

TRANSCRIPT RECORDING OF SPEECH

Senator Matthew Canavan

Post budget address

Rural Press Club of Queensland

Amora Hotel, Brisbane

Wednesday 20 May 2026

Matt Canavan: Well, thank you very much, Cathie, thank you. Ladies and gentlemen, very much appreciate giving up your time today to hear from me. It's been a few weeks, a few months, it's great to be here with my colleague Trevor Watts from the state parliament, and many of you here today, thank you very much to the Rural Press Club.

I love history, and I was going to start off with a bit of a historical hook, and then I thought, well, actually, I might even explain why I chose this hook at the end. Because I started the week finally back home—I don't think I had a workday back home for some weeks—and the first thing I had to do was go to speak about politics at my son's school in Yeppoon, St Benedict's. I was up in front of a group of 10 or 11 year old kids and I don't know how attentive they were, or how keen they were, to hear about politics, but I was explaining the system of government, we have—I could do that if you like, later—[and] I was getting to the executive and eventually King Charles. And I thought... I just couldn't remember, if it was King Charles the second or third?

I couldn't remember, and I said out loud "Well, the first King Charles had his head chopped off, and I think the second was in the restorations, so I think it's King Charles the Third," and as soon as I head chopped off, all the kids woke up. And then later on, someone asked the question about the difference between left and right, and I was explaining to the kids how "well the word left comes from the French Revolution, where the members of the National Assembly, during the Revolution, those who sat on the left of the chamber, wanted to, guess what? Cut the king's head off. That's what they wanted to do." And the kids woke up again.

And then after that, my son had a lot of questions on the way home. So, we started listening to a podcast, titled Revolutions. It's excellent, by a guy called Mike Duncan—from 'History of Rome' fame, if you've listened to that one, he's also did another one on revolutions—and we start listening, and it started with the American Revolution, where unfortunately no one's head got chopped off, to my knowledge, but still a lot of violence and interesting things. And this episode we start listening to, with my son, was on the Stamp Act.

As I was listening, I thought, that's not a bad place to start this speech. Because during that debate about the Stamp Act—and I suppose, I'll give you all the history lessons, the Stamp Act was something introduced by the British government, in the 1760s, to try and fund their costs of the American colonies, both the French-Indian war and also the ongoing cost of having to defend the American colonies. They introduced this thing called the Stamp Act, [where] every piece of paper that was going to be used for legal purposes or a press newspaper, in America, was going to have to pay a fee.

Anyway, during that debate, a guy called Patrick Henry in the Virginia House of Burgesses got up and moved what has become known as the five resolves. And one of those resolves—what we would probably term resolutions—said "Resolve: that the taxation for the people by themselves, or by persons chosen by themselves to represent them, can only know what taxes that people are able to bear, and the easiest mode of raising them, and are equally affected by such taxes themselves, is the distinguishing characteristic of British freedom, and without which the ancient constitution cannot subsist".

So, it's all in sort of 18th century language, but in effect, he was saying that "if you're going impose a tax on us, we have to consent to it first, that's the rules, and that is the right of

British peoples, to have no taxation without representation". And after listening to this podcast, that went through this, I thought, well, it is actually quite apt a week after the budget we saw last week, where, in effect, we've had our rights subjugated [and] subdued, because these taxes that have been announced last week by the Prime Minister have been done with no mandate, [and] with no representation from the Australian people.

He didn't have the guts to take them to an election. We didn't get a say on whether we support them or not. Yet many people, many businesses, and particularly the farming industry, are going to be hit hard by these massive tax increases that have been announced. And they are massive.

Massive taxes, without any mandate, without any permission from Australian people. And the Prime Minister explains this broken promise, explains this lie—and it was a lie, he told a year ago—he explains this by saying he's changed his mind.

Okay, we do change our mind. Well, if he has the right to change his mind, the Australian people should have the right to change their mind too.

And he should take these taxes to an election and get that mandate. And if people change their minds and decide that no, they don't want Anthony Albanese as Prime Minister, well, we won't have these taxes, because myself and Angus Taylor, and the entire Liberal-National team, we will fight these taxes. We'll find them in the Parliament—we don't have the numbers in the House [of Representatives] or Senate, but we'll do our best. And if they do pass, despite our opposition, we'll fight them at the next election—I think that should be sooner rather than later given the Governments broken promises—but whenever that next election is, we'll fight them then, and we will repeal them, when we get back to government.

Because they're not good news for Australians. They should be opposed—they should definitely be opposed in this Parliament on that same basis that Patrick Henry opposed the Stamp Act, that there was no mandate for these things.

There was no mandate, there was no permission given, and at a time like we've got right now—a complete collapse of public trust right now, of collapse in trust in the political process, a collapse in people's confidence, that their leaders are acting in their best interests—it's not the right approach right now to add to that public dismay about our institutions, by so blatantly and remorselessly breaking a promise just a year after election. So, they should be opposed on that basis, and almost that basis alone.

But they should also be opposed because they are bad news for the Australian economy and they are particularly bad news for those of us that have an interest and love, for rural Australia, and for particularly our farm sector. What's the government's changes do on capital gains is effectively punish anybody that takes risk or goes for an asset that shows high growth in valuation over time.

