

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES



BOARD CHARTER

March 2020

Table of Contents

BOARD CHARTER.....	1
1. Legislative framework.....	3
2. Purpose.....	4
3. Board functions.....	4
4. Stakeholders	5
5. Board composition.....	5
6. Chair and Deputy Chair	6
7. Board Secretary	6
8. Vacancy in office of member	7
9. Legal structure	7
10. Termination of the Board	7
11. Committees	8
12. Industry participation	8
13. Member induction and development	8
14. Conduct of members	9
15. Conflicts of interest	9
16. <i>Government Information (Public Access) Act 2009 (GIPA Act)</i>	10
17. Conduct of Board Meetings.....	10
18. Review of Charter	10
19. Document Approval and Control.....	11

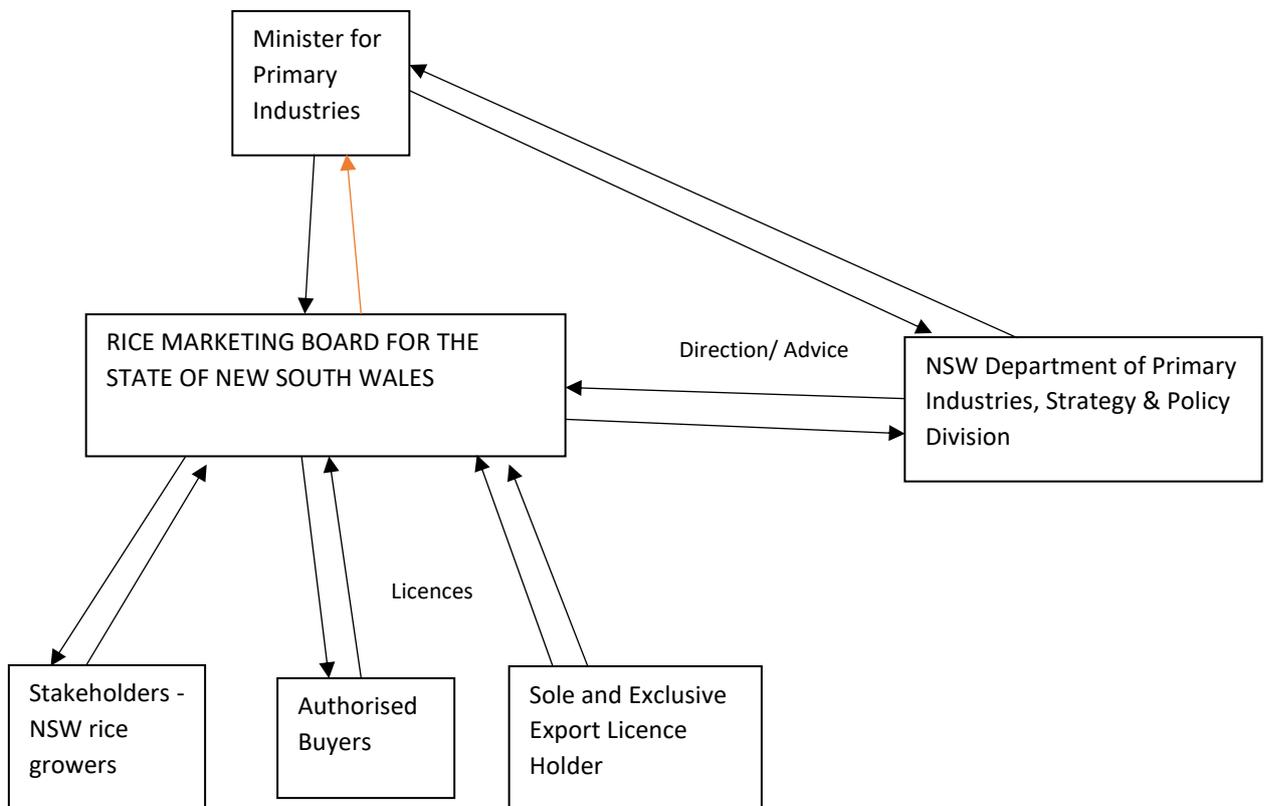
1. Legislative framework

The Rice Marketing Board for the State of New South Wales (the Board) is constituted under the *Rice Marketing Act 1983* (the Act). The *Rice Marketing Regulation* provides further instruction on matters pertaining to the Board.

