Royalty and Company Tax Payments

Minerals Council of Australia
14 July 2026

Contents

All values are presented in nominal terms unless otherwise stated.

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1. Introduction

Ernst & Young (EY) was engaged by the Minerals Council of Australia (MCA) to estimate royalty and net company tax payments attributable to Australia's minerals sector over the FY16–FY25 period. The report examines recent fiscal outcomes, including EY estimates of company tax payments for FY25, and places these in the context of broader movements in commodity prices, production and mining profitability.

Over the past decade, Australia's minerals sector has generated historically high royalty and company tax revenues, particularly during the commodity price surge in the early 2020s. More recently, fiscal revenues have moderated as commodity prices have eased from peak levels in 2022 and 2023. This report examines this moderation and the factors driving changes in revenue outcomes over time.

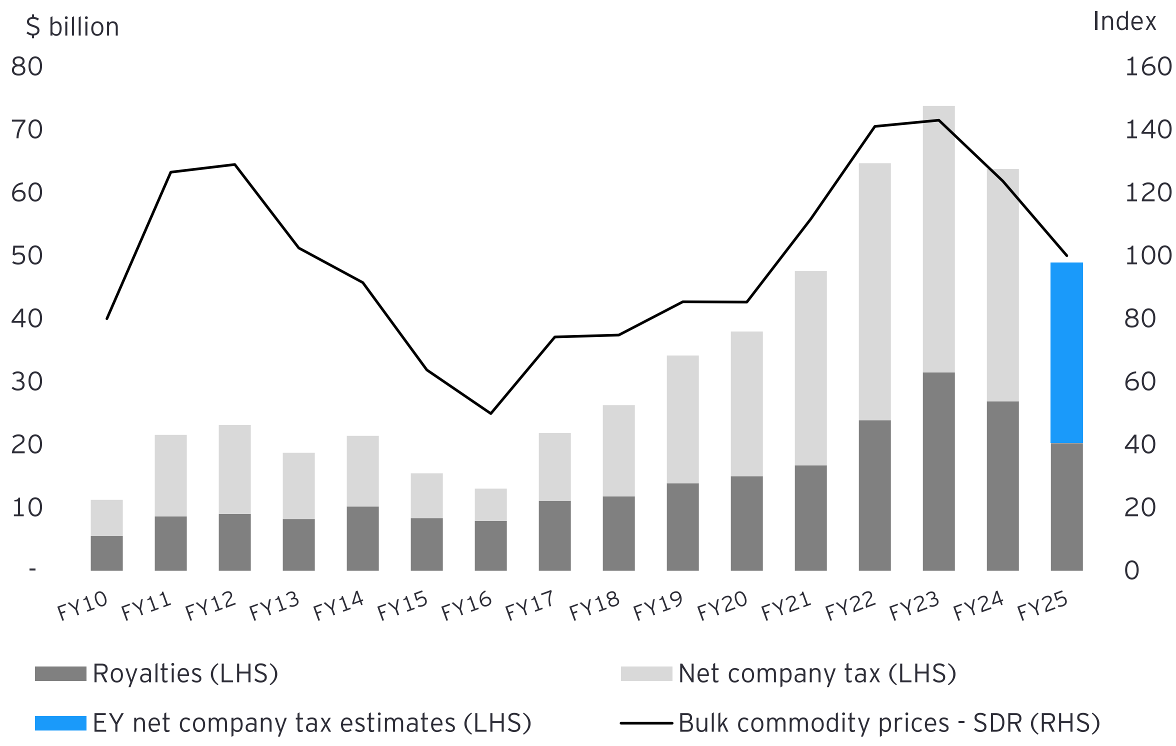
The analysis draws on publicly available data from the Australian Bureau of Statistics (ABS), Australian Taxation Office (ATO), Reserve Bank of Australia (RBA), and state and territory budget papers, supplemented by EY analysis. Estimates for FY25 company tax payments are derived using ABS mining profit data benchmarked against historical ATO company tax outcomes.

2. Royalty and Company Tax Estimates

Over the FY16–FY25 period, total royalty and net company tax payments are estimated at $432.2 billion. In FY25 alone, the analysis estimates that royalty and net company tax payments could reach $48.9 billion, more than triple the level recorded in FY16. Variations in net company tax revenue over the period largely reflect commodity price movements, complemented by higher royalty rates and rising mineral sector production.

