

POTASH ROYALTY RATE

336. Mr R.S. LOVE to the Minister for Mines and Petroleum:

I have a supplementary question. Will the minister consider extending the potash industry royalty rebate scheme to all prospective projects, including those that may be coming into production post-2024?

Mr W.J. JOHNSTON replied:

No, we will not, and I will explain why. The industry is saying to us that it is difficult to finance these projects when nobody else has done one. But once they are done, the cash flows and the understanding will be available to all the participants—not the project proponents, but the bankers in New York and Germany, because they are the ones who have to make the decisions. We want to get these projects going. There are six projects that are all on the cusp of production. We want them to produce now and not delay their process. We do not want them to say to the banks overseas, “We can wait forever for these projects to come into production.” We want them in production now. Once they are in production, all these issues will disappear and we will not have to talk about it again. These will be profitable projects because Western Australia is the best place in the world to do mining, and that is why we are the world’s number one mining jurisdiction.