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Australian Grains Industry Conference Melbourne

31 July 2013

Dr Michele Allan, Chair

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Presentation

- The Taskforce
- Some early observations re stocks information
- What is next scope and approach

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The taskforce - what is it?

- Wheat Export Marketing Amendment Act 2012 requires Minister to establish a Wheat Industry Advisory Taskforce
- Industry selection panel provided recommendations to the Minister
- Seven members, selected for skills, experience and expertise, and terms of reference announced on 1 February 2013
 - Dr Michele Allan (Chair)
 - Mr Mark Barber
 - Mr David Fulwood
 - Mr Imre Mencshelyi

- Mr Mitch Morison
- Ms Rebecca Reardon
- Mr Graham Shields

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Terms of Reference

- Examine and make recommendations to industry and government
- •These include:
 - relevant supply chain functions that contribute to wheat export quality
 - publication of timely and accurate port capacity information
 - publication of timely and accurate grain stocks information outside of the port zone
 - provision and oversight of pools as financial products
 - any other matter the Minister for Agriculture, Fisheries and Forestry requests



- Provide recommendations for funds held in the Wheat Industry
 Special Account
- Consult with relevant industry organisations from all sectors and invite public submissions on issues it examines, as appropriate
- Regularly report to the Minister (reports are publically available on the website)
- Provide a **final report** and conclude by 1 July 2014 or at the determination of the Minister.



- Meeting face-to-face
- DAFF provides administration support
- Will commission work as required
- We will consult
- We operate on the basis of evidence



- EVIDENCE-BASED approach to identify if market failure exists
- Review of existing work, including Productivity Commission and independent consultancies, GHD, CIE and Reading.
- Drew on experiences and knowledge of taskforce members
- Release discussion paper for feedback to identify potential additional evidence of market failure with regard to stocks information
- Considering feedback and will develop final report

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What we found

- There are varying levels of information for free and fee-forservice
- •Previous independent advice has provided industry with a range of options and mechanisms to publish additional stocks information which have not been implemented.
- •Economic analysis on the previous stock reporting systems demonstrated at best, only a modest benefit to export wheat growers.
- •From the evidence reviewed, there does not appear to be a market failure resulting from a lack of stocks reporting



- Submissions welcome until COB 9 August 2013
- Visit www.wheattaskforce.gov.au for a copy of the report and more information
- Lodge submissions via <u>wheattaskforce@daff.gov.au</u>



- TOR indicate that the task force was to review the supply chain functions that contribute to wheat quality and determine whether there is **market failure**.
- Begun reviewing the published literature GTA codes of practice, CDAC principles, GG crop quality report,
 Freebairn, DAFF national residue survey, complaint data, export customer feedback – for market failure
- Mapped the supply chain re wheat quality again looking for market failure
- Have an outline of paper

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Our approach to Pools

- Taskforce has been asked
 - •"To examine the provision and oversight of pools as financial products"
- •We have written to ASIC asking for clarification as to their treatment of grain pools as financial instruments
- We have an outline of a work plan to again prepare a paper for consultation

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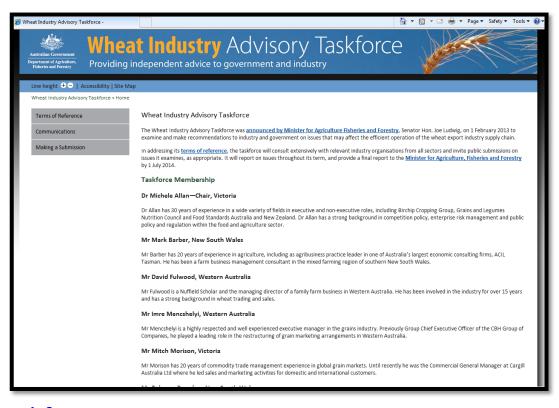


Next steps

- Consider feedback and seek clarification where necessary re the stocks paper
- Publish a paper around wheat quality for consultation again meeting to consult further
- Prepare a paper around pools as financial instruments for consultation

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Contact Us



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