



16 September 2019

Andrew Cameron
Executive Officer
Primary Employers Tasmania
Sent via email: andrew@primaryemployers.com.au
CC: cpreece@preece martin.com.au

Dear Andrew Cameron,

**Primary Employers Tasmania
Financial Report for the year ended 31 December 2018 – (FR2018/311)**

I acknowledge receipt of the financial report of the Primary Employers Tasmania (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 26 July 2019. I also acknowledge receipt of the operating report which was lodged with the ROC on 8 August 2019.

On 19 August 2019 the ROC requested the reporting unit provide a written response confirming when the full report was provided to the members. I acknowledge the receipt, on 2 September 2019, of a certificate in response to this matter.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that 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 (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

Reports must be signed and dated before being provided to members

Under subsection 265(1)(a) of the RO Act a reporting unit must provide free of charge to its members a full report. A full report consists of:

- (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) a copy of the general purpose financial report to which the report relates; and
- (iii) a copy of the operating report to which the report relates.

Subsection 253(2) states that the GPFR must consist of:

- (a) financial statement containing
 - (i) a profit and loss statement, or other operating statement; and
 - (ii) a balance sheet; and
 - (iii) a statement of cash flows; and
 - (iv) any other statements required by the Australian Accounting Standards; and
- (b) notes to the financial statements containing:
 - (i) notes required by the Australian Accounting Standards; and
 - (ii) information required by the reporting guidelines (see section 255); and
- (c) any other reports or statements required by the reporting guidelines (see section 255) (including a committee of management statement, subsection 255(2A) report and officer's declaration statement).

The designated officer's certificate included in the documents lodged with the ROC on 26 July states that the full report was provided to members on 13 May 2019.

However, the committee of management statement was signed on 29 May 2019, auditor's report was signed on 22 May 2019 and the operating report was not signed until 8 August 2019. These dates are after the date the full report was purportedly provided to members. These statements and reports must be signed and dated before they are provided to members as they form part of a full report.

The certificate lodged with the ROC on 2 September 2019 certifies that the full report was provided to members by placing on the reporting unit's website on 2 September 2019.

Please note that subsections 265(1) and 265(5) are both civil penalty provisions.

Nil activity disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Having a liability for separation and redundancy for holders of offices (RG16(c)(iii));
- Having a liability for other employment provision for holders of offices (RG16(c)(iv));
- Having a liability for separation and redundancy for employees (other than holders of offices) (RG16(d)(iii));
- Having a liability for other employment provisions for employees (other than holders of offices) (RG16(d)(iv));
- Having another entity administer the financial affairs of the reporting unit (RG19); and
- Making a payment to a former related party of the reporting unit (RG20)

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Key management personnel compensation

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the GPFR to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits

- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Note 21 contains information in relation to key management personnel compensation however it does not provide all the disclosure requirements as per *AASB 124* paragraph 17. Please ensure in future years that key management personnel compensation is disclosed in accordance with the appropriate Australian Accounting Standard.

Committee of management statement

Committee of management statement must be audited and committee of management meeting must be prior to audit

The committee of management statement lodged with the financial report was dated 29 May 2019, which is after the financial report was audited. Section 257(1) of the RO Act requires the full report, which includes the committee of management statement, to be audited.

After the GPFR has been prepared, but before it has been audited, the reporting unit's committee of management is required to meet and pass a resolution that contains certain declarations as specified in RG 26. The reporting unit is required to ensure that the committee of management meets prior to the audit of the GPFR.

Please ensure that in future years the committee of management statement is audited.

Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the names of Keeton Miles and Glynn Williams appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication in the operating report that Keeton Miles or Glynn Williams had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

Auditor's report

Audit scope - officer's declaration statement

Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* paragraph 24(c) requires the auditor's statement to list the elements of the GPFR. In the lodged auditor's report reference is made to an officer's declaration statement, however an officer's declaration statement was not included in the copy of the documents lodged with the ROC on 26 July 2019.

Please ensure in future years that only those statements which formed part of the auditor's scope are identified in the auditor's report.

Registered auditor's details

Item 29(b) of the RGs state that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

Designated officer's certificate

Certificates to be signed and dated by designated officer

Each of the certificates and statements required by the RO Act must be signed and dated by a 'designated officer' – see s.243 of the RO Act. In order to be a designated officer under s.243, a person will first need to be an 'officer' holding an 'office'. Those terms are defined in s.6 and s.9 respectively of the RO Act.

I note that the certificate received on 2 September 2019 has been signed by the Executive Officer. It would appear that Executive Officer is not a designated officer. Please ensure in future years that the designated officer's certificate is signed and dated by the appropriate officer.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours faithfully



Kylie Ngo
Registered Organisations Commission

TFGA Industrial Association

I, Andrew Cameron, being the Executive Officer of Primary Employers Tasmania, (formerly the TFGA Industrial Association) certify that:

- (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) a copy of the general purpose financial report to which the report relates; and
- (iii) a copy of the operating report to which the report relates.

was provided to members of the reporting unit by placing on the Association's website on 2 September, 2019.

That the full report was presented to a general meeting of members of the reporting unit on 18 July, 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act, 2009.

Signature:

Name: Andrew Cameron

Title: Executive Officer

Dated: 2 September, 2019

TFGA INDUSTRIAL ASSOCIATION

OPERATING REPORT

Operating Report for the TFGA Industrial Association for the year ended 31st December 2018 in accordance with Section 254 *Fair Work (Registered Organisations) Act 2009*.

