



**Australian Government**  
**Registered Organisations Commission**

14 December 2022

Mr Oliver Judd  
Secretary  
National Electrical and Communications Association-New South Wales Branch

By e-mail: [necansw@neca.asn.au](mailto:necansw@neca.asn.au)

Dear Mr Judd

**National Electrical and Communications Association-New South Wales Branch  
Financial Report for the year ended 30 June 2022 - FR2022/54**

I acknowledge receipt of the financial report for the year ended 30 June 2022 for the National Electrical and Communications Association-New South Wales Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 2 December 2022.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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 have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**

**Certificate by prescribed designated officer**  
**For the year ended 30 June 2022**

I, Oliver Judd, being the Secretary of the National Electrical and Communications Association New South Wales Branch certify:

- that the documents lodged herewith are copies of the full report for the National Electrical and Communications Association New South Wales Branch for the period ended 30 June 2022 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of National Electrical and Communications Association New South Wales Branch on the 4th November 2022 ; and
- that the full report was presented to a general meeting of members of the National Electrical and Communications Association New South Wales Branch on the 29th November 2022 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer OLIVER JUDD  
Title of prescribed designated officer SECRETARY

Dated: 29th November 2022



## National Electrical and Communications Association New South Wales Branch

ABN 27 056 174 413

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Financial Statements For the Year Ended 30 June 2022

**Annual Financial Statements**  
**For the year ended 30 June 2022**

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# Independent Audit Report to the Members of National Electrical and Communications Association New South Wales Branch

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of National Electrical and Communications Association New South Wales Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2022, and 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 our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of National Electrical and Communications Association New South Wales Branch as at 30 June 2022, 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).

We 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.*

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We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

## 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 ability of 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 directors 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

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
- 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. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

We 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 we identify during the audit.

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

*Crowe Audit Australia*

**Crowe Audit Australia**



**Suwarti Asmono**  
Partner

31 October 2022  
Sydney

Registration number (as registered by the Commissioner under the RO Act): AA2017/236

**Report Required Under Subsection 255(2A)**  
**For the year ended 30 June 2022**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on National Electrical and Communications Association New South Wales Branch for the year ended 30 June 2022.

<b>Categories of expenditure</b>	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses – employees	2,089,628	2,058,342
Advertising	168,595	39,337
Operating costs	2,823,939	2,591,099
Donations to political parties	-	-
Legal costs	181,246	35,113

Signature of prescribed designated officer



Name of the designated officer OLIVER JUDD  
Title of the designated officer SECRETARY

Dated: 31 October 2022



**Operating Report**  
**For the year ended 30 June 2022**

The Committee of Management presents its report on the National Electrical and Communications Association New South Wales Branch ("the Branch") for the financial year ended 30th June 2022.

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

The principal activities of the Branch during the financial year were to represent the interests of its members in the electro technology industry. The main activities were providing industrial relations advice, Work, Health and Safety advice and technical advice.

**Non-Financial Results**

The Branch's policy function advocates on behalf of the Branch's members to government, the media and other relevant opinion makers to try to create and maintain a conducive business and regulatory environment for its members. This is principally accomplished through submissions to government inquiries, media releases and directly liaising with politicians, regulators and public servants.

The Branch also disseminates information to members regarding political and regulatory developments, in order to assist them in complying with regulations and to take advantage of and mitigate risks relating to issues affecting their businesses

**Significant changes in financial affairs**

No significant change in the financial affairs of the Branch occurred during the year.

**Significant events**

No significant events occurred relating to the Branch during the year.

**After balance date events**

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

**Right of members to resign**

Members may resign from the Branch in accordance with Rule 15, Resignation from Membership, of the Federal rules of the National Electrical Contractors Association. Rule 15 conforms with Section 174 of the Fair Work (Registered Organisations) Act 2009.

**Number of members**

The Branch had 2174 (2021: 2,009) members at financial year end.

**Number of employees**

The Branch had 22.2 full time equivalent (2021: 14.6 FTE) employees at financial year end.

**Operating Report (continued)**  
**For the year ended 30 June 2022**

**Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

<b>Name</b>	<b>Position</b>	<b>Is the position held because they are an officer/member of NECA or were nominated by NECA?</b>
Chris Madson	Director of NESS Super Pty Ltd	Yes
John Williams	Director of NESS Super Pty Ltd	Yes
Bruce Duff	Alternate Director of NESS Super Pty Ltd (Resigned 23rd August 2021)	Yes
Ian Millner	Alternate Director of NESS Super Pty Ltd (Appointed 24th June 2022)	Yes

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

<b>Name</b>	<b>Position</b>	<b>Period</b>
Stephen Kerfoot	President	1 July 2021 - 30 June 2022
David Orr	Vice President	1 July 2021 - 30 June 2022
Chris Madson	Treasurer	1 July 2021 - 30 June 2022
Bruce Duff	Committee Member	1 July 2021 - 30 June 2022
Jeffrey Brown	Committee Member	1 July 2021 - 30 June 2022
Sam Turnbull	Committee Member	1 July 2021 - 30 June 2022
Lea Hicks	Committee Member	1 July 2021 - 30 June 2022
Anthony Cambridge	Committee Member	1 July 2021 - 30 June 2022
Oliver Judd	Secretary	1 July 2021 - 30 June 2022

Unless otherwise stated, committee members have been in office for the full financial year.

