FairWork Commission

20 July 2016

Mr Jason Letchford
Secretary
Shearing Contractors Association of Australia

Sent via email: scaa@scaa.org.au

Dear Mr Letchford,

Re: Lodgement of Financial Report - Fair Work (Registered Organisations) Act 2009 – Shearing Contractors Association of Australia [FR2015/362]

I refer to the financial report of the Shearing Contractors Association of Australia. The documents were lodged with the Fair Work Commission (FWC) on 22 June 2016. The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in relation to the report lodged but I make the following comments to assist you when preparing next year's report. Please note that the financial report for the year ending 30 November 2016 may be subject to an advanced compliance review.

Reports must be provided to Members at least 21 days before the General Meeting of Members

The Designated Officer's Certificate stated that the financial report was provided to members on 30 April 2016 and was presented to a meeting of the committee of management on the same day. The organisation's subsequent advice was that the financial report was in fact presented to the annual general meeting on 5 May 2016, only 5 days later. Under section 265(5)(a) of the RO Act, where the report is presented to a general meeting of members, the report must be provided to members at least 21 days before that meeting.

In our subsequent discussion, you advised the circumstances surrounding the lateness of the finalisation of the audit and indicated that the organisation would take steps next year to ensure the required interval could occur between finalising the signing of the documents and the date of the annual general meeting. I confirmed that the committee of management could and should meet to finalise the signing of documents and arrange for the auditor to sign the audit report as early as practicable and that the full length of the interval could be for any period longer than 21 days if that occurred.

I also confirmed with you that the members must be provided with the full report after the documents have been signed, and not before.

I also confirmed with you that the Designated Officer's Certificate should in future be signed after the annual general meeting, and that it should state that the full report is presented, for the purposes of section 266, to the annual general meeting, and indicate the date of that meeting. FWC will compare the date certified to be the date the full report was provided to the members and

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the date certified to be the date the full report was presented to the annual general meeting to assess whether or not an interval of 21 days or longer has been complied with.

Please note that subsection 265(5) is a civil penalty provision and future failure to meet this timeline may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on the organisation and, potentially, any officer whose conduct led to the non-compliance.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely,

Stephen Kellett

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

cc. Mr Jason Rochaix, Page Harrison & Co; Ms Lisa Morris

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH NOVEMBER 2015

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

CONTENTS

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA AND TO THE GENERAL MANAGER, FAIR WORK COMMISSION FOR THE YEAR ENDED 30 NOVEMBER 2015

Report on the Financial Report

We have audited the accompanying financial report of The Shearing Contractors Association of Australia which comprises the statement of financial position as at 30 November 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by committee members for the year ended 30 November 2015.

Committees' Responsibility for the Financial Report

The committee of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Association Incorporation Act NSW 2009* and for such internal control as the committee determines necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards requirement that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report of The Shearing Contractors Association of Australia is in accordance with the *Associations Incorporation Act NSW 2009* including:

(i) giving a true and fair view of the Association's financial position as at 30 November 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Association Incorporation Act NSW 2009.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA AND TO THE GENERAL MANAGER, FAIR WORK COMMISSION FOR THE YEAR ENDED 30 NOVEMBER 2015

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the Association in accordance with section 257(5) and section 255 of the *Fair Work (Registered Organisations) Act 2009.* Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Incorporated Associations Act 2009.* These additional procedures included obtaining an understanding of the internal control structure and associated record keeping and other requirements pursuant to the *Fair Work (Registered Organisations) Act 2009.*

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Fair Work (Registered Organisations) Act 2009* has been formed on the above basis.

Auditor's Opinion

Pursuant to the requirements of section 257(5) and section 255 of the *Fair Work (Registered Organisations) Act 2009* we report that, in our opinion:

a) the financial report is presented fairly in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
b) the Association maintained satisfactory accounting records in relation to the year ended 30 November 2015 including records of the sources and nature of income (including income from members) and records of the nature and purposes of the expenditure of the Association and
c) we were provided with all the information and explanations as required from the officers or employees of the Association.

