

**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: 5**

**Type of question: Hansard, p72, 23 May**

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

**Number of pages: 1**

**Question:**

**Senator CORMANN: So you're not aware then of a letter from the Under Treasurer in Western Australia, Mr Tim Marney, dated 10 May 2010 where he wrote to Dr Henry, the then Secretary of the Treasury:**

**To that end, I seek your urgent confirmation that 'scheduled' increases in Western Australia would include the removal of existing iron ore royalty right concessions, which would see both fine and lump iron ore royalty rights being levied at 7.5 per cent ... by 1 July 2012.**

**You are not aware of that?**

**Dr English: I would need to check whether that letter was provided to the department.**

**Senator CORMANN: And you're not aware of an executive Treasury minute to the Treasurer, Mr Swan, dated 17 May, where he was told:**

**Western Australia indicated at a recent Commonwealth Grants Commission meeting (prior to the announcement of the Resource Super Profits Tax) it was considering increasing the royalty rate on iron ore fines from the current rate of 5.625 per cent, to the 7.5 per cent rate for lump ore.**

**You are not aware of that?**

**Answer:**

The letter from the Under Treasurer in Western Australia, Mr Tim Marney, dated 10 May 2010, to Dr Henry, the then Secretary of the Treasury, was not provided to the department. The executive Treasury minute to the Treasurer, Mr Swan, dated 17 May, was not provided to the department.