

BHP — IRON ORE ROYALTY PAYMENTS

**8. Ms M.J. DAVIES to the Minister for Mines and Petroleum:**

I have a supplementary question. The Premier is on record as pursuing BHP for short-changing the people of WA under these legacy state agreements. The minister has said that the deduction is not due to the legacy state agreement act. Does the minister agree that a review of these acts is necessary to clear up the misunderstanding that is currently in the public arena on this matter?

**Mr W.J. JOHNSTON replied:**

The simple answer is no. I make it clear that we are making sure that all companies in the industry pay their appropriate share of royalties, because we are determined to get all the royalties that are due to Western Australians. The National Party is not the first to raise this matter. I draw everybody's attention to the answer from the then Treasurer and now Leader of the Opposition on 10 June 2015 in budget estimates to my question to him about the Singapore trading hub that was being talked about in the media at the time by these major companies. I quote from *Hansard* what the then Treasurer and now Leader of the Opposition said —

We have asked DMP, and it is very confident, given the simplicity of our arrangements, that there is no evasion of the value of our iron ore, and therefore diminishing our royalties.

Indeed, the then Under Treasurer helped out—as is done in estimates—the then Treasurer with the answer to the question and said —

That is very carefully monitored by both agencies. To date, no evidence has been raised that the difference between the benchmark and realised price is anything untoward.

This issue has been around, according to the reports in the media—because of course I cannot talk about individual taxpayers—since 2004. Let me make it clear. This is not a new issue—the use of Singapore hubs. That is why I asked the member's government what it was doing about it. I was assured by the member's government that there were no problems. That is one of the reasons I am proud to be part of the McGowan government, which will leave no stone unturned on behalf of the taxpayers of this state to get all the revenue that is due.