

Senate Rural and Regional Affairs and Transport References Committee

Questions on Notice – Monday, 20 February 2012 Canberra

Inquiry into the operational issues in export grain networks

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**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

Inquiry into the operational issues in export grain networks

Public Hearing Monday, 20 February 2012

Questions Taken on Notice – Grain Producers Association

1. HANSARD, PG 34

Senator NASH: Returning to the question about your membership, would you mind taking on notice the exact numbers and how the membership structure works? ...

2. HANSARD, PG 36

Mr Mailler: Essentially, we were put here by the members of the Grains Council. They actually provided the succession and established GPA. That is the first answer to your question. The model of representation that is best supported—forget the brands, whether it is grain growers or GPA—lines up with what GPA is. Whether it is going to be GPA in the future or not, I do not know. The biggest problem facing grower representation at the moment is funding. As long as we have ongoing competition, we will not get more members.

Senator FISHER: On notice, where do you get your funding? I know you said 'with difficulty' to Senator Back, but someone has paid for you to be here.

3. HANSARD, PG 36-37

CHAIR: Thank you very much. I want you to go away and think about something—because no-one is thinking about this. What will happen in the future if we allow Monsanto and Syngenta, and companies like that, to continue to avoid the patent laws by patenting the genes in plants that give plants certain capacity? It is happening now. It is beyond the wit of most people to think about that, but eventually there certainly will be a global cartel. The patent law clearly says you cannot patent discoverable material; you can patent inventive work. Thank you.

Mr Mailler: We will take that on notice too. I reassure you that some people are thinking about it. It is not a new topic, but we do not have a solution.

Pete Mailler
Chairman
Grain Producers Australia Limited
PO Box 3517
Manuka, ACT, 2604.



6th March 2012

**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE
Inquiry into the operational issues in export grain networks
Public Hearing Monday, 20 February 2012
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Grain Producers Australia Ltd (GPA) is the current Representative Organisation (RO) for Australian grain producers recognised by government in legislation. GPA acts for and on behalf of approximately 27 000 grain producing entities with a direct focus on protecting and enhancing value capture for the Australian grain crop estimated at over 10 billion dollars at the farm gate.

GPA is ultimate output of two grains industry roundtables which were run by Grains Council of Australia (GCA) in October 2009 and February 2010. GCA was the former recognised peak national grain producer representative body and initiated the roundtables as part of a structured succession strategy for industry representation and advocacy.

At the second GCA Roundtable in February 2010, a small working group was commissioned to develop a working representative model for grain producers in Australia to replace GCA as the national grain producer advocate. GPA has been developed through ongoing consultation and input from the grains industry and has been signed off at every stage by a wider group of representative organisations, including PGA's Western Graingrowers, Council Of Grain Grower Organisations Limited, Grains Research Foundation Limited, South Australian Farmers Federation Grains Industry Committee, Victorian Farmers Federation Grains Group and AgForce Grains Limited.

GPA formally succeeded GCA through a Deed of Company Arrangement (DoCA) in September 2010. The DoCA process has effectively seen GCA adopt the GPA constitution and name. A new board was also appointed. By virtue of this process, GPA assumed all the roles and responsibilities of the former GCA. The primary reason for the succession through the DoCA was to provide stability around the key functions of the national representative role amidst the ongoing instability in the production sector representative space.

GPA currently holds legislated responsibilities for and on behalf of grain producers in relation to the *Primary Industries and Energy Research Development Act 1989* (PIERD), the *Primary Industries (Excise) Levies Act 1999* and the *Primary Industries (Customs Charges) Act 1999*. These legislated responsibilities refer, in order, to the function of: over sighting the function and operation of the Grains Research and Development Corporation (GRDC) on behalf of growers; reviewing and setting

the grains levy, which directly contribute to GRDC revenue, collected from growers at point of sale of levied grains; and determining the industry views on the Wheat Export Charge.

GPA is also the grains industry signatory to the Emergency Plant Pest Response Deed thereby providing underwriting and a cost sharing agreement for producers with government and determining the grains industry response to bio security incursions with Plant Health Australia. It has been estimated that this function already saves the Australian grains industry over one hundred million dollars annually.

1. HANSARD, PG 34

Senator NASH: Returning to the question about your membership, would you mind taking on notice the exact numbers and how the membership structure works? ...

The GPA model features direct voluntary membership of grain growers, regardless of any other affiliation, and is to be primarily funded by membership subscriptions calculated as a function (currently 0.035%) of gross value of grain production, outlined in the table below. A grain grower is defined as any person or legal entity that pays compulsory research levies to GRDC under the *PIERD Act*.

GPA members' influence over the company and its processes will reflect the size of their enterprise by linking their voting entitlement to their subscription through a tiered and buffered formula to be reviewed by members annually. Eg:

Gross Value of Grain Sales	2011 Membership Subscription	Voting Entitlement
< \$100,000	\$50.00	1 vote
\$250,000	\$87.50	2 votes
\$500,000	\$175.00	4 votes
\$1,000,000	\$350.00	6 votes

GPA facilitates policy development for the industry through an external consultative process, which incorporates existing industry groups. Further structural and operational details are contained in the GPA Policy Framework document, which is available for perusal on our website, www.grainproducers.com.au.

GPA is clearly focused on national issues. Membership of GPA is not a substitute for any existing membership of state based bodies. GPA does not propose to replace any existing state or local representative groups. GPA seeks to compliment the work of existing groups at the national level through processes which are outlined in the GPA Policy Framework.

Unfortunately, GPA has been held in a start up phase of membership for nearly eighteen months with ongoing instability in the representative landscape. GPA has effectively suspended membership recruitment until there is consensus from industry, particularly state farming organisations, around GPA's tenure as the RO.

Currently GPA has one hundred and thirty-one members and has held a further one hundred and seventy preferences for membership that have not been processed while the industry resolves national representation. The preferences were registered through National Grower Register in 2011 and have not been actioned in line with the decision to suspend active membership recruitment.

Irrespective of member numbers and by virtue of the external consultative processes employed and direct engagement with state grains groups, GPA is effectively and capably developing industry positions with input from a diverse group of stakeholders that provide the best current coverage of levy paying grain producers across the entire Australian grain belt. GPA is confident that it can and does represent the collective views and interests of all Australian grain producers.

GPA recognises and engages with a range of production stakeholders including but not limited to: New South Wales Farmers Association; Western Australian Farmers Federation; Pastoralists and Graziers Association of Western Australia; Western Australian Grain Growers; Grain Growers Ltd; South Australian Farmers Federation; Grain Producers South Australia Ltd; Victorian Farmers Federation; AgForce Grains Ltd; and Tasmanian Farmers and Graziers Federation.

2. HANSARD, PG 36

Mr Mailler: Essentially, we were put here by the members of the Grains Council. They actually provided the succession and established GPA. That is the first answer to your question. The model of representation that is best supported—forget the brands, whether it is grain growers or GPA—lines up with what GPA is. Whether it is going to be GPA in the future or not, I do not know. The biggest problem facing grower representation at the moment is funding. As long as we have ongoing competition, we will not get more members.

Senator FISHER: On notice, where do you get your funding? I know you said 'with difficulty' to Senator Back, but someone has paid for you to be here.

GPA was established on the promise of seed funding from some of the members of the former Grains Council of Australia. Particularly, Victorian Farmers Federation has provided forty thousand dollars, AgForce has provided twenty-five thousand dollars and South Australian Farmers Federation has provided one hundred thousand dollars to the establishment of GPA.

In addition GPA has received some funds from other groups specifically against projects associated with the establishment of GPA and some activities since establishment. Grains Research Foundation Limited, a Queensland based research advocacy group, provided eleven thousand dollars to develop the GPA constitution. Grain Growers Ltd provided fifty thousand dollars and in kind support to establish GPA and develop the Policy Development Framework. AWB Ltd provided a bursary of twenty thousand dollars, immediately prior to being taken over by Agrium for a study tour to the US, which has not yet been used.

Many activities of the RO fall legitimately under the guidelines of activities eligibly funded under the *PIERD Act*. To this end GPA established a mechanism for expenses incurred in the delivery of these services to be refunded to GPA on a cost recovery basis through GRDC. These activities typically involve provision of technical and advisory presence in matters and meetings relating to GRDC, PHA, AQIS, GTA, AG, DFAT, APVMA, DAFF, NRS, GIMAF, etc... For the first nine months of GPA's first year of operations GPA was reimbursed for approximately forty thousand dollars of expenditure in relation to these matters, which was under budget.

GPA was and is intended to be funded in the long term by membership subscriptions. As has been discussed in length in answering the previous question, GPA has not established a large membership base at this time and is maintaining a conservative approach to membership, wherein, we are not refusing to accept proactive growers as members, but we are not recruiting in the firm understanding that GPA may not be the RO if a suitable compromise to the current political instability can be found.

GPA has received approximately twenty-three thousand, five hundred dollars in membership subscriptions for the first nine months of the current year.

GPA is not sustainably funded at this time. However, GPA does have enough cash reserves to operate for the foreseeable future. The GPA model provides a good representative foundation that enshrines a culture of service. The reality is that there needs to be an end to the industry infighting to provide solidarity around a representative structure that growers will support.

In direct answer to the question of who funded GPA to be present at the hearing, GPA paid for airfares out of cash reserves and all other costs including time and travel to the originating flight were unpaid. As I understand the current situation, I do not believe that any GPA Directors have been paid any sitting fees at any time and many are carrying out of pocket expenses for the industry in execution of necessary industry functions while the representative dysfunction is sorted out.

3. HANSARD, PG 36-37

CHAIR: Thank you very much. I want you to go away and think about something—because no one is thinking about this. What will happen in the future if we allow Monsanto and Syngenta, and companies like that, to continue to avoid the patent laws by patenting the genes in plants that give plants certain capacity? It is happening now. It is beyond the wit of most people to think about that, but eventually there certainly will be a global cartel. The patent law clearly says you cannot patent discoverable material; you can patent inventive work. Thank you.

Mr Mailler: We will take that on notice too. I reassure you that some people are thinking about it. It is not a new topic, but we do not have a solution.

GPA participates in a range of discussions around this issue on an ongoing basis. It has been a major concern of ours in relation to how we attract the best possible production technology to a relatively small seeds market in a cost effective way.

The cost of bringing gene technology to market and the complexities around consumer sentiment and expectation, effective and equitable cost recovery models and incentivizing investment are going to be major issues for a sustainable gene technology industry in Australia.

It is more important than ever that the emerging technologies deliver a tangible commercial benefit to producers and the asymmetry that is emerging in the product and service delivery of this industry is managed to this end.