Auditor's Declaration

Pursuant to the requirements of section 255 of the *Fair Work (Registered Organisations) Act 2009,* I declare that:

a) I am an approved auditor;
b) I am a member of Chartered Accountants Australia & New Zealand;
c) I hold a current Public Practice Certificate; and
d) Management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.

Page Harrison & Co
Chartered Accountants

JASON ROCHAIX
Director
Registered Company Auditor
Member of Chartered Accountants Australia & New Zealand

30th April 2016

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 November 2015

I *Jason Letchford* being the *treasurer* of the *Shearing Contractors Association of Australia* certify:

- that the documents lodged herewith are copies of the full report for the *Shearing Contractors Association of Australia* for the period ended 30 November 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the *full report* was provided to members of the reporting unit on 30th April 2016; and

- that the full report was presented to *a meeting of the committee of management* of the reporting unit on 30th April 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:

Name of prescribed designated officer: Jason Letchford

Title of prescribed designated officer: Secretary

Dated: 30th April 2016

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

OPERATING REPORT

for the period ended 30 November 2015

The committee presents its report on the reporting unit for the financial year ended30 November 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

Review of principal activities

The principal activities of the association during the financial year were to look after the interests of Shearing Contractors around Australia. Including;

- Negotiation of pay rates and conditions of the Shearing Industry labour force
- Disseminate statutory and helpful information to members
- Provide discounted merchandise to members
- Provision of industry specific material and resources to streamline operations

Results of principal activities

The Association's principal activities resulted in the preservation of the interests of Shearing Contractors allowing them to operate within a financially viable environment; along with the preservation of the interests of the industry in general.

Significant changes in the nature of principal activities

There were no significant changes in the nature of the Association's principal activities during the financial year.

Significant changes in financial affairs

There were no significant changes in the nature of the Association's financial affairs during the financial year.

Right of members to resign

In accordance with the resignation rule; Rule 12; a member has the right to resign from the Association.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer or member of the Association was:

(i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

(ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

The number of members who were recorded at the end of the financial year was 176.

Number of employees

The number of persons who were employed by the Association at the end of the financial year was NIL.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the Committee of Management of the Association at the beginning of the financial year were:

Michael Schofield	President
Frank Sutherland	Vice President
Ivan Letchford	Vice President
John Evans	Trustee
David Kemp	Trustee
Trevor King	Committee of Management Member
Andrew Morrison	Committee of Management Member
Noel Canty	Committee of Management Member
Austin Grigg	Committee of Management Member
Douglas Millhouse	Committee of Management Member
Damian Raudino	Committee of Management Member
Jason Letchford	Secretary / Treasurer

There were changes to the composition of the Committee of Management during the financial year. The persons who held office as members of the Committee of Management of the Association at the end of the financial year were:

Michael Schofield	President
Frank Sutherland	Vice President
David Kemp	Trustee
Trevor King	Committee of Management Member
Noel Canty	Committee of Management Member
Warren Kimber	Committee of Management Member
Michael Jarman	Committee of Management Member
Steven Rigby	Committee of Management Member
Jamie Tippet	Committee of Management Member
Andrew Morrison	Committee of Management Member
Lincoln Munroe	Committee of Management Member
Jason Letchford	Secretary / Treasurer

Signature of designated officer:..

Name and title of designated officer: Jason Letchford (Secretary / Treasurer)

Dated: 30th April 2016

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended* 30 November *2015

On the 30th April 2016 the Committee of Management of the *Shearing Contractors Association of Australia* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 November 2015:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with the reporting guidelines of the General Manager;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

  (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

  (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

  (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

  (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

  (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and

  (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or

(g) where the reporting unit has derived revenue from undertaking recovery of wages activity:

  (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and

  (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

  (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

  (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

COMMITTEE OF MANAGEMENT STATEMENT continued

(v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: ....

