

# Carmichael coal mine project Australia

**Sectors:** Coal Mining

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<b>Sector</b>	Coal Mining
<b>Location</b>	
<b>Status</b>	Planning Design Agreement Construction <b>Operation</b> Closure Decommission
<b>Website</b>	<a href="https://www.bravus.com.au/carmichael-mine/">https://www.bravus.com.au/carmichael-mine/</a>

## About Carmichael coal mine project

The Carmichael coal project, owned and operated by Indian conglomerate [Adani](#), is located in the Queensland's Galilee Basin. Initial production capacity is projected to be 10 million tonnes of coal per year, though Adani has obtained the approval to produce 60 million tonnes of coal per year. The plan also involves hundreds of kilometres of new railway tracks and new coal port terminals that threaten the Great Barrier Reef. It is estimated to cost AUD 16.5 billion.

Adani obtained the required state and federal approvals in 2021, but actually started the construction of the mine in June 2019 and of the rail line in June 2020. After many years of sinking investment expenditures - combined with strong political support in Australia and Queensland - the project is on the verge of starting commercial extraction in 2022 ([DIW Berlin May 2022](#)).

The extent and intensity of the impacts associated with this project would be profound. And yet, the Environmental Impact Statement (EIS) is riddled with holes and errors. This raises serious questions about whether the current approvals system is adequately equipped to protect people and the environment from developments that are just too damaging.

## Latest developments

**Any new coalmines in Australia's Galilee Basin, including Adani's Carmichael mine, will not be economically viable**

[May 26 2022](#)

**The State Bank of India set to offer a US\$650 million loan to Adani coal project**

[Dec 1 2020](#)

## Why this profile?

The Carmichael coal mine project under construction will destroy the ancestral lands, waters and cultures of Indigenous peoples - who have never given their consent to Adani. The project will also negatively impact the environment and significantly contribute to climate breakdown, by emitting around 4.7 billion tonnes of carbon pollution to the atmosphere over its 60-year lifespan.

## What must happen

Banks and other financial institutions should declare their intention not to finance the Carmichael coal mine project.

## External Profiles

### Adani coal investors exposed

Profile by Market Forces

## Impacts

### Social and human rights impacts

[A report published by IEEFA](#) in May 2014 has shown that coal exported to India from the Galilee Basin in Australia would need a wholesale electricity price, double India's current level, to be viable, categorically discrediting the argument that it might alleviate India's energy poverty.

The Carmichael coal mine is being built on the land of the Wangan and Jagalingou peoples, who strongly oppose the project. In 2018, the Australian court [quashed a court case](#) by the Wangan and Jagalingou Indigenous people trying to block Adani from developing the Carmichael coal mine. In August 2019, The Guardian reported that Queensland government "has extinguished the native title over 1,385 hectares of Wangan and Jagalingou country for [the proposed Adani coalmine in Queensland's Galilee Basin](#) - without any public announcement of the decision". This decision can result in Wangan and Jagalingou protesters to be forcibly removed from their traditional lands.

### Environmental and climate impacts

In the original plans the coal mine would be responsible for releasing up to 128 million tonnes of CO<sub>2</sub> per year from burning the coal, more than the combined fossil fuel emissions of Sweden, Norway and Denmark. The changed plans of Adani in November 2018, in which the capacity is set at 27 million tonnes of coal, would make the mine responsible for emitting an estimated 54 million tonnes of CO<sub>2</sub>. The mine will cover a whopping 44,700 hectare. Over 10,000 hectare of bushland will be wiped out, much of it home to threatened species. Ten billion litres of water will be sucked up from the surrounding environment and Adani already owns one huge coal terminal at Abbot Point in the Great Barrier Reef World Heritage Area and is proposing two more.

When surveying the site for the EIS, consultants for Adani sighted the endangered [Black-throated finch](#) (southern) 89 times. The company plans to clear around 10,000 hectares of important habitat for the species.

The mine will also cause drawdown of groundwater at a Great Artesian Basin discharge spring wetland called Doongmabulla Springs. The springs host endemic and threatened plant species, but these have not been assessed as part of the mine's EIS. For one threatened plant at least, Doongmabulla Springs provides habitat critical to its survival.

The assessment also fails to analyse the impact of dramatic levels of groundwater drawdown on groundwater-dependent species and communities in the surrounding area, including gorgeous River Red Gums along the banks of the Carmichael, which are Koala habitat. The EIS states that the company expects the mine to cause 30 metre drawdown of groundwater at its greatest impact, resulting in a seven percent reduction in flow of the Carmichael River, and death of downstream vegetation.

