

A DREAM TO LIGHT DARKENED NIGHTS

Gautam Adani wants to bring Indian villagers into the bright 21st century

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As the twilight fades over the tiny village, the kerosene lamps are lit and mosquito nets are hung over beds in the open air.

The 55 villagers on the islet of Vali Tapu — which sits in the middle of the lily-covered waters of Kanewal Lake — might be just 100km from India's industrial powerhouse of Ahmedabad, but they still live in the dark age.

There is no water supply, no toilets and no power.

They charge mobile phones at the homes of relatives when they take the children across the lake to school and to sell bajra (a grain crop) and milk in the bigger villages.

All activity — including the children's homework — stops at nightfall, when they hope for a breeze sleeping under the stars. It is the only existence they have known.

But as India becomes a modern economic superpower — with a rising urban middle class, and growth last year outstripping China (7.5 per cent to 6.9 per cent) — the people of Vali Tapu fear being left behind.

Hardened by poverty, and warmly hospitable to a surprise visit by *Inquirer*, the villagers are accepting of the limitations of living in their island isolation. The only thing they want is for their neat little cluster of eight mud-

brick homes to be hooked up to electricity.

Lalji Solanki, who blames the lack of power in the village for his failure to attract a wife, says it would change their lives.

"We would be very happy. We don't need much ... a light for our homes, the children could study, and a fan so we don't have to sleep outside," he tells *Inquirer*.

"Every time there is an election the politicians tell us they will bring electricity, a small solar plant, but then they forget."

It was the same sort of promise to modernise India that gave the spark to the 2014 campaign of Narendra Modi ahead of his election as Prime Minister.

Early last year, Modi promised in his Independence Day speech to provide electricity to the estimated 18,000 villages still in the dark — with a combined population of 300 million people — by 2019.

Playing a significant part in delivering this transformation is the Ahmedabad-based energy and infrastructure conglomerate Adani, and its plans for Australia.

Its founder, self-made billionaire university dropout Gautam Adani, wants to build the \$16 billion Carmichael mine in central Queensland — producing up to 60 million tonnes a year of coal — to help satisfy the growing electricity demand in India.

Although Modi has kicked off the world's biggest renewable energy rollout, with a focus on solar, coal remains at the core of the country's expansion of power.

Adani's "pit to plug" project promises to create thousands of

jobs in the central Queensland region, which has laid off more than 25,000 resources workers through the commodities downturn, and \$5.5bn in royalties and state taxes in the first decade of operation. But despite the huge economic pay-offs, it has become the most controversial development in recent memory.

It's all about timing. As the world grapples with climate change and moves to wean itself off fossil fuels, Carmichael is the biggest coal mine proposed in Australia.

Adani's fleet of cargo ships will move the coal through a natural channel in the nearby Great Barrier Reef — now suffering its worst recorded coral bleaching — to fuel Adani's power stations in India.

Located in the Galilee Basin, the rail, port and mine project is also hoped to be the catalyst to open up the untapped coal province for other mega-mines, including Gina Rinehart's joint venture with another Indian giant, GVK.

It has been the target of one of the most well-planned and well-financed environmental campaigns in Australian history. The company has been mired in more than six years of red tape, as every approval is challenged in the courts, and as anti-coal activists lobby international banks to boycott the project.

And, despite securing a mining lease from the Palaszczuk Labor government this year, federal Labor appears lukewarm, even hostile to Adani.

The project this week briefly lit up the federal election campaign that largely has been devoid of any substantive policy debate by the main parties on tackling climate change. It was triggered, in part, by the declaration of Brisbane Labor MP Terri Butler, who serves as shadow parliamentary secretary to Bill Shorten, that "I don't support the Adani mine" on ABC television's Q&A program.

The next day, the Opposition Leader refused directly to back the project while assuring voters coalmining would "still go on" under a Labor government as

part of the energy mix.

"When you ask if I support it, it's not up to me to support a particular business enterprise," he told ABC radio the next day. "Whether or not the Adani coalmine goes ahead will be up to the investors of Adani."

The Queensland Resources Council pounced, warning Shorten that voters in the central Queensland Liberal National Party-held seats of Herbert, Dawson and Capricornia being targeted by Labor "will take note" of his comments and punish him.

On the other side, the Turnbull government has been sup-

portive of the project, although nothing like Tony Abbott, who last year warned activists' "lawfare" would damage Australia's reputation as an investor destination.

