

October 2019

AgForce Submission

Grain Harvest Management Schemes Review Issues Paper

INTRODUCTION

AgForce Queensland Farmers (AgForce) is the peak rural group representing beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around \$6.2 billion in gross farm-gate value of production in 2017-18. AgForce exists to facilitate the long-term growth, viability, competitiveness and profitability of these industries. The producers who support AgForce provide high-quality food and fibre to Australian and overseas consumers, manage around 40 per cent of the Queensland agricultural landscape and contribute significantly to the social fabric of rural and remote communities. AgForce Grains is a commodity Board within AgForce.

Executive Summary

AgForce is fully supportive of the existing Grain Harvest Management Scheme (GHMS) in Queensland and we appreciate the opportunity to reflect on how the Queensland scheme could be improved and/or harmonised under a national notice.

AgForce Grains members, grain producers and transporters have always been supportive of the GHMS in Queensland. The Scheme is practical and easy to use. It is successful thanks to a cooperative relationship between the Department of Transport and Main Roads (TMR) and AgForce. AgForce brings a level of onfarm understanding while TMR provides the necessary regulatory oversight to ensure compliance is satisfactory and non-compliance is dealt with as per relevant state and national regulations.

As a principle of harmonisation AgForce seeks assurances from the National Heavy Vehicle Regulator (NHVR) that individual states will not be disadvantaged or will go backwards through this process, as per the methodology used for the National Class One Agricultural Notice. A clearpolicy goal that all schemes should improve in terms of functionality and no state should be disadvantaged would be welcomed at the outset.

AgForce believes that there is significant, industry wide benefit in having a farming organisation such as AgForce involved in what could be considered a co-regulatory approach. Firstly, this approach allows farmers to remain directly involved in the administration of a scheme that is designed to assist them manage the difficulties associated with in-field loading. Secondly, it allows a non-government entity to work with transporters and growers alike to encourage good behaviour and disseminate information without the involvement of government, which often has the perception of being an enforcer.

While there are many stakeholders involved in this review, AgForce implores the NHVR to keep growers front-of-mind, as ultimately, these schemes are designed to assist them solve real issues faced when getting produce from paddock to plate.

This submission includes high-level recommendations; an overview of the Queensland GHMS which could also form part of the National Harvest Mass Management Scheme (HMMS); and, answers to the specific questioned posed in the GHMS Review Issues Paper.

Recommendations

In addition to the information provided throughout this submission, AgForce would like to highlight our following recommendations on the GHMS Review:

- Ensure no state goes backwards through any harmonisation process
- Align Queensland's total combination limits (7.5%) to existing axle mass limits (10%) for administrative simplicity (i.e. a flat rate of 10% for both total combination limit and axle limit)
- Remove 'delivery past nearest receiver' requirement, allowing grain to be delivered safely to the most appropriate site, rather than strictly the closest site
- Allow bulk agricultural commodities to be included by default (e.g. silage) rather than requiring the listing specific commodities
- Allow the scheme to operate all year round to accommodate the diversity of commodities grown in Queensland and differing harvest times
- Allow receivers to unload grossly overloaded vehicles to reduce increased risk to public safety and damage to public infrastructure
- Consider a forfeiture scheme to deal with grossly overloaded vehicles, whereby the percentage above the GHMS limit is donated to charity.

Overview of the existing Grain Harvest Management Scheme (GHMS) in Queensland

AgForce has been managing the Queensland GHMS since AgForce's inception in 1999. The Queensland GHMS works in the following way:

