

Tuesday, 17 November 2020

The HVNL Review Team  
National Transport Commission  
Level 3, 600 Bourke Street  
Melbourne VIC 3000

**RE: Submission to HVNL Review - Consultation Regulation Impact Statement (CRIS)**

To whom it may concern,

I am writing to raise Grain Trade Australia's (GTA) concerns associated with the recent Heavy Vehicle National Law (HVNL) enforcement action (relating to axle weight limits) in Queensland and a proposed Improvement Notice issued to the grain industry company GrainCorp.

**1. About GTA**

GTA is a national trade association and peak body and is the focal point for the commercial grain industry. The role of GTA is to provide a framework across industry to facilitate and promote trade. GTA Members are responsible for the operation of the overwhelming part of the Australian grain supply chain, including the vast majority of all grain contracts, grain storage and freight movements made each year in Australia and all bulk exports of grain. GTA Members are drawn from all sectors of the grain value chain from production to domestic end users and exporters. GTA has over 270 organisations as Members. Their businesses range from regional family businesses to large national and international companies involved in grain marketing, grain storage, food and feed milling. A list of GTA Members is attached, and our website is [www.graintrade.org.au](http://www.graintrade.org.au)

A key part of the grain industry framework GTA has developed is the Grain Transport Code of Practice (Transport Code). This is an important tool to assist Australian grain industry participants who transport grain to do so efficiently, safely and within the relevant laws. GTA recognises industry's responsibility to its participants and to all members of the community in ensuring that the combined actions promote road safety and through adoption of this Transport Code and its guidelines industry participants commit to shared responsibility; and the safe and efficient transport of grain. The Transport Code is part of the Australian Grain Industry Code of Practice (Industry Code) and should be reviewed in conjunction with this Code.

**2. Axle Group Mass Limits**

The Improvement Notice received by GrainCorp because of the HVNL enforcement action requires the under-loading of grain trucks to reduce the risk of exceeding axle group mass limits. While recognising the principle of 'shared responsibility' applying under the HVNL, it is suggested this requirement to under-load may be overly strict and unfair to the transport operators in the Australian grain industry.

Based on GrainCorp's estimates, a 10% under-loading would be required to minimise the risk of breaching these limits. Across the Australian grain industry, axle group measuring technology is extremely rare. Given that the HVNL applies to the whole supply chain, competitive implications of underloading trucks means that other grain companies that are unable to accurately measure axle group mass limits would need to take the same underloading measure.

Under the scenario of an industry-wide application of a 10% underloading, the implications for the grain industry would be significant. It would reduce supply chain efficiencies, add unnecessary cost, and reduce Australia's competitiveness in international markets. The majority of any cost increase will impact the commodity value and as a result the grain producer. Australian grain producers have already faced significant challenges in recent years, including drought, tariffs on major commodities, and COVID-19.

Based on GrainCorp's assumptions, a 10% underloading extrapolated across the eastern Australian grain industry, applied over the period of 2011 to 2020, would have had the following impact:

- An additional \$4.63/tonne in freight costs (\$800 million over 10 years or \$80 million p.a.) to transport the same volume of grain.
- An additional 770,000 truck movements (77,000 p.a.) to transport the same volume of grain; with associated safety risks, road wear, congestion etc.
- An additional 65 million tonnes of carbon emissions (6.5m tonnes p.a.) due to the increase in truck movements.

Through the HVNL Review, GTA requests that axle group measurement requirements do not apply to loaders and unloaders of grain trucks because of the following;

- Strict adherence to gross combination mass limits on arrival/exit from storage sites ensures substantial compliance;
- The costs and time required to ensure full and accurate compliance (if even possible) are disproportionate; and
- Truck drivers and operators themselves are best placed to ensure compliance with axle weights.

We appreciate your consideration of the issues raised in this letter, and welcome further engagement and consultation.

Yours sincerely,



**Pat O'Shannassy**  
**CEO, Grain Trade Australia**

