



The Hon Niall Blair MLC

Minister for Primary Industries
Minister for Regional Water
Minister for Trade and Industry

OUT17/10354

Ms Robyn Clubb
Chair
Rice Marketing Board
PO Box 151
LEETON NSW 2705

Dear Ms Clubb

I am writing to advise you that I intend to recommend that the Governor extend rice vesting in the Rice Marketing Board for the State of New South Wales (the Board) until 30 June 2022.

Governance review

I intend to commission an independent review of the governance arrangements of the Board under the *Rice Marketing Act 1983*. The review is to consider concerns raised during the 2016 Rice Vesting Review about potential and perceived conflicts of interest arising from the present governance structure of the Board.

I enclose for your information the Terms of Reference which form the scope of the governance review. I have asked the Department of Primary Industries (DPI) to procure an independent consultant for this work. The intention is for the review report to be provided to me by the end of August 2017.

Investigation of options to develop the industry

The 2016 Rice Vesting Review also identified that rice vesting arrangements may be a constraint on the growth of the Northern NSW rice industry. Several submissions to the review noted the high transportation costs between Northern NSW and SunRice facilities.

As a result I have decided that I would like the Board to investigate and report on options that deliver net benefits to NSW from developing the rice industry outside the Murray and Riverina. This is to avoid costs from restricting the growth of the industry in Northern NSW. I request that this investigation take place during the 2017/18 financial year.

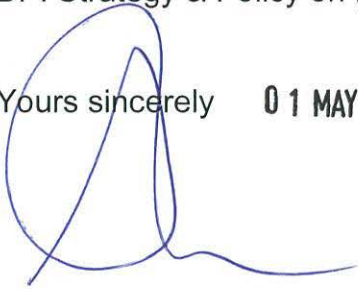
I propose that the proclamation to extend vesting will include a direction to the Board to conduct this investigation.

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I understand that DPI Strategy & Policy has consulted the Board on the independent governance review and the investigation of options to expand the industry.

If you require any further information please contact Mr Tim McRae, Group Director, DPI Strategy & Policy on (02) 6391 3281 or tim.mcrae@dpi.nsw.gov.au.

Yours sincerely **01 MAY 2017**



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Encl.