Signature of prescribed designated officer



Name of the designated officer OLIVER JUDD  
Title of the designated officer SECRETARY

Dated: 31 October 2022

**Committee of Management Statement  
For the year ended 30 June 2022**

On 31 October 2022 the Committee of Management of the National Electrical and Communications Association New South Wales Branch ("**the Branch**") passed the following resolution in relation to the general purpose financial report ("**GPFR**") for the year ended 30 June 2022:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with 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 Branch for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Branch 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 Branch 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 Branch 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 Branch's have been kept, as far as practicable, in a consistent manner with each of the other Branch's of the organisation; and
  - v. where information has been sought in any request by a member of the Branch or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the 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.
  - vii. This declaration has been made in accordance with resolution of the committee of management

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

Signature of the designated officer



Name of the designated officer OLIVER JUDD  
Title of the designated officer SECRETARY

Dated: 31 October 2022

**Statement of Comprehensive Income**  
**For the year ended 30 June 2022**

	2022	2021
Note	\$	\$
<b>Revenue from contracts with customers</b>		
Membership subscription	2,354,715	2,147,857
Other revenue from another reporting unit	1,080,528	1,718,659
Membership services	560,974	453,484
Product sales	-	422
<b>Total revenue from contracts with customers</b>	<b>3,996,217</b>	<b>4,320,422</b>
<b>Income for furthering objectives</b>		
Grants and/or donations	265,000	202,084
<b>Total income for furthering objectives</b>	<b>265,000</b>	<b>202,084</b>
<b>Other income</b>		
Net gains from sale of assets	138,660	18,381
Investment (Loss) / income	(663,818)	1,039,549
Other income	596,563	323,372
<b>Total other income</b>	<b>71,405</b>	<b>1,381,302</b>
<b>Total revenue and other income</b>	<b>4,332,622</b>	<b>5,903,808</b>
<b>Expenses</b>		
Employee expenses	(2,089,628)	(2,058,342)
Cost of goods sold - membership services	(326,761)	(157,052)
Capitation fees and other expense to another reporting unit	(1,472,568)	(1,302,199)
Affiliation fees	(15,143)	(23,007)
Administration expenses	(691,256)	(677,591)
Depreciation and amortisation	(207,888)	(209,203)
Finance costs	(4,112)	(1,561)
Legal costs	(181,246)	(35,113)
Audit fees	(17,000)	(15,000)
Other expenses	(257,806)	(244,823)
<b>Total expenses</b>	<b>(5,263,408)</b>	<b>(4,723,891)</b>
<b>(Loss) / profit for the year</b>	<b>(930,786)</b>	<b>1,179,917</b>
<b>Other comprehensive income</b>		
Items that will not be subsequently reclassified to profit or loss	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the year</b>	<b>(930,786)</b>	<b>1,179,917</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**Statement of Financial Position  
As At 30 June 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5A	1,258,653	1,562,098
Trade and other receivables	5B	1,781,445	1,105,905
Prepayments	5C	241,128	251,178
Other financial assets	5D	9,929,358	9,518,648
Inventory		-	395
<b>Total current assets</b>		<b>13,210,584</b>	<b>12,438,224</b>
<b>Non-current assets</b>			
Other financial assets	5D	960,885	990,885
Property, plant and equipment	6A	211,622	1,208,318
Intangible assets	6B	60,754	157,163
Investments in associates	6C	7	7
<b>Total non-current assets</b>		<b>1,233,268</b>	<b>2,356,373</b>
<b>Total assets</b>		<b>14,443,852</b>	<b>14,794,597</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	7A	1,695,653	1,184,384
Other payables	7B	149,443	33,088
Contract liabilities	7C	211,521	419,966
Lease liabilities	8A	63,340	63,340
Employee provisions	8B	165,440	207,955
Other provisions	8C	3,860,960	3,602,760
<b>Total current liabilities</b>		<b>6,146,357</b>	<b>5,511,493</b>
<b>Non-current liabilities</b>			
Employee provisions	8B	23,721	17,998
Lease liabilities	8A	-	60,546
<b>Total non-current liabilities</b>		<b>23,721</b>	<b>78,544</b>
<b>Total liabilities</b>		<b>6,170,078</b>	<b>5,590,037</b>
<b>Net assets</b>		<b>8,273,774</b>	<b>9,204,560</b>
<b>EQUITY</b>			
Asset revaluation reserve	9A	-	414,770
Retained earnings		8,273,774	8,789,790
<b>Total equity</b>		<b>8,273,774</b>	<b>9,204,560</b>

**Statement of Changes in Equity  
For the year ended 30 June 2022**

	Asset revaluation reserve	Retained earnings	Total equity
Note	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>414,770</b>	<b>7,609,873</b>	<b>8,024,643</b>
Profit for the year	-	1,179,917	1,179,917
Other comprehensive income for the year	-	-	-
Transfer to / (from) reserves	-	-	-
<b>Closing balance as at 30 June 2021</b>	<b>414,770</b>	<b>8,789,790</b>	<b>9,204,560</b>
<b>Balance at 1 July 2021</b>	<b>414,770</b>	<b>8,789,790</b>	<b>9,204,560</b>
Loss for the year	-	(930,786)	(930,786)
Other comprehensive income for the year	-	-	-
Transfer (from) / to reserves	(414,770)	414,770	-
<b>Closing balance as at 30 June 2022</b>	<b>-</b>	<b>8,273,774</b>	<b>8,273,774</b>

**Statement of Cash Flows**  
**For the year ended 30 June 2022**

	2022	2021
Note	\$	\$
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Receipts from customers	1,567,317	2,936,986
Donations and grants	291,500	222,292
Receipts from other reporting units	2,179,599	2,427,760
Interest	47,913	102,803
Distributions/dividends	388,776	480,966
<b>Cash used</b>		
Payments to suppliers and employees	(2,782,825)	(3,632,929)
Interest payments and other finance costs	(4,112)	(1,561)
Payment to other reporting units	(1,473,727)	(1,207,726)
<b>Net cash from operating activities</b>	<b>214,441</b>	<b>1,328,591</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from disposal of managed investment schemes	2,999,183	3,254,823
Receipt from repayment of loans receivable	914,000	4,003,947
Proceeds from disposal of property plant and equipment	1,099,106	18,857
<b>Cash used</b>		
Purchase of managed investment schemes	(4,494,074)	(6,974,993)
Loans receivable	(884,000)	(645,000)
Purchase of property plant, equipment and intangibles	(87,445)	(74,677)
<b>Net cash used by investing activities</b>	<b>(453,229)</b>	<b>(417,043)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash used</b>		
Repayment of borrowings - finance lease	(64,657)	(63,070)
<b>Net cash used by financing activities</b>	<b>(64,657)</b>	<b>(63,070)</b>
<b>Net (decrease) / increase in cash held</b>	<b>(303,445)</b>	<b>848,478</b>
Cash & cash equivalents at the beginning of the reporting period	1,562,098	713,620
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	<b>1,258,653</b>	<b>1,562,098</b>

**Notes to and forming Part of the Financial Statement**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue and Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Other liabilities
Note 9	Equity
Note 10	Cash flow
Note 11	Contingent liabilities, assets and commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Financial instruments
Note 15	Fair value measurements
Note 16	Association Details
Note 17	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>



Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 1 Summary of significant accounting policies**

**1.1 Basis of preparation of the financial statements**

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

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

**1.2 Comparative amounts**

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

**1.3 Significant accounting judgements and estimates**

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

**Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Branch based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Branch operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Branch unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**Allowance for expected credit losses**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

**Estimation of useful lives of assets**

The Branch determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Employee benefits provision**

As discussed in note 1.8, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.4 New Australian accounting standards**

**Adoption of New Australian Accounting Standard requirements**

The accounting policies adopted are consistent with those of the previous financial year.