- 1. Grain receival sites enter into a yearly agreement (Memorandum of Understanding) with TMR. This includes the provision of a current weigh bridge certificate and acknowledgement of the scheme's conditions and requirements.
- Scheme participants join the scheme yearly by applying to AgForce. This includes completing a
 questionnaire indicating an acceptable understanding of the scheme and acknowledgement of
 the scheme's conditions. The GHMS Accreditation Booklet 2019/20 and the Assessment Sheet
 and Application Form can be accessed via the <u>AgForce website</u>.
- 3. Participating grain receivers provide data to AgForce and TMR on a regular basis although at different intervals depending on the volume of grain being received (e.g. daily during peaks and weekly at other times).
- 4. AgForce monitors the data and undertakes 'soft compliance'. That is, if the weight is above the scheme limit, but below the stipulated rejections limit (defined in the MoU), AgForce emails or calls the scheme participant and reiterates the conditions of the scheme. If non-compliance continues, AgForce alerts TMR who can then, if warranted, authorise removal of the vehicle from the scheme.
- 5. If a vehicle breaches the rejection limit, the receiver notifies TMR and AgForce, and TMR issues a show cause notice. If appropriate, TMR can authorise a vehicle' remove from the scheme. Vehicles removed from the scheme can reapply the following year.
- 6. AgForce and TMR hold an annual meeting with participating/prospective grain receivers to discuss any issues, help familiarise them with the scheme conditions and ensure the scheme is working effectively. AgForce and TMR also visit receival sites throughout the year to have a visible presence and deal with any site-specific issues.

1. Existing State-Based Grain Harvest Management Schemes

Barriers

• Are there barriers to the adoption of the current scheme?

From a truck perspective, the Queensland GHMS is easily accessible for all vehicles carrying bulk commodities (grains, oilseed and pulses) from farm to a participating receival site. In 2019/20 the cost is \$145 per vehicle which is indexed yearly to the Consumer Price Index (CPI). Trucks do not have to be exclusively used for primary production or be registered in Queensland. In short, any registered truck can apply to participate in the scheme and the concession (7.5% total combination and 10% axle limit) will apply when carting ex-farm to a participating receival site and provided the other conditions of the scheme (e.g. delivery to nearest receiver site) are met. The relative benefit of the scheme far outstrips the cost and the demands of the application process.

From a receiver perspective, the barriers to entry are also low. A receiver must sign a yearly MoU with TMR, provide a current weighbridge certificate and agree to provide relevant data to AgForce and TMR. Anecdotally, feedback suggests that even smaller receivers with less sophisticated data management systems, can still easily comply with the scheme's requirements.

• If you are an operator –are the current schemes easy to understand and apply?

AgForce strives to ensure the conditions of the Queensland GHMS are easy to understand and that the application process is simple.

Do drivers know about the current schemes and their obligations under them?

Participants are required to complete a declaration outlining that they have read and understood the terms of participation. Further, they are required to sign that they have advised driver/s of the terms and conditions of participation of the GHMS and are satisfied that they understand.

| I have read and understand the ter contained in this application form agree to be bound by these terms. | and the Grain Harvest Manageme | arvest Management Scheme, as ent Scheme Accreditation Booklet and |
|---|-------------------------------------|--|
| Signature: | Date | |
| Re drivers: | | |
| Only complete if you employ drive | ers for the vehicle/s listed above: | |
| I confirm that I have advised the d participation in the Grain Harvest | | ed above of the terms and conditions of sfied that they understand. |
| Signature: | Date | |

What has been your experience operating across borders?

AgForce understands that drivers originating from NSW and delivering in Queensland are often frustrated that there are differing concessional weights applied. AgForce advises participating vehicles to always aim to load within Gross Mass Limits (GML) noting that the GHMS limits are lower in NSW than Queensland.

In a recent AgForce GHMS survey, 20% of respondents indicated that they cross state borders while carting grain (more information is at <u>Appendix 1 – Review of the Grain Harvest Management Scheme, 2019 Survey Results</u>).

• Are there any barriers to cross border grain transportation?

As mentioned above, the different concessional weights across borders can cause confusion for operators, although if operators aim to load to GML, the difference across border will only affect those operators who are at the upper limit of their allowable mass limits.

What are your thoughts on the eligibility criteria for operators to join current GHMS?

Eligibility should be broad and AgForce does not see any reason why eligibility conditions should be more rigorous. However, AgForce would be supportive of vehicles that continuously overload being removed from the scheme permanently, rather than being allowed to re-join in subsequent years.

Compliance

 Does the current scheme support operators and the grain industry to be more complaint under HVNL and/or scheme requirements?

