

From: WILLIAMS, Margaret
Sent: Friday, 7 March 2008 3:32 PM
To: 'wayne.beauman@rsmi.com.au'
Subject: RE: The National Electrical Contractors Association - NSW Branch - FR2007/44
Dear Mr Beauman

Further to previous correspondence in this matter, I acknowledge receipt of the amended auditor's report, for which I thank you.

The financial report of The National Electrical Contractors Association – NSW Branch will now be filed.

Margaret Williams

Margaret Williams
Statutory Services Officer, Team 2
Statutory Services Branch
Australian Industrial Registry

Ph: 03 8661 7822
email: margaret.williams@air.gov.au

From: wayne.beauman@rsmi.com.au [mailto:wayne.beauman@rsmi.com.au]
Sent: Wednesday, 13 February 2008 12:29 PM
To: WILLIAMS, Margaret
Subject: The National Electrical Contractors Association - NSW Branch - FR2007/44

Hello Margaret,

As discussed earlier I am attaching a revised audit report for the above association which has been updated to include those matters detailed in your letter dated 11 January 2008. Please let me know if further information or clarification is required. A copy of this amended report will also be sent to NECA NSW.

regards,

Wayne Beauman
Partner

RSM Bird Cameron Partners

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National Electrical Contractors Association New South Wales Chapter

Independent Audit Report to the members of National Electrical Contractors Association - New South Wales Chapter

Scope

The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in member's funds, statement of cash flows, accompanying notes to the financial statements, and the committee of management statement for National Electrical Contractors Association - New South Wales Chapter, for the year ended 30 June 2007 as set out on pages 3 to 19.

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act 1984, Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the requirements Associations Incorporation Act 1984, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

L:\edm\client\NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION (NSW)\Working Papers 2007\NECA NSW Chapter\Final Reports\Amended audit report.doc

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We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of the National Electrical Contractors Association - New South Wales Chapter as at 30 June 2007, presents fairly in accordance with applicable Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996, and other mandatory professional reporting requirements in Australia, the financial position of the National Electrical Contractors Association - New South Wales Chapter as at 30 June 2007, and the results of its operations and its cash flows for the year then ended.



**RSM Bird Cameron Partners
Chartered Accountants**



W E Beuman
Partner
Registered Company Auditor
Member of the Institute of Chartered Accountants in Australia

Dated: 25th September 2007

Sydney



Australian Government
Australian Industrial Registry

2

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Melbourne, VIC 3000
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margaret.williams@air.gov.au

Mr Lindsay Le Compte
Secretary
The National Electrical Contractors Association – New South Wales Chapter
PO Box 1106
BURWOOD NORTH NEW SOUTH WALES 2134

Email: necansw@neca.asn.au

Dear Mr Le Compte

Re: Financial Report for The National Electrical Contractors Association – New South Wales Chapter for year ended 30 June 2007 – FR2007/444

I acknowledge receipt of the financial report of The National Electrical Contractors Association – New South Wales Chapter for the year ended 30 June 2007. The documents were lodged with the Registry on 2 November 2007

The following matter requires your attention before any action can be taken to file the above report.

Audit Report

1 Scope

The Audit Report contained the reference to *“The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for National Electrical Contractors Association - New South Wales Chapter, for the year ended 30 June 2007 as set out on pages 3 to 18.”*.

The Auditor is required to take into account the Committee of Management statement as a part of the Audit process and this is contained on pages 19 and 20. If the Auditor did not take into account the Committee of Management statement, then the reporting process would need to start from the Audit Report onwards. If the reference to 3 to 18 should have been 3 to 20 then this should be corrected.

2 Auditor's Opinion

The Audit Report lodged contained the following Auditor's Opinion:

- “(i) there were kept by the Association in respect of the year ended 30 June 2007, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure;*
- (ii) the attached financial report, prepared under the historical cost convention and in accordance with Section 253 of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996 and applicable Accounting Standards and other mandatory*

professional reporting requirements, are drawn up so as to give a true and fair view of:

- (a) *the financial affairs of the National Electrical Contractors Association - New South Wales Chapter as at 30 June 2007;*
- (b) *the statement of income and expenditure, cash flows and surplus of the Association for the financial year ended, on that date; and*
- (c) *all information and explanations required by RAO Schedule 1B of the Workplace Relations Act 1996, to be provided by officers or employees were provided."*

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996."

3 Auditor's Qualification

It is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.


4 Schedule 1

Reference to Schedule 1B of the Act, should properly refer to Schedule 1.

I would request that a new Auditor's Audit Report is lodged reflecting the changes referred to in points 1-4.

Please do not hesitate to contact me by email at margaret.williams@air.gov.au or on (03) 8661 7822 if you wish to discuss this matter.

Yours sincerely



Margaret Williams
Statutory Services Branch

11 January 2008



New South Wales chapter | national electrical and communications association
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PO Box 1106 Burwood North New South Wales 2134 Australia
telephone: +61 2 9744 1099 facsimile: +61 2 9744 1830
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ABN 27 056 174 413

FR 2007 / 4114

31 October 2007

Industrial Registrar
Australian Industrial Registry
G P O Box 1994S
MELBOURNE VIC 3001

Dear Sir/Madam

Please find attached the reports and accounts required for NECA NSW in accordance with the Workplace Relations Act for the year ended 30 June 2007.

The financial statements for the year ended 30 June 2007 were forwarded to members on 26 September 2007. The Annual General Meeting of members was held on 17 October 2007. A copy of the Notice of the Annual General Meeting sent to members is also attached.

Yours sincerely


Lindsay Le Compte
SECRETARY

Marie Jones

From: Marie Jones
Sent: Wednesday, 26 September 2007 3:59 PM
Subject: Annual General Meetings. ECA NSW and NECA NSW
Attachments: Annual Report and Accounts.pdf

The Annual General Meetings of NECA NSW and ECA NSW is to be held:

**At
The Coronation Club
86 Burwood Road**

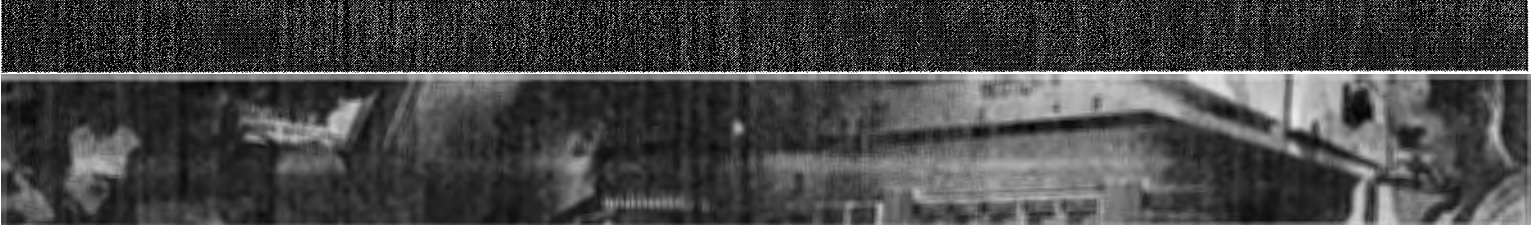
**On
Wednesday 17 October, 2007
Commencing at 9am**

Regards,
Lindsay Le Compte
Chief Executive Officer

National Electrical & Communications Association
Level 3, 28 Burwood Road
Burwood NSW 2134
Ph: 02 9744 1099
Fax: 02 9744 1830
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30/10/2007



NECA NSW ANNUAL REPORT 2006/2007

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(NECA NSW and ECA NSW)



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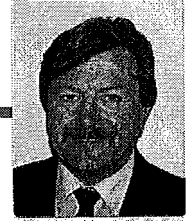
Advancing
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Introduction

NECA NSW Executive Committee

President	Mr S Griffiths (Stephen) Phasor Electrical Pty Ltd
Vice-President	Mr J Hill (James) JES Electrical Group Pty Ltd
Treasurer	Mr A H Glossop (Tony) Life Member
Member	Mr R Young (Reg) Beech Pty Ltd
Member	Mr D R Madson (David) Stowe Australia Pty Ltd
Member	Mr R Bateman (Ron) Ron Bateman Pty Ltd
Member	Mr A Pollard (Tony) Tony Pollard Electrics Pty Ltd
Member	Mr K Smith (Kelvin) Kelvins Electrical Services (Australia) Pty Ltd
Chief Executive Officer and Secretary	Mr L G Le Compte (Lindsay) NECA NSW

Introduction



President's Report

No-one could say that the 2006/2007 financial year has been uneventful for NECA and its members and office holders. In many respects it has been an exciting, but often complex, year for our organisation as governments and industry develop and implement major changes in policy and business operations.

