

WA IRON ORE ROYALTY INCREASE AND RSPT

THE INCREASE IN WESTERN AUSTRALIAN IRON ORE ROYALTIES

- Rio Tinto and BHP Billiton have been paying concessional royalty rates on their iron ore since the 1960s.
- Their agreement with the WA government to lift their royalties proves that they have the capacity to start paying their fair share for the community owned resources which they extract.
- The Resource Super Profits Tax announcement paper noted that the Australian Government would provide resource entities with a refundable credit for state royalties.
- The paper noted that the credit would be available at least up to the amount of royalties imposed at the time of announcement of the RSPT on May 2, 2010, including any scheduled increases
- The Western Australian Government had announced their intention to raise their iron ore royalties before the RSPT was announced.