Figure 1 shows a time series of the minerals sector's net company tax, including EY estimates for FY25, alongside total royalties paid.[1] Consistent with movements in the bulk commodity price index, estimated net company tax payments have declined over the past two years. While both royalties and net company tax payments are expected to fall in FY25, they remain well above the decade averages. Minerals sector royalties are calculated as $20.2 billion in FY25, down from $26.9 billion in FY24, largely reflecting the 19.2% decline in commodity prices. Net company tax payments are estimated at $28.7 billion in FY25, falling from $36.9 billion in FY24, with cost inflation and lower commodity prices contributing to reduced profits.

Figure 1: Mining fiscal revenues and commodity prices, FY10–FY25



Source: Australian Bureau of Statistics, Australian Taxation Office, RBA Commodity price index (FY25 = 100), EY estimates

[1] Net company tax is the amount of tax owed by a company for the income year. This does not include fringe benefits tax (FBT), goods and services tax (GST), excise tax, petroleum resource rent tax (PRRT), luxury car tax (LCT) or wine equalisation tax (WET). This definition of net company tax is taken from the ATO's taxation statistics dataset.

3. Royalty payments

Mineral royalties are collected by state and territory governments and remain a significant source of fiscal revenue for resource-producing jurisdictions. Total mineral royalties are estimated at $20.2 billion in FY25, a reduction from $26.9 billion in FY24. The decline primarily reflects lower thermal and metallurgical coal prices following the elevated commodity price conditions observed in recent years. Despite this moderation, royalty collections remain well above FY21 levels, prior to the higher commodity price conditions observed in FY22 and FY23.

Royalty arrangements differ across jurisdictions but are generally linked to the value of mineral production. As a result, royalty revenues are highly sensitive to movements in commodity prices and export volumes.[2] While production remained broadly resilient across FY25, lower commodity prices drove weaker royalty collections in several major mining states.

Western Australia continued to account for the largest share of national royalty revenue, reflecting the scale of its iron ore sector.[3] With iron ore production broadly unchanged in FY25, movements in royalty revenue largely reflected softer iron ore prices relative to recent highs.[4] Although iron ore prices remained comparatively resilient at just above US$100/t through much of FY25, weaker coal prices shifted the composition of national royalty revenue toward Western Australia.[5,6]
South Australia also recorded a modest decline in royalty collections, reflecting lower iron ore prices.[7]

Queensland and New South Wales royalty revenues continued to be influenced by coal market conditions.[8] In Queensland, royalty revenue declined from the elevated levels recorded in FY23 and FY24 as metallurgical and thermal coal prices eased.[9] Coal production and export volumes remained broadly stable, indicating that lower prices combined with Queensland's progressive royalty structure were the primary driver of weaker payments.[10] In contrast, New South Wales recorded a modest increase in royalty revenue, with lower thermal coal prices offset by a 2.6% increase in royalties for FY25. NSW royalties were also supported by stronger copper ore exports.

Northern Territory, Victoria and Tasmania each recorded higher royalty collections in FY25, driven by increased export volumes across several commodities, including copper ore.[11,12,13]

Consistent with movements in iron ore and coal prices, the composition of royalty revenue shifted materially over time, particularly across Western Australia, Queensland and New South Wales. Detailed royalty payment outcomes by jurisdiction are provided in Table 1.

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[2] Queensland Government, Mineral royalty rates, Business Queensland, 2026
[3] Western Australia Budget, Economic and Fiscal Outlook, 2026
[4] Department of Industry, Science and Resources and Energy Quarterly December 2025: Historical data
[5] Department of Industry, Innovation and Science, Resource and Energy Quarterly, December 2025
[6] WA Government Mid-Year Financial Projections Statement 2025-26
[7] Department of Industry, Innovation and Science, Resource and Energy Quarterly, March 2025
[8] NSW Half Yearly Budget Review 2025-26
[9] Department of Industry, Science and Resources and Energy Quarterly December 2025: Historical data
[10] Queensland Treasury, Mid-year Fiscal and Economic Review, 2025-26
[11] NT Treasurer's Annual Financial Report 2024-25
[12] Victorian Government, 2024-25 Financial Report
[13] Tasmanian Government, Treasurer's Annual Financial Report 2024-25

Table 1: Royalty payments by state and territory, FY16-FY25

$ billion	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
WA	4.1	5.3	5.2	6.2	8.4	12.2	11.5	11.0	11.9	9.8
Qld[a]	2.1	3.8	4.1	4.8	4.1	2.2	7.8	14.9	11.1	6.2
NSW	1.2	1.6	1.8	2.1	1.7	1.4	3.7	4.7	3.1	3.2
SA	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4
NT	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Vic	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2
Tas	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Total[b]	**7.9**	**11.1**	**11.8**	**13.9**	**15.0**	**16.7**	**23.9**	**31.5**	**26.9**	**20.2**

Source: State/Territory budget papers

[a]Petroleum royalties and land rents have been excluded from Queensland royalty calculations where data is available (years 2015-16 to 2024-25).