The government will say, "we're just moving back to a system where it was a real base system, where you adjusted for inflation." But they seem to have forgotten, or are intentionally overlooking, the reason why we've moved to a nominal based taxation system with a discount, a 50% discount on capital gains. The reason for that was to encourage innovation, to encourage growth.

I just met a couple of small businesspeople in Bald Hills. Who have invested in their own website design business, car detail business, and their plans are all about growing that business, achieving growth, one day perhaps selling it for way more than they invested. And that's their superannuation, that's their retirement, and that's what's going to see them

through life. But now with these changes, that type of investment strategy—going for that sort of risk—is massively disadvantaged if these changes go through.

Because any investment that has more than an average return is going to face that high tax bill. And this is not me saying this, the Government has actually admitted to this just the other day, after the budget was announced, in their desperate attempt to somewhat suppress the massive public reaction to this. And the business owners up there in Bald Hills, they hadn't posted the meme yet, but they're all talking about it. They're mentioning that Anthony Albanese didn't turn up to work today, even though he's taking 47% of our business.

These changes, the government's now trying to desperately explain them, so the government released—or didn't release, they sent some secret modelling to select journalists on the Monday as they won't release it publicly, but what the government's saying in effect is, "look, if you invest in the ASX 200, if you invest in just the share market, you'll do alright over these changes. Because on average the ASX 200 returns, in terms of capital growth, about 5% a year."

Even if inflation's two and a half, like the government's forecasts. Well, under the old system, you'd get taxed on those 5% gains, but then you divide that by two, you get a 50% discount so you're back to effectively two and a half. If, under this new system, you take off the 2.5% inflation from the 5% growth, you're back to 2.5. So, it's roughly the same. Okay, that sounds alright.

Things get very different, though, if you're in a different type of investment. So, take farming. In farming, you tend not to make a lot every year, year on year. It's a pretty skinny game; the profit margins are fairly thin. But you're trying to survive through weather, through global markets, you get by.

And what you hope for over time is the land price appreciates, and you make good money through that. And if you look at the official stats that's exactly what happens, on average.

On average, in 2023-24, it's depressing, but the profit margin, the return capital for farming in 2023-24 was just 0.6%. Barely breaking even. But over the past decade, the land value of farming assets has increased on average, every year, by 9.8%. So, quite good returns, quite healthy returns. Now, if you chuck those figures in—9.8% a year, and inflation rate of 2.5%—you end up paying capital gains tax rate of 38% after a decade. 38%. If the government's changes come through, the average broadacre farm, according to the government's own advisory body figure your capital gains tax will be 38%. This is something that the government has admitted themselves. So, this would be this would make it one of the biggest—probably the biggest—tax grab on Australian farming in history to go from a 23% tax rate to a 38% overnight, without the mandate of the Australian people.

So, my view is that Australian farmers already have enough to worry about—with the weather, with the markets, with changes to current regulations—they've got enough to worry about. But the government here is going to come on top and impose a massive 15% increase on the capital gains tax rate, which is the very thing that farmers are sort of banking on, to make investment in, to think they're going to get ahead.

How is that going to help young Australians get into farming? How is that going to make sure that we have another generation of people who want to do the hard work out in the sun, out of the various weather conditions to grow our food that we've just enjoyed today?

I've just been the last couple of months in one of the richest—probably not financially richest, but richest in terms of agriculture, richest in terms of soil, richest in terms of water, [and] agriculture in our country—in the Farrer electorate. So, around Griffith and Denilquin, all the

areas around Aubrey, Torah, all these areas, and there is a lot of anxiety out there. There's a lot of young people who want to stay in farming. There is. But there's also a of concern. And now, the government might add extra stress to those young people, making them potentially go grey earlier, worry earlier, stress earlier, by making this unexpected, un-promised change—massive change—to our tax laws. It's not good news, not good news.

Particularly at this time, too. Like right now, why has the government done this at this time? I mean, I'm in politics and I try and approach my job, as a senator for Queensland, as a problem solver. My job is to try and be practical and think “okay, there's a problem, something needs to be solved. What can I do to help?”

And right now, the problems I'm hearing—from farmers, but all small businesses as well—is that costs are just through the roof, and they're really struggling to hang on. It's being maximised in recent months with the war with Iran, and the impact on oil prices, fuel, fertiliser. These are the things that have been raised for me in the past 40-odd days or 26 days down there in Farrer—16 nights, 11 of them in a swag, which didn't help us, we lost. But anyway, I went down there to listen to people, as I said, last week. We're going to listen to people, just I'm not sure they listened to me.

But it was a great experience. And to hear from people directly about what their concerns are, it's a great start from my leadership of this great party, the Nationals Party, to hear directly from people.

People are pissed off, they are angry, understandably, and we saw that in the results. And they are really angry because everything is getting tougher for them, but they don't see their government trying to help and respond. Probably the biggest issue that was raised with me was fertiliser prices. It constantly came up—it's roughly double for a lot of people since the war in Iran. And the government sole response at the moment is to sign blank checks to get fertiliser and fuel to our country.

