

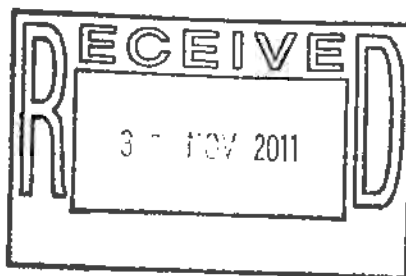


national
electrical and
communications
association

VICTORIA CHAPTER

Level 12
222 Kings Way
South Melbourne
VIC 3205

T +61 3 9645 5533
F +61 3 9645 5544
E necavic@neca.asn.au
W www.neca.asn.au
ABN 38 681 083 819



25 November, 2011

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE, 3001

FR 2011/2597

Dear Sir/Madam,

Please find attached the audited financial documents as required to be lodged under the Fair Work Act, with regard to the financial year ended 30 June 2011.

These financial accounts were endorsed by resolution of the NECA Victoria Council on 20 September 2011 and by the Annual General Meeting of members held on 7 November 2011.

Should you have any enquiries or these documents are incomplete under the Regulations, then please contact the undersigned on 9645 5533.

Yours sincerely,

PHILIP GREEN
CHIEF EXECUTIVE OFFICER

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

Operating Report by the Committee of Management

Your Chapter Council members submit the consolidated financial report of the National Electrical Contractors Association – Victoria Chapter ("the Association") for the financial year ended 30 June 2011.

Chapter Council Members

The names of Council members of the Association throughout the financial year and at the date of this report are:

W. McKnight	P. Tobin	M. Graham	D. Pierce
N. Lancefield	D. Spicer	J. Cutler	R. Chatfield
C. Hargreaves (elected 21/6/2011)		J. Kokinos	

Council members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the Association during the financial year was representing the interests of its members in the electrical and communications contracting industry. No significant change in the nature of these activities occurred during the year.

No Significant Changes in State of Affairs

No significant changes in the state of affairs of the Association occurred during the financial year.

Operating Results

The profit/(loss) of the Association for the financial year after providing for income tax amounted to (\$1,593,951) (2010: \$235,001).

Superannuation Trustees

No officer or Councillor of the Association is a trustee or director of an industry related superannuation entity.

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.

Number of Members

The Association had 1,249 (2010: 1,204) members at financial year end.

Number of Employees

The Association had 12 (2010: 12) employees at financial year end.

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

Operating Report by the Committee of Management (cont'd)

Members Right to Resign

Members may resign from the Association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of the National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Members of the Chapter Council:



WES MCKNIGHT
President



MICHAEL GRAHAM
Treasurer

Dated this *26th* day of *September* 2011

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

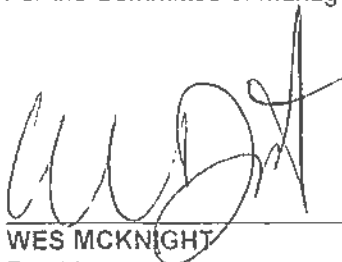
Committee of Management Statement

On 20th September 2010 the Committee of Management (Chapter Council) of the National Electrical Contractors Association – Victorian Chapter ("the Association") passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2011.


The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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 organization including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit or a Registrar under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For the Committee of Management:



WES MCKNIGHT
President



MICHAEL GRAHAM
Treasurer

Dated this 26th day of September 2011

The accompanying notes form part of these financial statements

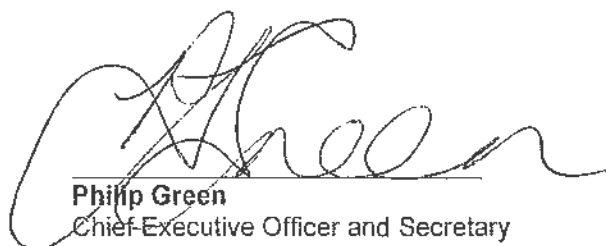
**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

Chief Executive Officer's Certificate

I, Philip Green, being the Chief Executive Officer and Secretary of the National Electrical Contractors Association – Victorian Chapter certify:

