

Mineral royalty return 2023

What to include in your return

Your return must include details of all minerals sold, disposed of or used between 1 July 2022 and 30 June 2023 that were extracted from any of the mining authorities in your operation.

It does not matter whether:

- the minerals were extracted before or after 1 July 2022
- the minerals were extracted by you or someone else
- the minerals were sold, disposed of or used by you or someone else
- you received full or partial payment from the sale, disposal or use of the minerals.

You are responsible for lodging a return, and for paying any royalty, for all mining authorities held by you. This is the case even if someone else extracts and/or sells minerals from your authorities under a private arrangement with you. This includes after you sell a mining operation but the mining authorities have not been officially transferred to the other party.

Contact us

Email royalty@treasury.qld.gov.au

Call 1300 300 734

If you fail to lodge your return on time, a late lodgement fee of \$219.10 applies even if no royalty is payable for the period.

If you pay late, unpaid tax interest at the rate of 11.9% per annum applies. This interest will accrue daily from 4 October 2023 until the day that all outstanding amounts are paid in full, both dates inclusive.

Although unpaid tax interest does not compound, any payments received will be applied to any late lodgement fees, penalties and interest before being applied to unpaid royalty.

If you do not declare your royalty liabilities correctly, you may be subject to additional penalties and interest when we reassess—see the 'Reassessment' section in this fact sheet.

How to lodge

Go to QRO Online and log in or set up your account.

If you are not already registered, you can create your QRO Online account in 6 easy steps:

1. Go to qroonline.treasury.qld.gov.au.
2. Create a personal account and password (use your personal email address).
3. Follow the instructions in the welcome email.
4. Enter the authentication code.
5. Verify your identity (you'll need 2 separate forms of identification, such as a driver licence and Medicare card).
6. Set up your contact card (use your corporate email address here).

Once you have set up your QRO Online account, contact us to nominate a royalty administrator and link your personal account to your company's account.

Phone: 1300 300 734

Email: royalty@treasury.qld.gov.au

How to pay

Electronic funds transfer (EFT) payments can be made using the following details.

Bank	Commonwealth Bank of Australia
Account name	Commissioner of State Revenue Collection Account
BSB	064-013
Account no.	1000 0935
Description	Your client number and the word 'royalty'

Contact us for other payment options.

Reassessment

Contact us as within 30 days if you become aware of any inaccuracies or omissions in a lodged return.

For more information, see 'Late lodgement and late payment of royalty' at qro.qld.gov.au.

Record keeping

You are required to keep royalty-related records for 5 years after lodgement.

When is a mineral sold, disposed of or used?

A mineral is **sold** when you transfer title to the mineral to someone else for the right to receive something in return (e.g. money or property).

A mineral is **disposed of** when:

- you transfer title to the mineral to someone else, but don't receive anything in return (e.g. giving a free sample of mineral to someone)
- you otherwise stop owning the mineral, other than by sale or use (e.g. the mineral is stolen).

A mineral is **used** when the mineral is consumed, destroyed or otherwise stops existing in its original mineral form (e.g. the burning of coal for electricity generation).

Calculating your mineral value correctly

The royalty payable for many minerals depends on the value of the minerals sold, disposed of or used during the return period.

Royalty-free threshold

If any of the following minerals were extracted from the mining authorities in your operation (at any time) and were sold, disposed of or used during 2022–23, you do not have to pay royalty on the **first \$100,000** of the minerals' combined value:

- Cobalt
- Manganese
- Tungsten
- Copper
- Molybdenum
- Zinc
- Corundum
- Nickel
- Other minerals
- Gemstones
- Rare earths
- Other precious stones.
- Gold
- Silver
- Lead
- Tantalum

If you sold, disposed of or used more than one of these minerals during 2022–23, you may choose which mineral will have the \$100,000 threshold exemption applied to it. Any remaining balance may be applied against another of the minerals listed above in the same return period.

Note that:

- the exemption is for a total of \$100,000 for all relevant minerals sold, disposed of or used during 2022–23, not \$100,000 for each such mineral
- the exemption is for the first \$100,000 of total value, not the first \$100,000 of royalty
- you are required to include details of all minerals sold, disposed of or used in your return (whether you have to pay royalty for those minerals or not).

Processing discounts

A royalty discount is available where the following minerals are processed in Queensland to a particular minimum metal content:

- Cobalt
- Manganese
- Tantalum
- Copper
- Molybdenum
- Tungsten
- Iron ore
- Nickel
- Zinc.
- Lead

Details are shown in the return form.

Private royalties

Before 1 March 1910, ownership of mineral rights in Queensland (other than gold) did not always vest with the State. If freehold title to land was granted before that date, mineral rights may be owned by a private holder. Where this happens, royalties are payable directly to the private holder—not to the government, except where any part of the land is owned by the government (e.g. a gazetted road). This does not include commercial agreements between the owner of the land and the mining authority holder.

Your return must, however, include full details of the mineral sold, disposed of or used in the period, even if there is no royalty payable to the government, and identify any private royalty amounts.

What is a value-based mineral?

