19 Minerals Taxation

Imagine a brighter future Australia

Mineral Royalties - Onshore

Royalties on mineral production (as opposed to taxation of company income) are collected by the States and the Northern Territory (see Leaflet 21 for contact details). Royalty payments are a deduction for company income tax purposes.

The total value of mineral (non-petroleum) royalties and licence fees paid by companies to State and Territory governments in aggregate equated to around 3.5% of the gross value of Australian mineral production in 2004-05 with the mining industry contributing 5% to Australia's GDP.

Royalty systems and rates vary between States and commodities. The systems can be any one of the following:

- a specific rate royalty (a fixed dollar amount per unit of mass, e.g. per tonne);
- an ad valorem royalty, a fixed percentage of the value of production;
- a profit-related royalty (also referred to as a resource rent tax); or
- a hybrid royalty with a flat ad valorem combined with a profit component.

The attached table (Attachment A) sets out a comparison of royalty systems on minerals across Australia's State and Territory jurisdictions.

Typical royalty rates (but which vary across the respective State and Territory jurisdictions) encompass a range:

- for minerals - 1.5 to 7.5% ad valorem or up to 22.5% of profits, subject to certain concessions;
- for coal - 2.5 to 7.5% ad valorem, up to 18% of profits, or fixed royalty varying widely from $0.04 to $2.34 a tonne; and
- for industrial minerals - 10 cents to $1 per tonne, or 2.75% of value.

Royalties are generally levied at the "mine mouth" or on a "free on board" basis. A range of allowable deductions applies in each case in calculating the value for royalty purposes.

Profit-related royalty regimes also vary across the respective State and Territory jurisdictions and the minerals extracted.

The Argyle Diamond Mine in the Kimberley region of Western Australia is one of the world's largest producer of diamonds.

Where profit-based royalties do apply, they tend to incorporate elements of both ad valorem and profits-based regimes.

This system is project-based and profit is calculated by deducting allowable project costs from all project revenues. Project costs may include:

- operating costs;
- depreciation on project capital assets;
- inventory adjustments;
- interest on borrowings; and
- pre-development and exploration costs.

Consideration is being given to introducing nationally consistent hybrid ad valorem net income royalty systems which use a low first tier ad valorem royalty accompanied by a second tier profit-based royalty. The first tier provides a regular royalty cashflow which begins when mineral sales start, and the second tier royalty is paid in addition to the first tier, if and when the project becomes profitable.

Mineral Royalties - Offshore

The Australian and State Governments have adopted a common mining code for all offshore minerals and agreed arrangements for sharing offshore minerals royalties 60:40 in favour of the States.

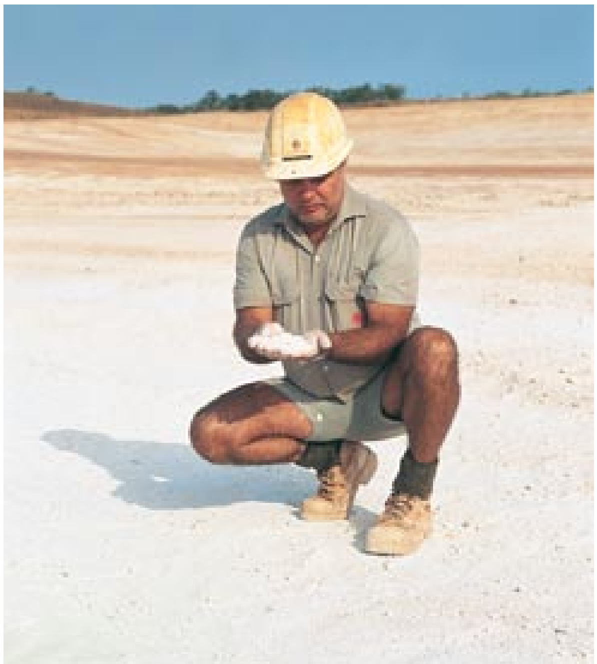
The Offshore Minerals Act 1994 (the OM Act) governs exploration for and the mining of offshore minerals, other than petroleum, within the Australian Government's jurisdiction which is beyond the outer limits of the first three nautical miles as measured from the territorial sea baseline. The offshore area within the first three nautical miles of the territorial sea is under the jurisdiction of the relevant State/Northern Territory.

