




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

Record of Proceedings, 26 March 2015

MOTION OF CONFIDENCE

 **Mr KATTER** (Mount Isa—KAP) (11.37 pm): I rise to speak on this confidence motion. I would like to start by congratulating the new Premier. I sincerely wish her and her team well in this term. I would also like to express my appreciation of the more considered manner the new LNP leader has assumed in taking up his role. I also wish him well. I also recognise the honour that I have of being back in this House representing a part of the state I have a close affinity with. I have a great deal of indebtedness to those people in that area. I hope to use this new position in government to repay that debt while serving the state.

Katter's Australian Party may be a small and insignificant portion of the parliament, but it should be understood that in the 2012 election, with some financial resources we applied in that election, running in 76 seats, we took over 11 per cent of the statewide vote, over 13 per cent in those seats we ran in. That is about 280,000 voters. When we had a fair shake at it, many Queenslanders looked at us and said 'we like what you are saying'. We take very seriously that people like what we said in that election and we have carried that through. As part of the process in this hung parliament we tried to capture a list of those priorities that we think tap into the current issues that we have now and that are aligned with the values that those 280,000 people voted for. We presented that to both major parties as forming a critical part of our negotiations.

The hung parliament has delivered to our small party an opportunity to have a powerful role in the parliament. With this comes the burden of delivering on some of the issues that we represent. We must maintain this position while, at the same time, adhering to the values of our party. We exist because we have a profound belief that there is a desperate need for representation in forgotten sectors of the community, namely rural and regional areas. In those areas, people are desperately seeking signs of hope from government and want to know what it will be spending on industry-building infrastructure to give our economy the adrenalin shot it needs. They are sick of hearing about past mismanagement of the economy. They accept that the large debt is there, but they want to know how it will be turned around. People want jobs. They need to know that the government is going to aggressively create industries so that they will have jobs at the end of it.

The KAP has a role in this parliament to ensure that those opportunities, particularly in the regional and rural areas, are aggressively pursued and we are heavily obligated to follow that imperative. For us to show a strong sign of support to any party in this House by voting in favour of a confidence motion, we require a significant buy-in on those priority issues that we have compiled and that we feel are critical for the survival of rural and regional Queensland. To date, the government has not demonstrated a strong commitment to those issues that we consider vital and, therefore, we would be doing a disservice to our electorates and our party supporters if we supported this confidence motion in the absence of some strong sign of commitment to those issues. Nonetheless, that must be balanced against the fact that this is a new government and we believe there is still time for a commitment of some form to occur. This is a work in progress. We believe there is still an

opportunity to move forward with this government. On that basis, it deserves to be given a go by not voting against this motion. Voting against the motion is unjustified given that there are areas where we believe we can make significant progress with this government in this early stage.

In this vein, I acknowledge the recent announcement of the copper smelter extensions in Mount Isa, which also will be of great benefit to the people involved in the Townsville copper refinery. That is a big boost for us and it is a strong and positive sign for my electorate. However, it is balanced against the recent commentary on uranium mining, which is something that I have a problem with. While there are some good strong positive signs from the government, there also will be things that we object to from time to time and members will hear from us on those. We will be strong in our objection to anything that contrasts or comprises the integrity of our rural and regional areas, which are facing the most dire challenges at the moment. In this term of the parliament, the KAP will not be interested in unnecessarily indulging in mischief to undermine the government. However, we do have an agenda and we will need to progress that agenda in the best interests of Queensland and we are prepared to do that ruthlessly in order to get an outcome.

The government deserves the right to govern and I think Queenslanders expect it to be supported, provided it recognises the issues rural and regional Queensland is suffering and is prepared to take affirmative action to arrest that. Our party has some cost-effective initiatives to present to the parliament and we will work hard with government so that they are delivered. It is my hope that the government will have continued engagement with the member for Dalrymple and I to deliver on some of those vital issues. I envisage that that will be necessary with some of the policies that we advocate as they will be good for Queensland, although a lot of the things that we are advocating do not much affect our electorates at all.

Firstly, this parliament needs to deliver for the ethanol and biofuels industries. It is a disgrace that we do not have an ethanol mandate when 62 other countries do and we need it more than ever. At the moment in Queensland we need jobs and industry and this is something that will cost the taxpayers of Queensland nothing. Right now, at the stroke of a pen, a mandate on ethanol will create thousands of jobs. Four bills on a mandate have been introduced into this parliament and supported by both sides, but we have always failed to deliver it. Ethanol comes at nil cost to the Queensland taxpayer. A 10 per cent mandate will reduce tailpipe emissions from vehicles by 30 per cent. It will create a floor price in the sorghum and sugarcane industries, reduce carbon emissions and create at least some fuel security. As things are at the moment, within 10 years we are bound to have zero security. We produce only 10 per cent of our fuel and that 10 per cent will be gone in another 10 years, so a mandate will provide at least some fuel security. Importantly, it will create Queensland jobs from nothing and tax revenue where taxes are paid at the point of production. At the moment, 90 per cent of our fuel comes from Singapore where it is produced. The only cost will be to the fuel companies, which will not like it, but it is this parliament's job to make it happen. People are screaming for jobs, the sugar industry is on its knees and sorghum farmers are crying out for help. Frankly, if we cannot deliver it in this parliament then none of us are fit to be here.

