

LEGISLATIVE COUNCIL
Question Without Notice

Tuesday, 3 September 2019

C940. Hon Dr Steve Thomas to the Minister for Environment representing the Treasurer

I refer to the answer to my question number 13 asked on February 12th 2019, where the Minister told the House that "A scenario where the average price of iron ore remains at \$90 a tonne has not been modelled, as this assumption is highly unrealistic", my question without notice number 656 asked on the 13th on June 2019 and I ask:

1. What is the current international price for iron ore in US dollars per tonne?
2. On what date in 2019 did Treasury observe that price to drop below the S\$90 a tonne identified in question 13?
3. For how much of 2019 to date was the iron ore price therefore above \$US90 per tonne?
4. Given the budgeted price of iron ore of US\$62 for 2018-19 as per the 2018 State budget, and US\$73.50 for 2019-20 in the 2019 State Budget, how much additional iron ore royalty revenue above budget estimates has the state received so far in the 2019 calendar year? And
5. Given that this is currently an unbudgeted for windfall of revenue, what will the Government be spending this windfall on?

Answer

1. The iron ore spot price as at 2 September 2019 was \$US91.2 per tonne.
2. The iron ore spot price fell below \$US90 per tonne on 13 August 2019.
3. Since 1 January 2019, the iron ore spot price has been above \$US90 per tonne for 99 days.
4. The 2018-19 Annual Report on State Finances, to be published in late September 2019, will detail actual revenue and expenditure for the 2018-19 financial year and differences with Budget estimates. Updated estimates for the 2019-20 financial year will be published in December in the 2019-20 Mid-year Financial Projections Statement.
5. There will always be a number of changes to revenue and expenditure expectations between the delivery a State Budget and the conclusion of the financial year. The Government does not make expenditure decisions based on changes to a single revenue stream among thousands of items of revenue and expenditure. I also note that no amount of additional revenue in a single year can repay the mountain of debt accumulated between 2008 and 2017 by the former Liberal-National Government.



TREASURER