

NSW Rice Vesting Renewed

The Rice Marketing Board for the State of NSW welcomes the decision by the NSW government to renew vesting arrangements for a period of five years until 30 June 2022.

An independent review by the NSW Department of Primary Industries found evidence that the current arrangements benefit NSW rice growers, at no cost to the NSW consumer, including:

- Evidence that a price premium exists of between \$65-\$120 per tonne for NSW rice exports;
- Evidence that part of this premium is derived from sources that benefit from co-ordinated export sales and that vesting provides a proven way to achieve this;
- That the current cost of vesting is small at around \$1.00 per tonne; and
- That the costs from restricted marketing are limited as indicated by the very strong support for the continuation of vesting within Murray and Riverina community and in particular from growers (99 per cent of NSW production).

The NSW Government concluded that the benefits of vesting are highly likely to outweigh the cost, and that the removal of vesting would create some risk of losing the benefits it currently provides, not return any financial resources to Government and be against the strongly stated desires of communities in the Murray and Riverina regions.

However, the review found evidence that current vesting arrangements are discouraging the future growth and development of the rice industry in Northern NSW, which may have substantial future costs from lost export earnings. The Rice Marketing Board looks forward to working with government and rice growers in Northern NSW to investigate and implement ways to develop the rice industry outside the Murray and Riverina regions, to avoid costs from restricting the growth of the industry in Northern NSW.

The review also found that there are concerns the governance structure of the Rice Marketing Board prevents it from representing the industry in an impartial manner. We treat our responsibilities in the area of independence very seriously and have in place governance mechanisms for dealing with any perceived conflicts to protect the interests of all Authorised Buyer Licence holders. We welcome the independent review of the Board's processes.

Vesting is a policy mechanism of the NSW government based on the proposition that providing a single statutory authority (the Board) with the legal right to control the marketing of rice produced in NSW will yield net benefits to the NSW rice industry and general community. The Board currently licences ten authorised buyers to market NSW rice within Australia, and one sole and exclusive export licence holder.

We thank all rice growers and authorised buyers who contributed their views to the government's review of vesting and we look forward to working with government and industry to implement the recommendations of the review.

For further information please contact the Board's Secretary, Carol Chiswell, on (02)6953 3200.



The Rice Marketing Board

FOR THE STATE
OF NEW SOUTH
WALES