




Speech By
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MEMBER FOR TRAEGER

Record of Proceedings, 15 June 2018

**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; REVENUE
LEGISLATION AMENDMENT BILL; BETTING TAX BILL**

 **Mr KATTER** (Traeger—KAP) (2.10 pm): I would like to go through some of the elements of the budget that relate to my electorate and for which I am grateful. Some of those elements relate to drought relief, much of which was procured by the Rural Debt and Drought Taskforce in the last parliament. There are elements in the budget such as education support, stamp duty, exemption for family transfers, and fodder and transport subsidies that relate to the drought. Some large figure sums were procured and have been rolled over. Much of that funding relates to the announcements in this budget.

The western roads package is a large parcel of money that was procured by the KAP in the last parliament. There is a further \$5 million in funding for that. Members in this House who represent the western areas know what roads mean to the economies of their electorates. I am referring not just to the legacy that is left after the construction period but the jobs and the economic stimulus that these projects provide during the construction phase.

The Building our Regions and Works for Queensland programs have been very welcome in the western areas. Although the councils are very appreciative of those programs, I sound a word of warning that some of these towns are being kept alive by these programs. They are nice sugar hits, but they do not sustain those towns for the long term. While that money is rolling out the towns look good. The government needs to think about the industries that are going to remain in those towns to make them sustainable so that these programs are not just sugar hits.

The funding for the Hann Highway is still rolling out. Again, that is something that the KAP fought very hard for in the last parliament. That is a vital transport link. It is an inland highway that every member of this House should be aware of. It connects the billion-dollar banana industry in Queensland with the Melbourne and Sydney markets. If those trucks that transport those bananas can go off the Pacific Highway and not go through the thoroughfares along the coast but instead take that inland route, they will save 13 hours of burning diesel. By doing that, we get a cheaper product and the industry has more security. As well, people in Western Queensland will get a nice inland road—the Hann Highway—that will flood-proof connectivity to the far north. We are still waiting for the finalisation of funding from the federal government, but there has been good funding for that road from the state. There is an additional \$14.8 million for the Gregory Developmental Road out of that \$40 million. Again, that was procured by my colleague the member for Hill. That has been a very welcome contribution to that part of the region.

In terms of disappointments in the budget in relation to our regions, there is still no dialysis machine in Charters Towers. That shows that strong disparity between the service levels for those who live on the coast or in metropolitan areas and someone who lives a couple of hundred kilometres inland. That is very disappointing. Often people move, which diminishes the numbers of people requiring such a service, or what the hospital boards regard as demand for that service. Quite often, people are forced to leave their homes and live in Townsville for the rest of their lives because they do not have that service available to them in Charters Towers.

The budget did not expand the flight subsidies to places such as Normanton. If people cannot fly out from that part of Queensland where I live, they have a 20- or even 25-hour drive to get to Brisbane to receive essential services, such as health checks. Flights mean everything to the people of my area. They would have liked to have seen in the budget an expansion of the flight subsidy to Normanton.

In terms of funding for the agricultural pilot project in Cloncurry as a precursor to water storage development, in the western regions there have been wonderful efforts by councils and some smaller cooperatives on water development. They are doing it all themselves. In the past, the government used to do all the heavy lifting for these groups and these councils. These poor little councils are trying their best. They have put in a lot of hard work. Unfortunately, in that regard there was no funding for Cloncurry.

There is about 13 kilometres of dirt on the Cloncurry-Duchess Road, which goes for about 100 kilometres. That road connects Cloncurry to the highway. It also connects the biggest fertiliser plant in the Southern Hemisphere, the Incitec Pivot fertiliser plant, to the highway. For as long as I have been in this parliament I have been calling for that 13 kilometres of dirt road to be sealed with funding from sources such as Royalties for the Regions. There are 900 people employed by that biggest fertiliser plant in the Southern Hemisphere. None of them live in Cloncurry or Mount Isa; they all live in Townsville or Brisbane. We cannot seal that road. I think it reflects very poorly on the government that that section of road has not been sealed. There is no funding in this budget for the Big Rocks Weir in Charters Towers or the Torrens Creek-Aramac Road. They are vital infrastructure projects that would help rebuild industry in that outback area.

Unfortunately, this budget has been devised in the absence of any consideration of the real drivers in the economy and how those drivers can be stimulated. If the government does not have a good sense of that, it is not going to apply the pressure in the right areas. My area is a very industry-rich area. There is the powerhouse of mining in the north-west minerals province coupled with a substantial proportion of the grazing industry. Not many people live in those areas for leisure; they live there to work and build an industry. The people of those areas have a real appreciation of those industry enablers and how to build them.

My message to the government is that it must stop indulging in infrastructure of convenience and instead focus on infrastructure that is industry enabling. We hear from the government members that the economy is good and that they are very excited. We cannot mess around. We cannot be complacent. When times are good, the government has to invest in the future. That means not building football stadiums, pleasure domes in the south-east and more traffic tunnels, but rebuilding the Hann Highway so that industries in the western region are strong, viable and sustainable. It is great to build pleasure domes and expand the public transport network in Brisbane—that is terrific—but the government should do that once it fixes fundamental infrastructure. Unfortunately, out in my area, that fundamental infrastructure is falling apart.

I want to spend a fair bit of time talking about rail services. During the election campaign I was very disappointed to hear the government say that it was going to spend another \$50 million on the rail. That is going to take the whole situation backwards. As I have explained many times in this House, the rail in my area is the only piece of rail track in Queensland, apart from a bit from Brisbane to Oakey, that is not subsidised by the taxpayer. That means that any maintenance that is announced for that line goes straight back on the cost for the users.