I would like to thank the Committee for the opportunity to speak at the hearing.

GPA has worked extensively to collect industry views on the performance of the export wheat market in line with our responsibilities in relation to the Wheat Export Charge as well as our key objective to deliver tangible economic results to producers.

Essentially there are two levers that can be pulled to improve grower returns in the market. Firstly, bring down transaction costs. Secondly, differentiate our product in the market and extract a premium for it.

It is clear that the Australian export wheat supply chain is not yet mature enough to maximise these two processes and equally there is little comfort that further deregulation will improve the situation. Furthermore, the export wheat supply chain is subject to significant asymmetry in favour of the bulk handling companies that has the potential to undermine effective competition and the benefits it should bring to the market.

It is the overwhelming sentiment of the production sector that Wheat Exports Australia should be retained and given a new and more relevant charter with a refined accreditation scheme based on performance rather than character that will incentivise processes that maximize value capture of the whole chain. Wheat Exports Australia should be funded using the Wheat Export Charge in accordance with the current process.

Sincerely

A handwritten signature in black ink, appearing to read 'Pete Mailler', with a large, stylized initial 'P'.

Pete Mailler
Chairman - GPA



Policy Development Framework

Prepared by Ron Levers, Operations Manager GPA
 Pete Mailler, Chair Grain Producers Australia

Date 25 March 2011

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Purpose

The Policy Development Framework (the framework) is the key business process of Grain Producers Australia. The framework is used to develop well researched and responsible policy to protect and promote Australian grain producers.

The Grain Producers Australia has developed this framework so that:

- statutory obligations are met for the oversight of GRDC for and on behalf of grain producers under the PIERD Act
- the grains industry, in conjunction with Plant Health Australia, determines appropriate responses to biosecurity incursions
- tangible benefits to producers are delivered through robust policy formulation and clear articulation of policy positions
- stakeholders can see how GPA acknowledges, assumes responsibility for and is transparent about the development and impacts of its policies for grain producers
- key roles and responsibilities within GPA are clearly defined to determine and manage grains industry policies.

Structure of the Policy Development Framework

The framework is an integrated package that relies on a number of key governance documents and a robust information management infrastructure. The governance documents include the GPA Constitution; the GPA Proposal; The GPA Board Charter; and Terms of Reference for the Policy Review Committee. These documents can be accessed through the GPA website at www.grainproducers.com.au.

The information management infrastructure consists of a new GPA website, a new SharePoint intranet site developed for collaborative work by geographically dispersed teams and improved records management processes.

The Policy Development Framework can best be understood in the context of the history of GPA, which is set out the **Background** section of this document.

The framework is strongly embedded in the culture of GPA. The next section, **How We Will Operate**, sets out the ethical framework in which all GPA Directors, committee members and staff must operate. This section of the paper also illustrates how the framework fits into the GPA policy cycle and outlines GPA's commitment to stakeholder engagement. The section **GPA Organisational Elements Involved in Policy Development** sets out the roles and responsibilities of each organisational element involved in the Policy Development Framework.

The final section, **Policy Development Process**, sets out the detailed process and procedures that the organisational elements are required to undertake when developing policy within GPA. There are number of checklists within the procedures that outline the minimum level of queries that should be raised in assessing the quality of the process/output.

The Appendix has a number of templates to assist stakeholders and staff in meeting procedural requirements.

The Policy Development Framework is a living document and will be reviewed and updated on an ongoing basis. GPA has committed to undertake a formal evaluation of the Framework within six months of its promulgation.

Background

Grain Producers Australia (GPA) represents Australia's broadacre, grain, pulse and oilseed producers at the national level. Broadly stated, GPA was created to foster a strong, innovative, profitable, globally competitive and environmentally sustainable grains industry in Australia. The objectives of GPA are to

- establish a strong independent national advocate for grain producers based on a rigorous and transparent policy development process
- engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain
- facilitate a strategic approach to Research, Development and Extension (RDE) intended to deliver sound commercial outcomes from industry research.

GPA is the ultimate outcome of two grains industry roundtables run by Grains Council of Australia (GCA) in October 2009 and February 2010. GCA was the former recognised peak national grain producer representative body and initiated the roundtables because it had been crippled by a fractured membership and severely limited in its financial capacity for several years. The GCA membership and funding model relied heavily on state farming organisations (SFOs).

GPA is a not for profit company limited by guarantee and is accountable to its members through board elections and annual review of operations. The GPA Board is directly accountable to grain producers in the same way a corporate board is accountable to its shareholders. The charter of the GPA Board is to provide representation for Australia's grain producers and to foster a culture of service within GPA.

GPA has voluntary membership drawn directly from the community of grain producers. The members pay an application fee and an annual subscription fee which are intended to be the main source of funds for GPA. This funding model provides an equitable system where all producers can contribute to the advocacy at a national level and alleviate the financial burden on the state based groups to fund the national structures.

The Board is responsible for effective allocation of members' funds for policy development. The board also provides oversight of internal procedures to ensure GPA delivers well developed policy positions and responses about the industry for and on behalf of producers.

The GPA Board appoints the Policy Review Committee (PRC), whose function is to provide guidance to GPA staff in developing appropriate responses to emerging issues. The PRC provides assurance to the board that the policies meet an appropriate quality standard. The PRC does not engage directly in policy development, rather it is charged with implementing and maintaining the Policy Development Framework to enable GPA staff to engage and empower stakeholders with the responsibility of developing policy for the grains industry.

The Policy Development Framework was originally conceived by a working party commissioned through the roundtable process and was outlined in the Grain Producers Australia Proposal. The interim GPA Board gained support and funding from Grain Growers Ltd to further develop and implement the framework. The outputs for this project include documenting the policy process and building an information technology infrastructure to support the initial implementation of the framework. The project is just the first stage in an ongoing program to continuously improve policy development and representation in the grains industry.

Further information about the history of GPA can be found at www.grainproducers.com.au.

How We Will Operate

Code of Ethics and Conduct

In order to be successful in developing robust policy outcomes, the GPA Board is conscious of the need for GPA to build and maintain the highest levels of trust and confidence in its relationships with its members, government and other stakeholders.

To promote that trust and confidence, the GPA Board created the GPA Code of Ethics and Conduct which sets down the values that it believes must inform its own decision making and behaviour and that of each director, employee of GPA, and member of GPA committees and working groups, at all times. This means that members of all the key organisational elements within the Policy Development Framework should:

Comply with the law, good judgment, common sense and the highest levels of ethical conduct

- Behave honestly and with integrity at all times in their decision making and dealings on behalf of GPA
- Avoid conflicts of interest or conflicts of duties which could, or could reasonably be perceived to, interfere with their independent judgment on behalf of GPA
- Always consider diverse perspectives to ensure that decision making takes into account the best interests of the whole grains industry
- Behave transparently and with openness, subject to the need to protect confidential information wherever required to do so.

Protect the reputation and credibility of GPA

- Consciously work to build and maintain GPA's reputation for independence and transparency in its policy formulation role on behalf of the Australian grains industry
- Engage whatever diverse perspectives and input are necessary to support the credibility of the policy formulation process and the final policy decisions
- Not let intermediaries impede decisions or engagement with the policy formulation process or distort the integrity of that process in any way
- Develop clear value propositions for the industry in all decision making on its behalf
- Always operate commercially and with accountability to GPA's members and broader stakeholders
- Protect GPA, its assets and interests at all times
- Only use GPA assets for GPA business.

Treat people fairly and with respect

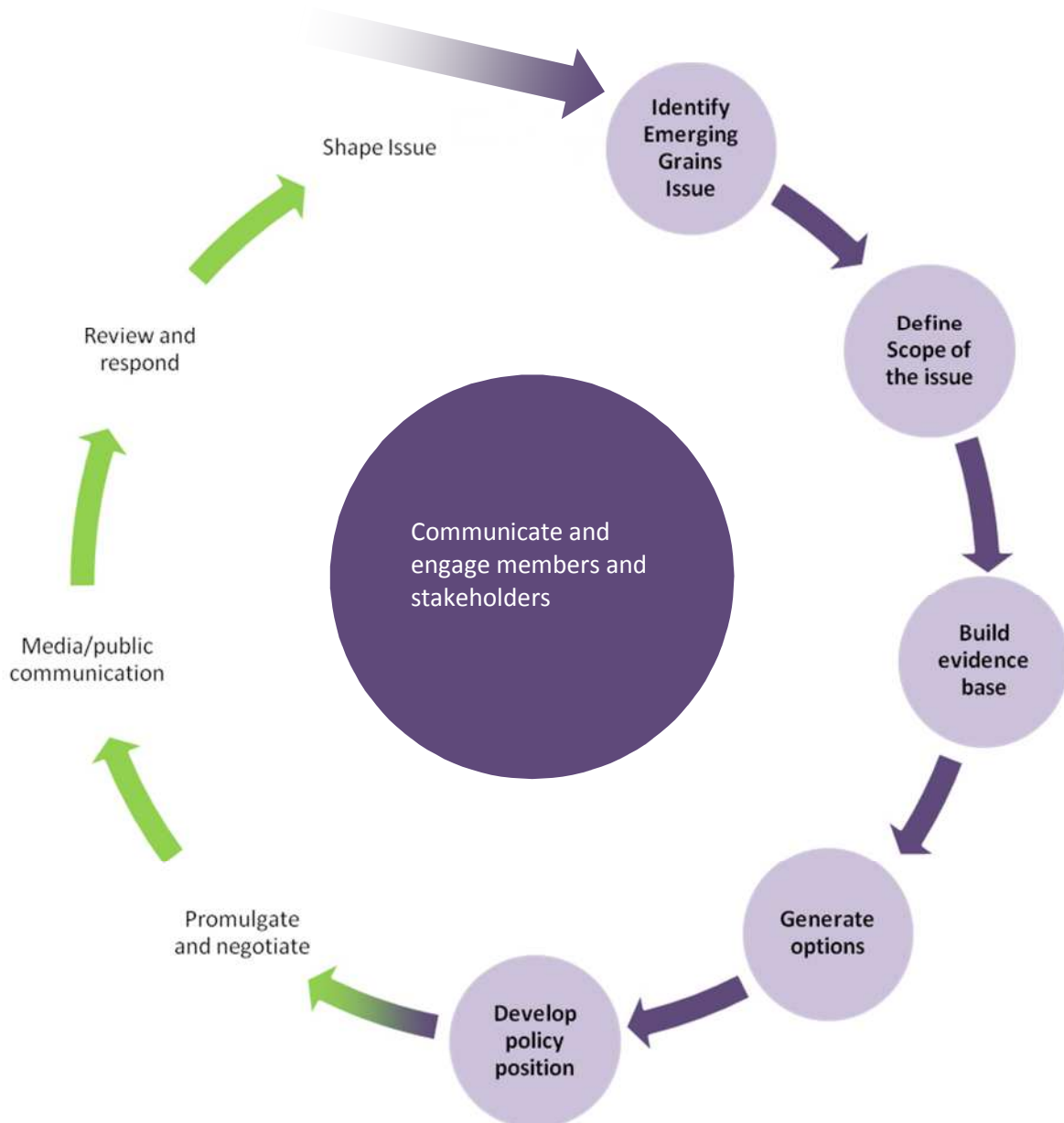
- Undertake to do what they say they will do on behalf of GPA
- Communicate openly and clearly
- Listen patiently and respectfully to competing or diverse views
- Work to avoid factionalism or divisiveness in the grains industry.

