




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

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**FARM BUSINESS DEBT MEDIATION BILL; RURAL AND REGIONAL
ADJUSTMENT (DEVELOPMENT ASSISTANCE) AMENDMENT BILL**

 **Mr KATTER** (Mount Isa—KAP) (12.17 am), in reply: I rise to speak in reply to the debate. I thank all members for their contributions to the debate. We heard a torrent of empathy from members on both sides of the House about the problems of people out there. I do not have the mortgage on that. I am probably not going to win the contest for bragging rights on having an attachment to people on the land, either. It is not about that. It is not about emotions; it is about trying to provide some solid solutions to what is, without question, a very big problem confronting policymakers not just in this state but also across Australia.

There has been plenty of time to talk about all of this, equivocate and come up with solutions. The member for Dalrymple and I have both been very patient on the issue, working with people to try to get a solution. The time to do something was a few years ago. Tonight we in this House have an opportunity to do something. We are certainly very malleable in our approach—very flexible in accommodating other people's agenda. Something substantial had to be voted on by this House to send a signal to the market that we create an alternative lending facility or model—without question. Anything watering that down is not going to do the job. The point is that we need a solution.

While on my feet I thank the government for the Rural Assistance Package which was a response to the hard work of everyone on the rural debt task force, and there were some generous offerings made that have helped people. In particular the minister made mention of the stamp duty concessions. That is an excellent thing that has been done and we are very grateful for that, but unfortunately the big issue to tackle is rural debt and nothing outside of what I have suggested that has been discussed tonight tackles that effectively. Banking regulations refer primarily to deposit-taking institutions and there has been some misinformation and, I think, some bluff spoken here tonight saying that you cannot do it, it has to be done federally and that you will cross APRA if you do not. I will table some correspondence from APRA which states—

... where a State Government proposes to establish and own an entity to carry on banking business and that will use the restricted words or expressions 'bank', 'banker', 'banking' ... and which will operate only within that State's borders, it does not require:

- a. authorisation from ... APRA to carry on banking business; or
- b. consent from APRA to use the restricted words.

I will table that so everyone can read it. I do not need to tell members that there are ways around this. There are solutions to do it.

Tabled paper: Email, dated 21 March 2017, from the Australian Prudential Regulation Authority to the member for Mount Isa, Mr Rob Katter MP, in relation to the Banking Act 1959 [\[464\]](#).

There has been large consensus within the room that there is a dead issue and it is nice that we get a debt survey—something that we have been calling for since I have been in this place, and 2013 was the first time I would have mentioned the rural debt survey. I absolutely agree that it needs to be done and it is handy to have, but the purpose of that is to tell us there is a problem. All of us in those western areas know there is a problem, so the end game is not the rural debt survey. That is really just

to allow us to demonstrate or quantify that there is a problem, but we know there is a problem and there is a course of action available right now to address that problem. I do not disagree with the motivation to get a rural debt survey—that is excellent—but that is not the solution.

I disagree that anything other than what we have put forward tonight is a start to what can be done. We have put forward a mechanism, yet everyone is talking about a bank. It is effectively a lending mechanism. You can call it a corporation, a board, a bank or whatever you want. It has not been prescriptive. There was criticism from AgForce and QFF, which were just dying for ways to pull this apart because in principle they do not believe in any sort of effective mechanism to help people, and I do not think they would mind me saying that. I think they have been pretty up-front about that and perhaps that is why their membership is limited to 20 per cent or 30 per cent of the industry the last time I checked.

Mr Rickuss interjected.

Mr KATTER: Whatever. Who cares?

Mr Rickuss interjected.

Mr KATTER: I take the interjection from the member for Lockyer. You stay there and defend AgForce. It will help me. Tonight if the KAP bill goes down, we are endorsing doing nothing. There is no effective endorsement from this House that we are going to establish a mechanism that will take us to the next step of doing something. We acknowledge there is a problem, but I put it this way: if we go back to these people in stressed areas and say, 'We've spent the last two years in this parliament working up to something here and we've spent a lot of time and a lot of state taxpayers' resources coming up with some solutions and what we've come up with is that we'll establish an office to look into this stuff more, a mediation tool, an agency that can look at it more and we'll establish the rural debt survey which we should've done years ago. It'll tell you how big the debt is, so you can all be happy that we're moving forward,' I do not think that is going to cut it, and nor should it. It is not a solution—it is nowhere near a solution—yet tonight we have put forward a solution which was open to negotiation and open to flexibility and in managing that however it might fit the requirements of industry.

I heard similar arguments in the House when the ethanol bill was before the last parliament. Both sides voted against it and there were technical arguments why we could not do it, but we all voted for it in this parliament because suddenly we could do it. In the last parliament we all voted against the dairy bill. Technically it was a terrible idea, and I feel that that is what we are facing here again tonight. There is an acknowledgement that there is a problem and it is good to talk about things and do little things on the periphery, but let us not do anything substantial because it offends many people who do not believe in intervention or who do not believe in any sort of lending institution competing with established commercial entities. It is that hands-off approach that prevails now with government policymakers and advisers. That is fine. Everyone is entitled to their own views and opinions—I appreciate that—but what does offend me is people who tell primary producers and shop owners one thing out there and yet come in here and vote another way.

Pick a side. Put up a tangible solution that can be followed through that is really going to have an effect—do it or do not do it—but do not equivocate and do not try to muddy the waters. Pick a side, vote for it and let people know what you are going to do. I can totally accept that people have a different point of view on how to fix things, but do not say that you cannot do it because of this technicality or that or that there are all of these problems. Of course I know that the government wants to avoid the APRA guidelines. I said that in my speech. Saying that it has been done before or that it is different times now and we cannot do it is all language that we have heard before. We could not do it with the biofuels mandate either, but we can do something here. We all know we can. You can do it with the Clean Energy Finance Corporation. Go talk to Oliver Yates. He will tell you how to set it up here.

In the paper the other day there was funding for wild dog fencing. Let us finance it. We can finance and rebuild these industries. We all agree that it needs to be done. I guess everyone just wants to pick this to pieces because it has come from the crossbench and they cannot endorse that, plus the fact there are many people who do not like government intervention in this space, so we will find every excuse in the book to go against it. That is fine if you have that opinion—I can respect that—but do not say one thing and do another and do not go out there to people in the public and pretend to be doing something but not following through with it. Do not give them false hope. Tonight we had a great opportunity to do something really meaningful. It would have had a legacy. Everyone could have had a win. That opportunity was not taken. I would put it down to politics. It is a really sad night and it is a sad reflection that we missed an opportunity here and I sincerely regret that. I will be doing my utmost to communicate with the public what has happened here tonight.