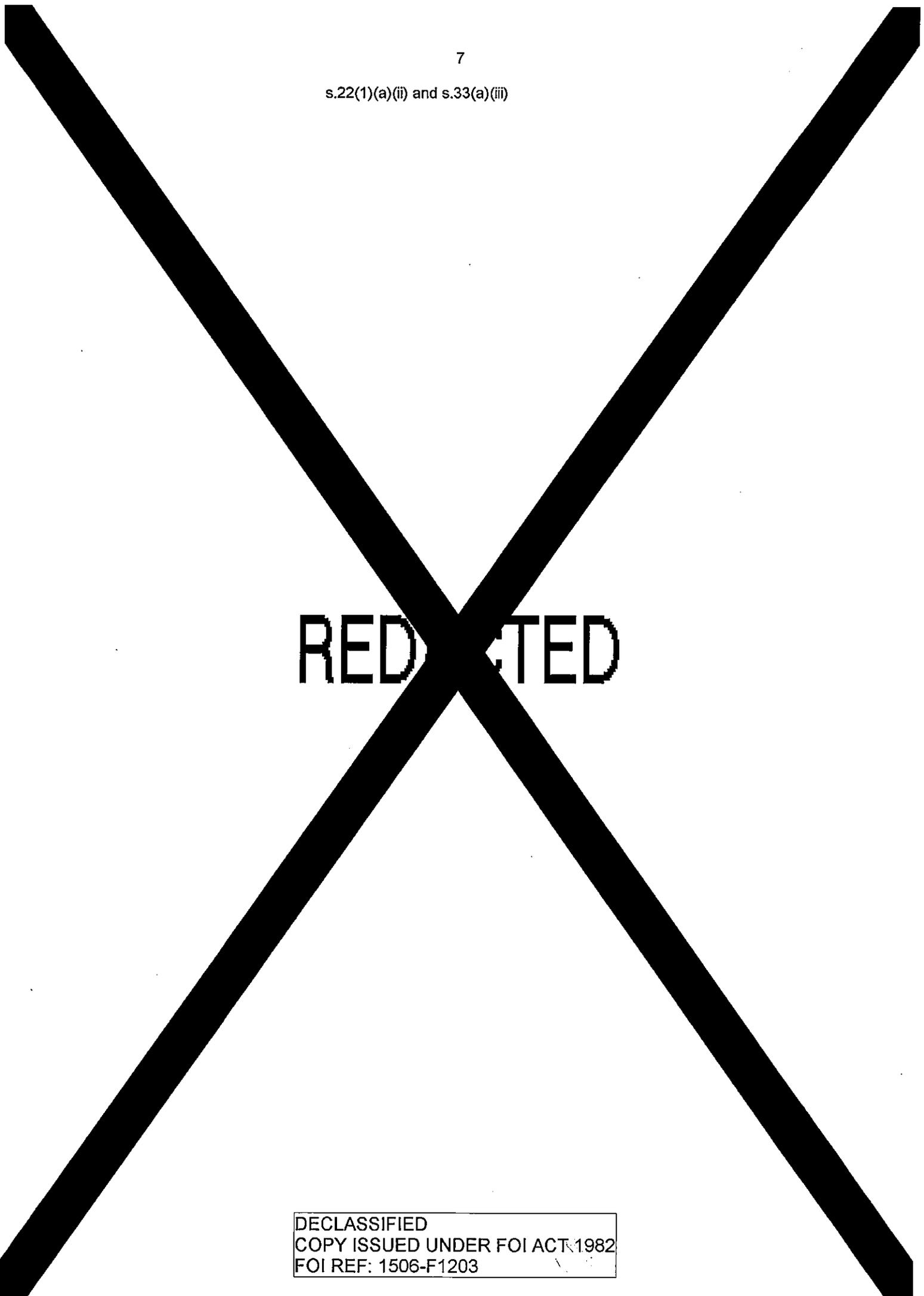
If raised: World Heritage Committee determination on the Reef

- . Our environmental approval framework is amongst the best in the world; we recognise the need to balance environmental protection with encouraging investment.
- . Australia is part way through a decade-long reform process to ensure the **long-term protection** of the **Great Barrier Reef**, investing \$180 million annually in reef's health.
- . Working closely with World Heritage stakeholders to demonstrate the extensive ongoing action being taken to address concerns.
- . Confident that with the support of like-minded World Heritage Committee member states, we will see a **positive response** to these efforts from technical bodies and the Committee.