The Board is subject to the direction of the Minister for Primary Industries.

Provisions relating to the members and procedures of the Board are contained in Part 2 as well as Schedule 2 and 3 of the Act. Part 2, Division 3 prescribes the constitution of the Board. Division 7 prescribes the winding up and dissolution of the Board. Part 3 of the Act details the general functions of the Board including the appointment of authorised buyers and the vesting of the commodity rice.

The following diagram represents the board's position within the intent of the Act.



2. Purpose

The objects of the Board, as gazetted by the NSW Governor on 23 May 2009 are:

- To encourage the development of a competitive domestic market for rice;
- To ensure the best possible returns from rice sold outside Australia based on the quality differentials or attributes of Australian grown rice; and
- To liaise with and represent the interests of all NSW rice growers in relation to the Board's functions and objects.

3. Board functions

The Act states that the NSW Governor may declare that the commodity rice is divested from the producers and is absolutely vested in and is the property of the Board (s. 56). The Board licenses Authorised Buyers to trade NSW rice in the domestic market, and also licenses one sole and exclusive export licence holder to export NSW rice.

a. Vesting

On 21 June 2017 the Governor declared that NSW rice shall be divested from the producers thereof and become absolutely vested in and be the property of the Board, until 30 June 2022.

The NSW Department of Primary Industries reviews vesting at least every five years to investigate if it continues to yield net benefits to the NSW rice industry and general community.

b. Domestic Market

The Board licenses Authorised Buyers to trade NSW rice within the Australian domestic market. All rice grown in NSW must be sold to an Authorised Buyer. The Authorised Buyers Licence includes clauses that prohibit the export of rice by them or their customers. A list of Authorised Buyers is maintained on the Board's website.

To meet the Board's first object, to encourage the development of a competitive domestic market for rice, the Board:

- Reviews licence holders annual returns;
- Regularly reviews the fee schedule for authorised buyers;
- Meets with Authorised Buyers on a regular basis;
- Provides information to rice growers and buyers, for example on the provision of rice seed supplies; and
- Manages an annual audit of the NSW rice crop to ensure compliance with the Act.

c. Sole and Exclusive Export Licence

The Sole and Exclusive Export Licence grants approval to sell and supply rice outside of Australia. The current holder of this licence is Ricegrowers Limited, trading as SunRice (SunRice). SunRice pays a fee to the Board for the licence.

Either party may terminate the SEEL Agreement by giving the other party at least five years written notice of termination.

The SEEL may be terminated immediately if:

- Either party commits a material breach;
- The Board is dissolved;
- There is a change in control of SunRice or its subsidiary Australian Grain Storage Pty Ltd;
- SunRice ceases to be an Authorised Buyer;
- The Vesting Proclamation is revoked or not renewed; or
- Either party suffers an insolvency event.

To meet the Board's second object, to ensure the best possible returns from rice sold outside Australia based on the quality differentials or attributes of Australian grown rice, the Board:

- assesses the performance of the licence holder through an annual report on its business performance;
- Refers the calculation of the main benefits of vesting, the export price premium and freight scale advantage, verified by an independent consultant for verification;
- Conducts annual crop audits to ensure that all NSW grown rice is sold to an Authorised Buyer;
- Monitors rice exports to ensure they are consistent with the *Rice Marketing Act 1983*; and
- Reports to the Board's stakeholders and Government through a report appended to the Board's Annual Report.

4. Stakeholders

The primary stakeholders of the Board are the NSW rice growers, the Minister for Primary Industries, the NSW Department of Primary Industries and authorised buyer licence holders.

To meet the Board's third object, to liaise with and represent the interests of all NSW rice growers in relation to the Board's functions and objects, the Board:

- Attends Ricegrowers' Association of Australia (RGA) branch meetings;
- Attends other regional rice meetings;
- Attends rice field days;
- Supports industry activities including RGA Conferences and rice field days;
- Provides information on the Board's website, including annual reports, news updates, Board policies and the Charters of the Board and its Committees;
- Communicates with the President and Executive Director of RGA on issues relevant to the industry;
- Provides regular articles in the RGA monthly newsletter;
- Invites all NSW rice growers to the Annual Meeting held every November;
- Manages the Capital Equity Rollover Scheme;
- Conducts democratic elections in accordance with the Act and Regulation;
- Attends as Observer on AgriFutures Rice Research and Development Advisory Panel; and
- Provides support to NSW rice industries development activities.

