



Product disclosure statement

**Agricultural Societies Council of
New South Wales Ltd
A.C.N. 150 951 670**

Rain Protection Fund

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Product disclosure statement

1. What is this document?

1.1 This document is a product disclosure statement under the Corporations Act 2001 (**Act**).

1.2 In this document, it will be referred to as a PDS.

2. Why is this document being given to you?

2.1 This PDS is being made available because:

(a) you have applied to be a member and want to make contributions to the adverse weather / rain protection scheme (**Fund**) offered by the Agricultural Societies Council of New South Wales Ltd A.C.N. 150 951 670 (**ASC**) to its members; and

(b) the Australian Securities and Investments Commission (**ASIC**) considers the Fund to be a Mutual Risk Product (**MRP**) for the purpose of the Act.

2.2 As the ASIC considers the Fund to be a MRP for the purpose of the Act, normally:

(a) the Fund would have to be registered as a Managed Investments Scheme under section 601ED of the Act (**MIS Requirement**); and

(b) ASC would need to hold an Australian financial services licence for the Fund under section 911A(1) of the Act (**AFSL Requirement**).

2.3 However, the ASIC has granted ASC an exemption from each of the MIS Requirement and the AFSL Requirement if:

(a) ASC makes this PDS available for the Fund;

(b) ASC makes the following statements in this PDS:

(i) ASC is not authorised under nor subject to the provisions of the Insurance Act 1973;

(ii) Fund is not a product regulated by the Australian Prudential Regulation Authority;

(iii) ASC does not hold an Australian financial services licence;

(iv) ASC has a discretion about whether to pay a valid claim by a member of the Fund;

(v) ASC's decision to exercise its discretion to pay a valid claim by a member of the Fund will be affected by those things set out in clause 3 of this PDS;

(vi) the steps that ASC will take to:

(A) estimate the future liabilities of or future payments by the ASC to members of the Fund are set out in clause 4 of this PDS; and

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- (B) ensure that it has adequate financial resources to discharge future liabilities or make future payments to members of the Fund are set out in clause 5 of this PDS.
- (c) any money received as contributions to the Fund or assets acquired by ASC with those contributions are:
 - (i) held on trust by ASC for members of the Fund;
 - (ii) held in a deposit product made available by an Australian authorised deposit taking institution or a cash management trust; and
 - (iii) only used to pay the following in accordance with the Fund rules:
 - (A) claims by members of the Fund; and
 - (B) any remuneration to ASC; and
 - (C) expenses incurred in the management of the Fund.

3. Things that may affect ASC's decision to pay a valid claim

- 3.1 You must understand that even though you may make a contribution to the Fund and are otherwise eligible to make a claim against the Fund, the Executive Committee of ASC has the absolute and uncontrolled discretion as to whether it will pay any particular claim.
- 3.2 The following things might affect the ASC's decision to pay a valid claim:
 - (a) the total of the claims made in any 1 year;
 - (b) the reserves of Fund;
 - (c) your conduct as a member of Fund;
 - (d) whether you notified ASC about a pending claim within 7 days of the end of your rain affected show or event;
 - (e) whether you made your claim within 21 days of the end of your rain affected show or event.

4. Steps ASC will take to estimate future liabilities and payments of Fund

- 4.1 ASC has detailed historical financial records that allow ASC to accurately estimate:
 - (a) what its historical average liabilities and payments will be in any 1 year; and
 - (b) what its reserves need to be to meet those historical average liabilities and payments.
- 4.2 In any event:
 - (a) the contributions that you are required to make are not based on the prospect of a certain outcome happening but instead:

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- (i) on average rainfall's for the zone in which your show or event is located; and
 - (ii) your prior gatetakings and membership; and
- (b) the payments made to you will only be by reference to your actual gatetakings and memberships against your prior year's gateakings and memberships, meaning that the payments that ASC is required to make in any 1 year are limited.

5. Steps ASC will take to ensure that it has adequate financial resources

5.1 ASC takes the following steps to ensure that it has adequate financial resources to meet claims against the Fund:

- (a) minimising the cost of administration of the Fund by:
 - (i) doing internally all Fund administration that can be done internally;
 - (ii) not otherwise incurring cost that is not required for the purpose of the administration of the Fund;
- (b) not allowing Fund reserves to be used for any other purpose other than the payment of claims against the Fund;
- (c) carefully and conservatively investing its reserves;
- (d) taking financial advice from the holder of an Australian financial services licence about how to manage and invest the Fund reserves.