Background

s.22(1)(a)(ii) and s.33(a)(iii)

s.22(1)(a)(ii) and s.33(a)(iii)



REDACTED

8
For-Official-Use-Only

Department of Foreign Affairs and Trade

Record of Conversation

File No: 14/9372#17

**Conversation
between:**

The Hon Julie Bishop MP, Minister for Foreign Affairs

and:

H. E. Parkash Javadekar, Minister of State for Environment,
Forest and Climate Change, India

on:

10 December 2014

at:

United Nations Climate Change Conference, Lima

Mr Peter Woolcott, Ambassador for the Environment
s.22(1)(a)(ii)

Others present:

s.22(1)(a)(ii)
Environment, India

Department of the

MAIN SUBJECTS:

CLIMATE CHANGE, TRADE, GREAT BARRIER REEF

s.22(1)(a)(ii) and s.33(a)(iii)

For-Official-Use-Only

s.22(1)(a)(ii)

DECLASSIFIED COPY ISSUED UNDER FOI ACT 1982 FOI REF: 1506-F1203

9
For-Official-Use-Only

s.22(1)(a)(ii) and s.33(a)(iii)

8. Ms Bishop said Australia was making great efforts to preserve the iconic nature of the Great Barrier Reef. Australia was in detailed discussion with the World Heritage Committee (WHC) on its consideration of an "in danger" listing of the reef, as well as Australian stakeholders in the preparation of a long term sustainability plan. We recognised the reef was under pressure, but we had a plan and Australia was investing considerable time, money and effort to preserve the reef. The WHC was being heavily lobbied to list the reef as "in danger" by anti-coal activists. India, of course, had major coal investments in Queensland and the campaign by civil society had significant implications for them. s.33(a)(iii) and s.33(b)
s.33(a)(iii) and s.33(b)

s.22(1)(a)(ii)

Distribution:

Action:

Report prepared by:

Report cleared by:

Date: 22 December 2014

For-Official-Use-Only

s.22(1)(a)(ii)

DECLASSIFIED COPY ISSUED UNDER FOI ACT 1982 FOI REF: 1506-F1203

Department of Foreign Affairs and Trade

Record of Conversation

File No: ND14/269#21

Conversation between: The Hon Andrew Robb AO, Minister for Trade and Investment

and: The Hon Narendra Modi, Prime Minister of India

on: 10 January 2015

at: Chief Minister's Office, Gujarat

India:
[Indian names]

Australia:
s.22(1)(a)(ii)

Others present: Mr Peter Varghese AO, Secretary, DFAT
Mr Patrick Suckling, Australian High Commissioner
Mr Mark Pierce, Australian Consul-General (note-taker)
s.22(1)(a)(ii)

MAIN SUBJECTS: **BILATERAL RELATIONS; COMPREHENSIVE
ECONOMIC COOPERATION AGREEMENT (CECA);
GREAT BARRIER REEF; INFRASTRUCTURE; SPORT**

On 10 January in Gandhinagar, Gujarat, the Minister of Trade and Investment and the s.22(1)(a)(ii) had an extended, joint discussion with Prime Minister Modi.
s.22(1)(a)(ii) and s.33(a)(iii)

s.22(1)(a)(ii)

PROTECTED

DECLASSIFIED COPY ISSUED UNDER FOI ACT 1982 FOI REF: 1506-F1203

s.22(1)(a)(ii) and s.33(a)(iii)

REDACTED

s.22(1)(a)(ii)

UNESCO: Great Barrier Reef

9. Mr Robb outlined the basis of Australian concerns about UNESCO's consideration of the Great Barrier Reef. A lot of opposition to the Australian position had arisen, driven largely by environmental groups. Australia spent \$250 million every year maintaining the integrity of the Reef. Australia wanted UNESCO's May decision to be based on technical assessments only. Mr Robb noted the link to the Adani investments in Queensland, in relation to expansion of the port and associated dredging operations. Having the Reef declared as a World Heritage site in danger would represent a "great loss" to Australia, including to the tourism industry. Australia had no interest in compromising the Reef in any way. s.33(a)(iii)
s.33(a)(iii)

s.33(b)

s.22(1)(a)(ii) and s.33(a)(iii)

Distribution:

s.22(1)(a)(ii)

Action:

Report prepared by: Mark Pierce, Consul-General, Mumbai

s.22(1)(a)(ii)

