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Royalty rebate an important step in the right direction

Today's announcement from the Western Australia State Government, to provide 50 per cent royalty relief over 18 months, to nickel producers is very welcome news to the under pressure nickel industry, but it is clear more will be required.

"There is no doubt this timely assistance from the WA State Government is welcomed by the nickel industry.

"The WA Government has stepped up to the plate for this industry in its time of need. This is absolutely necessary, but we also need to support those currently in care and maintenance. This will ensure we do our very best at saving thousands more jobs," said AMEC Chief Executive Officer, Warren Pearce.

"Positive comments from the Prime Minister yesterday, about an Australian response to the United States Inflation Reduction Act (IRA) are extremely welcome.

"And by adding nickel to the critical minerals list, the Commonwealth Government is clearly moving to position itself to provide further assistance to the nickel industry.

"Commonwealth support and incentives are required to safeguard the industry and ensure thousands more jobs are not lost, because if we can't hold onto our established value adding industries, what chance do we have of developing new value adding projects?" added Mr Pearce.

AMEC has been in constant discussions with the Federal Government and appreciates that introducing new measures requires careful consideration.

"We believe the next step, is for the Commonwealth to introduce a Production Tax Credit (PTC), based on the IRA program already operating in the United States, which has been incredibly successful.

"This will make the Australian value adding industry 10% more competitive overnight.

"But also provide the nickel industry the help it needs now and strike the right balance of support to the broader spectrum of new projects essential in expanding our critical minerals capacity.

"If the Prime Minister truly believes in the opportunity that is the energy transition – there is a sensible solution ready to implement," said Mr Pearce.

AMEC will continue to work with member companies, industry, and both State and Federal Governments, to find the right mix to guide us through these turbulent times.

"A PTC is the kind of big picture thinking that would send a strong message of support to industry, investors, and global markets.

"A strong critical minerals industry is the backbone of the global energy transition. We look forward to further measures to ensure Australia remains competitive on a global scale," said Mr Pearce.

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