254 (2) (a) The principal activities for the Association during 2018 have been to represent the Workplace Relations interests of employers engaged in the agricultural, fruit growing, vineyard, livestock, dairying and vegetable industries situated in Tasmania, plus the provision of shearer/wool handler training.

This involves providing advice in respect of the *Fair Work Act 2009* and the new modern awards, including rates of pay and conditions, negotiations with the relevant unions, advocacy before Fair Work Ombudsman, the Fair Work Commission and Federal Court, negotiations and advice in respect of Workplace Health and Safety Legislation and training for the Tasmanian Wool Industry.

- (b) There have not been any significant changes to the financial affairs of the TFGA Industrial Association during the year ended 31st December 2018.
- (c) The right of members to resign from the Association is in accord with Clause 13 of its Constitution which states:

13.0 Membership Resignation

13.1 A member of the Association may resign from membership by written notice addressed and delivered to the Executive Officer of the Association.

13.2 A notice of resignation from membership of the Association takes effect:

(a) where the member ceases to be eligible to become a member of the Association:

(i) on the day on which the notice is received by the Association; or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or


(b) in any other case:

(i) at the end of 2 weeks after the notice is received by the Association; or

(ii) on the day specified in the notice;

whichever is later.

13.3 Any dues payable but not paid by a former member of the Association in relation to a period before the member's resignation from the Association took



effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.

13.4 A notice delivered to the Executive Officer of the Association shall be taken to have been received by the Association when it was delivered.

13.5 A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with Rule 13. 1.

13.6 A resignation from membership of the Association is valid even if it is not affected in accordance with this Rule 13 if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

- (d) The Association does not have any member of its staff or Committee of Management who is:
- (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; and
- where a criterion for the officer being the trustee or director is that the officer or member is an officer or member of a registered organisation.
- (e) There is no other information to report that the Association considers relevant.
- (f) (a) As at the 31st December 2018 the Association had 498 persons recorded on the register of members. ·
- (f) (b) As at the 31st December 2018 the Association had two full-time employees, and one part-time employee.
- (f) (c) The Committee of Management for 2018 was as follows:

President:

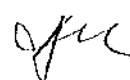
From 18 January, 2018 Felicity Richards
(Farmer)
PO Box 3014, Launceston Tas 7250

Vice President: Ben Grubb
(Farmer)
PO Box 3014, Launceston, Tas 7250

Treasurer:

From 18 January, 2018 David Byard
(Farmer)
PO Box 3014, Launceston, Tas 7250

Trustee:
Until 28 June, 2018 Yvonne Bowling
(Farmer)
PO Box 3014, Launceston Tas 7250



Executive Officer:

Andrew Stuart Cameron
(Executive Officer)
PO Box 3014 Launceston, Tas 7250

Executive Committee:

Until 28 June, 2018 Warwick O'Connor
(Farmer)
PO Box 3014, Launceston, Tas 7250

Until 28 June, 2018 Damian Waller
(Farmer)
PO Box 3014, Launceston Tas 7250

Until 28 June, 2018 Yvonne Bowling
(Farmer)
PO Box 3014, Launceston Tas 7250

Sam Riggall
(Farmer)
PO Box 3014, Launceston Tas 7250

Gerald Archer
(Farmer)
PO Box 3014, Launceston Tas 7250

Ferdie Foster
(Farmer)
PO Box 3014, Launceston Tas 7250

Ben Grubb
(Farmer)
PO Box 3014, Launceston Tas 7250

David Byard
(Farmer)
PO Box 3014, Launceston Tas 7250

Felicity Richards
(Farmer)
PO Box 3014, Launceston Tas 7250

From 28 June, 2018 Emma Sutherland
(Farmer)
PO Box 3014, Launceston Tas 7250

From 28 June, 2018 Melissa Fergusson
(Farmer)



PO Box 3014, Launceston Tas 7250

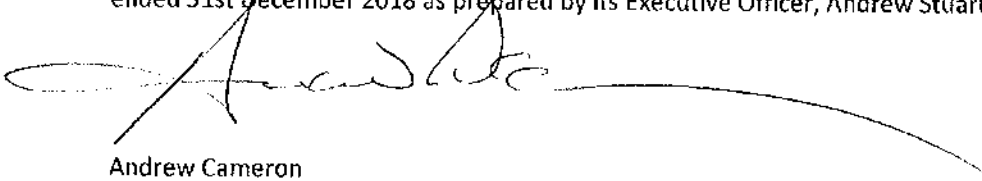
From 28 June, 2018

Stephanie Terry
(Farmer)
PO Box 3014, Launceston Tas 7250

From 28 June, 2018

Michele Lawrence
(Farmer)
PO Box 3014, Launceston Tas 7250

On the 11th April, 2019 the Committee of Management of the TFGA Industrial Association passed a resolution approving the Operating Report of the TFGA Industrial Association for the financial year ended 31st December 2018 as prepared by its Executive Officer, Andrew Stuart Cameron.

A handwritten signature in black ink, appearing to read 'Andrew Cameron', with a long horizontal flourish extending to the right.

Andrew Cameron
Executive Officer

Launceston, 8th August, 2019

TGFA Industrial Association
Committee of Management Statement
for the year ended 31 December, 2018

On 11 April, 2019 the Executive Committee of the TGFA Industrial Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December, 2018:

The TGFA Industrial Association Executive Committee 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer: 

Name and title of designated officer: Felicity Richards, President

Dated: 29 May, 2019.

