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New State Agreements Big Boost To Health In WA

Dr Mike Nahan, the Member for Riverton welcomed the Premier's announcement that following 12 months of discussions the State Government has reached an historic new agreement with BHP Billiton and Rio Tinto about iron ore royalties for fines and the development of the Pilbara iron ore industry.

"The agreement will materially benefit the delivery of health services for the State with the opening of a special funding account to assist in the construction of the new Children's Hospital," Dr Nahan said.

"From July 1, BHP Billiton and Rio Tinto's royalty rates will change from 3.75 per cent to 5.625 per cent to bring them into line with other iron ore producers. This will apply to all production by the companies and will generate an additional \$340million in State royalties for the 2010-11 financial year."

Dr Nahan said under the Heads of Agreement the companies will also make a joint one-off payment to the State of \$350million.

"This agreement gives the companies greater flexibility to integrate their operations and ensures a better return to the community," Dr Nahan said.

"The Premier has advised me that the legislation to formalise the royalty rate changes would be introduced to State Parliament this week."

Dr Nahan reiterated the companies would make the additional one-off payment of \$350 million to State consolidated revenue when further legislation to finalise the changes received royal assent.

"I'm very pleased to note this \$350million one-off payment will be placed in a special account for the new Children's Hospital, which is due to begin construction in 2012 and due to be completed by 2015," Dr Nahan said.

"The new royalty rates are forecast to generate an additional \$340 million in 2010-11 and \$1.06 billion over the next four years. The Premier has advised some of the additional revenue generated by the increased royalty rates will also go towards fully funding the new Children's Hospital health facility for WA over time."

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