Name and title of designated officer: Michael Schofield (President)

Dated: 30th April 2016

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 November 2015

	Notes	2015 $	2014 $
Revenue			
Sales of merchandise		118,392.47	143,601.72
Membership subscription		73,233.37	75,473.91
Interest	3A	7,695.35	11,351.24
Other revenue		3,600.00	346.88
Total revenue		202,921.19	230,773.75
Other Income			
Grants and/or donations	3B	-	-
Net gains from sale of assets	3C	-	-
Total other income		-	-
Total income		202,921.19	230,773.75
Expenses			
Administration expenses	4A	(204,811.32)	(224,429.11)
Grants or donations	4B	-	-
Depreciation and amortisation	4C	-	-
Finance costs	4D	-	-
Legal costs	4E	-	-
Audit fees	14	(4,100.00)	(4,000.00)
Write-down and impairment of assets	4I	-	-
Other expenses	4F	-	-
Total expenses		(208,911.32)	(228,429.11)
Profit (loss) for the year		(5,990.13)	1,844.64
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(5,990.13)	1,844.64

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF FINANCIAL POSITION

as at 30 November 2015

	Notes	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	321,407.36	341,173.61
Trade and other receivables	5B	25,569.92	19,766.39
Inventories	5C	1,426.09	1,838.16
Other current assets	5C	796.00	-
Total current assets		349,199.37	362,778.16
Non-Current Assets			
Plant and equipment	6A	-	-
Other investments	6B	-	-
Other non-current assets	6C	-	-
Total non-current assets		-	-
Total assets		349,199.37	362,778.16
LIABILITIES			
Current Liabilities			
Trade payables	7A	8,044.07	16,177.68
Other payables	7B	3,794.07	3,249.12
Total current liabilities		11,838.14	19,426.80
Non-Current Liabilities			
Other non-current liabilities	8A	-	-
Total non-current liabilities		-	-
Total liabilities		11,838.14	19,426.80
Net assets		-	343,351.36
EQUITY			
General funds	9A	112,413.00	112,413.00
Retained earnings (accumulated deficit)		224,948.23	230,938.36
Total equity		337,361.23	343,351.36

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 November 2015

	Notes	General funds $	Retained earnings $	Total equity $
Balance as at 1 December 2013		112,413.00	229,093.72	341,506.72
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	1,844.64	1,844.64
Other comprehensive income for the year		-	-	-
Transfer to/from	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 November 2014		**112,413.00**	**230,938.36**	**343,351.36**
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	(5,990.13)	(5,990.13)
Other comprehensive income for the year		-	-	-
Transfer to/from	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 November 2015		112,413.00	224,948.23	337,361.23

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

CASH FLOW STATEMENT

for the period ended 30 June 2015

	Notes	2015 $	2014 $
OPERATING ACTIVITIES			
Cash received			
Customers		185,822.31	214,942.95
Receipts from other reporting units/controlled entity(s)	10B	-	-
Interest		7,695.35	11,351.24
Other		3,600.00	346.88
Cash used		197,117.66	226,641.07
Suppliers		(216,883.91)	(233,213.78)
Payment to other reporting units/controlled entity(s)	10B	-	-
Net cash from (used by) operating activities	10A	(19,766.25)	(6,572.71)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		-	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(19,766.25)	(6,572.71)
Cash & cash equivalents at the beginning of the reporting period		341,173.61	347,746.32
Cash & cash equivalents at the end of the reporting period	5A	321,407.36	341,173.61

The above statement should be read in conjunction with the notes.

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New, Revised or Amending Accounting Standards and Interpretations Adopted

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on reporting unit.

1.5 Acquisition of assets and or liabilities that do not constitute a business combination

There were no transfers of the net book value of assets and/or liabilities to another reporting unit for no consideration during the financial year under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a*.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non- current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.8 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.9 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit- taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held- to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available- for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short- term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.15 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit- taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Plant and Equipment

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Plant and equipment	**1 to 10 years**	1 to 10 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.20 Taxation

The Shearing Contractors Association of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 and has no obligation for Fringe Benefits Tax (FBT) as the reporting unit has no employees. However, the Association still has obligation for the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.21 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14C.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.22 Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The Association's continued existence is ultimately dependent upon future sales of merchandise and member subscriptions.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

Note 2 Events after the reporting period

There were no events that occurred after 30 November 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Shearing Contractors Association of Australia.

