

Introduction

Reference of the Bill to the Committee

- 1.1 On 22 March 2012, the House of Representatives Selection Committee referred the Wheat Export Marketing Amendment Bill 2012 (the Bill) to the Committee for inquiry. The Selection Committee gave the following reason for referring the Bill:

Concern that Australia will lose its place as the premium supplier of wheat to our two biggest competitor countries Canada and the USA, both of which have quality assurance processors with exports.¹

- 1.2 The Bill was introduced into the House of Representatives on 21 March 2012 by the Hon Sid Sidebottom MP, Parliamentary Secretary for Agriculture, Fisheries and Forestry. The Senate also referred the Bill to the Senate Standing Legislation Committee on Rural and Regional Affairs and Transport for a separate inquiry.
- 1.3 This chapter outlines the objectives of the Bill and the inquiry process. Chapter two focuses on the content of the Bill, outlining its key provisions and relevant background information. Chapter three discusses the issues raised during the course of the inquiry, and finishes by providing the Committee's comment and recommendations.

1 House of Representatives Selection Committee Report No. 49, 22 March 2012, p.3.

Objectives of the Bill

- 1.4 The Bill aims to facilitate a transition of the bulk wheat export industry into a deregulated market environment. According to the explanatory memorandum presented with the Bill:

This Bill will bring the bulk wheat export market into line with other agricultural commodity markets and promote further competition in the wheat industry leading to increased productivity and profitability. It will mean that more buyers will be competing for wheat, helping growers to get prices that reflect market value. The Bill is expected to drive further marketing innovation and improve the services that marketers provide to secure supplies of wheat. It is expected that the industry will also benefit from the removal of the costs associated with bulk wheat export market regulation.²

- 1.5 Mr Sidebottom told the House:

The Bill reflects the Government's commitment to promoting competition within the wheat export industry. Australian producers are the most innovative and efficient in the world. Passage of the Bill will further develop a wheat-marketing system that rewards this and provides benefits to all industry sectors.³

- 1.6 Complete deregulation, however, is made conditional upon conclusion of a voluntary industry code of conduct. Should this point be reached – and subject the Minister's approval – from 1 October 2014 the industry would become subject to general competition law and the code.⁴

Inquiry process

- 1.7 The Committee called for submissions through a newspaper advertisement on 4 April 2012 and by directly contacting stakeholders. The Committee also wrote to relevant State, Territory and Federal Ministers, notifying them of the inquiry and calling for submissions.

2 'Wheat Export Marketing Amendment Bill 2012: Explanatory Memorandum', p.2.

3 The Hon. Mr Sid Sidebottom, Parliamentary Secretary for Agriculture, Fisheries and Forestry, *House of Representatives Hansard*, 21 March 2012, p.3698.

4 'Wheat Export Marketing Amendment Bill 2012: Explanatory Memorandum', p.2.

- 1.8 The Committee received eighteen submissions, one confidential submission and one supplementary submission, and four exhibits. Details of submissions and exhibits can be found in Appendix A. The Committee held public hearings on 9 and 11 May 2012 in Canberra. Details of the hearings, including witnesses examined, can be found in Appendix B. Certain background documents relating to the development of a voluntary code of conduct for the bulk wheat export industry are in Appendix C.

