



Speech by

Ray Hopper

MEMBER FOR DARLING DOWNS

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QUEENSLAND RAIL, RIVERINA

Mr HOPPER (Darling Downs—NPA) (9.43 pm): I wish to bring to the attention of the House details of my concerns with respect to outrageous charges being levied against an Oakey business by Queensland Rail. Riverina has held a lease with Queensland Rail on land in Oakey since 1977. This site was selected due to the availability of the QR rail siding at the time. Riverina has continued to operate from this site since that time. The business has continued to flourish as a direct result of its ideal location. This situation has not only benefited Riverina but also been a financially beneficial arrangement for Queensland Rail.

As a regular user of the QR system, Riverina Oakey transports freight at a cost of approximately \$840,000 each year and subsequently employs 20 staff, making the company a significant business within the township of Oakey. I have been approached by representatives of Riverina who have expressed their disappointment and outrage over massive charges that have been quoted by QR to upgrade the existing rail siding.

Over the past two years Riverina has been approached by QR staff in relation to the state of repair of its rail siding. The company has now received a schedule of costs for maintenance work and a turnout replacement required on the main line to keep their siding connected. This proposal will cost the company an initial first-year cost of \$179,000. This cost, combined with numerous other changes to QR's service agreement, will have a disastrous effect on the viability and long-term sustainability of this company. The company is now faced with the option of reconsidering road freight as opposed to their QR arrangements. Should road freight prove to be a more viable option, the company will be left with little choice but to pursue the most economic option—and everybody would have to agree with that. Should the outcome not favour QR, I believe that this situation will be regrettable due to the significant amount of freight currently being transported by Riverina via rail.

Another concerning outcome that may result should Riverina be forced to return to road freight is the possibility that this company will have to review the location of its Oakey branch—and we do not want that to happen. The loss of another business from this rural town would be devastating for the township of Oakey. Our rural towns cannot afford to lose more businesses, especially with the devastating drought that has impacted greatly upon the rural community without additional and unnecessary burdens being placed upon them by the Queensland government.

Riverina is a major supplier of manufactured stockfeed and general produce and supplies to customers, including most produce stores and agents/resellers in Queensland. The Oakey branch also exports approximately 1,400 containers per annum of bulk and bagged product to Japan. This particular industry exists on a low profit margin but survives on volume sales. It is imperative that the company sources the most competitive freight rates to ensure that it remains viable.

I understand that QR has also suggested that the Riverina siding be closed down and that the Oakey branch could share another existing siding in Oakey. This alternative would require Riverina to transport 1,400 containers per year by road to the A&B siding, which would add a considerable cost to the company, which is already under intense competitive pressure—

Time expired.