Which we kind of need to do, I suppose. We've got to get it here as much as we can. It'll still be expensive, and it costs all of us a lot. Taxpayers are going to subsidise it. But the government done nothing, at all, to try and help produce more fertiliser and their fuel here. Shouldn't that be the response for this crisis?

We have [use a] band-aid now. We've got an open wound and there's [only] so much we can do, so we've got to bring a fuel and fertiliser in. But shouldn't the real, long-term thinking response be, “well, we need to get back into the game of making your urea again?” Right?

So, until a few years ago, we had a urea plant here in Brisbane, at Gibson Island, [which] shut in 2022. I was banging the drum about it. I've been out there many times. It's very sad. But, unfortunately, not enough people realise that the food you just ate almost certainly was growing thanks to nitrogen-based fertilisers like urea, and nitrogen-based fertilisers like urea are made from natural gas. They're made from fossil fuel. And so, all those climate protests you used to see, you'd often see these signs saying, “you can't eat fossil fuels”. Well, you can.

They obviously didn't teach this in school—at least they learn about kings get their heads cut off—but they don't learn about the fact that fertilisers, almost all major fertilisers use in the world, come from fossil fuels. And if we don't have them, if we don't use them, we're not going to eat. Well, the world won't be able to eat. Well, we'll pay premium prices to eat here, but some people, somewhere will go without, if we don't have fertiliser. And so, why don't we have a proper focus on that? Because right now, it's almost impossible to do these things, thanks to the new government policy of the safeguard mechanism.

It's carbon tax, a state government mechanism, it only applies to 219 businesses, that's why many of you haven't heard of it, but those businesses are some of the most important in a country, including... well, it would have applied to Gibson Island, but they shut it before [the Government] could get to them.

It's paid by our last two oil refineries. They have to pay the safeguard mechanism. Some analysis a couple of weeks ago showed that those last two refineries have to pay \$165 million between now and 2030 to meet their commitments to reduce carbon emissions. So, we're subsidising oil production in other countries, and the Prime Minister announces—to great fanfare—that we're bringing in 100 mill litres from Bruni and a couple of hundred from Malaysia, yet we're putting a massive tax on our last two oil refineries here in Australia. How does that make any sense? It's absolutely insane.

And what happens is that 160 million dollars, that they have to pay, they're not actually paying that to the Government. So, it doesn't help with this budget issue. They're buying carbon credits with that. They're buying carbon credits to meet their commitments. And the primary way we make carbon credits in Australia is we buy up some farmland, kick off the cattle and the crops, fence it off, and that, I'm told, apparently, magically lowers the temperature of the globe. That's what happens.

If you fly from Brisbane to London with you and your partner on a business class flight, you have just emitted 16 tons of carbon dioxide. And I've never done it, but when you book a flight you've got a little box that you can tick if you're a good person, you can tick the box saying, "I'm going to save the planet, I'll pay for the carbon credits". I've never done it, because I'm not a good person. If you've done that, you're a good person, but that's 16 tons of carbon. So, what Qantas goes and does is goes and buys some farmland and—according to ABARES again—each hectare of land that you lock up saves about 10 to 25 tons of carbon.

So, congratulations, that business class flight, with you in your partner, has just locked up a hectare of land. Is that good? Because, [based] on the Government's own numbers, to get to Net Zero need to lock up 18 million hectares of land to get to Net Zero. 18 million hectares.

We've already done seven million to get where we've got. We've got to do another 18 million—that's according to ABARES analysis released just before Christmas. How much is 18 million hectares? Well Tasmania is about six. So, three Tasmanias need to be locked up. And they're not getting locked up in the desert, by the way. They released a map—more than half of its now wheat, sheep, and high rainfall zones in the Murray Darling, northern Tasmania, in the wheat belt.

I don't think that's a good deal. I don't think should be shutting down farming, we should be growing farming. So, what I want to see is not more carbon credits as Nationals leader, I want to see more dams. I want to see dams built, more farming areas open up.

When we left government, a few years ago, we left the Labor Party, a list of dams to build like Hell's Gate. They were funded. And last week's budget, the government has finally put the final on the coffin on the National water grid. Stripped all the funding from that. We no longer have an agenda at all to build water infrastructure or dams to grow farming. Well, I want to change that. Got to get red tape of Net Zero, got to get rid of the red tape from the government's new EPBC environmental water reforms, where the Commonwealth governments decided that they should regulate any area in the Great Barrier Reef catchment area within 50 metres of water course, which—anyone who's been to the Great area knows—that's pretty much the whole area. That's got to go.

They've also taken away the right of farmers to clear their land if they haven't cleared it in 15 years. That's also a bit of red tape. It's got to go. We've got to make sure that we stop red tape coming in from overseas as well. These trade deals we doing now are just for the sake of it, they're not really providing value. The EU trade deals is the worst trade deal ever, basically zero, almost zero, extra benefit to Australia. But we give the Europeans the right to tell us what to do, whether it's on carbon on deforestation, it's totally unfair.

We need more competition in our own internal markets as well. We've got good competition internationally; we've got pretty good trade deals now. We're really dredging the bottom of the barrel now, with the EU deal. We need to focus more on internal competition. Just seen another decision going against Coles last week, and the continuing poor behaviour of Coles and Woolworths is why the National Party remains committed to having divestiture powers in our competition laws, like almost every other major economy has. We're one of the very few that doesn't have such powers and we need more competition, so it will continue to push for those.

