

Industry Submission

Title: GTA TGD Brokers & Agents

From: Lauchie Stevens,

Date: 2nd March 2017

Dear GTA,

One area I would seek a little more clarification is around the definition of agent and broker. In 2.1 we talk about on a commission basis, under instructions and does not have constructive possession. 2.3 is similar around the decision making. Then in 2.4 there is the definition of an agent acting on behalf of a principal (even if commission is paid and decision making is made by that principal).

An example we may see in our business is if we are operating on behalf of corporate ABC and paid a partial commission OR a fixed annual fee. We run a tender and negotiation one parcel of grain under instruction from ABC and send out invitations to buyers. They buyers submit their bids, we check with ABC and seek approval to trade and the trade is done. In this instance are we acting as an agent on-behalf-of ABC or are broker between the various principals?

To complicate things further, some buyers require us/LSC as a broker/agent to provide authority to act forms. By the buyer declaring that they require an authority to act form from LSC does that insinuate that LSC is an agent that is authorised to act on a principals behalf even if it is only under instruction (not with discretion) from the farmer?

As is stated in 2.5 this determination is important.

Please also bear in mind that this is all mirrored when we are acting as a broker/agent OBO of clients who are consumers (mills, dairies etc).

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