A [2017 report](#) by the Climate Council of Australia on the Carmichael coal mine project concluded that: for Australia to play its role in tackling climate change, over 90% of Australia's existing thermal coal reserves must be left in the ground unburned and no new thermal mines can be developed.

### Other impacts

Adani has a history of breaking the rules and causing environmental destruction. Adani's flagship project Mundra, the largest private port in India, is a textbook case of how to flaunt environmental regulations. Adani deliberately concealed and falsified material facts when applying for part of the development. Construction began illegally and officials found multiple violations of the development approval including mass clearing of mangroves which have been the subject of several court cases. Aside from the Mundra port, Adani

was investigated by an anti-corruption ombudsman who found evidence of bribery and theft in the export of iron ore and has been the proponent of other environmentally destructive projects.

The Carmichael project is [uneconomic](#): it is a high cost coal product in a low priced coal market with an uncertain future. Carmichael coal has a low quality, but the cost structure is likely to remain above the global thermal coal price for the foreseeable future.

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## Governance

### Applicable norms and standards

**1972 Convention on the Prevention of Marine Pollution by Dumping Wastes and other Matters**

**Alliance for responsible mining**

**Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)**

**Extractive Industries Transparency Initiative**

**International Council on Mining and Minerals (ICMM)- 10 Principles**

**OECD Guidelines for Multinational Enterprises**

**Safety and Health in Mines Convention**

**United Nations Declaration on the Rights of Indigenous Peoples**

**Universal Declaration of Human Rights**

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## Brief history

In **November 2010** Adani began the approval process to establish two new mines (including the Carmichael coal mine) and a rail line in the Galilee Basin. The Queensland Premier, then Anna Bligh, declares the Carmichael coal mine and rail project to be a "significant project".

In **May 2014** Queensland's Coordinator-General approved the Carmichael coal project to proceed. The approval was subject to 190 conditions to be met during construction and operation phases of the project. These conditions paid particular attention to groundwater and water bores potentially affected. The final approval was then to be given by Greg Hunt, the Australian Minister for Environment at that time.

In **July 2014** Greg Hunt approved the Carmichael coal mine and rail project. Environmentalists express strong opposition. The Mackay Conservation Group, which already began a federal challenge against the mine, amended its complaint to include allegations against Greg Hunt. The Group argued he has "incorrectly assessed its climate effects, ignored Adani's poor environmental record, and failed to consider conservation advice from his own department on the impact of the mine on two vulnerable species".

In **March 2015** The Wangan and Jagalingou people, the traditional owners of the land in the Galilee Basin, reject an Indigenous Land Use Agreement with Adani.

In **August 2015** The Federal Court rules [in favour](#) of the legal challenge by the Mackay Conservation Group, which is described as "a victory for land and water, biodiversity, the global climate and also for common sense". Adani stated that it is confident it will receive approval for its project again "once the technicality is addressed".

In **October 2015** The government re-approves the Carmichael coal mine, subject to 36 conditions. It is argued by the Resources Minister that the project can help lift hundreds of millions of people out of energy poverty in India and across the world. The Wangan and Jagalingou traditional owners denounce the decision.

In **February 2016** Adani was issued environmental authority for the Carmichael coal mine by the Australian government. Adani still needs to obtain bank funding and a mining lease from the Queensland government.

In **April 2016** The Queensland government approves mining leases for Adani. Adani said a final investment decision would not be made until court challenges against the project would be resolved.

In **August 2018** The Australian court [quashes a court case](#) by the Wangan and Jagalingou Indigenous people trying to block Adani from developing the Carmichael coal mine.

In **November 2018** Adani announced that it will [self-finance](#) its project after being unable to secure outside investments. The project will be scaled back, making its size comparable to other Queensland coal mines.

In **June 2019** Adani obtains the [final mining approval](#).

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## Updates

### **Any new coalmines in Australia's Galilee Basin, including Adani's Carmichael mine, will not be economically viable**

May 26 2022

Any new coalmines in Australia's Galilee Basin, including Adani's Carmichael mine, will not be economically viable in the long run under even the most generous assumptions about the future of the fossil fuel, according to an analysis by German academics. The study, developed in conjunction with Australian experts, found it was "highly implausible" that mines in the central Queensland basin could run profitably and there was a high chance they would end up as stranded assets ([The Guardian](#)).