During the year our National Chief Executive, Peter Glynn, retired and was replaced by our NSW Chief Executive, James Tinslay. James has been a stalwart of NECA in NSW for 19 years and was instrumental, along with a number of our long serving members in positioning NECA for significant growth and in enhancing its standing within the business and general community. We owe a great debt of gratitude to James and we are fortunate that we will continue to be well served through his safe hands on the wheel in our National Office.

Lindsay Le Compte joined us in late April 2007 as our new Chief Executive. Lindsay comes to our organisation with a significant amount of experience in and around the building and construction industry including the specialist trades, both as a regulator and as a person involved in operational issues. Importantly, Lindsay has experience at a senior level of government and we are well-served by his ability to guide us through that often tangled web placed before us by the bureaucracy.

Geoffrey Jochelson, our longstanding Commercial and Business Manager, retired during the course of the year. Members will recall that Geoffrey was instrumental in the introduction of Security of Payments legislation and championed many other important reforms over the years. Many members had the benefit of Geoffrey's wise counsel on commercial issues. We wish him well in his "retirement", but are fortunate to be able to bring him back from time to time as a consultant on issues of importance to us.

We have also had some other significant staff changes with Vicky Rigler, our Member Services Manager, and Wendy Ramjee, Executive Assistant to James Tinslay, moving to the National Office to assist James in his new role. Tristan Mercer, who replaced Vicky as Member Services Manager, also left us towards the end of the year to take up a role in London with a renewable energy company operating in the United States and the United Kingdom.

Pamela Scott has been appointed to the new position of Manager, Member Services and Administration, Pamela Renneberg has replaced Wendy Ramjee and we have taken action to appoint a specialist Finance Manager who we expect will commence duties in September 2007. All of these changes have been taking place while dedicated staff continued to perform admirably on behalf of members.

While these major internal changes have been taking place NECA has also been at the forefront of such major industry issues as green energy and green buildings, the skills shortage, the industrial relations debate and major changes to the legislation and regulations governing our industry such as the forthcoming release of the new wiring rules.

During the year NECA took up a major role in the operations of the Institute for Trade Skills Excellence which is designed to identify and reward those involved at the coal face in delivery of trade training. We also became fully involved in the Federal Government's Australian Technical Colleges by finding positions for a number of school age apprentices for the Western Sydney Technical College.

NECA also continues to support the TAFE system of apprentice training through a number of partnership arrangements that we have with various TAFE colleges and through our involvement in committees and working parties aimed at assessing and improving the development and delivery of trade training courses. We are also represented on the Office of Fair Trading licensing reference group which provides advice and assistance to the regulator in its assessment of licensing requirements.

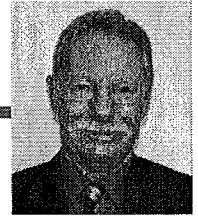
This year marked another excellent year for NECA Group Training which has an enviable record of achievement of full employment of apprentices. Next year will see the 20th anniversary of our training company and we look forward to some major celebrations.

The ElectroComms Foundation also continues to thrive with a number of up and coming managers being given the opportunity to advance their skills through the generous assistance provided by those individuals and organisations who support the foundation. This is just one of the many ways NECA and its members give back to the industry we have developed and supported for so long.

Our Associate Member Program is now in full swing with NECA staff working closely with our Associate Members to identify and develop business opportunities while providing our members with information on new and emerging products and technologies.

NECA has achieved much during the year and has set in train or been involved in a number of programs and policies that will have longstanding impacts on our industry. This could not have been achieved without the dedication of NECA staff and the commitment, guidance and decision making of the Executive Committee members, Branch Chairman, Secretaries and the various sub-committees. My personal thanks go to all of those involved.

Steve Griffiths
President



Chief Executive Officer's Overview

It is with great pleasure that I present this, my first, Chief Executive Officer's Overview of the operations of NECA for the 2006/2007 financial year.

Firstly, I would like to pay tribute to James Tinslay for his work with the organisation for 19 years as Chief Executive. I feel very fortunate to be able to work with James in his new position as National Chief Executive and, thanks to his stewardship, to be able to take up my role in NSW with the organisation in a very healthy operational position.

The latter part of the financial year saw a number of staffing changes in addition to my appointment. While significant change in any organisation is bound to have some effect, it was particularly pleasing to see the commitment shown by staff during this period, and members should draw comfort from the fact that we have staff in NECA NSW and in NECA Group Training who are so committed to the organisation's goals.

The 2006/2007 financial year continued on from the previous year with the WorkChoices legislation at the forefront of our interests. NECA staff continued to advise members on industrial issues. In similar mode to the previous year, the current year also disclosed many flaws in the arguments of those who would like to see the back of WorkChoices, and we saw the real policy behind the union movement's industrial agenda as revealed in endorsed motions at the ALP National Conference.

The ALPs proposed abolition of the Australian Building and Construction Commission, the introduction of 15% compulsory superannuation contributions, unfair dismissal laws and many other proposals aimed at clawing back perceived lost ground ought to worry those businesses who have committed themselves to employing more staff and injecting economic value into our economy by growing their businesses.

The Federal Government addressed issues raised in public debate over the implementation of WorkChoices and responded with adjustments aimed at ensuring fair workplaces in the interests of both employees and employers.

In other areas NECA has, in conjunction with both the Federal and NSW Governments, attacked the skills shortage in a number of innovative ways and is participating in a range of programs designed to support our industry. Barry Dawson, who was appointed as General Manager of NECA Group Training toward the end of the financial year, has played a significant role in the review of training and skills development. Barry and his team will play a more important role in employment and training in the forthcoming year.

NECA NSW also provided services to the Queensland and Australian Capital Territory Chapters during the course of the year. This included the provision of advisory services as well as on-site assistance and seminars, and we are committed

to further improving our services in these areas over the next financial year.

I have commenced a program of visiting NECA branches and groups and we plan to continue the visits on a regular basis in conjunction with our staff and consultants as part of our "value added" approach to our service responsibility to members.

There is no doubt that we are already in a period of substantial change in terms of our industry. The concepts of Green Power, Green Buildings, and Eco-friendly government policies are here to stay, and the pace of technological advancement places ever increasing pressures on contractors to respond to the wants and needs of today's consumers. NECA's role in these areas is to position its members so that they are well trained in the introduction of new technologies and are aware of emerging trends.

This year, in a pilot program led by NECA Victoria, NECA NSW participated in the development of the EcoSmart concept, which is a project designed to bring electrical contractors up to date with the latest concepts and issues in many areas of their work thus enabling them to gain a strategic advantage when tendering for work or advising clients. This is an exciting project that will be rolled-out in the new financial year.

There will also be a range of other projects implemented in the 2007/2008 financial year including the issue of the new wiring rules expected for November 2007 with commencement around May/June 2008. NECA will be undertaking a number of roadshows to assist in the implementation of the changes and these are expected to incorporate trade shows supported by our Associate Members at various sites.

We will also be undertaking a regular free seminar program across the State to bring contractors up to date with other changes and will be working closely with our Associate Members in bringing new products and systems to the attention of the industry in general.

I look forward to a busy, and exciting year ahead as we develop and implement a number of plans for the future of NECA and its members.

Finally, I would like to thank those NECA members who give freely of their time in the interests of industry development and NECA's future. There are too many to name all. I would also like to thank the Executive Officers and Executive Committee of NECA for their support and guidance in my first months with the organisation.

