



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

TONY WINDSOR MP
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FEDERAL MEMBER FOR NEW ENGLAND

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Media Release

15 March 2007

Wheat grower poll details released

Details of the poll of Australia's wheat growers about the future of Australia's bulk export wheat marketing arrangements being conducted by the Independent Member for New England, Tony Windsor have been released today.

Mr Windsor has sent the poll to over 24,000 wheat growers across Australia and is asking for a response by Monday 26th March.

"The poll of Australia's wheat growers is essential to provide a definitive guide to the Government as to what those involved in the growing of our export wheat want for the future marketing arrangements for their bulk export wheat.

The Deputy Prime Minister Mark Vaile gave an undertaking to growers at a rally in Warracknabeal Victoria that a poll would be undertaken if changes were to be made to Australia's successful single desk bulk wheat marketing system.

He has since reneged on this undertaking so I have taken up the role abrogated by the Commonwealth Government," Mr Windsor said.

Mr Windsor's poll has been developed from consultation with a number of growers, the Wheat Export Marketing Consultative Committee Discussion Paper, the Parliamentary Library and a professional market research organisation with a number of mechanisms built in to it to provide acceptable integrity of the results.

"The poll asks growers to give their preference of three broad options.

These options are a single desk, multiple licensing and full deregulation of bulk export wheat marketing.

There are also a number of sub-section questions for further clarification of growers' views.

I ask growers to read the WEMCC Discussion Paper before completing the survey and returning it to me by Monday 26th March so that I can present it to the Parliament in that week of sitting.

This survey is the only broad scale definitive poll of Australia's wheat growers and I urge growers to let me know their position.

I can then convey their position to the Government so that they know definitively what growers want for THEIR industry and not just serve up to growers a pre-determined arrangement based on subjective reports of those groups and individuals who have the ear of Government and have been complicit in past decisions that don't accurately reflect the views of those impacted on by those decisions," Mr Windsor said.

(ATTACHED – Poll page and letter to growers)

Further information contact Tony Windsor, Ph (02) 6761 3080 or 0427 66 8868



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9th March 2007

<CCC No>

<Sal> <Initials> <Surname>

<Business Name>

<Address 1>

<City> <State> <Postcode>

Dear <Sal> <Surname>

HAVE YOUR SAY ON YOUR WHEAT CROP

As you are no doubt aware, the Australian Government is reviewing Australia's bulk export wheat marketing system.

The Government has decided not to conduct a formal survey of ALL wheat growers to gauge your views in a definitive manner.

As a farmer and former NSW Farmers' representative on the Grains Council of Australia, I believe your views are needed to be known and I am therefore conducting this independent poll that I will present to the Australian Parliament.

I was an Independent Member of the NSW State Parliament for ten years and became the Independent Member for New England six years ago and I will therefore be guided by your responses.

On the attached page to this letter there are three broad options that are being investigated. I urge you to look at these explanations before you complete the survey.

Please take this opportunity to have your say on your future by completing the separate page and returning it to me by fax or mail by 23rd March 2007.

Thank you for your input

Yours sincerely

Tony Windsor MP
Independent Federal Member for New England

If you do not wish to receive any further information from Tony Windsor, please mark the box provided and either post or fax back this letter to the address above.

Wheat Growers' Export Marketing Survey - March 2007
PLEASE ENSURE THIS FORM IS RETURNED BEFORE MONDAY 26 MARCH

Fax: (02) 6761 3380

Post: PO Box 963 TAMWORTH NSW 2340

NB -Before completing this survey please read explanatory notes on the reverse
All responses and details will remain anonymous. Please mark your responses clearly.

Complete the section which best represents your views

I support a "Single Desk" structure for the marketing of Australia's bulk export wheat

If this is your preferred option what is your preferred structure?

- AWB International Ltd to hold the Single Desk marketing arrangements as part of AWB Ltd
- Separate AWB International Ltd and AWB Ltd with the objective of creating a grower owned single desk manager (AWB International Ltd) to market Australia's bulk wheat internationally and a purely commercial agri-business company (AWB Ltd)
- re-issue the "Single Desk" licence to a new grower owned entity
- Other (specify) _____

Under this "Single Desk" structure who should hold the veto power for bulk wheat exports?

- AWB International
- The Wheat Export Authority
- The Federal Minister for Agriculture Fisheries and Forestry
- A new body
- Other (specify) _____

Should containerised and bagged wheat be exempt from any veto? Yes No

OR

I support a regulated wheat marketing system where there is more than one marketer of export wheat (ie multiple licenses) but not full deregulation.

If this is your preferred option, would you prefer

- A fixed number of licenses
- An unlimited number of licenses for all entities that meet certain criteria
- A fixed number of licenses for entities that meet certain criteria

If licenses were issued according to certain criteria what would be your preferred criteria?

Specify please _____

OR

I support full deregulation of export wheat marketing

To assist in the analysis I would like to know a little about you and your farm

A. What is your typical level of wheat production?

- 0-500t 501-1000t
- 1001-5000t over 5,000t

B. Your farm's postcode: _____

C. Have you attended a WEMCC consultation?

- Yes No

Please attach any comments or opinions you have about this issue on a separate sheet.

These options are as set out in the Wheat Export Marketing Consultative Committee Discussion Paper

1 Single Desk

A single company would have the right to export wheat in bulk without consent from the Wheat Export Authority and the right to veto other bulk exports.

The Wheat Export Authority would issue wheat consents to parties other than the company managing the single desk and monitor and report on the single desk manager's export performance.

Proponents of the single desk argue that it minimises uncertainty, enable price premiums to be obtained, shares risks across the industry and allows economy of scale to be achieved. Opponents of the single desk argue that price premiums realised for Australian exports are the result of higher quality wheat rather than the single desk. They also claim that it does not deliver the most efficient services or the range of services growers desire and that it exposes growers to risks associated with a single seller (eg should the single desk operator perform poorly or be locked out of markets as happened in Iraq). The benefits and costs of the single desk are disputed and attempts to quantify the costs and benefits of the single desk in the past have been equivocal.

2 Multiple licensing systems

There are numerous variations to licensing models which would result in varying numbers of additional exporters. A multiple licensing system requires the development of pre-determined, specific criteria against which additional licences may be issued.

Proponents of licensing systems argue that they provide some competition benefits and increased choices for growers without jeopardising all of the benefits of a single desk. Opponents of licensing systems argue that they are a half way house delivering neither the benefits of a single desk nor deregulation while adding regulatory complexity.

Licensing arrangements can be structured to give varying levels of market access and competition. For example, criteria could be developed to issue licences to particular markets, quantities and/or wheat types. The additional licences could initially be very limited and restrictions gradually lifted over time to allow an increasing portion of the bulk export pool to be made available for contestable bidding. Alternatively, criteria could be based solely on the characteristics of the potential exporter, for example, financial probity.

3 Total Deregulation

Growers wishing to export would choose, based on price and service, whether to sell to AWB (International) Ltd or another bulk exporter.

Supporters of deregulation argue that increased competition would provide benefits to growers through, for example, improved efficiency in the supply chain; greater contestability of marketing and transport services; better transmission of market signals; more options for growers; product and market development improvements; and elimination of regulatory costs. On the other hand, opponents of deregulation argue that it may increase short term price volatility, resulting in benefits for some growers and reduced returns for others eliminate the possibility of obtaining price premiums for Australia wheat and end growers control of marketing. Growers could be more directly involved in managing the sale of their wheat including managing their own hedging strategies and the buyer of last resort obligation on AWBI would be removed.

**The full discussion paper is available on
www.daffa.gov.au/wheat/discussion_paper**