- (a) that the documents lodged herewith are copies of the full report referred to in section 268 of the Fair Work (Registered Organisations) Act 2009;
- (b) that the full report was provided to members on 29 September 2011;
- (c) that the full report was presented to a general meeting of the members of the reporting unit on 7 November 2011 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Members of the Committee:



Philip Green
Chief-Executive Officer and Secretary

Dated this *24th* day of *November* 2011

The accompanying notes form part of these financial statements

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	2a	2,116,338	1,961,073
Other income	2b	890,128	446,408
Affiliation subscription fees		(299,900)	(296,242)
Member seminars, meetings and training		(140,869)	(154,151)
Cost of sales		(54,982)	(40,821)
Consultants		(61,765)	(93,441)
Computer consulting and maintenance		(29,401)	(28,702)
Depreciation expenses	3	(68,571)	(88,983)
Ecosmart accreditation, marketing, training and consultants		(56,327)	(119,143)
Finance costs	3	(21,997)	(21,601)
Lease expense		(11,271)	(11,727)
Legal and professional fees		(240,188)	(165,154)
Lighting for Living Project		(174,426)	-
Motor vehicle expenses		(49,520)	(50,032)
Salaries, employee benefits and related expenses		(1,129,905)	(1,090,749)
Travel and accommodation		(37,439)	(49,201)
Postage, printing and stationery		(96,940)	(142,986)
Investment write-down		-	(20,480)
Other expenses		(203,625)	(269,069)
Surplus from operating activities		<u>329,340</u>	<u>(235,001)</u>
Other comprehensive income		-	-
Non-operating activities			
Distribution from EITF		1,326,709	-
Payment to replace the ETU as a member of the 370 Degrees Group		(3,250,000)	-
Total comprehensive income		<u>(1,593,951)</u>	<u>(235,001)</u>

The accompanying notes form part of these financial statements

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	3,134,778	4,694,752
Trade and other receivables	6	2,340,579	2,108,718
Inventories	7	13,406	16,047
Financial assets	8	794,759	749,038
Total Current Assets		<u>6,283,522</u>	<u>7,568,555</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	130,000	130,000
Property, Plant & Equipment	9	1,356,715	1,421,292
Total Non-Current Assets		<u>1,486,715</u>	<u>1,551,292</u>
Total Assets		<u>7,770,237</u>	<u>9,119,847</u>
CURRENT LIABILITIES			
Trade and other payables	10	1,409,065	1,284,978
Short term borrowings	11	-	24,487
Other current liabilities	13	1,596,649	1,461,691
Total Current Liabilities		<u>3,005,714</u>	<u>2,771,156</u>
Non-Current Liabilities			
Long term borrowings	11	-	-
Long term provisions	12	19,445	9,662
Total Non-Current Liabilities		<u>19,445</u>	<u>9,662</u>
Total Liabilities		<u>3,025,159</u>	<u>2,780,818</u>
NET ASSETS		<u>4,745,078</u>	<u>6,339,029</u>
MEMBERS' FUNDS			
Retained profits		3,677,968	5,271,919
Reserves		1,067,110	1,067,110
TOTAL MEMBERS' FUNDS		<u>4,745,078</u>	<u>6,339,029</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Asset revaluation reserve \$	Capital profits reserve \$	Retained earnings \$	Total \$
Balance at 30 June 2009	486,830	580,280	5,506,920	6,574,030
Transfers to and from reserves	-	-	-	-
Revaluation increment	-	-	-	-
Profit for the year	-	-	(235,001)	(235,001)
Balance at 30 June 2010	486,830	580,280	5,271,919	6,339,029
Transfers to and from reserves	-	-	-	-
Revaluation increment	-	-	-	-
Profit for the year	-	-	(1,593,951)	(1,593,951)
Balance at 30 June 2011	486,830	580,280	3,677,968	4,745,078

