



QUEENSLAND FARMERS' FEDERATION

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Submission

12 November 2019

Mr Andrew Mahon
General Manager
Land Transport Safety & Regulation Branch
Department of Transport and Main Roads

Via email: registration.policy@tmr.qld.gov.au

Dear Andrew

Re: Eligibility for Primary Producer Concession Scheme

The Queensland Farmers' Federation (QFF) is the united voice of intensive, semi-intensive and irrigated agriculture in Queensland. It is a federation that represents the interests of peak state and national agriculture industry organisations, which in turn collectively represent more than 13,000 farmers across the state. QFF engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Chicken Growers Association (QCGA)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Flowers Australia
- Pork Queensland Inc.
- Queensland United Egg Producers (QUEP)
- Queensland Chicken Meat Council (QCMC)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallawa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd.

The united voice of intensive, semi intensive and irrigated agriculture



Thank you for providing a copy of the Confidential Draft for Consultation – Eligibility for Primary Producer Concession Scheme. Below are our comments on the draft, and proposed amendments to the definition of a related bodies corporate and relatives.

Do you support the proposal? Are there any disadvantages to the proposed approach?

QFF supports the implementation of changes to the eligibility requirements for the primary producer concession scheme; however, we believe that the proposed amendments to the Scheme do not achieve the desired outcome. Further amendments, which we believe will breach the gap between the draft amendments and desired outcome, are detailed below.

In making these suggestions, QFF wishes to be very clear that we are not seeking to extend the reach of the concessions, and do not seek to negatively impact on any commercial operators. We are wanting to ensure that family members can share/use concessionally registered equipment, and that the legislation adequately recognises the range of business structures used by modern family farming businesses.

What business models are used commonly in the primary production industry?

Current business models in Queensland commonly include the use of family trusts (with both individual and corporate trustees), partnerships, sole traders, family owned corporations and a mixture of the above.

Would the proposed changes allow use of concessional vehicles in these business models? If not, why?

While the amendments are a step in the right direction, the use of the proposed definitions of 'related bodies corporate' and 'relative' limit the application of the concession between business models which are made up solely of corporations, or solely of individuals. It is common for many primary production models to be established using a mixture of individuals, corporations, partnerships, trusts, and any combination of these.

By way of example, it is not uncommon for a property on which a primary production business is operated to be owned by individuals, then leased to family owned corporation which operates the primary production business. For various reasons, such as asset protection, the company may not own the assets, but these may be purchased by another entity, such as a trust or family partnership, to allow for the family members to share the use of expensive equipment reducing costs within individual businesses. This is particularly common where there are several family members operating primary production businesses within the same geographic area.

Are there any alternative ways of limiting the application of the scheme to legitimate businesses?

We propose that the amendments allow for primary producers to be able to utilise vehicles, for which they have received a concession for registration, across their group or structures which are related to, or controlled by them. The intention is to allow families, and family owned corporations, to utilise the asset within their family group.

1. Where the vehicle is registered in the name of a body corporate, the body corporate may enter into a vehicle sharing arrangement with:
 - a. a holding company of the registered owner;
 - b. a subsidiary of the registered owner;
 - c. a subsidiary of a holding company of the registered owner;
 - d. a person who is a director of the registered owner;
 - e. a relative of the person (as defined in clause 2(a)) in clause 1(d), or any body corporate in which a relative is a director or shareholder;
 - f. any person who holds at least a 10% share in the registered owner;
 - g. any trust in which the registered owner is the trustee or a beneficiary;

- h. any partnership in which it, or any party in this clause 1 is a partner.
2. Where the vehicle is registered in the name of one or more individuals, the parties may enter into a vehicle sharing arrangement with:
 - a. a relative of a person. For the purpose of this clause, a relative of a person includes the person's spouse, or any of the following people related to the person or their spouse:
 - i. a parent;
 - ii. a brother, sister, nephew or niece;
 - iii. a child, stepchild or grandchild;
 - iv. an aunt or uncle;
 - v. the spouse of any person mentioned above;
 - b. any body corporate in which the owner is a director or a majority shareholder;
 - c. any body corporate in which a person named in clause 2(a) is a director or a shareholder;
 - d. any related body corporate of the entity in clause 2(b). For the purposes of this clause, a related body corporate shall have the meaning given to it in clause 1(a) to 1(d);
 - e. any trust in which an owner is a trustee or a beneficiary;
 - f. any partnership in which an owner, or any party this is clause 2, is a partner.

We look forward to receiving an update on the proposed amendments to the Transport Operations (Road Use Management – Vehicle Registration) Regulation 2010.

Yours sincerely

Travis Tobin
Chief Executive Officer