[b]Totals may not add up to individually reported items due to rounding.

4. Company tax payments

Movements in company tax payments closely track changes in mining sector profitability. As company tax is levied on profits, fluctuations in commodity prices remain a key driver of changes in tax outcomes across the sector.

Minerals sector company tax payments increased significantly over the past decade, supported by elevated commodity prices and strong mining profitability. While commodity prices moderated across FY24 and FY25 following the peaks observed in the early 2020s, company tax payments remained well above levels recorded prior to FY21.

Net company tax payments are estimated at $28.7 billion in FY25, declining from $36.9 billion in FY24. The reduction primarily reflects lower coal and bulk commodity prices, alongside rising operating costs which lowered mining sector profitability. Despite this moderation, estimated FY25 company tax payments are expected to remain substantially above historical averages. Indeed, net company tax payments in FY25 are likely to remain more than five times higher than FY16 levels.

Table 2 reports both gross company tax and net company tax. Gross company tax reflects tax payable on taxable income prior to offsets, while net company tax reflects tax payable after the application of tax offsets. These offsets include mechanisms such as research and development incentives, franking credits and foreign income tax offsets.[14, 15] Many entities will also have additional foreign tax paid which is not reflected in an Australian tax offset.

Table 2: Gross and net company tax in the minerals sector

$ billion	FY16	FY17	FY18	FY19	FY20	FY21	FY22[a]	FY23	FY24	FY25[b]
Gross company tax	10.4	12.6	16.5	23.0	25.9	34.9	47.9	48.4	42.9	33.3
Net company tax	5.1	10.8	14.5	20.2	23.0	30.9	40.8	42.3	36.9	28.7

Source: Australian Taxation Office, EY estimates

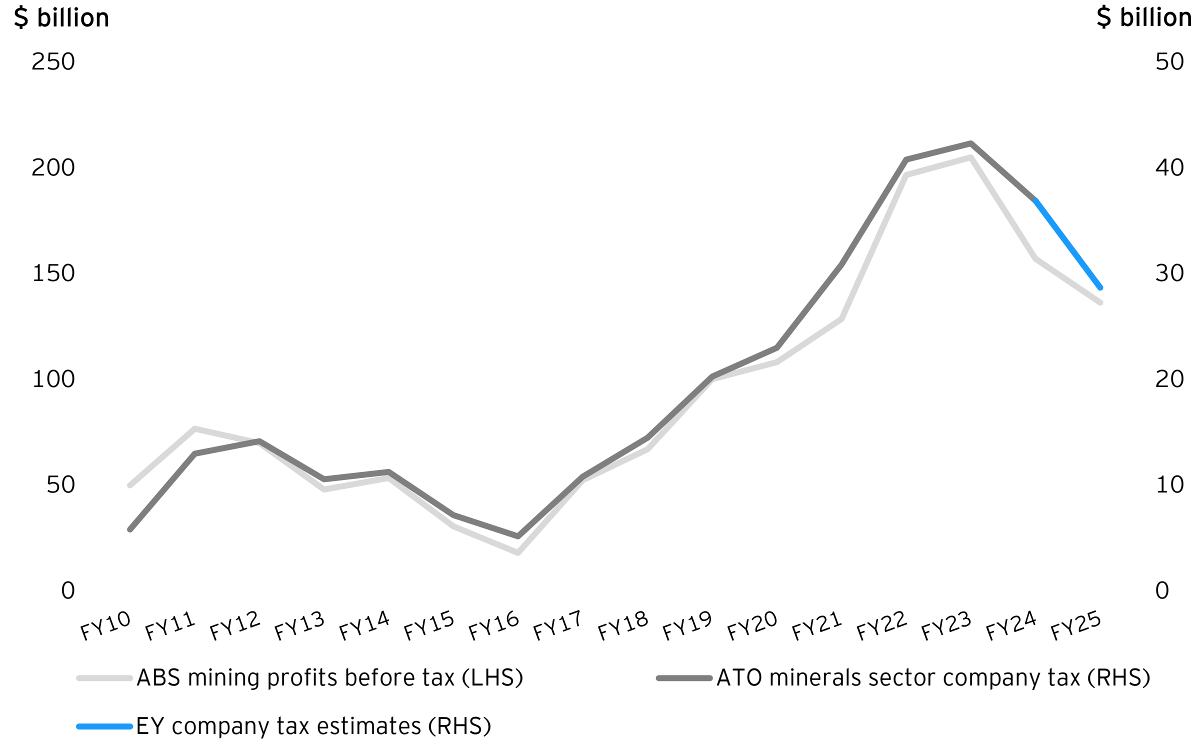
[a] Estimate for company taxes in FY22 includes an additional downward adjustment to the minerals sector company tax estimates based on oil and gas and coal losses incurred in FY21, as reported by the ABS in the Australian Industry, 81550DO005_202021, May 2022 release.