But most of all, as leader what I want to see is governments off the backs of farmers, costs to come down, and encouragement to invest again without major changes or new taxes coming in. We need, we need to go back to that example I started with—we need to make sure that the regulations, not just the taxation, but the regulations that are on farmers, are coming from people who support them in farming areas. We should have no taxation without representation, but we should also have no regulation without representation, as well. And far too often, both here and overseas, we're seeing farming be regulated out of existence by people who have no idea what those regulations do to a rural area, how they do or don't protect the environment, and sometimes we've seen them from people who don't even live in this country. We now have, say in the European Commission, we've got institutional investors based in London, who think that it's their rights and their ability to tell Australian farmers what to do. Well, those days have got to end. We've got to end this obsession with ESG, because that is just an agenda to take away people's rights in this country. And if anyone doesn't know what ESG stands for, it stands for extreme, shortages guaranteed.

So, we're going to get rid of all that, and free up the Australian farming, because we do have a great future for farming and rural communities in this country. We do have some of the best soft commodity prices we've seen for a long time, and they've been there for a long time now and they seem to be persisting. The only risk to Australian farming is that governments tax and regulate our opportunities out of existence, and I'll be fighting every day to make sure that doesn't happen.

I'll be fighting them in the election so we can free up Australian farming and grow our economy, and make sure we deliver opportunities to the next generation, both of young Australians who want farm, but also young Australians who want to live in rural and farming communities.

Thank you very much for listening today. Look forward to some questions.

Question and answer session

Cathie Schnitzerling: I have a great number of questions that I have already come in on Slideo, and as I said, there will be a roving mic as well to take questions from the floor. First question comes from Rawdon Briggs from Collier's Agri Business, who asked, **"Matt, can you expand on the death tax by stealth comments in media, past budget release please?"**

Matt Canavan: Sure can. I didn't get time to cover that particular aspect of the broken promises. There were so many broken promises.

The situation here is, I'm not sure whether the Labor Party and particularly the Prime Minister was across the detail and really knew what the Government were announcing last week, because buried their announcement was the detail that the government's minimum tax for trusts—something called discretionary testamentary trusts—will face a 30% tax. A testamentary trust is simply a trust that helps deal with a testament, with a will, [with] the bequest of assets on the events of that occurring.

There are two types of testamentary trusts—fixed ones and discretionary ones—and the government's claim is "well, look, if you have a fixed trust for the deceased's estate, you won't pay the 30% tax, so you'll be right." The problem is, and I've spoken to lots of financial planners, [and] most people choose the flexible discretionary trust because it gives flexibility the trustee, particularly when circumstances change, like more kids or divorces, as all these things happen within families. And that flexibility is very useful when you're dealing with something traumatic, like the passing of a loved one.

But as I said, I don't think the government understands this, because most people choose those trusts, and they now face—or with these changes will face—a 30% tax on the distributions from that trust. That is in effect a death tax for those people who choose that particular financial vehicle to manage the affairs of a loved one who is deceased. And I just don't think the government really understood this, because Bill Shorten—and he had the guts to take these tax changes to the 2016 and 2019 elections, and he lost. We got a say, and Bill did the right thing—in his proposals, he excluded all types of testamentary trusts from the minimum tax arrangements. Well, the Labor Party last week tried to slip in a death tax either by stealth, or they just had no idea what they were doing. And for me, the jury's still out, on which one.

Cathie Schnitzerling: Senator, **the National Farmers Federation in their budget response, welcomed those changes, exempting farmers trusts from that tax. Can you explain why they would make that decision?**

Matt Canavan: Why the NFF would welcome it? Look, I can't speak for the NFF, but I only spoke to Hamish [McIntyre] yesterday and phone tag with Mike Guerin, the new CEO, and I'm working very close with them. We worked very close on the free trade situation. On the European trade deal. Look, I can understand, I suppose, why they're happy to not be hit, but I think for Australian agriculture—I'll respectfully say—hopefully we have higher ambitions than "we're happy with governments who just don't hit us harder, don't tax us harder." That's a pretty low bar.

I'd like to see [an] Australian government [that] does things that promotes Australian farming, that supports it, that lowest taxes, where we can, and lowers red tape, as I said. The NFF did also say in their release that [they] will be disappointed with their budget cuts. I mentioned like the National water grid, and there were also cuts to pest and disease management, quite unbelievably. But I spoke to Hamish [McIntyre] yesterday about this point that I made here

today, about the capital gain tax treatment, and I think that's something the NFF is reflecting on.

The VFF put a release out, I think on Monday, making a similar point to what I made today, but it was more to do with the thresholds for exemptions. They haven't been uplifted for a long time. So, with these tax changes, they're calling for changes there.

