

GST DISTRIBUTION — IRON ORE PRICE

**1556. Hon Dr STEVE THOMAS to the minister representing the Treasurer:**

I refer to my question without notice 13 on 12 February 2019 in which the member's answer included the following —

A scenario where the average price of iron ore remains at \$90 a tonne has not been modelled, as this assumption is highly unrealistic.

- (1) What was the average iron ore price for each financial year from 2019–20 to 2022–23 inclusive?
- (2) What is Treasury's latest average estimated iron ore price for 2023–24?
- (3) What was the actual iron ore royalty revenue for each financial year from 2019–20 to 2022–23 inclusive?
- (4) For how many days since 12 February 2019 has the iron ore spot price been under \$US90 a tonne?

**Hon STEPHEN DAWSON replied:**

I thank the Leader of the Opposition for some notice of the question.

- (1) The average annual iron ore price is published in the state budget, the *Annual report on state finances* and the *Government mid-year financial projections statement*.
- (2) Treasury updates its iron ore price biannually as part of the state budget and *Government mid-year financial projections statement*.
- (3) Annual iron ore royalty revenue actuals are published in the state budget, the *Annual report on state finances* and the *Government mid-year financial projections statement*.
- (4) The iron ore spot price has been under \$US90 a tonne for 170 days since 12 February 2019.

The government conservatively forecasts the iron ore price due to its inherent volatility. This approach is in contrast to the previous Liberal–National government, which did not account for this volatility, resulting in very large debt and deficits.