The OM Act provides that 60% of royalties revenue is to be paid to the relevant adjacent State/Northern Territory. The States/Northern Territory will include in their legislation a provision to share with the Commonwealth 40% of their respective offshore minerals royalties.

Since commencement of the OM Act, a number of minerals exploration licences have been granted. Most of the licences are for the exploration of alluvial diamonds in the Joseph Bonaparte Gulf, straddling the Western Australia/Northern Territory offshore border. Other areas of interest are, south of Kangaroo Island (alluvial diamonds) and in the Gulf of Carpentaria and offshore south-east Queensland (alluvial gold, tin and heavy mineral sands). No mining licences have been granted as yet.

Agreement with States on Common Regime

At present, there is no common offshore minerals royalty system operating. The Offshore Minerals (Royalty) Act 1981 (the OM Royalty Act) provides the Joint Authority, consisting of the Commonwealth Minister and the relevant State Minister, with the power to determine the type and rate of royalties on minerals, other than petroleum, recovered beyond the outer limits of the States/Northern Territory coastal waters. Pending the introduction by the States/Northern Territory of complementary royalties legislation, the various State/NT onshore minerals royalty systems apply to the offshore area within the first three nautical miles of the territorial sea.



Attachment A Comparison of Royalty Systems

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Coal (all types)	Open cut coal 7 percent of the ex mine value, underground coal 6 percent of the ex mine value and deep underground coal (coal greater than 400m), 5 percent of the ex mine value	From the Minerals Resources Development Act 1990, as of 1 January 2006, derived by multiplying $0.0588 per gigojoule of energy by [A÷ B]: where A is consumer price index number for the quarter ending on 30 June immediately preceding the F/Y for which the determined amount is being calculated; and B is consumer price index number for the F/Y ending on 30 June 2005	7 percent of value	Export - 7.50 percent value Non export - $2.39/ tonne escalated annually	Derived by multiplying $0.0270 per gigajoule of energy by [A÷ B]: where A is consumer price index in respect of relevant quarter; and B is consumer price index in respect of the quarter ending 30 June 2000	Coal is classed as a mineral and royalty on all minerals is subject to the Mineral Royalty Act (MRA). The Act sets a profit-based royalty at 18 percent of the "Net Royalty Value" (if Net Royalty Value exceeds $50,000) under the MRA	Profits-based royalty. (mine gate) (1) 1.6 percent on net sales plus profit component (1.6 percent only where net sales less than $100,000 p.a.) Maximum royalty limited to 5 percent of net sales	(1) as per Regulations 8-11 of the 'Mineral Resources Regulations 1995'
Crude oil, petroleum, condensate, LPG & LNG	10 percent based on the net well head value. The net well head value is generally determined by deducting allowable costs from the point that a market value can be independently established for the petroleum product (usually the point of sale) back to the well head							
Gold & Silver	4 percent of ex mine value (mine mouth)	Gold - nil Silver –nil, if silver is a product of the gold recovery process, otherwise 2.75 percent of net market value	Fixed rate of 2.7 percent or variable ad valorem rate (1.5 percent-4.5 percent) as advised by Department each quarter applied to payable metal value. Rate applies to the revenue base less statutory exemption of $7,500 per quarter. (2)	Gold - 2.5 percent of value. (3) Silver - 2.5 percent of value.	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years. For Olympic Dam under the Roxby Downs Indenture Act, basic royalty is 3.5 percent of market value; a surplus royalty may be applicable.	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value".	As for coal	(2) producers elect either fixed or variable rate for a period of 5 years (3) the first 2,500 oz./p.a. is exempt
Copper	4 percent of value (mine mouth)	2.75 percent of net market value	Fixed rate of 2.7 percent or variable ad valorem rate (1.5 percent-4.5 percent) as advised by Department each quarter applied to payable metal value. Rate applies to the revenue base less $7,500 per quarter. A reduced royalty (50 percent) applies to the next $4m/p.a. Discount of 20 percent applies when processed in the State to 95 percent contained metal (4)	5 percent of royalty value for concentrates, 2.5 percent for metallic copper (for copper sold as nickel by product 2.5 percent of copper metal value)	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years. For Olympic Dam under the Roxby Downs Indenture Act – basic royalty is 3.5 percent of market value; a surplus royalty may be applicable.)	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value".	As for coal.	(4) producers elect either fixed or variable rate for a period of 5 years.