PREECE MARTIN

ABN 42 465 442 662

ACCOUNTANTS & BUSINESS ADVISERS

PRINCIPAL

Craig J. Preece

CA, F.T.I.A. RCA & SMSF Auditor

Independent Audit Report to the Members of TFGA Industrial Association

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of TFGA Industrial Association (the Reporting Unit), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of TFGA Industrial Association as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

PREECE MARTIN

ABN 42 466 442 662

ACCOUNTANTS & BUSINESS ADVISERS

PRINCIPAL

Craig J. Preece

CA, F.T.I.A. RCA & SMSF Auditor

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

PREECE MARTIN

ABN 42 465 442 662
ACCOUNTANTS & BUSINESS ADVISERS

PRINCIPAL
Craig J. Preece
CA, F.T.I.A. RCA & SMSF Auditor

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

Preece Martin



Craig Preece
Partner

Launceston
22 May 2019

Registration number (as registered by the RO Commissioner under the RO Act): 271

TFGA Industrial Association
Statement of Comprehensive Income
for the year ended 31 December 2018

	Note	2018 \$	2017 \$
Income			
Subscriptions and levies	2	191,554	194,042
Sponsorships	3	6,000	218
Grants received or receivable	4	186,490	119,700
Interest earned	5	11,408	15,906
Other	6	10,446	7,634
Total income		<u>405,898</u>	<u>337,500</u>
Expenses			
Direct program	7	3,817	2,620
Special project	8	12,249	7,198
Administration	9	59,902	61,869
Staff	10	297,430	267,301
Depreciation and low cost assets	11	4,113	4,266
Other	12	8,656	6,394
Total expenses		<u>386,167</u>	<u>349,648</u>
Operating profit/(loss) for the year		<u>19,731</u>	<u>(12,148)</u>
Total comprehensive income/(loss)		<u>19,731</u>	<u>(12,148)</u>

These financial statements and the accompanying notes should be read in conjunction with the attached auditor's report

TFGA Industrial Association
Statement of Financial Position
as at 31 December 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and deposits	13	628,360	560,180
Trade and other receivables	15	<u>33,758</u>	<u>30,212</u>
Total current assets		<u>662,118</u>	<u>590,392</u>
Non-current Assets			
Property, plant and equipment	16	<u>13,077</u>	<u>17,098</u>
Total non-current assets		<u>13,077</u>	<u>17,098</u>
Total assets		<u>675,195</u>	<u>607,490</u>
Liabilities			
Current Liabilities			
Trade and other payables	17	20,538	17,772
Other current liabilities	18	45,545	1,915
Provisions	19	<u>18,684</u>	<u>17,106</u>
Total current liabilities		<u>84,767</u>	<u>36,793</u>
Total non-current liabilities		-	-
Total liabilities		<u>84,767</u>	<u>36,793</u>
Net assets		<u>590,428</u>	<u>570,697</u>
Members funds			
Accumulated surpluses		512,172	494,274
Reserves		<u>78,256</u>	<u>76,423</u>
Total members funds		<u>590,428</u>	<u>570,697</u>

These financial statements and the accompanying notes should be read in conjunction with the attached auditor's report

TFGA Industrial Association
Statement of Changes in Equity
for the year ended 31 December 2018

	Note	Accumulated surpluses \$	Reserve- Training Funds \$	Total \$
Balance as at 1 January 2017		508,553	74,292	582,845
Net surplus/(deficit)		(12,148)	-	(12,148)
Transfers from accumulated surpluses	28	(2,131)	2,131	-
Balance as at 31 December 2017		494,274	76,423	570,697
Net surplus/(deficit)		19,731	-	19,731
Transfers from accumulated surpluses	28	(1,833)	1,833	-
Balance as at 31 December 2018		512,172	78,256	590,428

TFGA Industrial Association
Statement of Cash Flows
for the year ended 31 December 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Grants received		248,769	132,720
Receipts from general operations		213,763	226,491
Interest received		11,408	15,906
Other receipts		10,446	7,634
Payments to suppliers for goods and services		(80,799)	(73,122)
Payments to and on behalf of employees		(299,522)	(261,338)
Other payments		<u>(35,784)</u>	<u>(9,161)</u>
Net cash inflow/(outflow) from operating activities	14	<u>68,281</u>	<u>39,131</u>
Cash flows from investing activities			
Payments for plant and equipment		<u>(101)</u>	<u>(22,623)</u>
Net cash inflow/(outflow) from investing activities		<u>(101)</u>	<u>(22,623)</u>
Net Increase/(decrease) in cash held		68,180	16,508
Cash and cash equivalents - opening balance		<u>560,180</u>	<u>543,672</u>
Cash and cash equivalents - closing balance	13	<u><u>628,360</u></u>	<u><u>560,180</u></u>

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. 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 association is a not-for-profit entity (NFP).

The financial statements have been prepared on an accrual basis and in accordance with the historical cost method, except for certain assets and liabilities that are 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.

b. Comparative Amount

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

c. Significant Accounting Estimates and Judgements

The committee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Grant revenue recognition

"Revenue and Other Income" discloses income received by way of grants from government and other funding bodies (less income in Advance, where applicable). The association's grant funding is accounted for under AASB 1004 'Contributions'. AASB 1004 requires such contributions to be recognised immediately as revenue when:

- (a) the entity obtains the control of the contribution or the right to receive the contribution;
- (b) it is probable the economic benefits comprising the contribution will flow to the association;
- and
- (c) the amount of the contribution can be measured reliably.