5. Board composition

The Board consists of three elected members and four nominated members.

Elected members are chosen by growers and hold a four year term. One general election is held for the three positions. Growers who have sown rice in NSW in the two calendar years immediately preceding the year of the election, for the purpose of producing rice for sale, may vote in the election. Anyone may stand for election, and must be nominated by six growers who are eligible to vote in the election. The elected members are entitled to a SunRice directorship if they meet the requirements of the SunRice Constitution, being that they hold a SunRice A class share. If an elected member resigns, a by-election is held in that year and the newly elected member takes over the term of the resigning member. Election rules are in the *Rice Marketing Regulation* legislation.

The four nominated members are appointed by the Minister for Primary Industries. The NSW Department of Primary Industries is responsible for the nomination and selection process. The nominated members' terms are normally four years, at the Minister's discretion. These terms are staggered so that two members are appointed every two years.

Terms of office for elected and nominated members cannot exceed twelve cumulative years, as recommended by the 2017 Independent Review of Governance Arrangements of the Board (Governance Review).

6. Chair and Deputy Chair

One of the nominated members is appointed as Chair by the Board, normally at its December meeting (the Act Sch. 6 s. 8(1)). In line with a Governance Review recommendation, one of the nominated members is appointed as Deputy Chair by the Board, normally at its December meeting (the *Rice Marketing Amendment (Rice Marketing Board) Regulation 2019*).

a. Role of the Chair

The Chair is responsible leadership of the Board including:

- Facilitating the effective functioning of the Board including management of conduct, frequency and length of Board meetings;
- Communicating the views of the Board, in conjunction with the Board's Secretary, to the Board's stakeholders and to the public;
- Facilitating proper information flow to the Board;
- Setting the tone for the Board, including the establishment of a common purpose;
- Chairing Board meetings efficiently and shaping the agenda in relation to goals, strategy, budget and executive performance;
- Encouraging contributions by all Board members and seeking consensus when making decisions;
- Motivating Board members and where appropriate dealing with underperformance;
- Overseeing the process for appraising Board Members individually and the Board as a whole; and
- Overseeing negotiations for the Board Secretary's appointment and evaluating their performance.

b. Role of the Deputy Chair

- In the absence of the Chair, the Deputy Chair assumes the role that otherwise would be performed by the Chair.

7. Board Secretary

The role of the Board Secretary is to provide analysis, opinion and recommendations on a range of matters impacting the Board. In addition, the Secretary performs the following operational functions:

- Co-ordinate meetings;
- Circulate a draft Board agenda to the Chair at least one week before each Board meeting;
- Circulate agenda and meeting papers at least two business days prior to each meeting;
- Prepare monthly Board papers and Committee papers;
- Record minutes of each Board and Committee meeting;
- Circulate draft minutes of each Board and Committee meeting within seven business days following the Board or Committee meeting;
- Prepare the annual budget, monthly payroll, monitor cash flow;
- Prepare monthly management accounts and the annual Financial Statements;
- Prepare the Annual Report, Annual Report to Rice Growers, and all other reporting requirements of the Board;
- Manage the Capital Equity Rollover Scheme;
- Manage the licensing terms and conditions of the SEEL;
- Maintain the Board's annual plan, policies and procedures;
- Develop and implement the crop auditing process;
- Investigate potential breaches of the Act and the SEEL;

- Maintain the records management system;
- Liaise with the Department of Primary Industries on administrative matters;
- Handle all correspondence and enquiries regarding Board matters;
- Ensure adherence to all statutory requirements under Acts and Regulations governing the Board; and
- Prepare reports and presentations as directed by the Board.

8. Vacancy in office of member

The Act (Sch. 2, s. 6) prescribes that the office of a member becomes vacant if a member:

- a) Dies;
- b) Absents himself or herself from two consecutive meetings except on leave of absence granted by the Board or unless, before the expiration of two weeks after the last of those meetings, the member is excused by the Board for being absent from those meetings;
- c) Becomes bankrupt;
- d) Becomes a temporary patient, a continued treatment patient, a protected person or an incapable person within the meaning of the *Mental Health Act 1958*;
- e) Is convicted of an offence which is punishable by imprisonment for 12 months or upwards;
- f) Resigns the office; or
- g) Is removed from office in accordance with the Act.