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Lead/ Zinc	Cobar zinc - as for copper. Broken Hill - 20 percent of profit with adjustments for grade of ore and mean depth of ore mined. Other S/L/Z - 4 percent of ex mine value (mine mouth)	2.75 percent of net market value	As for copper except processing discounts are 25 percent for lead and 35 percent for zinc	5 percent of royalty value for concentrates, 2.5 percent for metallic form.	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value".	As for coal	No production in Victoria
Bauxite / Alumina	$0.35/tonne -bauxite $0.70/tonne - alumina (mine mouth)	2.75 percent of net market value	For bauxite mined for consumption outside the State royalty is: - a) 10 percent of value, or b) $1 per tonne, whichever is the higher The royalty rate per tonne payable on bauxite mined for consumption within the State is half the royalty worked out under the above provisions	Bauxite - 7.5 percent of value (alumina - 1.65 percent of value – rate specified in several State Agreement Acts)	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value", except for Gove project where a special historical arrangement exists	As for coal	No production in Victoria
Silica	(5)	$1.43 per cubic metre	Currently 5 percent of value or $0.50/tonne whichever is the greater. Transition arrangements for 2005-06 with minimum of $0.70 per tonne. From 2006-07 onwards, $0.90 per tonne	$0.56/tonne from 1 July 2005 moving in equal increments to $0.80/tonne on 1 July 2009 (from 1 July 2010 subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	Industrial 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years Extractive minerals $0.35/tonne	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	Metallurgical, greater of $1.20 tonne or 5 percent of value, other uses $0.60/tonne	(5) silica is not defined as a mineral in NSW
Nickel	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	Fixed rate of 2.7 percent or variable ad valorem rate (1.5 percent-4.5 percent) as advised by Department each quarter applied to payable metal value. Rate applies to the revenue base less $7,500 per quarter. A reduced royalty (50 percent) applies to the next $4m/p.a. Discount of 20 percent applies when processed in the State to 70 percent contained metal	2.5 percent of value of contained nickel	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Mineral Sands (6)	4 percent of F.O.B. value	2.75 percent of net market value	5 percent of the value of the concentrate	5 percent of royalty value. Ilmenite feedstock - $4.16/tonne escalated annually (ilmenite feedstock that is of a marketable quality, 3.5 percent of royalty value from 1 July 2005 with the rate moving in equal annual adjustments to 5 percent on 1 July 2008)	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years.	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	(6) applies to rutile, monazite, zircon and ilmenite
Kaolin	$0.50/tonne (mine mouth)	2.75 percent of net market value	Currently - $0.50/tonne 2005-06 - $0.75/tonne 2006-07 - $1.00/tonne	5 percent of royalty value (7)	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	$1.20/tonne (mine gate)	(7) unless an "extractive mineral lease" (EML) or "extractive mineral permit" (EMP) has been granted under the Mining Act (in which case no royalty is payable). Rental of an EMP or an EML is higher to compensate the lack of royalty
Limestone-Lime Earth	$0.35/tonne (mine mouth)	$1.43 per cubic metre	Limestone (when used for its chemical properties) - $0.30/tonne. Lime, earth - $0.25/ tonne	Limestone (including limesands and shellsands) used for agricultural or construction purposes or as a neutralising agent $0.34 per tonne from 1 July 2005 moving in equal increments to $0.50/tonne on 1 July 2009 Limestone (including limesands and shellsands) used for metallurgical purposes $0.56 per tonne from 1 July 2005 moving in equal increments to $0.80/tonne on 1 July 2009 (from 1 July 2010 both rates subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	Industrial 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years. Extractive minerals $0.35/tonne	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value", if the material is used as a mineral and not as an "extractive" mineral product	Chemical and metallurgical: $1.20/ tonne. Other Uses: $0.60/tonne (mine gate)	(8) included under construction materials