The association's specific purpose grant funding is recognised immediately as revenue where all these criteria are met. For the reporting period, the committee has assessed the specific purpose grant income received and the relevant grant funding agreement to determine that grant income meets the criteria set out above.

d. New and Pending Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The association applied AASB 9 - Financial Instruments for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the association. The association has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The association has applied AASB 9 retrospectively, with the initial application date of 1 January 2018. The financial assets and liabilities of the association consist solely of: cash and cash equivalents; trade and other receivables; and, trade and other payables. There was no effect on their carrying values as a result of adopting AASB 9. The change did not have any impact on the association's operating, investing and financing cash flows. There was no requirement to adjust the comparative information for the period beginning 1 January 2017.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

d. **New and Pending Australian Accounting Standards (continued)**

Adoption of New Australian Accounting Standard Requirements (continued)

AASB 9 Financial Instruments (continued)

Classification and measurement

Under AASB 9, financial assets are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the association's business model for managing the assets; and whether the asset's contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the association's business model was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the association. The following are the changes in the classification of the association's financial assets:

- Trade receivables and other non-current financial assets, previously classified as loans and receivables, are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets at amortised cost. There was no change to the measurement requirements.

The association has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification or measurement for the association's financial liabilities.

Impairment

The adoption of AASB 9 has fundamentally changed the association's accounting for impairment losses for financial assets by replacing AASB 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the association to recognise an allowance for ECLs for all financial assets not held at fair value through profit or loss and contract assets.

Upon the adoption of AASB 9, the association did not recognise any additional impairment on the association's trade receivables.

Other adjustments

Upon adoption of AASB 9 there were no other items of the primary financial statements that were adjusted.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

d. **New and Pending Australian Accounting Standards (continued)**

Future Australian Accounting Standards Requirements

Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the association's financial statements are disclosed below. The association intends to adopt these new standards and interpretations, if applicable, when they become effective.

AASB 16 Leases

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. It becomes effective for periods commencing on or after 1 January, 2019.

Based on: the leases in existence at the reporting date; assuming that no further leases are entered into; and, electing certain transitional provisions allowed for by AASB18, the association estimates that the impact of the adoption of AASB 15 in the reporting period commencing on 1 January, 2019 will be as follows:

Assets and liabilities recognised at the transition date of 1 January 2019	
Lease liability	10,360
Right-of-use asset	10,360
Increase in expenses recognised:	
Interest expense on lease liability	365
Depreciation on right-to-use asset	9,563
	9,928
Decrease in expenses recognised:	
Office rent	9,900
Assets and liabilities recognised at 31 December 2019	
Lease liability	825
Right-of-use asset	797

Revenue Standards

The Australian Accounting Standards Board (AASB) has released AASB 15 Revenue from contracts with Customers (AASB 15), AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (AASB 2016-8). For NFP entities they have mandatory application for periods commencing on or after 1 January 2019. Collectively, they may change when NFP entities recognise certain types of income. The AASB has also amended AASB 1004 Contributions (AASB1004), with many of its requirements being revised and relocated to the new AASB 1058, thereby effectively limiting the scope of AASB 1004 to address issues specific to government entities and contributions by owners in a public sector entity context.

- AASB 15, which replaces AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations, outlines the principles an entity must apply to recognise and measure revenue. It was written with a focus on for-profit entities in the private sector but has application to NFP entities.

- AASB 1058, provides a more comprehensive model for accounting for income of NFP entities.

- AASB 2016-8 provides authoritative implementation guidance when applying AASB 15 to those arrangements of a NFP which are identified as contracts with customers.

The standards will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

The estimated impact of the amounts recognised in the financial statements of the association has not been quantified. The impact, if any, will depend on the specific terms and conditions of income sources such as grants, donations and bequest that are current at and following the implementation date. Such sources of income can be unique in their terms and vary from period to period. The association does not expect any material impact from the application of these standards.

These notes form part of the financial statements and should be read in conjunction with the attached auditor's report

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

d. New and Pending Australian Accounting Standards (continued)
Future Australian Accounting Standards Requirements

There are no other Australian Accounting Standards and Interpretations that are issued, but are not yet effective, that are expected to have any impact on the association.

e. 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.

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

f. Government Grants

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

Government grants are recognised as income on a systematic basis over the periods in which the association recognises as expenses the related costs for which the grants are intended to compensate.

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

g. Gains

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

h. Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to the reporting date.

The association does not have any obligations under a defined contribution retirement benefit plan in relation to any of its employees.

Provision is made for separation and redundancy benefit payments. The association recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. No provision is required, as such, for the current period.

i. 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.

There are no finance leases for the reporting period.

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

j. Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

k. 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.

l. Financial Instruments

Financial Instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial assets and liabilities of the association consist solely of: cash and cash equivalents; trade and other receivables; and, trade and other payables.

Financial assets

Trade and other receivables are classified, at initial recognition as subsequently measured at amortised cost.

In order for a financial asset to be classified and measured at amortised cost:

- It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and,
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are initially measured at the transaction price determined under the revenue recognition policy. Refer to the accounting policies in section (c) Revenue. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. A trade or other receivable asset is derecognised (i.e., removed from the association's statement of financial position) when the rights to receive cash flows from the asset have expired. This usually occurs when payment is received by the association.

The association recognises an allowance for expected credit losses (ECLs) for all trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the association expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables the association applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

All financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost. They are recognised initially at fair value, net of directly attributable transaction costs.

They are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. This usually occurs when payment is made by the association.

m. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

n. 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.

o. Property, Plant and Equipment

Property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Estimated useful lives are as follows:

Buildings	50 years
Motor Vehicles	5 years
Plant & equipment	5 years
Computer equipment	3 years
Office furniture & fittings	5 years

An item of property, 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 comprehensive income.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. Provision for GST is shown on a gross basis in the statement of financial position under "Trade and other receivables" and "Trade and other payables".

