

BHP — IRON ORE ROYALTY PAYMENTS

13. Ms M.J. DAVIES to the Premier:

I refer to the Premier's comments on ABC radio this morning that his government is currently in negotiation with BHP to meet its obligation to Western Australian taxpayers.

- (1) Why is an obligation and requirement to pay subject to negotiation?
- (2) Given the Premier is accusing BHP of short-changing the state of an amount in the vicinity of \$300 million, how much taxpayer cash is he willing to sacrifice in order to reach a negotiated payment?

Mr M. McGOWAN replied:

- (1)–(2) An audit process determined that over the period since 2004, there has been an underpayment of royalties by BHP. That advice was provided to this government last year. I might have read a story that said that the former government was given some advice to that effect as well, and nothing was done. We got this advice and decided to take some action. Liberal and National members should be very careful before they start throwing stones about this, because it was happening for eight and a half years on their watch and they did nothing. As soon as I got the advice, I said that we were determined to recover what taxpayers are entitled to. Under the relevant law or agreements, or whatever it might be, there is an expectation or requirement for a negotiation between the parties and the opportunity for arbitration at the conclusion of that process. I have been very forthright and direct with BHP that we expect it to meet its obligation to the state. That is our approach. I am very interested about what Liberal and Nationals members did when they were in office, when this was going on for eight and a half years. I would be very careful if I were the Leader of the National Party about making any allegations about that matter.