Work to build a sustainable Australian grains industry

- Model and promote mature behaviour and the development of united thinking about the broad concept of industry good
- Nurture leadership of the broader grains industry, fostering and developing talent
- Engage with younger members of the industry
- Promote innovation
- Promote diversity within a united industry
- Seek opportunities for engagement in the work of GPA and consciously work to refresh leadership
- Seek strategic alignment and alliances with appropriate partners for the good of GPA and the broader grains industry.

Policy Development in GPA

Developing policy within GPA is about being able to respond to the issues that have a direct impact on the grains industry. In general policy is a continuous and iterative process that begins with identifying and scoping an issue, through policy development and finally into communicating a response and shaping the issue. The **GPA policy cycle** is illustrated below.



The Policy Development Framework is a part of the GPA policy cycle and is shown as the highlighted steps in the diagram above. In effect, the framework is concerned with providing the best model of accessing diverse stakeholder views when developing a response to a grains issue. Once the policy has been developed, GPA uses the policy in its advocacy role as shown in the remainder of the policy cycle.

Identify Emerging Grains Issue

GPA has been established to address issues of national significance to grain producers. These issues have an impact across a number of states or regions and will require engagement with multiple grower groups or organisations. GPA will also address those issues that have an impact on the supply chain and therefore must deal with the competing interests.

Within the GPA operating environment, issues emerge through a variety of formal and informal mechanisms. The GPA Constitution and Proposal outline a number of formal mechanisms for members to raise issues, which include the Regional General Meetings and Annual General Meetings. GPA officials, i.e. regional Directors and Policy Officers, are responsible for managing relationships with stakeholders within their specific regions and policy responsibilities. Through this engagement, issues are able to be raised which then can be submitted to GPA for consideration. Also, GPA has developed a new website which incorporates a number of features that will allow stakeholders to submit issues for consideration.

Define the Scope of the Issue

A critical decision point in the GPA policy cycle occurs when defining the scope of the issue. It is here that GPA must determine whether to address the issue or seek another organisation to develop a response to the issue. Members and stakeholders must be assured that GPA is investing time and money in issues that fall within its remit as outlined in the GPA Constitution.

All issues will be directed to the Policy Officer/s within GPA who will, in conjunction with the Policy Review Committee, assess the issue and determine the most appropriate approach to address the issue. In the Policy Development Framework the approach is called a Pathway.

There are four pathways for GPA to address issues raised by stakeholders. The application of each pathway is determined by Pathway Decision Checklist which objectively defines an issue. . The checklist has been designed to provide Policy Officers and the PRC with a way to quickly gauge their understanding of an issue prior to making a decision on which pathway to employ. The template is attached in the Appendix 1.

The four pathways are:

1. **Refer:** If the issue is not a national issue or would be better addressed by another organisation then GPA will refer the issue to the most suitable body or agency.
2. **Action and Inform:** If the issue requires an immediate or urgent response, then the GPA Board is empowered to act on the issue and communicate this to stakeholders for feedback and review.
3. **Develop and Consult:** If the issue does not require significant amount of research and time to develop a draft policy position, the Policy Office proceeds to develop the position paper and tests it through a consultation process with stakeholders. This approach must be recommended by the PRC as the depth and breadth of consultation may have an impact on the quality of the final policy position.
4. **Empower Stakeholders:** If the issue impacts on a large number of diverse stakeholders, the PRC may recommend that a working group be established to investigate the issue. The Policy Officer's role in this situation is to facilitate and support the working group in developing the policy. The PRC will provide assurance to the Board that the policy has been developed through a quality process.

If an issue is not well defined by the Submitter, or the issues is not urgent or of a sufficiently critical nature to the industry, then the Policy Officer will negotiate an appropriate course of action with the Submitter. This may result in a revised issue being submitted at a later date, flexible time frames for developing a position, or even an agreement to not take any further action.

Each pathway will have resource implications for GPA and the Board must decide the priority for investing in issues that will follow an Empower Stakeholder Pathway. A business case must be prepared for the Board that includes a cost benefit analysis and GPA will then seek to enter into partnerships and alliances with appropriate stakeholders to spread the investment risk.

Stakeholder Engagement

A central feature of the policy development framework and the GPA policy cycle is the willingness to engage our members and stakeholders. The key commitment to industry, in developing GPA, was that the organisation be open, transparent and accountable in the way it develops policy.

GPA is commercially focused and committed to increasing returns to producers through constructive engagement with the broad range stakeholders in an effort to improve the strength and efficiency of the entire grains supply chain. Stakeholders are those individual grain producers, groups of individuals, organisations and government organisations that affect and/or could be affected by GPA's activities, policies, services and associated performance.

The key guiding principles for GPA stakeholder engagement are that GPA:

- values active stakeholder participation in policy development processes
- will deal with issues of significance to our stakeholders and GPA
- will continually strive to understand the concerns, views, needs and expectations of stakeholders
- will ensure that during engagement, the roles and responsibilities of stakeholders and GPA are clearly articulated
- will allow adequate time for consultation and engagement processes where possible
- will provide information and services during policy development process that are objective, complete and accessible
- will account for the use of stakeholders inputs received through the policy development process
- will engage our stakeholders in a manner that will improve respect and trust of GPA.

These principles have been adapted from the OECD stakeholder participation framework (*OECD 2001, Citizens as Partners: Information, Consultation and Public Participation in Policy Making*, Paris p.75)

Processes for engagement of GPA stakeholders will be informed by the AA1000 Stakeholder Engagement Standard 2011. Successful engagement with stakeholders within the Policy Development Framework depends on understanding why to engage, what to engage on and who needs to be involved.

GPA Organisational Elements Involved in Policy Development

Policy Review Committee

The Policy Review Committee (PRC) membership will initially be limited to six members, which includes three Board directors and one committee member per region. The membership may be expanded to nine members, by adding one more committee member per region. The PRC will be responsible for the integrity of the Policy Development Framework. For this reason, PRC members should be drawn from the GPA membership and must be willing and able to contribute to the work of the committee.

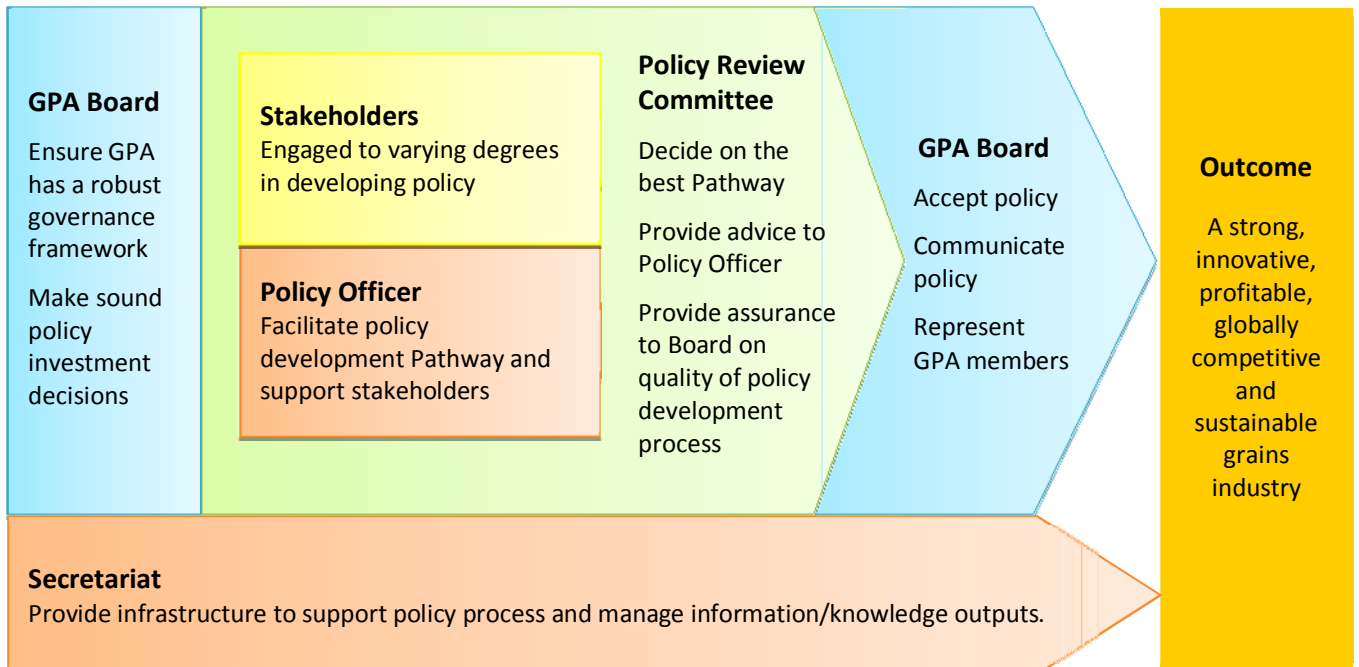
Capabilities for the Policy Review Committee as a whole

The GPA Board, in selecting members for the PRC, should ensure that the PRC has the following capabilities:

- passion and commitment
- relevant interest and experience
- sufficient industry coverage/perspective including geography and policy portfolios
- capacity to take an objective view with interest of the whole industry paramount
- commercial acumen
- conceptual or technical skills that can add value.