Lindsay Le Compte
Chief Executive Officer

Year in Review

Commercial and Business

Security of Payment Act

Members will be well aware of the operation of the security of payment legislation that has been in existence in NSW since 1999.

Geoffrey Jochelson, who retired towards the end of the financial year as our Commercial and Business Manager, was a key player behind the introduction of this legislation. At present the Government has before it a report of a review of the legislation but has not indicated whether or not, or to what extent it will make any changes to the existing regime.

NECA remains an Authorised Nominating Authority (ANA) for the legislation and appoints adjudicators for the purpose of resolving disputes under the legislation. There is currently a proposal to again approach the ACT Government to introduce complementary legislation to that operating in NSW, and it is noted that security of payment legislation has been introduced in Victoria and Queensland.

NECA has access to a number of professional persons who are able to provide advice and assistance on progress claims and any member involved in these matters should contact Kyle Kutasi at NECA for assistance.

Home Building Act

During the year the NSW Government completed its review of licensing under the Home Building Act but has not yet released any specific documents indicating its position.

NECA is aware that the Home Building Act itself is to be re-written (not before time) and NECA will have an opportunity on behalf of members to make submissions as to changes necessary for the more effective regulation and licensing of our industry. In licensing terms, we have seen some positive moves in red tape reduction with the introduction of three year licenses and the ability to renew licences and pay online on its way.

Members are reminded of the pitfalls of being involved in disputes involving the Home Building legislation, in particular the requirements relating to contracting and home warranty insurance. NECA provides specialist services to members on these issues.

Continuing Professional Development

Members will recall that the government previously announced that continuing professional development would apply to the specialist trades and NECA members commenced the scheme only to find out later that it had been placed on hold as a result of objections by the ETU.

Indications are that the government may be prepared to support a voluntary scheme that would take account of the substantial ongoing training undertaken by members. If implemented, a voluntary scheme would be cost effective for NECA members and could be used to differentiate contractors who kept up to date with their industry from those who do not make this effort. The issue is to be taken up with the government in the first half of the 2007/2008 financial year.

Insurance

The NECAGuard policy continues to be used by an increasing number of members and many more are realising the savings to be made on general insurance through Brookvale Insurance Brokers.

Authorised Service Providers

We reported last year that the energy network distributors had been successful in obtaining variations to the "ringfencing guidelines" issued by IPART. Since that time the energy providers have also made a number of operational decisions that have had the effect of reducing competition in the marketplace.

With the State election behind us, NECA is taking up a number of issues with the Minister and the IPART to bring the playing field back to level. In the meantime, we are in the process of refreshing our internal group that examines ASP issues and expect to make some announcements of progress in the second quarter of the 2007/2008 financial year.

Help Desk

During the year we introduced a help desk for members with specific questions in the commercial area. That process has operated successfully to date, but will be reviewed in the new financial year in light of our strategic approach to the provision of advice in this area.

Lindsay Le Compte
Chief Executive Officer



Industrial Relations

The Great IR Election Struggle

2006/2007 has been the year that brought industrial relations into the daily media spotlight. Every morning the news seemed to carry new stories about how the WorkChoices legislation was supposedly ripping off Australian workers.

Whilst the truth (as always) is far different, it was nonetheless clear that industrial relations reform is **THE** issue for the upcoming 2007 Federal election. Therefore, both the Coalition and Labor see its IR policies as the key mode by which the parties can differentiate themselves.

The Coalition promises to keep the WorkChoices legislation. Labor on the other hand promises to "rip it up". But what does this mean?

Whilst no one knows for sure what a Rudd Government may do to the Workplace Relations Act, we have some idea based on the ALPs *Forward With Fairness* policy launched in April 2007.

The main tenets of *Forward With Fairness* are that a Rudd Labor Government will:

- Maintain and extend the National IR system to cover all employees (not just those employed by constitutional corporations);
- Expand the five minimum Australian Fair Pay and Conditions Standards to ten – including guaranteed redundancy pay provisions and rights for employees to extend parental leave;
- Bring back the right for all employees to make an unfair dismissal claim (although with a restriction on employees within their first 12 months);
- Create a new body, to be known as "Fair Work Australia" which will replace and consolidate all of the current workplace organisations, including the AIRC, Fair Pay Commission, Workplace Authority and the Workplace Ombudsman;
- Abolish the Australian Building and Construction Commission (ABCC);
- Abolish Australian Workplace Agreements (AWAs);
- Promote Collective Bargaining as the primary focus of the system; and
- Require that employers must bargain collectively 'in good faith'.

NECA considers the *Forward With Fairness* policy, if implemented into law, to be a deeply retrograde step for Australian business.

In many respects, *Forward With Fairness* would actually take Australia back into the industrial dark ages of the 1980s and before. We sincerely hope that Labor reconsiders their folly in the event that they are elected to office.

WorkChoices Gets Tweaked

2006/2007 has seen two further amendments to the Workplace Relations Act which follow on from the comprehensive WorkChoices amendments which commenced in March 2006. Some minor amendments which tidied up the legislation commenced in late 2006. The main effects of these amendments were to tighten up the rules regarding leave accrual and payment.

The Government then passed a further raft of amendments in June 2007. These amendments were aimed primarily at introducing a 'Fairness Test', by which all workplace agreements entered into after 7 May 2007 are to be assessed to ensure that they provide fair compensation for any removed or modified 'protected award conditions'.

In the same raft of amendments, the Government also changed the name of some of its agencies. The Office of the Employment Advocate has now become the 'Workplace Authority' and the Office of Workplace Services has become the 'Workplace Ombudsman'.

Further, a requirement was introduced for employers to provide all employees with a 'Workplace Relations Fact Sheet'. This Fact Sheet is required to be provided to all current employees by no later than 20 October 2007, and within 7 days after the commencement of employment for all new employees.

Employer Advisor Programme

In conjunction with the Department of Employment and Workplace Relations (DEWR), NECA has been running information and training sessions since May 2006 all across Australia on the WorkChoices legislation and what it means for electrical contractors. This is known as the Employer Advisor Programme (EAP).

These sessions have been generating substantial interest from members, particularly in agreement-making. Given this interest in agreement-making, NECA has begun conducting Agreement-Making Workshops as part of the on-going program in August 2007.

Construction Industry Reform

Following from the recommendations of the Cole Royal Commission and the introduction of the *Building and Construction Industry Improvement Act 2005*, the Australian Building and Construction Commission (ABCC) has gotten off to a good start.

The ABCC is empowered to take action against building industry participants who refuse to comply with the strict provisions of the legislation and impose heavy sanctions for unlawful industrial activity.

NECA has established and maintains a positive and active relationship with the ABCC. ABCC is clearly changing the culture of the construction industry, which is a good thing for electrical contractors, and consumers in general.

Year in Review

Industrial Relations Continued

There is evidence to suggest that in just a few years, the ABCC (and its predecessor, the Building Industry Taskforce) have done such an effective job in improving productivity in the building sector, that overall GDP is 1.5% higher than it otherwise would be. Construction costs are estimated to have fallen by an average 5.2% in the same time period.

Clearly, the ALPs policy to abolish the ABCC would be a backward step for the industry. NECA has communicated this view to Labor's IR spokesperson, Julia Gillard, and will continue to make representations to this effect.

NECA members continue to achieve progressive industrial relations outcomes

The cultural change in workplace arrangements in the electrical contracting industry continued throughout 2006/2007, with more and more members entering in workplace-specific industrial arrangements with their employees, with NECAs assistance.

Industry participants have come to realise and acknowledge that there is no "one size fits all" solution for the electrical contracting industry and that the needs of companies and employees alike differ greatly between companies and between different sectors of the industry. On this basis, NECA has assisted an increasing number of contractors with Collective Agreements and Australian Workplace Agreements.

With the current demands for trade-qualified electricians facing the industry and the widely reported "skills shortage" proving a problem for attracting suitable prospective electricians to the trade, companies and employees alike are utilising workplace-specific arrangements to ensure better wage outcomes and employment stability.

