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State offered Adani royalty deal

EXCLUSIVE

MICHAEL MCKENNA
SARAH ELKS

Queensland's Labor government is reneging on royalty concessions it formally offered Indian miner Adani two months ago for its \$16.5 billion coalmine.

Despite Treasurer Curtis Pitt insisting the government had "no agreement" with Adani, *The Aus-*

tralian can reveal Under Treasurer Jim Murphy offered Adani in writing a royalties deferral plan before Anastacia Palaszczuk visited India in March.

Deputy Premier Jackie Trad, who led a left faction revolt against the Premier, signed-off on Treasury negotiating the royalties deal in 2015 and was involved in later discussions with Adani.

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GOVERNMENT RENEGING ON CONCESSIONS

Labor offered Adani royalty deal in March

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Queensland's Labor government is reneging on royalty concessions it formally offered Indian miner Adani two months ago for its

\$16.5 billion central Queensland Carmichael coalmine.

Despite state Treasurer Curtis Pitt's insistence the government had "no agreement" with Adani, *The Australian* can reveal his top bureaucrat, Under Treasurer Jim Murphy, made a written offer on the royalties deferral plan to the resources giant before Premier

Anastacia Palaszczuk led a delegation to India in March.

And although the left-led factional revolt in Ms Palaszczuk's cabinet became public only last week, the cabinet budget review committee — comprising Ms Palaszczuk, Deputy Premier Jackie Trad, Mr Pitt and a fourth minister — signed off on Treasury ex-

ploring and negotiating a royalties incentive deal in June 2015.

Since then, left leader Ms Trad has not only been kept informed of negotiations but has been involved in talks with Adani.

On March 23, just days after the Premier returned from India, Ms Trad and Ms Palaszczuk met

Tabled by: Mr Emerson
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Adani's lobbyists Next Level Strategic Services for a "commercial-in-confidence" discussion.

On the India trip, which also included Mr Murphy and regional mayors, Ms Palaszczuk is understood to have shaken hands on the direction of the royalties negotiations.

The final details of the Adani deal were tweaked at a meeting of the CBRC in recent weeks, before the discussions were leaked and factional flames stoked. Ms Trad and senior members of the left argue that a royalties holiday for Adani would breach Labor's election promise not to provide taxpayer subsidies for the Galilee Basin mine, rail and port project.

Adani indefinitely postponed a final investment decision on Monday, after Ms Palaszczuk's cabinet deferred an expected debate and vote on royalties.

The issue dominated state parliament yesterday, with Opposition Leader Tim Nicholls accusing Ms Palaszczuk of being a "puppet of the left" who was risking regional jobs.

"The toxic brew of self-interest and division concocted by the Deputy Premier and her kitchen cabinet of the loony left designed

to kill off the \$16.5bn Adani mine puts green inner-city preferences and phony ideology before thousands of Queensland jobs and billions of dollars in investment," Mr Nicholls said. "Yesterday was a test of this Premier's leadership, and she failed."

Ms Trad was pressed in parliament to declare her personal support for Adani's mine, but would confirm only that she was part of the pro-Adani government.

"I am part of a government that supports this project and wants to see the jobs for Queenslanders," she said. "We made commitments that we will not do secret deals and we will not hand over taxpayers' funds to build the infrastructure that Adani wants."

Ms Palaszczuk dodged questions about what royalty concessions Mr Murphy had offered, and about his presence in India.

"Jim Murphy, the Under Treasurer, was there, and so was Dave

Stewart (the director-general of the Department of Premier and Cabinet)," Ms Palaszczuk said.

"What I am saying very clearly is that cabinet is going to consider a proposal to open up three huge basins in Queensland to generate jobs.

"That is the framework and the policy proposals that cabinet and my government will consider. What that will do is not just unlock the Galilee, it will unlock the other precincts as well."

Energy Minister and left faction member Mark Bailey repeatedly refused to say whether he supported the mine and whether he hoped it went ahead.

On Friday, Mr Pitt said the government did not have "any kind of arrangement" with Adani regarding royalties.

"No deal has been offered to Adani that would be in any way, shape or form different to any other mining proponent," he said.