Roles and Responsibilities of Organisational Elements

The organisational arrangements for the policy development framework can be summarised as follows:

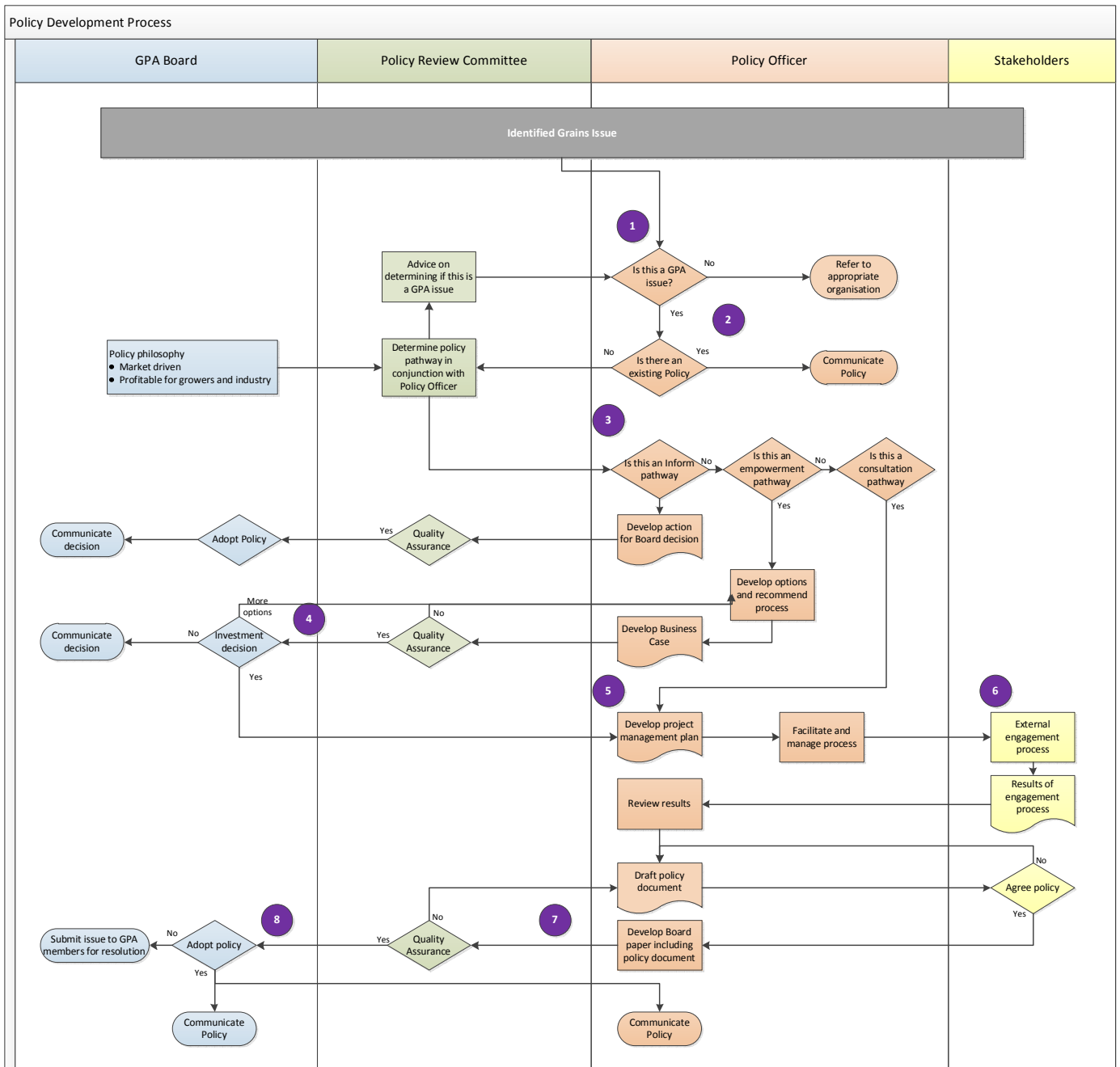


The following list outlines the roles and responsibilities in more detail.

Role	Responsibility
GPA Board	
Owner of GPA Policy and sponsor of policy development	<ul style="list-style-type: none"> ensure GPA has a robust governance framework in which to operate ensure the Policy Review Committee has the capabilities and resources to discharge their responsibilities decide to invest in policy development that has a strategic benefit to grain producers decide to adopt policy on recommendation from Policy Review Committee decide if an issue should be submitted for consideration by GPA membership communicate GPA policy advocate on behalf of the membership of GPA and industry
Policy Review Committee	
Steward of the GPA policy development framework	<ul style="list-style-type: none"> ensures controls are in place to provide robust policy development outcomes for GPA, including development and maintenance of protocols and procedures advise the Board on prioritising emerging issues determine, in conjunction with Policy Officers, the most appropriate Pathway for each policy development initiative determine the capability and composition of working groups as required keep at arm's length from the actual work of developing the policy provide advice to Policy Officers provide assurance to the GPA Board that the process to develop policy documents is of an appropriate quality
Policy Officer	
Manage policy development initiative	<ul style="list-style-type: none"> project manage policy development initiatives to deliver outcomes within agreed resources and constraints develop business cases to inform Board policy investment decisions develop all levels of stakeholder engagement processes – inform, consult and empower facilitate and support stakeholders engaged in policy development deliver the outputs of policy development initiatives to the PRC and GPA Board
Stakeholders	
Develop industry policy	<ul style="list-style-type: none"> work in collaboration with other stakeholders to develop policy approve the policy document provide feedback on policy development process
Secretariat	
Steward of policy development outputs	<ul style="list-style-type: none"> provide infrastructure that enables all elements to contribute to the successful development and communication of policy ensure information and outputs are readily accessible undertake regular evaluation of policy development framework.
Submitter	
Submits issue to GPA	<ul style="list-style-type: none"> an individual or organisation, including GPA office holders or employees submit issues for GPA to consider available to assist Policy Officers define the scope of the issue.

Policy Development Process

The following flowchart outlines the detailed process for developing policy within GPA.



The next section outlines the minimum set of procedures that GPA deems necessary to deliver quality policy documents. Some of the steps in the process have been combined for ease of reading and the numbers in the diagram mark the point where a key decision is taken or a major process commences

1. Identify the grains issue
2. Determine if there is an existing policy
3. Determine the policy development pathway
4. Approve the policy investment
5. Manage the policy development process
6. Stakeholder engagement
7. Quality assurance of the policy document
8. Board consideration of the policy document

1. Identify the Grains Issue

Purpose

Provide a process for stakeholders to raise and submit grains issues to be considered by GPA.

Procedures

A grains issue will be submitted to the relevant Policy Officer. Each issue must clearly identify

- the name and contact details of the submitter
- the industry segment represented by the submitter
- a description of the issue
- supporting information on the scope, nature, cause and impact of the issue
- the industry stakeholders affected by the issue
- level of Submitter's willingness to support policy development initiative.

The GPA Secretariat will maintain a *Grains Issue template* on the GPA website that will assist Submitters bringing issues to the attention of GPA (see Appendix 1)

The Policy Officer will acknowledge receipt of the grains issue and will keep the Submitter up to date on the progress of their issue.

The Policy Officer will assess the submitted grains issue to ensure that it falls within the scope of GPA activities and has sufficient detail to allow analysis and decision making by GPA. The Policy Officer may liaise with the Policy Review Committee and Board members to determine if the issue falls within the GPA remit.

The key questions that must be addressed in determining whether this is a GPA issue

- Does the issue impact on the commercial value and long term future of grain producers?
- Does this issue have implications across state or regional boundaries?
- Should the issue be resolved at the regional or state organisation level?
- Is this an issue that would be better addressed by another national organisation?

All grains issues assessed as being outside the scope of GPA's role must be forwarded to the most appropriate organisation by the Policy Officer.

The Policy Officer must inform the Submitter of any action taken on the issue.

Grain issues that are received and are assessed as being within the scope of GPA activities will be posted in the members' area of the GPA website by the GPA Secretariat. There will be some issues that for privacy or commercial sensitivity may need to be excluded from being published on the website. The Submitter will be informed of this decision by the Policy Officer.

2. Determine if there is an Existing Policy

Purpose

To determine if there is an existing GPA policy that addresses a submitted grain issue.

Procedures

The Policy Officer is to check if there is an existing policy and notify the Submitter of the outcome of that investigation.

If there is no existing policy, the Policy Officer is to submit the issue to the Policy Review Committee (PRC) for consideration. See Section 3 - Determine the Policy Development Pathway.

The Policy Officer will notify the Submitter that the issue has been referred to the PRC. The GPA Secretariat is to update the grains issue information on the GPA website, unless there are any concerns about privacy or commercial confidentiality.

If there is an existing policy, the Policy Officer will inform the submitter of the policy and close the issue. This information will be posted to the members' area of the GPA website by the GPA Secretariat.

3. Determine the Policy Development Pathway

Purpose

To design a robust policy process to address a grains issue.

Procedures

The Policy Officer is to submit the grains issue to the Policy Review Committee (PRC) outlining possible Pathways to developing a policy that addresses the issue.

The PRC will consider the proposal and, in conjunction with the Policy Officer, will determine the most appropriate Pathway and analytical processes to address the issue and develop the policy.

The PRC will recommend the Pathway. This may involve informing, consulting or empowering stakeholders. If a Working Group is suggested, then the PRC will determine the capabilities required and composition of a proposed Working Group.

In the situation where an Empower Stakeholder Pathway is recommended, the Policy Officer will develop a business case for submission to the GPA Board of Directors. The contents of the business case will

- outline the policy issue to be addressed
- identify the scope of the issue, the business drivers and alignment with GPA activities
- identify and analyse options for policy development
- recommend a course of action
- identify partners willing to resource the process
- outline resource implications and, if necessary, have a cost benefit analysis.

The Business Case Template is in Appendix 1.

The PRC provides assurance to the Board that the Business Case addresses the critical issues that assist the Board in making informed decisions. The following questions may assist the PRC to determine whether to endorse the Business Case.

- Is the subject matter clear and well formulated?
- Are the options well specified?
- Has this proposal been considered previously? If so, why is GPA revisiting it?
- Do the business case and related papers contain sufficient information?
- Does the business case give a realistic disclosure of estimates of costs?
- Do we need to make a decision immediately?
- Do we need to obtain additional information?
- How accurate is the stakeholder analysis?
- Has GPA identified potential allies or partners for the recommended option?
- Do we need an opinion from an independent, external advisor?
- Have success criteria been established to monitor quality and progress of the process?
- Is the return on investment realistic?
- Does the Board need to review the policy or the process at a later date? If so, when?

4. Approve the Policy Investment

Purpose

To make an informed decision to invest in a policy development initiative.

Procedures

The Board is responsible for allocating resources to policy development initiatives based on the Business Case submitted by the Policy Officer.

