

FACT CHECK

16 August 2019

FACT CHECK: Adani responds to IEEFA paper on Financial Statements

Anti-fossil fuel advocacy organisation IEEFA (*Institute for Energy Economics and Financial Analysis*) has released another inaccurate report about Adani as part of its ongoing campaign to stop the use of fossil fuels like coal and gas. This paper attempts to resurrect an old story from the Australian Broadcasting Corporation story published on 24 July 2019, in which IEEFA made inaccurate claims and misrepresentations regarding Adani's financial accounts suggesting that Adani is trading while insolvent.

[IEEFA](#) is known for publishing alarmist papers that attempt to discredit the fossil fuel industry using [flawed analysis](#) in order to achieve its stated aim of transitioning to renewable energy. Its campaign to discredit Adani's Carmichael Project began in 2013 and has involved the publication of a number of papers containing false claims and associated publicity stunts. IEEFA has known associations with left-wing activist groups, including acting as a spokesperson in campaign [videos for Get Up!](#), which received [\\$495,000](#) from the anti-fossil fuel activist group Sunrise Project last year to advance its anti-coal agenda.

IEEFA also states on its website that it receives funds from a number of organisations with known association to the anti-fossil fuel movement, such as the US-based Rockefeller Family Fund, which funded the strategy for the anti-coal movement '[Stopping the Australian Coal Export Boom](#)'. They are also funded by the US-based Flora Family Fund, whose links to The Sunrise Project, Sandler Foundation, IEEFA and the Growald Family Fund were revealed in the [Wikileaks John Podesta emails](#) that detail the concerted international campaign to stop Adani's Carmichael Project.

While everyone is entitled to their own opinion, it is important that commentators declare their personal and financial interests upfront when discussing issues so as not to give any misrepresentations of independence and impartiality.

Over the past eight years IEEFA's incorrect analysis has included failed predictions that the Queensland's successful natural gas industry was unviable – the industry now supplies a significant proportion of the gas used in eastern Australia and is one of the world's largest exporters of LNG. IEEFA also incorrectly predicted that Adani would not be able to start construction of our Carmichael Project and would not create any jobs – project construction is now underway and employee numbers are growing daily as our contractors recruit their workforces.

Adani has been operating successfully in Australia for nine years and has invested more than \$3.6 billion into the Australian economy during that time.

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Over nine years our contractors, employees, consultants and other business partners have been paid. Our operations here are Australian businesses, operating under Australian financial regulations and taxation legislation.

Like other Australian businesses, our accounts are annually audited and tested for matters such as insolvency and assessed against other financial responsibilities and accountabilities.

Like other Australian companies Adani Mining is required to report its balance sheet to ASIC under Australian law, and our balance sheet has been publicly available for the past eight years for people to view.

Just like every mining project, our project will not generate income until the mine and rail are built and operating and coal can be sold and exported. Until we start producing and selling coal, we will be continuing to invest in the development of the mine and rail and therefore this will be treated as an accounting loss.

With Adani's approvals for construction now in place, construction on the Carmichael mine and rail Project is progressing well. The construction stage is due for completion approximately two years after approvals were received, and production of coal will shortly follow.

The investment in the delivery of the Carmichael Project was always expected to be a long-term investment, which is why Adani has remained committed to the Project.

Already Adani's businesses in Australia have had major impacts on the Queensland economy, through its ownership and operation of Abbot Point Port Terminal, Adani Renewables' solar farm in Rugby Run, and now with the delivery of the Carmichael Project.

Adani looks forward to continuing its operations and the significant financial contribution it makes to the Australian economy over the coming years.

The research paper released by IEEFA also misrepresents the now-concluded contractual dispute between Adani and our supplier AECOM as a failure by Adani to make payment.

The facts are that on 18 December 2018, Carmichael Rail Network (CRN) paid AECOM the full amount awarded by an adjudication decision dated 13 December 2018 made by an adjudicator appointed by the QBCC, as well as interest and adjudicator's fees, totalling more than \$12 million.

Following payment of that amount, both CRN and AECOM commenced Supreme Court proceedings in respect of that decision, as well as other matters arising from the contract between the parties.

There were no findings by the Supreme Court in respect of those proceedings and CRN is not under any obligation to pay AECOM any amount in respect of those proceedings.

The issues raised by the parties in those proceedings have now been resolved and both CRN and AECOM have discontinued their proceeding against the other.

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We expect anti-coal activists will continue their attempts to discredit and misrepresent our organisation and operations. We will not be intimidated and will deliver our Carmichael Project and the benefits it will bring to regional Queensland communities.

Editor's Notes

- **Links to IEEFA's anti-fossil fuel articles and campaigns:**
 - o *IEEFA features GetUp!* Video campaigning against Adani using false claims - <https://www.facebook.com/watch/?v=10154090396561455>
 - o *GetUp!* receives \$495,000 donation from Sunrise Project - <https://www.news.com.au/finance/business/mining/big-donation-to-getup-spells-trouble/news-story/132b4f5dfec12c86581146bef37126b0>
 - o APPEA debunks IEEFA article - https://www.appea.com.au/media_release/flawed-ieefa-report-wrong-on-gas-and-electricity-pricing/
 - o APPEA debunks IEEFA article - <https://www.appea.com.au/2016/08/the-truth-about-domestic-and-export-gas-prices/>
 - o IEEFA anti-Adani article - <http://ieefa.org/ieefa-australia-queensland-government-about-to-make-poor-economic-decision-on-adani-mine/>
 - o IEEFA anti-fossil fuel article - <http://ieefa.org/the-staggering-cost-of-gas-in-australia/>

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