

Adani royalty discrepancy

Adani sold coal for \$100/t through a period that saw relevant coal prices reach \$280/t, resulting in apparent royalty underpayments of almost \$400 million. The Queensland Government's decision to abandon its pursuit of these royalties may be linked to regulatory action around Adani's Abbot Point coal terminal.

Rod Campbell
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INTRODUCTION

In August 2025, the Queensland Government and Adani announced an end to legal action over royalty payments by Adani's Carmichael Coal Mine.¹ The legal action had been started by the Queensland Revenue Office in April 2023, with allegations that the mining company had not been paying sufficient royalties between July 2021 and March 2023.²

This period is significant because Russia invaded Ukraine in February 2022. This impacted world energy markets and drove coal prices to record highs. Partly in response, in July 2022 the Queensland Government changed the state's royalty system to include higher royalty rates at higher coal prices, significantly increasing royalty revenue to the state (and decreasing the profits of miners).

¹¹ McKay (2025) *Queensland government strikes new deal with Bravus to defer royalties, expand Carmichael coal mine*, <https://www.abc.net.au/news/2025-08-19/qld-bravus-royalties-carmichael-coal-mine-expansion-adani/105673632>

² Parnell (2024) *Adani takes Qld to court in bid to end secret royalties probe*, <https://www.brisbanetimes.com.au/national/queensland/adani-takes-qld-to-court-in-bid-to-end-secret-royalties-probe-20240618-p5jmoh.html>

It is unclear whether the legal dispute also relates to an earlier agreement between Adani and the Queensland Government to defer or discount royalties, or if it relates to the use of corporate structures to avoid tax and other payments.³ Almost all details of the royalty deal and subsequent legal proceedings have been conducted in secret.

This briefing note uses publicly available data on market prices, production and revenue from the Carmichael Mine, to estimate the discrepancy between the royalties paid by Adani and the royalties that might have been expected by the Queensland Revenue Office.

ADANI REVENUE, ROYALTIES & PRODUCTION

Major companies like Adani are required to file financial statements with the Australian Securities and Investments Commission (ASIC) that can be accessed by the public. ASIC's data for Adani includes revenue from coal sales and government royalty payments, reproduced in Table 1 below. Adani only operates the Carmichael Mine in Australia, so ASIC's figures relate only to this project.

Table 1: Adani coal revenue, royalty payments and royalty rate

	2022	2023	2024	2025
Royalty (AUD '000)	1,792	65,192	83,469	78,649
Revenue (AUD '000)	32,545	885,734	1,209,033	1,274,681
Royalty %	5.5%	7.4%	6.9%	6.2%

Source: ASIC. Note: Adani's reporting follows Indian financial years that end on 31 March.

Table 1 shows that, after production began in 2022, total revenue ramped up to over \$1 billion per year and royalties reached around \$80 million per year. Dividing royalties paid by total revenue returns a percentage of slightly below 7% in most years.

Queensland's royalty rate is 7% on coal that attracts a price of up to \$100 per tonne, and Adani's coal is of relatively low quality and so would be expected to pay a 7% rate aside from times of very high coal prices. The years of rates below 7% could be explained by the royalty deferral/discount deal, and the 2023 result of 7.4% likely relates to the high coal prices in that year. In other words, based on ASIC data alone, Adani's royalty payments appear to be in line with what would be expected.

³ Some reports suggest that the original deal was never enacted. See for example Elks (2024) *Adani v the state of Queensland: secret royalties fight*, <https://www.theaustralian.com.au/nation/adani-v-the-state-of-queensland-secret-royalties-fight/news-story/bb74c2a230f4fa450987b8190aa4b444>

However, ASIC data does not include the volume of coal produced by Adani. This information is published on the Queensland Government's Open Data Portal. Combining the ASIC revenue data with Queensland Government production data gives an estimate of the price that Adani was selling its coal at, as shown in Table 2 below:

Table 2: Adani revenue, product coal volume and realised price

	2022	2023	2024	2025
Revenue (AUD '000)	32,545	885,734	1,209,033	1,274,681
Tonnes sold	1,533,510	8,682,824	11,569,881	12,024,210
Adani realised price (AUD/tonne)	21	102	104	106

Source: ASIC, Queensland Government Open Data Portal. Note that ASIC data is for Indian financial reporting years that end on 31 March, while Queensland Government data is for Australian financial years that end on 30 June.

Table 2 shows that over the last three financial years, Adani has received revenue of around \$1 billion per year, from selling between 8.6 million tonnes and 12 million tonnes of coal, suggesting a realised coal price of just over \$100 per tonne.