[b] Estimate for FY25 is calculated using historical effective tax rates based on ABS mining profit data and ATO company tax collections. These historical relationships are applied to ABS estimates of mining industry profits to derive indicative company tax outcomes for FY25.

Figure 2 compares mining sector profits and company tax payments over time. Consistent with the structure of the company tax system, movements in company tax payments closely align with changes in mining profitability. Commodity prices declined by 13.4% in FY24 and a further 19.2% in FY25, contributing to lower mining profits and company tax outcomes.

[14] Australian Taxation Office, Research and development tax incentive, 2021
[15] Australian Taxation Office, Guide to foreign income tax offset rules 2023

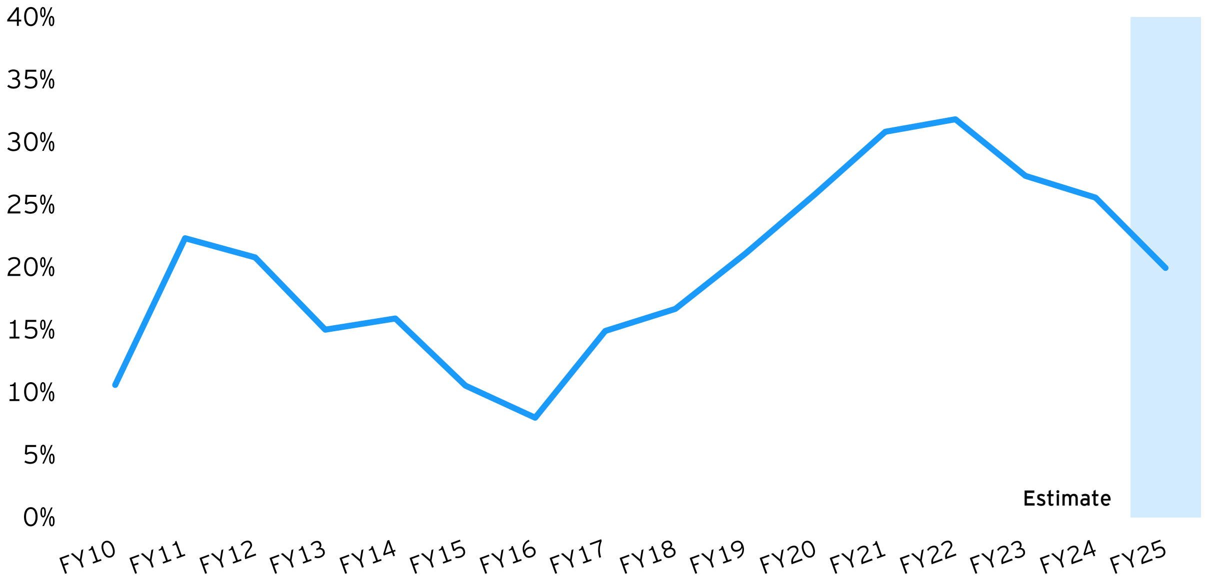
Figure 2: Mining profits and company tax, FY10-FY25



Source: Australian Bureau of Statistics, Australian Taxation Office, EY estimates

Figure 3 shows minerals sector company tax as a share of total company tax collections. The minerals sector share declined in FY25 as lower commodity prices reduced mining profitability, while company tax collections outside the mining sector remained comparatively resilient. Minerals sector company tax accounted for 20% of total company tax collections in FY25, down from 25.6% in FY24.[16]