Secondly, I will talk about a gas reserve policy. In the past five years there have been some monumental shifts in the gas industry. Unfortunately, the North West Queensland Mineral Province has been left high and dry. In good times, that mineral province pumps out up to \$300 million in royalties. Those royalties could disappear in the future unless we have some sort of mechanism that delivers gas to the mines in that area. A lot of people would not be aware that the north-west is one of the only significant electricity markets in Australia that is isolated. We are not connected to the national electricity grid. We are 100 per cent reliant on gas. Some of the mines have been quoted a price that is three to four times what they are paying now, that is, three to four times the cost of energy into the future. I do not think too many mines can afford that. As I said, \$300 million in royalties coming out of that region could stop if we do not do anything. This is a big issue. It is a burning issue for the state and the government. Unfortunately, it is not a pretty issue, but it needs to be dealt with.

Regional roads mean so much more than the bitumen that is laid out. Investing in regional roads will address the fact that in rural communities local councils are on their knees. Recently I spoke to a local councillor who is also a road contractor. He said that the majority of road contractors in town are about to sell their machinery because there is no work. We need to bear in mind that most of the local councils in my region are the biggest employers in town, so if the council is not employing there is barely any employment in the town at all. With the cattle industry in the situation it has been in for the past two years, and it will be the same this year, there will be no employment at all in many of those towns. In the past couple of years those towns have already been brought to their knees, but road funding is their saviour. Road funding improves competitiveness in the regions, because better roads improve the transportation of freight and cattle throughout the country, while giving people jobs

and stimulating the economy. Roads will be the salvation of those communities. I welcome the increase of \$60 million in TIDS funding, but there needs to be a greater strategic effort in those areas or some of those communities will cease to exist in the future.

The next thing I will talk about is water allocations. If the government is looking for cost-effective solutions to create industry and opportunities, it should look at water allocations in the Flinders and Gilbert systems. We keep talking about developing Northern Australia. In that area, we do not have to clear any trees. We have natural open black soil plains along the Flinders River and other major river systems. About 4,000 megalitres a year runs down into the ocean from the Flinders and at the moment barely a drop is taken out for farming. Recent reports from the CSIRO indicate that some 300,000 megalitres can be extracted and it must be made available. That can be done at minimal cost. There is no infrastructure to be built; there are no dams needed or anything like that. Farmers should be able to take water. Little farmers and cattle graziers are struggling or are on the brink of bankruptcy, but we can let them have a go at irrigation, which can lead to bigger things and will cost us nothing. It is low hanging fruit for the government and it is where we can make huge advancements while reinvigorating agriculture along the way. Agriculture itself is suffering, and I will address that issue shortly. This is a very cost-effective way to stimulate the economy. In my area, towns such as Hughenden, Richmond and Julia Creek could become like Emerald or St George. Ten or 20 jobs on one extra farm would mean so much to a little town and may stop it from going backwards.

The next issue is the Galilee Basin. Over the last couple of years we have heard about the Carmichael mine. A lot of effort was put in by the previous government to make the Galilee Basin happen. It was enormously frustrating that they were going to build a \$5 billion traffic tunnel in Brisbane. The barrier to the development of the Galilee Basin is that a \$2.5 billion railway line needs to be built. This needs to happen because we need jobs. If the barrier is a railway line, then build it. Something needs to happen in the Galilee Basin. I ran into a friend of mine the other week who is a cattle grazer in the area. He said, 'Something needs to happen. I have not rented my house for a year. All my friends are out of work in Emerald. I am a cattle grazer from there, but I recognise that we need mining. We are all desperate for jobs.'

The next thing that needs to be addressed is the rural crisis that is engulfing all of Western Queensland. It extends beyond the boundaries of my electorate. I could labour members with story upon story of heartbreak out there. Everyone in my electorate seems to be so resilient. They were doing it tough two or three years ago. When I talk to them now, they say, 'We are travelling all right.' I would hate to be living by the standards that they set themselves. They will keep persevering.

