

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: 1.1.1 – Domestic Policy
Topic: Western Australia's plans to increase royalties on iron ore fines

Senator: Cormann

Question reference number: 4

Type of question: Hansard, p71, 23 May

Date set by the committee for the return of answer: 8 July 2011

Number of pages: 1

Question:

Senator CORMANN: I am talking about the heads of agreement that was announced on 2 July 2010 by the Prime Minister together with the Treasurer and the Minister for Resources and Energy, and I think the officer is well aware. Was the Department of the Prime Minister and Cabinet aware at the time when the Prime Minister signed the deal that Western Australia was considering increasing its iron ore royalties on fines, as they have now announced in the budget, effective 1 July 2012?

Dr English: I would have to take on notice the timing at which that change to the royalty regime was provided to the department.

Senator CORMANN: To the Department of the Prime Minister and Cabinet.

Dr English: Yes. I am not personally aware of the date.

Answer:

At the time of the July 2010 Heads of Agreement, the department was not aware of the Western Australian Government's intention to further increase the iron ore royalty rate on fines applying under its agreements with BHP Billiton Limited and Rio Tinto Limited to 7.5 per cent, as announced in its 2011-12 Budget. This information was not provided to the department ahead of its public announcement.