

BHP — IRON ORE ROYALTY PAYMENTS

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

My question, of which some notice has been given, is about the state government's dispute over a sales commission deducted from BHP's royalty payments to the state of Western Australia.

- (1) Was this deduction possible only due to the special arrangement afforded to BHP under legacy state agreements?
- (2) Would BHP have been allowed to claim the same deduction if it were operating under the Mining Act 1978?

Mr W.J. JOHNSTON replied:

I thank the member for some notice of the question. I also just note that I have not answered Hon Jacqui Boydell's nine-part question today because it is not possible to do so, but I will do so tomorrow.

- (1) No.
- (2) It is the government's view that certain deductions to the value of iron ore on which the state's royalty is calculated, referred to in recent media coverage, are not permitted by the state agreement under which BHP operates, nor under the Mining Act.