

Attachment A

TERMS OF REFERENCE

During a review of the NSW Rice Vesting Proclamation conducted in 2016 by the NSW Department of Primary Industries (DPI), submissions received expressed concerns about potential and perceived conflicts of interest arising from the present governance structure of the Rice Marketing Board for the State of NSW (the Board). Several submissions raised concerns that directors of Ricegrowers Ltd (which trades as SunRice) might be privy to commercially sensitive information about competitors in their capacity as board members.

In response, the Minister for Primary Industries has requested that DPI commission an independent review of the governance arrangements of the Board. The review is to determine whether its current governance arrangements are designed in the best interests of the industry as a whole, including all Authorised Buyers and any potential future industry entrants to the competitive domestic rice market in NSW.

1. Scope of review
 - a) The review will examine whether the current governance arrangements for the Board could result in a conflict of interest for its board members.
 - b) The review will examine whether perceptions that commercially sensitive information that board members may possess constrains competition in the domestic rice market.
 - c) If there is potential for a conflict of interest, or if perceptions of access to information are an impediment to competition, the review will recommend how to strengthen governance and suggest a suitable time period for such changes to be enacted.
2. Conduct of the review
 - d) The review will identify and consider the governance requirements of the Board in the *Rice Marketing Regulation 2015*, as well as non-statutory practices that may pertain to its governance.
 - e) The review will provide due consideration to a range of stakeholder perspectives and conduct interviews where necessary. Those stakeholders who previously expressed concerns during the 2016 review should be consulted.
 - f) The review report will be provided to the Minister by the end of August 2017.

The Minister will release the final review report and his response by the end of 2017.