9. Legal structure

The Act (s. 11(8)) prescribes that the Board:

- a. Has perpetual succession;
- b. Shall have a common seal;
- c. May take proceedings, and be proceeded against, in its corporate name;
- d. Subject to the Act, may, for the purposes for which it is constituted, purchase, exchange, take on lease, hold, dispose of and otherwise deal with property; and
- e. May do and suffer all other things that a body corporate may, by law, do and suffer and that are necessary for or incidental to the purposes for which the board is constituted.

The Act (s.15) states that the Board may employ staff for the purpose of enabling it to exercise its function. The Board currently employs a Secretary and a part time administration officer. The Secretary is a "prescribed person" and the Act (s.151(2)) states that a prescribed person must at all times exercise a reasonable degree of care and diligence in the exercise of his or her functions.

10. Termination of the Board

There are four circumstances by which the Board may be terminated:

- Termination by a poll where more than one-half of producers are in favour (Act s.28);
- Termination by a petition of rice producers (Act s.32);
- Termination at the request of the Board (Act s.33); or
- Termination on the recommendation of the Minister (Act s.34), for example if vesting were discontinued.

On termination all money and other assets of the Board become the property of the State. (Act s. 35(7)).

11. Committees

There are three committees of the Board, who make recommendations and provide advice to the Board:

a. Authorised Buyer Licensing Committee

Comprised of the four nominated members, the role of the Authorised Buyer Licensing Committee is to give consideration to confidential and commercial-in-confidence matters that are brought before the Board. The functions of this Committee include giving consideration to applications for Authorised Buyer Licences, reviewing annual returns from Authorised Buyers, attending to issues raised by or in relation to Authorised Buyers, annually reviewing the performance of the Sole and Exclusive Export Licence holder and considering any other commercial-in-confidence matters that arise.

b. Governance, Nominations and Remunerations Committee

The Governance, Nominations and Remunerations Committee reviews Board governance arrangements and decision-making processes to ensure they are aligned with recognised good corporate governance and advises on nominations and remuneration, to ensure that the Board is supported in the effective and efficient exercise of its role and functions.

c. Audit and Risk Committee

The Audit and Risk Committee oversees the engagement and methodology of the external auditors, reviews and monitors the risk profile of the Board, monitors the audit process, reviews the completeness and accuracy of the Financial Statements prior to consideration and approval by the Board, and reviews emerging risks to ensure they are appropriately addressed.

12. Industry participation

The Board has delegates on the following Committees:

- a. RGA Central Executive, a council of grower representatives from the Murray and Riverina who are the peak decision-making body of the RGA. The Board has formally indicated to the RGA that it will not vote at meetings of the Central Executive;
- b. Observer on Agrifutures Australia Rice Research and Development Advisory Panel, which recommends on the use of the rice levies; and
- c. Rice Industry Co-ordination Committee, comprising representatives from the Board, SunRice and RGA. This Committee meets as required to discuss specific issues affecting the rice industry.

The Board also participates in a range of industry activities across NSW when invited.

13. Member induction and development

All Board Members are appropriately briefed on their role and accountabilities. This includes an induction at the commencement of their membership by the Chair and Secretary of the Board, or their delegates. An induction package is provided to new members which includes the roles and responsibilities of members, a copy of the Act, Regulation, Charter and policies.

14. Conduct of members

As public officials, Board members have an obligation to act in the public interest. All Board members must:

- Comply with the Ethical Framework for the public sector set out in the *Government Sector Employment Act 2013*;
- Comply with the Board's policies;
- Have a clear understanding of their public duty and legal responsibilities;
- Act for a proper purpose and without exceeding their powers; and
- Have regard for equal rights, anti-discrimination practices and multi-cultural understanding.

The Board must comply with a broad range of whole of government regulations and policies where those regulations and policies specify that Statutory Boards must comply. In addition, Board members must comply with all Board policies, which are available from the Board portal.

Board members must sign a Confidentiality Agreement on appointment or re-appointment. Board members must annually sign a Pecuniary Interests declaration and undertaking, and a related party transactions declaration.