A *value-based mineral* is any mineral where the royalty payable is calculated based on the *gross value* of the mineral when it is sold, disposed of or used during the period of the return. Even though royalty for value-based minerals is not based on weight, you still need to record the quantities of these minerals in your return.

What is the gross value of a value-based mineral?

When a mineral is sold to an unrelated party, the gross value is the amount you sell it for.

However, if the mineral is sold to a related party, we will decide its gross value in a gross value royalty decision. This will also apply if the mineral is disposed of or used, rather than sold. If your situation requires a gross value royalty decision, call us on 1300 300 734.

The gross value must also include any amount you received from the purchaser to cover the royalty payable for the mineral.

How do I calculate gross value where a value-based mineral is sold as part of something else (e.g. a gemstone set into jewellery)?

Royalty is only payable on the mineral, not the entire product. When you sell this type of item, the sale price

includes the value of the mineral and other materials (e.g. the setting). You will need to work out how much of the sale price is due to the mineral itself.

You need to calculate this in a fair and reasonable way. For example, where an opal is set into a ring, a reasonable way to determine the value of the opal would be to calculate the cost of making the setting and to deduct that cost from the total price of the ring.

Do I need to provide supporting details (e.g. valuation methods) when I lodge my return?

No, you don't have to provide these with the return. However, you do need to keep records for all your royalty returns for at least 5 years. For example, you need to keep details of any valuation methods you use to determine gross value. It is an offence not to keep these records.

We may ask you to provide those records to us as part of a review of your royalty liabilities.

What happens if I don't provide details of the weight or quantity of value-based minerals?

If you don't provide this data in your return, we will ask you to provide it.

There are penalties for not providing information we request, or for providing false or misleading information.

What happens if I don't pay the correct amount of royalty?

If you do not report and pay the correct amount of royalty, you can be charged interest (currently 11.9% per annum) and a penalty (at a rate of up to 75% of the under-reported royalty).

Definitions

Export coal is coal that is sold or disposed of for consumption, or used outside Queensland (either in another Australian state or territory, or overseas).

Domestic coal is coal that is sold or disposed of for consumption, or used inside Queensland.

Export bauxite is bauxite that is mined for consumption outside Queensland (either in another Australian state or territory, or overseas).

Domestic bauxite is bauxite that is mined for consumption within Queensland.

Ocean freight and insurance is freight or insurance cost payable by the producer for the transport of the mineral by water to a port outside Queensland. Only freight and insurance costs attributable to activities occurring, or risks arising, after the mineral is loaded on a vessel may be deducted.

Paying royalty on an adjustment basis

Special rules apply for completing your return and calculating royalty on certain sales of the following minerals (prescribed and specified minerals).

Prescribed minerals	<ul style="list-style-type: none">• Cobalt• Copper• Gold• Lead	<ul style="list-style-type: none">• Nickel• Silver• Zinc
Specified minerals	<ul style="list-style-type: none">• Iron ore• Manganese• Molybdenum	<ul style="list-style-type: none">• Tantalum• Tungsten

To calculate your royalty liabilities for prescribed and specified minerals, follow these steps.

Step 1

If you sold, disposed of or used prescribed and/or specified minerals during 2022–23, you need to find the royalty calculation schedule(s) for those minerals in the form and complete the **Mineral sold, disposed of or used in current return period** section(s).

Work out:

- an assumed gross value for any prescribed or specified mineral sold during 2022–23 for which the final value *cannot be worked out* under the relevant contract of sale by the time you lodge your return (or by 3 October 2023, if you lodge after that date).

The mineral's assumed gross value must be reasonable and must be based on relevant information that is available to you at the time of lodgement.

Enter the assumed gross value in the **Based on assumed gross value** field.

You will need to record the actual gross value in a subsequent return. Any difference between the assumed and actual gross values will affect your royalty liability for 2022–23.

- the actual gross value of any prescribed or specified mineral that was either:
 - disposed of or used (rather than sold) during 2022–23or
 - sold during 2022–23 and for which final value can be worked out by the time you lodge your return (or by 3 October 2023, if you lodge after that date).

Enter the actual gross value in the **Not based on assumed gross value** field.

- the royalty payable for these minerals using the remaining fields in the **Mineral sold, disposed of or used in current return period** section, based on the gross values you have allocated to prescribed and/or specified minerals.

Step 2

If you sold prescribed and/or specified minerals before 30 June 2023 and were unable to work out the final value of these minerals before lodging your previous royalty return, you need to adjust your royalty liability for 2022–23 to ensure that the correct amount of royalty is paid for those minerals. Any such adjustment will need to be recorded in the **Finalisation of sales from prior return periods** sections.

- In adjusting your liability for 2022–23, you must account for the difference between the royalty that

is actually payable for minerals sold in prior periods and any provisional royalty that had been previously paid for those minerals on the basis of *assumed gross values*.

- The table below will help you complete the **Finalisation of sales from prior return periods** section. You can find more information on how the adjustment method works under 'Mineral royalty rates' at gro.qld.gov.au.