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### **The State Bank of India set to offer a US\$650 million loan to Adani coal project**

Dec 1 2020

In November 2020, it was reported that the State Bank of India (SBI) is set to offer a US\$650 million loan to Adani, enough to keep its Carmichael coal mine project going. The controversial news has led to global opposition. In Sydney, #StopAdani activists walked into the Sydney Cricket Ground [protesting](#) against the loan. Amundi, French asset management company, has said it will [sell the green bonds](#) it holds in SBI if the bank grants the loan to Adani's Carmichael coal mine.

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### **The Queensland Government signs a deal allowing Adani to defer royalty payments**

Oct 1 2020

On October 1 2020, the Queensland Government signed a deal with Adani to defer payment of royalties on its Carmichael coal mine. This deal allows Adani to increase its [cash flow](#) during the first years of the project - which is beneficial for the company given its inability to obtain finance for the project and its 2018 decision to self-fund a downsized version of the project. The Australian Conservation Foundation describes the deal as "a disgrace": "*Australia's big four banks and dozens of other financiers around the world have distanced themselves from Adani, yet the Queensland government has rolled out the red carpet for a mine that will soon become a stranded asset*". ([The Guardian](#))

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### **Adani forced to haul its own coal**

Sep 10 2020

Market Forces [reports](#) that Adani will be self-transporting Carmichael coal from pit to port, under the veil of the newly created Bowen Rail Company. According to Market Forces, Adani seems to have hidden this development as all website and media communications do not mention 'Adani' or 'Carmichael'. This development first of all illustrates that the project is getting more expensive, as Adani is not contracting an established haulage provider. Instead, it is forced to start its own haulage company (Bowen Rail Company) and purchase its own trains to transport the coal. The development also shows that Adani could be funneling finance from other Adani companies - specifically Adani Ports and Special Economic Zone (APSEZ), which owns the Bowen Rail Company - into the Carmichael coal project. This means that investors in Adani Ports are at risk of unintentionally funding the Carmichael coal project.

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## Adani signs a AUS\$350 million deal for the construction of rail network

Jun 4 2020

Adani has [signed a AUD 350 million contract](#) with BMD Group for the construction of a rail network at the Carmichael coal mine. The rail network project will consist of 200 kilometres of rail track. The track will enable coal to be transported from the Carmichael mine to the Port of Abbot Point for export.

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## Adani Mining's Carmichael coal mine project receives final approval

Jun 13 2019

Adani Mining's plan to build a 10 million tonnes open-pit thermal coal mine and associated infrastructure in the Galilee Basin of Queensland, Australia, looks like its moving forward after the company [sealed the final approvals](#) it requires to start construction. Lucas Dow, CEO Adani Mining, confirmed that the company had received advice from the Queensland Government's Department of Environment and Science (DES) that the Groundwater Dependent Ecosystems Management Plan (GDMP) had been finalised and approved.

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## Adani changes plans for Carmichael coal mine

Nov 5 2018

Adani is now planning to build the mine in phases, starting at 10-15 million tonnes per year, with capacity to expand to 27 million tonnes per year (which would still be as big as any other coal mine in Australia), transported along a 200 kilometers narrow gauge rail line that links up with Aurizon's existing Newlands rail system, which already carries coal to Abbot Point. The plan for a new Abbot Point terminal has been shelved; the existing terminal to have its capacity expanded to from 50 to 60 million tonnes per year. Significantly, this change has almost halved the rail line cost from around AUD 2.5 billion to around AUD 1.2 billion. The total project cost including the mine could now be down to less than AUD 3 billion, less than one fifth the amount of capital required just a few years ago ([Market Forces](#)).

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## Adani to begin construction of Carmichael coal mine in October

Aug 29 2017

Indian mining giant Adani has announced it will break ground on its Carmichael coal mine in Queensland in October. Company chairman Gautam Adani issued a statement overnight, confirming the start of works for the \$16.5 billion project in Queensland's Galilee basin, with the first coal to be produced by the facility in March 2020 ([News.com.au](#)).

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## Adani gives 'green light' to \$16bn Carmichael coal mine

Jun 6 2017

Indian billionaire Gautam Adani has given the "green light" to the Carmichael mine and rail project, but it will still hinge on its Australian arm, Adani Mining, gaining bank backing for the contentious venture. Adani's top executive in Australia, Jeyakumar Janakaraj, took a dig at "activists who sit in creature comfort and criticise us" while trumpeting the decision to invest in Australia's largest proposed coalmine. The company is yet to secure its bid for a \$900m infrastructure loan from the federal government for a railway that would help other miners open up Queensland's Galilee Basin ([The Guardian](#)).