NECA estimates that approximately 25% of its members currently have at least some of their employees covered by a workplace agreement. This rate has doubled in the last 18 months.

Another crucial factor which members need to be aware about is that the National Code of Practice effectively covers **ALL** building and construction work. This means that members, who are interested in doing any construction-related work, must make it a priority to become Code compliant, or they run the serious risk of being shut out of the industry.

Furthermore, given that the *Electrical, Electronic and Communications Contracting Industry (State) Award* is not Code compliant, this means that only members who have registered Workplace Agreements have any chance of complying with the Code, and hence successfully tendering for construction related projects.

NECA is available to assist members across all sectors of the industry, whether contractors perform work in construction, service, installation, industrial, maintenance, repair or a

combination of areas, to ensure that industrial arrangements are tailor-made to suit the specific needs of a particular business.

AFPC and State Wage Cases

Wage inflation has continued at record pace in 2006/2007 with the impact of various wage-setting decisions over the year.

The newly created Australian Fair Pay Commission (AFPC) handed down a minimum wage increase of up to \$27.36 per week (5.6%) which took effect on 1 December 2006. This was then followed up with another increase of up to \$10.26 per week (2%) which will take effect from 1 October 2007.

The effect of these decisions is that minimum wages for Federal system employees have increased by 7.6% in just 10 months – a record since the end of wage indexation.

The story is similar in relation to minimum wages for those employers operating in the NSW system. The NSW Industrial Relations Commission handed down an increase of up to \$27.00 per week (5.4%) in June 2007.

The Year Ahead

Even if there is a change of government at the next Federal election, the political reality is that it is highly unlikely any new government would be able to effect any changes to the current legislative scheme until late 2008. In the meanwhile, members will continue to make agreements in ever increasing numbers.

However, no matter the result, one thing that is reasonably certain is that for the vast majority of Australians, IR reform is having little impact on their day-to-day working lives. The day-to-day realities of attracting and retaining staff in the electrical contracting industry will be no different.

Those industries, like electrical contracting, where the people are not only the most important aspect of the business, they **ARE** the business, will need to continue to focus on the needs of individuals working within a team for common goals.

NECAs Industrial Relations Department will continue to assist members to achieve progressive industrial outcomes and can assist members when problems do arise. We are able to assist members with such issues as:

- Wages, entitlements, award and agreement conditions;
- All stages of the enterprise bargaining process;
- Unfair dismissal, industrial disputes and claims;
- Company restructure issues and redundancy;
- Performance management, disciplinary procedures and other employee management issues.

Marie Jones and I thank members for their support during the year.

Kyle Kutasi
Manager, Commercial and Industrial Relations



Occupational Health and Safety

New South Wales OHS Act 2000 Review

A review of the Occupational Health and Safety (OHS) legislation was initiated by the NSW government in 2005 and last year we reported on detailed submissions made by NECA in August 2005 and May 2006.

The Minister endeavoured to put the Amendment Bill to NSW Parliament in June 2006, but was stopped by strong union objection. In November, after 18 months of consultation, Minister John Della Bosca announced that retired Justice Stein QC would conduct a review of the law. Justice Stein called for further submissions and the review was to be completed by 28 April 2007, a month after the state elections.

We are now aware that the report was received by the Minister a week early but the conclusions and recommendations remain a closely guarded secret. There are two key sticking points:

- The absolute duty of the employer projected in Section 8 of the Act requiring that the employer "must ensure the health, safety and welfare of employees", and
- The right of unions to prosecute employers and profit from a 50% share of the penalty.

These issues were the focus of our submission. Whilst there is every likelihood that Justice Stein might have recommended adoption of the successful Victorian model, the unions will be calling for any such change to be held over until after the Federal election. This would enable a Labor Federal government, if elected, to introduce uniform OHS laws (modelled around the NSW legislation) as part of their industrial relations reforms.

OHS Harmonisation

The federal initiative for OHS and Workers' Compensation stalled during the year with the NSW government walking away from tripartite negotiations saying that the process was driving standards to the lowest common denominator. The Australian Safety and Compensation Commission has many projects and it continues to work on creating National Standards and Codes of Practice for industry. Consultation continues with employers (represented by the Australian Chamber of Commerce and Industry, ACCI), unions (through the ACTU) and each of the state and territory regulators. NECA's involvement is through ACCI.

The state jurisdictions have initiated their own reform strategies which has seen a number of meaningful developments, mutual recognition of Construction Induction Certificates being one. The work on uniform guidelines for the housing industry is progressing but they provide "deemed to comply" criteria which will fail under the current NSW legislation.

Development of the Guideline for Temporary Construction Site Wiring has been delayed subject to release of the new AS3000 and AS3012, due in November 2007 and March 2008, respectively.

WorkCover Initiatives

NECA is actively involved with tripartite committees in the development of new and improved codes, guidelines and training material for industry. Planned revisions to many of the key WorkCover Codes of practice that effect our industry were released in this period. New codes and guides include:

- Code of Practice: Low voltage electrical work
- Code of Practice: Electrical practices in construction
- Code of practice: Work near overhead power lines
- Guide: Working near underground assets
- Guide: Competent person for testing and tagging electrical equipment
- Guide: Contractor's checklist – Electrical practices for construction work

All WorkCover documents are available on the WorkCover website.

It is clear that WorkCover as an organisation recognise the benefits of directing their resources to provide assistance to improve safety performance. There are indications that the management of WorkCover is trying to improve their image by trying to place a greater emphasis

- Introduction of the 'Serious About Safe Business' Safety pack providing advice on what should be addressed for OHS "compliance". The emphasis is on development of safe work procedures for work processes. It has a process orientation, which in turn facilitates ongoing continuous improvement philosophies. This is an appropriate direction for meaningful safety cost reductions. The document describes what might be a "compliant" organisation driven by an appropriate safety management system.

All organisations should have such a management system in place and in addition to promoting the WorkCover documents and independently, we ran a series of articles in NECA News on this subject.

- Introduction of a 'Confirmation of Advice Record' form for WorkCover Inspectors. It will be used by WorkCover to collect and analyse advice given.
- Business Assistance Unit service request form. WorkCover had for some time gone quiet on offering to visit workplaces to provide advice. They are again promoting a one on one service.

Year In Review

Occupational Health and Safety Continued

The advisers are not authorised to issue notices but if not addressed in a timely manner, a clear breach would ultimately be reported to an inspector.

- Safety workshops are being offered to small business and a session was specifically arranged for Electrical Contractors during the year. Further workshops can be arranged.
- PowerPoint presentations on falls and noise have been developed and the plan is to roll these out across the branches. Ultimately they should be presented to all employees as toolbox presentations.
- WorkCover are offering a 50% rebate on certain OHS improvement initiatives for small business up to \$500 – conditions apply.

Workers Compensation

SW Workers' Compensation premium have been progressively reduced across the board by approximately 25% over the last two years and each change has applied from the next policy renewal. This equates to a saving of about \$5M to our members and is substantially attributed to the recent paying out of the past accumulated debt of about \$3.5 billion.

From 30 June 2007, the base premium rate for Electrical Services will be 2.567% and 0% for apprentices. The wages for apprentices must still be declared for the purpose of computing experience loadings and some insurers are providing the zero apprentice premium as a rebate.

WorkCover is now running at a substantial surplus so we should be able to expect further reductions. Our members will be paying in excess of \$15 million for Workers Compensation in the next financial year and this is considered to be grossly excessive.

NECA is currently involved in reviewing general industry policy regarding Workers Compensation with ACCI and we are seeking to identify strategies that may reduce premiums and administrative costs for members.

Level of supervision required for apprentices

There appeared have been some misunderstanding as to the level of supervision required for apprentices and this resulted in the issue of some penalty notices during the year. It turns out that the legislation is such that there is an overlap between the laws administered by WorkCover and the Office of Fair Trading. The requirements and expectations have been unravelled and incorporated into a NECA procedure, guidance table and flowchart and was published in NECA News.