The application process for the GHMS in Queensland flags the requirements of the scheme and references other important regulations. This process is used (among other things) to highlight specifics under the National Heavy Vehicle Law (HVNL) (e.g. chain of responsibility legislation) and improve awareness of broader obligations.

• Does the current scheme provide operators enough opportunity to rectify their loading practises? Why/why not? Through what methods?

The GHMS in Queensland does not provide operators opportunities to rectify their loading practices however creates a disincentive for repeatedly overloading through AgForce and TMR's compliance regime. If trucks are over GHMS limits and under rejection limits, AgForce writes to the truck owners detailing the instances of overloading and reiterates the obligations of the scheme. If the truck continues to exceed the GHMS mass limits, they are referred to TMR and can be asked to show cause and ultimately removed from the scheme for that year.

• How often do grain receivers check to ensure there has been no continued and/or repeated gross overloading? What methods do they use to verify this?

AgForce monitors continued and/or repeated gross overloading although cannot comment on the practices of individual receivers. They are not required to monitor this as part of their MoU with TMR, only to reject trucks exceeding the rejection limit and to notify AgForce and TMR of all rejections. See rejection notice below.

| ADVICE FROM: | |
|--------------|------------|
| DEPOT: | |
| TRUCK CODE: | SCHEME NO: |
| REJ WEIGHT: | REG NO: |
| COMMENTS: | |
| | |
| | |
| | |
| | |
| | |

 What are the consequences for an operator who fails to meet scheme standards (such as through repeated overloading)?

When a registered vehicle exceeds the rejection limit, TMR will issue a 'show cause' notice. If they do not respond with a legitimate justification, they will be removed from the scheme. Similarly, if a registered vehicle continually overloads (although under the rejection limit, AgForce will contact the vehicle owner and outline the conditions of the scheme). TMR ultimately makes the decision on removing vehicles from the scheme.

• Are there circumstances in which a registrant can be excluded from the scheme?

As outlined above, if a registrant cannot illustrate an understanding of the scheme requirements by successfully completing the applications questionnaire, they will not be approved and therefore will be excluded from the scheme.

For grain receivers specifically –do you have any other applicable assurance processes?

AgForce does not manage grain receivers and would refer to TMR for details on other applicable assurance processes.

Benefits

Do you find the current GHMS effective and worthwhile? Why or why not?

The Queensland GHMS is effective, practical and easy to use. Feedback indicates the scheme is well liked by grain receivers, truck operators and grain producers. It is also a rare and welcomed collaboration between TMR and AgForce. Farmers are often completely separated from regulatory systems and as such they highly value AgForce playing a role in the oversight and day-to-day management of a scheme which assists them with safely transporting their grain ex-farm.

What mass limit do you currently operate under? Should this limit be reduced or expanded?

The GHMS in Queensland currently allows a 10% concession for any axle group which is monitored through on-the-road compliance, and a 7.5% above GML for the total combination.

For harmonisation across state borders and for administrative simplicity, without compromising road safety and maintenance. AgForce recommends aligning the total combination limit and axle limits to a standard 10% concession.

2. Designing a National Harvest Mass Management Scheme

Purpose

Is the stated purpose sufficient to ensure the efficient running implementation and effective operation
of a national HMMS.

While AgForce understands that the HMMS is not designed to allow trucks to carry more mass, it suggests not limiting the scheme to trucks that do not have access to on board-scales, but rather any trucks that originate from farm (i.e. no access to a certified public weigh bridge). Trucks with on board scales loading on uneven ground will still have difficulty loading accurately on-farm.

Should any other objectives be listed?

The objectives listed are sufficient.

Structure

• Please indicate your preference for options 1, 2 or 3; and provide reasons.

AgForce seeks to continue with the operation of the GHMS in Queensland with some small policy changes. Specifically, removal of delivery past nearest receiver and the addition of silage as an eligible commodity. Further, AgForce is happy to work towards a national notice (option 2) or a hybrid scheme (option 3) if Queensland can preserve the integrity and workability of the current scheme.

Do you have a suggested proposal for an alternative framework which is not listed above?