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flow arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

q. Income Tax

The association is a tax exempt body under s50.15 of the Income Tax Assessment Act 1997, therefore, no provision for income tax has been made.

r. Going Concern and Financial Support

The association is not reliant on associated reporting units for financial support to continue as a going concern.

The association has not made any commitments to financially support associated reporting units.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
2 Subscriptions and levies		
Subscriptions	191,554	194,042
	<u>191,554</u>	<u>194,042</u>
<p>No capitation fees or other financial support has been received in relation to an associated reporting unit of the association.</p> <p>No compulsory levies were raised from the members or as appeals for voluntary contributions for the furtherance of a particular purpose.</p>		
3 Sponsorships		
Sponsorship Income	6,000	218
	<u>6,000</u>	<u>218</u>
4 Grants		
<u>Grants received or receivable:</u>		
Wool Harvesting Training Funds	186,490	119,700
	<u>186,490</u>	<u>119,700</u>
5 Interest earned		
Interest Received	11,408	15,906
	<u>11,408</u>	<u>15,906</u>
6 Other income		
Consultancy - Enterprise	5,795	1,725
Reimbursement-Poppies Printing	2,089	4,820
Sundry Income	2,562	1,089
	<u>10,446</u>	<u>7,634</u>
7 Direct program expenses		
Equipment -Shearer Training	3,817	2,620
	<u>3,817</u>	<u>2,620</u>
8 Special project expenditure		
Special Projects	12,249	7,198
	<u>12,249</u>	<u>7,198</u>

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
9 Administration expenses		
Accounting/Bank & Audit Fees	18,491	14,835
Affiliation Fees	5,500	5,000
C.C.H.	181	-
Computer Expenses	3,503	2,070
Consumables	83	20
Insurance	4,224	5,318
Internet Expenses	690	269
Legal Expenses	-	4,080
Minor Furnishing	-	8
Motor Vehicle Expenses	3,534	2,633
Office Rent	9,900	9,075
Postage	3,579	3,529
Power, light & heat	1,091	885
Printing & Stationery	577	1,854
Repairs & Maintenance	16	-
Ricoh - Metered Charges	4,035	7,303
Subscriptions & Periodicals	1,455	1,034
Telephone & Fax	3,043	3,956
	<u>59,902</u>	<u>61,869</u>

None of the above legal expenses relate to litigation.

No penalties have been imposed under the RO Act with respect to conduct of the association.

No grants or donations have been paid.

No compulsory levies have been imposed on the association.

The affiliation fees disclosed above were for non-voting associate membership of the National Farmers Federation. No other fees or subscriptions were paid in respect of the association's affiliation to any political party, federation, congress, council or group of associations, or any international body having an interest in industrial matters.

No capitation fees have been paid to an associated reporting unit of the association.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
10 Staff costs		
Allowances to Office Bearers	500	-
Chairmans Allowance	13,818	-
Consultancy Fees	-	9,667
LSL & AIV Expenses	1,578	5,318
Meeting Expenses	3,131	4,872
Professional Development	10,891	146
Sitting Fee	-	364
Superannuation	22,288	20,563
Travel & Accomodation	7,450	8,833
Travel Allowance	909	-
Wages & Salaries	236,865	217,538
	<u>297,430</u>	<u>267,301</u>

None of the above employee expenses relate to the officeholders, other than as here-in noted. The chairman's allowance was paid to the president as a contractor to the association. The allowance to office bearers was paid to the Treasurer as a contractor to the association.

There has been no recovery of wages activity for the association.

There have been no expenses incurred as consideration for employers making payroll deductions of membership subscriptions.

There were no expenses relating to separations and redundancies.

Meeting expenses of \$3,131 were incurred in the current period for committee meetings and general meetings for which the association was primarily responsible (2017: \$4,872).

No fees or allowances have been paid to persons in respect of their attendances as representatives of the association at conferences or other meetings other than as reimbursements of direct out of pocket expenses or as disclosed under chairman's allowance.

11 Depreciation and low cost assets

Depreciation and amortisation	4,113	4,266
	<u>4,113</u>	<u>4,266</u>

12 Other expenses

Advertising	8,233	720
Promotion expenses	-	3,258
Sundry expenses	423	2,416
	<u>8,656</u>	<u>6,394</u>

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
13 Cash and deposits		
Westpac Cheque Account	103,921	68,269
Bendigo Term Deposit KA02	108,235	105,698
Bendigo-Training Fund ex RITE	78,256	76,422
Bendigo Term Deposit 142845114	134,162	131,082
Tasmanian Trustees	181,801	177,854
Petty Cash	80	-
Westpac Business One	21,050	-
Westpac Max-i Direct	855	855
	<u>628,360</u>	<u>560,180</u>

14 Cash flow information

Reconciliation of cash flows from operating activities to net surplus/(deficit):

Net surplus/(deficit)	19,731	(12,148)
Depreciation and low cost assets	4,113	4,266
Rounding	-	-
<u>Decreases/(increases) in assets:</u>		
Trade and other receivables (current)	(3,546)	32,209
Prepayments and accrued income	-	600
Inventory	-	-
Other current assets	-	-
Other	-	-
<u>Increases/(decreases) in liabilities:</u>		
Trade and other payables (current)	2,775	7,191
Unexpended grants	43,630	1,050
Provisions (current)	1,578	5,963
Other current liabilities	-	-
Provisions (non-current)	-	-
Net cash inflow/(outflow) from operating activities	<u>68,281</u>	<u>39,131</u>

There are no cash flows relating to associated reporting units.