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts in the course of operations		3,963,242	2,010,503
Payment to suppliers and employees		(2,379,543)	(2,112,931)
Interest received		136,566	173,385
Net cash provided by operating activities	18	1,720,265	70,957
Cash flows from investing activities			
Proceeds from sale of investments		-	771,342
Purchase of investments		(26,245)	(775,283)
Payment for plant and equipment		(3,994)	(46,272)
Payment to replace the ETU as a member of 370 Degrees Group		(3,250,000)	-
Net cash provided by investing activities		(3,280,239)	(50,213)
Cash flows from financing activities			
Repayments of finance lease		-	(9,100)
Net cash provided by financing activities		-	(9,100)
Net increase/(decrease) in cash held		(1,559,974)	11,644
Cash at beginning of financial year		4,694,752	4,683,108
Cash at end of financial year	5	3,134,778	4,694,752

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers National Electrical Contractors Association – Victorian Chapter as an individual entity. The National Electrical Contractors Association is an association of employers registered under the Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Income Tax

No provision for income tax is necessary as "Associations of Employers" registered under the Fair Work (Registered Organisations) Act 2009 are exempt from income tax under Section 50-40 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property, plant and equipment are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Where freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Where freehold land and buildings are carried at cost, accumulated depreciation applies to buildings and impairment losses apply to freehold land and buildings.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association 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.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	2.5 %	Straight Line
Plant and equipment	8 - 12 %	Straight Line
Computers and office equipment	33 %	Straight Line
Furniture and fittings	5 - 10 %	Straight Line
Leased motor vehicles	25 %	Straight Line

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Association becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(h) 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 the present value of the estimated future cash outflows to be made for those benefits.

(i) Provisions

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) 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 four months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(k) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers and members.

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

Apprenticeship fees are recognised when the service is provided.

Commission on sales made to members is recognised when the right to receive a commission has been established.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

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

(n) Critical accounting estimates and judgments

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

Key estimates — Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of property, plant and equipment for the year ended 30 June 2011.

The financial report was authorised for issue on 20 September 2011.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
NOTE 2. REVENUE			
(a) Operating activities			
Member subscriptions		1,439,369	1,307,788
Sale of products and services		431,685	332,884
Ecosmart accreditation and services		127,443	196,958
Petrol administration fee		117,841	123,443
		2,116,338	1,961,073
(b) Other income			
Director fees		140,604	130,908
Interest from other corporations		136,566	173,386
Movement in investment value		45,721	-
Profit/(Loss) on disposal of asset		-	(2,666)
Project - Lighting for Living		343,816	-
Other revenue		223,421	144,780
		890,128	446,408
Total Revenue		3,006,466	2,407,481

(c) Significant items of Income and Expense

The surplus from operating activities for the year includes the following abnormal items of income and expense that should be taken into account when interpreting the surplus for the year

Government grant :

- Lighting for Living Project		343,816	-
Less Project costs to date		174,426	-
		169,390	

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Expenses

Affiliation fees		294,252	294,692
Member seminars, meetings and training		140,869	154,151
Depreciation of:			
- Property, plant and equipment		68,571	88,983
Finance charges		21,997	21,601
Legal and professional fees		240,188	165,154
Movement in investment value		-	20,480
Rental expense on operating leases			
- Minimum lease payments		11,271	11,727

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
NOTE 4: AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Association for: - auditing or reviewing the financial report	14,500	13,750

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	1,834,778	1,798,153
Short term deposits	1,300,000	2,896,599
	3,134,778	4,694,752

The effective interest rate on cash at bank deposits was 0.25% (2010: 0.25%) and the short term deposits was 5.50% (2010:5.30%).

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

General membership	1,553,799	1,409,435
Petrol scheme	738,978	654,234
Other debtors	62,001	77,218
	2,354,778	2,140,887
Less Provision for doubtful debts	(14,199)	(32,169)
	2,340,579	2,108,718

NON-CURRENT

Loan due from related entity	130,000	130,000
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Current trade receivables are non-interest bearing loans and generally are receivable within 30 days. A provision for impairment is recognised against subscriptions where there is subjective evidence that an individual trade receivable is impaired. The impairment loss recognised at 30 June 2011 was \$14,199 (2010: \$32,169).

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full where applicable.

