



Speech By  
**Robbie Katter**


**MEMBER FOR TRAEGER**

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**STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE**

**Report, Motion to Take Note**

 **Mr KATTER** (Traeger—KAP) (3.39 pm): I rise to make a contribution to the *Examination of Auditor-General Report 14: 2019-20—Evaluating major infrastructure projects*. It is a topic of great interest to me with the electorate of Traeger being such a fertile region for development. It is still so much in its virgin state that there is so much opportunity there for development.

I have always found it very curious the way that metrics are applied to building a business case. From my observations from a regional perspective, Cross River Rail is painted as having this wonderful economic benefit, but for projects like the HIPCo dam at Hughenden or Big Rocks Weir or Hells Gate every financial metric is used to apply the brakes. They do not take into account the tax benefit generated when you build a dam. One of the greatest benefits of building a dam is that you create economic activity and that generates a greater tax base. That is intrinsically linked to the business case, in my view, yet those things are not considered. Admittedly, this occurs for all of the other projects as well. I do not see how you can make a good judgement call on those projects, especially for dams, when you are not taking that into consideration.

As has always been said to me, compare Emerald pre Fairbairn Dam to post Fairbairn Dam and look at the tax base from that region or look at another region with similar industrial activity and look at the tax revenue that comes from it. There is your argument for a dam itself. That is never quantified when they make those adjustments.

I know that this body was set up to look at projects on their merit but, if we are being honest with ourselves in this parliament, projects are politically driven. If the government of the day wants something to go through like Cross River Rail or the Olympics, they are going to build up a business case for it and all of the financial stimulus that I would love to see applied to dams is built into it. It comes down to a judgement call of the government of the day. Because they are going to have 20 reports sitting in front of them, there still needs to be a judgement call at the back end of it somewhere.

I recall a story my father told me about when he was still in cabinet many years ago in this place. He took a proposal to cabinet for the transmission line to be extended to Karumba. It was going to take something like 50 years to pay itself off, which he said was quite embarrassing to take to cabinet. The government of the day knew that there were resources there, that there was a developing fishing industry in Karumba, that there was potential for mining up there—which eventuated in Century mine—that there was a mango farm starting up near Croydon and Georgetown, and they accepted it. They adopted it. They made a judgement call saying, 'Well, the business case is not great but we can see the potential. We are mature enough to write over that. Thanks very much to the public servants for giving us that advice, but we can see the benefit of it. Bang, we are backing it.'

**Mr Minnikin:** It's called vision.

**Mr KATTER:** That vision and leadership came from the government of the day. In fact, that powerline took under 10 years to pay off, so it exceeded expectations. They made a judgement call. There is no funding for Ootann Road, but what a magnificent piece of infrastructure. It is outside my electorate, but that piece of bitumen could pull all the produce from Cape York into the gulf and the tablelands and expand the cattle industry up there immensely. It does not get funding, but we can find billions of dollars to put into the Olympics or Cross River Rail, which is blowing out. I do question the validity of the metrics that are used.

We need to broaden the scope of these inquiries to look at established infrastructure as well. If we look at the way that accounting standards are applied to the Great Northern Railway line to Mount Isa now, the Queensland Competition Authority guidelines are rubbish. They need to be thrown in the bin. They make it enormously difficult for Queensland Rail to make a business along that line. It is completely irrelevant to market conditions.

It is the same with our dams, with the DORC valuations—the depreciated optimised replacement cost. They do their pricing on water that way. It is just ridiculous. It is just a money-grabbing exercise. That does play a role in planning infrastructure because a lot of politicians will say, 'Look at that rail line. It doesn't make us any money. It is a handbrake on the economy,' when in fact, if the accounting standards were more closely related to the actual business activity, we would not be saying that.