15. Conflicts of interest

The Board is mindful of the perceived and real conflicts of interest presented by the structure of the Board and has implemented structures and processes that ensure the integrity of Board decision-making and that protect commercial and confidential information of stakeholders. These structures and processes include:

- Statements of interest declared at each meeting;
- Chair and Deputy Chair elected from nominated Board Members;
- Chair of some Committees elected from nominated Board Members;
- Policy of securely stored records relating to confidential information;
- Authorised Buyer Licensing Committee, comprised only of the nominated Board Members, deals with all confidential, commercial-in-confidence and sensitive issues that arise;
- Authorised Buyer Licensing Committee, comprised only of the nominated Board Members, deals with all applications for an Authorised Buyers Licence, that are treated as confidential until approved;
- Risk Register that specifically refers to conflicts of interest;
- Confidentiality agreements signed with all consultants; and
- Board members are required to complete Conflict of Interest training on a regular basis.

Board members must to adhere to the Board's Code of Conduct Policy and Gifts and Benefits Policy, and provide details of their pecuniary interests and any gifts or benefits received. Benefits received as part of dual directorships and combined Board/SunRice events must also be declared. In addition, Board members are required to provide an annual declaration in regard to related party transactions.

The Board takes the matter of conflicts of interest very seriously. Declarations of interests pertaining to the current meeting agenda are made at the beginning of every meeting. Interests relevant to the rice industry are declared at the beginning of every meeting. A declaration of all interests is made on an annual basis.

Elected Board members who sit on both the Board and the SunRice Board have a particular responsibility to declare any perceived or real conflicts of interest and to declare them prior to any discussions or decisions at Board meetings.

All information which is or may be sensitive or commercial-in-confidence is treated confidentially. All matters discussed by the Board are confidential. Board Members are required to sign a Deed of Confidentiality when they commence with the Board.

A suspected breach of the Code of Conduct Policy is referred to the Governance, Nominations and Remuneration Committee for confidential investigation and for consideration, and the Committee provides a recommendation to the Board. The Board Member suspected of the breach must not be involved in the decision-making but should be given the opportunity to explain their circumstances to the Committee and Board. For further information please refer to the Board's Code of Conduct Policy.

16. *Government Information (Public Access) Act 2009 (GIPA Act)*

The GIPA Act was established to provide an open and transparent process for giving the public access to information from NSW government agencies. The GIPA Act applies to the Board. Information subject to the GIPA Act includes all records held by the Board including any document or source of information that is compiled, recorded or stored in printed or electronic form.

17. *Conduct of Board Meetings*

The Board meets regularly, at least eight times per year.

A quorum is four members, of which two must be nominated members (Sch. 3, s.2).

The Board strives to have a consensus decision making process. The Chair, or in the absence of the Chair, the Deputy Chair, presides at a Board meeting (Sch. 3, s. 3(1)). The Chair has a deliberative vote and in the event of an equality of votes, shall have a second or casting vote (Sch. 3, s. 3(2)).

A decision supported by a majority of votes cast at a meeting of the Board at which a quorum is present shall be the decision of the Board ((Sch. 3, s.4).

Full and accurate minutes are kept of the proceedings of each Board meeting (Sch. 3, s.5).

A member of the Board is entitled to be paid such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine (Sch. 2, s.5). The Board falls within Group E (Registration, Licensing and Accreditation Entities) of the Classification and Remuneration Framework for NSW Government Boards and Committees. Level E3 remuneration is currently \$10,001 to \$20,000 per annum for a member and \$20,001 to \$50,000 per annum for a Chair.

18. *Review of Charter*

This Charter will be reviewed by the Governance, Nominations and Remuneration Committee at least annually and where necessary be amended to reflect any changes in circumstances. The Charter is to be endorsed by the Board.

19. Document Approval and Control

a. Version

Reference	Details
File Name	RMB Charter 2018
File location	Z:/Charter/Charter 2020
Version	2020
Status	Final

b. Revision History

Version	Revision Date	Summary of Change	Author
2018	16/7/18	Governance, Nominations and Remuneration Committee - creation	C Chiswell
2020	7/1/20	Governance, Nominations and Remuneration Committee – minor amendments	C Chiswell

c. Document Approval

Board/Committee Approval	Date
Governance, Nominations and Remuneration Committee	16/7/18
Board	26/9/18
Governance, Nominations and Remuneration Committee	9/1/20
Board	18/3/20