

NSW Government Response to ABARES independent Report into Rice Vesting (Independent Report)

ABARES Independent Report Recommendations	Government Response
<p>Recommendation 1 The NSW Government should not extend vesting beyond 30 June 2027.</p> <ul style="list-style-type: none"> From 30 June 2027 the <i>Rice Marketing Act 1983</i> should be repealed, and the Rice Marketing Board and all licensing requirements abolished. This decision should be communicated to the sector as soon as practicable. 	<p>Noted A decision to not extend rice vesting beyond 30 June 2027 is not accepted at this time. This acknowledges the strong stakeholder support for the retention of the vesting arrangements within the southern NSW rice growing region, and the significance of this region to NSW total rice production.</p> <p>Consideration has also been given to the partial reform that is proposed in line with the Independent Report recommendations, and as such, the NSW Government proposes to extend the rice vesting expiry date to 30 June 2029. The adjusted time period acknowledges that time will be needed for the partial reforms to take effect, and to collect appropriate data and evidence from these reforms to inform future vesting decisions. This also considers the significant stakeholder consultation that has gone into the 2021 Rice Vesting Review (2021 Review) and the Independent Report, and a high degree of stakeholder consultation fatigue.</p> <p>DPI and Treasury will work with the RMB to develop appropriate metrics and thresholds to assess the outcomes of vesting arrangements over the next five years, and which future decisions about vesting can be based.</p>
<p>Recommendation 2 The objectives of the RMB should be amended to reflect a new role of working with affected rice industry stakeholders to advise the NSW Government on transitional issues relating to the removal of vesting.</p>	<p>Partially Supported Noting the response to Recommendation 1, amending the objectives of the RMB to reflect a transitional role would not be appropriate at this point in time.</p> <p>The NSW Government will refresh the current RMB objects to ensure they reflect the intent of Recommendation 5 which is to provide transparency of the costs charged to the rice pool to better reflect (and to maximise) the returns to growers.</p>
<p>Recommendation 3 Northern NSW-grown rice should be exempt from the general prohibition on the export of rice grown in New South Wales as soon as practicable before 30 June 2027.</p>	<p>Supported The NSW Government will introduce legislation to exclude the Northern Rivers rice growing region from all obligations of the <i>Rice Marketing Act 1983</i>.</p>

	Rice grown in NSW outside of the Northern Rivers rice growing region will remain wholly vested in the RMB. Legislative amendments will ensure the Northern Rivers region cannot be used to avoid the vesting arrangements that apply in the rest of New South Wales.
<p>Recommendation 4 NSW Government and the RMB should ensure that the cross-directorship requirement in the SEEL agreement is removed as soon as practicable.</p>	<p>Supported Legislative amendments will be introduced to prevent office holders of an Authorised Buyer from being eligible for either grower elected, or Ministerial nominated membership to the RMB. This will be applied to all future appointments. This change acknowledges that despite previous governance improvements to the RMB, the cross-directorship arrangements continue to be of concern to some stakeholders from a governance perspective.</p>
<p>Recommendation 5 Prior to the cessation of vesting, the NSW Government and RMB should work with SunRice to improve reporting to growers. Such reporting should better reflect the returns to growers under vesting, including more transparency of the costs charged to growers by SunRice through the rice pool.</p>	<p>Supported The NSW Government accepts that improved transparency over the costs applied to the pool which affect the returns to growers are appropriate with or without vesting arrangements. This will be implemented by refreshing the RMB objectives as suggested under Recommendation 2 and outlining the NSW Government’s ongoing performance reporting expectations of the RMB and the SEEL holder. This considers that the necessary levels of transparency and accountability to be commensurate with the privilege bestowed upon the SEEL Holder under the legislation.</p>
<p>Recommendation 6 The Rice Marketing Board should publish the content of the SEEL agreement on its website.</p>	<p>Supported The Rice Marketing Board has published the current SEEL on their website.</p>
<p>Recommendation 7 The NSW Government should work with the Australian Government to ensure that future industry- and publicly-funded RD&E arrangements – including breeding – allow input from a range of stakeholders and support competition in a post-vesting rice industry.</p>	<p>Supported The NSW Government will work with the Australian Government to ensure they are aware of stakeholder concerns around the private and publicly funded rice RD&E arrangements.</p>
<p>Recommendation 8 NSW DPI should work with co-owners to clarify access to germplasm by industry.</p>	<p>Supported NSW DPI will work with rice breeding program partners past and present to clarify access to rice germplasm.</p>