Effectively what I'm calling for is that the Government add farming to the consultation about these changes. We oppose them, we oppose them completely, and think they should be defeated. But the Government has flagged that it will consult with the venture capital startup industry on the capital gains tax changes. But I would argue farming is in a very similar position of being an industry that's high capital growth, high income from capital growth. So, it too, should be consulted. Why shouldn't Australian farmers be added to that consultation to think about ways that this could be changed to minimise that impact on farmers? Keep in mind, we oppose it all, and will continue to, but I also think, as I said with Angus Taylor this morning, the Government should be having a proper inquiry here, proper Senate inquiry. They're trying to rush these changes through. Clearly to try and avoid any more AI memes that embarrass them. Well, that's not good enough, it's not good enough they didn't take an election, and it would be worse if they didn't go through a proper parliamentary scrutiny process that gives farmers, the startup industry, small businesses, property investors, and everybody, the chance to have their say, which they didn't get in the election last year.

Cathie Schnitzerling: Senator, we have a question from the floor.

Ben Paxton-Hall: Senator, Ben Paxton-Hall I from North West Phosphate. As you know, we're Australia's largest undeveloped phosphate resource up near Mount Isa and seeking to alleviate that very serious shortage in domestic fertiliser capability. But my question today is more specifically on tax and productivity gains. You've mentioned that coalition opposes all of these new taxation issues, but also that we desperately need to get back productivity gains and get the economy moving. So, I just wondered if you comment on what taxation measures, if any, a coalition would have to improve productivity.

Matt Canavan: Thank you very much, Ben, and I didn't get a chance to mention phosphorus fertilisers, as well as nitrogen-based ones, but they're very important too. We should be investing a lot more in our self-sufficiency, that's a clear lesson from both COVID and now two major conflicts in just a few years. But to your question, what last week Angus Taylor and I announced [is] that we would make a major change to our tax system. We'd introduce the indexing to our income tax brackets, because clearly, it's just becoming a big problem where it's trying governments think they can fund their lavish growth in expenses from inflation. We do get inflation, usually every year, and every year people are pushed up into higher income tax brackets, and also within a bracket as well, if your pay goes up with inflation, you'll pay more tax, even though you haven't actually had a real increase in your wealth or income. So, we're saying that no, we should stop that. And each year we should increase those brackets with inflation.

For the average Australian taxpayer, this inequity is currently costing people about \$250 a year, and that's every year. So, after the second year of inflation, it's \$500, then \$750, then \$1000. So, it's a big, big cost, and we'll get rid of that. So those brackets will be index, you'll save that amount, by the fourth year of a coalition government, you will save \$1,000 a year as an average taxpayer, given a 2.5% inflation rate.

So that's a big saving for people, it's a big saving for the business too, because it means they won't have to lift wages by as much. That'll be for the tax system to take the pressure

off employee costs, take the pressure of major cost for most businesses. And that will help encourage investment. I think a very, very important reform.

And, keep in mind, even more important, perhaps, it will, to some degree, starve the beast. The beast being Canberra, and Government spending. One thing that I always look at the budget, first thing I do is go to table 11.1. At table 11.1, you can see what's happened to Government spending over time. In the last eight years, or nine years now, since the last budget we had before COVID, the Australian government has gone from spending \$478 billion a year, to this year—and I haven't got the figure as well in my head—I think it's \$826 [billion]. So, from \$478 so I think roughly \$826, about \$830.

So, it's an almost \$350 billion per year increase in spending at the Federal Government level. It's a lot of money. There are ten million households in Australia, so roughly speaking, your Government—just your Federal Government, not included the states—is spending \$35,000 a year more for every Australian household. Every year. And I think it's about time, that budget, the Australian Government's spending goes on Ozempic, gets on a diet drug, and starts to reduce the fat. And indexing our tax break is the Ozempic of tax policies. It would help starve at beast, get it on a diet, and stop wasting so much of our money.

Cathie Schnitzerling: We'll take another question from the floor and then we will take another one from Slideo, which has quite a few people who are asking the same question.

Ash Innes: G'Day Senator, my name is Ash and I work at Sunwater. We supply regional Queensland's bulk water. We're in the business of building dams and the moment it seems a little hard. The EPBC has been mentioned. There's a lot of rigour, all over red tape around that, and to be fair, there's a lot of voters that do vote for the environmental protection side of that. So how can we look after the environment while still building the infrastructure that we need for our people to drink water and have the crops that we need for a sustainable lifetime, but also enough exports that we need for our economy?

Matt Canavan: Well, thank you, Ash. It's an excellent question. You're right about those costs and I presume you to deal with those and the Paradise Dam situation, which I might just quickly comment on given the opportunity.

But I do start with the positive note. Congratulations on Sunwater's involvement as I think you've run the Rookwood Weir, don't you? It's one of our proud achievements, the Rookwood Weir, as the Liberal-National Party, myself and Michelle Landry, and Ken O'Dow fought very hard for that project. And there's a lot of nay sayers saying it was going to cost too much, and no one will buy the water, all these things, but Rookwood was built well with budget. It did blow out, as all projects do. Thanks to... some of the thanks was due to environmental regulations and the need for turtle ladders and the like—fish ladders and turtle ladders. I haven't seen a turtle yet, in the ladders, every time I've been there.

Ash Innes: two.

Matt Canavan: You got two, two have used the turtle ladders. It's good to hear. I think that cost \$60-70 million on that.

Ash Innes: \$80.