NOTE 7: INVENTORIES

CURRENT

Finished Goods at cost	13,406	16,047
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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
NOTE 8: FINANCIAL ASSETS			
CURRENT			
Financial assets at fair value through Profit & Loss			
Investment Fund - at fair value		<u>794,759</u>	<u>749,038</u>
		794,759	749,038
 NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
Building			
At valuation - 30 June 2007	9(a)	1,100,000	1,100,000
Less accumulated depreciation		<u>(110,000)</u>	<u>(82,500)</u>
		990,000	1,017,500
 PLANT AND EQUIPMENT			
Building Improvement			
At cost		292,798	292,798
Less accumulated depreciation		<u>(32,348)</u>	<u>(25,028)</u>
		260,450	267,770
Computer & office equipment			
At cost		96,745	92,751
Less accumulated depreciation		<u>(83,221)</u>	<u>(75,325)</u>
		13,524	17,426
Furniture & fittings			
At cost		64,699	64,699
Less accumulated depreciation		<u>(26,868)</u>	<u>(22,016)</u>
		37,831	42,683
Plant & equipment			
At cost		9,433	9,433
Less accumulated depreciation		<u>(9,013)</u>	<u>(8,746)</u>
		420	687
Leased Motor vehicles			
At cost		147,326	147,326
Less accumulated depreciation		<u>(92,836)</u>	<u>(72,100)</u>
		54,490	75,226
Total Property, Plant and Equipment		<u>1,356,715</u>	<u>1,421,292</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) An independent valuation of the building based on open market value was undertaken on 10th July 2007 by K. Connolly, Certified Practising Valuer.

(b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the year.

	Building \$	Building Improvem'ts \$	Computer and Office Equipment \$	Furniture and Fittings \$	Plant and Equip't \$	Motor Vehicle \$	Total \$
Balance at the beginning of the year	1,017,500	267,770	17,426	42,683	687	75,226	1,421,292
Revaluation increment	-	-	-	-	-	-	-
Additions	-	-	3,994	-	-	-	3,994
Disposals	-	-	-	-	-	-	-
Depreciation expense	27,500	7,320	7,896	4,852	267	20,736	68,571
Carrying amounts at the end of the year	990,000	260,450	13,524	37,831	420	54,490	1,356,715

	2011 \$	2010 \$
Note		

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors and accruals	116,633	138,529
Petrol scheme creditor	738,978	654,234
Goods and services tax payable	170,391	148,851
Security Deposits	195,679	179,079
Fringe benefit tax	3,116	3,239
Short-term employee benefits	184,268	161,046
	1,409,065	1,284,978

NOTE 11: SHORT TERM BORROWINGS

CURRENT

Lease liability	15(b)	24,487
-----------------	-------	--------

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
NOTE 12: PROVISIONS			
NON-CURRENT			
Opening balance		9,662	13,752
Additional provisions raised during the year		9,783	(4,090)
Amounts used		-	-
Closing balance		19,445	9,662

Analysis of Total Provisions

NON-CURRENT			
Employee benefits		19,445	9,662
Number of employees at year end		11	11

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(h).

NOTE 13: OTHER CURRENT LIABILITIES

CURRENT			
Deferred income:		\$	\$
- Subscriptions		1,506,187	1,418,296
- Excellence Award		90,462	43,395
		1,596,649	1,461,691

NOTE 14: RESERVES

(a) **Asset Revaluation Reserve**

The asset revaluation reserve records increases the carrying amount arising on revaluation of land and buildings.

(b) **Capital Profits Reserve**

The capital profits reserve records gain on disposal of capital assets.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
NOTE 15: CAPITAL AND LEASING COMMITMENTS			
Non-cancelable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than 1 year		-	-
- later than 1 but not later than 5 years		-	-
		-	-

The operating lease comprises one novated lease, which has expired during the year.

(b) Finance lease commitments

Payable - minimum lease payments			
- not later than 1 year		-	24,487
- later than 1 year but not later than 5 years		-	-
Minimum lease payments		-	24,487
Less future finance charges		-	-
Present value if minimum lease payments		-	24,487

The finance lease on the motor vehicle, which commenced in Oct 2006 is a 4 year lease. The equipment is being financed through CBFC Leasing Pty Ltd with lease payments paid monthly in advance.