6. How may you contact ASC?

6.1 The Fund is issued and administered by ASC.

6.2 You may contact the ASC as follows:

- (a) Address: PO Box 1047 Hunters Hill NSW 2110
- (b) Email: per website details from time to time
- (c) Telephone: 02 9879 6777
- (d) Facsimile: 02 9879 6043
- (e) Website: www.agshowsnsw.org.au

7. What are the benefits of you being a member of Fund?

7.1 If you are a member of Fund and the ASC Executive Committee in its absolute and uncontrolled discretion decides to pay a claim that you make against Fund, your loss of gate takings and membership caused by rain and as determined under the rules for Fund will be paid to you.

7.2 In assessing your claim for a benefit to be paid to you, there are no limits imposed on the amount of rain which must fall or the hours during which it must fall before a claim may be paid.

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8. **When will you get a benefit from your membership of the Fund?**

8.1 If you:

- (a) make a notification of a pending claim within 7 days of the rain affected show or event; and
- (b) otherwise make a full claim within 21 days of the rain affected show or event,

ASC will process your claim at the next meeting of the ASC Executive, which meetings normally take place 4 times a year.

9. **How will those benefits be provided to you?**

9.1 The benefit payable to you as a result of a successful claim against the Fund will be paid in cash to your nominated bank account.

10. **What are the risks of being a member of Fund?**

10.1 The risks of being a member of Fund and making contributions to it are that the Fund will not have sufficient funds to pay all of the claims made against it in any 1 year.

10.2 This risk is managed by:

- (a) the limited nature of the amounts that can be paid to any 1 member in any 1 year;
- (b) the fact that member events are spread over a 12 month period and so are not likely to be impacted by the same weather event;
- (c) the reserves of Fund providing a buffer for larger than normal claims;
- (d) the knowledge acquired from an 80 year history in managing the Fund being indicative that the financial model of the Fund works so as to allow growth in the reserves of the Fund;
- (e) providing that the inability of the Fund to pay a claim due to insufficient funds will be carried over to the next year and the shortfall may be paid in a later year.

11. **What does it cost to become a member of Fund?**

11.1 Other than for the contributions that you are required to make to be entitled to remain a member of and make a claim against the Fund, there are no costs associated with you either becoming a member of Fund or making a claim against Fund.

12. **What costs apply after you become a member of Fund?**

12.1 Other than for the need to make annual contributions to be entitled to make a claim against the Fund, there are no costs associated with you continuing to be a member of Fund after you become a member.

13. **What fees, expenses and charges are deducted from your Fund membership contributions?**

13.1 25% of your contributions are deducted and transferred to ASC's general account to pay for the working and management expenses of Fund.

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14. Does your Fund membership generate a financial return?

14.1 Other than for the benefits referred to above, there is no financial return from you being a Fund member.

15. Are there any other significant characteristics or features about Fund?

15.1 The most significant features of the Fund are:

- (a) your contributions are calculated by reference to your average historical gatetakings and memberships;
- (b) the payments to you are limited to the loss of gatetakings and memberships determined by reference to those average historical gatetakings and memberships;
- (c) there are no limits imposed on the amount of rain which must fall or the hours during which it must fall before a claim may be paid;
- (d) if you become and remain a member of Fund, you are entitled to share in the surplus assets of Fund if it was ever to be wound up;
- (e) other than for your annual contributions, as a member of Fund, you will not be required or obliged to pay any additional contribution to the Fund to meet any Fund shortfall.

16. Are there any other rights, terms or conditions about Fund?

16.1 The terms and conditions of being a member of Fund are set out in full in annexure A.

17. What is this dispute resolution mechanism for complaints about the Fund?

17.1 As Fund members are not “retail clients” for the purpose of section 1017G of the Act, there is no dispute resolution mechanism for complaints about the Fund.

17.2 ASC is the sole determinant of claims made and arising from membership of Fund.

18. Do any cooling off rights apply?

18.1 No cooling off rights apply to your application to become a member or your contributions to Fund.

19. What should you do about financial advice?

19.1 This document is not legal advice.

19.2 If you require legal advice about your particular circumstances or your decision to be a member of Fund and make contributions to it, you should get legal advice.

20. What should you do about financial advice?

20.1 This document is not financial advice.

20.2 If you require financial advice about your particular circumstances or your decision to be a member of Fund and make contributions to it, you should get professional advice.

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21. **What should you do about taxation advice?**

21.1 This document is not tax advice.

21.2 If you require taxation advice about your particular circumstances, you should get professional advice.

22. **Can you rely on the information in this document?**

22.1 The information in this PDS is general in nature and is not intended as legal, financial or taxation advice.

22.2 You should not do or fail to do anything in reliance on information in it.

22.3 ASC, its directors, officers, employees, contractors and agents do not accept any responsibility for any loss that you suffer if you do.

23. **Is there any other information that you may need?**

23.1 ASC does not consider that there is any other information that you may require that would have a material influence on your decision to become a member of and make contributions to Fund.