Matt Canavan: \$80 million dollars for two turtles. Anyway, it was built. We got it done, through the regulations. We did it, and it was a reasonable cost. And the water's being used, there are 800,000 Macadamia trees growing right now west of Rockhampton. Thanks to Rookwood. And that's bringing a whole new industry to Central Queensland. We consider

ourselves the beef capital of the world, but we we've got a whole industry there now and I want to see more of that done. So, we can do these things. Even with the regulations.

But you're absolutely right Ash. We should have strict environmental regulations. Sometimes I think we just need to be a bit more reasonable, to be a bit common sense about some of them. Sometimes I think Canberra could take more of their hands off and leave it more to the states. They the ones delivering these projects and they have more hands-on experience. The bureaucrats in Canberra, I find, are a little less practical, but we can do it.

And that brings me to Paradise [Dam]. I do think we should rebuild the Paradise Dam. I hope that the commitment the LNP has made is done because, notwithstanding the large cost increases on that project, the farmers there in the Burnett did not... there wasn't their fault the project failed, and I don't think they should be made to pay the price.

I think there's a moral case here, even if it's not a strong economic one with the current cost, but there's a moral case to ensure the farmers of the Burnett, of that Wide Bay region, beautiful agricultural region our country are not left behind thanks to a disaster that was nothing to do with them and an engineering fault in the original dam, they don't deserve to bear the cost of that.

Cathie Schnitzerling: Senator, you mentioned in your speech, and since you've been answering questions as well, that you would repeal some of these changes in the budget. This is a question from Fran Becker from the Rural Press Club Committee. If the coalition repeals changes, how will you address regional and Agri businesses who have restructured or accessed rollovers under interim budget legislation? What are you going to do about that?

Matt Canavan: Look, it's a very good question. Look, I don't have a shadow of cabinet decision on that yet, Fran, but I'm sure we'd offer the same rollover relief we always do, where major tax changes are made.

The issue is going to be, as you're probably aware, is that some of the transaction costs of these changes will be opposed by state governments. So, I was talking about that to these business owners this morning, as they had already proceeded their accounts and lawyers about last week's budget. And the advice they've got is to restructure away from trusts into the corporate vehicles. But at least the additional advice they've got is that that will trigger, a stamp duty cost, and the federal government, of course, can't directly offer such rollover relief because it's a state government tax.

Now, again, I think it's another level of detail that the government hadn't thought it through. It's only come out since the changes. It's another reason why these sorts of changes should go to an election, and all these issues can be aired, and fought over, and maybe even political parties can adjust them before they come out and do something like put them in a budget. But it's also another reason why we need to have that proper inquiry. There needs to be a proper Senate committee, that travels around the country, hears from people like you Fran, and others that know these things much, much better than the politicians, and even the bureaucrats in the Treasury Department in Canberra hear from them directly about these issues. So, my first answer to you is let's hope that we don't have to do either of those rollover reliefs and not have the taxes at all. We will work very hard to make sure that transaction costs that are ultimately imposed by Labor Party breaking its promises are not borne by its own businesses.

Cathie Schnitzerling: Senator, changing pace now, Coalition how-to-vote cards in the Farrer election preferences One Nation, and the Liberals lost a seat to One Nation that they held for more than 70 years. This takes me to a question from Simon who has

asked, "How are you going to deal with a preferential voting system in order to form the government? My concern is, Albo will walk back into power?"

Matt Canavan: Well, look, it's my concern too. I want to see that government defeated. In terms of preferences, I don't overcomplicate things. While I'm Nationals leader socialists and communists will be going in the bottom. It's as simple as that, I don't believe in socialism, I don't believe in communism.

Last week's budgets a socialist budget, so the Labor Party will go down the bottom. We didn't have the Labor Party in Farrer; the Prime Minister didn't bother turning up to hear from people like we did. But we did have a well-funded climate 200 backed candidate who lost.

But again, they have a social agender. On her website she wanted to shut down all fossil fuels. She was backed by people who want to stay in government control all their lives to get to Net Zero. And so, you know, she went down towards the bottom of our ticket, simple as that, it's not hard.

And then it's up to the people. And so, some people suggested that somehow, we should have done some tricky deal where we One Nation down, so you don't lose a seat to them. Well, you're effectively trying to trick the voters, trying to defraud them.

One Nation won that seat, they won a fair and square, I'm happy to admit that, and I congratulate them on that. I want to defeat Anthony Albanese, and I don't think One Nations is the answer. I want to win on our merits, and what we do, not with some tricky deals on a political party scene, you won't get that from me. I'll be very transparent on all of those issues, and we'll just fight very hard for the best interests of these Australian people.

Cathie Schnitzerling: **But you're prepared to lose that seat to One Nation?**

Matt Canavan: Well, I mean, I'm prepared to live by the judgement of the Australian people. I believe, as I said in my speech today, I believe in democracy, I believe in the Australian people, and whatever they come back with as the answer, I'm prepared to deal with it.