This decision should be based on careful analysis and consider the following questions

- Does the business case demonstrate alignment with GPA's vision, mission and values?
- Will addressing this policy issue assist us in achieving GPA's goals?
- Has Policy Review Committee given assurance that the policy development process will meet the required quality standards?
- Are one or more people strong advocates for a particular course of action?
- Have counter arguments and alternatives been adequately explored?
- Has a balanced case been made for the proposed course of action?
- Have one or more Board members taken a "black hat" role in the discussion?
- Has the Board been given sufficient time to discuss the business case?
- Has a sensitivity analysis been done on the most likely outcome of the policy?
- Has the impact on all relevant stakeholders and GPA been considered?
- Have all the risks associated with this policy issue been considered, assessed and where possible, addressed?

The minutes of the Board meeting must reflect the outcome of the consideration of the Business Case.

After the Board meeting, the Policy Officer is to advise the Submitter of the outcome of Board consideration of the Business Case.

The GPA Secretariat will update the information on the progress of the grains issue on the GPA website.

5. Manage the Policy Development Process

Purpose

To ensure the policy development process is well managed and the outcomes are achieved.

Procedures

The Policy Officer will develop a project management plan that is fit for purpose and outlines

- the scope of the policy development process
- what resources are required and how they will be managed
- how to facilitate and support the working group and/or stakeholder engagement process so that GPA meets the requirements of stakeholder engagement principles outlined on page 7, including
 - clear understanding of the purpose of the process
 - clear scope and plan of the process
 - clear ownership, roles and responsibilities for all stakeholders involved
- major milestones and the project schedule
- quality management plan
- risk management plan
- communication plan and reporting obligations.

The Policy Officer facilitates and manages the policy development process, ensuring effective engagement by the external stakeholders.

The Policy Officer will ensure draft policy documents and final policy documents are reviewed by the relevant stakeholders.

GPA policy is to be

- *evidence informed* – based on the best available information about the issue
- *inclusive* – recognises the interests of a range of stakeholders
- *strategic* – contributes to the overall vision of a competitive grains industry and the mission of GPA
- *joined up* – works across the supply chain
- *realistic* – takes into account the realities faced by those responsible for implementation
- *flexible* – can be applied in a range of settings
- *outcomes orientated* – focuses on delivering benefits to the grains industry.

(Adapted from Owen, Program Evaluation, 2006)

The Policy Officer will ensure stakeholders are kept informed on the progress of the project.

The Policy Officer is to inform the Submitter of the progress of the issue and when the policy is likely to be considered by the Board.

6. Stakeholder Engagement

Purpose

To ensure the stakeholder engagement process is well managed and the outcomes are achieved.

Procedures

The Policy Officer is to develop a stakeholder engagement plan that is fit for purpose and outlines the level of engagement with stakeholders. The engagement plan is to include the following:

1. **The purpose of the engagement (why to engage),**
2. **The scope (what to engage on)**
3. **The methodology for identifying stakeholders to be involved**

The Policy Officer will develop a profile and map the stakeholders affected by the policy issue. The profile should seek to understand each stakeholder's:

- knowledge of the issues associated with the purpose and scope of the engagement
- expectations of the engagement
- existing relationship with GPA
- willingness to engage
- level influence
- capacity to engage
- relationships with other stakeholders.

4. **GPA and stakeholder roles and responsibilities**

The Policy Officer will clearly outline the roles and responsibilities of all participants in the policy development process.

Where the level of engagement requires active participation of stakeholders, the Policy Officer will facilitate and support the stakeholders.

The stakeholders will approve the policy document produced through the engagement process.

5. **The level and method of engagement**

The level of engagement will be decided in conjunction with the Policy Review Committee. Levels of engagement can be classified into three categories

- **Inform** – a one-way relationship in which GPA produces and delivers information for use by stakeholders.
- **Consult** – a two-way relationship in which stakeholders provide feedback (either their views or opinions) to a policy position paper developed by the GPA.
- **Empower** – stakeholders actively engage in a Working Group that proposes policy options, shapes the policy dialogue and adopts the final policy document.

6. **Boundaries of disclosure.**

The Policy Officer is to establish the boundaries of disclosure of the engagement and will clearly communicate these boundaries to the stakeholders.

7. Quality Assurance of the Policy Document

Purpose

To ensure the policy document meets the standard required for Board consideration.

Procedures

The Policy Officer is to submit the policy document to the Policy Review Committee.

The Policy Review Committee's role is to provide quality assurance for the policy document. Some questions that may be considered are:

- Is the policy clearly set out and does it address the questions set?
- Does the policy meet the success criteria outlined in the business case?
- Is the policy practical and relevant?
- Are all assumptions clearly stated?
- Is the policy analysis supported by accurate and reliable evidence?
- Was the breadth of literature reviewed adequate and recent?
- Were an adequate range of alternatives explored?
- Is the policy consistent with the GPA Code of Ethics and Conduct?
- What evidence is there of appropriate consultation with stakeholders and affected interests?
- Is there an evaluation review and date suggested?

The Policy Review Committee (PRC) may endorse the policy document and recommend that the policy document be put forward for consideration by the GPA Board.

8. Board Consideration of the Policy Document

Purpose

To gain Board approval for the policy position and communicate the policy.

Procedures

The Policy Officer is to submit a PRC endorsed policy document to the Board.

A communication strategy and media release must be included as part of the submission to the Board.

All public communication of policy positions must be made by the GPA Board of Directors.

The Policy Officer will inform the Submitter of the outcome of the Board deliberations.

If approved, the policy document will be published on the members' area of the GPA website.

The Policy Officer shall ensure all pertinent records are appropriately filed for future reference.

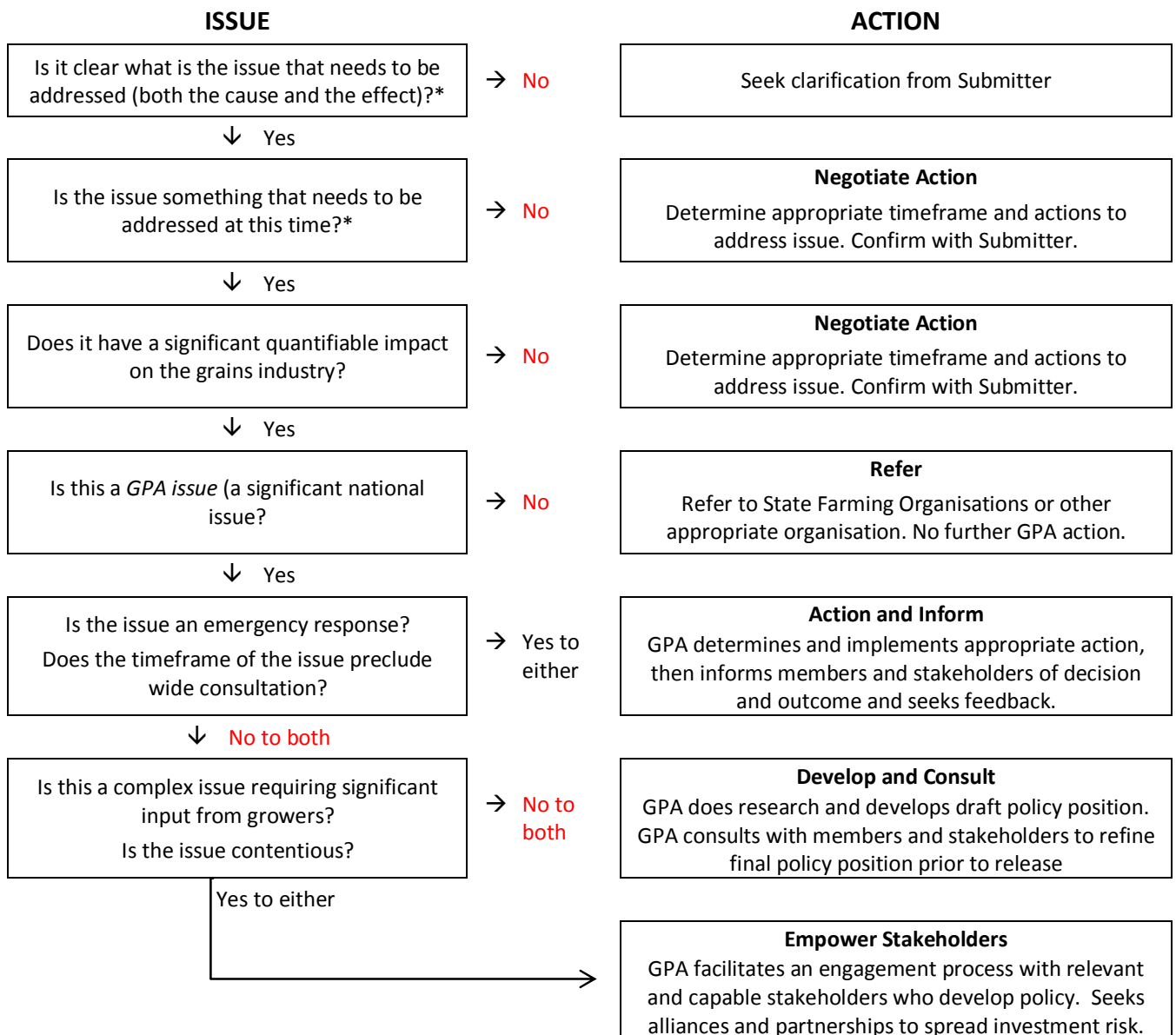
The Policy Officer is to inform the Secretariat of the date for evaluation of the policy.

Appendix 1 - Templates

Grains Issue Template

Name of Submitter <i>(company or individual)</i>	Date
Contact Name	
Phone	Email
Industry Segment Represented <i>(what stakeholder group do you represent, if not put not applicable)</i>	
Describe the Issue	
Supporting Information <i>(provide detailed information on the nature of the issue, cause, driver, etc. that will assist GPA to understand the issue)</i>	
Support <i>(provide the level of financial/human resource/technical support that you are able to supply to assist GPA develop the policy)</i>	

Pathway Decision Checklist



Conclusion / recommendations:		
Person assessing	Name:	Date:

*Adapted from Investment Management Standard Edition 4, Doing the things that matter most.

Business Case Template

Key Elements of GPA Business Case for Policy Development

BUSINESS NEED

Briefly summarise the policy issue/opportunity that you propose to address

BUSINESS DRIVERS

Briefly summarise the business drivers for this issues, e.g. legislative responsibility

OBJECTIVES

Summarise the objectives for this initiative.

SUCCESS CRITERIA

How will GPA know if an objective has been achieved?

STAKEHOLDER ANALYSIS

List the stakeholders that need to be consulted and engaged. Define the context of their involvement and likelihood of allies/partners for the initiative.