	2015	2014
	$	$

Note 3 Income

Note 3A: Interest

	2015	2014
Deposits	7,695.35	11,351.24
Loans	-	-
Total interest	7,695.35	11,351.24

Note 3B: Grants or donations

	2015	2014
Grants	-	-
Donations	-	-
Total grants or donations	-	-

	2015 $	2014 $

Note 4 Expenses

Note 4A: Administration expenses

	2015 $	2014 $
Consideration to employers for payroll deductions*	-	-
Advertising & promotion	698.14	250.00
Bank charges	877.24	838.06
Compulsory levies*	-	-
Conference and meeting expenses*	18,379.00	14,847.90
Contractors/consultants	12,600.00	10,645.69
Fees/allowances - meeting and conferences*	-	-
Insurance	3,354.08	3,463.32
Merchandise purchases	102,296.27	124,615.46
Presidents honorarium	4,500.00	4,500.00
Printing, postage & stationery	5,149.27	7,420.81
Property expenses	7,515.00	7,255.00
Reimbursements	1,398.82	2,228.00
Secretary's remuneration	41,900.00	40,700.00
Telephone & facsimile	3,720.77	3,483.23
Work cover project expenses	2,422.73	4,681.64
Total administration expenses	204,811.32	224,429.11

Note 4B: Grants or donations*

	2015 $	2014 $
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Total grants or donations	-	-

Note 4C: Depreciation and amortisation

	2015 $	2014 $
Depreciation		
Property, plant and equipment	-	-
Total depreciation	-	-
Total depreciation and amortisation	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2015 $	2014 $
Note 4D: Finance costs		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-
Note 4E: Legal costs*		
Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-
Note 4F: Other expenses		
Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

	2015 $	2014 $
Cash at bank	41,667.72	67,840.07
Cash on hand	-	-
Short term deposits	279,739.64	273,333.54
Other	-	-
Total cash and cash equivalents	321,407.36	341,173.61

	2015 $	2014 $
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]*		
[list name and amount for each other reporting unit]	-	-
Total receivables from other reporting unit[s]	-	-
Less provision for doubtful debts*		
[list name and amount for each other reporting unit]	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	-	-
Other receivables:		
GST receivable from the Australian Taxation Office	6,725.79	5,707.91
Other trade receivables	18,844.13	14,058.48
Total other receivables	25,569.92	19,766.39
Total trade and other receivables (net)	25,569.92	19,766.39
Note 5C: Other Current Assets		
Stock on hand	1,426.09	1,838.16
Prepayments	796.00	-
Total other current assets	2,222.09	1,838.16

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2015	2014
	$	$

Note 6 Non-current Assets

Note 6A: Plant and equipment

Plant and equipment:		
at cost	-	-
accumulated depreciation	-	-
Total plant and equipment	-	-

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 December		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 1 December	-	-
Additions:		
By purchase	-	-
Impairments	-	-
Depreciation expense	-	-
Other movement [*give details below*]	-	-
Disposals:		-
Other	-	-
Net book value 30 November	-	-
Net book value as of 30 November represented by:		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 30 November	-	-

	2015 $	2014 $
Note 6B: Other Investments		
Deposits	-	-
Other	-	-
Total other investments	-	-

	2015 $	2014 $
Note 6C: Other Non-current Assets		
Prepayments	-	-
Other	-	-
Total other non-financial assets	-	-

Note 7 Current Liabilities

Note 7A: Trade payables

	2015 $	2014 $
Trade creditors	8,044.07	16,177.68
Creditors and accruals	-	-
Subtotal trade creditors	8,044.07	16,177.68
Payables to other reporting unit[s]*		
[list name and amount for each reporting unit]	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	8,044.07	16,177.68

Settlement is usually made within 30 days.

