




Speech By
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MATTER OF PUBLIC INTEREST

Rural Finance; Charters Towers, Dialysis; Water Infrastructure

 **Mr KATTER** (Traeger—KAP) (2.45 pm): I would like to talk about the virtues of a rural development bank in response to an article today declaring that there has been an 11.3 per cent rise in rural agricultural debt. In the context of the coronavirus, we should be very tuned in to opportunities that exist to stimulate and grow the economy. The article and the agriculture minister talk about reconstruction loans. They are rubbish. I said the same things when I introduced a reconstruction bill previously. These loans are targeted at people who do not really need them. They apply to some people but miss all those who can use them. We look for rural development authorities to capture those people who cannot access the standard levels of available finance. Most of the rural loans offered by federal and state governments have to be a second mortgage, but most banks say, 'We don't want a second mortgage; we will just refinance you.' So many people are just refinancing. Some might say that that is a win. No, it is not. The APRA guidelines have definitions on the loan that just miss people. We should approach agriculture from the point of view of, 'This bloke from Ingham is a good farmer. We want to keep him in the industry, but he is just short of capital.' By virtue of the fact that he is low on capital, the system discriminates against him. If we are thinking about trying to stimulate agriculture, we want the good people in there. We do not want foreign investment, institutional capital or just a bigger expansion. They are not necessarily a better farmer or better custodian of the land. By virtue of having more available capital, they look better under the APRA guidelines. There is discrimination against people who do not have access to that.

You can apply exactly the same principle in terms of housing in rural areas. At a Western Alliance meeting the other day, a mayor of one of the small towns reported, 'Someone went to a buy a house in one of these remote towns in my area and were looking for a loan of \$200,000.' One of the financial institutions said, 'Look, we will not give it to you for this town, but go to Townsville and we will loan you \$600,000.' How are we supposed to compete and stop our population declining—that is happening all through Western Queensland—if we do not have an opportunity to access finance? There is postcode discrimination. The banks are up-front about that. I spoke to Wayne Reeves in Normanton. He has a great little business, one of the only service stations in town. He is trying to expand his business. Maybe some people saw the fantastic ad on Youtube with Dean Reeves trying to get more workers in Normanton. It was very entertaining. Wayne Reeves is there with his son trying to build up the service station. The banks have said to me, 'Rob, the problem is that he's out at Normanton.' It is a good business. Normanton has always been a good, stable economy—no boom or bust—but the banks will discriminate against it. Someone in a credit facility in Sydney will not sign off on a loan for a business in Normanton.

If we looked at this business we would say, 'Do we want anyone to exist in those areas? Do we want any businesses to access capital to grow?' When I refer to businesses, I include agriculture. If we answer 'yes' to that question, we have to do it. Here is the good news: it does not cost taxpayers. It may up-front but in the long term it does not. We have had these most of our lives in Queensland and Australia. QIDC sold for \$1.5 billion. Do not say that it costs us money or it is too much of a burden.

The QIDC was sold for \$1.5 billion, so the government cannot say that it costs it money or it is too much of a burden. It was sold for \$1.5 billion. It made us money. Banks make money. It is not a bank for everyone or is not there for everyone. It is there for good loans that do not meet the existing criteria. There is room for a development bank and for it to be done properly, not these stupid second mortgages that are just a waste of time. I will admit that they work for a small number of people, but they miss the point. That is a big issue we need to focus on.

Another issue I want to touch on quickly is dialysis. Charters Towers still has no dialysis. It is hard to find another town in Queensland of that size that does not have dialysis in those western areas. At the moment 11 to 12 people need to travel every day to Townsville, and that is a disgrace. That needs to be fixed. Mount Isa is still 17 short, so those people effectively go to Townsville to die. Many of those people's families do not have the means to visit them and they are stuck in Townsville for the rest of their lives if they and their families do not move. It is a terrible scourge and reflection on government. If there is any money in health, surely that should be a priority. In this day and age the fact that there is still such a big shortage out there is a curse, and that issue is only getting worse and it is something we need to look out for.

We keep hearing about the Bradfield Scheme. If members care about the Bradfield Scheme, they should get up to Townsville, get in the ring and start fighting for a proper sized dam wall. At the moment the plan is for a small dam wall that will kill the Bradfield Scheme forever. There is a fight that needs to be had there and I encourage people to get in that fight.