IDENTIFY AND ANALYSE OPTIONS

List the process options that were identified for policy development. Compare the options and recommend one option.

BENEFITS

The measurable business value resulting from undertaking this policy development initiative. Address quantitative and tangible business benefits in terms of what will be improved, what issues will be reduced or what the benefit will be to the industry.

ALIGNMENT WITH GPA PRIORITIES

Identify which of the strategic priorities that will directly benefit from the successful completion of the proposed policy development initiative.

RISK OF NOT UNDERTAKING THIS POLICY DEVELOPMENT INITIATIVE

Identify and quantify the actual or potential impact on GPA, its members or industry if this policy development initiative was not approved.

RESOURCES

People – staff, stakeholders, participants

Time

Dollars

Other

Project Management Plan

PROJECT BACKGROUND

Briefly summarise the policy issue/opportunity that you propose to address

OBJECTIVES

Summarise the objectives for this initiative. Does the objective clearly state what it is that the project will deliver and does it translate the desired outcomes into specific defined objectives?

SUCCESS CRITERIA

How will GPA know the objective has been achieved?

CONSTRAINTS

What parameters will constrain or limit flexibility of delivery on project objectives?

ASSUMPTIONS

What assumptions have been made to assist with the planning of the project?

RISK ASSESSMENT

What are the probable factors/changes in the operating environment that we must take into account? Who are the key stakeholders and outline their anticipated expectations and needs? Who needs to be consulted and engaged? Define the context of their involvement and likelihood of allies/partners for the initiative.

METHODOLOGY

Outline how the objectives and specific products of the project will be delivered. What are the key milestones for the project? For projects greater than two months, insert a project schedule.

PROJECT GOVERNANCE ARRANGEMENTS

Outline the roles and responsibilities of the project team and stakeholders who will be engaged. What are the key project reporting arrangements?

RESOURCES

People – staff, stakeholders, participants

Time

Dollars

Other

Stakeholder Engagement Plan

PURPOSE

Outline the objectives of the stakeholder engagement.

SCOPE OF ENGAGEMENT

Outline what will be engaged on and the level of engagement.

METHODOLOGY FOR IDENTIFYING STAKEHOLDERS

Outline the process for identifying stakeholders that are included in the engagement process.

GPA AND STAKEHOLDER ROLES AND RESPONSIBILITIES

Outline the roles and responsibilities of the project team and stakeholders who will be engaged.

METHOD OF ENGAGEMENT

Outline the major chunks of work and the specific products the engagement will deliver.

BOUNDARIES OF DISCLOSURE.

Outline the boundaries of disclosure of the engagement for stakeholders and GPA.

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**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

Inquiry into the operational issues in export grain networks

Public Hearing Monday, 20 February 2012

Questions Taken on Notice – GrainCorp

1. HANSARD, PG 47

CHAIR: According to the Bloomberg site this year there was a \$35 difference in the delivered Japan price between Kwinana and Newcastle. That is for a similar quality of wheat. Why would that be?

Mr Hart: I would have to take that on notice. Obviously, there is a freight difference into markets.

2. HANSARD, PG 49

Senator NASH: I am just trying to get a handle on the changes in freight prices over the last few years. In 2009, the National Transport Commission did a report entitled Pilot supply chain studies—grains & livestock, stage 2—final report. That report said:

Determining the true price of freight and logistics as paid by the grower of the grain has always been more complex in this industry than in most others. It has now become even more so with the deregulation of marketing and the falling capacity of rail hauliers.

I am happy for you to take this next question on notice. Given the difficulty of trying to get transparency with some of those figures, I am trying to get a sense—in the best way that you can provide it—of average freight charges over the last five years to give the committee a snapshot of the year-on-year changes or movement in those charges.

3. HANSARD, PG 50

Senator NASH: I know you are talking about the indicator of the cost. We are trying to determine if there is any way—and there may not be; you may not disclose that, and a cost is fine. But what I am getting at is: what is factored into that cost? As Senator Edwards said, do you put a whole heap of dollar value on the cost to you for actually providing that? Is there any transparency?

Mr Johns: Let me try to work out the question. With the rates we get, there is a pay component and there are fixed components, variable components, other components—the schedule we get is very complicated. To make it easier for the grower we convert that to a tonnage rate, and that tonnage rate includes a small margin to cover the risk. Because if a train loads half empty, we have got to pay for a full train. If we do not move enough trains through the year, we pay for the

cost of the train whether we use it or not. So we allocate that risk. If we run the trains more efficiently, yes, there is an upside, because we can capture the value for running the trains more efficiently. For example, during the floods in Newcastle, we actually lost money. We do not change the fee. So we actually work out a risk margin to cover that risk of that fixed cost, because most of the rail cost is now fixed. But, to provide a signal—to answer your question, Senator Nash—we actually convert that to a tonnage rate, which we publish on the net to give everyone an indication of what the rail rate is.

Senator NASH: That I do understand; it was the bit in between I was after.

Mr Johns: That is a compilation of a whole series of 10 pages of rates converted into a single tonnage rate which people can understand.

Senator NASH: Could you provide to the committee—I am obviously happy for you to take this on notice—the more complex version? I know you say you put it into a nice, easy tonnage figure that people can understand, but if you could actually provide to the committee the complexity behind that, that would be useful.

GRAINCORP ANSWERS TO QUESTIONS TAKEN ON NOTICE 20 FEBRUARY 2012 - CANBERRA

QUESTION 1: Reason for \$35 difference in delivered Japan price between Kwinana and Newcastle?

It is difficult to speculate as to the reasons for the difference, without knowing the specific timeframe, the grade(s) of wheat involved, and whether the prices being quoted were traded prices or theoretical prices, or if other variables were at play (for example, if Bloomberg was adding freight onto a grower bid).

Based on our review of the track markets, at a free on board level, over the past 6 months for main grade milling wheat (APW), the spread referred to has ranged between approximately +\$16 to -\$9. Fluctuation can occur due to a number of market factors, including supply & demand, ocean freight prices, etc.

QUESTION 2: Average rail freight charges over 5 years?

This question was answered to the extent possible in verbal evidence provided to the committee. GrainCorp had no access to rail rates prior to deregulation. See question below for further information.

QUESTION 3: GrainCorp rail costs and rail rates at silos?

- i. GrainCorp is required to procure rail services under take or pay contracts from rail providers that involve a number of fixed cost components, including:
 - Fixed cost for a minimum number of trains for a period of up to 5 years;
 - Fixed cost per train loaded at a silo;
 - Actual Capex and wagon and locomotive repair and maintenance costs for the four branch line trains.

- ii. GrainCorp is exposed to the above fixed costs if:
 - Trains cannot operate due to reduced volumes (e.g. due to variable export program or droughts);
 - Trains cannot operate due to delays (e.g. due to port block-outs or rail closures);
 - Train cycles cannot be achieved (e.g. due to train delays);
 - Trains not fully loaded (e.g. due to late placement of train or loading delays).

- iii. GrainCorp allocates these rail costs to develop a 'rail rate' for each silo that takes into account:
 - Forecast export volumes to be moved;
 - Train cycle trains;
 - Track capabilities;
 - Silo and loading capabilities.

- iv. GrainCorp includes a small margin in these rail rates to manage its:
 - Significant fixed rail cost through the cycle (approximately \$25 million per annum); and
 - Operating risk through the year for non performance.

- v. These rail rates are used by GrainCorp Marketing in setting their Pool Prices and Cash Prices for each silo. GrainCorp also on sells rail to other exporters.
- vi. These rail rates are published to growers in our Pool Prices calculator on our web site (please see attached document).

Location	State	Port	26/9/11 WHT	29/6/11 BAR
YOUNGAREEN	NSW	PORT KEMBLA	46.834	51.23
YETHERA	NSW	NEWCASTLE	45.627	50.42
YERONG CREEK	NSW	MELBOURNE	35.717	39.69
YEOVAL	NSW	PORT KEMBLA	42.63	45.17
YENDA	NSW	PORT KEMBLA	41.785	46.25
YELTA	VIC	MELBOURNE	42.1252	48.75
YELARBON	QLD	BRISBANE	36.00	36.00
YARRAWONGA	VIC	MELBOURNE	28.83	33.13
YARRABANDAI	NSW	PORT KEMBLA	39.936	44.56
YANDILLA	QLD	BRISBANE	25.00	25.00
YANCO	NSW	PORT KEMBLA	41.08	45.58
YAAPEET	VIC	PORTLAND	40.00	40.00
WYCHEPROOF	VIC	MELBOURNE	29.1028	33.49
WYANGA	NSW	NEWCASTLE	40.953	45.74
WYALONG	NSW	PORT KEMBLA	36.745	40.97
WOOMELANG	VIC	MELBOURNE	31.55	36.42
WIRRINYA	NSW	PORT KEMBLA	36.706	40.76
WILLOW TREE	NSW	NEWCASTLE	27.7225	31.32
WILLBRIGGIE	NSW	PORT KEMBLA	51.41	51.91
WILLAJURA	VIC	PORTLAND	20.00	20.00
WESTMERE	VIC	GEE LONG	23.00	23.00
WESTDALE	NSW	NEWCASTLE	28.00	28.00
WERRIS CREEK SUB	NSW	NEWCASTLE	24.5604	28.11
WERRIMULL	VIC	PORT ADELAIDE / OUTER HARBOR	48.22	54.36
WELLINGTON	NSW	NEWCASTLE	46.00	46.00
WEJA	NSW	PORT KEMBLA	45.316	50.10
WEETHALLE	NSW	PORT KEMBLA	44.4	46.91
WEETALIBA	NSW	NEWCASTLE	36.00	36.00
WEEMELAH	NSW	NEWCASTLE	43.6291	48.65
WEEDALLION	NSW	PORT KEMBLA	36.56	38.82
WEE WAA	NSW	NEWCASTLE	41.7114	46.26
WATCHEM	VIC	GEE LONG	28.986	33.31
WARREN	NSW	NEWCASTLE	47.873	52.86
WARRAL	NSW	NEWCASTLE	35.00	35.00
WARRAGOON	NSW	MELBOURNE	29.87	34.57
WARRACKNABEAL	VIC	PORTLAND	28.73	32.45
WARRA	QLD	BRISBANE	33.00	33.00
WARIALDA	NSW	BRISBANE	51.00	51.00
WANGAMONG	NSW	MELBOURNE	30.25	34.93
WALLUMBILLA	QLD	BRISBANE	44.48	47.38
WALLEND BEEN	NSW	PORT KEMBLA	36.00	36.00
WALGETT	NSW	NEWCASTLE	46.1882	51.13
WAITCHIE	VIC	MELBOURNE	34.6684	40.20
URANA	NSW	MELBOURNE	39.49	44.23
UNGARIE	NSW	PORT KEMBLA	42.829	47.35
UNDERBOOL	VIC	PORT ADELAIDE / OUTER HARBOR	34.726	40.27
ULTIMA	VIC	MELBOURNE	34.6588	40.19
ULIMAROA	QLD	BRISBANE	44.00	44.00
ULAMAMBRI	NSW	NEWCASTLE	46.00	46.00
TULLIBIGEAL	NSW	PORT KEMBLA	47.313	51.78
TRUNDLE	NSW	PORT KEMBLA	44.595	49.49
TRANGIE	NSW	NEWCASTLE	42.744	47.83
TRAJERE	NSW	PORT KEMBLA	48.00	48.00