24. **How do you apply to become a member of Fund and to make contributions?**

24.1 If you want to become a member of Fund and/or make contributions, you should use and complete the application form set out in annexure B.

24.2 The completed application form should be sent to Fund care of the address details set out in clause 6 of this PDS or as otherwise noted on the Fund website for the sending of the completed application form to Fund.

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Annexure A

ADVERSE WEATHER / RAIN PROTECTION FUND RULES

1. BASIS AND OBJECTS OF SCHEME

- a) Any Member of the Agricultural Societies of New South Wales Ltd (**ASC**) that conducts a “show” may become a contributor (**Fund Member**) to the Adverse Weather / Rain Protection Fund (as referred to in the ASC constitution) but which is more commonly known and referred to as the Rain Protection Fund (**Fund**) in accordance with these Rules as amended from time to time.
- b) The Fund shall be statewide in operation and application.
- c) Subject to these Rules, the object of the Fund is to pay benefits to Fund Members, in accordance with the Executive Committee’s discretion referred to in Rule 4 to offset losses in gatetakings and membership caused by any rainfall at annual shows and other functions as provided for in these Rules as amended from time to time.
- d) The Fund aims to conserve the contributions of and accumulations on those contributions of all Fund Members for their mutual benefit subject to the discretionary payment of benefits as set out in these Rules.
- e) Every Fund Member shall abide by these Rules as amended from time to time.
- f) The Executive Committee shall manage the Fund.
- g) The Board of Directors of ASC shall have the power from time to time to amend the Rules of the Fund and to otherwise make such rules and regulations as it considers in its absolute direction to be necessary to carry out the objects of the Fund, including in respect of its own meetings as they relate to the Fund.
- h) The Financial Controller of the ASC shall be the executive officer of the Fund. The Executive Committee shall make an annual report to the annual general meeting of the Members of the ASC.
- i) All moneys received by the ASC on behalf of the Fund shall be transferred to a separate bank account, which shall be operated as determined by the Executive Committee.
- j) Expressions used in these Rules that have been defined in the Constitution of the ASC have the meaning given to them in that Constitution.

2. FUND MEMBER COVERAGE

- a) Subject to the Executive Committee’s absolute discretion in Rule 4, a Fund Member will be covered for “rain affected gatetakings and membership”. The cover shall be for the whole period of the Fund Member’s show or an approved function which shall include any postponed or extended dates (and reasonable period preceding the show), with no limits imposed as to the number of points of rain falling and hours within which the rain falls.
- b) In assessing a claim for the payment of benefits under these Rules, a comparison will be made of actual gatetakings and membership of the affected show with the average takings and membership over the preceding three (3) years for the whole of the show, together with facts concerning rainfall during or preceding the show dates. The gatetakings for any additional sessions shall be included in assessing that average and the amount of contributions. Gatetakings from all sessions shall be regarded as the gatetakings for the whole show, regardless of the establishment of additional sessions.

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Post Office rainfall recordings shall be taken as official, and where no daily Post Office rainfall recording is available the recording shall be taken by a person appointed by the committee of the Fund Member.

3. INCOME, CONTRIBUTIONS AND EXPENSES

- a) The Fund shall be devoted to the compensation of Fund Members who have contributed to the Fund in any year in respect of rainfall affecting their annual shows as determined by gatetakings and membership. Provided that the disbursements from the Fund shall be in accordance with the provisions of the section entitled "Benefits" hereunder.
- b) Contributions to the Fund shall be on the basis of a percentage of gatetakings and membership averaged over the three (3) years preceding each show at differential rates depending on geographical divisions – by Fund Member's named in the first division – 7.5%, by those in the second division – 6%, by those in the third division – 4%.
- c) In the case of a New Fund Member, their contributions in the first and second year shall be assessed in relation to the budgeted gatetakings as approved by the ASC. The cover for the third such function shall be the amount of the average gatetakings of the first two (2) years.
- d) Expenses incurred in the management of the Fund shall be met from the General Account of the ASC, and they shall be transferred to the General Account of the ASC an amount being up to 25% of the contributions for the year as a payment towards the working and management expenses of the Fund.
- e) Determination of the Division in which a Member shall be placed will be by reference to the official meteorological records in respect to the annual rainfall for the location in which the Show is held. First Division includes areas where rainfall is over 30 inches (762 mm), Second Division between 20 and 30 inches (508 – 762 mm), and the Third Division where rainfall is under 20 inches (508 mm).
- f) Rodeos, gymkhanas and other Fund Member functions accepted by ASC (acting in its absolute discretion) promoted and conducted by and for the benefit of a Member may be granted cover under the Fund and the extent of such cover for the first and second functions shall be assessed in relation to the budgeted gatetakings as approved by the ASC. The cover for the third such function shall be the amount of the average gatetakings of the first two (2) functions.
- g) No benefit is payable under these Rules to a Fund Member that operates a show with a free gate.