15 Trade and other receivables

Trade and other receivables (current):

Trade Debtors	33,758	29,700
Sundry Debtor	-	512
	<u>33,758</u>	<u>30,212</u>
Total trade and other receivables	<u>33,758</u>	<u>30,212</u>

None of the above receivables relate to an associated reporting unit

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

16 Property, plant and equipment

Motor Vehicles at Cost	17,727	17,727
Accumulated Depreciation MV	(7,091)	(3,545)
Furniture & Equipment at Cost	17,911	17,911
Accum Depr'n Furniture & Equip	(15,470)	(14,995)
	<u>13,077</u>	<u>17,098</u>

Furniture & Equipment	Gross	Accum. Dep'n	WDV
Opening balance as at 1 January 2017	15,073	(14,275)	798
Additions	2,838	-	2,838
Depreciation for period	-	(720)	(720)
Closing balance as at 31 December 2017	17,911	(14,995)	2,916
Additions	-	93	93
Depreciation for period	-	(568)	(568)
Closing balance as at 31 December 2018	17,911	(15,470)	2,441

Motor Vehicles	Gross	Accum. Dep'n	WDV
Opening balance as at 1 January 2017	-	-	-
Additions	17,727	-	17,727
Depreciation for period	-	(3,545)	(3,545)
Closing balance as at 31 December 2017	17,727	(3,545)	14,182
Additions	-	-	-
Depreciation for period	-	(3,546)	(3,546)
Closing balance as at 31 December 2018	17,727	(7,091)	10,636

17 Trade and other payables

Trade and other payables (current):

Accrued Expenses	9,161	1,535
Accrued Superannuation	-	4,497
GST Collected	7,909	5,823
Trade Creditors	3,468	5,917
	<u>20,538</u>	<u>17,772</u>
Total trade and other payables	<u>20,538</u>	<u>17,772</u>

None of the above payables relate to:

- legal costs whether for litigation or other legal matters
- payroll deductions for membership subscriptions
- a payable or other financial liability relating to an associated reporting unit

18 Other current liabilities

Subs received in Advance	545	1,915
Wool Industry 2019 Funds	45,000	-
	<u>45,545</u>	<u>1,915</u>

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
19 Provisions		
<u>Provisions (current):</u>		
Accrued Annual Leave	15,529	14,777
Accrued LSL	3,155	2,329
	<u>18,684</u>	<u>17,106</u>
Total provisions	<u>18,684</u>	<u>17,106</u>

None of the above employee provisions relate to office holders.

	2018	2017
	\$	\$
20 Related Party Disclosures		
Transactions entered into during the year with committee members, and other related parties were within normal customer relationships, on regular commercial terms and conditions.		
Allowances to Office Bearer- paid to the Treasurer	500	-
Chair fees paid to the president of the committee	13,818	-
	<u>13,818</u>	<u>-</u>

21 Key Management Personnel Remuneration

Executive Officer (Consultancy Fees in 2016)	<u>115,034</u>	<u>102,980</u>
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22 Remuneration of Auditors

Financial statement audit services	2,700	3,650
Other services	2,670	1,350
	<u>5,370</u>	<u>5,000</u>

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
23 Financial Instruments		
<u>Financial Assets:</u>		
Cash and cash equivalents	628,360	560,180
Trade and other receivables (current)	33,758	30,212
Total financial assets	662,118	590,392
<u>Financial Liabilities:</u>		
Trade and other payables (current)	20,538	17,772
Total financial liabilities	20,538	17,772

The committee considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

Financial risk management objectives

The association's finance function provides services to the business, co-ordinates access to financial markets and manages the financial risks relating to operations of the association. The association does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The association's activities expose it primarily to changes in interest rates.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

Capital risk management

The association manages its capital to ensure it will be able to continue as a going concern. The capital structure of the association consists of cash and cash equivalents and equity attributable to members of the association, comprising retained earnings and reserves.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the committee of management, who have built an appropriate liquidity risk management framework with management of the association's short, medium and long-term funding and liquidity management requirements.

TFGA Industrial Association
Notes to the Financial Statements
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23 Financial Instruments (continued)

Liquidity and interest risk tables

2018	WAEI %	Floating interest rate \$	Fixed interest maturing in 1 yr or less \$	Non-Interest bearing \$	Total \$
<u>Financial assets</u>					
Cash and cash equivalents	1.92	628,360	-	-	628,360
Trade and other receivables (current)	-	-	-	33,758	33,758
Total financial assets		628,360	-	33,758	662,118
<u>Financial Liabilities</u>					
Trade and other payables (current)	-	-	-	20,538	20,538
Total financial liabilities		-	-	20,538	20,538

2017	WAEI %	Floating interest rate \$	Fixed interest maturing in 1 yr or less \$	Non-Interest bearing \$	Total \$
<u>Financial assets</u>					
Cash and cash equivalents	1.88	560,180	-	-	560,180
Trade and other receivables (current)	-	-	-	30,212	30,212
Total financial assets		560,180	-	30,212	590,392
<u>Financial Liabilities</u>					
Trade and other payables (current)	-	-	-	17,772	17,772
Total financial liabilities		-	-	17,772	17,772

Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the association. The association has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The association measures credit risk on a fair value basis.

The association does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the association's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

24 Events After the Reporting Period

There were no events that occurred after the balance date, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the association.

**TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018**

	2018	2017
	\$	\$
25 Contingent Assets, Liabilities and Commitments		
<u>Operating lease commitments as lessee:</u>		
One year	9,900	9,900
Between one and five years - future values	825	10,725
Total operating lease commitments	10,725	20,625

There are no finance lease commitments.

