

BHP BILLITON LTD
Form 6-K
June 22, 2010

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

June 21, 2010

| <u>Commission File Number</u> | <u>Translation of registrant's name into English; Address of principal executive offices</u> |
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| | BHP Billiton Limited (ABN 49 004 028 077) 180 LONSDALE STREET, MELBOURNE, VICTORIA 3000 AUSTRALIA |
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| - | BHP Billiton Plc (REG. NO. 3196209) NEATHOUSE PLACE, VICTORIA, LONDON, UNITED KINGDOM |
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Indicate by check mark whether the registrant files or will
file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the
information contained in this form is also thereby furnishing the

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information to the Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the
registrant in connection with Rule 12g3-2(b): 82-.

NEWS RELEASE

Release Time IMMEDIATE

Date 21 June 2010

Number 14/10

BHP BILLITON ANNOUNCES AGREEMENT WITH THE GOVERNMENT OF WESTERN AUSTRALIA TO AMEND ROYALTIES AND STATE AGREEMENTS

BHP Billiton today announced that it had signed a non-binding Heads of Agreement with the Government of Western Australia to amend Iron Ore royalty rates payable to the State effective 1 July 2010.

Based on this agreement, the State will proceed with amendments to the State Agreement Acts covering operations managed by BHP Billiton, to require payment of royalties on iron ore shipments at the rates specified in the WA Mining Regulations. Royalty rates will increase from 3.75 per cent of sales revenue to 5.625 per cent for Fines and from 3.25 per cent to 5.0 per cent for Beneficiated Ore. The Lump royalty will be 7.5 per cent, which is already the prevailing rate for most of the Lump ore produced from projects managed by BHP Billiton. The rates as amended will apply to all existing operations and future projects covered by the State Agreements.

Additionally, BHP Billiton and the Government of Western Australia have agreed to make amendments to various State Agreements to:

- permit sharing of infrastructure and blending of products across the networks operated by BHP Billiton and Rio Tinto; and
- modernise other provisions of the State Agreements.

These changes to the State Agreements will enable BHP Billiton's existing iron ore operations to operate more efficiently. They will also help facilitate the proposed West Australian Iron Ore Production Joint Venture between BHP Billiton and Rio Tinto, which is still subject to approval from regulators and shareholders.

While the State Agreement modifications relating to infrastructure and modernisation are not conditional upon the finalisation of the Production Joint Venture, the resulting flexibility to blend product and share infrastructure would facilitate the capture of synergies which are the main driver for the Production Joint Venture proposal.

The proposed removal of historical royalty concessions has been subject to discussions with the State Government for some time. In recognition of this, and as a way of sharing the value that the variations to the State Agreements are expected to generate, the parties to the relevant State Agreements will make a contribution totalling A\$350 million to the consolidated revenue of the State.

Marcus Randolph, Chief Executive Ferrous and Coal, BHP Billiton, said: "The ability to blend iron ore from any of our mines, and the flexibility in the use of all rail and port infrastructure, will be major enablers for our operations. This will improve our operating efficiency and we are pleased to be able to share the gains from this enhancement with the people of Western Australia."

The Premier of Western Australia, The Honourable Colin Barnett MP, said: "This outcome is the result of long and detailed negotiations conducted in good spirit over the past year. It is important for a number of reasons: it provides the people of Western Australia with increased value from this State's resources and it creates a level playing field for all iron ore producers in Western Australia."

The State Agreement modifications relating to infrastructure sharing and modernisation are subject to the approval of co-venturers under BHP Billiton's existing joint venture arrangements, and the passage of ratifying legislation by the Western Australian Parliament.

Further information on BHP Billiton can be found on our Internet site: www.bhpbilliton.com

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BHP Billiton Limited ABN 49 004 028 077

Registered in Australia

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BHP Billiton Plc Registration number 3196209
Registered in England and Wales
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Members of the BHP Billiton group which is headquartered in Australia

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date : June 21, 2010

BHP Billiton Limited (ABN 49 004 028 077)

By: /s/ Jane McAloon
Name: Jane McAloon
Title: Group Company Secretary