In summary, each apprentice should have a designated supervisor, who might be changed from time to time. They must be directly supervised; however, direct supervision can be reduced to general supervision with full instruction and under certain conditions. Conditions basically relate to the nature of the task (including risk assessment) and the training, experience and assessed competence of the apprentice. Such assessments should be documented and done by the supervisor at the worksite and it is important to maintain close communications throughout the job as well as inspection and test on completion.

It is notable that these constraints are far less stringent than those applying to an unlicensed electrical worker and clearly relate to the training needs of the apprentices' chosen career.

NECASafe Developments

The NECASafe training and resource material is progressively being upgraded. The course and material is commended to all members also have not yet attended and we will soon be able to provide past participants with a useful refresher.

We have now drafted a complete corporate template for the *Safety Management System* that is aiming to address all relevant legislative requirements as well as providing basic input on quality and environmental management. This document can be readily tailored to an organisation and is available to all members for their use.

Jobs that involve a total cost of in excess of \$250,000 require that the principal contractor provide each subcontractor with a *site specific safety management plan*. The principal contractor usually requires the subcontractor to prepare and provide this document for their portion of the work along with *safe work method statements* and a preliminary *risk assessment*. These documents have been refined and are also available to all members for their use.

OHS Assessment

NECA introduced a free OHS system assessment for all NECA members during the year and this service will continue for a limited time. Each participating member is visited by an independent consultant for two hours and provided with a detailed report that provides direction for ongoing development. NECA receive a monthly summary report.

Members are encouraged to participate in this free service.

David Bowen
OHS Manager



Member Services and Administration

Training

Training has continued to be a busy area for NECA. This year has seen the continuation of the free workshops and seminars to assist members with the current Workplace legislation.

Over the last twelve months NECA has been actively looking at the "green electrician" and the future of energy and sustainability in Australia. NECA VIC organised and ran pilot courses in Victoria and NSW. A full course has now been developed and the EcoSmart logo registered which will be used nationally to assist members in developing new business opportunities and expertise in this growth area of the industry. The course is designed to give members the necessary information to meet the needs of clients with a growing demand for more "green" friendly solutions to their electrical needs. The NSW pilot course, EcoSmart Electrician was well received and covered technology, products reference materials and provided members with information on energy efficient and environmentally friendly electrical products and techniques. A full program roll out is expected in the coming year and this will bring energy and sustainability into the forefront of the electrical and electrotechnology industry.

Another growing area of interest is in Solar Energy. NSW ran a pilot course on the Introduction to Solar Energy which was also well received with good feedback. Further research and development in this area is on the agenda for the next financial year.

NSW Chapter Branches

The NSW Chapter has an extensive network of branches covering the Sydney Metro, Wollongong, Gosford and Newcastle regions as well as regional country areas of New South Wales. Those branches which are active are well run and organised by the local contractors and suppliers who volunteer to run them. This is an invaluable contribution that ensures that local members have a forum for discussing local issues. Many of the branches actively fund raise for charities, with many thousands of dollars being donated to a variety of charities raised from social activities such as Golf Days and Trivia Nights. In the coming year NECA will look at providing additional NECA member services resources and representation at a local level to assist these dedicated people at the Branch level.

Member Stationery

NECA continues to supply industry specific stationery and publications. This year we saw the introduction of two mandatory documents that have been produced and distributed on behalf of the Office Fair Trading (Certificate of Compliance Electrical Work) and Department of Water and Energy (Service and Installation Rules). Standards Australia expect that the Wiring Rules AS3000 will be released in November 2007.

Apprentice Awards

NECA is proud to host this annual event which showcases the most talented new entrants to our industry who are apprenticed through NECA members. Our industry apprentices are the lifeblood of our industry and it is appropriate for the industry to recognise and acknowledge their skills and achievements. The employers of these outstanding apprentices invest a lot of time and effort into helping the winners develop to this high standard. This event also likes to recognise the employer commitment to advancing the standards of the industry by passing on their knowledge and expertise to the next generation.

NECA Excellence Awards

The NECA Excellence Awards once again was a huge success. This year's luncheon was hosted by Kerry O'Keeffe at Star City with over 500 members and their guests. The Presentation Luncheon was sponsored by members of the Associate Member Program.

NECA NSW and ACT Conference 2006

This year's conference was held at the Crowne Plaza, Terrigal and attracted considerable interest from members and sponsors alike. Business sessions were well attended and even the rather inclement weather did not dampen the spirits of participants in the social activities. The "Dracula's Ball" theme dinner complete with Rocky Horror themed band was a resounding success and a great ending to another enjoyable conference.

NECA Fuel/Caltex Star Card Scheme

The fuel costs this year seem to have stabilised and the scheme still remains a good business tool because it allows contractors to have some control over the spending on their vehicles. The statement which is very detailed is a valuable tool that allows you to monitor usage and to do routine checks on your vehicles and employees to ensure they are operating within your set guidelines.

Insurance

NECA continues to have close partnerships with several insurance providers to ensure that NECA members are offered not only competitively priced policies, but to also ensure they have a tailored policy to suit the specialised nature of electrical and electro technology work.

Communications Cabling Registration

A large number of members and their employees make use of the Australian Cabling Registration Service (ACRS) for their cabling licence. ACRS is owned by NECA and is the lowest priced of the registrars, and provides an efficient service to applicants out of the NSW office.

Year In Review

Member Services and Administration Continued

NECA Mobile/Optus

Optus offers a competitive package to NECA members with savings available when you combine your mobile, office and internet access through Optus. NECA members have a dedicated line and should call 1300 300 237 for information.

Tradeshows

NECA continued to have a presence at the various tradeshows throughout the year. In particular the Sydney Safety Show in October is always a great forum for meeting and talking to current members and potential members who invariably have concerns and issues with meeting the requirements of the OHS regulations. This highlights the availability of information and systems NECA has developed to assist the members with the tools to meet the regulatory requirements of the OHS legislation.

NECA Fleet/Mitsubishi

We maintain a partnership with Mitsubishi to provide a fleet discount to our members. The fleet discount received more than covers the cost of the annual membership fee and provides discounts to contractors who would otherwise be unable to obtain any real savings on the purchase of a vehicles.

Associate Member Program

NECA NSW would like to acknowledge and thank the many participants in the Associate Member program who have supported various events and functions throughout the year at 30 June 2007 the following companies were listed as partners in the program to NECA:

Platinum Sponsors

Clipsal
Hagemeyer
MMEM
NHP
Olex
PDL
Phoenix Contact
Rexel Group
Rittal
Schneider

Gold Sponsors

Hager B&R
Pierlite

Silver Sponsors

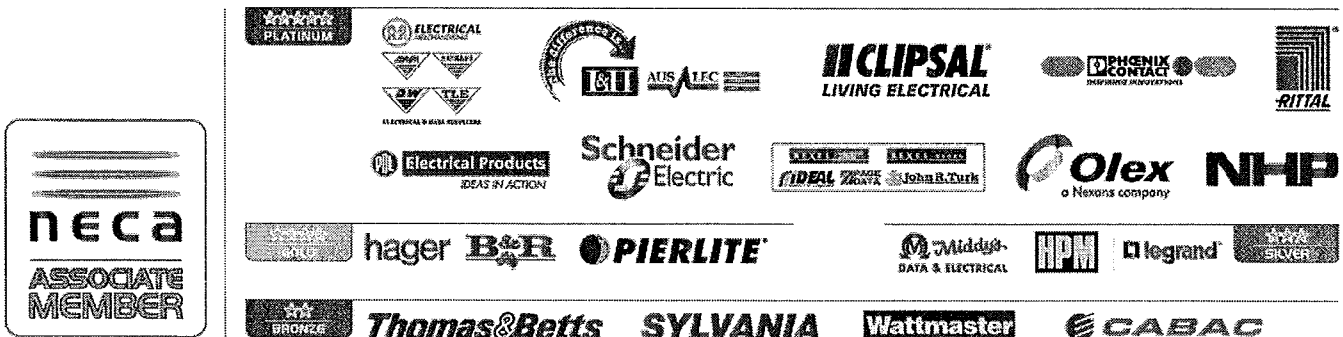
HPM Le Grand
Middys

Bronze Sponsors

Cabac
Sylvania
Thomas and Betts
Wattmaster

Pamela Scott
Manager, Member Services and Administration

NECA would like to thank the following companies for their support





NECA Group Training

The 2006/2007 financial year was another successful one for the management and staff at NECA Group Training.