There are no contingent assets or liabilities as at the date of this report that have been brought to the attention of the committee.

26 Going Concern and Financial Support

The association is not reliant on associated reporting units for financial support to continue as a going concern. The association has not made any commitments to financially support associated reporting units.

27 Business Combinations

The association has not acquired any assets or liabilities during the financial year as a result of any of the following:

- an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation was the amalgamated organisation
- a restructure of the branches of the organisation
- a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation
- a revocation by the General Manager under subsection 249(1) of the RO Act or a certificate issued to an organisation under subsection 245(1)
- any other business combination as defined under Australian Accounting Standards

28 Amounts Shown in Equity

There are no amounts shown in equity that relate to the following:

- funds held in respect of compulsory levies raised or voluntary contributions collected from members of the association;
- funds other than general funds, whereby the operation of which is by the rules of the association including the rules of a branch of the association.

"Training Funds ex RITE" represent an amount received from Tas Rural Industry Training Board which was wound up. The committee have decided to keep such funds aside in equity with the intention that funds are to be expended on training related matters. The association holds a bank account designated for these funds disclosed separately at note 13. Interest earned on such funds are also set aside upon receipt. Transfers to this reserve from general funds for the period represent interest earned over the period.

TFGA Industrial Association
Notes to the Financial Statements
for the year ended 31 December 2018

29 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 Commissioner

(1) A member of a reporting unit, or the Commissioner, 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).

30 Association Details

TFGA Industrial Association is an employer body for primary producers.

The association's principal place of business is:

TFGA Industrial Association
28 Garfield Street
Launceston TAS 7250

TFGA Industrial Association
Report Required Under Subsection 255(2A)
for the year ended 31 December 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

	2018	2017
	\$	\$
Categories of expenditure		
Remuneration and other employment-related costs and expenses - employees	275,958	253,450
Advertising	8,233	720
Operating costs	97,863	87,132
Donations to political parties	-	-
Legal costs	-	4,080
Other non-stipulated expenses		
Depreciation and low cost assets	4,113	4,266
Total expenses	386,167	349,648



Australian Government
Registered Organisations Commission

20 May 2019

Felicity Richards
President
TFGA Industrial Association

By email: felicityrichards@gmail.com

Dear Felicity Richards,

Request by the TFGA Industrial Association for extension of time to hold a general meeting of members for the year ended 31 December 2018 (FR2018/311)

I acknowledge receipt on 13 May 2019 of a request for an extension of time to hold a general meeting of members of the TFGA Industrial Association (**the reporting unit**) for the year ended 31 December 2018.

Your letter advises that the reporting unit is currently undertaking an Election process for all Executive Committee members. Under the rules of the organisation, rule 27.4 states that *the term of office of the members of the Executive Committee term shall begin at the termination of the annual general meeting following their election and expire at the termination of the annual general meeting four years later*. Therefore, the annual general meeting must be held after the completion of the election process to satisfy the abovementioned rule. Your letter advises that due to the reporting unit's late lodgement of the prescribed information with the Registered Organisations Commission, the postal ballad for the election is closing later than expected and will now close on 4 July 2019.

Where the financial report is to be presented to a general meeting of members, section 266 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* requires that the meeting be held within the period of 6 months of the end of the financial year that is, by 30 June 2019. Subsection 265(5) of the RO Act enables the Commissioner, upon application by a reporting unit, to extend the period by no more than one month.

Having considered your reasons, I allow an extension of time for a period of one month, until 31 July 2019, to hold the general meeting of members of the reporting unit for the year ended 31 December 2018. I remind the reporting unit of its obligation under subsection 265(5)(a) of the RO Act that a copy of the full or concise report must be provided to members at least 21 days before the general meeting of members.

If we can assist you in any further way, please do not hesitate to contact me or Kylie Ngo on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely

Chris Enright
Executive Director
Registered Organisations Commission

10 May, 2019

Mr Chris Enright
Executive Director
Registered Organisations Commission
414 La Trobe Street, Melbourne VIC 3000
GPO Box 2983, Melbourne VIC 3001

Dear Mr Enright,

TFGA Industrial Association – Annual General Meeting.

Our annual general meeting (AGM) is to be held within 6 months of the end of our financial year which finishes on 31 December. Our AGM should therefore be held before 30 June, 2019.

Our rules provide that nominations must be called no later than 9 weeks prior to the AGM with nominations closing no later than 14 days later.

We did not lodge the prescribed information before the prescribed day as required by regulation 138(3) of the *Fair Work (Registered Organisations) Regulations 2009 (RO Regulations)*. The prescribed information should have been lodged by 20 February 2019.

As you are aware, the Registered Organisations Commission approved the late application for lodgement on 30 April, 2019 (TFGA Industrial Association E2018/277).

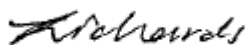
The Australian Electoral Commission has issued its timetable for the election of officers, a copy of which is attached. Based upon this timetable, the ballot will close on 4 July, 2019.

Rule 27.4 provides

The term of office of the members of the Executive Committee term shall begin at the termination of the annual general meeting following their election and expire at the termination of the annual general meeting four years later.

As such, we respectfully ask that pursuant to the Fair Work (Registered Organisations) Act 2009 - Sect 265, Sub-Section 5, the Commission extend the period during which the meeting can be held by one month.

Yours faithfully,



Felicity Richards,
President.



