

## Appendix 3

### Recommendations of the Productivity Commission Report on Wheat Export Marketing Arrangements<sup>1</sup>

#### RECOMMENDATION 4.1

*The Wheat Export Accreditation Scheme 2008 should be abolished on 30 September 2011. This timing would coincide with the end of the 2010-11 marketing year and give the Australian Government sufficient time to put the required legislative changes in place.*

#### RECOMMENDATION 4.2

*Regulation 9AAA of the Customs (Prohibited Exports) Regulations 1958, which prohibits bulk exports of wheat unless exported by an accredited wheat exporter, should be repealed effective 30 September 2011.*

#### RECOMMENDATION 4.3

*Wheat Exports Australia should be abolished on 30 September 2011.*

#### RECOMMENDATION 4.4

*The Wheat Export Charge should be abolished on 30 September 2011.*

#### RECOMMENDATION 4.5

*If the Australian Government decided not to abolish accreditation, a system similar to that administered by ESCOSA for bulk exports of barley in South Australia would be the next best alternative.*

- *A less attractive alternative would be to amend the Wheat Export Accreditation Scheme 2008. As outlined in this report, this would include streamlining the level of assessment employed by Wheat Exports Australia and more clearly defining its role to ensure that its powers do not extend into matters of competition policy.*

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1 Productivity Commission, *Wheat Export Marketing Arrangements*, Productivity Commission Inquiry Report No. 51, July 2010, pp 27–33.

*If the Australian Government decided not to abolish accreditation, the application fees and the Wheat Export Charge would need to be reviewed. A Cost Recovery Impact Statement should be formulated, in line with the Australian Government Cost Recovery Guidelines. The Wheat Export Charge should no longer be levied on exports of wheat in bags and containers, as they are not covered by the accreditation scheme.*

*Any new or amended arrangements put in place by the Australian Government should be reviewed after no more than five years.*

#### RECOMMENDATION 5.1

*The Australian Government should proceed with the scheduled independent review of the National Access Regime. This review should commence no later than 31 December 2011.*

#### RECOMMENDATION 5.2

*The requirement for grain port terminal operators to pass the access test contained in the Wheat Export Marketing Act 2008 (continuous disclosure requirements and an ACCC accepted port access undertaking) as a condition for exporting bulk wheat should remain in place until 30 September 2014. Responsibility for determining if the access test is met (including the continuous disclosure requirements component) should rest solely with the ACCC beyond 30 September 2011, whether or not accreditation continues past that date.*

*Ideally, grain port terminal operators not subject to the access test between 30 September 2011 and 30 September 2014 would voluntarily publish their shipping stem and port access protocols.*

*The requirement for port terminal operators to pass the access test as a condition for exporting bulk wheat should be abolished on 30 September 2014.*

*The requirement for continuous disclosure should continue after 30 September 2014, although this should no longer be a condition for exporting bulk wheat. From this date, the continuous disclosure rules should be applied to all grain port terminals, regardless of ownership. Responsibility for monitoring compliance with continuous disclosure rules should remain with the ACCC after 30 September 2014.*

*From 1 October 2014, access disputes (other than those relating to the continuous disclosure requirements) should be dealt with by the National Access Regime under Part IIIA of the Trade Practices Act.*

*Ideally, port terminal operators would supplement these arrangements with a voluntary code of conduct from 1 October 2014.*

*Should the access test continue beyond 30 September 2014, it should be reviewed after no more than five years.*

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**RECOMMENDATION 6.1**

*The ACCC has announced that it will review the exclusive dealing notification granted to CBH, regarding the use of Grain Express. In light of market developments and concerns over the contestability of CBH's supply chain, the Commission endorses the decision by the ACCC to review Grain Express. The Commission recommends that the ACCC makes its determination as soon as practicable.*

**RECOMMENDATION 6.2**

*When considering investment in road and rail infrastructure for the transportation of grain, decisions should be based on thorough cost-benefit analysis, including both economic and social costs and benefits. Where possible, the analysis should consider the benefits that can be obtained throughout other parts of the grain supply chain.*

**RECOMMENDATION 7.1**

*The Commission sees value in the provision of stocks information by state to support the effective operation of the domestic and export wheat markets. However, if the industry wants this information, it should pay for it. The most efficient approach to funding this information would be via an existing compulsory industry levy. Specifically, the GRDC levy collection framework appears to be the most practical and cost-effective option for funding stocks information by state.*

**RECOMMENDATION 8.1**

*Reforms and initiatives to improve the collection and enforcement of End Point Royalties, such as those recommended by the Advisory Council on Intellectual Property's Review of Enforcement of Plant Breeders Rights, should be implemented expeditiously.*