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Salt	4 percent of ex mine value (mine mouth)	It is outside the scope of mineral, extractive and the petroleum legislations in Victoria	$1.00/tonne	$0.34/tonne from 1 July 2005 moving in equal increments to $0.50/tonne on 1 July 2009 (from 1 July 2010 subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index (a number of different rates are also contained in various State Agreement Acts for specific projects)	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years. Certain existing operations pay royalty under State or Crown Agreements	Subject to the Mineral Royalty Act at 18 percent of the “Net Royalty Value”	As for coal	
Gemstone	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	2.7 percent of value after deducting $30,000	7.5 percent of royalty value	Currently not applicable but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the “Net Royalty Value”, unless produced by recreational fossicking which is exempt	As for coal	No production in Victoria
Magnetite	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	$0.50/tonne	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the “Net Royalty Value”	As for coal	No production in Victoria
Bentonite	$0.70/tonne (mine mouth)	2.75 percent of net market value	Currently - $1.00/tonne 2005/06 - $1.40/tonne 2006/07 - $1.80/tonne	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Exempt from Act	As for coal	No production in Victoria

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Clay	Brick clay - $0.25/tonne. Pottery clay - $0.50/ tonne (mine mouth)	Fine clay 2.75 percent of net market value Building clay $1.43 per cubic metre	Clay shale - $0.25/tonne, Fireclay - $0.25/tonne, Pottery clay - $0.50/ tonne, Building brick, roof tile & glazed earth-enware pipe clay - $0.25/ tonne	$0.34/tonne from 1 July 2005 moving in equal increments to $0.50/tonne on 1 July 2009 (from 1 July 2010 subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	$0.35/tonne	Exempt from Act	$1.20/tonne (mine gate)	(9) as kaolin in Victoria
Tin Concentrate	4 percent of ex mine value (mine mouth)	2.75 percent of net mar-ket value	2 percent of value after deducting $30,000	2.5 percent of royalty value of tin metal (or 2.5 percent of contained tin metal value)	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years.	Subject to the Mineral Royalty Act at 18 per-cent of the "Net Royalty Value".	As for coal	No production in Victoria
Dolomite	$0.50/tonne (mine mouth)	2.75 percent of net mar-ket value	$0.25/tonne	$0.34/tonne from 1 July 2005 moving in equal increments to $0.50/tonne on 1 July 2009 (from 1 July 2010 subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	3.5 percent of market value, ex mineral pro-duction tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 per-cent of the "Net Royalty Value", if the material is used as a mineral and not as an "extractive" mineral product	Chemical and metallurgical: $1.20/ tonne, other uses $0.60/tonne (mine gate)	No production in Victoria
Diatomite	$0.50/tonne (mine mouth)	$1.43 per cubic metre	$0.50/tonne	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Exempt from Act	As for coal	No production in Victoria
Perlite	$0.35/tonne (mine mouth)	2.75 percent of net mar-ket value	$0.25/tonne	N/A	3.5 percent of market value, ex mineral pro-duction tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Exempt from Act	As for coal	No production in Victoria
Peat	$0.70/tonne (mine mouth)	2.75 percent of net mar-ket value	2 percent of value after deducting $30,000	Nil	N/A under the Mining Act	Subject to the Mineral Royalty Act at 18 per-cent of the "Net Royalty Value"	As for coal	

