

# Video transcript - Commodity prices

Western Australia is a major exporter of commodities.

We're by far the biggest exporter of iron ore in the world.

We're also a major exporter of gold, liquefied natural gas and we're also home to the largest lithium mine in the world.

Whilst most of those jobs are a long way from where most people in WA live, they spend lots of money on goods and services, restaurants, cafes, cars, so it feeds right through the broader Western Australian economy.

Over the past year, the iron ore price has been quite steady between about \$65-\$80 a tonne.

That's quite different to when it peaked at \$180 a tonne in 2011.

But it's also been as low as less than \$40 a tonne in late 2015, so where we are now is quite a lot higher, but it is quite a volatile commodity as most commodity prices of course are.

The impact of fluctuating commodity prices are quite significant on the WA economy.

When they were very high a few years ago, that drove lots of massive investment in new capacity.

We're now moving into the operational phase of the mining boom.

Now if those prices were to fall steeply, some of those mines would have to cut back production which would be not good for jobs in the economy.

But equally if they stay around where they are now or perhaps even rise a bit, that will be an important source of growth in the WA economy, as those mines operate for the 25-30+ years that they are designed to be functioning for.