




Speech By  
**Robbie Katter**

**MEMBER FOR MOUNT ISA**

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**APPROPRIATION BILLS: STATE DEVELOPMENT, INFRASTRUCTURE AND  
INDUSTRY COMMITTEE**

 **Mr KATTER** (Mount Isa—KAP) (6.27 pm): I rise to make a contribution on the estimates committee process. I listened to the comments of the Deputy Premier. I found it a fruitful exercise. It was good to have that engagement with the ministers. There was some fruitful discussion. It was pleasing to be able to discuss issues with them.

The first issue of importance that I raised—and I think it is a good theme when talking about infrastructure development—was dams. We have heard a lot of talk from the federal opposition about dams and building irrigation and water storage in the northern part of Australia. At a flat period for our economy we are looking for opportunities for industries to grow. There are many opportunities for the development of industries in my electorate of Mount Isa. There was nothing tangible about dams. That question was asked and it was discussed.

We discussed the Royalties for the Regions program that is now available across all councils. It will make it difficult for small areas that have big mines. Mount Isa and Cloncurry have not got a dollar out of it yet. They are now competing with the rest of Queensland for funding. It is going to be very difficult for them to get any funding when they are competing with all the other regions. I identified that as a problem.

Another issue that I thought was important to raise with the Minister for Energy and Water Supply was the impact of the LNG industry coming on line next year. I have read numerous articles that indicate to me that that is expected to push the price of gas up from \$3 to \$4 a gigajoule to \$9 a gigajoule. I have many industries in my area, such as Incitec Pivot's phosphate plant to name one. The power supply source at Mount Isa relies 100 per cent on gas. I know that a lot of people are scared about their forward gas contracts now.

There has been a lot of discussion about the cost of having this market opened up and how it is going to raise the price of gas in Australia for our domestic industry. It will be very damaging. My question was what are the government strategies to deal with that issue, because undeniably it is an issue. As far as I can tell, there are no strategies to address that. What has been much discussed is the gas reserve policy, which is abhorrent to some and is labelled as some form of protectionism. It is done in the west and it is done in other countries around the world. I thought that was an important issue to raise.

We also discussed the issue of having effective water supplies delivered to areas. That was one of the propositions put forward in the forward strategy. I certainly have a couple of areas within the Mount Isa electorate—Forsayth and Dajarra to name two—that have entirely inadequate water supplies. But, as far as I know, there is no plan in the future to correct that. That was something that I wanted to draw attention to.

The other issue I raised with Minister McArdle was that of cost recovery for water. There are pricing mechanisms for the mines in the north-west area and their assets get revalued every year. The name of the program by which they revalue them and work out the cost recovery for those water assets escapes me, but they keep being revalued. I think there is price gouging out there with some of the impositions placed on the mines. It is a significant cost for them. Everyone wants our mines to thrive out there so that we have strong business. That is an issue that has been raised with me out there.

Another issue that I raised was the dividends. It has been flagged that the dividends are going to be reduced and eventually taken away from Mount Isa City Council's water supply. It is one of only two in the state that work off that. That is going to prove a problem for people who will be paying more for their water if that dividend is not returned.

*(Time expired)*