NOTE 16: OFFICE HOLDERS

The following Committee members were key management personnel of the Association:

W McKnight	P Tobin
M Graham	D Peirce
R Chatfield	N Lancefield
D Spicer	J Cutler
C Hargreaves	P Green (Chapter Secretary)

Remuneration of \$198,157 was paid to office holders

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
Note	\$	\$

NOTE 17: RELATED PARTY TRANSACTIONS

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

Transactions with related parties

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

(b) ElecNet (Aust) Pty Ltd is the trustee of the Electrical Industry Severance Scheme and is a related party to the Victorian Chapter. During the year, distribution of \$Nil (2010: \$Nil) and directors fees of \$140,604 (2010: \$130,908) were received by the Chapter from the trust.

(c) The chapter remits subscriptions to the National Electrical Contractors Association – National Office on a yearly basis. The total amount of subscriptions remitted for the year was \$294,252 (2010 \$294,692).

(d) Receivable from related entities at year end:

	2011	2010
	\$	\$
National Electrical Contractors Association – Queensland Chapter	130,000	130,000

NOTE 18: CASH FLOW INFORMATION

Reconciliation of Cash Flow from operations with Profit from ordinary activities

Operating Profit/(Loss) from ordinary activities after income tax	(1,593,951)	(235,001)
Non-cash flows in operating profit		
Depreciation	68,571	87,570
Movement in investment value	(19,476)	20,480
Gain on disposal of non-current assets	-	-
Fixed assets written off	-	16,079
Payment to replace the ETU as members of the 370Degrees Group	3,250,000	-
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(213,891)	(211,923)
(Increase)/decrease in other current assets	(17,970)	13,671
(Increase)/decrease in inventories	2,641	14,968
Increase/(decrease) in trade and other payables	62,848	170,173
Increase/(decrease) in other current liabilities	148,488	167,554
Increase/(decrease) in provision for employee entitlements	33,005	27,386
Net cash provided by operating activities	1,720,265	70,957

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The Association does not have any derivative instruments at 30 June 2011.

i. Treasury Risk Management

The Chapter Council of the Association meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the Association in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Chapter Council operates under policies approved by the Chapter Council of the Association. Risk management policies are approved and reviewed by the Chapter Council on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Association is not exposed to fluctuations to interest rate risk. For further details on interest rate risk refer to note 19(c).

Foreign currency risk

The Association is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital facilities are maintained.

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.

There are no material amounts of collateral held as security at 30 June 2011.

Credit risk is managed and reviewed regularly by the Chapter Council. It arises from exposures to customers and deposits with financial institutions.

The finance committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- all potential members are rated for credit worthiness taking into account their particular circumstance and financial standing; and
- customers that do not meet the Association's strict credit policies may only purchase in cash or using recognised credit cards.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT'D)

At year end the Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

Price risk

The Association is not exposed to any material commodity price risk.

The trade receivables balances at 30 June 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

b. Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average					
	Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate	
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash at bank	0.25	0.25	1,834,778	1,798,153	-	-
Short term deposits	5.3	5.3	-	-	1,300,000	2,896,599
Investment	6.10	(2.64)	794,759	749,038	-	-
Trade and other receivables	-	-	-	-	-	-
Total Financial Assets:			2,629,537	2,547,191	1,300,000	2,896,599
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Finance lease	-	7	-	-	-	24,487
Total Financial Liabilities:			-	-	-	24,487

	Weighted Average					
	Effective Interest Rate		Non-Interest Bearing		Total	
	2010	2009	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash at bank	0.25	0.25	-	-	1,834,778	1,798,153
Short term deposits	5.3	5.3	-	-	1,300,000	2,896,599
Investment	6.10	(2.64)	-	-	794,759	749,038
Trade and other receivables	-	-	2,484,778	2,270,887	2,484,778	2,270,887
Total Financial Assets:			2,484,778	2,270,887	6,414,315	7,714,677
Financial Liabilities:						
Trade and other payables	-	-	1,224,797	1,123,932	1,224,797	1,123,932
Finance lease	0	7	-	-	0	24,487
Total Financial Liabilities:			1,224,797	1,123,932	1,224,797	1,148,419

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 19: FINANCIAL INSTRUMENTS (CONT'D)

(c) Net Fair Value

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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 and forming part of the financial statements.

