

## **Attachment A: Independent Report Terms of Reference**

---

### **Report on the findings of the NSW Rice Vesting Review 2021**

#### **Purpose:**

The Department of Primary Industries (DPI) has conducted a review of the rice vesting arrangements (the 2021 Review) established under the *Rice Marketing Act 1983*. The 2021 Review examined whether the benefits of vesting outweigh the costs to the whole community, and whether any benefits can only be achieved through restricting competition.

The 2021 Review found that there is no conclusive evidence of net benefits to growers or the community from the current vesting arrangements, but that there continues to be strong support for vesting arrangements from some industry stakeholders.

In coming to these findings, the Review considered in detail the benefits enjoyed by the rice industry that are regularly cited as being related to vesting, primarily export price premiums and freight scale advantage. While it is acknowledged that there are a range of views on the underlying cause of these cited benefits, the Review found no conclusive evidence that the benefits can be directly attributed to vesting and found higher net benefits could be achieved in alternative policy arrangements.

The 2021 Review identified a range of issues that warrant further investigation, including further stakeholder consultation. An Independent Reviewer will be appointed to make recommendations to Government about future regulatory and governance arrangements for the industry.

#### **Terms of Reference:**

The Reviewer is to develop a report in accordance with the following terms of reference:

1. Consider the findings and other information identified in the 2021 Review and undertake further consultation with industry stakeholders and other relevant experts, as necessary.
2. Assess the following matters relating to the NSW rice industry:
  - a. Stakeholder views about the findings of the 2021 Review
  - b. Governance arrangements and transparency of information related to rice vesting
  - c. Ability of industry participants to access commercial seed varieties and Research, Development and Extension activities
  - d. Operation and tangible benefits of the 'buyer of last resort' provision
  - e. Consideration of relevant Australian competition law
  - f. Any other issues considered necessary.
3. Make recommendations to Government on the most appropriate response to the Review and deliver an implementation plan for any changes required to the existing regulatory structure and governance arrangements.

#### **Delivery:**

Report development is to be led by the Independent Reviewer, independently of Government.

The Reviewer is to deliver a report to the Minister for Agriculture by 30 May 2023.