

Senate Standing Committee on Economics
Inquiry into the NAIF

Dear People,

We are writing to you with our concerns about the mandate, structure and operations of the NAIF. Our understanding is that this Fund was set up to encourage the development of Northern Australia in ways that support the economy with social and environmental outcomes that are in the public interest. It was understood that the proposed projects for this funding could include clean energy projects, sustainable tourism outcomes, all weather roads and communications infrastructures for more remote areas.

With the Federal government's assertion that it could fund a rail line for the beleaguered Adani coal mine project in the Galilee Basin, the set up and operations of the NAIF board has come into question. There appear to be significant conflicts of interest among some of the board members, which should make them ineligible to 'vote' or decide issues surrounding public funding of the Adani project. Commodity lawyers Justin Mannolini and Khory McCormack have worked in mining and energy areas, while Karla Way-McPhail has interests in two companies which stand to benefit from the possible Adani coal mining project, and Barry Coulter was head of an iron ore firm that collapsed due to failures in it's set up (not a good recommendation for deciding the economic viability of mining projects).

In any case, this board has very little experience in IT communications, renewables, or environmental concerns, which put into question their suitability in making decisions for a sustainable future of northern Australia. In addition, a major 'consultant' to their deliberations is the Export Finance and Insurance Corporation, which has a record of supporting fossil fuel projects over renewables at a rate of 100 to 1! Hardly an objective and balanced view of Australia's energy future.

There is also the problem of the NAIF's culture of secrecy and delay. They have repeatedly blocked FOI requests on unexamined grounds of 'confidentiality', and have demonstrated a lack of disclosure which goes against the public interest need for transparency.

The specific proposal for NAIF to provide close to \$1 billion in low interest loan to Adani for the construction of a railroad from their proposed Galilee Basin site to Abbot Point north of Bowen, QLD has brought on these major questions about the operation of the NAIF. This proposed railway funding goes against NAIF rules for the following reasons:

- it is a loan to a private company and does not benefit the public good in any way, as the railway is ONLY for coal exports (with the attendant environmental impact).
- it is suggested that without this PUBLIC funding the railroad, and the whole Adani project might not go ahead, as private sector financing rejected these plans
- the probity of the Adani application has not been publicly examined, as the corporate structure of Adani leads to the Cayman Islands, and put the repayment of this 'loan' at risk. Taxpayers risk!
- the environmental record of the various Adani companies is now known, including destructive operations in Africa and India, making them an unsuitable applicant for these public funds.

And, of course, the elephant in the room is the impact of the expanded and continuing burning of coal on the world wide experience of global warming. This makes ANY investment in coal AGAINST the public interest, while increasing the urgency of expanding renewables instead.

We sincerely hope that your investigations will lead to a reform of the structure and rules of the NAIF to encourage the development of northern Australia in ways that truly benefit the communities there, and lay the foundations for a sustainable future for us all.

Respectfully,
Jonathan Peter