At the moment, the big mines in my area are putting ore on the roads. People are literally dying on our roads. There are more trucks on the roads. We do not get money when the ore goes in the trucks that travel on the road; we get money when the ore goes on the rail because the taxpayers still own the railway line. The government is using this rail like an ATM. The price has gone up so much that people are putting material in trucks to go by road, where we earn no money. That means that whoever is left to put their goods on the rail gets the added benefit—and I say that sarcastically—of paying more, because other people have exited from transporting their goods by rail. The maintenance cost then falls on those who are left using the rail line. It is a self-generating problem.

During the election campaign the announcement was made that the government is going to spend another \$50 million on the line. That shows a lack of understanding of the real problem. The government would not have to spend a lot of time talking to the main users of that rail to realise that. That is a huge problem. That needs to be fixed. Everyone refers to the QCA and says, 'They have guided this.' That is just an excuse. The taxpayers of Queensland own that line, not the QCA. If the QCA is not doing its job, or if the process is not working, then it should be unpacked and restarted. It is falling apart at the seams. We are seeing the evidence of that in the Bowen Basin as well with these rail agreements. This corporatisation or privatisation of the rail is a failed experiment. This budget fails to recognise that and that is a real issue.

Members from Townsville and everyone else in North Queensland need to recognise that rail is fundamental to the viability of the north-west minerals province, which pumps at the very least \$300 million a year in royalties into the state economy, but that money that will not keep coming if things like the rail are not fixed. We talk about the port of Townsville and now everyone is talking about the rail line to Tenant Creek. Because the pricing structure is not being dealt with on the Townsville line, now we are saying that perhaps we should go to Tenant Creek. I say again that it is absolutely fundamental that these things are taken care of in the budget, but they have been overlooked, which is a real problem.

The budget has not dealt with the impact of energy. The north-west minerals province is not connected to the national electricity grid. Energy is a great enabler for the economy. In the north-west, we have had some serious problems because we are disconnected. We are 100 per cent gas fired. We have become a global laughing-stock because of the way that gas has been handled in this state, not just by this government but also by previous governments. There was no reserve and we have gone to the world parity price in gas.

The long and short of it is that in Mount Isa industrial users of energy have faced 300 per cent to 400 per cent increases over the past five to 10 years. If 30 per cent to 40 per cent of a mine's operating costs are energy and the cost of that energy is increased by 300 per cent to 400 per cent, while some mines might hold on and keep jobs I can guarantee that a lot of mines will close. I reiterate that when we talk about jobs a growing and very large percentage of people employed in the north-west are from Brisbane and Townsville. When I am talking about trying to get help to fix the industry in my electorate, I am trying to help Townsville and Brisbane people too, because the big benefit of the mines is the jobs and those jobs are going to people who live in Townsville and Brisbane. We are all in this together. I am not just being parochial.

For the past 10 years we have been talking about a transmission line to connect the north-west minerals province to the NEM. There are pros and cons with that. I have had some good discussions with the minister on the issue. These things need to be vigorously pursued. It is very disappointing to see that the budget has no allocation for a feasibility study or anything to show that the government is driving towards a solution, rather than sitting back idly waiting for industry or others to come up with an answer. I do recognise that the minister is listening on that issue.

Water development is a huge opportunity in the north-west. I do not want to keep coming down here, year after year, asking for more money to prop up towns. In the north-west we can look after ourselves to a great extent if we are allowed to affordably access the water from the rivers that run past us. Each year, arguably three million to six million megalitres runs down the Flinders River system, for example. That is not even including the great Einasleigh and Gilbert rivers, which have far greater runoff. From the Flinders, each year probably only about one per cent is taken. About 30 per cent is taken from the Murray-Darling River. For years, people have been begging to access that water. If we can take water from river systems, industries and towns will be more viable. There would be no requirement for me to come here and ask for money to build school halls in Julia Creek, for example, to keep people employed, because we would have industry there. However, we do not have access to that water.

The government has collected \$10 million in revenue off water tenders and people are paying for water that no-one has used yet. Everyone loves playing around, saying that we need to price the water and we need a market for it, but the biggest problem is that no-one is taking the water and using it, although many people have been trying. Councils, co-ops and private individuals are trying hard to get things done on their own. In the past governments got their hands dirty. They went in aggressively and got things going and we have enjoyed the benefits of that in perpetuity.

The government needs to get their hands dirty. In Charters Towers, Big Rocks Weir needs to be progressed to secure the water supply for that town. There is the HI Corporation development in Hughenden, the Richmond irrigation scheme that is now on the books and the Cloncurry irrigation scheme. Those are all terrific industry-building assets that the government should be investing in. That is where money should go; not to a sports stadium in the city. That is not where we need to be right now. We need to be developing industry-enabling infrastructure.

Another issue that I want to bring up in relation to the budget papers is the contribution towards blue cards. That issue comes up all the time in the parliament and it makes me really angry. Last time I checked, about \$16 million to \$18 million goes to social services in Mount Isa to try to fix social problems. I am not saying they are totally caused by this, but a big problem is that people cannot get jobs because of the blue card. I have brought up this issue in the parliament time after time. If the government talked to the local people and fixed that problem, it would remove what is a big budget item for the government every year. If just a bit of courage was shown on the issue, we could really help people and help the budget.

In this budget there are some things that we are grateful for. I will always say thanks to the government of the day for the things that come into the electorate. Sadly, there has been a big diversion from industry-enabling infrastructure and too many bells and whistles to build infrastructure of convenience, which buys votes but is not healthy for our economy and, in the long-term, is not sustainable.