Northern Territory mineral royalties – Mineral Royalties Act 2024

### From 1 July 2024, the *Mineral Royalties Act 2024* (MRA24) applies to new mines in the Territory. This ad valorem scheme (percentage of the value of a mineral) applies royalty rates of 7.5%, 5%, 3.5% or 2.5%.

# Who pays royalties?

Minerals in the Northern Territory are owned by the people of the Territory. Once a mineral is removed from the ground it cannot be replaced. Therefore, companies mining minerals pay to remove non‑renewable resources. This payment is known as a royalty.

Royalties are payable on all minerals extracted in the Territory except for extractive minerals recovered under an extractive mineral lease, extractive minerals recovered as a by‑product of a mining operation and minerals that have been fossicked. Royalties on uranium are governed by Commonwealth legislation.

MRA24 applies to all new mining operations from 1 July 2024. Mines that were operating in 2023 will remain under the *Mineral Royalty Act 1982*, which is a profit‑based royalty scheme.

# How to calculate royalties under MRA24?

The MRA24 provides the following calculation of royalties:

**Royalty = RR \* (V – SC)**

where:

**RR**  is the royalty rate applicable to the mineral.

**V** is the value of the mineral extracted from a mining operation.

**SC** is the amount allowed to be deducted for shipping costs within the Territory.

# What are the royalty rates?

The royalty rates for most minerals extracted in the Territory are set out in a table in Schedule 1 of the MRA24, also attached to this Fact Sheet at [Appendix A](#_Appendix_A_-) and [Appendix B](#_Appendix_B_-). There are four categories of rates, 7.5%, 5%, 3.5% or 2.5%. If a mineral is not listed in Schedule 1, the royalty rate is determined based on the level of treatment and refinement of a mineral as specified in Schedule 2 of the MRA24.

# How to calculate the value of a mineral?

Under MRA24 a sequential valuation methodology applies to determine the value of a mineral. This means holders of a mining tenement must use the first valuation method possible to determine the value of the mineral.

1. Where there is a genuine sale on arm’s length terms, the value of the mineral is the contract price for the sale.
2. Where the mineral is not transferred in a genuine sale on arm’s length terms but is subsequently sold in a genuine sale on arm’s length terms, the value is the contract price of the subsequent sale.
3. Where the mineral is lost before sale, the value is the amount received from insurance, indemnity or guarantee for the loss of the mineral.
4. Where the Commissioner of Territory Revenue (CoTR) has recognised a market index for a mineral, the price on the index is the value of the mineral.
5. The market value of the mineral as determined by the CoTR with reference to other sales and any benchmark prices.
6. A price or method determined by the CoTR.
7. A price or method determined by the holder of a mining tenement and approved by CoTR.

In determining whether a sale is genuine, holders of a mining tenement should consider the relationship between parties to a transaction: whether each party to the transaction is knowledgeable, willing, and is acting severally, independently, prudently and without compulsion.

# What shipping costs are deductible?

To recognise the cost of transporting minerals in the Territory holders of a mining tenement can deduct expenses for transporting a mineral within the Territory to a purchaser. Expenses that are able to be claimed include freight (whether by road, rail, air, barge or another method) and insurance directly relating to the transport of the mineral.

# What are your obligations?

Holders of a mining tenement must register with the CoTR within 30 days of extracting a mineral from a mining operation, by completing a Registration Form.

Holders of a mining tenement must pay royalty within 30 days after the end of each quarter and an annual royalty return must be lodged within 30 days of the end of the royalty year. The registration, quarterly return and annual return forms are available on Territory Revenue Office (TRO)’s Publication website[[1]](#footnote-1) and are lodged via email to TRO at royaltiesandassurance.dtf@nt.gov.au

For further information, please refer to the guidance material available online or contact our office as follows:

Level 14, Charles Darwin Centre Phone: 1300 305 353

19 The Mall, Smith Street Fax: (08) 8999 5577 **Office hours:**

GPO Box 1974 Website: [www.revenue.nt.gov.au](http://www.revenue.nt.gov.au) 9.00am to 4.00pm Monday to Friday