PROTECTED
DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

13
PROTECTED

Report cleared by: HOM

Date: 28 January 2015

PROTECTED

s.22(1)(a)(ii)

DECLASSIFIED COPY ISSUED UNDER FOI ACT 1982 FOI REF: 1506-F1203

PROTECTED**Department of Foreign Affairs and Trade****Record of Conversation****File No:** ND14/269#21**Conversation
between:**

The Hon Andrew Robb AO, Minister for Trade and Investment

and:Dr Mahesh Sharma, Minister of State (Independent Charge) for
Culture and Tourism and Minister of State for Civil Aviation
Mr Rohit Nandan, Chairman and Managing Director, Air India**on:**

12 January 2015

at:

Transport Bhawan, New Delhi

s.22(1)(a)(ii) Ministry of Tourism; s.22(1)(a)(ii)
s.22(1)(a)(ii) Ministry of Tourism; s.22(1)(a)(ii)
s.22(1)(a)(ii) Ministry of Tourism;
s.22(1)(a)(ii) Ministry of Tourism; s.22(1)(a)(ii)
s.22(1)(a)(ii) Ministry of Culture; s.22(1)(a)(ii)
s.22(1)(a)(ii) Ministry of Culture; s.22(1)(a)(ii)
s.22(1)(a)(ii) Ministry of Culture; The Hon Jamie Briggs, Assistant
Minister for Infrastructure and Regional Development; Bruce
Gosper; CEO, Australian Trade Commission; HE Patrick
Suckling, High Commissioner of Australia to India; s.22(1)(a)(ii)
s.22(1)(a)(ii)
s.22(1)(a)(ii)
s.22(1)(a)(ii) s.22(1)(a)(ii)
Australian High Commission; s.22(1)(a)(ii)
Australian High Commission (notetaker); s.22(1)(a)(ii)
Tourism Australia s.22(1)(a)(ii) Tourism
Australia s.22(1)(a)(ii) Sydney
Airport; s.22(1)(a)(ii)
Sydney Airport; s.22(1)(a)(ii)
s.22(1)(a)(ii) Sydney Airport

Others present:**MAIN SUBJECTS: TOURISM; CIVIL AVIATION; GREAT BARRIER REEF**

s.22(1)(a)(ii) and s.33(a)(iii)

PROTECTED

s.22(1)(a)(ii)

DECLASSIFIED COPY ISSUED UNDER FOI ACT 1982 FOI REF: 1506-F1203

s.22(1)(a)(ii) and s.33(a)(iii)

REDACTED

PROTECTED

s.22(1)(a)(ii) and s.33(a)(iii)

15. Mr Robb said the Great Barrier Reef was a very important and iconic tourist asset of Australia. Although Australia did not object to the inquiry by the World Heritage Committee of UNESCO, Australia wanted a conclusion based on technical merit, rather than one influenced by the agenda of well-resourced green lobby groups. The relevance for India was that Adani had made an investment to develop high-quality coal in Queensland, which required port facilities and dredging, whereby sand would be deposited on land. The resultant coal was sizeable – it could light up 100 million households for 100 years. From Australia's point of view, the poverty alleviation element, the provision of electricity, and the development of a high quality resource were all good for the Australia-India relationship, but were seen by some groups as an environmental issue given what they saw as a threat to the reef. Mr Robb said Australia had been working assiduously with UNESCO and had spent \$250 million a year to protect the Great Barrier Reef. The Reef was as healthy as it had ever been.

PROTECTED

s.22(1)(a)(ii)

DECLASSIFIED COPY ISSUED UNDER FOI ACT 1982 FOI REF: 1506-F1203

17
PROTECTED

s.22(1)(a)(ii)

Distribution:

Action: s.22(1)(a)(ii)

Report prepared by:

Report cleared by: BHOM

Date: 28 January 2015

s.22(1)(a)(ii)

PROTECTED
DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

18
CONFIDENTIAL

s.22(1)(a)(ii)

ND26003H

Title: India: Secretary's meeting with Foreign Secretary
MRN: ND26003H 23/01/2015 01:28:35 PM ZE5B
To: Canberra
Cc: RR : East Asia Summit, G20 Posts, Paris UNESCO, South Asia Posts,
Vienna UN
Ministers: Foreign Minister
From: New Delhi
From File:
EDRMS Files:
References:
Response: Routine, Information Only

