

# MemberUpdate

**UPDATE 21 of 16 • 20 December 2016**

**TOPIC:** Calling for Industry Submission: GTA TGD No.4 Operating Standards for Pool Providers

**DISTRIBUTION:** GTA Members – primary contact list. Please circulate to all appropriate internal parties.

## **1. Background**

In September 2016, the GTA Commerce Committee resolved to form a sub-committee to review the GTA Technical Guideline Document (TGD) No. 4 Operating Standards for Pool Providers.

The GTA Operating Standards of Pool Providers Sub-Committee has recently met to discuss the review and resolved issues raised by the call too industry for submission and feedback prior to the 2017/18 season.

Further, ASIC, asked for submissions relating to its class order for exemptions from certain provisions of the Corporations Act, which captured Commodity Pools. GTA made a submission to ASIC in regards to the class order, per [Member Update 13 of 16](#). In December 2016, ASIC made a ruling which in effect continued the class order capturing commodity pools until 2027.

This Member Update 21 of 16 lists the following information on the GTA Technical Guideline Document (TGD) No. 4 Operating Standards for Pool Providers for industry to consider.

## **2. Calling for Industry Submission**

The GTA Operating Standards for Pool Providers Sub-committee is seeking feedback via Industry Submissions on the [GTA Technical Guideline Document \(TGD\) No. 4 Operating Standards for Pool Providers](#) as outlined in this document.

Submissions should be received by COB **Mon 30 January, 2017**.

Submissions should indicate or reference whether comments and suggestions within each submission relates to a current section of the TGD or is additional to the content or requirements of the current TGD.

Lodge your submissions by emailing [submissions@graintrade.org.au](mailto:submissions@graintrade.org.au) and title your email – Review of TGD No. 4 Operating Standards for Pool Providers 2017/18.

A proforma for lodging submissions is located on the GTA website at <http://www.graintrade.org.au/committees>

Unless marked “confidential” and appropriate supporting reasons are provided, all submissions will be placed on the GTA website for industry review.

### **3. Australian Grains Industry Code of Practice (COP)**

The [Australian Grains Industry Code of Practice \(COP\)](#), developed by GTA describes the best practices that the grains industry use to ensure Australian grain products, practices and services meet customer requirements, industry best practice and regulatory requirements.

Compliance with the COP is mandatory for all GTA Members.

To the best of GTA knowledge, all current operations of grain pools in Australia are members of GTA and hence covered by the mandatory COP.

The COP has a complaints procedure (section 2.9), which enables Industry participants (pre and post farm gate sector) to lodge complaints against members where conduct is in breach of the COP or brings the Industry into disrepute. This also means it is within Industry participants own interest to make formal complaints where appropriate, which can be done on a confidential basis.

Under section 2.9 of the COP, GTA Members should have in place a procedure for dealing appropriately with any customer complaints which include reference to Australian Standard “Customer Satisfaction – Guidelines for complaints handling in organisations”.

As part of the COP, GTA have developed a series of [Technical Guideline Documents \(TGD\)](#) providing Industry with more detailed information on specific activities.

Generally, TGDs are produced as guidelines only for industry and are not specific requirements of the GTA produced COP however, due to the heightened reputational risk for industry in general and pool operators specifically, adherence to the TGD NO.4 Operating Standards for Pool Providers is a requirement of the COP, and therefore a mandatory requirement for GTA members.

### **4. GTA TGD No.4 Operating Standards for Pool Providers and potential topics to be addressed**

The TGD for No.4 Operating Standards for Pool Providers was last reviewed in July 2013. In September 2016, the GTA Commerce Committee resolved to form a sub-committee to review the TGD for Pool Providers. In December 2016, a GTA Operating Standards for Pool Providers Sub-Committee (Commerce) was established and met to discuss the priorities and industry issues relating to grain pools. The sub-committee resolved to call for industry submissions via a GTA Member Update.

Listed below are some of the industry issues/topics that industry may wish to consider in submissions as part of reviewing the GTA TGD No.4 Operating Standards for Pool Providers:

- Enforceability
- Accountability
- Transparency
- Product information descriptions and disclosures
- Complaints Handling Processes and Procedures and their clarity
- Hawking and potential for Misleading Statements
- Estimated Silo Returns (ESRs)
- Publicly available and accessible historical Pool results/data
- Publicity stated closure dates of Pools
- Segregation of Funds
- Audit of Pools
- Inclusion or not of GTA Dispute Resolution and Arbitration services into Product Terms and Conditions

Submissions should indicate or reference whether comments and suggestions within each submission relates to a current section of the TGD or is additional to the content or requirements of the current TGD.

The GTA TGD No.4 Operating Standards for Pool Providers is the only GTA TGD that **must adhere** to the GTA Code of Practice (COP).

## **5. GTA Role with Industry**

GTA's mission statement sets its role to "facilitate" and promote the trade by providing products, services and advocacy for the Australian Grains Industry.

GTA, through its Technical Committees, and products and services (including Trading Standards, Trade Rules and Dispute Resolution services, Contracts, and products including the Code of Practice (COP) and Technical Guidelines (TGDs) provides Industry with a self-regulatory framework that facilitates and promotes trade and allows Industry to operate its commercial functions more efficiently. GTA's role is NOT to regulate or "umpire" the Industry, but rather it provides Industry the capacity to do this itself, through the GTA Arbitration and Dispute resolution service and the COP (including TGDs). It is noted that with the advantage of self-regulation, comes the responsibility for Industry to perform to best practice and operate in an ethical manner.

An important part of GTA's function is performed by the GTA Technical Committees, comprising experts drawn from Industry. The GTA Technical Committee's assist GTA Management and the GTA Board to formulate policies and procedures, with the provision of Technical advice. Technical Committees operate under a Terms of Reference approved by the GTA Board. Members on the Technical Committees are appointed by the Board for the individual skills and expertise, and are required to work in the interests for GTA and the Industry, rather than their employer or commercial interest in the industry. The Technical Committee can appoint a sub-committee, the sub-committee operate under the auspices of the Technical Committee.