

LEGISLATIVE COUNCIL
Question Without Notice

Tuesday, 12 February 2019

C006. Hon Dr Steve Thomas to the Minister for Environment representing the Treasurer

- 1: In light of the globally significant and ongoing problems experienced by Vale Brazil in the production of their iron-ore, which has directly resulted in a local price of \$90 a tonne for iron ore being realised, what would the predicted impact be on State iron ore royalty income over the next four years, should the average iron ore price remain at \$90 a tonne?
- 2: What would the impact on WA's GST distribution be if the iron ore price remained at an average of \$90 a tonne over the next four years?
- 3: Since July 5th 2018, what modelling has Treasury undertaken on State iron ore price variations to impacts on royalty revenue and subsequent GST returns to WA , and will the Minister table the modelling? And if not, why not?

Answer

- 1-2. A scenario where the average price of iron ore remains at \$90 a tonne has not been modelled, as this assumption is highly unrealistic. The current Government has learned from the mistakes of the previous Government, and accordingly does not assume that temporary windfall gains will continue into the future.
3. Updated modelling was undertaken for, and the results incorporated in the revenue estimates of, the 2018-19 Mid-year Review, which was published on 20 December 2018.