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

**1.5 Investment in associates and joint arrangements**

An associate is an entity over which the Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

The Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 1 Summary of significant accounting policies (continued)**

**1.7 Revenue**

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

**Revenue from contracts with customers**

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

**Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

**Income of the Branch as a Not-for-Profit Entity**

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the branch obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the branch recognition of the cash contribution does not give to any related liabilities.

During the year, the Branch received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants.

**Notes to the Financial Statements  
For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.7 Revenue (continued)**

**Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

**Interest income**

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

**Rental income**

Leases in which the Branch as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**1.8 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 which are expected to be settled within twelve months of the end of 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 which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

**1.9 Leases**

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Branch as a lessee**

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Notes to the Financial Statements  
For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.9 Leases (continued)**

**Right-of-use assets**

The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2022	2021
Right of Use Buildings	1 to 2 years	1 to 2 years

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the implicit the interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Branch's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**1.10 Borrowing costs**

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

**1.11 Cash**

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

**1.12 Financial instruments**

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

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.13 Financial assets**

**Contract assets and receivables**

A contract asset is recognised when the Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("**OCI**"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, 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 is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

**Financial assets at amortised cost**

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows ; and ....
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest ("**EIR**") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.13 Financial assets (continued)**

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or ,
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Branch has transferred substantially all the risks and rewards of the asset, or
  - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Impairment**

**Expected credit losses**

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

**Trade receivables**

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses ("ECLs") which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch 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.



**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.14 Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

**Subsequent measurement**

**Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings 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 profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

**Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 1 Summary of significant accounting policies (continued)**

**1.15 Liabilities relating to contracts with customers**

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Branch performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Refund liabilities**

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Branch's refund liabilities arise from customers' right of return. The liability is measured at the amount the Branch ultimately expects it will have to return to the customer. The Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**1.16 Contingent liabilities and contingent assets**

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

**1.17 Land, buildings, plant and equipment**

**Asset Recognition Threshold**

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**Revaluations—Land and Buildings**

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

**Depreciation**

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

	2022	2021
Buildings	40 years	40 years
Right of use	2 Years	2 Years
Plant and equipment	2-5 years	2-5 years

**Notes to the Financial Statements  
For the year ended 30 June 2022**

**1.17 Land, buildings, plant and equipment (continued)**

**Derecognition**

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

**1.18 Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Branch's intangible assets are:

	2022	2021
Software	2-5 years	2-5 years

**Derecognition**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

**1.19 Impairment of non-financial assets**

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

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

**1.20 Taxation**

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax ("FBT") and the Goods and Services Tax ("GST").

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

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

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

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

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 1 Summary of significant accounting policies (continued)**

**1.21 Fair value measurement**

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**1.22 Going concern**

The financial report has been prepared on the going concern basis. The committee of management believe 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.

The Branch has provided financial support to related entities via loan accounts. Repayments are to be made on a monthly basis and the interest rate on the loan is charged between 0% and Div 7A 2021/22.

In addition to the loan account, the Branch agreed to provide financial support for a period of 12 months from the date of the Trade Services Pty Ltd financial report signing and limited to \$400,000.

No financial support was received from other reporting units during the financial year.

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 2 Events after the reporting period**

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 3 Revenue and income**

**Disaggregation of revenue from contracts with customers**

A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer.

	2022	2021
	\$	\$
<b>Type of customer</b>		
Members	2,354,715	2,147,857
Other reporting units	1,080,528	1,718,659
<b>Total revenue from contracts with customers</b>	<b>3,435,243</b>	<b>3,866,516</b>

**Disaggregation of income for furthering activities**

A disaggregation of the Branch's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

<b>Income funding sources</b>		
Other parties	265,000	202,084
<b>Total income for furthering activities</b>	<b>265,000</b>	<b>202,084</b>

**Note 3A: Other revenue from another reporting unit**

**Reporting unit's:**

National Electrical and Communications Association - National Office		
- Management fee income	-	94,250
- Marketing income	-	79,740
- Rental income	4,542	54,500
- Computer recoveries	-	785
- Other income	-	31,532
National Electrical and Communications Association - Queensland Branch		
- Management fee income	122,160	166,099
- Computer recoveries	-	6,263
- Other income	2,284	13,938
National Electrical and Communications Association - Australian Capital Territory Branch		
- Roadshow income	-	585
- Management fee income	60,000	60,000
- Consultant cost recoveries	28,733	54,532
- Computer recoveries	-	4,389
- Other income	-	4,439
National Electrical and Communications Association - Tasmanian Branch		
- Management fee income	46,068	46,068
- Conference and meeting recoveries	-	579
- Computer recoveries	-	729
- Other income	-	2,571
- Consultant Fee	105,405	-

Notes to the Financial Statements  
For the year ended 30 June 2022

	2022 \$	2021 \$
<b>Note 3A: Other revenue from another reporting unit (continued)</b>		
<b>Related parties</b>		
ECA Training Pty Ltd		
- Fuel scheme income	67,510	52,149
- Management fee income	470,512	522,065
- Conference and meeting recoveries	-	188
- Computer recoveries	-	3,549
- Information communications technology recoveries	-	49,884
- Other income	640	14,273
NECA Trade Services Pty Ltd		
- Consultancy fees	-	152,004
- Management fee income	-	52,148
- Computer recoveries	-	1,996
- Office expenses recoveries	41,509	33,161
- Sponsorship	13,636	30,000
- Information communications technology recoveries	-	12,157
- Online sales	58,537	73,587
- Other income	-	2,446
NECA Legal Pty Ltd		
- Management fee income	4,469	17,940
- Computer recoveries	-	1,450
- Office expenses recoveries	-	581
- Sponsorship	30,000	30,000
- Information communications technology recoveries	-	3,572
- Other income	5,778	20,123
NECA Training Ltd		
- Other income	3,745	3,397
NECA Foundation Limited		
- Management fee income	15,000	15,000
- Computer recoveries	-	255
- Other income	-	308
Other related parties		
- Other income	-	5,427
<b>Total other revenue from other reporting unit</b>	<b>1,080,528</b>	<b>1,718,659</b>
 <b>Note 3B: Grants</b>		
Grants - Other	-	-
Grants - MERT	265,000	202,084
<b>Total grants</b>	<b>265,000</b>	<b>202,084</b>

