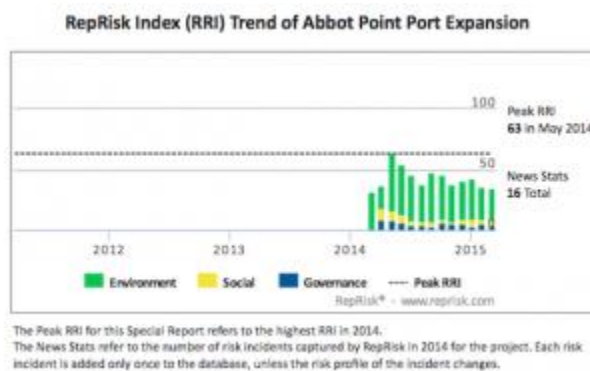


Qld coal port expansion ranked world's 3rd most controversial project

By Sophie Vorrath on 16 April 2015

The proposed expansion of Australia's Abbot Point coal port – to accommodate exports out of a series of mega coal mines proposed in Queensland's Galilee Basin – has been named as one of the world's most controversial projects of 2014, in a new Reputational Risk report released last week.

The RepRisk report ranks the Abbot Point project – overseen by a consortium including Indian conglomerate Adani Group, North Queensland Bulk Ports and GVK Hancock – as the year's equal third most controversial, alongside a Turkish coal mine where 310 workers were killed in an accident.



Abbot Point achieved its dubious ranking due to its high level of exposure to environmental, social and governance risks; more specifically, its threat to the World Heritage-listed Great Barrier Reef, links with waste disposal and pollution issues, and potential contribution to climate change.

As the report notes, the project would produce about three million cubic meters of dredged debris, which would be dumped on the seabed near the Reef, which is home to over 600 types of coral and 1,625 species of fish, as well as other marine animals.

"UN experts, the Australian Institute of Marine Science, and the Australian Conservation Foundation warned that even apart from the waste issues, the dredging activities alone would endanger coral and seagrass," the report says.

It also notes that investment analysts BlackRock have similarly flagged the environmental risks and warned that operating near the Reef might pose high reputational risks and potential loss of a social license to operate.

“The Great Barrier Reef Marine Park Authority estimated that the number of ships crossing the reef would increase by 250 percent in the next 20 years, and warned that this would severely harm marine life,” the report said.

Of course, the huge risks – both economic and environmental – attached to Abbot Point have already been recognised by more than 10 global banking giants, with [France’s BNP Paribas](#), [Societe Generale](#), and [Credit Agricole](#) becoming the latest to rule out funding for either the development of the new mega-coal mines or of the associated port and rail facilities.

Beyond Abbot Point and the Turkish Soma mine, RepRisk’s top 10 list features eight other projects in sectors ranging from mining, to industrial transportation, travel and leisure and utilities.

The number one spot goes to China’s Zhongrong Metal, whose metal plating factory in Kunshan was the scene of an explosion in August 2014 that killed 70 workers and injured 180.

At the time of writing the report, 15 officials of the Kunshan city government were facing prosecution in relation to the accident, together with three of the Zhongrong Metal executives arrested in August.

The Buenavista del Cobre Mine in the Mexican state of Sonora, also known as the Cananea Mine, ranks second on the list, due to a spill of 40,000 cubic meters of sulfuric acid into the Rivers Sonara and Bacanuchi, also in August.

The spill reportedly deprived 20,000 people of water, destroyed crops and cattle, and contaminated wells and soil. Greenpeace Mexico has estimated it will take up to 20 years to decontaminate the area.

Other Top 10 projects (see table below) included the 2022 Fifa World Cup in Qatar, the Moscow Metro and America’s Dan River Steam Station – the Duke Energy-owned 276-MW coal plant behind the third largest coal ash waste spill in US history, coating a riverbed with toxic sludge for an estimated 70 miles downstream.

Most Controversial Projects of 2014

MCP 2014 Ranking	Project Name	Peak RRI In 2014	Sector	Country
#1	Kunshan Zhongrong Metal Plating Factory	83	Automobile and Parts	China
#2	Buenavista del Cobre Mine	75	Mining	Mexico
#3	Soma Komur Isletmeleri Mine	65	Mining	Turkey
#3	Abbot Point Port Expansion	65	Industrial Transportation	Australia
#4	Mauna Ocean Resort	63	Travel and Leisure	Korea
#5	2022 FIFA World Cup	62	Travel and Leisure	Qatar
#6	Mount Polley Mine	61	Mining	Canada
#7	Qingdao Port	60	Industrial Transportation	China
#7	Moscow Metro	60	Industrial Transportation	Russia
#8	Dan River Steam Station	58	Utilities	United States of America

¹ The RRI is RepRisk’s proprietary risk metric that quantifies a project’s exposure to ESG risks. See methodology on page 13 for more information.

² Excluded projects: Sewol Ferry, Korea, RRI: 91; 2014 FIFA World Cup, Brazil; RRI: 79; Sochi 2014 Winter Olympics, Russia, RRI: 76; Rana Plaza, Bangladesh, RRI: 65; MS Costa Concordia, Italy, RRI: 58.