

Your Single Desk: Removing the AWBI Veto on Bulk Exports

- ▶ *At the heart of the Single Desk system is the veto AWBI has over applications by other parties to export wheat in bulk from Australia. It ensures the price for Australian wheat cannot be bargained down by international customers.*
- ▶ *Removing this veto would be a major step towards dismantling the entire system.*
- ▶ *Proposals have been made to remove AWBI's veto, with bulk licenses administered solely by the Wheat Export Authority (WEA).*

Alternate Systems

An example of this type of system currently exists in Western Australia.

- ▶ *The Grain licensing system in Western Australia is a system where parties wishing to export canola, barley or lupins outside the Grain Pool of WA's Single Desk can apply to a government agency, the Grains Licensing Authority (GLA), for a bulk license.*
- ▶ *The introduction of the GLA system has seen licences for 500,000 tonnes (or 20 per cent of the whole Grain Pool Single Desk export programme) granted for barley, canola and lupins in Western Australia.*
- ▶ *This has had a direct, negative impact on the integrity of the Single Desk marketing system in that state, and as a consequence, grower returns.*

Should the Wheat Export Authority have the Veto Power?

- ▶ *It is difficult to see how any government organisation could effectively substitute its experience and skills for that of a commercial manager.*
- ▶ *If administered by the WEA, they would still need to seek expertise from another source, which results in duplication of valuable resources.*
- ▶ *AWBI has strong international customer relationships along with an intricate knowledge of international markets.*

WTO Compliance

- ▶ *Alan Oxley of International Trade Strategies, a former Ambassador to the General Agreement on Tariffs and Trade (GATT) has undertaken analysis of the GLA system in WA.*
- ▶ *He found the provision of the GLA might breach several articles of the GATT.*
- ▶ *Oxley believes it is the actions of the GLA, not just the system itself that would be under scrutiny in a WTO challenge.*
- ▶ *If a similar system were established for the national wheat Single Desk and administered by the WEA, it is likely that it might breach WTO provisions.*