



Speech by

Hon. STEVE BREDHAUER

MEMBER FOR COOK

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MINISTERIAL STATEMENT

Queensland Rail

Hon. S. D. BREDHAUER (Cook—ALP) (Minister for Transport and Minister for Main Roads) (10.00 a.m.), by leave: Yesterday, Queensland Rail announced that it had won major new export and domestic coal haulage contracts in central Queensland. Despite stiff competition from Freightcorp, the New South Wales rail operator, QR has successfully negotiated these new business opportunities with the Stanwell Power Station and mines in the Blackwater region. This is an outstanding result for QR, which has shown a dogged determination and a high level of professionalism in securing these contracts in an open market.

Queensland Rail is one of the world's leading heavy haul railways and is setting the freight benchmark for Australian railways with record breaking tonnages. QR hauled 131.5 million tonnes of freight in 1999-2000, a record for an Australian railway operator, for the third straight year and representing more than 40 per cent of all rail freight in Australia.

This performance is largely driven by the heavy haul coal business where even QR's record haul of 114.5 million tonnes in 1999-2000 is expected to be eclipsed this year by a mammoth haul of 126 million tonnes of coal. This growth will continue well into the future with expected railings reaching 134.8 million tonnes in 2004-05.

I am pleased to note that this growth is due directly to QR's performance and is set against a background of national competition policy and access by interstate and international rail operators to the railway network in Queensland.

QR's recent success in winning the Gladstone corridor contracts is a prime example of how effective a government owned operator can be in the current highly competitive rail transport environment.

This announcement brings certainty to the industry and ends speculation that business would be lost to other rail operators. These long-term contracts involve hauling six million tonnes each year from Blackwater region coalmines in central Queensland to Stanwell Power Station for domestic power generation and from the mines to the Port of Gladstone for export. The awarding of these contracts will deliver strong financial returns for QR and job security for workers involved in the transport and coal industries.

In 1999 the customers involved sought expressions of interest from rail operators in Australia to undertake coal haulage of tonnages not contracted to QR. It is a credit to QR management and staff to have won this business against tough national competition on the basis of commercial principles. The Beattie Labor Government is proud of QR's success. It clearly illustrates that a government owned corporation can successfully meet the challenges of corporatisation, national competition policy and commercial operations.

In addition to its domestic successes, QR has also had a number of international successes. Some examples include: QR's role in a joint venture on a major project to construct 30.7 kilometres of floating slab track for the northern section of the West Rail project in Hong Kong; QR staff currently working in Malaysia as part of a double tracking and reconstruction project being undertaken on 175 kilometres of rail link between Rawang and Ipoh; the award of a consultancy services contract to assist Uzbekistan Railways to upgrade its railway resources; and the provision of expert signalling advice to the UK where QR staff have assisted in the commissioning of contracts with Railtrack and Virgin Rail.

Yesterday's announcement about new coal contracts in central Queensland, QR's recent international successes and the organisation's successful partnership with the private sector in operating Airtrain provide a strong endorsement of the Beattie government's approach to managing this government owned corporation.
