

## **TERMS OF REFERENCE**

The 2016 Review of Rice Vesting Proclamation conducted by the NSW Department of Primary Industries (DPI), within the Department of Industry, identified that rice vesting arrangements may be a constraint on the growth of the Northern NSW rice industry. Several submissions received by DPI as part of the Review claimed that the export of rice from Northern NSW was infeasible due to high transportation costs between Northern NSW and the milling and storage facilities of the sole exporter Ricegrowers Ltd (which trades as SunRice).

DPI's review analysed these claims and determined that the current cost of lost exports were small relative to the benefits of vesting. However, this may change in the future with changes in the structure of international rice markets or improvements in the ability of non-traditional growing areas to produce rice.

Pursuant to the authorisation set out in paragraph 4 of the Proclamation dated 21 June 2017, the Director General of DPI (the DG) requires the Rice Marketing Board (the Board) to investigate and report on measures that deliver net benefit to NSW from developing the rice industry in NSW outside the Murray and Riverina. These measures should address any costs from restricting the industry's growth.

### **Scope of the investigation and report**

1. The report will identify options for expanding the NSW rice industry to regions outside of the Murray and Riverina, including Northern NSW.
2. The report will examine the current and future productive capacities (over a 5-10 year horizon) of any rice-growing regions identified.
3. The report will estimate the cost and benefits of the options identified to the state of NSW as well as identify the share of these costs and benefits that accrue to major stakeholders.
4. The report will recommend options for expanding the NSW rice industry outside the Murray and Riverina region where there are net benefits to NSW.

### **Conduct of the investigation and report**

1. The investigation and report will be undertaken by an externally appointed consultant.
2. The investigation and report will be funded by the Board.
3. The investigation and report will consider costs and benefits including employment and the flow-on benefits to supporting and reliant industries.
4. The consultant will consult with, and report on, the full range of stakeholder views.
5. The consultant will provide draft findings and recommendations to the Board and the DG by end of March 2018.
6. The investigation and report will be completed by end of May 2018 and provided to the Board and the DG.

The Review's findings will inform a future review of the vesting arrangement.