During the year NECA Group Training employed one hundred and seven (107) new apprentices, fifty three (53) graduated and an average of 330 apprentices were fully employed over the same period. We have now maintained this record for the past 19 years and look forward to keeping our record intact over the coming year.

The year was a busy one for the organisation with staff involved in a number of major projects including:

- Development of new training packages.
- Australian Technical Colleges school-based apprenticeships.
- NSW Industry Training Advisory Board.
- Vocational Training Board (Apprenticeship Board/ Trade Recognition) for both Australia and overseas.
- Institute for Trade Skills Excellence.
- Pre-apprenticeship courses.
- Employment for persons with disabilities.

There is no doubt that the last financial year was the year in which both State and Federal Governments made large commitments to supporting the training requirements of our industry.

However, even with these commitments, the way ahead is still affected by the fact that the apprenticeship system has lagged far behind where it should be and it will take some years, and a great deal of significant hard work, to fill the gaps of the past.

In this respect, NECA continues to hold the view that there should not be any "short cutting" of the apprenticeship training regime at the expense of quality of training, continuity of employment and maintenance of an enviable safety record.

The results this year have been achievable only with the strong and loyal support and cooperation of those contractors who played the role of host trainer, the apprentices themselves and, importantly, the members of the NECA Group Training Board.

The next financial year brings many challenges for us, particularly in relation to the options for growth of our business, the service the requirements of our host contractors and our role and responsibility to the betterment of our industry. I am sure that the management and staff of NECA Group Training will again be up to the tasks set for us.

Barry Dawson
General Manager, NECA Group Training



National Electrical Contractors Association - New South Wales Chapter

Financial Statements

For the Year Ended 30 June, 2007

National Electrical Contractors Association - New South Wales Chapter

For the Year Ended 30 June, 2007

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AGENDA

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting of the National Electrical Contractors Association New South Wales Chapter will be held at **9.00 am on Wednesday 17 October 2007** at **Coronation Club, 86 Burwood Road, Burwood**

1. Apologies
2. Confirmation of Minutes of the 13th Annual General Meeting held on 22 September, 2006.
3. Submission of President's Report
4. Presentation of the audited Financial Report and Balance Sheet for the twelve months ended 30 June, 2007.
5. General Business

L G LE COMPTE
SECRETARY

NOTE: THE AGM FOR ECA WILL BE HELD AT 9.15 AM



New South Wales chapter | **national electrical and communications association**
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ABN 27 056 174 413

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
SECRETARY'S STATEMENT**

I, Lindsay Graham Le Compte, being the Secretary of the National Electrical Contractors Association New South Wales Chapter, do hereby certify that the documents lodged herewith are true copies of the documents forwarded to members on 26 September 2007 and presented to the Annual General Meeting of members of the Chapter held on 17 October 2007.

**LINDSAY GRAHAM LE COMPTE
SECRETARY**

Date: 31 October 2007



**MEETING OF THE EXECUTIVE COMMITTEE OF NECA NSW
25 SEPTEMBER 2007**

AGENDA ITEMS

1. AUDITED FINANCIAL REPORT AND BALANCE SHEET

The Executive Committee of the National Electrical Contractors Association New South Wales Chapter and the Electrical Contractors Association of New South Wales **NOTES** the content of the accounts of the two organisations as presented to the Executive Committee and **RESOLVES** to accept the terms of the Committee of Management statement contained within the accounts.

Lindsay Le Compte
SECRETARY
31 October 2007

National Electrical Contractors Association - New South Wales Chapter

Operating Report by the Committee

30 June, 2007

Your committee members submit the financial report of the association for the financial year ended June 30, 2007.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Mr. S. Griffiths

Mr. JC Tinslay

Mr. R. Young

Mr. A.H Glossop

Mr. D. Madson

Mr. R. Bateman

Mr. K. Smith

Mr. T. Pollard

Mr. J. Hill

Mr. L. Le-Compte

Principal Activities

The principal activity of National Electrical Contractors Association - New South Wales Chapter during the financial year was representing the interests of its members in the electrical and construction industry.

No significant change in the nature of these activities occurred during the year.

Members Right to Resign

Members may resign from the association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the RAO Schedule 1B of the Workplace Relations Act 1996.

Operating Result

The surplus of the association for the financial year before transfers to designated reserves amounted to \$807,669. In the year, transfers to designated reserves totaled \$413,554.

Transfers to designated reserves are funds allocated for specific purposes in compliance with the National Electrical Contractors Association - New South Wales Chapter policies, which will be used for industry education and training projects. The funds transferred to the designated reserve is used for philanthropic purposes to benefit the membership as a whole.

Significant Changes in State of Affairs

No significant changes in the association's state of affairs occurred during the financial year.

NECA Membership

As at 30 June 2007, there were 1461 members of the National Electrical Contractors Association – New South Wales Chapter.

National Electrical Contractors Association - New South Wales Chapter

Operating Report by the Committee

30 June, 2007

Significant Changes in State of Affairs - continued

NECA Employees

As at 30 June 2007 there were 9 employees of the National Electrical Contractors Association – New South Wales Chapter. There were 348 employees represented by 8 administrative employees and 340 apprentices employed by ECA Training Pty Limited, a subsidiary company.

Trustee Position

During the year Mr A.H. Glossop and Mr R. Young served as Trustees of the New South Wales Electrical Superannuation Scheme.

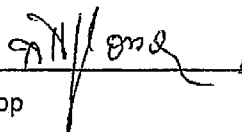
After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the association in future financial years.


Signed in accordance with a resolution of the Members of the Committee made on 25th September 2007:



L. Le Compte
Committee Member



A. H. Glossop
Committee Member

Dated  September 2007

National Electrical Contractors Association - New South Wales Chapter

Income Statement

For the Year Ended 30 June, 2007

	Note	2007 \$	2006 \$
Revenue from ordinary activities			
Management fees		429,740	430,605
Annual Conference		136,403	152,957
Excellence Awards		106,486	104,152
Interest		553,544	270,821
Member services		6,503,246	5,935,938
Member subscriptions		1,168,605	1,081,837
Grants received		490,687	404,719
Gain and loss on disposal of assets		-	3,287
Sale of publications		421,057	97,338
Other revenue from ordinary activities		170,203	111,125
Expenses from ordinary activities:			
Employee benefits expense		(1,068,685)	(1,008,892)
Annual Conference		(171,345)	(130,650)
Excellence Awards		(96,844)	(90,346)
Meeting expenses		(51,489)	(36,142)
Member services		(6,202,611)	(5,680,210)
Education & Training - Project Fund		(167,428)	(130,064)
Purchase and printing of publications		(282,021)	(61,890)
Depreciation, amortisation and impairments		(112,105)	(103,510)
Audit fees		(19,047)	(22,218)
Bad debts		(1,364)	2,168
Office expenses		(20,063)	(22,791)
Computer expenses		(26,391)	(30,723)
Consulting and professional fees		(22,633)	(39,853)
Body corporate and management fees		(50,649)	(62,288)
Investment property expenses		(46,723)	-
Utilities expenses		(27,912)	(16,553)
Insurance		(12,097)	(31,299)
Motor vehicle expenses		(22,799)	(17,084)
Printing, postage and stationery		(185,637)	(167,866)
Subscriptions		(253,780)	(282,904)
Telephone and fax		(50,797)	(55,505)
Travel		(70,593)	(40,271)
Electrocomms Foundation		(13,395)	(14,240)
Other expenses from ordinary activities		(195,894)	(113,363)
Surplus attributable to members before transfer to designated reserves		807,669	436,285

