

7 October 2013

Dr Michele Allan
Chair
Wheat Industry Advisory Taskforce
c/ The Secretariat
Australian Government Department of Agriculture
GPO Box 858
Canberra ACT 2601

Dear Dr. Allan,

Re: Australian Grain Industry Code of Practice

For Australia to continue to effectively compete in the changing global grains industry it is critical, that there are supply chain processes that ensure delivery of a quality product to the customer, in Australia or overseas.

Following 18 months of industry consultation GTA has released the **Australian Grain Industry Code of Practice**. The Code supersedes the Code of Conduct originally developed as part of the wheat export deregulation process and is a demonstration of an industry that is proud of its ability to develop and implement a self regulatory approach to grain industry policy setting and processes.

The Code includes a Technical Guidance Document No 4 - **Operating Standards for Grain Pool Providers** (attached). Key requirements include:

- Separation of pool assets and liabilities from other pools and the general trading book;
- Ability of pool participants to measure the pool performance against the strategy and management plan adopted by the Pool Provider
- That the Pool Provider must be able to justify to Pool Participants the EPR
- If there is an Adverse Material Change of more than 5% to the EPR this needs to be notified to Pool participants immediately.
- Following closure of a Pool, and within six months of the final payment of a Pool, the Pool Provider will:
 - engage an independent auditor to audit:
 - the accounting records of the Pool;
 - the Pool Provider's compliance with its duties under this Code;
 - the Pool Provider's compliance with the terms and conditions of the Pool; and
 - publish and deliver the findings of the auditor to Pool Participants.

It is GTA's intention that the Code will become mandatory for GTA membership from 1 July 2014 for all post farm gate Ordinary members.

Thank you for consideration of this submission.

Geoff Honey



Chief Executive Officer