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HOUSE OF REPRESENTATIVES

BILLS

**Social Security and Other Legislation
Amendment (Income Support Bonus) Bill 2012**

Second Reading

SPEECH

Tuesday, 5 February 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Tuesday, 5 February 2013
Page 84
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Speaker Katter, Bob, MP

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Mr KATTER (Kennedy) (19:35): I congratulate the Assistant Treasurer on his excellent contribution, but I would not hold my breath expecting any change from this particular parliament or the new parliament next year.

This is a very wealthy country. In fact, from where I sit, it should be one of the wealthiest countries on earth. I stand in a unique position because, when Premier Bjelke-Petersen was going to Canberra, Bill Gunn and I were effectively running the state of Queensland. We lost government as a result of the Fitzgerald inquiry—and, I might add, we only very narrowly lost government, with only a single minister ever convicted for corruption; some of them were convicted of misusing their ministerial allowances, an entirely different issue. But I saw the great wealth that you can create very quickly in this country.

For the last 10 years I was in the cabinet room, every year that government saw a \$200 million tourist development, every year we saw a new mining town open up and every year we saw a new major irrigation dam built. In the 22 years since that government fell, to my knowledge there has not been a single new mining town built in Queensland, there has not been a single \$200-plus million tourist resort built and there has not been a single dam built—not one of those items. So those great wealth creators that were leaping into Queensland every year have been destroyed. Why have they been destroyed? Because every time a person wants to do a development, the greenie elements of the Liberal Party or the greenie elements of the Labor Party think of 4,000 reasons that the development cannot go ahead. Eventually the developer just rolls his swag and walks away. That is what has happened again and again in Queensland. So there is no money in the till; there is no tax revenue base to provide the services.

When I was preparing this speech, I was really quite amazed when I added this up—if you are a pensioner couple on \$35,000 a year, wipe out an extra \$2,000 for insurance. That is how much insurance has gone up in the last 12 months or two years, and that is because the state government insurance offices were flogged off by the ALP and the LNP governments. They sold our state government insurance offices. So now the big corporations that own the insurance companies can charge whatever they like. There is no benchmark that we can apply to bring them into line. The SGIO was not there as a socialist endeavour; it was there as a benchmark—a policeman to keep the insurance companies honest. If you take the policemen away, you will be charged whatever the oligopolistic corporations want to charge you.

When I went to university I was taught that if you had a monopoly, then there was no free market determination of pricing, that if you had an oligopoly there was no free market determination of pricing and that that means few buyers and/or sellers in the market. I was also taught that a competitive market is defined as an unlimited number of buyers and sellers. So, if you wanted a proper determination of price, you had to have an infinite number of buyers and an infinite number of sellers. Where we have just three electricity generators—I would say pretty soon it will become two generators in Australia—they can charge whatever they like. It is rather interesting—they put electricity charges up 10 per cent every year.

The DEPUTY SPEAKER (Hon. DGH Adams): Order! I ask the honourable member to address the bill. He is ranging a fair way away.

Mr KATTER: Mr Deputy Speaker, I am talking about our retirees. They have been hit with an extra \$2,000 for insurance, they have been hit with an extra \$3,000 for electricity, they have been hit with an extra \$1,000 a year in rates, they have been hit with an extra \$1,000 a year because of the current Labor government's reductions in the subsidy for prescriptions and they have been hit with an extra \$2,000 a year on average for dental care because, if you have toothache in Queensland, the waiting list is over two years, so if you have to go to the dentist you have to pay whatever the dentist charges you. If you add those figures up I do not know what it comes to, but I would say it is in excess of \$10,000. So it was \$35,000 prior to the marvels and wonders of the free market system perpetrated upon us by Mr Keating and his successor in crime, Mr Costello, and we have taken \$10,000 from these poor people. Mr Deputy Speaker, I do not want you to get upset because we are giving them \$350

back! Through our incompetence we took \$10,000 a year off them, but now we are going to very generously give them \$350 back, just before the election.

Please excuse the people of Australia for being cynical. Please excuse the people of Australia for loathing and detesting politicians. When I say we are a great and wealthy country, I bear in mind that half of our electricity production in Queensland came from the Gladstone power station and that the power station was fuelled with free coal because we kept some of that coal for the people of Queensland. The Liberal federal government and the Labor federal government gave all of our gas away and reserved no gas for the Australian people. They have reserved no coal for the Australian people. They have let that gas go for nothing—and I fought against giving away the coal seam gas. There should be money in the till to pay for these pensions. There should be money in the till to increase the pension, not give them a meagre \$350. Good on the government for giving \$350 to retired couples, but I am saying that this should be a wealthy country.