Field	How to complete the field
Prior return period	Enter the return period in which the prior sales occurred. For example, if the sales occurred in the previous financial year, enter 2022–23 annual .
Royalty rate in prior return period	Enter the royalty rate that applied for the mineral for the prior return period.
Value declared in prior return period	Enter the assumed gross value of the mineral (as it had been recorded in the Based on assumed gross value field in your return for the prior return period), separately identifying the extent to which the processing discount was claimed for that mineral.
Provisional royalty paid in prior return period	Using the formula, calculate the provisional royalty that was paid for the prior return period for the mineral.
Final value	Enter the actual gross value of the mineral, separately identifying the extent to which the mineral is subject to the processing discount.
Royalty on final value	Using the formula, calculate the actual royalty for the mineral.
Royalty difference	Using the formula, calculate the difference between the provisional royalty and the actual royalty.
Change—private royalty payable	Enter the amount of the royalty difference that is payable to (or recoverable from) an entity with private royalty rights in relation to the mineral.
Change—royalty payable to state	Using the formula, calculate the change in the royalty payable to the state on account of the finalisation of the sale and the determination of the actual gross value.

The current mineral royalty rates are shown on the following pages.

Mineral royalty rates

Schedule	Mineral	Rate	
Bauxite	Bauxite	Rates are pre-filled in the return form	
Coal	Coal	<p>Average price per tonne for coal sold, disposed of or used to 30 June 2023</p> <ul style="list-style-type: none"> • Up to & including \$1007% • Over \$100 and up to & including \$150 <ul style="list-style-type: none"> – First \$1007% – Balance 12.5% • More than \$150 <ul style="list-style-type: none"> – First \$1007% – Next \$50 12.5% – Balance 15% 	
Corundum, gemstones, precious stones and all other minerals	<ul style="list-style-type: none"> • Agate • Amethyst • Andalusite/Sillimanite • Andesite • Antimony • Apatite • Aquamarine • Arsenic • Azurite • Barium/Barytes/Barite • Bismuth • Cadmium • Chromite • Chrysoprase • Corundum • Diamond • Emerald 	<ul style="list-style-type: none"> • Fluorite • Garnet • Graphite • Malachite • Opal • Peat • Petrified wood • Quartz • Ruby • Sapphire • Sulphur • Thunder eggs • Tin • Topaz • Zeolite • Zirconium • Other (specify) 	Rates are pre-filled in the return form
Iron ore	<ul style="list-style-type: none"> • Iron ore • Ironstone 	<ul style="list-style-type: none"> • Magnetite • Titanomagnetite 	<p>Average price per tonne for period</p> <ul style="list-style-type: none"> • \$100 or less \$1.25 per tonne • More than \$100 <ul style="list-style-type: none"> – First \$100 1.25% of value – Balance 2.5% of value
Manganese, molybdenum, rare earths, tantalum and tungsten	<ul style="list-style-type: none"> • Cerium • Dysprosium • Erbium • Europium • Gadolinium • Holmium • Lanthanum • Lutetium • Manganese • Molybdenum • Neodymium 	<ul style="list-style-type: none"> • Praseodymium • Promethium • Samarium • Scandium • Tantalum • Terbium • Thulium • Tungsten • Ytterbium • Yttrium • Other (specify) 	Rates are pre-filled in the return form

Schedule	Mineral	Rate	
Mineral sands	<ul style="list-style-type: none"> Anatase Ilmenite Leucoxene Monazite 	<ul style="list-style-type: none"> Rutile Zircon Other (specify) 	Rates are pre-filled in the return form
Particular minerals	Bentonite		\$1.80/tonne
	Calcite		\$1.00/tonne
	Clay shale		\$0.50/tonne
	Clay used for fired clay products		\$0.50/tonne
	Diatomite		\$1.50/tonne
	Dolomite		\$1.00/tonne
	Feldspar		\$0.75/tonne
	Gravel		\$0.50/tonne
	Gypsum		\$0.50/tonne
	Kaolin		\$1.00/tonne
	Lime, earth		\$0.50/tonne
	Limestone		\$0.75/tonne
	Magnesite		\$1.50/tonne
	Marble		\$1.00/tonne
	Mica		\$1.50/tonne
	Perlite		\$1.00/tonne
	Rock (other than rock mined in block or slab form for building or monumental purposes)		\$0.50/tonne
	Rock mined in block or slab form for building or monumental purposes		\$1.00/tonne
Salt		\$1.50/tonne	
Sand		\$0.50/tonne	
Silica		\$0.90/tonne	
Wollastonite		\$0.75/tonne	
Phosphate rock	Phosphate rock		The higher of \$0.80/tonne or the rate determined by the formula contained in Schedule 3, section 10(1)(b) of the Mineral Resources Regulation 2013
Prescribed minerals	<ul style="list-style-type: none"> Cobalt Copper Gold Lead 	<ul style="list-style-type: none"> Nickel Silver Zinc 	Refer to the 2022–23 summary of base and precious metals prices and rates available from publications.qld.gov.au .
Processed oil shale	Processed oil shale		<p>The lesser of:</p> <ul style="list-style-type: none"> 10% of the value of the oil processed from the oil shale or the percentage determined by the formula contained in Schedule 3, section 11(2) of the Mineral Resources Regulation 2013