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 3 revenue and income (continued)**  
**Note 3C: Net gains from sale of assets**

	2022 \$	2021 \$
Land and buildings	138,660	18,381
<b>Total net gains from sale of assets</b>	<b>138,660</b>	<b>18,381</b>

**Note 3D: Investment income**

Interest		
- Deposits	48	583
- Loans	47,865	102,220
Managed investment schemes		
- Distributions/dividends	388,776	480,966
- Net (loss)/gain on disposal of financial instruments	(453,020)	147,183
- Net (loss)/gain on revaluation of financial instruments	(647,487)	308,597
<b>Total investment income</b>	<b>(663,818)</b>	<b>1,039,549</b>

**Note 3E: Other income**

Fuel scheme income	68,014	59,631
Insurance commission	226,236	135,555
Events and conferences		
- Sponsorship income	270,354	75,300
- Apprentice awards	15,982	-
- Other events	13,799	-
Other income	2,178	52,886
<b>Total revenue from other income</b>	<b>596,563</b>	<b>323,372</b>

**Note 4 Expenses**

**Note 4A: Employee expenses**

**Holders of office:**

- Wages and salaries	-	173,612
- Superannuation	-	16,493

<b>Subtotal employee expenses holders of office</b>	<b>-</b>	<b>190,105</b>
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**Employees other than office holders:**

- Wages and salaries	1,849,329	1,583,422
- Superannuation	167,929	138,358
- Leave and other entitlements	(30,249)	(31,333)
- Separation and redundancies	-	72,529
- Other employee expenses	102,619	105,261

<b>Subtotal employee expenses employees other than office holders</b>	<b>2,089,628</b>	<b>1,868,237</b>
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<b>Total employee expenses</b>	<b>2,089,628</b>	<b>2,058,342</b>
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Notes to the Financial Statements  
For the year ended 30 June 2022

	2022 \$	2021 \$
<b>Note 4 Expenses (continued)</b>		
<b>Note 4B: Capitation fees and other expense to another reporting unit</b>		
<b>Capitation fees</b>		
National Electrical and Communications Association - National Office	466,823	434,368
<b>Subtotal capitation fees</b>	<b>466,823</b>	<b>434,368</b>
<b>Other expense to another reporting unit</b>		
<b>Reporting unit's:</b>		
National Electrical and Communications Association - National Office		
- Management Fee	95,152	27,566
- Excellence Awards and marketing	-	8,071
- Insurance	-	13,580
- Computer recoveries	-	2,123
- Shared Head Office allocation	157,244	-
- Other expenses	-	12,776
National Electrical and Communications Association - Queensland Branch		
- Insurance commission	9,666	1,313
- Consultant cost	-	16,098
- Other expenses	-	72,742
National Electrical and Communications Association - Australian Capital Territory Branch		
- Insurance commission	7,437	4,487
- Consultant cost	-	20,136
- Sponsorship	69,000	-
National Electrical and Communications Association - Tasmanian Branch		
- Insurance commission	5,464	-
- Other expense	63,000	-
National Electrical and Communications Association - Western Australian Branch		
- Other expense	-	27,566
<b>Related parties</b>		
ECA Training Pty Ltd		
- Management fee expense	332,819	383,412
- Insurance expenses	-	3,173
- Computer expenses	-	35,195
- Other expenses	46,939	11,492
NECA Trade Services Pty Ltd		
- Other expenses	15,282	7,966
NECA Legal Pty Ltd		
- Other expenses	203,742	206,754
NECA Training Ltd		
- Other expenses	-	12,162
Australian Cabler Registration Service Pty Ltd		
- Other expenses	-	1,219
<b>Subtotal other expense to another reporting unit</b>	<b>1,005,745</b>	<b>867,831</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>1,472,568</b>	<b>1,302,199</b>



Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 4 Expenses (continued)**

**Note 4C: Affiliation fees**

Subscriptions

**Total affiliation fees/subscriptions**

2022 \$	2021 \$
15,143	23,007
<b>15,143</b>	<b>23,007</b>

**Note 4D: Administration expenses**

Conference and meeting expenses

Contractors/consultants

Property expenses

Office expenses

Information communications technology

Computer expenses

Travel and accommodation expenses

Motor vehicle expenses

Investment management expenses

Other

**Total administration expense**

105,133	19,965
79,771	329,029
43,304	45,804
18,880	27,257
16,146	19,520
256,971	143,195
22,356	21,198
21,797	5,999
104,080	54,760
22,818	10,864
<b>691,256</b>	<b>677,591</b>

**Note 4E: Depreciation and amortisation**

Buildings

Property, plant and equipment

Amortisation

**Total depreciation and amortisation**

-	-
207,888	209,203
-	-
<b>207,888</b>	<b>209,203</b>

**Note 4F: Finance costs**

Unwinding of discount - Lease liability

**Total finance costs**

4,112	1,561
<b>4,112</b>	<b>1,561</b>

**Note 4G: Legal costs**

Other legal matters

**Total legal costs**

181,246	35,113
<b>181,246</b>	<b>35,113</b>

**Note 4H: Other expenses**

Insurance

Bad debts

MERT Grant transferred to Provision

Other expenses

**Total other expenses**

32,261	31,446
(35,068)	11,293
258,200	202,084
2,413	-
<b>257,806</b>	<b>244,823</b>

**Notes to the Financial Statements  
For the year ended 30 June 2022**

**Note 5 Current Assets**

**Note 5A: Cash and cash equivalents**

	2022 \$	2021 \$
Cash at bank	1,258,653	1,562,080
Cash on hand	-	18
<b>Total cash and cash equivalents</b>	<b>1,258,653</b>	<b>1,562,098</b>