4. BENEFITS

- a) The decision to pay a benefit to a Member is at the absolute discretion of the Executive Committee and its decision will be final and binding even if the Executive Committee has otherwise assessed that a Fund Member has a claim for the payment of benefits under these Rules.
- b) Any benefit to be paid from the Fund shall only be such as to make up deficiencies in gatetakings in so far as such takings are affected by rain (subject to the provisions of Rule 6 in respect to "abandonments").
- c) Any benefits to be paid by the Fund for claims are not limited to each year, and any portion of claims not completely paid and adjusted at the end of each year of the Fund may, at the absolute discretion of the Executive Committee, stand as a benefit to be paid in the succeeding year.

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5. APPLICATION AND CANCELLATION OF COVER

Members must give no less than fourteen (14) days notice prior to their show to request cover under these Rules. Cancellation of cover cannot occur within fourteen (14) days of the show.

6. POSTPONEMENTS AND ABANDONMENTS

In the case of the postponement of the dates for holding a show, the show will be covered for the new dates without additional contribution. In the case of a show not being held on account of rain, claims may be lodged and subject to the absolute discretion of the Executive Committee, benefits may be awarded to a maximum of 33.3% of the total cover.

7. INTEREST IN FUND

- a) For the avoidance of doubt, the assets of the Fund have always and will always be held on trust in accordance with these Rules and in particular this Rule 7 for those Societies that are members of it from time to time and who qualify under this Rule to share in a proportionate part of those assets.
- b) New contributors shall have no interest in the assets of the Fund at the end of the year preceding their first year of membership both in respect to compensation and/or distribution of any surplus assets.
- c) Whenever a Society incurs a break in membership of the Fund by the nonpayment of a contribution in any one year (except in the case of an abandoned show) it shall forfeit its proportionate interest in the assets of the Fund and on re entering the Fund by making a contribution it shall be regarded as a new contributor.
- d) The Board shall have the power in its absolute discretion at any time to return part of the assets of the Fund to continuing contributors.
- e) The Board shall in its absolute discretion determine the number of previous years that will qualify a Society to participate in a return of assets and until it does, that number is 7 years.
- f) Subject to the Board's determination under Rules 7d and 7e, the extent of a Society's proportionate interest in the assets of the Fund at any time shall be calculated by applying the formula B/C where:

B = the average annual contribution over the previous 7 years from a Society at that time that has contributed to the Fund in successive years multiplied by the number of successive years of contribution of that Society.

C = the total for all Societies of the average annual contribution over the previous 7 years from each Society at that time that has contributed to the Fund in successive years multiplied in each case by the number of successive years of contribution of each of those Societies.

- g) The proportionate interest determined under Rule 7f is the basis for determining a Society's share in a return of assets to which it may be entitled under this Rule 7.
- h) In calculating "successive years" under Rule 7f, not making a contribution due to an abandoned show will not have caused a Society to have ceased to make a contribution.

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- i) Except in the case of not making a contribution due to an abandoned show, if a Society does not make a contribution to the Fund in any given year, the prior years in respect of which it has made contributions will not be taken into account in determining its proportionate interest under this Rule.
- j) If the Rain Protection Fund or Agricultural Societies Council of New South Wales Ltd is wound up, the assets of the Fund shall be distributed to Societies on the basis of their proportionate interest determined under Rule 7f.

8. CLAIMS

Notification of any probable claim must be made within seven (7) days after the show is held, and further, the full details of any claim must be lodged within twenty-one (21) days after the show is held, on the form approved by the ASC.

9. INTERPRETATION

For the avoidance of doubt, every discretion or power of the ASC, the Executive Committee or the board of directors exercised under or in respect of the Fund may be exercised in their absolute discretion and their decision will be final and binding.

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Annexure B

Application Form

Please return to: The Secretary
Agricultural Societies Council of NSW Ltd
P O Box 1047
HUNTERS HILL NSW 2110

The following information is required for statistical purposes.

Admission Charges	LAST YEAR	PROPOSED FOR THIS YEAR
ADULTS	\$	\$
CHILDREN	\$	\$

If you would like to contribute to the Rain Fund please circle YES. If not required, please circle NO.

Rain Protection Fund Yes No

Name of person responsible for Taking rain readings: _____

Date of Show: _____

Secretary: _____

Show Society: _____

Address of Applicant: _____

A copy of the Rain Fund Product Disclosure Statement is on our website www.agshowsnsw.org.au

THIS FORM MUST BE RECEIVED AT LEAST TWO (2) WEEKS PRIOR TO THE DATE OF YOUR SHOW, OR RAIN PROTECTION FUND CONTRIBUTION WILL NOT BE ACCEPTED