CONFIDENTIAL

Summary

s.22(1)(a)(ii) and s.33(a)(iii)

Secretary Varghese, accompanied by A/FAS SWD (Hutchesson) and Post s.22(1)(a)(ii) met with Indian Foreign Secretary Sujatha Singh on 13 January in New Delhi.

s.22(1)(a)(ii) and s.33(a)(iii)

CONFIDENTIAL

DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

s.22(1)(a)(ii)

ND26003H

s.22(1)(a)(ii) and s.33(a)(iii)

10. The Secretary requested India's support for the Australian position that there was no basis for **listing the Great Barrier Reef as a World Heritage site in danger**. The NGOs behind the campaign had an agenda, and that was to stop coal mining. This posed a potential threat to the Adani Abbot Point project. Australia took reef management seriously. If Australia's AUD200 million per annum management plan was not enough to prevent the site from being listed this could have implications for UNESCO listings elsewhere around the world. s.33(a)(iii)
s.33(a)(iii)

CONFIDENTIAL

DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

s.22(1)(a)(ii)

ND26003H

s.33(b)

text ends

Sent by: s.22(1)(a)(ii)
Prepared by:
Approved by: Varghese
Topics: s.22(1)(a)(ii)

CONFIDENTIAL

DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

Secretary (East), Ministry of External Affairs – Anil Wadhwa

Australia supports the **draft decision on the Reef** released by the World Heritage Committee (the Committee)'s advisers on Friday 29 May

- it removes the threat of an 'in danger' listing; and
- it gives a reasonable amount of time – five years – to show that our Reef 2050 Long-term Sustainability Plan can work.

s.33(a)(iii) and s.22(1)(a)(ii)

s.33(a)(iii)

s.33(a)(iii) and s.22(1)(a)(ii)

CONFIDENTIAL SENSITIVE

India Bilateral: Great Barrier Reef

Key messages

- . We support the draft decision on the Reef released by the World Heritage Committee (the Committee)'s advisers on Friday 29 May
 - it removes the threat of an 'in danger' listing; and
 - it gives a reasonable amount of time – 5 years – to show that our Reef 2050 Long-term Sustainability Plan can work.

s.33(a)(iii)

Background

The UNESCO World Heritage Committee's technical advisers (the World Heritage Centre and the International Union for the Conservation of Nature, IUCN) released their draft decision on 29 May 2015. The draft recommended the Reef not be listed as 'in danger' and asked Australia to report back on the state of conservation of the Reef in 2020. We are also required to provide a progress update to the technical advisers in December 2016. Australia supports the draft decision (but is not currently a member of the Committee).

The Committee will decide whether to adopt the draft decision when it meets in Bonn (28 June – 8 July 2015).

s.33(b)

s.33(b) Minister Hunt visited New Delhi on 12 March and met with: the Minister of the Environment, Forests and Climate Change, Mr Prakash Javadekar; the Minister of Culture, Mr Mahesh Sharma; and Secretary (East), Ministry of External Affairs, Mr Anil Wadhwa [Deputy Secretary equivalent]. s.33(b)

CONFIDENTIAL SENSITIVE

s.33(b)

Minister Robb also discussed the issue with Prime Minister Modi and Culture Minister Sharma in January.

India has strong national interests at stake in the WHC's decision on the Great Barrier Reef. Some environmental activists have acknowledged their campaign is about climate change and curbing the use of fossil fuels. If the GBR is listed as 'in danger', it would add significant momentum to the global campaign against all fossil fuels, to India's detriment. An 'in danger' listing could threaten investment in the Reef region, by raising the cost of financing and increasing the 'reputational risk' of projects. This could directly impact on Indian investment (Adani's Carmichael coal mine; GVK's Alpha Coal and Kevin's Corner projects; rail and port expansions at Abbot Point). It could also hamper India's energy security by restricting access to coal and LNG from Queensland.

s.33(a)(iii)

Talking points post-release of the draft – India

s.33(a)(iii)

s.33(a)(iii)

- . The World Heritage Committee (the Committee)'s advisers released their draft decision on the Reef on Friday 29 May.
- . **We support the draft decision.**

s.22(1)(a)(ii) and s.33(a)(iii)

s.33(a)(iii)

s.22(1)(a)(ii) and s.33(a)(iii)

If raised: NGOs

Environmental NGOs have built a vocal and misleading campaign based on threats to the Reef and we expect some will push for an 'in danger' listing at Bonn, or for the Committee in 2016.

DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

26
CONFIDENTIAL

- . Some activists are using the Reef as part of a broader campaign against fossil fuels.
- . We consider an 'in danger' listing would be a negative outcome for the World Heritage Committee and the Convention
 - sending a strong signal that an 'in danger' listing could be made despite the most comprehensive efforts by State Parties to respond to the concerns of the Committee
 - : and set an unattainable threshold for other properties facing similar threats.
- . We would be happy to provide a response to any claims by NGOs, which might be of concern.

s.22(1)(a)(ii) and s.33(a)(iii)

Adani/Great Barrier Reef UNESCO World Heritage Listing

Handling note:

s.33(a)(iii)

Key Messages

s.33(a)(iii)

- . We have cooperated fully with the WHC and its technical advisers – the World Heritage Centre and the IUCN
 - we cannot see what benefit would be obtained by an ‘in-danger’ listing.
- . We have made major improvements on all the issues where the WHC had called for progress, including:
 - limits to dredging, alternative options for disposal of dredged sediment, and improvements in water quality
 - an announcement by Minister Hunt to bring into law a ban on capital dredge material being dumped in the Great Barrier Reef Marine Park [*at the World Parks Congress, 12 November*];
 - a Long-Term Sustainability Plan setting out the path ahead to 2050; and
 - limits to port development.
- . Australia’s policy approach to protecting the Reef should be judged on its technical merits - not the campaigns of environment groups
 - we consider that on any technical appraisal, the GBR does not warrant being listed as World Heritage ‘in danger’.
- . As a Vice-Chair, India will play a crucial role in ensuring the WHC meeting in Bonn (mid-2015) is chaired appropriately.
- . We are working closely with the members of the Committee to ensure they have the information they need [*India’s natural heritage advisor, Dr Vinod Mathur, travelled to the Great Barrier Reef in November and was briefed by Australian officials*].

s.33(a)(iii)

[CONFIDENTIAL]

DECLASSIFIED
COPY ISSUED UNDER FOI ACT 1982
FOI REF: 1506-F1203

Background

Adani Group's \$16.5 billion Carmichael Coal Mine and Rail Project is estimated to generate 2,475 construction jobs and a further 3,920 jobs during operation. The Carmichael Project was approved by the Queensland Government in May 2014. The Federal Minister for the Environment approved the project on 28 July 2014. When operational, Adani estimates that 35 per cent of the project production will be exported to India, with the balance exported to North East Asia. GVK, an Indian firm in partnership with Hancock Prospecting, also has advanced plans for a major coal mine in the Galilee Basin which would use the port at Abbot Point.

The Adani Group also has approvals to construct an additional coal terminal at Abbot Point, with accompanying rail infrastructure. The expanded port facilities will require dredging of the seabed within the World Heritage Area. In response to an NGO campaign to "Save the Reef" that focused on the proposal to dump dredge spoil in the Great Barrier Reef (GBR) Marine Park, the Queensland Government has submitted the 'Abbot Point Port and Wetlands Strategy', which proposes placing of dredge material onshore, rather than at sea. It was submitted to Minister Hunt for approval under the Environmental Protection and Biodiversity Act on 3 October. A decision is expected early this year (likely February).

Development of the port is constrained by a four month dredging window (March-June each year). Media reports speculate that if dredging work at Abbot Point is not completed in 2015, Adani may consider scrapping the project.

UNESCO World Heritage Committee (WHC) and the GBR

The Great Barrier Reef has been on the agenda of the 21-member WHC each year since 2011 over concerns that industrial development and management practices are negatively impacting the Reef's outstanding universal value. The WHC will consider inscribing the Reef on the List of World Heritage "in danger" at its next meeting (Bonn, Germany, 28 June – 8 July 2015).

NGO campaigning has the potential to influence the views of WHC members as well as investors concerned with corporate social responsibility. Deutsche Bank, HSBC, Morgan Stanley and others have been quoted as saying they will not fund the Carmichael project if it would harm the Reef s.47G(1)(b)

s.47G(1)(b)

s.47G(1)(b)

The State Bank of India has been accused of cronyism for its offer of a US\$1 billion line of credit for Adani's Carmichael mine – which its Governor has strongly denied.

The last decision of the WHC (Doha, June 2014) was unfavourable to Australia's interests. s.33(a)(iii)

s.33(a)(iii)