21 January 2019

Mr Andrew Cameron
Executive Officer
TFGA Industrial Association
By Email: andrew@primaryemployers.com.au

Dear Mr Cameron,

**Re: Lodgement of Financial Report - [FR2018/311]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the TFGA Industrial Association (the reporting unit) ended on 31 December 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 June 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. 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.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission

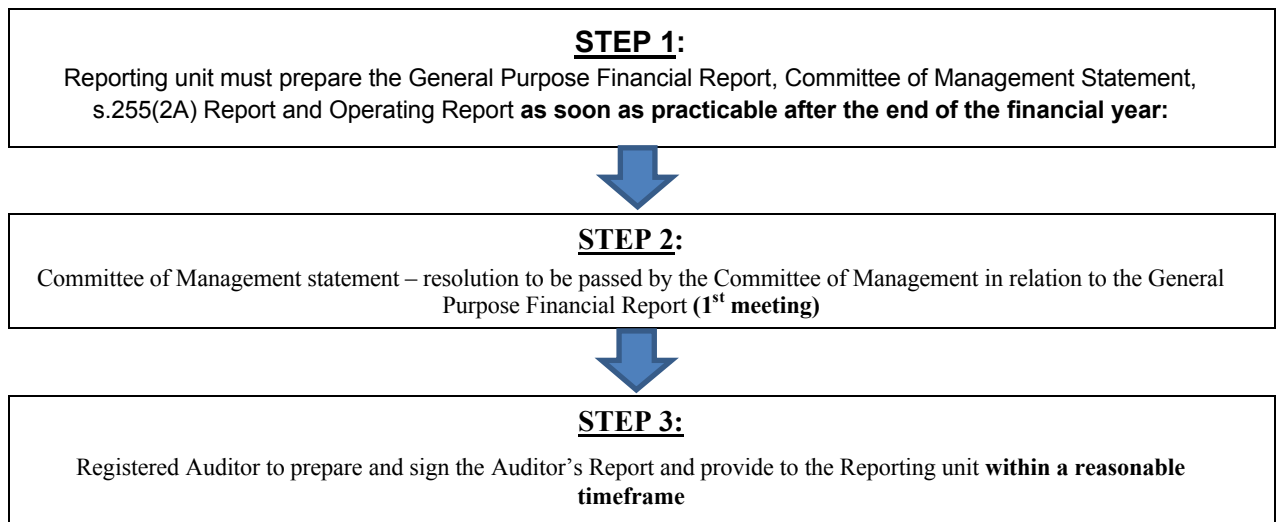


Fact sheet

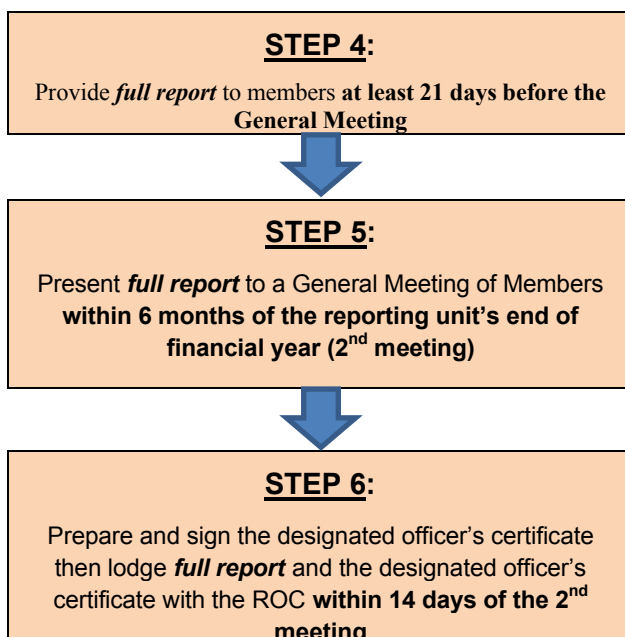
Summary of financial reporting timelines – s.253 financial reports

General Information:

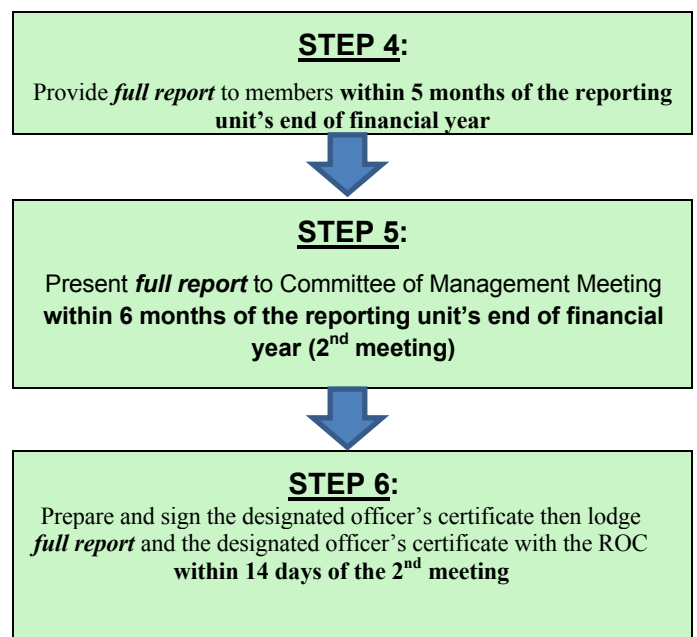
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT **GENERAL MEETING OF MEMBERS**
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)



Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The Fair Work (Registered Organisations) Act 2009 (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within 90 days of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
<p>X Only reporting units must lodge the Statement.</p>	<p>✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.</p>
<p>X Employees can sign the Statement.</p>	<p>✓ The statement must be signed by an elected officer of the relevant branch.</p>
<p>X Statements can be lodged with the financial report.</p>	<p>✓ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.</p>

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer’s declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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