LNP MP George Christensen, who represents the Mackay-based federal seat of Dawson, paid his own way to India to deliver thousands of postcards from locals imploring Adani not to give up.

"It's the only white knight on the horizon because it's vertically integrated and not dependent on supplying coal to the open market," he said.

"With all the negative reports, I wanted him to know that there is huge support for the project in the region and I think it helped. He took the cards to show his board."

It was a different story, according to Adani, the 52-year-old son of a middle-class textile manufac-

turer, when he first floated his plans in 2010.

The project was seen as a curtain-raiser for a boom in investment and trade between the two democratic countries that could ultimately rival Australia's relationship with China. Adani said political leaders and bureaucrats threw out the welcome mat.

"We received good support from both the federal (Rudd) government as well as the state (Bligh) government," he told Inquirer at his Ahmedabad headquarters last week in his first interview with Australian media.

"I think policymakers in Aus-

tralia also thought it was a good idea to support Adani's project to attract (further) investment coming out of India.

"They wanted to balance particularly the flow of capital coming from China.

"And that is how we entered into this investment."

Adani initially expected the approvals process to take "two to three years", and admits to being disappointed over the delays, although not yet ready to give up on Carmichael.

"We are still confident that Carmichael will go ahead," he says about the mine, which could run for an estimated 60 years.

"We believe in Australia and we believe in Carmichael."

It's hard to see the businessman abandoning the project so close to a final green light, which his Australian executives hope will come early next year.

That will depend on the looming decisions from several Federal Court challenges to approvals — including one by the Australian Conservation Foundation — including another to the mining lease yet to be heard.

And the threat of High Court action hangs in the air.

Adani has a lot invested in the

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A house on the islet of Vali Tapu on Kanewal Lake, where 55 villagers live in mud-brick homes without electricity

ALLISON JOYCE

Adani's Carmichael coalmine could light up the lives of millions in darkened, powerless Indian villages

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project. Already, the company says it has outlaid \$3bn on the tenements and the lease of the Abbot Point Port (which will undergo a planned single terminal expansion). The bill includes an estimated \$120 million spent in the approval process.

And giving up doesn't appear to be in the nature of the entrepreneur who, in just 18 years, has created a \$US26bn (\$35.8bn) business with 10,400 employees and a personal fortune, according to *Forbes*, of \$US7bn. Described by the Indian media as "reclusive", Adani confirms a story, told by a Queens-

land bureaucrat who had dealt with him, of how he was kidnapped almost two decades ago in Ahmedabad and played cards with his captors until he was freed.

"They wanted a ransom and, while we waited, I played cards with them," he says. "I am a basically a calm person."

And the scale of the Carmichael project is nothing new to the businessman. Adani built India's biggest port, which handled 110 million tonnes of cargo last year, at Mundra, on the northwest coast and owns another eight on both sides of the country. The conglomerate has the largest private rail network and leads the country in

coal imports, thermal and solar power generation, as well as producing the biggest supply of edible oil. It also owns a shipping company and other agribusinesses, and is into residential real estate developments in three cities.

But it is clear Adani's future is plugged into Modi's vision of building a fully electrified India to sustain its growing population, which now stands at 1.3 billion people. The target, which includes the promise of around-the-clock electricity by 2022 for the already powered towns and villages enduring regular blackouts, has led to an infrastructure build rivalled only by that of China during the

past decade. Adani is rumoured to be a close friend and campaign donor of the Prime Minister. For 12 years, until elected to lead India in a landslide, Modi was chief minister of the state of Gujarat, where Adani grew up and built his empire. But the billionaire says the description is wrong and that it is simply a “professional relationship”. “It is not a close relationship. He was the chief minister of Gujarat and we are basically the major industrial group of the state,” Adani says.

“You have to work with them, as you do with leaders in Queensland or federally in Australia.” A tour of the sprawling Mundra port

and economic zone, where much of the coal from the proposed Carmichael mine is destined, shows Adani has form in building an efficient operation.

The company boasts that no ships have to wait to berth, unlike ports around Australia. Coal is taken directly on an automated conveyer and straight into the furnaces of the 4620 megawatt super-critical power station.

Adani dismisses as baseless a government-commissioned committee report, headed by a well-known Indian environmentalist, that found construction of the port had damaged some mangroves and creek flows. “That was just al-

legations ... we are making the greenest port in the world,” he says, adding that hundreds of acres of mangroves had been protected and enhanced in comparison to governments ports.

