

# Dissent

## The Hon R C Katter, MP

Whilst supporting the recommendations of the Committee and its Report, there are some areas where additional recommendations need to be made to take the thrust of the proposals somewhat further than where they stand at present.

The Committee received a number of submissions concerning water resource development. Whether it was the Atkinson Buraraba Group at Coominya, professor Peter Cullen at the University of Canberra CRC, the Queensland Farmers Federation or the Queensland Government itself all delineated the difficulty, some stated it an impossibility, of water development under the National Competition Policy rules.

The recommendations in section 10, water resources, should contain a clause stating:

- I. That in designated areas of Australia, ie., areas designated Developmental Areas National Competition Policy rules referring to water resources should not apply.**
- II. A National Development Trust Fund to finance such development be established and that its auditing provisions direct that the tax revenue that flows to government as a result of water development projects be accounted for as an off-set against government expenditure on the project.**

The Committee was advised that income from the Emerald Dam Scheme exceeded \$120 million per year. One third of all revenue generated goes to government revenue, therefore a notional \$40 million per year would be credited to the National Development Trust Fund.

If Emerald were built today, the cost would be in the order of \$140 million. National Competition Policy rules would require that the sale of water would have to be at a level sufficient to service a debt of \$140 million. Current revenues at Emerald for water would be in the order of \$3 million, clearly demonstrating that one of Australia's most successful projects would not have been able to go ahead under National Competition Policy rules.

Most presentations to the Committee indicated under these rules probably no agricultural dams would have been built in Australia.

Nearly ½ of our agricultural production comes from irrigation dams.

Emerald Dam water was also a major catalyst for coal mines in the area. These mines currently produce over around one thousand million dollars of revenue per year.

Competitive tendering for water allocation is resulting in many large corporations out-bidding local farmers who need the extra water to achieve expansion to levels of production that will allow them to operate to economies of scale. Many water licences are now held in company portfolios and are not being worked

The owner operator family owned farms would be replaced ultimately by corporate capital much of which would be overseas sourced.

This would not be a desirable social outcome.

I propose ***Recommendation III***:

**The Committee recommends modification to National Competition Policy rules to allow limited competitive tendering for water allocations. Rather than the current open tendering system.**

**Such limitations to level out the playing field between local applicants and owner operated farms on the one hand, and corporations with far greater access to capital resources on the other.**

#### Chapter 8 - Energy

For reasons similar to those outlines in Chapter 10 – Water, electricity connections to sparsely populated areas, station properties, tourist and mining outposts should be excluded again from National Competition Policy when they are in Designated Developing Areas. Such transmission lines facilitate development but more importantly without such infrastructure development in out back Australia is severely inhibited.

The Committee received a presentation from Bourketown Shire Council, advising that because of National Competition Policy rules this northwest corner of Queensland could not be supplied with electricity.

#### **Recommendation IV:**

**That in areas designated as Developmental Areas, National Competition Policy rules should not apply to the supply of electricity.**

#### **General:**

The issue of competitive tendering was put before the Committee. Shire councils were losing work to fly in – fly out contractors, further stripping their

communities of population, income, and vitally needed locally based construction plant.

### **Recommendation V:**

**National Competition Policy rules need to be modified from a strict lowest tender basis to achieve other objectives such as locally-based population and construction plant, inter alia.**

Hon R C Katter Jnr, MP