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Phosphate	$0.50/tonne (mine mouth)	2.75 percent of net market value	Phosphate royalty formula per tonne of phosphate rock: $\$1\times\frac{G}{32.3}\times\frac{Pcurr}{\$27.0}$, where G is the average P2O5 content of the rock for the period Pcurr is the average price in $A of Moroccan phosphate rock with 32.3 percent P2O5 content Minimum rate is $0.80 per tonne	N/A	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Magnesite	$0.70/tonne (mine mouth)	2.75 percent of net market value	$0.50/tonne	N/A	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for silica	No production in Victoria
Iron Ore-Iron Stone	$0.35/tonne (mine mouth)	2.75 percent of net market value	$0.35/tonne	Lump export - 7.5 percent FOB, fine export - 5.625 percent, beneficiated - 5.0 percent (a number of different rates are also contained in various State Agreement Acts for specific projects)	Minimum $1.10/tonne plus agreed adjustments delivered to steelworks ('BHP Indenture Act')	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Tungsten	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	2 percent of value after deducting $30,000	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Marble	$0.50/tonne (mine mouth)	$8.07 per cubic metre as dimension stone	$ 0.50/tonne	N/A	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years.	Exempt from Act	As for coal	(10) provided under construction materials for Victoria

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Chromite	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	$0.50/tonne	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years.	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Granite/ Sandstone	$0.50/tonne (mine mouth)	$1.43 per cubic metre (11)	$0.50/tonne	N/A	Dimension Stone 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years Extractive minerals $0.35/tonne	Exempt from Act	Building stone - $5/ cu.m. (mine gate)	(11) under Extractive Industries Development Act Provided under construction materials for Victoria
Calcite	$0.35/tonne (mine mouth)	$1.43 per cubic metre (12)	$0.25/tonne	N/A	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value", if the material is used as a mineral and not as an "extractive" mineral product	As for coal	(12) under Extractive Industries Development Act
Serpentine	$0.50/tonne (mine mouth)	$1.43 per cubic metre (13)	$0.25/tonne	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Exempt from Act	As for coal	(13) under Extractive Industries Development Act
Cobalt	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	Fixed rate of 2.7 percent or variable ad valorem rate (1.5 percent-4.5 percent) as advised by Department each quarter applied to payable metal value. Rate applies to the revenue base less $7,500 per quarter. A reduced royalty (50 percent) applies to the next $4m/p.a. Discount of 20 percent applies when processed in the State to50 percent contained metal	2.5 percent of royalty value in metallic form, 5 percent in concentrate form (for cobalt sold as nickel by-product 2.5 percent of cobalt metal value)	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Gypsum	\$0.35/tonne (mine mouth)	2.75 percent of net market value	\$0.25/tonne	\$0.34 per tonne from 1 July 2005 moving in equal increments to \$0.50/tonne on 1 July 2009 (from 1 July 2010 subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	3.5percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value", if the material is used as a mineral and not as an "extractive" mineral product	As for coal	
Manganese Ore	4 percent of ex-mine value (mine mouth)	2.75 percent of net market value	Currently 2 percent of value after deducting \$30,000. From 2005/06, 2.7 percent of value after deducting \$30,000. Discount of 35 percent applies when processed in the State to 75 percent contained metal	7.5 percent of royalty value	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Platinoids	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	2 percent of value after deducting \$30,000	2.5 percent of royalty value for metals	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Construction Materials	Various (mine mouth)	\$1.43 per cubic metre (14)	\$0.50/tonne (only if used on mining lease) (14)	Rock - \$0.34 per tonne from 1 July 2005 moving in equal increments to \$0.50/tonne on 1 July 2009 (from 1 July 2010 subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	Extractive minerals \$0.35/tonne	Exempt from Act	Building stone \$5/m3 Gravel \$0.60/tonne Pebbles \$2.40/tonne Stone crushed and broken \$0.60/tonne (mine gate)	(14) construction materials are not classified as minerals in Victoria and Queensland
Quartzite	\$0.45/tonne (mine mouth)	\$1.43 per cubic metre (15)	As for gemstones 2 percent of value after deducting \$30,000	N/A	Extractive mineral \$0.35/tonne.	Exempt from Act	As for coal	(15) under Extractive Industries Development Act