**Note 5B: Trade and other receivables**

**Receivables from other reporting units**

National Electrical and Communications Association - National Office	45,378	30,326
National Electrical and Communications Association - Victorian Branch	1,152	8,360
National Electrical and Communications Association - Queensland Branch	60,332	2,179
National Electrical and Communications Association - Tasmanian Branch	74,236	-
National Electrical and Communications Association - Australian Capital Territory Branch	107,496	35,589

**Receivables from related parties**

ECA Training Pty Ltd	68,610	87,689
NECA Trade Services Pty Ltd	33,881	36,949
NECA Legal Pty Ltd	45,869	2,717
NECA Training Ltd	12,893	3,710
Australian Cabler Registration Service Pty Ltd	12,272	-
NECA Foundation Ltd	6,875	1,375

**Total receivables from other reporting units**

**Less allowance for expected credit losses**

**Total allowance for expected credit losses**

**Receivable from other reporting units (net)**

**Other receivables:**

Trade receivables	1,404,997	1,020,394
Other receivables	-	6,685
<b>Total other receivables</b>	<b>1,404,997</b>	<b>1,027,079</b>

**Less allowance for expected credit losses**

**Total allowance for expected credit losses**

**Other receivables (net)**

**Total trade and other receivables (net)**

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

**Balance at Beginning of Year**

Balance at Beginning of Year	(130,068)	(123,779)
Increase in provision recognised in the Statement of Comprehensive Income	-	(6,289)
Reversal of unused provision recognised in the Statement of Comprehensive income	37,522	-
<b>Balance at End of Year</b>	<b>(92,546)</b>	<b>(130,068)</b>

**Note 5C: Prepayment**

Prepayments - general	173,440	139,574
Prepayments - event costs	67,688	111,604
<b>Total other current assets</b>	<b>241,128</b>	<b>251,178</b>

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 5 Current Assets (continued)**  
**Note 5D: Other Financial Assets**

**Current**

**Managed investment schemes**

Investment portfolio

9,929,358      9,518,648

**Total current other financial assets**

**9,929,358      9,518,648**

**Non-current**

**Loans receivable**

NECA Training Ltd

386,110      386,110

NECA Trade Services Pty Ltd

960,919      1,030,919

NECA Legal Pty Ltd

147,458      107,458

Less allowance for expected credit losses - loans receivable

(533,602)      (533,602)

**Total non-current other financial assets**

**960,885      990,885**

**Total current other financial assets**

**10,890,243      10,509,533**

The movement in the allowance for expected credit losses of loans receivable is as follows:

**Balance at Beginning of Year**

**533,602      533,602**

Increase in provision recognised in the Statement of Comprehensive Income

-      -

Reversal of unused provision recognised in the Statement of Comprehensive income

-      -

**Balance at End of Year**

**533,602      533,602**

**Note 6 Non-current Assets**

**Note 6A: Property, Plant and Equipment**

Land:

Land at fair value

-      774,700

**Total land**

**-      774,700**

**Buildings**

Buildings at fair value

-      348,943

less accumulated depreciation

-      (149,815)

**Total buildings**

**-      199,128**

**Right-of-use buildings**

Right-of-use buildings

246,788      246,788

less accumulated depreciation

(184,845)      (122,902)

**Total Right-of-use buildings**

**61,943      123,886**

**Plant and equipment**

Plant and equipment at cost

411,788      324,342

less accumulated depreciation

(262,109)      (213,738)

**Total plant and equipment**

**149,679      110,604**

**Total property, plant & equipment**

**211,622      1,208,318**

Notes to the financial statements  
For the year ended 30 June 2022

Note 6 Non-current Assets (continued)

Note 6A: Property, Plant and Equipment (continued)

Reconciliations of the carrying amounts of each class of asset

	Land	Buildings	Plant and equipment	Right-of-use buildings	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>774,700</b>	<b>207,852</b>	<b>102,714</b>	<b>61,450</b>	<b>1,146,716</b>
Additions	-	-	51,397	123,886	175,283
Disposals	-	-	(505)	-	(505)
Net Transfers Between Classes	-	-	-	-	-
Depreciation	-	(8,724)	(43,002)	(61,450)	(113,176)
<b>Balance at 30 June 2021</b>	<b>774,700</b>	<b>199,128</b>	<b>110,604</b>	<b>123,886</b>	<b>1,208,318</b>

	Land	Buildings	Plant and equipment	Right-of-use buildings	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>774,700</b>	<b>199,128</b>	<b>110,604</b>	<b>123,886</b>	<b>1,208,318</b>
Additions	-	-	87,445	-	87,445
Disposals	(774,700)	(197,965)	-	-	(972,665)
Net Transfers Between Classes	-	-	-	-	-
Depreciation	-	(1,163)	(48,374)	(61,938)	(111,475)
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>149,675</b>	<b>61,948</b>	<b>211,623</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 6 Non-current Assets (continued)**

**Note 6A: Property, Plant and Equipment (continued)**

**Valuations**

Land and/or buildings were at Suite 19, 30 Atchison Street, St Leonards, NSW 2065 were independently valued in May 2018 by the independent firm Herron Todd White (Sydney) Pty Ltd on the basis of and in accordance with Australian Accounting Standards AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant & Equipment*.

**Note 6B: Intangible assets**

Software - at cost

less accumulated amortisation

**Total intangible assets**

**Balance at 1 July**

Additions

Amortisation

**Balance at 30 June**

2022	2021
\$	\$
440,713	440,714
(379,959)	(283,551)
<b>60,754</b>	<b>157,163</b>
<hr/>	
<b>157,163</b>	<b>229,911</b>
-	23,279
(96,409)	(96,027)
<b>60,754</b>	<b>157,163</b>

**Note 6C: Investments in Associates**

NECA Trade Services Pty Ltd

NESS Super Pty Ltd

MERT Pty Ltd

**Total investments in associates**

4	4
2	2
1	1
<b>7</b>	<b>7</b>

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 7 Current liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals

**Subtotal trade creditors**

**Payables to other reporting units**

National Electrical and Communications Association - National Office

National Electrical and Communications Association - Victorian Branch

**Payables to related parties**

ECA Training Pty Ltd

NECA Trade Services Pty Ltd

NECA Legal Pty Ltd

NECA Training Ltd

Australian Cabler Registration Service Pty Ltd

**Subtotal payables to other reporting units and related parties**

**Total trade payables**

	2022 \$	2021 \$
	1,461,006	1,133,864
	<b>1,461,006</b>	<b>1,133,864</b>
	159,784	14,925
	-	2,302
	-	2,446
	5,690	3,838
	33,026	25,790
	36,147	-
	-	1,219
	<b>234,647</b>	<b>50,520</b>
	<b>1,695,653</b>	<b>1,184,384</b>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Wages and salaries

Superannuation

GST payable

**Total other payables**

Total other payables are expected to be settled in:

No more than 12 months

**Total other payables**

	119,498	5,515
	-	9,029
	29,945	18,544
	<b>149,443</b>	<b>33,088</b>
	149,443	33,088
	<b>149,443</b>	<b>33,088</b>

**Note 7C: Contract liabilities**

**Current**

Income in advance

**Total contract liabilities**

	211,521	419,966
	<b>211,521</b>	<b>419,966</b>

**Note 8 Other liabilities**

**Note 8A: Lease liabilities**

**Current**

Lease liability

**Total current lease liabilities**

**Non-current**

Lease liability

**Total non-current lease liabilities**

**Total lease liabilities**

	63,340	63,340
	<b>63,340</b>	<b>63,340</b>
	-	60,546
	-	<b>60,546</b>
	<b>63,340</b>	<b>123,886</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 8 Other liabilities (continued)**

**Note 8B: Employee Provisions**

**Office Holders:**

Annual leave	-	10,792
Long service leave	-	47,001

**Subtotal employee provisions—office holders**

**Employees other than office holders:**

Annual leave	121,159	115,789
Long service leave	68,002	110,164

**Subtotal employee provisions—employees other than office holders**

**Total employee provisions**

Current	165,440	207,955
Non Current	23,721	17,998
<b>Total employee provisions</b>	<b>189,161</b>	<b>225,953</b>

**Note 8C: Other Provisions**

Funds restricted for specific purposes

**Total other provisions**

	3,860,960	3,602,760
<b>Total other provisions</b>	<b>3,860,960</b>	<b>3,602,760</b>

**Note 9 Equity**

**Note 9A: Asset revaluation reserve**

**Balance as at start of year**

Transferred out of reserve	(414,770)	-
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**Balance as at end of year**

**Total asset revaluation reserve**

	414,770	414,770
<b>Balance as at end of year</b>	<b>-</b>	<b>414,770</b>
<b>Total asset revaluation reserve</b>	<b>-</b>	<b>414,770</b>

**Note 10 Cash flow**

**Note 10A: Cash flow reconciliation**

**Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:**

**Cash and cash equivalents as per:**

Cash flow statement	1,258,653	1,562,098
Balance sheet	1,258,653	1,562,098

**Difference**

**Reconciliation of (deficit)/profit to net cash from operating activities:**

(Loss) / Profit for the year	(930,786)	1,179,917
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**Adjustments for non-cash items**

Depreciation/amortisation	207,888	209,203
Net (gain)/loss on disposal of financial instruments	453,020	(147,183)
Net (gain)/loss on revaluation of financial instruments	647,487	(308,597)
Net (gain)/loss on disposal of non-current assets	(138,660)	(18,381)
Accrued interest on loans	-	(4,314)

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	(675,540)	(178,861)
(Increase)/decrease in prepayments	10,050	(166,874)
(Increase)/decrease in inventory	395	(395)
Increase/(decrease) in trade payables	511,269	543,237
Increase/(decrease) in other payables	116,355	(63,299)
Increase/(decrease) in contract liabilities	(208,445)	176,008
Increase/(decrease) in employee provisions	(36,792)	(93,954)
Increase/(decrease) in other provisions	258,200	202,084

**Net cash from operating activities**

	<b>214,441</b>	<b>1,328,591</b>
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**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 10 Cash Flow (continued)**

**Note 10B: Cash flow information**

**Cash inflows from operations**

**Other reporting units**

	2022 \$	2021 \$
National Electrical and Communications Association - National Office	183,762	257,674
National Electrical and Communications Association - Victorian Branch	22,416	45,913
National Electrical and Communications Association - Queensland Branch	261,412	195,791
National Electrical and Communications Association - Tasmanian Branch	259,141	161,864
National Electrical and Communications Association - Australian Capital Territory Branch	810,290	515,358

**Related parties**

ECA Training Pty Ltd	362,450	767,367
NECA Trade Services Pty Ltd	242,536	384,514
NECA Legal Pty Ltd	18,464	77,648
NECA Training Ltd	7,829	1,003
NECA Education and Careers Limited	-	1,210
Australian Cabler Registration Service Pty Ltd	300	309
NECA Foundation Limited	11,000	19,109

**Total cash inflows**

**2,179,599**      **2,427,760**

**Cash outflows**

**Other reporting units**

National Electrical and Communications Association - National Office	911,801	537,221
National Electrical and Communications Association - Victorian Branch	2,302	243
National Electrical and Communications Association - Queensland Branch	54,827	1,444
National Electrical and Communications Association - Tasmanian Branch	49,241	-
National Electrical and Communications Association - Australian Capital Territory Branch	81,386	4,935

**Related parties**

ECA Training Pty Ltd	128,980	414,985
NECA Trade Services Pty Ltd	14,958	8,306
NECA Legal Pty Ltd	216,880	231,241
NECA Training Ltd	13,352	8,224
Australian Cabler Registration Service Pty Ltd	-	1,127

**Total cash outflows**

**1,473,727**      **1,207,726**

**Cash inflows from investing**

**Related parties**

National Electrical and Communications Association - South Australia/Northern Territory Branch	-	100,000
NECA Trade Services Pty Ltd	860,000	530,000
NECA Legal Pty Ltd	54,000	280,000
ECA Training Pty Ltd	-	3,093,947

**Total cash inflows**

**914,000**      **4,003,947**

**Cash outflows from investing**

**Related parties**

NECA Trade Services Pty Ltd	790,000	605,000
NECA Legal Pty Ltd	94,000	40,000

**Total cash outflows**

**884,000**      **645,000**



**Notes to the Financial Statements  
For the year ended 30 June 2022**

**Note 11 Contingent liabilities, assets and commitments**

There are no material financial contingencies to report at balance date.

