




Speech By
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MEMBER FOR TRAEGER

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PROGRESSIVE COAL ROYALTIES PROTECTION (KEEP THEM IN THE BANK) BILL

 **Mr KATTER** (Traeger—KAP) (12.51 pm): I rise to make a contribution to the Progressive Coal Royalties Protection (Keep Them in the Bank) Bill. There are nearly 80,000 coal industry jobs. If we take a one-dimensional view of this, it all makes sense: we take money from the wealthy global mining companies that do not pay enough tax and give it to the people. That sounds good, but what frustrates the KAP so much—and we have the advantage of having a front-row seat to industry—is that it is okay to take the money, but it needs to be reinvested in wealth-creating activities. I will raise CopperString at the outset because it is a really good example of this.

Just to put some context around CopperString, that has been a 15-year process. What is now over \$6 billion was under \$1 billion in 2010, when it was initially rejected by the government. Here we are 15 years down the track and it is really good that it is being supported, but that is something you do to stimulate the economy and keep the goose laying the golden egg. That is the image we need to keep in mind—that is, we need that goose to keep laying the golden egg because, at the end of the day, 50 per cent royalties of zero production is zero. We can put the royalties up as high as we want, but if we kill the goose that lays the golden egg there is no point having royalties.

While we are on this issue, I cannot walk away from the fact that the gas issue was the catalyst for CopperString in the first place because we were exposed to global parity prices on gas when the LNG plants were turned on and we were 10 per cent gas-fired powered. One would have thought that the government would have struck a pretty good deal to open up the gas industry, which does not really offer many jobs now, but the interesting fact is that we produce about the same amount of gas as Qatar but it gets six times the royalty that we do for oil and gas—six times.

Mr Dametto: We're giving it away here.

Mr KATTER: That is a phenomenal amount. We gave it away, so there is a bad record here of setting this precedent, but these coal royalties are way over the top. If we raise them a bit, fair enough, but this is going to smash them. We are probably not going to see the impact right away or in five years, but in 20 years countries overseas will look more competitive. Everyone else—not the KAP—wanted to see the global environment and said, 'Let's engage in global markets and free trade and remove Oz protections.' There were not a lot in mining, but the gas reserve policy is a good example that was denied because people said, 'We're a global environment.' We have to be careful now because we are competing on the global stage, so these companies are saying, 'Well, guess what? We'll run our 20-year plan out but not after that.' So it is good to give 50-cent fares now. That is nice. That is good for people now, but what are you going to do in 10 years because you just killed the goose that lays the golden egg for 10 or 20 years time? When that is not there, what else do you have? I just feel that there is such an ignorance of what drives the economy. It is not just coal, not just mining and not just agriculture, but they play a really big part. So many times the KAP has come into this House trying to push and advocate for these primary industries, but I have often heard arguments given from people in the cities who say,

'Mate, stamp duty kills it. The revenue we get from the banking industry, real estate and everything, there's big money in that, mate.' Sure, but none of that happens if we do not have the primary industries in the first place or the high incomes that produce that.

The member for Hinchinbrook made a really astute point. In the last parliament everyone was hating on coal. People were saying, 'We've got to get the new economy.' All we heard was how we had to get out of it. With all the kids at university now, no-one wants to admit that they are an engineer. There is no mining engineering at UQ anymore. Can you believe that in the state of Queensland it is not offering that? People are embarrassed to say that they are engaged in the industry and they will not say at a party, 'I'm in the coal industry.' That has come from somewhere. We can say that that has nothing to do with us. However, we are the leaders here in this state and we either back it or we do not. It is a big industry and it does help fund our hospitals, our universities and our schools and it is not always going to be there. It is the same as the North West Minerals Province. We have to make moves and we have to be assertive as a government, like Sir Leo Hielscher was when he said, 'That stuff just doesn't come.'

With regard to the member for Callide, I have seen the roads in Central Queensland and some of them are horrible. When the government says, 'Let's take the money and give it for 50-cent fares, the Olympics, Brisbane infrastructure'—we see more and more footbridges out there—the \$1,000 power bill bribe and the Cairns and Mackay hospitals,' that is nice—

An honourable member: Moranbah.

Mr KATTER: I take that interjection about Moranbah Hospital. However, that is not going to make more mining in terms of putting in road and rail infrastructure. This leads to another point—that is, the way the government addresses utilities. That is a really big issue in Queensland and it is not debated in this House enough. Are those utilities there to gouge as much money as we can from industry, and not just mining but any industry? Are we trying to gouge the money or are we using our utilities to stimulate more investment and development so there will be double the size of the cake to draw on to do these things in the future? I fear—I know—the attitude is the reverse.

There are mines that are literally not going to open in the north-west because, despite there being an abundant supply of water, the price and supply of water could not meet the demands of a new mine despite a massive big dam. What is going on? Why is the rail line from Townsville to Mount Isa down by 38 per cent volume despite no downgrade in production? Some 38 per cent of the activity has come off the rail line to go on the road because it is cheaper, because we have two to three times the next highest rail track fees in Australia just on that Townsville to Mount Isa line. Are we gouging or are we trying to enable industry, because I thought we built that to enable industry? Sure they have to pay the price along the way, but this is just an overreach. If the government was saying that all of this money would be quarantined to address those deficits, like CopperString is doing—it is addressing a deficit in investment and infrastructure—maybe we could consider it, but this is not. The government is spending billions on 50-cent fares and the Olympics. That is the short-term stuff and that is just bad government. That is not mature. Albeit it is popular, and it is great to rip it out before an election, but it is just not the right thing to do.

While I am talking about CopperString, it is a serious issue that is being thrown around as a political football and we know that there are still gaps. Powerlink just keeps coming out with these costs, and we need to know that those costs are set in concrete. The government needs to table whatever it has so that we can see going into this election that it is locked away, because the government cannot just play with the future. There are mines out there hinging their investment decisions on whether this goes ahead, so we cannot say, 'It's conditional upon this,' or 'We'll just see how it goes.' We need that locked in and the government cannot play around with that. Rather than saying that it is on the whim of a spreadsheet, we want to see rock-solid grants, budgets and reports from Powerlink that say exactly what is needed to get that job finished—not to start it, not to commence it and drive it but to finish it, just as it would with a bridge or anything else it is going to start to build.

Earlier I was listening to the Greens and others. We all want to drive a car. They keep saying that we should gouge the mining industries because they are all bad. I am sorry, but we all enjoy having a concrete driveway and a car and everyone likes their house cool. If people want those things, we need industry and jobs and we have to talk to that industry all the time—not pander to it and not do its will all the time but talk to it to get a sense of what they are doing, what they are looking for in the future and whether they are for real or not. Sometimes they will try to have a lend of you, but I can assure the government that there are a lot of companies out there now, even internationally, saying, 'Let's look at other opportunities in the future in Australia. Let's run out this 20-year lease or 10-year lease, but let's see what else we've got.' In that case, it will be our kids and grandkids paying the price for what we are

doing now. If we invest in roads and rail so that there is a great rail system and a great port and the energy is taken care of, industry has confidence that it is a great place to do business. If business can see that the government is putting back then there is an argument for this bill.

We strongly oppose this bill because it is predicated on frivolous spending. It is great to help people who are needy and who appreciate it, but we in this House have to be more mature than that in the way that we manage these issues. We urge the government to take a leaf out of Sir Leo Hielscher's book. He saw it as a picture to be painted: for industry to provide for building and development and to keep reinjecting funds into infrastructure to make sure it is there for us in the future. That is what we have to get back to. CopperString is the start of that but certainly not the end; it only just starts us on that pathway.