

# Member Update

No. 29 of 22 • 09 November 2022

**TOPIC: Changes to GTA Trade Rules – Inclusion of Modern Slave Labour / Anti-Corruption (Bribery) Clauses and variation to the weight QUANTITY TOLERANCE.**

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

## 1. Purpose

The purpose of this Member Update is to advise members of pending changes to the GTA Trade Rules with:

- a) the inclusion of **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses**, and
- b) a variation of the road truck **QUANTITY TOLERANCE** tonnage value from twelve (12) tonnes to twenty (20) tonnes.

A full version of the GTA Trade Rules, effective 1 December 2022, can be found [here](#).

## 2. Background

### a) *Modern Slavery and Anti-Corruption*

GTA's Commerce Committee has been considering the inclusion of clauses for Modern Slavery, Anti-Corruption (bribery) and Sanctions within the suite of GTA standard form contracts. This review was a result of submissions from members seeking GTA's Commerce Committee to consider whether **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses** can be included within GTA Trade Rules and Contracts.

- **Modern slavery** is a term used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. These practices are also harmful and may be present in some situations of modern slavery
- **Anti-Corruption** clauses provides counterparties with a regime to respond to unlawful demands for gifts in cash or kind. They provide a process to resist such demands and measures where this is not successful.
- **Anti-Sanction** clauses include representations and warranties that neither party are subject to any trade or financial sanctions/boycotts.

Modern slavery, bribery and sanctions can occur in every industry and sector and has severe consequences for victims. They can also distort global markets, undercuts responsible business and can pose significant legal and reputational risks to entities. Taking action to combat these matters makes good business sense. Entities that take action to combat these issues in their operations and supply chains can protect against possible business harm and improve the integrity and quality of their supply chains.

The GTA Commerce Committee considered the inclusion of **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses** in the Trade Rules and sought GTA member input via [Member Update 7 of 22](#) on the 19<sup>th</sup> May 2022 on a draft of the proposed new Clauses in the GTA Trade Rules. A second draft of further proposed changes to the GTA Trade Rules was subsequently **prepared for Industry Consultation via [Member Update 16 of 22](#)** on the 14<sup>th</sup> of September 2022.

Feedback from these Industry Consultations was incorporated into a final draft endorsed by the GTA Commerce Committee and approved by the GTA Board.

By including them in the GTA Trade Rules, they will apply to contracts (unless otherwise specified) that reference the GTA Trade Rules.

***These new inclusions come into effect on 1 December 2022.***

***b) Quantity Tolerance***

GTA's Commerce Committee received a submission to review the road truck weight **QUANTITY TOLERANCE** that is referred to in the GTA Trade Rules and is included in the Terms & Conditions of the No. 3 and the No.6 GTA Grain Contracts.

The submission proposed an increase to the minimum tonnage **QUANTITY TOLERANCE** from the existing 12.0 metric tonnes to 20.0 metric tonnes. Industry was consulted via [Member Update 19 of 22](#) regarding this proposed variation in the weight Quantity Tolerance.

After Industry Consultation this variation was endorsed by the Commerce Committee and approved by the GTA Board.

The variation to the **QUANTITY TOLERANCE** in the GTA Trade Rules will apply to contracts (unless otherwise specified) that reference the GTA Trade Rules.

***This amendment comes into effect on 1 December 2022.***

***c) GTA Contracts No. 3 and No. 6***

The weight **QUANTITY TOLERANCE** variation will also require amendments to the Terms & Conditions of **GTA Contracts No. 3 and No. 6**. A further GTA Member Update will be released on the **30<sup>th</sup> of November 2022** to announce changes to the No. 3 and the No.6 Contracts. This will align the variations to the GTA Contracts Terms & Conditions with the amendments to the Trade Rules that **take effect on 1 December 2022**.

**3. Amended GTA Trade Rules**

The approved amended Clauses are noted below:

**Modern slavery and anti-corruption contract clauses included in GTA Trade Rules:**

**Included in the DEFINITIONS Section**

**Modern Slavery** means the same as “modern slavery” in the *Modern Slavery Act 2018* (Cth) and as supplemented by definitions in any other modern slavery legislation in Australia.

**Modern Slavery Laws** means all Australian laws regarding Modern Slavery.

**New Trade Rule – rule 26.0**

**Rule 26.0 MODERN SLAVERY AND ANTI-CORRUPTION.**

## **1 Warranty**

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1.1 The Seller warrants that:

- (a) the Seller, and to the best of its knowledge and belief, its personnel and its sub-contractors comply with Modern Slavery Laws;
- (b) it will use best endeavours to identify the risk of, and address and remediate the occurrence of Modern Slavery within its organisation and supply chains; and
- (c) it has not received notice of any adverse finding, enforcement action or any legal claim by or through any person or relevant authority connected to Modern Slavery Laws.

## **2 Anti-Corruption**

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2.1 The parties warrant that in connection with the performance of the contract they shall each;

- (i) comply at all times with all applicable anti-corruption legislation and have procedures in place that are designed to prevent the commission of any offence under such legislation by any member of its organisation; and
- (ii) make and keep books, records and accounts which in reasonable detail accurately and fairly reflect the transactions in connections with the contract.

## **3 Sanctions**

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Each party represents and warrants that it has not taken or refrained from taking any actions that would cause it, or the other Party to be in contravention of the laws, regulations, resolutions, decrees or rules of any relevant jurisdictions relating to sanctions, trade embargoes, trade controls or boycotts. Each Party also undertakes not to take or refrain from taking any action that would have the above result.

### **Variation to the weight QUANTITY TOLERANCE in the GTA Trade Rules**

#### **Revised Trade Rule – rule 6.0**

#### **Rule 6.0 QUANTITY TOLERANCE.**

The Seller shall have the option of delivering five percent [5.0%] or twenty [20.00] tonnes, whichever is the lesser quantity, more or less than the contractual quantity at the contract price.

#### **4. Effective Date of the Amendments to the GTA Trade Rules**

The inclusion in the GTA Trade Rules of the **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses**, and a variation of the road truck **QUANTITY TOLERANCE** tonnage value from twelve (12) tonnes to twenty (20) tonnes will apply to contracts that reference the GTA Trade Rules and these **amendments come into effect on 1 December 2022**.

A full version of the GTA Trade Rules, effective 1 December 2022, can be found [here](#).

Further queries please contact GTA at: [admin@graintrade.org.au](mailto:admin@graintrade.org.au)

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