Cathie Schnitzerling: **I've had a couple of questions prior to today and also here today, which is about a possible deal. Would the coalition ever consider going into a deal with One Nation to bring this government, the Labor Government, down, given that you were very... pretty critical of Pauline Hanson recently when you said that she had never found funding or endorsed funding or projected funding for a dam, a hospital, or infrastructure. How would you feel if there was a deal between the coalition and One Nation? Is that a possibility?**

Matt Canavan: There's a lot of "if's there, and I'll say a couple of things, first of all, I just think there's been a little bit too much measuring of the curtains from my One Nation colleagues post-Farrer. I've congratulated them on their victory in Farrer, [but] it's one seat. There's 75 to go. It's a big mountain, so I think we should focus on that a little bit more than worrying about what might happen after election.

Second of all, from what I heard, from people like Barnaby [Joyce], he doesn't want to form coalition with us, and the feel is mutual, we don't want too either.

And then the third point I make is there's no way in hell I'll support a Labor government. So, we'll deal with the parliament that that we get from the Australian people, but that my main goal, my main aim, is getting rid of this government, because they're doing enormous damage to our country, even before the Iran War and this last week's budget. One thing I

didn't get time to mention was before a shot was fired in the Middle East, we had the highest inflation rate in the developed world.

We had the highest interest rates, then, in the developed world, the UK has just overtaken us. But things aren't going well under this government, and I want to see them gone, and that will be my goal, both before the election and in any subsequent parliament that the Australian people elect.

Cathie Schnitzerling: Another question from the floor.

John Thompson: Hi Matt, John Thompson, Glen Innes. My question to you is, what is wrong with Net Zero? As I see it, it keeps our corporates honest. I think you could give exemptions to, you know, things that assist Australia. I think also, who cares if 30% of our countries is down to timber, because we haven't got any building resources. We've got nothing. And so, we'll still feed Australia if we lose that country to timber, and that is the most important thing. We've got AI coming at us so quick and I'm not hearing anything about that. We need solar, we need wind, we need to burn gas, we need to burn coal. And therefore, we need net zero to pay for that, to cover that.

Matt Canavan: Okay, thanks, John. Look, I'll respectfully disagree, and I'll let you know why.

Number one, my main critique now of Net Zero... those who supported Ned Zero, and not necessarily you John, but certainly the political parties and representatives that supported Net Zero, promised us a few things from Net Zero. They promised us that energy bills would come down. In the Labor Parties' case, they put a figure on it, they said \$275 bill per household. They promised us hundreds of thousands of new jobs again, in the Labor case, they promised 600,000 new jobs. And they promised us it would be good for the environment.

My argument to you about Net Zero is that in all of those three points, Net Zero is failing, and failing transparently so. It has not lowered energy bills. Energy bills have gone up 40% since we signed up to Net Zero—never been an increase anything like it in Australian history.

We've lost thousands of manufacturing jobs overseas; indeed, we've lost the entire nickel refining industry to Indonesia because they're building top five power stations and we refused to do so. And on top of all of that, even the environment is being destroyed by Net Zero, and I see that in my own community at Central Queensland, where the wind industry has been allowed to do things that farmers would end up in jail for. They are blowing up tops of mountains to put three-hundred metre wind turbines on the top of, in the Great Barrier Reef catchment area, but these foreign investors can come in and go for life.

In fact, again, something I didn't get to touch on last week's budget. The government, the Labor Party has announced that it's, guess what? It's giving capital gain tax relief to foreign investors in renewable energy.

You get taxed, but, you know, large institutional shareholders from overseas, who are destroying and spoiling our natural environment are going to get tax break. If that's Net Zero, I'm off that train. That is not good for our country, and that's why it should be opposed.

On top of that, John, I would say, the people supporting Net Zero, a lot of the people, not all—and I'm not putting you in this camp of people—they really just want to control their lives. That's the agenda. It is a socialist agenda, for me. They want to tell us what energy we can use, what car we can drive, what food we can eat—lots of them don't think we should eat red meat—and some of them, even want to control what we say. I've just been through a

Senate inquiry, where respectable people, groups around like the United Nations, were recommending that people should be jailed for client's denialism. That's why I'm opposed to Net Zero.

And just finally you mentioned losing 30% of our farmland. Look, I just spent a month in Farrer, where we had a Murray Basin plan, where we shut down large parts of our nation's food lots. We paid the farmers, farmers got money, no one had water taken off them compulsorily and... there was some changes to rules early on, but most of the reduction of water use was done voluntarily, done through a market, where they got paid. But the consequence of that was absolutely cruel to these towns. So just to be clear I want support farming, and I want to support Australian farmers.

But I am here as a representative of the entire Australian people, and one of the reasons I support Australian farmers and Australian mining as well is those industries is not for those people in particular. It is for the benefits they provide to build a community, a town, help people support their families.

The problem will be, if we put 30% of our country to trees, is that the trees don't employ many of people. The trees don't go and buy coffee at the local cafe. They don't their tires fixed at the local tire shop, and you then destroy a town like Griffith of and Deniliquin, who in some schools have lost half of their students in the last 20 years. That's why you get the political reaction you got last week. And we're building for a similar political reaction unless we listen to the Australian people and start delivering for them again.

Cathie Schnitzerling: Senator, we're getting very close to time, but I would like to take one more question from the floor and then I do have at least four people—anonymous people—asking the same question.

