

## 2004 Wheat Marketing Review - Terms of Reference

These terms of reference were developed by Government and are based upon the provisions of the Wheat Marketing Act 1989. They were released by the Minister for Agriculture Fisheries and Forestry on 24 December 2003.

1. The purpose of the 2004 Review is to assess AWBI's performance as the commercial manager of the single desk and its obligation to maximize net returns to growers. Analysis of whether or not the single desk should continue is not within the scope of the review and the review is not intended to fulfil National Competition Policy requirements.

2. The 2004 Review under the Wheat Marketing Act 1989 (the Act) is to be conducted by the Independent Panel with assistance provided by the Wheat Export Authority (WEA) and the Department of Agriculture, Fisheries and Forestry.

3. In accordance with the purpose, the Panel is to conduct a review of the following matters consistent with subsection 57(7) of the Act:

(a) the operation of subsection (1A)(the prohibition on the export of wheat does not apply to AWB (International) Limited (AWBI)) of the Act in relation to AWBI;

(b) the conduct of AWBI in relation to:

i. consultations for the purposes of subsection (3A)(before giving consent, the Authority must consult AWBI) of the Act; and

ii. the granting or withholding of approvals for the purposes of subsection (3B)(the Authority must not give a bulk export consent without the prior approval in writing of AWBI) of the Act;

(c) whether benefits to growers have resulted from the performance of AWBI in relation to the export of wheat; and

(d) the WEA's performance of its functions under the Act.

4. Particular issues the review should address within these parameters include:

(a) the performance of AWBI against the Performance Monitoring Review and Reporting Framework which has been developed by the WEA;

(b) the working of the consent process including the guidelines issued by the WEA and the consultation process with AWBI;

(c) AWBI's conduct in exercising its veto over bulk exports; and

(d) The operation of the consent arrangements in facilitating the

development of complementary and other markets.

5. The WEA's monitoring process already examines the Service Agreement between AWB Ltd and AWBI and related matters such as the Remuneration Agreement and the associated Wheat Industry Benchmark used to measure AWB Ltd's performance. The review can address these issues.

6. In addition, the review is also required to examine the performance of the WEA in relation to its responsibilities under the Act.

7. The review of the performance of the WEA should cover all functions of the WEA under the Act. In particular the Panel should assess:

(a) the operation of the approvals process for export consents;

(b) the effectiveness and efficiency of the WEA's monitoring and associated reporting activities;

(c) expenditure by the WEA of its financial resources;

(d) the relationship between the WEA and AWBI (including its related body corporate where relevant to pool operation), and the WEA and the Grains Council of Australia (GCA) and other relevant industry stakeholders; and

(e) the way in which the WEA complements the objectives of AWBI to maximize net returns for pools, while at the same time seeking to facilitate the development of complementary and other markets where the WEA considers that this may benefit both growers and the wider community.

8. With respect to this purpose, the Panel in its review can make recommendations that enhance the operational effectiveness of the single desk where this may benefit both growers and the wider community.

9. In conducting the review, the Panel must consult with the WEA, AWBI (and its related body corporate where relevant to pool operation) and the GCA and may consult with other industry stakeholders as necessary.

10. Before 1 August 2004 the Panel must give the Minister for Agriculture, Fisheries and Forestry a report of its review. The Panel must publish a report, which is specifically directed towards wheat growers before 1 September 2004. The latter report must not contain any information, which is protected from disclosure by subsection 5E(2) of the Act or which is otherwise provided to the WEA or the Panel on a commercial-in-confidence basis.