



**LEETON**  
SHIRE COUNCIL

**ORDINARY COUNCIL MEETING  
LATE SUPPLEMENTARY AGENDA**

**30 JUNE 2021  
7.00PM**

TO BE HELD IN THE  
COUNCIL CHAMBERS  
23-25 CHELMSFORD PLACE  
LEETON NSW 2705

Authorised for release: Jackie Kruger General Manager

## **ACTIVATION MATTERS**

### **ITEM 8.14 SUBMISSION IN SUPPORT OF THE RICE INDUSTRY**

<b>RECORD NUMBER</b>	21/233
<b>RELATED FILE NUMBER</b>	EF11/166
<b>AUTHOR/S</b>	Group Manager Activation
<b>APPROVER/S</b>	General Manager

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### **SUMMARY/PURPOSE**

Submissions are currently invited for the 2020 Review of Rice Vesting. The closing date for submissions is 21 July 2021 to the Department of Primary Industry NSW.

Vesting is reviewed every five years to ensure that growers continue to receive the benefits of vesting NSW produced rice in the Rice Marketing Board for the State of NSW (RMB).

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### **RECOMMENDATION**

THAT Leeton Shire Council submit a letter of support for the continuation of vesting of all rice produced in NSW in the Rice Marketing Board.

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### **REPORT**

#### **(a) Background**

The Rice Marketing Act 1983 vests all rice produced in NSW in the RMB. The main objective of the RMB is to ensure that growers receive the best possible returns from NSW rice exported outside Australia. The RMB has chosen thus far to issue a single export licence known as the Sole and Exclusive Export Licence (SEEL). The SEEL is currently held by SunRice.

It should be noted that the domestic market for rice is deregulated and therefore vesting places no costs on domestic consumers.

In addition to the above the SEEL requires that SunRice is the buyer of last resort meaning that rice produced in NSW and vested in the RMB must be purchased by SunRice if not sold to another authorised buyer.

#### **(b) Discussion**

The affective pooling of NSW produced rice for the purposes of export has provided economies of scale when negotiating with export markets that has resulted in several benefits for the industry and therefore the rice growers. Those benefits include:

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1. The ability to maintain key markets.
2. SunRice has been able to build a successful brand that attracts a market premium.
3. Targeted marketing and total supply chain quality assurance. Meaning that growers have been able to target the specifications required for the highest value international markets.
4. Research and Development (R&D). The pooling of product has enabled SunRice to continue to invest in R&D that has improved the quality and the characteristics of rice grown in NSW and therefore lead to improved returns for growers.
5. Scale and freight advantage. The pooling of rice for the purposes of export has provided economies of scale when marketing rice to foreign markets. This has also reduced logistics costs for the industry and thereby increased returns to growers.
6. Buyer of last resort. As SunRice is required to purchase all rice not otherwise delivered to the domestic market, growers are ensured of a ready market for their produce.

For Leeton Shire Council the rice industry through both growers and SunRice has been a major employer. The 2016 census identified that agriculture and manufacturing combined account for a total of 30.3% of employment within the shire. This compares to a combined total of 31% of employment in LSC for the 2011 census. The physical presence of the rice industry within the shire with manufacturing facilities, rail loading, logistics requirements, paddy storage and corporate offices justify SunRice's position as a key contributor to these significant levels of employment. SunRice as recently as the 2020/21 financial year has continued to invest in new production facilities within its Leeton manufacturing footprint.

It can be further noted that such a significant employer for the shire drives multiple economic advantages for the greater community through the purchase of goods and services as well as creating ancillary employment opportunities for businesses that supply or service SunRice such as freight providers and engineering firms through to catering opportunities. The indirect employment and economic activity generated by SunRice is therefore much greater than the direct employment noted above.

It is therefore justified that LSC continue its support of the vesting arrangements that deliver this high level of employment and indirect economic activity to the shire.

### **(c) Options**

1. That Leeton Shire Council submit a letter of support for the continuation of vesting of all rice produced in NSW in the Rice Marketing Board for the State of NSW (RMB). **(Preferred option)**
2. That Leeton Shire Council submit a letter of objection to the continuation of vesting of all rice produced in NSW in the RMB.
3. That Leeton Shire Council provide no submission to the Review of Rice Vesting.

### **IMPLICATIONS TO BE ADDRESSED**

#### **(a) Financial**

Nil – Leeton Shire Council is not required to make a financial contribution to the continuation of vesting in NSW.

#### **(b) Policy**

Nil

#### **(c) Legislative/Statutory**

The continuation of vesting of NSW produced rice is under the Rice Marketing Act 1983. This act has no direct legislative requirements of Leeton Shire Council.

#### **(d) Risk**

The key risk of discontinuing vesting of NSW produced rice would be reduced returns for rice growers and reduction of employment opportunities in the shire compared to the historical and existing opportunities currently provided by the industry.

### **CONSULTATION**

#### **(a) External**

SunRice  
Rice Growers Association of NSW

#### **(b) Internal**

Nil

### **LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN (DPOP)**

Under the Key Priority Area Outcome Four: A THRIVING ECONOMY AND GOOD JOBS within Council's adopted Delivery Program/Operational Plan – 12 - A community that is strong in business and employment - 12 a - Seek, promote and facilitate business opportunities - Support and facilitate the retention and expansion of existing local business, industry or government services in the Leeton Shire".

### **ATTACHMENTS**

There are no attachments for this report.