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Balance Sheet

As At 30 June, 2007

	Note	2007 \$	2006 \$
ASSETS			
Current assets			
Cash and cash equivalents	2	721,678	1,067,727
Trade and other receivables	3	996,526	753,966
Financial assets	6	4,139,751	3,967,837
Other current assets	5	44,712	96,466
Total current assets		5,902,667	5,885,996
Non-current assets			
Financial assets	6	5	5
Investment property	4	759,259	-
Property, plant and equipment	4	1,806,705	1,909,264
Other non-current assets	5	160,000	70,000
Total non-current assets		2,725,969	1,979,269
TOTAL ASSETS		8,628,636	7,865,265
LIABILITIES			
Current liabilities			
Trade and other payables	7	1,431,878	1,266,658
Short-term provisions	8	78,020	269,637
Total current liabilities		1,509,898	1,536,295
Non-current liabilities			
Other long-term provisions	8	-	17,901
Total non-current liabilities		-	17,901
TOTAL LIABILITIES		1,509,898	1,554,196
NET ASSETS		7,118,738	6,311,069
MEMBERS' FUNDS			
Designated Reserves	13(b)	2,560,207	2,146,653
Retained earnings		4,558,531	4,164,416
TOTAL MEMBERS' FUNDS		7,118,738	6,311,069

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Statement of Changes in Members' Funds

For the Year Ended 30 June, 2007

2007

	Retained Earnings \$	Designated Reserves \$	Total \$
Balance at 01 July, 2006	4,164,416	2,146,653	6,311,069
Profit attributable to members of the entity	807,669	-	807,669
Transfer to Designated Reserves	(413,554)	413,554	-
Balance at June 30, 2007	4,558,531	2,560,207	7,118,738

2006

	Retained Earnings \$	Designated Reserves \$	Total \$
Balance at July 1, 2005	4,006,412	1,868,372	5,874,784
Profit attributable to members of the entity	436,285	-	436,285
Transfer to Designated Reserves	(278,281)	278,281	-
Balance at June 30, 2006	4,164,416	2,146,653	6,311,069

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Statement of Cash Flows

For the Year Ended 30 June, 2007

	2007	2006
Note	\$	\$
Cash from operating activities:		
Receipts from customers	10,102,254	9,133,609
Payments to suppliers and employees	(10,061,128)	(9,005,407)
Interest received	553,544	270,821
Net cash provided by operating activities	<u>11 594,670</u>	<u>399,023</u>
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	-	20,998
Payment for property, plant and equipment	(768,805)	(134,058)
Net payment for investments	(171,914)	(219,843)
Net cash (used in) investing activities	<u>(940,719)</u>	<u>(332,903)</u>
Net increase in cash held	(346,049)	66,120
Cash at beginning of financial year	<u>1,067,727</u>	<u>1,001,607</u>
Cash at end of financial year	<u>2 721,678</u>	<u>1,067,727</u>

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the requirements of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996.

The financial report is for National Electrical Contractors Association - New South Wales Chapter as an individual entity.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are carried at cost or at independent or committee of managements' valuation.

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 1: Statement of Significant Accounting Policies - continued

(b) Property, Plant and Equipment continued

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Furniture, Fixtures and Fittings	10 - 20%
Motor Vehicles	20%
Office Equipment	20%
Leasehold improvements	2.5 - 4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(e) Revenue

Revenue from the sale of goods is recognised upon the delivery of service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue and distributions income is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 1: Statement of Significant Accounting Policies - continued

(f) Financial Assets

Available-for-sale financial assets

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless their fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(g) Controlled Entities

Separate financial statements are prepared for any controlled entity. The New South Wales Chapter's financial statements and those of its controlled entities are consolidated in the financial statements of the economic entity "National Electrical Contractors Association". Therefore, no consolidated financial statements are prepared at the New South Wales Chapter level.

Note 2: Cash and Cash Equivalents

	2007	2006
	\$	\$
Cash on hand	118	-
Cash at bank	721,560	1,067,727
	<u>721,678</u>	<u>1,067,727</u>

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>721,678</u>	<u>1,067,727</u>
	<u>721,678</u>	<u>1,067,727</u>

Included in cash and cash equivalents is an amount of \$354,833 restricted by the Committee as part of designated reserves established to subsidise training courses and to finance industry education and training related projects.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 3: Trade and Other Receivables

	2007	2006
	\$	\$
CURRENT		
Trade receivables	895,980	688,971
Other receivables	100,546	64,995
	<u>996,526</u>	<u>753,966</u>

Note 4: Property Plant and Equipment

BUILDINGS

Buildings

At cost	2,794,886	2,035,627
Less: accumulated depreciation	(359,918)	(305,630)
Total buildings	<u>2,434,968</u>	<u>1,729,997</u>

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost	97,810	96,786
Less: accumulated depreciation	(81,628)	(73,922)
Total furniture, fixtures and fittings	<u>16,182</u>	<u>22,864</u>

Motor vehicles

At cost	89,338	89,338
Less: accumulated depreciation	(40,885)	(23,018)
Total motor vehicles	<u>48,453</u>	<u>66,320</u>

Office equipment

At cost	245,512	236,990
Less: accumulated depreciation	(179,151)	(146,907)
Total office equipment	<u>66,361</u>	<u>90,083</u>

Total plant and equipment

	<u>130,996</u>	<u>179,267</u>
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Total property, plant and equipment

	<u>2,565,964</u>	<u>1,909,264</u>
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National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 4: Property Plant and Equipment – continued

Movements in Carrying Amounts

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	1,729,997	22,864	66,320	90,083	1,909,264
Additions	759,259	1,024	-	8,522	768,805
Disposals	-	-	-	-	-
Depreciation expense	(54,288)	(7,706)	(17,867)	(32,244)	(112,105)
Carrying amount at the end of year	<u>2,434,968</u>	<u>16,182</u>	<u>48,453</u>	<u>66,361</u>	<u>2,565,964</u>

Note 5: Other Assets

	2007	2006
	\$	\$
CURRENT		
Prepayments	<u>44,712</u>	<u>96,466</u>
NON-CURRENT		
Other asset	<u>160,000</u>	<u>70,000</u>

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 6: Financial Assets

	2007	2006
	\$	\$
Available for sale financial assets	4,139,756	3,967,842
	<u>4,139,756</u>	<u>3,967,842</u>
Less: non-current portion	(5)	(5)
Current portion	<u>4,139,751</u>	<u>3,967,837</u>

Available-for-sale Financials Assets Comprise:

Unlisted investments in other entities, at cost		
- shares in controlled entities	2	2
- shares in associates	3	3
	<u>5</u>	<u>5</u>
Listed investments in shares, at fair value		
- units in BT Financial Group, Vanguard Investors & AMP Capital Investors	4,139,751	3,967,837
	<u>4,139,756</u>	<u>3,967,842</u>

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Included in the available-for-sale financial assets is an amount of \$2,131,747 restricted by the Committee as part of designated reserves to subsidise training courses and to finance industry education and training related projects.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the Year Ended 30 June, 2007

Note 7: Trade and Other Payables

	2007	2006
	\$	\$
CURRENT		
Trade payables	622,536	605,205
Amounts received in advance	758,068	565,677
Deposits	18,640	18,640
Accrued expenses	29,280	74,114
Other payables	3,354	3,022
	<u>1,431,878</u>	<u>1,266,658</u>

Note 8: Provisions

Current		
- Employee benefits	78,020	265,896
- Other	-	3,741
	<u>78,020</u>	<u>269,637</u>
Non-current		
- Employee benefits	-	17,901
	<u>-</u>	<u>17,901</u>

Note 9: Related Party Transactions

Executive Committee Members

The names of each person on the Executive Committee of the Association during the financial year are Messrs R. Young, S. Griffiths, A. H. Glossop, D. R. Madson, K. Smith, R. J. Bateman, T. Pollard, J. Hill, J.C. Tinslay and L. Le Compte (secretary).