**Note 12 Related party disclosures**

**Note 12A: Related party transactions for the reporting period**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the Branch received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was Nil (2021: Nil).

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

	<b>2022</b>	2021
	\$	\$
<b>Revenue received from:</b>		
<b>Other reporting units</b>		
Refer to Note 3A: Other revenue from another reporting unit	1,080,528	1,718,659
<b>Expenses paid to:</b>		
<b>Other reporting units</b>		
Refer to Note 4B: Capitation fees and other expense to another reporting unit	1,472,568	1,302,199
<b>Amounts owed by</b>		
<b>Other reporting units</b>		
Refer to Note 5B: Trade and Other Receivables	468,994	208,894
<b>Amounts owed to</b>		
<b>Other reporting units</b>		
Refer to Note 7A: Trade payables	234,647	50,520
<b>Loans from/to</b>		
<b>Amount owed by:</b>		
Refer to Note 5D Other financial assets	960,885	990,885

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2022, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2021: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The remaining related party loans recorded in Note 5D. Other financial assets receives a rate of interest of as 4.52% as per Div 7A and is repayable after 30 June 2022.

Expected credit losses have been raised in relation to the NECA Trade Services Pty Ltd loan of \$533,602 (2021: \$533,602). No expected credit loss has been recognised for the remaining outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party during the year (2021: nil).

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 12B: Key management personnel remuneration for the reporting period**

**Short-term employee benefits**

Salary (including annual leave taken)

Annual leave accrued

**Total short-term employee benefits**

**Post-employment benefits:**

Superannuation

**Total post-employment benefits**

**Other long-term benefits:**

Long-service leave

**Total other long-term benefits**

**Termination benefits**

**Total key management personnel remuneration for the reporting period**

2022 \$	2021 \$
-	173,612
-	-
<b>-</b>	<b>173,612</b>
-	16,493
<b>-</b>	<b>16,493</b>
-	-
-	-
<b>-</b>	<b>190,105</b>

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

**Loans to/from key management personnel**

The Branch has not provided or received any loans with key management personnel (2021: \$nil)

**Other transactions with key management personnel**

Committee members, directors and their related entities are able to use the services provided by the National Electrical and Communications Association. Such services are made available on terms and conditions no more favourable than those available to other members.

**Note 13 Remuneration of auditors**

**Value of the services provided**

Financial statement audit services

Other services

**Total remuneration of auditors**

14,800	12,800
2,200	2,200
<b>17,000</b>	<b>15,000</b>

The auditor is Crowe Audit Australia. The fees are stated net of GST.

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 14 Financial instruments**

The main risks the Branch are exposed to, through its financial instruments, are credit risk, liquidity risk and market risk consisting of interest rate risk, and equity price risk.

The Branch financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from related parties.

The totals for each category of financial instruments, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows:

**Note 14A: Categories of financial instruments**

**Financial Assets**

**At amortised cost**

Cash and cash equivalents

Trade and other receivables

**At fair value**

Managed investment schemes

**Total financial Assets**

**Financial liabilities**

**At amortised cost**

Trade payables

Other payables

Contract liabilities

Lease liabilities

**Total financial liabilities**

Note	2022 \$	2021 \$
5A	1,258,653	1,562,098
5B	1,781,445	1,105,905
5D	9,929,358	9,518,648
	<b>12,969,456</b>	<b>12,186,651</b>
7A	1,695,653	1,184,384
7B	149,443	33,088
7C	211,521	419,966
8A	63,340	63,340
	<b>2,119,957</b>	<b>1,700,778</b>

The Committee of Management has overall responsibility for the establishment of the Branch's financial risk management framework. This includes the development of policies covering specific areas such as, interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

The day to day risk management is carried out under policies and objectives which have been approved by the Committee of Management. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate movements. The Committee of Management receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The Branch does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 14 Financial instruments (continued)**

**Note 14B: Net income and expense from financial assets**

Financial assets at fair value through profit and loss

Investment income

**Net income and expense from financial assets**

	2022 \$	2021 \$
Note		
3D	(663,818)	1,039,549
	<b>(663,818)</b>	<b>1,039,549</b>

**Note 14C: Net income and expense from financial liabilities**

**Amortised cost**

Interest expense

**Net Income and expense from financial liabilities**

Note		
4F	4,112	1,561
	<b>4,112</b>	<b>1,561</b>

**Note 14D: Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non performance by counterparties of contract obligations that could lead to a financial loss to the Association and arises principally from the Branch's receivables.

**Credit risk exposures**

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

The Branch has no significant concentration of credit risk with any single counterparty or Branch of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5B.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

**Financial assets**

Trade and other receivables

**Total financial assets**

1,873,991	1,235,973
<b>1,873,991</b>	<b>1,235,973</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 14 Financial instruments (continued)**  
**Note 14C: Credit risk**

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	30 June 2022					
	Trade and other receivables					
	Days past due					
	On Demanc	<30 days	30-60 days	61-90 days	>91 days	Total
		\$	\$	\$	\$	\$
Expected credit loss rate	0.00%	4.54%	2.75%	4.24%	10.22%	
Estimate total gross carrying amount at default	-	1,714,145	14,962	7,281	137,602	<b>1,873,991</b>
Expected credit loss	-	77,762	411	309	14,064	<b>92,546</b>

	30 June 2021					
	Trade and other receivables					
	Days past due					
	On Demanc	<30 days	30-60 days	61-90 days	>91 days	Total
		\$	\$	\$	\$	\$
Expected credit loss rate	0.00%	6.27%	10.00%	45.94%	100.00%	
Estimate total gross carrying amount at default	-	1,117,547	42,714	24,628	44,399	<b>1,229,288</b>
Expected credit loss	-	70,084	4,271	11,314	44,399	<b>130,068</b>

The Branch's maximum exposure to credit risk for the components of the statement of financial position at the balance date is the carrying amounts as illustrated in Note 14C.