Unfortunately, time is running out for them with the banks. There are a lot of people facing big problems with the banks. The most recent MLA study of the northern beef cattle analysis 2013 revealed that before the cost of finance a lot of these places are viable. That means that rural debt is the issue. This problem was made more acute by the live export ban and the drought but it existed before then. It is a structural problem that needs to be addressed at a policy level with a structural solution. Throwing a bit of drought assistance money at the problem will not solve anything.

What is needed is a reconstruction board and an industry development bank like we used to have in Queensland. It ended up being self-funding. In fact, it ended up making money for the government. It was there as a safety net for the industries out there. I am sure a lot of people in this House will have an image of generational farmers who inherited properties and drive around in large LandCruisers. I can tell members that that is not the case. There are a lot of people with threadbare clothes, who cannot afford to send their kids to school, who are crying to me on the phone because they have had to bring their kids home to work on the property and feed starving cattle. It is very grim.

If members want a barometer of that, they should walk through any of the towns in my electorate and go into the newsagent or the grocery store and see how their takings have been in the last few years. It is very grim. If no action is taken it is going to get worse. We need a significant effort from this government in that area. The most cost-effective way we can do that is with an industry bank.

I would like to make some comments on the economy. The most value I can add to this debate tonight is to point out that Queensland is desperately crying out for productive infrastructure, not populist infrastructure. I refer to an article where Ken Henry, the former Treasury secretary 'accused governments of lacking courage to make infrastructure investment decisions based on rigorous financial analysis, claiming they instead pander to special interests'. It went on to say—

Governments were too reluctant to finance projects using public debt ... 'In many cases, it makes perfectly good sense for public debt to be raised to invest in public infrastructure.'

Debt is okay if it is offset against good industry developing infrastructure. One issue I have spoken a lot about recently is the Hann Highway. The Hann Highway keeps getting considered on the basis of the numbers of vehicles that use that road. It is a false way of looking at it. It would save eight hours on a trip to Sydney and Melbourne. The \$400 million-plus output of bananas produced in the Cairns area could get to the major markets of Sydney and Melbourne eight hours earlier. It would be an enormous competitive advantage to take that route. It would take a number of trucks off the Bruce Highway and therefore save on maintenance costs there and would get the bananas to market earlier.

If this upgrade occurred the big operators like Mackays bananas would be able to expand their operations because they would be more competitive because they would get their product to market eight hours earlier. They would get flood-free access to Melbourne. It has been said that the most it would cost is \$89 million. If the local councils did the work it would be done cheaper.

That would be a good infrastructure spend. I am sure there are many more examples outside my electorate. That is the one that I will throw out there for discussion. There are good opportunities for the government to invest. If the public could see money deliberately being spent outside the large population areas—that is, we are not building tunnels anymore; we are going to build strategic roads in industry areas—I think that would be just the signal people in Queensland and indeed in Brisbane need. When they see this government spending money in strategic areas they would know they are for real. They would know they are about rebuilding Queensland and not about buying votes.

That is the signal the people of Queensland want right now. They do not want any bells and whistles. They do not want any more tunnels. They are sick of governments trying to buy their vote. They do not want soft infrastructure. They want to know there is a government building hard infrastructure that will build industry.

I hope the independent body being set up to analyse investments over \$50 million is functional in that space. It is desperately needed. We are all aware that all too often money is spent in the wrong places. People out there are sick of it. They get sick of politicians and they switch off. There is too much of it. I think they are begging for a government to come along and deliberately spend money where there is no population but where it is a good strategic spend.

I hear a lot in the media about certainty and the fact that it is terribly messy in parliament now. I embrace it. I think it is terrific that we have even numbers. I think that has been endorsed by others in the House. We are going to have good competition for ideas. I am not here to create mischief. I am here to present good ideas and arguments in parliament. I am happy for some to be rejected, but they should be assessed on their merits. We put some good bills into the last parliament but they were shut down purely because we put them forward. They were cost effective. We introduced the fair milk mark bill and the ethanol bill. They got shut down for political reasons.

I welcome that things are tighter now. Ideas will be assessed on their merits. I think it ensures the longevity of legislation we pass in this House beyond the term of this parliament. I am sure that there will be a lot of things that were rammed home by the last government that we will repeal because we did not agree with them, they did not make sense and we did not feel they were in the best interests of Queensland. The competition we have in the House is a good thing for Queensland. I will be proud to be a part of it.

To finish, we are a separate party for a reason. We are very protective of that status. I acknowledge that we do not exist in a political vacuum. We have to deal with the government of the day. We will try very hard to interact and involve ourselves with the government to contribute to outcomes for our electorates and for Queensland. We will be very active in trying to develop a strong working relationship with this government. I hope we can do that. There are things that we feel very strongly about that we want to deliver for Queensland. We think that will be good for government as well. I am sure that in the same way we can work with the opposition. Once again, I congratulate the Premier on her success and look forward to working with her for the betterment of Queensland.