
The Parliament of the Commonwealth of Australia

Advisory Report on the Wheat Export Marketing Amendment Bill 2012

House of Representatives
Standing Committee on Agriculture, Resources, Fisheries and Forestry

June 2012
Canberra

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Contents

Foreword	v
Membership of the Committee	vii
List of abbreviations	ix
List of recommendations	xi

REPORT

1 Introduction	1
Reference of the Bill to the Committee	1
Objectives of the Bill.....	2
Inquiry process	2
2 Wheat Export Marketing Amendment Bill.....	5
Overview	5
Key provisions of the Bill	5
Abolition of the <i>Wheat Export Accreditation Scheme 2008</i> , the Wheat Export Charge, the Special Account and Wheat Exports Australia	6
The 'access test' and code of conduct	7
Changes to the special account	9
Repeal of the whole Act	9
Background to the Bill	10
3 Issues raised in evidence.....	15
Overview	15
Quality assurance	16

Access test and code of conduct	19
Market information	24
Statutory oversight	28
Comments specific to individual clauses and details.....	33
Committee comment.....	34

APPENDICES

Appendix A – Submissions and Exhibits.....	39
Appendix B – Public Hearings	41
Wednesday, 9 May 2012 - CANBERRA	41
Friday, 11 May 2012 - CANBERRA	41
Appendix C – Code of Conduct Committee documents	43

LIST OF FIGURES

Figure 1 Australian Bulk Wheat Terminals (2010).....	20
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Foreword

I welcome the opportunity for the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry to provide an advisory report to the House on the Wheat Export Marketing Amendment Bill 2012, which seeks to fully deregulate Australia's wheat industry.

A range of views were put forward on the Bill, including concerns that wheat quality and access to supply chain infrastructure would be compromised.

However, there is no clear link between current arrangements and quality assurance. In reality, quality will be more likely assured through market competitiveness, not export accreditation rules. Industry should manage quality and, in fact, the current law reflects this situation.

The Bill will not abolish the 'access test' unless a sufficient voluntary industry code of conduct has been agreed and approved by the Minister. Further, market power over infrastructure will gradually dilute over time as new operators enter the market and competition increases.

Numerous concerns about the implementation of the Bill were considered by the Committee, and the Committee has made a number of recommendations regarding wheat industry issues more generally.

The Committee has recommended the Bill be passed.

The wheat industry has a great potential for growth, and I look forward to seeing the reforms in this Bill assist in achieving this growth.

Hon Dick Adams MP
Chair



Membership of the Committee

Chair Hon Dick Adams MP

Deputy Chair Mr Alby Schultz MP

Members Mr Darren Cheeseman MP

Mr George Christensen MP

Mr Tony Crook MP
(supplementary member)

Mr Geoff Lyons MP

Mr Rob Mitchell MP

Mr Dan Tehan MP

Committee Secretariat

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Inquiry Secretary	Mr Thomas Gregory
Research Officer	Mr Nathan Fewkes
Office Manager	Mrs Dorota Cooley
Administrative Officer	Ms Louise Goss



List of abbreviations

ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ABS	Australian Bureau of Statistics
AGEA	Australian Grain Exporters Association
ACCC	Australian Competition and Consumer Commission
APW	Wheat grade - Australian Premium White
ASW	Wheat grade - Australian Standard White
ASX	Australian Securities Exchange
AWB	Australian Wheat Board
Bill, the	Wheat Export Marketing Amendment Bill 2012
BHC	bulk handling company
CDC	Code of Conduct Development Committee
CWB	Canadian Wheat Board
DAFF	Department of Agriculture, Fisheries and Forestry
GIPSA	Grain Inspection, Packers and Stockyards Administration
GPA	Grain Producers Australia
GTA	Grain Trade Australia

The Minister	Minister for Agriculture Fisheries and Forestry
NSWFA	New South Wales Farmers Association
PC	Productivity Commission
VFF	Victorian Farmers Federation
WAFF	Western Australian Farmers Federation
WEA	Wheat Export Australia
WEC	Wheat Export Charge
WQA	Wheat Quality Australia



List of recommendations

3 Issues raised in evidence

Recommendation 1

The Committee recommends that the Australian Government work with industry to overcome the uncertainty around Wheat Quality Australia and Grain Trade Australia to develop a single industry-funded entity to deliver industry services in the areas of quality, standards and stock information. The Australian Government and Industry should aim to have the entity in place by October 2014, when full deregulation occurs.

Recommendation 2

To allay grower concern as to how the voluntary code of conduct will be monitored, the Committee recommends that the Australian Government consider appointing for a five year period an industry-funded “Grains Industry Ombudsman”.

Recommendation 3

The Committee recommends that, to improve the efficiency of the wheat export market, the Australian Government actively encourage and support the wheat industry in its efforts to improve wheat stocks information sharing, possibly by allocating funding from the proposed Wheat Industry Special Account to develop an industry mechanism, as part of the newly created industry-funded entity.

Recommendation 4

The Committee recommends that the House pass the Wheat Export Marketing Amendment Bill 2012.

