

Question on Notice

No. 1601

Asked on Thursday 30 October 2008

MS LEE LONG asked the Minister for Transport, Trade, Employment and Industrial Relations (MR MICKEL) —

QUESTION:

With reference to Queensland Rail freight charges from Biloela to the Atherton Tablelands—

How does he justify increases from \$673 per container to \$3017.80 per container (i.e. approximately a 500 percent increase)?

ANSWER:

I am advised QR's Regional Freight business is currently losing \$100 million a year and its previous rate structure did not cover its costs.

QR has raised prices for freight – including products such as hay – to improve cost recovery and ensure the rates reflect the market rates. The new rate schedule reflects the fact that rail freight is best suited to carrying large loads in pallets or containers over long distances.

Rate increases varied according to customer, and although most customers received an increase, some also experienced a decrease.

In relation to hay customers from Biloela to the Atherton Tablelands, freight rates increased across the different weight breaks from 23% in the 20 tonne weight break to 131% in the lower 20 kilogram weight break.