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## Environmental Justice Australia's report shows Adani's disastrous track record

Feb 15 2017

A detailed legal research brief by Environmental Justice Australia, reveals Indian based Adani Group's track record overseas, including illegal dealings, bribery, environmental and social devastation and allegations of corruption, fraud and money laundering. The Adani Brief puts Australian governments and potential financiers on notice that backing the Carmichael mine and rail project in Queensland's Galilee Basin may expose them to financial and reputational risks. The full brief can be read [here](#).

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## Indian agencies investigate Adani

Dec 22 2016

Adani Enterprises, the ultimate parent company of the proposed Carmichael mine in Australia, is one of the coal companies under investigation by India's Directorate of Revenue Intelligence (DRI) for inflating the cost of imported coal. For a decade the DRI has been investigating Adani entities which traded in diamonds and gold jewellery. Adani Enterprises was named in a 2011 report by Karnataka's state ombudsman in which documents seized by police allegedly "indicate that money has been regularly paid to port authorities, customs authorities, police department, mines and geology and even to MLAs/MPs." Adani has rejected the allegations. ([ABC News, Scroll](#))

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## Adani freezes investment in Carmichael mine until world coal price recovers

Feb 4 2016

[According The Guardian](#): Adani has frozen its investment in Australia's largest proposed coalmine until world coal prices show a clear recovery, its executives have indicated in stock analyst briefings in India. The briefings even gave rise to speculation that Adani Enterprises, which has previously flagged spending USD4.1 billion on the Carmichael mine in north Queensland, might abandon its plans for the mine altogether amid a huge move by the company into solar energy.

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## Adani's Carmichael coal mine gains final Queensland Government environmental approval

Feb 3 2016

Adani's Carmichael coal mine has received its final environmental approval from the Queensland Government, but will still need a mining lease before it proceeds, [according to abc.net.au](#).

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## Four reasons why the Carmichael coal mine still might not go ahead

Oct 16 2015

[According the Greenpeace's Energydesk](#): Indian mining giant Adani's controversial Carmichael coal mine has received a "re-approval" from the Australian government. Environment minister Greg Hunt attached 36 conditions, described as the "toughest in the country's history", to the approval in an attempt to address environmental concerns around vulnerable species and groundwater usage.

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## Green light from federal government

Jul 24 2014

The Australian environment minister, Greg Hunt, has approved a AUD16.5 billion resources project that will lead to the creation of the largest coal mine in Australia, and one of the largest in the world. Hunt has imposed [36 conditions](#), primarily aimed at protecting groundwater, on the Carmichael coal mine and rail project, which will dig up and transport about 60 million tonnes of coal a year for export.

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## Queensland's Coordinator-General is inviting State agencies and the community to provide further comment

Nov 22 2013

Queensland's Coordinator-General is inviting State agencies and the community to provide further comment on the proposed AUD16.5 billion Carmichael Coal Mine and Rail project north-west of Clermont. Read more [here](#).

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## Financiers

In November 2018, Adani [reported](#) it will finance the Carmichael coal mine project itself.

In July 2020, [Market Forces reported](#) that several banks, that pledged not to finance the Carmichael coal project, could be unintentionally doing so by running the bond issue that Adani Ports and Special Economic Zone (APSEZ) are aiming to raise. These banks include: Deutsche Bank, Standard Chartered, Barclays and JPMorgan Chase.

In November 2020, it was [reported](#) that the [State Bank of India](#) (SBI) is set to offer a US\$650 million loan to Adani, which would enable the Carmichael coal mine to go ahead.

For an extensive overview of financiers of Adani, see BankTrack's [profile of Adani here](#).

## Banks

[Commonwealth Bank of Australia](#) Australia [profile](#)

Details ▼

Advisor

November 2014

In August 2015 it was reported that Commonwealth Bank's role as adviser to Adani had ended, with sources citing the environmental controversy surrounding Carmichael and the project's financial risk in the face of tumbling coal prices.

source: ABC News Australia

[link](#)

[Standard Chartered](#) United Kingdom [profile](#)

Details ▼

Advisor

November 2014

source: The Guardian

[link](#)

In [August 2015](#), Commonwealth Bank of Australia (CBA), followed by Standard Chartered, backed off from the Carmichael project. In [September 2015](#) National Australia Bank (NAB) declared to rule out financing for the Carmichael project, adding itself to a list of fourteen international banks ([among them](#) Deutsche Bank, HSBC, State Bank of India) which already decided so.

## Related companies

### Project sponsor

[Adani Group](#) India [show profile](#)

Coal Mining | Coal Electric Power Generation | Oil and Gas Extraction

Owner and operator and Carmichael coal mine via its Australian subsidiary Bravus