Federal Environment Minister Greg Hunt, who because of a departmental bungle had to rewrite approval for Carmichael, says the mine will be built under the strictest environmental conditions imposed in Australia. And after years of debate, and several different approvals, the dredging spoil needed to build a new terminal at Abbot Point will be dumped onshore — a precedent that has set the standard along the Queensland coast.



ALLISON JOYCE

India will increase renewable energy in the next six years



ALLISON JOYCE

A family begins the 20-minute row to Vali Tapu

In India, Adani executives on the ground say the environmental side of their operations now is “world’s best practice”.

But they shake their heads at the delays and uncertainty with Carmichael, even though they complain about the bureaucracy in India. The lengthy development times of projects in Australia is in stark contrast to the recent completion of Adani’s new 648mW solar plant — 9km long and 2km wide — near Madurai, in the south of India.

The world’s largest single location solar plant, it took just eight months to build: 8000 labourers worked day and night to

clear the fields, erect the panels and converters and put lines out to the grid. “We would bring in the components at night and lay them out and then put it together during the day,” project manager KS Nagendra says. “It was a big job and no one got hurt. Some got bitten by snakes and scorpions, but they are everywhere here. We would have done it quicker but we were slowed by the monsoon.”

Solar power is a big part of India’s electricity rollout. The government says energy demand will be met with a mix of fuels, including what it claims is the world’s largest rollout of renewable energy, led by solar, from 34 giga-

watts to 175GW across the next six years. Adani plans to boost its present 10,040mW of power generation to more than 30,000mW within the next few years. That’s twice Queensland’s generating capacity and it will include 10,000mW of solar, including a new facility at the Mundra precinct to produce solar panels.

But the expansion of electricity will also remain hugely dependent on coal. The International Energy Agency estimates the fossil fuel will make up 60 per cent of India’s supply until 2020.

Businessman and environmentalist Geoff Cousins, president of the Australian Conservation

Foundation, says it is scandalous there is any political support for the project. Cousins says advances in solar and battery power will soon render coal redundant, and that is where developing countries should focus their energies.

“Just when the world is rapidly moving away from fossil fuels, Australia is going to build the largest ever coalmine. It doesn’t make sense,” he says. “It is such a massive mine that without question it will add to global pollution and global warming and that, of course, is linked to what’s happening on the Great Barrier Reef.

“And now we are in a middle of an election where the government

(and Labor) is giving money to look after water quality issues to do with the reef ... it’s just flim-flam.”

But India and Adani say coal is critical to bringing people out of poverty and that it can be done through hi-tech power stations

that produce half the emissions and with Australia’s comparatively cleaner coal. During a visit to Australia this year, India’s Minister for Power, Coal, New and Renewable Energy Piyush Goyal said the country had a right to develop.

“I do wish people would reflect on the justice of the situation,” he told *The Weekend Australian*. “Europe and America and Australia have messed up the world and the planet, and they’re saying to us, ‘we’re sorry, but you Indians can only have power for eight hours a day’. The rest of the time you must live in darkness.”

Adani Australia chief executive Jeyakumar Janakaraj says the

power stations still will run and source their coal from somewhere else if the Australian plan falls over. Janakaraj, who is taking out Australian citizenship after years of shepherding the company through the approvals process, says less emissions result if the coal comes from Carmichael.

“India needs coal and the alternatives to Australia is to burn coal from India or Indonesia,” he says.

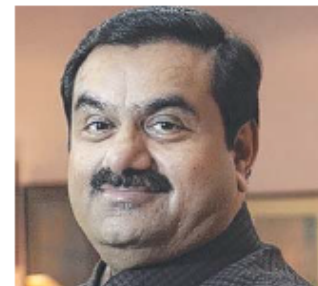
“But Australian coal is more efficient, and by using the alternatives we would have to burn 30 per cent more coal for the boilers, minimum, to get the same power.

“So, from a climate change perspective, it is hugely beneficial and will reduce the carbon footprint by 30 per cent just because of the high quality of the Australian coal.”

Janakaraj says the other climate change benefit is that by turning the rest of rural India on to electricity, the villages will no longer have to burn “dirtier fuels” such as wood, charcoal, kerosene and even cow dung to heat and light their homes and cook meals.

“Every country has the right to grow. Indians have the right to grow and the people need affordable electricity,” he says.

“And with that, both countries have a great opportunity to help each other ... and the time is now.”



Gautam Adani