

STATE FINANCES — DEBT REDUCTION ACCOUNT — IRON ORE ROYALTY REVENUE

411. Hon Dr STEVE THOMAS to the Leader of the House representing the Premier:

I refer to the Labor Party's commitment under the Premier's leadership as opposition leader, detailed in a media release from the then Labor opposition of 11 February 2017, to introduce new laws to see 50 per cent of iron ore royalty revenue directed into the new debt reduction account when WA's GST relativity returned to above 0.65 and the iron ore price was more than \$85 a tonne.

- (1) What was the iron ore royalty revenue in 2019–20 and 2020–21, and what is the estimate for 2021–22?
- (2) What was the average iron ore price in 2019–20 and 2020–21, and what is the estimate for 2021–22?
- (3) Did Western Australia receive GST top-up payments to ensure a floor relativity of 0.70 in 2019–20, 2020–21 and 2021–22?
- (4) What total of iron ore royalties would have been credited to the debt reduction account from 2019–20 to 2021–22 inclusive if the government had actually kept its 2017 promise?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question.

- (1) Iron ore royalty revenue was \$7.6 billion in 2019–20 and \$11.4 billion in 2020–21, and is projected to be \$10.3 billion in 2021–22.
- (2) The average iron ore price was \$US92.9 a tonne in 2019–20 and \$US154.5 a tonne in 2020–21, and is projected to be \$US139.5 a tonne in 2021–22.
- (3) Yes. The McGowan Labor government's efforts to campaign constructively to the commonwealth won a fairer share of the GST for Western Australia, including calling for a review by the Productivity Commission. This is unlike the previous Liberal–National government, which failed for years to achieve a better GST deal for Western Australia but spent billions on the state's credit card, as if a deal had been done. Even with the reforms to the GST distribution, Western Australia will continue to receive far less GST than its population share.
- (4) The government has delivered on its promise to reduce debt. Net debt under the Liberal and National government was \$43.7 billion. Under this government, net debt is projected to fall below \$30 billion, which will be the first time since 2015.