




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

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MOTION: INFRASTRUCTURE PROJECTS

 **Mr KATTER** (Mount Isa—KAP) (6.05 pm): I rise to make a contribution to the debate. I will probably take a different tack than a lot of previous speakers. I question why we are prioritising this Cross River Rail project at all when there are so many critical infrastructure projects in regional Queensland that could contribute to the wealth development and industry development that we so desperately need.

I will address the first dot point of the motion that 'notes the Newman government's failure to initiate a single major publicly funded infrastructure project in its first 20 months in office'. I do not think this is limited to the Newman government. I think it has been done by most governments of both political persuasions for the last 10 or 20 years. I think it is symptomatic of the economic orthodoxy that we exist under today and the advice that comes out of Treasury—that is, that we should have smaller government, that these projects should come from private investment and that we should sell assets and divulge ourselves of these responsibilities.

I can give a clear example of that under the previous Labor government when north-west Queensland needed a contribution to a transmission line project that could have helped secure regional development and energy in that region, in north-west Queensland, for the next 50 years or so. We had federal government support. We had support from private industry. We did not get state government support. Now we are still 100 per cent reliant on gas in that area. That is really going to hurt us in the long term in terms of our energy supply out there. So there is a role for government to invest in these infrastructure projects because the hurdle rates are clearly too high for private industry. That seems to be the mantra now—that the investment needs to come from private industry, whether it is dams or powerlines or whatever. So I think everyone is guilty here.

I would now like to focus on the rail line in our area. We are looking at spending \$5 billion on a Cross River Rail project here in Brisbane. I question how that is going to contribute to our economy when we have a rail line that is delivering \$15 billion to the economy with the supply chain from Mount Isa to Townsville. Those trains should be running at 80 kilometres an hour but they are running at below 40 kilometres an hour. If you talk to people who work on those lines, they say that the maintenance has slowly degraded over the last 20 years. There are 'slow down' signs all along that rail line. 'Slow down' signs mean that there is not as much capacity on the trail line and so we are putting more trucks on the road and carrying everything on the road.

The Flinders Highway is now suffering untold damage because it now has a lot more volume. Now when I drive along the Flinders Highway I experience 'slow down' signs all the way along it because we are not able to keep up with the maintenance on that highway. So I question whether that money is better spent on this Cross River Rail project. I can tell you right now that I do not think it is better spent on that project when you can improve the road and rail in regional areas—and I am sure

there are a lot of areas like mine in regional Queensland that are delivering a lot of growth and where there is a lot of industry potential.

We talk about debt and whether we can afford it. Again, what is too much debt? If you are spending it on pink batts or school buildings, of course it is bad debt. Many years ago Sir Joh and his government built Queensland. They built the coal industry and many other things. They plunged the government into huge debt to build Queensland. I think there is still a lot of industry potential that can be unlocked, and government has a role to play in unlocking that potential by investing. Yes, that may incur some debt, but in the long term it will provide that stimulus to the economy that is needed, resulting in increased competitiveness in mining and other industries that has been lacking or has deteriorated over the last 20 years due to lack of investment. We hear so much about trying to make these industries more competitive. I think the elephant in the room with regard to such things is that the infrastructure has deteriorated in the shortfall. That deterioration with regard to energy, water, roads—whatever you want to talk about—in north-west Queensland is the big problem holding back our competitiveness.

This touches on a really wide subject. We are well off the mark in relation to our direction at the moment because we are waiting for private industry investment. It does have its place and I am sure there are circumstances where that model can work, but we cannot rely on it all the time. There does need to be a conscious shift in economic policy so that we are not focused on fiscal policy, debt reduction and surplus; we are focused on economic policy which also incorporates industry development, jobs, employment growth and those sorts of things. In this way I think there is huge latitude for the government to increase its investment in infrastructure—

(Time expired)