

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 257

Topic: Freight Rates

Hansard Page: Written

Senator COLBECK asked:

1. How does the Productivity Commission see the setting of freight rates for the transport of grain?

Answer:

The Commission did not specifically address this issue in its draft report on Wheat Export Marketing Arrangements (March 2010). It did observe that since deregulation and removal of compulsory national pooling and its associated cross-subsidies, growers were seeing prices that more accurately reflected the quality of their grain and the actual costs of its transportation, storage and handling.