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Mr Stephen Palethorpe
Committee Secretary
Senate Rural and Regional Affairs and Transport Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Via Email: rrat.sen@aph.gov.au

Dear Mr Palethorpe

Re: Inquiry into the Wheat Export Marketing Amendment Bill 2012

Thank you for the opportunity to make comment to this Inquiry.

Like much of the grain industry, the South Australian Farmers Federation (SAFF) is very concerned that the Wheat Export Marketing Amendment Bill 2012 provides for the winding up of Wheat Exports Australia (WEA) by 31 December 2012.

While SAFF believes there needs to be a sunset clause, at the moment it is far too soon to be winding up WEA.

In fact, at this stage the WEA charter needs to be expanded:

- To play a role in protecting the industry from the market dominance of bulk grain handlers in each State, and
- To oversee the transparent release of wheat stocks information.

Since the bulk wheat export market was deregulated in 2008, WEA's role has been to accredit the multiple bulk wheat exporters operating in Australia.

Currently there is an inequality of access to wheat stocks information, which disadvantaged growers and results in significant marketing advantages for the exporter of the associated bulk handling company.

Clearly no market can function properly with incomplete or one-sided information - and failure to provide that information is currently leading to market failure.

What is required is information on commodity, grade, quality and tonnage of grain (per cell / bunker) delivered Grain Trade Australia (GTA) member bulk handler. This needs to be provided in real time free of charge to the market.

At the moment WEA has the capacity and resources, utilising the Wheat Exports Charge as the primary funding source, to provide ongoing and effective oversight of the export wheat market.

There may also be a place for regulating pools. Many growers do not appreciate how risk is attached to pools. The risk is due particularly to growers not having information. Growers are the most at risk because they have the least ability to gather information, particularly in regard to information flow on stocks - for example stack averages, port zone tonnages, the grain type and quality.

For many years, SAFF Grains Industry Committee has expressed concern that a monopoly has continued to flourish in the grains industry supply chain for the export of grain from South Australia to the detriment of grain growers. Monopoly control of the export grains supply chain has increased the risk for the execution of grain sales for all participants in the industry.

For this reason, the Wheat Export Marketing Amendment Bill 2012 needs to be amended in line with the findings from this Committee's own Inquiry into the Operational issues in export grain networks, including the additional recommendations from Senator Nick Xenophon.

Yours sincerely

Peter White
PRESIDENT