

Question on Notice

No. 685

Asked on 10 May 2006

MS LEE LONG asked the Minister for Transport and Main Roads (MR LUCAS)—

QUESTION:

Are there any plans in the pipeline that will significantly increase the freight costs to Queensland rail customers on the southern Tablelands, in particular, fodder products from southern and western sources?

ANSWER:

I thank the Honourable Member for her question-

In keeping with its commitment to regional communities, QRNational offers significant rebates on the cartage of hay and chaff in times of drought. This has been an ongoing commitment to regional communities and has been in place for decades whenever drought conditions occur. The discounted rates are about 30% below market rates and are available to farmers in drought declared locations.

In addition, the Department of Primary Industries also provides transport subsidies to primary producers in drought declared areas for the transport of hay and chaff to their properties. This subsidy is not mode specific.

However, with the advent of competition on the Queensland Rail (QR) network, QRNational now faces heavy market pressures that necessitate the ongoing evaluation of its services. Given this charter, it is critical that QRNational only provides discounted freight services in a situation when climatic conditions necessitate such a rebate.

The drought declaration for the Southern Atherton Tablelands region was revoked by the National Rural Advisory Committee on 28 May 2006. As a result, QRNational is moving to return its pricing to a standard rating schedule.

QRNational is progressively consulting with individual farmers who receive hay and chaff at discounted rates to establish alternative pricing structures. The discounted rates will continue to be applied until consultation is completed. Through a spirit of cooperation between QRNational and local customers, these customers will continue to be provided with a reliable freight service while QRNational achieves the necessary efficiencies that are essential in maintaining its ongoing competitiveness in this sector of the market.

Rates and services for other commodities are continuously being reviewed. QRNational's strategy is to continuously improve productivity and reduce costs to minimise costs increases such as inflation and rising fuel costs.