AgForce has not developed an alternative framework as our system is efficient and operates well.

Administration

• Is the role of Scheme Administrator role best undertaken by a regulatory body or co-operatives? Please provide reasons for your response.

AgForce believes that there is significant, industry wide benefit in having a farming organisation, such as AgForce, involved as Scheme Administrator. This would allow farmers to remain directly involved in the administration of a scheme and assist bridging the gap between growers and regulators. As evidenced time and time again, the ability for government to effectively communicate directly with stakeholders is limited, yet member-based groups like AgForce can more easily get key messages to growers and transporters, thus driving better voluntary compliance and safety outcomes. TMR also understands the benefit of collaboration and is keen to continue to work with AgForce on the administration of the Scheme in Queensland.

There is, however, certainly a role for a regulator to work with an entity such as AgForce, to provide advice, guidance and assist with the overall management of the scheme. AgForce would recommend that any future scheme strives to duplicate the existing Queensland model of a partnership approach between the state-based road manager and the relevant grower representative body.

• What powers should the Scheme Administrator have?

The scheme administrator (if not the regulator), should simply administer the scheme while compliance and enforcement remain the purview of the relevant authority (i.e. road manager or NHVR).

• What roles should the Scheme Administrator perform?

The Scheme Administrator should manage the day-to-day running of the scheme including communications, membership (vehicles and receivers), data management and minor compliance activities. Major compliance should remain in the hands of regulators.

Should grain receivers establish operating procedures and a conditions guide specific to their site?

AgForce does not have a view on grain receivers site-specific operating procedures.

Registration

• Please indicate your preference for either option 1, 2 or 3. Please provide reasons for your response.

AgForce supports option 3. Both producers and grain transporters must be able to participate in the scheme as producers use a combination of their own trucks and contractor's trucks and the breakdown between the two varies depending on a range of factors including the harvest size, timing and duration.

• Do you have a suggested proposal for who may be a participant who is not listed above?

AgForce does not proposal additional participants.

• What should the registration process look like?

AgForce supports both vehicle and receiver registration. GHMS Registration in Queensland includes the provision of stickers and short-term temporary stickers (to be kept in the truck, until physical stickers arrive). AgForce would be supportive of removing the requirement for physical stickers, although we still support trucks being required to register under the scheme. This will allow trucks to be removed for non-compliance and will allow an application process to outline the specifics of the scheme.

AgForce currently manages the registration process for trucks while TMR manages the process for receivers. The existing process in Queensland works well and AgForce is in the process of developing an online application.

Commodities

How should 'commodity' be defined in a new HMMS?

Commodity should be defined as 'any bulk agricultural commodity loaded ex-farm'.

 Which agricultural commodities should the scheme include and/or exclude? Please provide reasons for your response.

AgForce recommends not specifying specific grains, oilseeds and pulses as there are many and would instead seek for all grains (including rice), pulses, and oilseeds to be included. AgForce also supports the inclusion of silage. Silage is often cut and transported directly to feedlots and it also has significant moisture variability and the same difficulties around in-field loading as grains, oilseeds and pulses. AgForce is supportive of this scheme being used for any bulk agricultural commodities that do not have access to a certified, public weigh bridge.

Vehicle Types

Should any configurations be included or excluded from this list?

All vehicles should be included.

• Should Performance Based Standards (PBS) vehicles be considered?

As PBS vehicles already receive higher mass limits, and for administrative simplicity, AgForce suggest they be excluded. This scheme should only apply to vehicles running at Gross Mass Limits (GML).

Mass Allowances

• Should there be a nationally set mass limit tolerance? What should this tolerance be (5%, 7.5% or 10%)? Please provide reasons for your response.

AgForce seeks for the allowance to be increased to 10% for both axle limits and total combination limits. In the Queensland context, this would be aligning the total combination limit (7.5%) with the existing axle limit (10%). This would solve cross border issues and achieve greater administrative simplicity.

Compliance and Reporting

• To whom and in what format should reporting occur?

