

**Question on Notice**

**No. 1383**

**Asked on Tuesday 7 October 2008**

MR KNUTH ASKED THE MINISTER FOR TRANSPORT, TRADE, EMPLOYMENT AND INDUSTRIAL RELATIONS (MR MICKEL) —

**QUESTION:**

With reference to small business customers along the Townsville Mt Isa rail line who have recently been advised that their freight rate per pallet will increase by 15 per cent and that they will need to pay a basic charge per pallet on top of the new freight rate—

(1) Why is there a further increase of 15 per cent in the rate per pallet when customers have as recently as August had a rate per pallet rise?

(2) What is the purpose of adding a basic charge per pallet on top of the freight rate?

**ANSWER:**

(1) I am advised the majority of customers have not experienced a freight increase since November 2006. Previous rates did not recover costs and were artificially below market rates on this corridor.

(2) I am advised the purpose of the basic charge is to cover base shipment handling charges. It will vary along with the weight break charge depending on the size of the shipment.