The anomaly is 2022, with an estimate of \$21 per tonne. This low result is due to Adani's production only beginning in December 2021 and ramping up through 2022. The revenue figure for that year includes only sales up to 31 March 2022, while the bulk of production will have been between March and 31 June that year. The low realised coal price here is likely explained by the misalignment between the Indian financial years covered in the ASIC data and the Australian financial years covered in the Queensland Government coal production data.

REALISED PRICES VS MARKET PRICES

Adani's realised coal prices of around \$100 per tonne are far lower than coal market prices during most of this period, even accounting for Adani's low-quality coal. Table 3 below shows the average price for Australian thermal coal as estimated by the Australian Government's Department of Industry, Science and Resources. Those prices are for "benchmark" quality thermal coal, while Adani's coal is estimated to trade at a 30% discount to benchmark prices.

Table 3: Average thermal coal prices, Adani discount and realised prices

	2022	2023	2024	2025
Average thermal price (AUD/t)	171	403	195	166
Adani discount to benchmark (%)	30%	30%	30%	30%
Discounted price (AUD/t)	120	282	137	116
Adani realised price (AUD/t)	21	102	104	106

Source: DISER (2025) Resources and Energy Quarterly, June 2025, thermal coal benchmark prices, average of four quarters to March of each year. Queensland Land Court (2015)

Table 3 shows that the discounted benchmark price that Adani would be expected to receive for its mined coal was somewhat above the realised price in Table 2 in 2025 (\$116/t vs \$106/t) and 2024 (\$137/t vs \$104/t). The year 2023, however, shows a vast difference. Adani appears to have been selling its coal for \$102 per tonne, while the expected value of it was nearly three times higher, \$282 per tonne.

This is unusual. The average price that Adani appears to have realised based on its reports to ASIC and the Queensland Government is far below the discounted market value. Even allowing for some uncertainty around the extent of the discount, timing and the royalty deferral deal, the discrepancy between the 2023 Adani realised price and expected market price is huge. This discrepancy means that royalty payments were far lower than might have been expected. This is the likely cause of the Queensland Revenue Office's 2023 investigation.

Some other points on Table 3:

- Again, the 2022 figure is affected by the commencement of production late in that year and the misalignment of the reporting years.
- The 30% discount figure was used in evidence to the Queensland Land Court in 2015 as part of court proceedings against the Adani mine. It was estimated by financial analyst Tim Buckley, formerly of Citibank, Institute for Energy Economics and Financial Analysis (IEEFA) and now at think tank Climate Energy Finance. Buckley is a prominent critic of the Adani mine and argued in court that the mine was unviable partly due to the low quality of its coal, so his estimates might be expected to be a hefty discount. Adani won that court case, but the judge made no criticism of Buckley's 30% estimate, while Adani's own estimates of the relevant discount were kept confidential by the court.⁴

⁴ *Adani Mining Pty Ltd v Land Services of Coast and Country Inc & Ors* [2015] QLC 48, <https://jade.io/article/494194>

ESTIMATING ROYALTY DISCREPANCY

To estimate the discrepancy in royalty payments between what Adani actually paid and what would have been paid on discounted market prices, it is first necessary to calculate the average royalty payment per tonne at those prices under the Queensland royalty system:

- First \$100—7% of value
- Next \$50—12.5% of value
- Next \$25—15% of value
- Next \$50—20% of value
- Next \$75—30% of value
- Balance—40% of value.⁵

Based on this system and the discounted market prices estimated in Table 3, Adani's average per tonne royalty payment and rates are calculated in Table 4 below:

Table 4: Average royalty payments and rates at discounted market prices

	2022	2023	2024	2025
Discounted market price (AUD/t)	120	282	137	116
Average royalty payment per tonne (AUD/t)	9.46	44.13	11.56	9.03
Average royalty rate (%)	7.9%	15.6%	8.5%	7.8%

Source: Table 3 and Queensland Revenue Office (2025)

Table 4 shows that in 2023, based on discounted market prices Adani would have made average royalty payments of \$44 per tonne, an average rate of 15.6%. Table 5 below applies these estimates to the Queensland Government statistics on production of saleable coal from the Carmichael Mine.

⁵ Queensland Revenue Office (2025) *Mineral royalty rates*, <https://qro.qld.gov.au/royalty/calculate-mineral/rates/>

Table 5: Royalties at discounted market price vs Adani royalties paid

	2022	2023	2024	2025
Carmichael mine saleable production (tonnes)	1,533,510	8,682,824	11,569,881	12,024,210
Discounted market price (AUD/t)	120	282	137	116
Revenue at discounted market price (AUD)	183,561,147	2,449,424,650	1,579,288,757	1,397,213,202
Royalties at discounted market price (AUD)	14,510,838	383,173,023	133,776,749	108,518,495
Royalties paid (AUD)	1,792,000	65,192,000	83,469,000	78,649,000
Difference (AUD)	12,718,838	317,981,023	50,307,749	29,869,495

Source: Author's calculations based on ASIC data and Tables 2 and 3.