DARWIN NT 0801 Email: royaltiesandassurance.dtf@nt.gov.au 9.00am to 2.00pm last Wednesday of each month

# Appendix A - Schedule 1 Royalty rates

section 13(1)

| Mineral | Royalty rate |
| --- | --- |
| Alumina | 3.5% |
| Aluminium | 2.5% |
| Bauxite | 7.5% |
| Chromite (concentrate) | 5.0% |
| Coal | 7.5% |
| Cobalt (concentrate) | 5.0% |
| Cobalt (metal) | 2.5% |
| Copper (crushed or screened material) | 7.5% |
| Copper (concentrate) | 5.0% |
| Copper (metal) | 2.5% |
| Diamond | 5.0% |
| Feldspar | 5.0% |
| Ferrovanadium | 2.5% |
| Garnet | 5.0% |
| Gems and precious stones | 7.5% |
| Gold (nuggets) | 7.5% |
| Gold (gravity recovery) | 5.0% |
| Gold (doré) | 3.5% |
| Graphite (flake concentrate) | 5.0% |
| Graphite (spherical) | 3.5% |
| Ilmenite  | 5.0% |
| Iron ore (crushed or screened material) | 7.5% |
| Iron ore (beneficiated) | 5.0% |
| Iron ore (magnetite) | 5.0% |
| Kaolin | 5.0% |
| Lead (concentrate) | 5.0% |
| Lead (metal) | 2.5% |
| Leucoxene | 5.0% |
| Limestone | 7.5% |
| Lithium (crushed or screened material) | 7.5% |
| Lithium (concentrate) | 5.0% |
| Lithium (hydroxide and carbonate) | 3.5% |
| Magnesium (crushed or screened material) | 7.5% |
| Magnesium (concentrate) | 5.0% |
| Magnesium (calcined magnesia) | 3.5% |
| Magnesium (metal) | 2.5% |
| Manganese (crushed or screened material) | 7.5% |
| Manganese (beneficiated) | 5.0% |
| Molybdenum (concentrate) | 5.0% |
| Molybdenum (metal) | 2.5% |
| Nickel (crushed or screened material) | 7.5% |
| Nickel (concentrate) | 5.0% |
| Nickel (metal) | 2.5% |
| Ochre | 5.0% |
| Platinoids (metal) | 2.5% |
| Phosphate (crushed or screened material) | 7.5% |
| Phosphate (concentrate) | 5.0% |
| Phosphoric acid | 3.5% |
| Quicklime | 3.5% |
| Rare earths (concentrate) | 5.0% |
| Rare earths (oxide) | 2.5% |
| Rare earths (metal) | 2.5% |
| Rutile | 5.0% |
| Salt | 2.5% |
| Semi‑precious stones (including specimen stones) | 7.5% |
| Silicon (metal) | 2.5% |
| Silver (concentrate) | 5.0% |
| Silver (doré) | 3.5% |
| Silver (metal) | 2.5% |
| Spongolite | 5.0% |
| Tantalum (concentrate) | 5.0% |
| Titanium (slag or dioxide) | 3.5% |
| Titanium (metal) | 2.5% |
| Tungsten (concentrate) | 5.0% |
| Tungsten (metal) | 2.5% |
| Tin (concentrate) | 5.0% |
| Tin (metal) | 2.5% |
| Vanadium (concentrate) | 5.0% |
| Vanadium (pentoxide) | 3.5% |
| Zinc (concentrate) | 5.0% |
| Zinc (metal) | 2.5% |
| Zircon | 5.0% |

# Appendix B - Schedule 2 Royalty rates for categories of minerals

section 13(2)

|  |  |
| --- | --- |
| Category of mineral | Royalty rate |
| Category 1 | 7.5% |
| Category 2 | 5.0% |
| Category 3 | 3.5% |
| Category 4 | 2.5% |

1. <https://treasury.nt.gov.au/dtf/territory-revenue-office/publications> [↑](#footnote-ref-1)