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Diamonds	4 percent of ex-mine value (mine mouth)	2.75 percent of net market value	As for gemstones	7.5 percent of realised value. (For Ellendale project - 7.5 percent FOB or 22.5 percent of accounting profit if greater) (For Argyle project – from 1 January 2006, a flat royalty rate of 5% of gross revenue)	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	No production in Victoria
Spodumeme	4 percent of ex-mine value (mine mouth)	2.75 percent of net market value	2 percent of value after deducting $30,000	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	As for coal
Talc	$0.50/tonne (mine mouth)	2.75 percent of net market value	$0.50/tonne	$0.56 per tonne from 1 July 2005 moving in equal increments to $0.80/tonne on 1 July 2009 (from 1 July 2010, subject to five yearly reviews in accordance with increases in ABS Non-Metallic Mineral Products Price Index)	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Tantalum	4 percent of ex mine value (mine mouth)	2.75 percent of net market value	Currently 2 percent of value after deducting $30,000. From 2005-06, 2.7 percent of value after deducting $30,000. Discount of 35 percent applies when processed in the State to 95 percent contained metal	5 percent of royalty value for concentrates (or 5 percent of the value in concentrate form if processed further before sale)	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria
Pyrophyllite	$0.85/tonne (mine mouth)	2.75 percent of net market value	2 percent of value after deducting $30,000	N/A	N/A but would be 3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value"	As for coal	No production in Victoria

MINERAL	NEW SOUTH WALES (1)	VICTORIA (2)	QUEENSLAND (3)	WESTERN AUSTRALIA (4)	SOUTH AUSTRALIA (5)	NORTHERN TERRITORY (6)	TASMANIA (7)	COMMENTS
Uranium Oxide	Uranium mining in NSW is prohibited	Uranium mining is prohibited in Victoria	2 percent of value after deducting $30,000 – no production in Queensland	WA Government policy does not support mining and export of uranium. All mining leases granted after 22 June 2002 exclude uranium mining	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	NT uranium is owned by the Commonwealth which determines the royalty rate to applying to each mine on a case by case basis (16)	As for coal	(16) a range of relevant issues including the world market for uranium, previously negotiated non-statutory payments to Aboriginal communities, the loss or damage likely to be suffered by Aboriginal communities and the royalty rates set for other mines are taken into account in determining the royalty applying to NT uranium mines. Ranger is subject to a 5.5 percent ad valorem royalty comprising a 4.25 percent payment to Aboriginal Benefit Account and a 1.25 percent payment to the NT in lieu of royalties. No other uranium mines currently operate in the NT
Miscellaneous	Various	Various	Unless otherwise specified, 2 percent of value after deducting $30,000	Any other mineral not specifically listed in the Mining Regulations Table -if sold as crushed or screened material, 7.5 percent of the royalty value or if sold as a concentrate, 5 percent of the royalty value	3.5 percent of market value, ex mineral production tenement. New mines may qualify for a rate of 1.5 percent for the first 5 years	Subject to the Mineral Royalty Act at 18 percent of the "Net Royalty Value", if the material is used as a mineral and not as an "extractive" mineral product	Various	

** note:*
- *base metals – copper, lead, zinc, bauxite/alumina, nickel, magnetite, tin, iron ore, magnesite, tungsten, chromite, cobalt*
- *precious metals – gold, silver, gemstones, diamonds, platinoids, manganese, tantalum*

other minerals – mineral sands, silica, limestone/lime earth, bentonite, salt, kaolin, clay, dolomite, diatomite, phosphate, perlite, peat, marble, granite, calcite, serpentine, construction materials, gypsum, pyrophilites, quartzite, spodumene, talc, uranium