

GRIFFIN COAL — COLLIE

Statement

HON DR STEVE THOMAS (South West — Leader of the Opposition) [6.20 pm]: I will try to be brief because a lot of other people want to speak tonight. Two weeks ago I raised concerns about the operations of Griffin Coal in Collie, a town I am very concerned about and a company that I think is struggling to survive. For members' interest, I raised concerns that one of the creditors listed for Griffin Coal is Oceania Resources Pty Ltd, a company that had a \$60 million United States loan from ICICI Bank, the company that has underwritten the Collie company, Griffin Coal Mining Company. That is also a \$60 million loan facility available to Griffin. It is money in with one hand and out with the other. I find it very disturbing that that is the situation in which we find ourselves.

From additional research since that date, I have discovered that there is a company sitting in between those two companies. A company called Param Mitra Resources Pty Ltd sits underneath the company that I thought was the ultimate owner of Oceania Resources, and I think it might still be: Sindhu Trade Links Ltd. Sindhu Trade Links Ltd seems to have a company in the middle called Param Mitra, and Param Mitra interestingly has operations in Griffin. If members look at the *Business Standard* report on Sindhu Trade Links Ltd, they will see that it has a comment on its operations. It says that one of its subsidiaries is Param Mitra Resources Pty Ltd, which is a leading coal and power player in Indonesia, and it states that in Australia —

... Param Mitra has recently entered into a mine management agreement with an operating mine in Western Australia for producing 3 mn tons per annum.

That sounds like Griffin to me. I do not know whether people in Collie and Griffin, particularly the workers, are aware that an Asian company that is ultimately sitting on a \$60 million loan with a subsidiary company to the ultimate company would appear to be Sindhu Trade Links Ltd, which has a subsidiary, Param Mitra Resources Pty Ltd, which has a subsidiary, Oceania Resources Pty Ltd. That is reflected in the look-up reference to Oceania Resources Pty Ltd, which I took the liberty of looking up. It has as its direct parent company Param Mitra Resources Pty Ltd and as the ultimate parent, which is a weird genealogical position to find oneself, Sindhu Trade Links Ltd.

This has been a long and complicated process of working out who actually own an interest in the Griffin Coal mine, because it would appear that the \$60 million that Oceania holds as a loan for Griffin, which is taken from a loan from ICICI Bank, which has underwritten the Griffin enterprises to the tune of \$1.4 billion, is a company that is very difficult to pin down.

The other interesting thing I note is that it looks as though one of the directors, Mr Dev Sindhu, is the director of Oceania Resources Pty Ltd and the managing director of Param Mitra Resources. He is a director in the subsidiary company and the managing director in the immediate parent company. I presume there is some sort of link to the ultimate parent company in Sindhu. This is a very murky and unclear situation to find ourselves in, with a company that is struggling to survive.

I have had some experience with this before, President. Many years ago there was a proposal to develop a urea factory in Collie and we had a very similar issue. A company called Global Fertilisers Industries B.V. was going to be holding 47 per cent of a \$3 billion to \$4 billion project that was operating in Collie. When I went looking for Global Fertilisers Industries B.V., I found it as a shelf company in Rotterdam—an interesting place to find it. I discovered that it had current assets of cash in bank of €3 299, and a net financial position for a company of minus €49 681, which means it was a minus €50 000 company that was about to get 47 per cent of a \$4 billion project. These sorts of deals need to be looked at closely because the community of Collie, the workers in Griffin and in the power industry that feed off the coal industry and all the businesses that work off that need some understanding of the structure of the company in which they have invested their time, in many cases their lives, with their work.

The question I leave members with is: what on earth is the Australian Securities and Investments Commission and the Foreign Investment Review Board doing? I wrote to the Foreign Investment Review Board about Global Fertilisers Industries B.V. and asked whether it looked at this company, because it ticked off this company as a reasonable investment firm that had €3 000 in the bank. I am not sure that FIRB actually knows what it is doing. I have some concerns that the Australian Securities Investment Commission is not much better, because the people of Collie deserve better. They deserve to know the business structure of the company that is employing hundreds of local people. It is the biggest local employer, I think, of Collie people. Griffin has always been a heartland of local employment in Collie. There is no clarity about who owns what and what the long-term investment is. Maybe ICICI Bank will continue to prop up Griffin Coal for the next eight years, and then it will probably get to a point at which it will say, "Well, the coal industry is over and we'll run away." It is losing \$50 million a year in its investment. Griffin only survives because ICICI Bank plonks another \$50 million each year in and pays the debts. It could go for another eight years. As long as we are burning up Indian money, I guess it is okay, it does not really matter.

What sort of security, tenure and risk do the people and workers have in Collie? It is simply not good enough. If ASIC and the Foreign Investment Review Board do not step up, I fear for the future of those workers and the Collie community. It is about time we saw some real honest examination of what is going on at Griffin.