Table 5 shows that in 2023 Adani sold 8.68 million tonnes of coal, during a period when the discounted market price was \$282 per tonne. This would have yielded \$2.45 billion in revenue and government royalties of \$383 million. Instead, Adani reports a royalty payment of \$65 million, a difference of almost \$318 million.

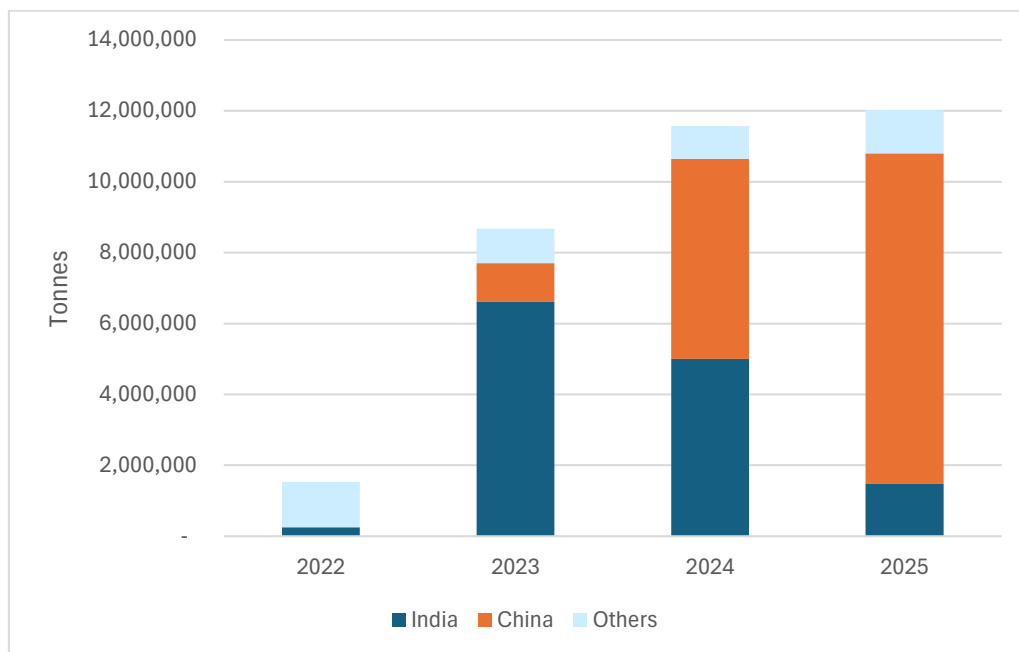
A smaller, but still substantial, discrepancy appeared in 2024, when royalty payments of \$133.8 million might have been expected, but payments of only \$83 million were made, a difference of \$50 million. In 2025, the difference between royalties at discounted market prices and royalties paid was \$30 million. Leaving aside the initial year of 2022, the difference between royalties at discounted market prices and royalties paid is \$398 million.

SALES BY COUNTRY

One possible reason for the difference between market prices and Adani's realised prices, shown in Table 3, and the resulting royalty discrepancy, could be that the company had long-term contracts in place at set prices. This is unlikely according to Queensland Government data, which details exports by mine and destination country.

Figure 1 below plots this data for the Carmichael Mine, showing that volumes sold to customers in different countries have varied considerably across its four years of operation.

Figure 1: Adani Carmichael Mine export volumes by country



Source: Queensland Government (2025) *Coal sales and exports data*

Figure 1 shows that in 2024 and 2025, most of the coal from the Carmichael Mine has been sold to China. Only in 2023, the year of highest prices, was most coal sold to India, potentially related parties. In 2022, most coal was recorded as being sold to Singapore, although this is potentially just to a marketing hub.

This suggests that Adani does not sell large volumes of coal on long term contracts with relatively stable prices. It suggests that Adani sold large volumes of coal to related parties in 2023 to avoid paying royalties and potentially other taxes.

CONTEXT

Adani's apparent attempt to underpay royalties is in line with the company's long reputation for bad behavior in general and financial irregularities in particular. Traditional owners have long complained about Adani's cultural, environmental and human rights impacts.⁶ Adani entities were sensationally accused of billions in accounting fraud and stock manipulation.⁷ At time of writing, company founder

⁶ InQueensland (2023) *Traditional owners claim Bravus breaking emissions laws*, <https://www.indailyqld.com.au/news/archive/2023/08/09/new-lawsuit-brought-by-traditional-owners-claims-bravus-breaking-emissions-laws>

⁷ Hindenburg Research (2023) *Adani Group: How the World's 3rd Richest Man Is Pulling the Largest Con in Corporate History*, <https://hindenburgresearch.com/adani/>

Gautam Adani is still wanted by authorities in the United States relating to bribery offences,⁸ charges the Trump administration is being lobbied to drop.⁹

More surprising than Adani's apparent underpayment is the Queensland Government's decision to end its legal action to recoup the royalties. The Queensland State Government has annual revenue of over \$50 billion per year, meaning that \$400 million in potential royalty revenue represents less than 1% of total revenue, not enough to have an impact on the long-term financial position of the state.