TOTTENHAM	NSW	NEWCASTLE	48.019	53.20
TOOBEAH	QLD	BRISBANE	42.09	44.91
TOMINGLEY WEST	NSW	NEWCASTLE	40.543	45.26
TOCUMWAL	NSW	MELBOURNE	29.6256	34.26
THE ROCK	NSW	MELBOURNE	38.41	38.91
THE GUMS	QLD	BRISBANE	34.68	36.92
THARBOGANG	NSW	PORT KEMBLA	45.977	50.28
THALLON	QLD	BRISBANE	46.33	49.49
TEMPY	VIC	GEELONG	35.3612	40.89
TEMORA SUB	NSW	PORT KEMBLA	29.33	32.69
TARA	QLD	BRISBANE	36.00	36.00
TANDARA	VIC	MELBOURNE	29.7032	33.87
TAMARANG	NSW	NEWCASTLE	32.2971	36.56
TALWOOD	QLD	BRISBANE	42.63	45.32
TALLIMBA	NSW	PORT KEMBLA	44.4	44.91
TABBITA	NSW	PORT KEMBLA	47.464	51.79
SWAN HILL	VIC	MELBOURNE	48.00	48.00
SUTHERLAND	VIC	GEELONG	25.83	29.71
SUNSHINE	VIC	MELBOURNE	0	0.00
STOCKINBINGAL	NSW	PORT KEMBLA	40.00	40.00
ST JAMES	VIC	MELBOURNE	27.72	31.76
ST ARNAUD	VIC	GEELONG	25.33	29.09
SPRINGSURE	QLD	GLADSTONE	50.00	50.00
SPRING RIDGE	NSW	NEWCASTLE	31.3125	35.42
SPEED	VIC	MELBOURNE	35.3548	40.89
SKIPTON	VIC	GEELONG	16.00	16.00
SHEPHERDS	NSW	PORT KEMBLA	45.00	45.00
SERVICETON	VIC	PORTLAND	31.37	35.66
SEA LAKE	VIC	MELBOURNE	34.6716	40.20
SANGER	NSW	MELBOURNE	30.11	34.69
ROMA WEST	QLD	BRISBANE	44.48	47.38
ROBINVALE	VIC	MELBOURNE	46.97	52.50
RED BEND	NSW	PORT KEMBLA	36.107	40.12
RAYWOOD	VIC	MELBOURNE	29.00	33.29
RANKINS SPRINGS	NSW	PORT KEMBLA	47.4	49.91
RAND	NSW	MELBOURNE	44.00	44.00
RAINBOW	VIC	PORTLAND	29.88	34.08
QUIRINDI	NSW	NEWCASTLE	28.3125	32.00
QUANDIALLA	NSW	PORT KEMBLA	33.822	37.47
QUAMBATOOK	VIC	MELBOURNE	28.8292	33.18
PUCAWAN	NSW	PORT KEMBLA	35.4	34.91
PREMER	NSW	NEWCASTLE	33.5617	38.02
PLEASANT HILLS	NSW	MELBOURNE	44.49	49.23
PIANGIL	VIC	MELBOURNE	36.0988	41.64
PEAK HILL	NSW	PORT KEMBLA	39.836	44.45
PATCHEWOLLOCK	VIC	PORT ADELAIDE / OUTER HARBOR	45.00	45.00
PARKES SUB	NSW	PORT KEMBLA	33.308	37.47
OUYEN	VIC	MELBOURNE	36.0508	41.59
OAKLANDS	NSW	MELBOURNE	30.49	35.23
OAKKEY	QLD	BRISBANE	29.00	29.00
NYRANG CREEK	NSW	PORT KEMBLA	45.00	45.00
NYNGAN	NSW	NEWCASTLE	46.273	51.92
NORTH STAR	NSW	NEWCASTLE	43.6137	48.63
NOONDOO	QLD	BRISBANE	57.33	60.49

NOONBINNA	NSW	PORT KEMBLA	41.00	41.00
NHILL	VIC	PORTLAND	29.52	33.42
NEVERTIRE	NSW	NEWCASTLE	44.145	49.45
NEILREX	NSW	NEWCASTLE	36.00	36.00
NEA	NSW	NEWCASTLE	30.8802	34.92
NATIMUK	VIC	PORTLAND	28.00	28.00
NATCHA	QLD	BRISBANE	32.00	32.00
NARWONAH	NSW	NEWCASTLE	41.196	45.90
NARROMINE	NSW	NEWCASTLE	39.186	44.11
NARRANDERA	NSW	PORT KEMBLA	40.272	44.64
NARRABRI SUB	NSW	NEWCASTLE	37.7655	42.83
NARADHAN	NSW	PORT KEMBLA	48.725	53.42
NARACOORTE	SA	PORTLAND	26.00	26.00
MURTOA SUB	VIC	PORTLAND	25.63	28.91
MURRAYVILLE	VIC	PORT ADELAIDE / OUTER HARBOR	34.7516	40.29
MURONBUNG	NSW	NEWCASTLE	42.00	42.00
MURCHISON EAST	VIC	MELBOURNE	23.58	27.38
MUNGERIBAR	NSW	NEWCASTLE	42.287	47.29
MUCKADILLA	QLD	BRISBANE	44.48	47.38
MT. MCLAREN	QLD	MACKAY	26.41	27.55
MOURA	QLD	GLADSTONE	25.92	27.95
MORUNDAH	NSW	MELBOURNE	44.49	49.23
MOREE SUB	NSW	NEWCASTLE	41.927	47.74
MOREE HADDAD	NSW	NEWCASTLE	41.927	47.74
MOOMBOOLDOOL	NSW	PORT KEMBLA	39.287	43.42
MOOLORT	VIC	MELBOURNE	25.00	25.00
MOLONG	NSW	PORT KEMBLA	41.00	41.00
MITTYACK	VIC	MELBOURNE	45.61	51.14
MITIAMO	VIC	MELBOURNE	29.9396	34.29
MIRROOL	NSW	PORT KEMBLA	38.001	41.92
MILVALE	NSW	PORT KEMBLA	30.913	34.17
MILLMERRAN	QLD	BRISBANE	29.52	31.82
MILGUY	NSW	NEWCASTLE	43.606	48.63
MILES	QLD	BRISBANE	35.97	38.03
MILBRULONG	NSW	MELBOURNE	41.038	45.36
MICKIBRI	NSW	PORT KEMBLA	39.102	43.60
MERRYWINEBONE	NSW	NEWCASTLE	45.8213	50.87
MERRIWAGGA	NSW	PORT KEMBLA	48.306	52.74
MERRIWA	NSW	NEWCASTLE	28.00	28.00
MERINGUR	VIC	PORT ADELAIDE / OUTER HARBOR	55.98	61.50
MERAH NORTH	NSW	NEWCASTLE	42.8383	47.57
MENDOORAN	NSW	NEWCASTLE	39.00	39.00
MEANDARRA	QLD	BRISBANE	35.72	38.05
MATONG	NSW	PORT KEMBLA	38.675	42.78
MATHOURA	NSW	MELBOURNE	29.328	33.93
MARRAR	NSW	PORT KEMBLA	36.357	40.10
MARNOO	VIC	PORTLAND	30.00	30.00
MANILDRA	NSW	PORT KEMBLA	41.63	44.17
MANANGATANG	VIC	MELBOURNE	36.0444	41.58
MALU	QLD	BRISBANE	26.35	28.49
MAIMURU	NSW	PORT KEMBLA	40.00	40.00
MACALISTER	QLD	BRISBANE	32.00	32.00
LUBECK	VIC	PORTLAND	29.00	29.00
LOCKHART	NSW	MELBOURNE	41.429	45.81

LITCHFIELD	VIC	GEELONG	28.256	32.41
LILLIMUR	VIC	PORTLAND	30.83	35.03
LALBERT	VIC	MELBOURNE	31.2504	35.81
LAKE CARGELLIGO	NSW	PORT KEMBLA	48.953	53.69
LAH	VIC	PORTLAND	33.00	33.00
KUPUNN	QLD	BRISBANE	32.00	32.00
KOORNGOO	QLD	GLADSTONE	21.00	21.00
KINNABULLA	VIC	MELBOURNE	30.5164	35.16
KIKOIRA	NSW	PORT KEMBLA	47.348	51.82
KIACATOO	NSW	PORT KEMBLA	42.681	47.75
KANIVA	VIC	PORTLAND	30.25	34.36
KADUNGLE	NSW	PORT KEMBLA	45.63	45.17
JUNEE SUB	NSW	PORT KEMBLA	31.286	34.71
JEPARIT	VIC	PORTLAND	28.04	32.04
JANDOWAE	QLD	BRISBANE	36.00	36.00
ILLABO	NSW	PORT KEMBLA	42.00	42.00
HORSHAM	VIC	PORTLAND	27.38	30.86
HOPETOUN	VIC	PORTLAND	30.32	34.56
HILLSTON	NSW	PORT KEMBLA	48.446	52.93
HENTY WEST	NSW	MELBOURNE	37.624	41.92
HENTY	NSW	MELBOURNE	46.27	49.71
HARDEN	NSW	PORT KEMBLA	30.271	33.18
HAMILTON	VIC	PORTLAND	14.00	14.00
GURLEY	NSW	NEWCASTLE	40.2293	45.76
GUNNINGBLAND	NSW	PORT KEMBLA	38.695	43.13
GUNNEDAH	NSW	NEWCASTLE	33.194	37.52
GULAR	NSW	NEWCASTLE	48.647	53.76
GRONG GRONG	NSW	PORT KEMBLA	38.999	43.16
GRENFELL	NSW	PORT KEMBLA	43.00	43.00
GREENETHORPE	NSW	PORT KEMBLA	41.00	41.00
GRAVESEND	NSW	BRISBANE	52.74	58.52
GROKE	VIC	PORTLAND	26.00	26.00
GOONDIWINDI WEST	QLD	BRISBANE	40.44	41.97
GOONDIWINDI EAST	QLD	BRISBANE	40.44	41.97
GOOLGOWI	NSW	PORT KEMBLA	48.229	52.67
GOBONDERY	NSW	PORT KEMBLA	46.31	50.47
GLENORCHY	VIC	PORTLAND	28.00	28.00
GIRRAL	NSW	PORT KEMBLA	40.75	45.46
GINDIE	QLD	GLADSTONE	46.00	46.00
GILGANDRA	NSW	NEWCASTLE	43.722	48.88
GEURIE	NSW	NEWCASTLE	47.00	47.00
GERANG GERUNG	VIC	PORTLAND	28.52	32.18
GEELONG TERMINAL	VIC	GEELONG	0	0.00
GAROOLGAN	NSW	PORT KEMBLA	40.71	45.06
GARAH	NSW	NEWCASTLE	43.6137	48.63
FORBES	NSW	PORT KEMBLA	37.014	41.18
EUMUNGERIE	NSW	NEWCASTLE	44.808	49.81
EUABALONG WEST	NSW	PORT KEMBLA	44.062	49.35
ERIGOLIA	NSW	PORT KEMBLA	46.4	48.91
EMERALD HILL	NSW	NEWCASTLE	33.674	38.07
EMERALD	QLD	GLADSTONE	36.76	39.10
ELMORE	VIC	MELBOURNE	28.572	32.87
EDGEROI	NSW	NEWCASTLE	38.6947	43.97
ECHUCA	VIC	MELBOURNE	29.3284	34.09