No volunteer member of the Executive Committee received any remuneration during the year for performing their duties as a member of the Executive Committee.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 9: Related Party Transactions – Cont'd

ECA Training Pty Limited

The Association charges administration fees to ECA Training Pty Limited ('ECA') for the expenses incurred on its behalf and for the provision of administrative services and occupancy of Level 3 of 28 Burwood Road. A fixed fee of \$50,000 based on a commercial estimate of time and cost involved in providing these services is charged on a quarterly basis.

The Association also provides contributions to ECA from its Designated Reserves for training of apprentices. The amount paid / payable during the year was \$ 60,000 (2006:\$ 60,000).

The Association also holds an investment as nominee for ECA. At balance date, the total investment was \$1,809,873 (2006:\$ 1,615,501). The investment is not included in these accounts.

Note 10: Segment information

The New South Wales Chapter of the Association primarily operates in New South Wales, Australia representing the interests of its members in the electrical, electrotechnology and communications industries.

Note 11: Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2007	2006
	\$	\$
Net income for the period	807,669	436,285
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	112,105	103,510
Net gain on disposal of property, plant and equipment	-	(3,287)
Changes in assets and liabilities		
(Increase) in trade and term receivables	(242,560)	(167,269)
Decrease in trade payables and accruals	126,974	6,530
Decrease (increase) in provisions	(209,518)	23,254
	<u>594,670</u>	<u>399,023</u>

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 12: Financial Instruments

(a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non-interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	4.55	4.30	-	-	921,678	1,067,727	-	-	921,678	1,067,727
Investments	-	-	4,139,751	3,967,837	-	-	-	-	4,139,751	3,967,837
Total Financial Assets			4,139,751	3,967,837	921,678	1,067,727			5,061,429	5,035,564
Financial Liabilities:										
Trade and sundry creditors	-	-	-	-	-	-	1,431,878	1,266,658	1,431,878	1,266,658
Total Financial Liabilities							1,431,878	1,266,658	1,431,878	1,266,658

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts and interest rate swaps is the net fair value of these contracts.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 12: Financial Instruments – Cont'd

(c) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Note 13: Change in Accounting Policy – Grants

- (a) The association changed its accounting policy relating to recognition of grants received. These funds were previously recognised by the association as a provision and included in liabilities. As there is no present obligation at the reporting date requiring a payment or outflow of resources to be made, it is considered these funds are more correctly recognised as income from contributions and included in revenue in accordance with the requirements of AASB 1004 – Contributions. As the Association has restricted the use of these funds to subsidise training courses and to finance industry education and training related projects the unspent balance is set aside to a designated reserves for this purpose.

The effect of this change in accounting policy on the annual financial statements is as follows:

	2007			2006		
	Previously Stated \$	Adjustment \$	Restated \$	Previously Stated \$	Adjustment \$	Restated \$
Income Statement						
Interest received	316,511	237,033	553,544	155,610	115,211	270,821
Grants received	156,576	334,111	490,687	102,184	302,535	404,719
Education and Training – Project Fund	(156,576)	(10,852)	(167,428)	(102,184)	(27,880)	(130,064)
Surplus attributable to members	394,115	415,554	807,669	158,004	278,281	436,285
Balance Sheet						
Short-term provisions	2,638,227	(2,560,207)	78,020	2,416,290	(2,146,653)	269,637
Net Assets	4,558,531	2,560,207	7,118,738	4,164,416	2,146,653	6,311,069
Designated Reserves	-	2,560,207	2,560,207	-	2,146,653	2,146,653
Total Member Funds	4,558,531	2,560,207	7,118,738	4,164,416	2,146,653	6,311,069
Adjustment to opening Designated Reserves	-	2,146,653	2,146,653	-	1,868,372	1,868,372

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 13: Change in Accounting Policy – Grants - continued

(b) The Designated Reserves balance is funded by restrictions over the use of following assets and liabilities:

	2007 \$	2006 \$
Cash at Bank	354,833	199,008
Other Receivables	60,381	30,626
Investments at fair value	2,131,747	1,899,233
Fixed assets - carrying amount	15,116	19,656
Trade creditors	(1,870)	(1,870)
	<u>2,560,207</u>	<u>2,146,653</u>

Note 14: Contingent Liabilities

	2007 \$	2006 \$
Estimates of the potential financial effect of contingent liabilities that may become payable		

- Employee Benefit Expense

The Association may be required to pay outstanding sick leave entitlements in respect of two former employees who resigned during the year.

<u>105,579</u>	<u>-</u>
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National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the Year Ended 30 June, 2007

Note 15: Member's Access to Financial Statements

- (a) A member may apply to the Chapter for specified prescribed information in relation to the Chapter to be made available to the person making the application.
- (b) 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 Chapter.
- (c) Chapter must comply with an application made under 1.

Note 16: Association Details

The registered office of the association is:

National Electrical Contractors Association - New South Wales Chapter

Level 3, 28 Burwood Road

Burwood NSW 2134

National Electrical Contractors Association - New South Wales Chapter

Committee of Management Statement

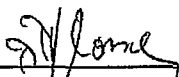
In the opinion of the committee the financial report as set out on pages 4 to 18:

1. presents fairly the financial position of National Electrical Contractors Association - New South Wales Chapter as at 30 June 2007 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. the financial statements and notes comply with the reporting guidelines of the Industrial Registrar.
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the association for the financial year ended on 30 June 2007.
4. at the date of this statement, there are reasonable grounds to believe that National Electrical Contractors Association - New South Wales Chapter will be able to pay its debts as and when they fall due.
5. during the financial year and since the end of the year:
 - a) meetings of the committee were held in accordance with the rules of the association, including the rules of the New South Wales Chapter.
 - b) the financial affairs of the association have been managed in accordance with the rules of the association, including the rules of the New South Wales Chapter.
 - c) the financial records of the association have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations.
 - d) there has been compliance with any request of a member of the association or the Registrar under section 272 of the RAO schedule.
 - e) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

This statement is made in accordance with a resolution of the committee made on the 25th of September and is signed for and on behalf of the Committee by:



L. Le Compte
Committee Member



A. H. Glossop
Committee Member

Dated 25th September 2007

National Electrical Contractors Association - New South Wales Chapter

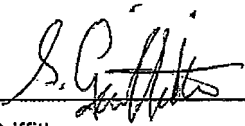
Committee of Management Statement

I, L. Le Compte of 13 St. Andrews Drive, PYMBLE, NSW 2073, and I, S. Griffiths of 10 Shaw Avenue, EARLWOOD, NSW 2206 certify that:

- (a) We are members of the committee of National Electrical Contractors Association - New South Wales Chapter.
- (b) We are authorised by the attached resolution of the committee to sign this certificate.
- (c) This annual statement was submitted to the members of the association at its annual general meeting.



Mr. L. Le Compte
Committee Member



Mr. S. Griffiths
Committee Member

Dated 25th September 2007

RSM Bird Cameron Partners

Chartered Accountants

National Electrical Contractors Association New South Wales Chapter

Independent Audit Report to the members of National Electrical Contractors Association - New South Wales Chapter

Scope

The financial report and committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for National Electrical Contractors Association - New South Wales Chapter, for the year ended 30 June 2007 as set out on pages 3 to 18.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the requirements of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of their performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion,

- (i) there were kept by the Association in respect of the year ended 30 June 2007, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of the expenditure;
- (ii) the attached financial report, prepared under the historical cost convention and in accordance with Section 253 of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996 and applicable Accounting Standards and other mandatory professional reporting requirements, are drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the National Electrical Contractors Association - New South Wales Chapter as at 30 June 2007;
 - (b) the statement of income and expenditure, cash flows and surplus of the Association for the financial year ended on that date; and
 - (c) all information and explanations required by RAO Schedule 1B of the Workplace Relations Act 1996, to be provided by officers or employees were provided.



RSM Bird Cameron Partners



W E Beuman
Partner

Dated: 25th September 2007

Sydney