

Wednesday, 19 February 2014

To:
Australian Competition & Consumer Commission
GPO Box 3131
Canberra, ACT 2601

Re: Seedwise Pty Ltd application for authorisation A91406

To whom it may concern,
Seednet wish to make this submission in relation to the above application by Seedwise Pty Ltd.

In reference to the issues outlined in your submission invitation:

- Seednet believes that the End Point Royalty system is the most equitable form of financing plant breeding and variety development. It is a fair system for both growers and breeders because the success or failure of a variety is shared between the grower and the breeder.
- The success of the End Point Royalty system is heavily reliant on grain marketers' participation in automatically deducting the royalty from their purchases of growers' grain.
- The practise of Royalty Managers collectively agreeing on the terms & conditions of the royalty collection agreements and a uniform collection fee ensures a simple and efficient process for grain marketers to participate in the End Point Royalty collection system.
- If the End Point Royalty collection fee was not uniform it would make grain marketers less likely to participate in the royalty collection program because it would add undesirable complexity to the system.
- The collection of End Point Royalties by grain marketers is a standard service to the industry and is not an opportunity for grain marketers to differentiate themselves because it does not add any value to the variety.
- The individual End Point Royalty rates for each variety continue to provide all the differentiation and competition that the market requires.

Yours sincerely



Simon Crane
National Manager
Seednet