




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

QUEENSLAND RAIL TRANSIT AUTHORITY BILL

 **Mr KATTER** (Mount Isa—KAP) (2.48 pm): I rise to speak to the House on the Queensland Rail Transit Authority Bill 2013. I will brush aside many of the minor concerns that were raised in the committee process that have already been discussed in the House. To cut to the chase, the big issue that I face in the area I represent is privatisation of services and assets and the poor outcomes that this can deliver to the state of Queensland. The north-west minerals province is a highly enriched minerals zone with many opportunities for mining and agriculture, and it has been serviced by a rail line for almost 90 years. It has been handled by the government throughout that time and it has provided a base and a platform on which many industries have flourished and developed in that area. It has provided freight, livestock and transport of minerals, and the state has been built on that.

We are a lot smarter now and we believe that there are better ways to do things. There is an obsession with privatising services and there is a belief that that makes everything more efficient and makes things run better, but that contrasts greatly with stories that I am told and with my experience of Queensland Rail on the great northern line. I believe that a focus of this bill is tying rail in with the port. We must accept that some of these possibilities will become realities. In terms of privatisation, if it looks like a fish and smells like a fish then usually it is a fish. Undoubtedly we can expect a push to privatise these services.

I will just relay some anecdotes by way of example. Last year I had in my office some rail employees who had lost their jobs. They serviced the carriages in Mount Isa. They were being replaced by contractors who came in on an ad hoc basis and in times of emergencies. When you talk through the issue you realise that there are a lot of intangible benefits that are not captured in the balance sheet that will be missed: having somebody there on notice 24 hours who knows the track, knows the carriages and knows where the problems are. People who operate on the ground pick this up and know it instinctively. It is very difficult to get that in a report, but it becomes obvious if you talk to these people on the ground. There is an insatiable appetite to off-load these things to private industry, which has delivered many failures in Australia's history, for instance the Melbourne rail system. And if we go offshore we can look at the New Zealand rail system. Privatisation is clearly not always the best option.

I note other examples in the north-west region of contractors being brought out from Townsville. It is not always the same team of contractors, so they do not know the area, they do not know where the gravel pits are and they do not have the local knowledge. The jobs become a lot more expensive, but perhaps their pay rate is a bit lower or the contract is a bit cheaper. That is great in the short term, but the long-term effect is that you have a degrading asset. It is potentially not rebuilt, or was not built in the first place, to the best of standards. These things are very intangible, but one thing the government can do when it has full control is provide an efficient service. It will not be able to when it is off-loaded to private industry.

I am very determined to get to the bottom of the severe issues along that great northern rail line. It is a degraded asset. It has been degraded for the last 20 or 30 years. Trains travelling along

that line which should be running at 80 kilometres an hour, as per national standards, are running at 30 to 40 kilometres an hour. From the Queensland taxpayer's point of view, I just do not see that fobbing this off and handing it over to private enterprise is necessarily the answer. This is a critical asset that needs to be very closely watched.

The endgame here is to provide an efficient rail service, not to have an affordable rail service. Infinitely more important is that this critical asset is run as efficiently as possible to service all of the different industries along the line, not just the mining industry. It may cost the taxpayer more to provide that service, but the emphasis must be on providing a good service. I do not believe that privatisation is the way to go. There are many examples of failure when the emphasis has been on making a dollar and not on providing a service. You can write in as many community service obligations as you like, but there will always be a propensity for private industry to focus on making a profit on their balance sheet rather than on providing a service to people or industry.

The failures in the market since the service was corporatised are now clear to everyone trying to run a business in that area. If you are not one of the big mining companies out there—if you are a junior miner or you have livestock or freight—it is very difficult to get onto that line now. I know of one mine in particular that employs 400 or 500 people. They are now trucking their ore to the coast along the road, which is already overburdened, for \$150 a tonne when they used to be able to get it on the rail for \$40 or \$50 a tonne. But because the trains are travelling at only 30 or 40 kilometres an hour, not 80 kilometres an hour, the rail does not have the capacity. This mine is now very marginal and it should have access to rail.

People may ask why rail is not running at capacity. I venture to suggest that it has something to do with the demise of the fitters and other workers who used to maintain the line to a high standard such that there were no slow-down zones, as there are now. Those people disappeared. It started under the Goss government and it is continuing under this government. People think it has to be all about efficiency and cost cutting, but that should never be the focus. The focus should be on providing an efficient rail line that is adequately serviced and provides utility to industry for them to get their produce to the port.

Just flogging things off to private industry that we can blame or hand responsibility over to is definitely not the way to go. It has proved to be a failure in the past. That intention in the bill is very relevant to our area. It is a very great threat to industry, particularly in my electorate but also across the state of Queensland. On that basis I have serious concerns with the legislation and will oppose the bill.