

IRON ORE ROYALTY REVENUE

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

I refer to question without notice 2 asked on 29 April 2021 in which the Treasurer identified that \$5.219 billion of iron ore royalty income had been received in the first half of the 2020–21 financial year.

- (1) With public sector net debt projected to reach \$40.2 billion dollars by 30 June 2024, how long will it take for that net debt to be repaid?
- (2) When will public sector net debt start to be reduced every year and by how much?
- (3) What average growth in gross state product is required to meet this debt repayment time line?
- (4) How much public sector net debt has been paid down since the McGowan government was elected in March 2017?

**Hon STEPHEN DAWSON replied:**

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

- (1) The Department of Treasury advises a specific date for the repayment of the current forecast for net debt is not available. The McGowan Labor government has made the hard decision to repair the finances. Prior to COVID-19, net debt was around \$9 billion lower than what was forecast by the previous government. This provided the capacity to respond to COVID-19 with an unprecedented response of more than \$7 billion committed to support households and businesses and the Western Australian economy, as well as a record \$28.9 billion investment in infrastructure. Despite this, Western Australia's economy and finances are amongst the best in the world.
- (2) Prior to COVID-19, Western Australia was the only state with debt decreasing. Net debt declined by \$2.1 billion in 2019–20, for the first time since 2006–07. The McGowan Labor government made the responsible decision to change its focus from repaying debt to supporting households and businesses through the COVID-19 pandemic and our state's economy recovery. In 2023–24, net debt is projected to begin to decline again, and may occur earlier, something the previous Liberal–National government was never able to achieve.

**Hon Dr Steve Thomas** interjected.

**Hon STEPHEN DAWSON:** Honourable member, I am struggling to hear myself, and if I cannot hear myself, I am not giving the rest of the answer.

**The PRESIDENT:** All right. Members, it is our last sitting day for this Parliament. Please listen to this minister in silence.

**Hon STEPHEN DAWSON:**

- (3) There is no simple direct relationship between the rate of growth in gross state product and the pace of debt retirement. There are many factors that will determine the capacity and speed of which debt can be repaid.
- (4) See responses to (1) and (2).