Nevertheless, \$400 million directed towards public services would make a significant difference to the lives of many Queenslanders and/or have an impact on the state's efforts to address climate change and phase out the coal industry. In this context, \$400 million represents:

- More than Queensland Government-owned corporations are investing in grid-scale batteries to help decarbonise the state's electricity system (\$379 million).
- 40 times more than the Queensland Government is proposing to invest in community-level batteries to decarbonise electricity and assist households.¹⁰
- Enough to triple the Government's new Back to School Boost payment to families of primary school students from \$100 to \$300 for four years (cost of \$47.1 million included in 2025-26 Budget).¹¹
- Enough to triple the 20% funding uplift to specialist homelessness services (\$209 million) over the next 4 years.¹²
- A year's worth of the free-school lunch program proposed by the former Queensland Government, costed at \$1.6 billion over four years.¹³

In this context, it is difficult to understand the Queensland Government's decision to end its legal action against Adani. The Government's claim is that in return for ending

⁸ Ryan (2024) *US authorities issue arrest warrant for Gautam Adani*,

<https://www.abc.net.au/news/2024-11-21/gautam-adani-indicted-in-new-york/104628238>

⁹ India Today (2025) *Adani aides lobby Trump officials to drop \$265 million bribery case: Report*,
<https://www.indiatoday.in/business/story/adani-representatives-lobby-trump-officials-drop-265-million-bribery-fraud-case-2719554-2025-05-05>

¹⁰ Queensland Government (2025) *Energy Roadmap*,
<https://www.treasury.qld.gov.au/files/Queensland-Energy-Roadmap-25-043.pdf>

¹¹ Queensland Government (2025) *Budget Strategy and Outlook, Table A.3.1*,
<https://budget.qld.gov.au/budget-papers/#budget-paper-2>

¹² Queensland Government (2025) *Funding boost to specialist homelessness services*,
<https://www.housing.qld.gov.au/initiatives/funding-boost-to-specialist-homelessness-services>

¹³ Dix (2024) *There's a plan for free school lunches in Queensland. Is this a good idea?*,
<https://theconversation.com/theres-a-plan-for-free-school-lunches-in-queensland-is-this-a-good-idea-241242>

the legal process, Adani has committed to spending \$50 million on capital works at the mine that could “open the door” to a possible further expansion.¹⁴

This is unconvincing. There appears to be nothing legally binding in the commitment and the initial works appear minor. The company may have undertaken these works without the Government’s actions and, ultimately, the works are for the benefit of Adani, not the state of Queensland.

Another possibility is that the Government’s actions are part of an agreement that relates to other regulatory matters between Adani and the Queensland Government. For example, the Abbot Point coal port is leased and operated by Adani. Other coal companies including QCoal and Aurizon are currently petitioning the Queensland Competition Authority, and ultimately the Queensland Government, to regulate access to and prices at the terminal.¹⁵ The other coal companies allege that Adani does not give them fair access to the port and are seeking regulation that would limit Adani’s profits at the port. It is possible that the abandonment of the Queensland Government’s royalty claim is related to a deal that would benefit other coal companies at the expense of Adani. The clear losers from such a deal would be the Queensland public.

CONCLUSION

Based on publicly available data, Adani appear to have underpaid coal royalties by almost \$400 million. While there is some uncertainty around the discount that applies to coal from the Carmichael Mine, the royalty deal struck with the Queensland Government and potentially some volumes sold at contract prices, it is clear that royalties paid were far below what the public data suggests is appropriate and what the Queensland Revenue Office had anticipated.

It is difficult to understand the Queensland Government’s actions in walking away from legal proceedings to reclaim these royalties. While not enough to influence the long-term finances of the state, \$400 million directed towards public services would make a significant difference to the lives of many Queenslanders and to the state’s climate change efforts.

¹⁴ Queensland Government (2025) *Investment boost for Central Queensland’s resources sector*, <https://statements.qld.gov.au/statements/103342>

¹⁵ Queensland Competition Authority (2025) *Declaration request: North Queensland Export Terminal at Abbot Point*, <https://www.qca.org.au/project/declared-infrastructure/declaration-request-north-queensland-export-terminal-at-abbot-point/>