Reporting should be provided in duplicate to both the entity administering the scheme (e.g. AgForce and the relevant road manager (e.g. TMR). This allows the compliance regime to be two-pronged. The scheme administrator can issue warnings (up to a threshold) while the road manager can sanction vehicles with more formal measures (show cause notices and ultimately removal from the scheme). This approach has worked well in Queensland.

The format for reporting must align with the systems receivers use to collect their receival data. AgForce currently uses the following which was developed by GrainCorp (Queensland's largest GHMS receiver).

| Registered Receiver | Receival date | Truck Type Code | Truck Rego | Weight Limit Type | Permit Number | Overweight Y/N | Extra | SAA | Grower | Grower Name | Gross Weight | Tare Weight | Accepted / Rejected | Tonnes Over Rejected Limit |
|------------------------|--|--------------------|---------------|----------------------|------------------|-------------------|-------|-----|--------|--------------------|-----------------|----------------|------------------------|-------------------------------|
| Feedlot A | ###################################### | 28 | ABC123 | GHMS | 120000 | N | N/A | N/A | N/A | Example Pty Ltd | 78.2 | N/A | Accepted | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

How frequent should reporting be?

Reporting should be done in a timely manner so that feedback can reach operators and producers. AgForce receives reporting in a variety of timeframes. During harvest, most receivers provide reports daily or weekly. During months where less grain is received, the reports may be monthly. For administrative simplicity, AgForce would be supportive of weekly reporting at minimum and more frequently if possibly during peak season. This would ensure the feedback is passed onto operators and producers while they are still carting and can modify behaviours, rather than once they have finished harvest.

How many instances of non-compliance can occur before the operator is removed from the scheme?

This is a question for road managers/regulators to answer and a scheme administrator to follow. In saying that there is no excuse for repeated overloading above the GHMS limits. To preserve the integrity of the scheme, overloading should not be tolerated.

• Will the forfeiture to charity option for overloaded trucks be likely to improve compliance with the scheme? Can you suggest other options for dealing with excess loads?

As a rule, AgForce does not believe that any truck should ever be turned away for grossly overloading as this further increases risk to public safety and damage to public infrastructure (e.g. road surfaces). AgForce also believes there needs to be a detriment to vehicles that exceed rejection limits. If the forfeiture to charity option is developed it must be applied across all participating receivers (i.e. not just GrainCorp) and must be simple to administer. The weight forfeited should only be that above the GHMS limit.

Further, many transporters cart grain not belonging to them, and in those cases, the financial impact is to the grower not the transporter. Therefore, the grower must be advised promptly so they can work with the transporter to better manage masses. AgForce would seek to ensure that there is prompt and accurate feedback to the grower as well as the transport operator in any forfeiture option.

These schemes in the past have allowed the grain to be collected by the grower within a certain time period. This provision is complex for grain receivers and AgForce would suggest that option not be included. That is, if you are overloaded, you forfeit the grain effective immediately with no recourse.

• Should a national audit framework be implemented by the scheme administrator to audit all parties involved in the scheme?

The reporting and management of the scheme should be managed by the parties involved with necessary due diligence and appropriate oversight. AgForce does not believe there needs to be a national audit framework implemented for this to exist.

Routes

Should a HMMS network or pre-approved routes be established as part of the Scheme?

No. The level of complexity required to add specific routes to the scheme would significantly reduce the simplicity of the scheme. It works well now because all routes and combinations remain the same although when meeting the requirements of the scheme, a concessional weight limit is applied.

 Should these networks or pre-approved routes be defined jurisdiction or should it be national networks?

No. Refer to answer above.

Should the rule of delivery having to be to the 'nearest approved grain receiver' be implemented?

No. 'Nearest approved grain receiver' is problematic in the context of the modern grains sector. This requirement limits a grain producer's marketing options to its nearest grain receiver (if they are to receive the concession), yet there may be better marketing options elsewhere. Farmers still face the same difficulties associated with in field loading regardless of where they deliver their grain and therefore the scheme should accommodate that.

Timing

• Should a national HMMS run all year round or be time limited?