Note 7B: Other payables

	2015 $	2014 $
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Prepayments received/unearned revenue	-	-
GST payable	3,794.07	3,249.12
Other	-	-
Total other payables	3,794.07	3,249.12
Total other payables are expected to be settled in:		
No more than 12 months	3,794.07	3,249.12
More than 12 months	-	-
Total other payables	3,794.07	3,249.12

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2015	2014
	$	$

Note 8 Non-current Liabilities

Note 8A: Other non-current liabilities

[*list classes*]	-	-
Total other non-current liabilities	-	-

Note 9 Equity

Note 9A: Funds

General *reserve*		
Balance as at start of year	112,413.00	112,413.00
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	112,413.00	112,413.00
Total Reserves	112,413.00	112,413.00

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2015	2014
	$	$

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

	2015 $	2014 $
Cash and cash equivalents as per:		
Cash flow statement	321,407.36	341,173.61
Statement of financial position	321,407.36	341,173.61
Difference	-	-

	2015 $	2014 $
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	(5,990.13)	1,844.64
Adjustments for non-cash items		
Depreciation/amortisation	-	-
Prior year adjustment	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(5,803.53)	(4,132.68)
(Increase)/decrease in inventories	412.07	802.70
(Increase)/decrease in prepayments	(796.00)	-
Increase/(decrease) in supplier payables	(8,133.61)	(7,246.27)
Increase/(decrease) in other payables	544.95	2,158.90
Net cash from (used by) operating activities	(19,766.25)	(6,572.71)

Note 10B: Cash flow information*

Cash inflows				
[list each reporting unit/controlled entity]	-	-	-	-
Total cash inflows	-	-	-	-
Cash outflows				
[list each reporting unit/controlled entity]	-	-	-	-
Total cash outflows	-	-	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2015	2014
	$	$

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments—as lessee

There are no operating lease commitments as at 30 November 2015.

Capital commitments

At 30 November 2015 the entity has commitments of $Nil (2014: Nil).

Finance lease commitments—as lessee

There are no finance lease commitments as at 30 November 2015.

Other contingent assets or liabilities (i.e. legal claims)

The entity is not subject to any other contingent obligations for the year ended 30 November 2015.

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

Jason Letchford acts in the role of Secretary for the organisation and invoices the entity through a trust for the secretarial and administrative services provided in maintaining the books and records of the Shearing Contractors Association of Australia. There are no employees of the organisation. The terms are on normal commercial terms agreed by the Committee of Members. The amount of the transaction is disclosed at note 12B.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2015	2014
Expenses paid to Michael Schofield includes the following:		
(President's Honorarium)	4,500.00	4,500.00

Terms and conditions of transactions with related parties

The honorarium is paid on an annual basis in agreement with the Committee of Members.

	2015	2014
	$	$

Note 12B: Transactions with key management personnel and their close family members

Other transactions with key management personnel		
Jason Letchford (Secretary's remuneration). The terms are normal commercial terms agreed by the Committee of Members	41,900.00	40,700.00

Note 13 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	4,100.00	4,000.00
Other services	-	-
Total remuneration of auditors	4,100.00	4,000.00

No other services were provided by the auditors of the financial statements.

Note 14: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

FairWork Commission

16 May 2016

Mr Jason Letchford
Secretary
Shearing Contractors' Association of Australia

Sent via email: scaa@scaa.org.au

Dear Mr Letchford,

Lodgement of Financial Report - Reminder to lodge on or before 15 June 2016

The Fair Work Commission's (the FWC) records disclose that the financial year of the Shearing Contractors' Association of Australia (the reporting unit) ended on the 30 November 2015.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 June 2016, and in any event no later than 14 days after the relevant meeting.**

The FWC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to $54,000 per contravention on the organisation and up to $10,800 per contravention on the individual officer.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

FairWork Commission

3 December 2015

Mr Jason Letchford
Secretary
Shearing Contractors' Association of Australia
Sent via email: scaa@scaa.org.au

Dear Mr Letchford,

Re: Lodgement of Financial Report - [FR2015/362]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Shearing Contractors' Association of Australia (the reporting unit) ended on 30 November 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 June 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under Financial Reporting in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at sample documents.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to $51,000 for a body corporate and $10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		As soon as practicable after end of financial year
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement. (b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement
Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /	*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,* *or* *(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*
Present full report to: (a) General Meeting of Members - s266 (1),(2); OR	/ /	*Within 6 months of end of financial year*
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	*Within 6 months of end of financial year*
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	*Within 14 days of meeting*

* *the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.*

\# *The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.*

++ *The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.*