DYSART	QLD	MACKAY	34.00	34.00
DUNOLLY SUB	VIC	MELBOURNE	23.51	26.88
DULACCA	QLD	BRISBANE	46.00	46.00
DUARINGA	QLD	GLADSTONE	28.00	28.00
DOOKIE ST	VIC	MELBOURNE	22.00	22.00
DOOEN	VIC	PORTLAND	26.48	29.81
DONALD	VIC	GEELONG	27.7924	31.86
DINGO	QLD	GLADSTONE	37.00	37.00
DENILIQUIN	NSW	MELBOURNE	29.6144	33.95
DELUNGRA	NSW	BRISBANE	53.00	53.00
DALBY WEST	QLD	BRISBANE	27.74	29.48
CURLEWIS	NSW	NEWCASTLE	32.6571	36.98
CURBAN	NSW	NEWCASTLE	48.567	53.67
CUNNINGAR	NSW	PORT KEMBLA	30.021	32.90
CUMNOCK	NSW	PORT KEMBLA	43.63	46.17
CULGOORA	NSW	NEWCASTLE	40.0853	45.19
CULCAIRN	NSW	MELBOURNE	42.27	46.55
CRYON	NSW	NEWCASTLE	45.3544	50.49
CROPPA CREEK	NSW	NEWCASTLE	43.606	48.63
CROOBLE	NSW	NEWCASTLE	43.6137	48.63
COWRA	NSW	PORT KEMBLA	43.00	43.00
CORIO	VIC	GEELONG	0	0.00
COPE COPE	VIC	GEELONG	26.8688	30.74
COOTAMUNDRA	NSW	PORT KEMBLA	30.668	33.65
COONAMBLE	NSW	NEWCASTLE	49.334	54.51
COOLAMON	NSW	PORT KEMBLA	36.928	40.77
CONDOBOLIN	NSW	PORT KEMBLA	41.607	46.50
COMBO	NSW	NEWCASTLE	42.00	42.00
COMBARA	NSW	NEWCASTLE	49.107	54.29
COLEAMBALLY	NSW	MELBOURNE	55.00	55.00
CLIFTON	QLD	BRISBANE	28.00	28.00
CHINCHILLA	QLD	BRISBANE	35.00	35.00
CHARLTON	VIC	MELBOURNE	28.0024	32.14
CARWARP	VIC	MELBOURNE	39.308	45.45
CARPOLAC	VIC	PORTLAND	28.00	28.00
CAROONA	NSW	NEWCASTLE	30.3879	34.35
CARAGABAL	NSW	PORT KEMBLA	34.656	38.44
CAPELLA	QLD	MACKAY	39.44	42.22
CANOWINDRA	NSW	PORT KEMBLA	45.00	45.00
CAMBOOYA	QLD	BRISBANE	30.00	30.00
BURREN JUNCTION	NSW	NEWCASTLE	43.5729	48.43
BURGOONEY	NSW	PORT KEMBLA	47.667	52.19
BURCHER	NSW	PORT KEMBLA	44.4	46.91
BUNNALOO	NSW	MELBOURNE	40.27	45.03
BUNGUNYA	QLD	BRISBANE	42.27	45.29
BRUSHWOOD	NSW	PORT KEMBLA	38.762	42.88
BROOKSTEAD	QLD	BRISBANE	25.37	27.37
BROCKLESBY	NSW	MELBOURNE	43.83	48.13
BRIM	VIC	PORTLAND	29.18	32.94
BRIDGEWATER	VIC	MELBOURNE	26.00	26.00
BRIBBAREE	NSW	PORT KEMBLA	32.568	36.02
BORUNG	VIC	MELBOURNE	25.65	29.53
BOREE CREEK	NSW	MELBOURNE	42.184	46.69
BOORT	VIC	MELBOURNE	27.1456	31.12

BOGGABRI	NSW	NEWCASTLE	35.7632	40.50
BOGGABILLA	NSW	BRISBANE	44.00	44.00
HANWOOD	NSW	PORT KEMBLA	51.40	
BOGAN GATE	NSW	PORT KEMBLA	39.062	43.55
BIRRIWA	NSW	NEWCASTLE	29.00	29.00
BIRCHIP	VIC	GEE LONG	29.8596	34.36
BINNAWAY	NSW	NEWCASTLE	38.00	38.00
BINIGUY	NSW	BRISBANE	50.74	56.52
BILOELA	QLD	GLADSTONE	19.00	19.00
BEULAH	VIC	PORTLAND	29.66	33.45
BERRYBANK	VIC	GEE LONG	14.00	14.00
BERRIWILLOCK	VIC	MELBOURNE	34.662	40.19
BERRIGAN	NSW	MELBOURNE	39.83	44.13
BELLATA	NSW	NEWCASTLE	39.1255	44.49
BECKOM	NSW	PORT KEMBLA	38.4	40.91
BARNES CROSSING	NSW	MELBOURNE	36.27	41.03
BARMEDMAN	NSW	PORT KEMBLA	35.871	39.78
BARELLAN	NSW	PORT KEMBLA	39.671	43.86
BARADINE	NSW	NEWCASTLE	46.00	46.00
BALRANALD	NSW	MELBOURNE	47.01	52.55
BALLIMORE	NSW	NEWCASTLE	41.00	41.00
BALLADORAN	NSW	NEWCASTLE	46.00	46.00
BAIGIN	QLD	BRISBANE	32.00	32.00
BACK CREEK	NSW	PORT KEMBLA	36.02	40.02
BAAN BAA	NSW	NEWCASTLE	36.5578	41.42
ARMATREE	NSW	NEWCASTLE	48.607	53.71
ARIAH PARK	NSW	PORT KEMBLA	36.176	39.97
ARDLETHAN	NSW	PORT KEMBLA	38.392	42.37
ARAJOEL	NSW	PORT KEMBLA	43.41	45.91
ANNUELLO	VIC	MELBOURNE	46.97	52.50

**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

Inquiry into the operational issues in export grain networks

Public Hearing Monday, 20 February 2012

Questions Taken on Notice – NSW Farmers Association

1. HANSARD, PG 59

Senator EDWARDS: Your evidence as to why we should have it is compelling. As the peak grain group have you written to the federal minister explaining that the department is nuts for even contemplating drawing down the close of the WEA?

Mr Crosby: Yes, we wrote to the minister in response to the Productivity Commission's final report.

Senator EDWARDS: What was the response?

Mr Crosby: I will have to take that one on notice.

2. HANSARD, PG 59

Senator FISHER: I want to return to your representative capacity. How many New South Wales grain growers do you have as members and what percentage do you say that is of those who produce grain in New South Wales?

Mr Crosby: When I last looked at the figures—and this is across all so I would have to do an estimation based upon grains alone—

CHAIR: Do you want to take that on notice?

Senator FISHER: Yes, would you take it on notice.



Matt Brand
Chief Executive

Ref: 3412mb

6 March 2012

Ms Jeanette Radcliffe
Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: rrat.sen@aph.gov.au

Dear Ms Radcliffe

Re: NSW Farmers Questions on Notice: Inquiry into Operational issues in export grain networks

Please find below answers to questions on notice during evidence provided by Mark Hoskinson and Justin Crosby on 20 February 2012 before the Senate Rural and Regional Affairs and Transport References Committee Inquiry into the operational issues in export grains networks.

Question 1

1. HANSARD, PG 59

Senator EDWARDS: Your evidence as to why we should have it is compelling. As the peak grain group have you written to the federal minister explaining that the department is nuts for even contemplating drawing down the close of the WEA?

Mr Crosby: Yes, we wrote to the minister in response to the Productivity Commission's final report.

Senator EDWARDS: What was the response?

Mr Crosby: I will have to take that one on notice.

No specific response has been received from the Minister for Agriculture Fisheries and Forestry to the letter sent by NSW Farmers opposing the recommendations of the Productivity Commission's Inquiry into the Wheat Export Marketing Arrangements.

Question 2

2. HANSARD, PG 59

Senator FISHER: I want to return to your representative capacity. How many New South Wales grain growers do you have as members and what percentage do you say that is of those who produce grain in New South Wales?

Mr Crosby: When I last looked at the figures—and this is across all so I would have to do an estimation based upon grains alone—

CHAIR: Do you want to take that on notice?

Senator FISHER: Yes, would you take it on notice.

NSW Farmers is the peak representative body for farmers across all commodities in the State of NSW. Specifically NSW Farmers has over 4,000 members who produce grain commodities. Therefore direct membership of grains producers to NSW Farmers accounts for almost half of grains and mixed grains/livestock grain farms in NSW according to data collated by NSW Department of Primary Industries.

Please do not hesitate to contact Mr Justin Crosby, Policy Director, on 02 8251 1874 for further information relating to the answers provided on notice within this letter, or the Inquiry in general.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Brand', with a long horizontal flourish extending to the right.

Matt Brand
CHIEF EXECUTIVE OFFICER