You deregulated the wool industry and destroyed it, so you had no money coming in from there. You let the gas go, to be sold to foreigners for nothing, so you have no money coming in from the gas industry. We are the only country on earth that refuses to introduce an ethanol industry. In the last three months, China has announced ethanol, the United Kingdom has announced ethanol, Japan has announced ethanol and India has announced ethanol. That leaves ours as the only significant economy on earth now that does not have ethanol. All the European countries already have ethanol.

All of the Americas already have ethanol. The United States is the biggest producer of ethanol in the world, and, within five years, the United States will not be sending any money to the Middle East at all; they will be entirely self-sufficient. There is \$20,000 million that should be staying in Australia. It should be yielding for this government or any future government—state, federal and local—some \$7,000 million a year in tax revenue. But that \$7,000 million a year is not there because you do not have an ethanol industry. You are buying your oil from the Middle East. You are sending our money overseas.

There is a massive importation of food into this country. Last time I looked, we spent \$10,000 million a year on importing food, representing almost one-third of our food requirements. We are now buying almost all of our motor cars from overseas. That industry was generating \$2,000 or \$3,000 million in taxation, which should have been going to retirees. All of this money should be there. The destruction of manufacturing has cost Australia \$20,000 million in tax revenue.

Mr Deputy Speaker, in your own state, where we should not be importing timber—

The DEPUTY SPEAKER (Hon. DGH Adams): Order! I ask the honourable member to return to the bill. The name of the bill is the Social Security and Other Legislation Amendment (Income Support Bonus) Bill 2012. I ask the honourable member, in his remaining five minutes, to address that bill.

Mr KATTER: Mr Deputy Speaker, I do not wish to in any way impugn your judgement, but clearly in my mind if we do not have the money to give these people then all we can do is give them a meagre \$350. If this country were enjoying the great wealth that we should be enjoying, we would have that money.

Let me be very specific now and talk about young couples. Before the time of Mr Keating and this free market rubbish we had a fair tax system. I remember as a young man having three kids and one income. My wife, with three kids, really had to stay at home. I paid virtually no tax at all because there were big tax deductions for those kids. Today Australia has one of the lowest birth rates in the world. In 10 or 12 years time there will be more deaths than births in this country. We are a vanishing race. A husband and wife with three kids on one income are going to get \$350 as a result of this bill. After having \$15,000 taken out in tax, they are left with \$55,000 a year. Then they have accommodation expenses, which are roughly \$18,000, on average, in Australia. So, after tax and accommodation, that family of five is left with \$37,000. That works out to \$7,000 per person. I would like to see you raise a child on \$7,000 a year. Is it any wonder that young people—those that can add up—are saying, 'I can't afford to have a kid'? They can't. It is impossible. A double income, no kids couple earning \$140,000—two people on \$70,000—pays about \$35,000 in tax. That leaves them with \$105,000. Taking out accommodation expenses, again, of \$18,000 leaves them with \$87,000, which is \$43,000 per person. The question is: is this a fair system? We give families \$350 and expect them to live on \$7,000 per person, but we let the DINKs live on \$43,000 per person.

I look back with great joy at my family's association with the Labor movement, which delivered a fair system to Australia under which young, struggling families, such as my own at the time, paid virtually no tax. When I was a single man working at the mines in Mount Isa, I paid a fair whack of tax—and so I should have, because I was on huge money. But that is not the fairness of the system now. The fairness of the system now is that young families are crucified in this country. Giving them \$350 is not going to solve their problem when they have to try to keep a child alive on \$7,000 a year. That will be good fun; that will be certainly a challenge.

God gave us a really wonderful country with very great riches. We are endowed with an ability to produce all of our petrol from ethanol. We are endowed with a country where we could produce all of our petrol from our gas supplies. We are endowed with a country that has coal and iron ore in an abundance that probably no other country on earth has. We have a country that was producing 15 per cent of our entire export earnings from wool when we were intelligently and aggressively marketing that product. We were a country that could feed itself. We were a country that built motor cars. None of those things are true now, and everybody in this parliament knows they are not true. They will not be true unless you make fundamental changes in policy and go back to having the aggressive, highly competitive economy that we once had, not apologising or bowing and scraping and trying to pretend to the rest of the world that we are the great free marketeers—that we are so fair-minded. We are bloody fools for being looked at that way by the rest of the world, and our young people are paying the penalty. *(Time expired)*