Unknown: **G'day, Matt. One thing that was also sort of focussed on when the media touched on the budget was the immigration levels. I think a million people over the next 4 years. Given that that's going to be the case, is the pivot then to talk about special economic zones? Because as I see, the big issue is that our cities are overflowing. But, you know, I was in Farah a couple weeks ago with you as well, Matt. Like, it seems like some of these regional towns Deniliquin could use a population influx potentially. Is there any discussion in the Nationals Party room, in the Coalition Party room about incentivising people to move to regional areas away from the cities?**

Matt Canavan: Yeah, good question. Good question. Look, I do think primarily we need to get those numbers down. They're just too high. And while, no doubt, you see the impacts of it here at this town, even in my town, Rockhampton, we have people, families, having to live in tents and cars along the river. Not as much as over in Musgrove Park that I've seen here that it's still it's just not acceptable.

And my main motivation always is—I never thought lived with this country in see people having to resort to that on a consistent and widespread basis. So, we have to deal with that first and foremost. My concern is that we've just got to be careful that any type of restriction of people to certain areas can't be abused, because it's pretty hard to control people, and where they live in this country, and I don't want to have some kind of police tape to do that. So, I just, the priorities got to be to put Australians in a home right now, some way, some shape or form, and the most immediate and the easiest way to do that is to cut the migration intake.

I cannot understand the government's refusal to act on this. They doubled down in the budget, they've added another 90,000 people on top of the targets they previously had,

despite the clear wish of the Australian people for those numbers to be reduced, despite the clear need for that. I don't understand it.

And that will be our number one focus, because we should run our border, our migration intake, both the in the interest of the Australian people. We should listen to the Australian people, as I was saying earlier. We are a democracy; we should be listening to what the Australian people want and that's what they want right now.

And in terms those skill shortages, I think you can do that without touching those programs because the primary explosion of the migration program has come through the student visa scam, and it is a scam, but most of the students coming here, or many of the students coming here are no longer here to study, they're here to get permanent residence. University shouldn't be used as a conduit to citizenship; it should be there to teach Australian students first.

And so, if we return to that, then we can get our migration system under control. And we also need... we are talking about incentives more broadly, we are talking a lot about tax incentives and other things, for regional areas. I think there'll be more to come from that from the Nationals Party.

Cathie Schnitzerling: Final question from Slido, **are there any updates to the water buyback plans in the Darling Basin? How can the government encourage farmers to use resources, especially water, more efficiently?**

Matt Canavan: Yeah, it's a great question, obviously I've been living and breathing that the last few months, and I cut my political teeth on this back in St. George, and other areas of the Murray Darling, 15 odd years ago.

Look, when we were in government—and I actually wrote this policy when I was in Barnabey's office, we introduced the law to cap the water by-backs and were at that cap 15,000 gegalitres. So that would limit the economic downturn of these communities. When the Labor Party came in, they removed that law with the support of the Greens and the Teals, they removed that law and it's now open sailer again. And you'll always find willing sellers as they call them. I'm not so sure how willing they are often, but they're always farmers always facing pressure, particularly the current environment, and a sale to a water minister with a big chequebook is an attractive option for many, I can understand that. So that is happening again and it leaves these Swiss-cheese-type irrigation communities—where previous areas, which were all irrigated and providing that critical mass for the tie shops and mechanics that I spoke about earlier—they're now much reduced.

So, it's been really tough. At the election, we once again said we would cap water buybacks as we proposed, but we also added to it as well that I think we need a new rule that doesn't see a reduction in the consumptive pool. Need a new water agreement from all the governments that was an end to this. There's been too much trauma, and if it continues, I do worry about the long-term viability of these great Australian towns.

And so, I would like to see that there's an agreement that the consumptive pool, is not further reduced. And the question was, can you find efficiencies elsewhere? The question the answer is, yes, you can, you can invest in better channels, better lining of channels, better distribution systems to save water.

We can, of course, start upgrading some of the water infrastructure and dams. And what Angus and I announced is a new rule for the next Liberal-National government will be, we will invest in dams again, including the Murray Darling, and the water savings from those dams will be returned to farming. The environments got its water, done with the Basin plan, let's get back to providing some hope and opportunity for Australian farmers in the Murray

Darling, and we will return to water to them. Some of this infrastructure in the Murray Darling is coming up to 100 years in 2028, the Burrinjuck Dam, which kicked off Griffith, will be 100 years old.

And so, it does need investment, that investment will generate water savings and that should underpin a new growth development fund for farming in the Murray Darling.

Unknown: Wagga isn't helping.

Matt Canavan: Yeah, look, the town water is always prioritised, obviously. Although it's a relatively small share, agriculture is by far the biggest user. It's a great area. It's a great area, great country, amazing. I do just want to riff off that, you know, I lost the election, obviously, but I found it an inspiring platform for me is a new leader, because it's that kind of pioneering development I want to replicate around the country.

I want to see us rediscover our pioneering spirit as a nation. We did these amazing things, like built Griffith from the sand, the desert, [and] Coleambally's a beautiful town, is the youngest town in New South Wales, but it's more than 50 years old now. So, why haven't we built another town?

Why aren't we developing Northern Australia, there's such much water and development opportunities there? Let's unlock that opportunity and not just lazily sit back in our big houses in cities like Brisbane and not grow something new for the next generation.

Thank you.