



Adelaide Park Lands Preservation Association, Inc.

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Patron: Rev Dr Lynn Arnold AO
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Matt Comyn
Chief Executive
Commonwealth Bank of Australia
201 Sussex Street
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Dear Mr Comyn

Commonwealth Bank's role in controversial Adelaide Oval Hotel plan

It is a matter of public record that the Adelaide Oval Stadium Management Authority (AOSMA) is a Commonwealth Bank client, at least in relation to bridging finance which reportedly has been obtained to commence construction in 2019 of a 128-room hotel at Adelaide Oval.

This project is very controversial, attracting negative comment for a variety of reasons. The landlord, the Adelaide City Council is opposed to the project and has sought legal advice about how it might be prevented.

The Adelaide Park Lands Preservation Association (APPA) is particularly concerned that a commercial hotel at Adelaide Oval would be inconsistent with the values of public Park Lands. The Oval is situated within Tarntanya Wama (Park 26), part of the world-unique and national-heritage listed Adelaide Park Lands. Apart from this primary concern, we have compiled a list of multiple other objections to the proposal on our website, at: www.adelaide-parklands.asn.au/oval-hotel

The project is being investigated by a Parliamentary Select Committee. Both the AOSMA and APPA are among the organisations that have made submissions to this Committee's inquiry. These submissions will be made public in due course. APPA has obtained a copy of the AOSMA submission.

The Commonwealth Bank's 'Group Environment Policy' states that it will manage "indirect environmental impacts" by, inter alia, applying "the Equator Principles III" to all project-related financing. The Equator Principles are expressed to apply to bridging finance.

Principle 1 of the Equator Principles is categorisation of projects. It is clear from the public controversy surrounding the proposed Adelaide Oval Hotel that this project is clearly a "Category A" project, with significant risks to a National Heritage-listed area, and a high level of social disapproval.

Can you please advise me:

1. What steps, if any, did the Commonwealth Bank take to satisfy itself that the AOSMA's proposed hotel project complied with the Equator Principles III?
2. Before bridging finance was approved, did the AOSMA satisfy the Commonwealth Bank that, consistent with Principle 2 of the Equator Principles, it had conducted an "adequate, accurate and objective evaluation" of the "relevant environmental and social risks and impacts [and] proposed measures to minimise, mitigate, and offset [these] adverse impacts." If not, why did the Commonwealth Bank not insist upon this?
3. Before bridging finance was approved, did the AOSMA satisfy the Commonwealth Bank that, consistent with Principle 3 of the Equator Principles that it had developed an Environmental and Social Management System (ESMS)? If not, why did the Commonwealth Bank not insist upon this?
4. Before bridging finance was approved, did the AOSMA satisfy the Commonwealth Bank that, consistent with Principle 5 of the Equator Principles it had undertaken "effective Stakeholder Engagement as an ongoing process in a structured and culturally appropriate manner with Affected Communities"? Note that AOSMA's own submission to the Parliamentary Select Committee makes clear that no consultation with affected communities (neither the City Council nor the public of South Australia in whose name the Park Lands are managed) was undertaken before the project was announced in November 2018. No "consultation" has occurred since then. Rather AOSMA's strategy has been merely to defend its plan. Why did the Commonwealth Bank not insist that the AOSMA satisfied Principle 5?

The same questions apply (mutatis mutandis) to the references in the Equator Principles to:

5. Assessment documentation;
6. Grievance mechanism; and
7. Independent Review.

Given the significant public interest in this controversial project, and the Commonwealth Bank's integral role as an enabler, I look forward to receiving your response to these questions at your earliest convenience.



Shane Sody
President

10 February 2019