**Note 14E: Liquidity risk**

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, the Branch ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements  
For the year ended 30 June 2022

Note 14 Financial instruments (continued)  
Note 14E: Liquidity risk (continued)

**Contractual maturities for financial liabilities 2022**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	1,845,096	-	-	-	1,845,096
Lease liabilities	-	63,340	-	-	-	63,340
<b>Total</b>	<b>-</b>	<b>1,908,436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,908,436</b>

**Contractual maturities for financial liabilities 2021**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	1,217,472	-	-	-	1,217,472
Lease liabilities	-	60,546	63,340	-	-	123,886
<b>Total</b>	<b>-</b>	<b>1,278,018</b>	<b>63,340</b>	<b>-</b>	<b>-</b>	<b>1,341,358</b>

**Note 14F: Market risk**

Market risk is the risk that the fair value or future cash flows of the financial instruments held within the Branch will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The exposure to market risk is a result of the asset allocation strategy prescribing investments across certain asset classes. The Branch is only exposed to interest rate risk and other price risk as detailed below.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial market instrument will fluctuate because of changes in market interest rates. The Branch is affected by interest rate risk due to its directly held cash balances. The Branch does not have any floating rate debt instruments for both 2022 and 2021. The exposure to interest rate risk has a direct impact on the Statement of Comprehensive Income and Statement of Financial Position of the Branch.

Interest rate risk is measured and monitored by the calculation of the duration of the investment portfolios which approximates the percentage change in portfolio valuation from a percentage change in market interest rates.

Interest rate risk is measured and monitored by the calculation of the duration of the investment portfolios which approximates the percentage change in portfolio valuation from a percentage change in market interest rates. The only component of the financial instruments directly impacted by interest rates volatility for the purposes of quantifying the interest rate sensitivities are the cash holdings either within the individual portfolios or the master custodian accounts for the investment portfolio.

Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 14 Financial instruments (continued)**

**Note 14F: Market risk (continued)**

The following table illustrates sensitivities to the Branch's exposure to changes in interest rates on its directly held cash balances. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Sensitivity analysis of the risk that the entity is exposed to for 2022

	Change in risk variable %	Effect on	
		Profit \$	Equity \$
Interest rate risk	2%	25,173	25,173
Interest rate risk	-2%	(25,173)	(25,173)

Sensitivity analysis of the risk that the entity is exposed to for 2021

	Change in risk variable %	Effect on	
		Profit \$	Equity \$
Interest rate risk	2%	31,242	31,242
Interest rate risk	-2%	(31,242)	(31,242)

Management of the Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2022 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2022 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Branch's financial assets

		Carrying amount 2022 \$	Fair value 2022 \$	Carrying amount 2021 \$	Fair value 2021 \$
<b>Financial assets</b>					
Cash and cash equivalents	Note 5A	1,258,653	1,258,653	1,562,098	1,562,098
Trade and other receivables	5B	1,781,445	1,781,445	1,105,905	1,105,905
Other financial assets	5D	10,890,243	10,890,243	10,509,533	10,509,533
<b>Total</b>		<b>13,930,341</b>	<b>13,930,341</b>	<b>13,177,536</b>	<b>13,177,536</b>
<b>Financial liabilities</b>					
Trade and other payables		1,845,096	1,845,096	1,217,472	1,217,472
Lease liabilities	8A	63,340	63,340	63,340	63,340
<b>Total</b>		<b>1,908,436</b>	<b>1,908,436</b>	<b>1,280,812</b>	<b>1,280,812</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 14 Financial instruments (continued)**

**Note 14G: Price risk**

A large proportion of the financial instrument investments held by the Branch are exposed to other price risk as result of the Branch exposure to equity securities (those indirectly held investments via the Branch's Investment account which are either held in domestic listed and unlisted shares or in managed investment scheme). Other price risk is the risk that the fair value of future cash flows of a financial investment may fluctuate because of changes in market prices. The exposure of price risk has a direct impact of the Statement of Comprehensive Income and Statement of Financial Position of the Branch.

There is a fundamental financial relationship between risk and return. The investments are diversified across different risk profiles in return for commensurate returns in accordance with the Branch's strategic assets allocation policy, meaning that the other price risk exposure is understood.

Whilst equity markets are inherently volatile and suitable for short-term investment, over the long-term, equity investments have proven to be a good source of inflation protection, through the achievement of high return and real terms. To manage the price risk, the investment portfolio is diversified in accordance with asset class limits (in accordance with the Branch's strategic asset allocation policy). As part of the bank asset allocation strategy a portion of the equity investments are of a high quality and are publicly traded on the Australian Securities Exchange (ASX).

The table below summarises the impact of increases/decreases of the abovementioned investment exposures on the Branch's profit for the year and on equity. The analysis is based on the assumption that the respective price indexes for the different asset classes may increase/decrease in accordance to the historical correlation with the indexes that the investments are exposed to.

Taking into account past performance, future expectations, economic forecasts, and the Branch's knowledge and experience of the financial markets, the impact on profit or loss and the impact on equity in the table below is 'reasonable possible' over the next 12 months if other price risk changes by the following factors from the target benchmarks with all other variables, especially foreign exchange rates, held constant.

	Profit		Equity	
	2022	2021	2022	2021
	\$	\$	\$	\$
+/- 5% in ASX All Ordinaries Index	496,468	475,932	496,468	475,932



**Note 15 Fair value measurements**

**Note 15A: Non-financial assets and liabilities fair value hierarchy**

The following tables provide an analysis of non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments.

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

**Fair value hierarchy – 30 June 2022**

Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Other Financial Assets	4,838,850	5,090,508	-
<b>Total assets measured at fair value</b>	<b>4,838,850</b>	<b>5,090,508</b>	<b>-</b>

**Fair value hierarchy – 30 June 2021**

Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Other Financial Assets	-	9,518,648	-
Land and Building	-	973,828	-
<b>Total assets measured at fair value</b>	<b>-</b>	<b>10,492,476</b>	<b>-</b>

**Note 16 Association Details**

The principal place of business of the Branch is:

National Electrical and Communications Association New South Wales Branch  
122 Hume Highway  
Chullora NSW 2190

**Note 17 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).

**Officer declaration statement**

I, Oliver Judd, being the Secretary of the National Electrical and Communications Association New South Wales Branch ("the Branch") declare that the following activities did not occur during the reporting period ending 30 June 2022.

The Branch did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of prescribed designated officer



Name of the designated officer OLIVER JUDD  
Title of the designated officer SECRETARY

Dated: 31 October 2022