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Public Ruling Mineral Resources Act:

ADMINISTRATIVE ARRANGEMENT— MINERAL ROYALTY PROVISIONAL PRICE ADJUSTMENTS

A public ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a public ruling, the change in the law overrides the public ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this ruling is about

1. This public ruling sets out an administrative arrangement for producers who mine minerals not subject to section 23 of the Mineral Resources (Royalty) Regulation 2025 (Mineral Royalty Regulation).
2. The purpose of the administrative arrangement is to clarify that the Treasurer, Minister for Energy and Minister for Home Ownership (Treasurer) allows the Commissioner to accept producers' existing administrative practices for dealing with post-return provisional price adjustments (post-return PPAs) for the calculation of mineral royalty, subject to the terms of the administrative arrangement, until a final approach is approved by the Treasurer.

Provisional price adjustments

3. Section 320 of the *Mineral Resources Act 1989* (Mineral Resources Act) requires a person (a producer) to pay royalty as prescribed in respect of a mineral, if the producer is:
 - (a) the holder of a mining claim, mining lease or other authority (authority) who mines or allows to be mined mineral from the area of that authorityor
 - (b) a person who mines mineral from land other than under an authority.
4. Section 320 of the Mineral Resources Act requires producers to lodge a royalty return.
5. Section 8 of the Mineral Royalty Regulation provides that a royalty return must relate to a period of a calendar quarter or a financial year, depending on the mining operation to which the royalty return relates.

6. The royalty rate applicable to a mineral is either a percentage of the value of the mineral sold, disposed of or used in a return period, or a flat rate per tonne of mineral sold, disposed of or used in a return period. For some minerals, the rate may be either type depending on the circumstances.
7. The price for which a mineral is sold may be relevant to both:
 - (a) the gross value of the mineral sold in the return period, which is the starting point for ascertaining the value of the mineral subject to royalty
 - (b) the royalty rate—where identifying the royalty rate to apply to a mineral's value requires reference to the average price per tonne or kilogram of the mineral sold in the return period, or where the type of royalty rate may vary depending on the value.
8. A mineral can be sold in one return period at a provisional price, but the final price and the gross value of the mineral cannot be determined before the return for the period is required to be lodged. This gives rise to a post-return PPA once the final price is known.
9. For certain minerals, section 23 of the Mineral Royalty Regulation provides that royalty on the mineral must be accounted for by applying the adjustment method. This involves:
 - (a) calculating provisional royalty in the return for the sale period
 - (b) making an adjustment for the actual royalty in the return for the period in which the gross value can be finally worked out.
10. Section 23 applies to a prescribed mineral (royalty) as listed in Schedule 2 of the Mineral Royalty Regulation or a relevant mineral as listed in section 23(6) of the Mineral Royalty Regulation.
11. A prescribed mineral (royalty) means any of cobalt, copper, gold, lead, nickel, silver and zinc. A relevant mineral means any of iron ore, manganese, molybdenum, tantalum, tungsten and uranium.¹

Minerals not subject to the adjustment method

12. An issue has arisen around how the Mineral Royalty Regulation operates for a mineral that is not a prescribed mineral (royalty) under Schedule 2 of the Mineral Royalty Regulation or a relevant mineral under section 23(6) of the Mineral Royalty Regulation when dealing with post-return PPAs for those minerals.
13. For those minerals, a final position on the treatment of post-return PPAs needs to be settled.

Approval of administrative arrangement

14. On 18 June 2026, the Treasurer approved an administrative arrangement to clarify that—for a producer who mines minerals not subject to section 23 of the Mineral Royalty Regulation—the Treasurer allows the Commissioner to accept the producer's existing administrative practice

¹ The mining of uranium is not currently permitted in Queensland under government policy.

for dealing with post-return PPAs for the calculation of mineral royalty, subject to the terms of the administrative arrangement.

Ruling and explanation

Calculation of mineral royalty where there is a provisional price adjustment

15. The Commissioner will not reassess to amend post-return PPAs for the calculation of mineral royalty where producers continue with their existing administrative practice (used on a consistent basis at the date the administrative arrangement was approved) for dealing with post-return PPAs, subject to the terms of this public ruling. The existing administrative practices may be either:
 - (a) post-return PPAs wholly reported in the return period in which the post-return provisional price adjustment invoice was issued
 - or
 - (b) post-return PPAs wholly reported in the return period in which the mineral was sold.
16. For clarity, the Commissioner will not issue reassessments relating to post-return PPAs where the post-return PPAs are being reported in the return period in which the post-return provisional price adjustment invoice was issued, if this is a producer's existing practice.
17. However, the Commissioner may issue reassessments where the producer has wholly or partially used a different administrative practice to that outlined in paragraph 15. If a reassessment occurs, the Commissioner will apply the practice noted at paragraph 15(a).
18. An exception applies for coal sold before 1 July 2022 where a producer has a post-return PPA in a return period ending after 30 June 2022. The Mineral Royalty Regulation saves the operation of the transitional provision (section 118) in the repealed Mineral Resources Regulation 2013 that requires the coal royalty rate tiers applicable before 1 July 2022 to apply for working out royalty payable for coal sold before 1 July 2022. The Commissioner may therefore reassess to amend post-return PPAs for a producer where the producer has reported a post-return PPA relating to coal sold before 1 July 2022 in a royalty return period after 30 June 2022.

Lodgement requirements

19. This arrangement applies where producers comply with proper royalty return lodgement requirements, including lodgement in the approved form, for the required period and at the required time.

Compliance

20. The Commissioner may issue reassessments if:
 - (a) the producer has changed their treatment of post-return PPAs after this public ruling comes into effect without being told by the Commissioner to do so
 - or

- (b) the Commissioner believes the producer has engaged in royalty avoidance activities when lodging royalty returns following commencement of this public ruling.
21. The Commissioner may also issue reassessments in relation to matters unrelated to post-return PPAs.
22. Any reassessments may include interest and penalties under the *Taxation Administration Act 2001* (Taxation Administration Act).

Application of legislative provisions

23. To avoid any doubt, all royalty provisions of the Mineral Resources Act, Mineral Royalty Regulation and the Taxation Administration Act continue to apply, unless their operation is modified by this public ruling.

Date of effect

24. This public ruling takes effect from 18 June 2026 and continues until a final approach for the treatment of post-return PPAs is approved by the Treasurer.

Simon McKee
Commissioner of State Revenue
Date of issue: 19 June 2026

References

Public Ruling	Issued	Dates of effect	
		From	To
MRA005.1	19 June 2026	18 June 2026	Current