GHMS or a national HMMS should be run all year round. With increases in on-farm storage, grain producers are transporting grain year-round, not just at historical 'harvest' time. Further, with winter, spring and summer cropping programs in Queensland, depending on the region, there is almost always a crop being harvested. The scheme has worked well so there is no rational to limit the period in which it operates. To restrict the scheme to a certain time would be very problematic for Queensland. For more information, please refer to Appendix 2 – Queensland Grain Growing Guide.

REVIEW OF THE GRAIN HARVEST MANAGEMENT SCHEME

APPENDIX 1

2019 SURVEY RESULTS

What is your main role in the grain supply chain?



20% → Contractors and 80% → Farmers

How far do you usually cart grain between farm and receival site?



68% of grain moved under the GHMS travels <100kms

Do you ever cross state boundaries when you cart grain from farm to receival site?



Almost 80% of respondents do not cross state borders

Do you face difficulties

when you load grain

in-field and

on-farm?



Almost 70% due to lack of accurate scales on site



Have you used the Queensland GHMS in the past?

)%

Respondents have been operating under GHMS for over 5 years

What changes would most improve the GHMS?

%

Respondents indicated that 'no delivery past nearest receival site requirement' should be removed

What is your experience with AgForce administering the GHMS?

)%

Respondents have had a positive experience with AgForce's administration

Queensland Grain Growing Guide

APPENDIX 2

| Region | Season | Main | | | | | | | | | | | | | |
|--------|--------|---------------------------|----------|------------------|---------|----------|----------|----------|---------|--------|--------|----------|----------|----------|----------|
| | | Crop/s | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan |
| Nth CQ | Winter | Wheat / Chickpeas | | _ | | Planting | | | | | | Harvest | | | |
| | Spring | Sorghum | Harves | s <mark>t</mark> | | | | | | Planti | ng | | | | Harve |
| | Summer | Sorghum / Corn/Sunflowers | Plantin | g | | | Ha | arvest | | | | | | Pla | nting |
| | | Mung Beans | | | | | | | | | | | | | |
| | | Cotton | | | | | | | Picking | | | | | Planting | |
| Sth CQ | Winter | Wheat / Chickpeas | | | | | Planting | | | | | Harvest | | | |
| | Spring | Sorghum | Harve | est | | | | | | Plan | ting | | | | Harves |
| | Summer | Sorghum/Corn/Sunflower | Planti | ng | | | | Harvest | | | | | | Pla | ınting |
| | | Mungbean Summer | Planting | 9 | | Harvest | | | | | | | | Pla | ınting |
| | | Mungbeans Spring | | | | | |] | | Pla | anting | | | Ha | rvest |
| WD | Winter | Wheat / Chickpeas | | | | | Planting | | | | | Har | vest | | |
| | Spring | Sorghum | | | | | | | | | | | | | |
| | Summer | Sorghum | | | | | | | | | | | | | |
| | | Mung Beans | | | | | | | | | | | | | |
| DD | Winter | Wheat / Chickpeas | | | | | | Planting | | | | | Harvest | | |
| | Spring | Sorghum | | | Harvest | | - | | | | | Planting | | | |
| | | Cotton | | | | | Picking | | | | | | Planting | | |
| | | Sorghum / Mung Beans | Plant | | | | Harv | | | | | | | | Planting |
| ND | Winter | Chickpeas | | | | | | Planting | | | | | Harvest | | |
| | Winter | Barley/Wheat | | | | | | Planting | | | | | rvest | | |
| | Summer | Millet | Plant | | Harvest | | | | | | | Planting | | | Planting |
| | Summer | Sorghum | Plant | | Harvest | | | | | | | Planting | | Plar | nting |
| | Summer | Cotton | | | | | Picking | | | | | | Planting | | |
| | Summer | Corn | Planting | | | | Harvest | | | | | | Plan | | |
| | Summer | Mung Beans | Planting | | Ha | rvest | | | | | | | Plan | iting | |

| Nth CQ | Northern Centeral Queensland |
|--------|--|
| Sth CQ | Southern Centeral Queensland |
| WD | Western Downs or Western Darling Downs |
| | Darling Downs |
| ND | Northern Downs or Northern Darling Downs |