Figure 3: Mining company tax as a share of total company tax, FY10-FY25

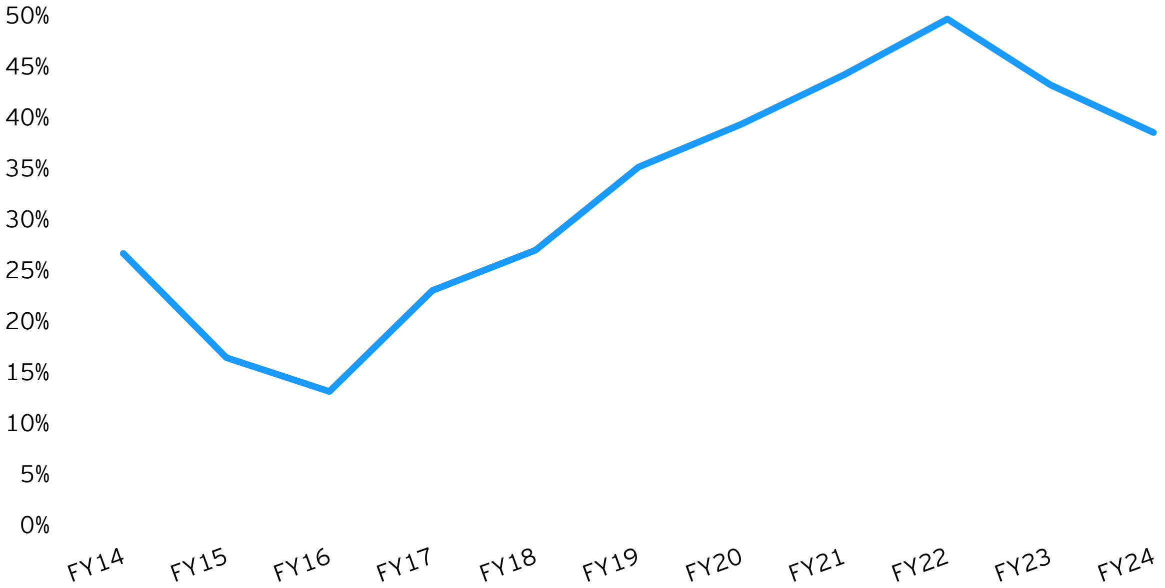


Source: Australian Bureau of Statistics, Australian Taxation Office, EY estimates

[16] Department of Industry, Science and Resources and Energy Quarterly December 2025: Historical data

Figure 4 shows minerals sector company tax as a share of tax payable by large and international businesses. While this share declined from recent peaks in FY23 and FY24, it remained above the decade average, highlighting the continued significance of the minerals sector within Australia's corporate tax base. In FY24, the minerals sector accounted for 38.5% of tax payable by large and international businesses.

Figure 4: Mining company tax as a share of large company tax payments[a], FY14-FY24



Source: Australian Bureau of Statistics, Australian Taxation Office, EY estimates

[a] The data covering large company tax receipts include the Petroleum Resource Rent Tax.

The approach used to estimate company tax payments is summarised in the box below.

Estimation methodology

The company tax estimates presented in this section are derived using historical ATO company tax data and ABS mining profit data.

Company tax data for the minerals sector is sourced from the Australian Taxation Office (ATO) Taxation Statistics dataset, available through to FY24. The EY estimate for FY25 is derived using Australian Bureau of Statistics (ABS) data on mining profits before tax, benchmarked against historical relationships between mining profits and minerals sector company tax outcomes.

Gross and net company tax estimates are calculated using historical effective tax rates based on ABS mining profit data and ATO company tax collections. These historical relationships are applied to ABS estimates of mining industry profits to derive an indicative company tax outcome for FY25.

Net company tax reflects tax payable after the application of tax offsets, including research and development incentives, franking credits and foreign income tax offsets.

5. Summary

Over the FY16–FY25 period, the minerals sector is estimated to have contributed a combined $432.2 billion in royalties and net company tax payments. Royalties and net company tax are estimated to have totalled $48.9 billion in FY25, more than three times higher than FY16 collections.

Mining royalty and company tax revenues are estimated to moderate in FY25 from the levels in FY22 and FY23 as coal and bulk commodity prices eased. Royalty payments experienced a larger decline than company tax payments, reflecting lower coal prices, while iron ore conditions remained comparatively stable.

Despite lower collections relative to recent years, mining fiscal revenues in FY25 remained above FY21 levels, prior to the higher commodity price conditions observed in FY22 and FY23.

Table 3. Mining royalty and company tax payments, FY16-FY25

$ billion	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24[a]	FY25[a]	Total
Royalties	7.9	11.1	11.8	13.9	15.0	16.7	23.9	31.5	26.9	20.2	**179.0**
Net company tax	5.1	10.8	14.5	20.2	23.0	30.9	40.8	42.3	36.9	28.7	**253.2**
Total[b]	**13.0**	**21.9**	**26.3**	**34.2**	**38.0**	**47.6**	**64.7**	**73.8**	**63.8**	**48.9**	**432.2**

Source: Australian Taxation Office, State/Territory budget papers, EY estimates

[a] Estimate for FY25 is calculated using historical effective tax rates based on ABS mining profit data and ATO company tax collections. These historical relationships are applied to ABS estimates of mining industry profits to derive an indicative company tax outcome for FY25.

[b] Totals may not add up to individually reported items due to rounding.

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