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Indian mining multinational Adani has announced that it will self-fund a significantly smaller coal mine in the Galilee Basin, after failing to secure finance from more than 30 domestic and international banks and lenders.

Federal Resources Minister Matt Canavan has described Adani as a "little Aussie battler" and praised the newly scaled-down project's purported regional economic benefits.

The scaling down of the project has been extensive. Adani Mining chief executive Lucas Dow said the mine will cost A$2 billion and initially produce up to 15 million tonnes of thermal coal per year, with plans to ramp production up to 27.5 million tonnes per year.

That is far more modest than the A$16.5 billion investment in digging up 60 million tonnes of coal a year which the company first announced in 2010. The original plan was to transport the coal along a new 388km rail line to a specially built terminal at Adani's Abbot Point coal port, for export to India. Under the scaled-down version of the project, Adani will need to secure access to existing rail infrastructure.

Read more: ***Infographic: here's exactly what Adani's Carmichael mine means for Queensland***

But there is still no guarantee that the mine will necessarily go ahead. Opening a new coal mine – even one with a relatively modest A$2 billion price tag – is socially and environmentally irresponsible, given the urgency with which the Intergovernmental Panel on Climate Change says we need to reduce global greenhouse emissions, the fact that Australia is not currently on track to meet its own emissions targets, and of course the fact that 2018 is on course to become the fourth-hottest year on record.

The economics barely stack up either. A recent IEEFA report indicated that coal is facing a terminal decline as Asian markets make the transition to cheaper and more efficient renewable alternatives. Existing thermal coal power in India costs US$60-80 per megawatt-hour, roughly double the cost of new renewable generation. The Mundra coal plant, where much of the Adani coal was destined, is already operating under capacity and has been closed for significant periods.

Adani has decided not to proceed with its initially planned 388km rail link, and will instead aim to use the existing Aurizon rail infrastructure. However, there is a 200km gap in this link which will cost a significant amount to bridge – albeit almost certainly much less than the A$2.3 billion cost of the originally planned railway. Aurizon Network is legally obliged to consider Adani’s access application, but has not yet assessed and approved it.

Environmental and Indigenous issues

Then there are the existing and significant concerns regarding Adani’s environmental management of issues such as water contamination in the Caley Valley Wetlands near the Abbot Point terminal. These will not disappear just because the project has been revised.

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Gaining the consent of Traditional Owners will also be crucial, yet the 12-member native title representation group is split down the middle. Adani’s existing Indigenous Land Use Agreement has been appealed in the High Court by the Wangan and Jagalingou people, on the basis that the group has not genuinely consented to the agreement, and that overriding native title to make way for a coalmine is socially and culturally regressive. If the court does not uphold the agreement, this would create profound difficulties for the project as they may not be able to proceed with the development of the coal mine to the extent that it interferes with Indigenous landholdings.

So, while the decision of Adani to self-fund a scaled-down coalmine in Queensland might indicate determination, it also suggests a resistance to, and misunderstanding of, a rapidly changing energy sector and the broader social and environmental responsibilities that this change necessitates.

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