Details of aggregate net fair value and carrying amounts of financial assets and financial liabilities at balance date.

	2011		2010	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Investment at fair value	794,759	794,759	749,038	749,038
Trade and other receivables	2,470,579	2,470,579	2,238,718	2,238,718
Total financial assets	3,265,338	3,265,338	2,987,756	2,987,756
Financial liabilities				
Trade and other payables	1,409,065	1,409,065	1,284,978	1,284,978
Lease liabilities	-	-	24,487	24,487
Total financial liabilities	1,409,065	1,409,065	1,309,465	1,309,465

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 19: FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity analysis

Interest rate risk

The Association has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2011	2010
	\$	\$
Change in profit		
— Increase in interest rate by 3%	93,689	140,827
— Decrease in interest rate by 3%	(93,689)	(140,827)
Change in equity		
— Increase in interest rate by 3%	93,689	140,827
— Decrease in interest rate by 3%	(93,689)	(140,827)

The 3% sensitivity is based upon an analysis of interest rate changes experienced by the Association over the last few years as well as recent reports by the Reserve Bank of Australia. The analysis was performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the Association is not exposed to foreign currency fluctuations. Furthermore, no sensitivity analysis was carried out in relation to the expected returns on invested funds because the portfolio was liquidated after year end.

Capital Management

The committee members control the capital of the Association in order to maintain a good debt-to-equity ratio and to ensure that the Association can fund its operations and continue as a going concern.

The Association's debt and capital includes financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The committee members effectively manage the Association's capital by assessing the Association's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Association since the prior year. This strategy is to ensure that adequate working capital facilities are maintained.

NOTE 20: SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment, being an employer organisation in the electrical and communications contracting industry operating as a Victorian Chapter of NECA.

NOTE 21: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 22: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

National Electrical Contractors Association – Victorian Chapter
Level 12, 222 Kings Way
South Melbourne VIC 3205

NOTE 23: s272 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

- (1) A member of a reporting unit, or a Registrar, 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).

Independent Auditor's Report to the Members of National Electrical Contractors Association Inc – Vic Chapter

Report on the financial report

The financial report comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes to the financial statements, and the statement by members of the committee for the National Executive of the National Electrical Contractors Association - VIC Chapter (the Association), for the year ended 30 June 2011.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the committee also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Fair Work (Registered Organisations) Act 2009*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Auditor's opinion

In our opinion, the general purpose report of the National Electrical Contractors Association - VIC Chapter for the year ended 30 June 2011 is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.



CROWE HORWATH MELBOURNE



Peter Sexton
Melbourne, Victoria

26th day of September 2011



Fair Work Australia

7 December 2011

Mr Philip Green
Secretary - Victorian Chapter
The National Electrical Contractors Association
Level 12, 222 Kings Way
SOUTH MELBOURNE VIC 3205

Email - necavic@neca.asn.au

Dear Mr Green,

**Re: Financial Report – NECA - Victorian Chapter - FR2011/2597
Fair Work (Registered Organisations) Act 2009 (RO Act)**

The financial report for the Victorian Chapter of 'The National Electrical Contractors Association' (NECA) for year ended 30 June 2011 was lodged on 30 November 2011.

Operating Report - further information required

The Operating Report must contain a 'review of the reporting unit's principal activities during the year' and 'give details of any significant changes' in its financial affairs under s.254 of the RO Act.

Page 5 of the report stated that a payment of \$3.25m was made during the year to enable the Chapter to 'replace the ETU as a member of the 370 Degrees Group'. This group appears to be a training provider - see Attachments 1 and 2 below. Page 5 also referred to a '[d]istribution from EITF' of \$1.32m.

The Operating Report did not state that one of the principal activities of the Chapter is to provide training. Nor did it give details of significant changes in its financial affairs arising from the above transactions.

To remedy these deficiencies please take the following action by 20 December 2011:

- prepare a revised Operating Report under s.254 to take into account the above issues;
- provide a copy of the revised Operating Reporting to members; and
- lodge a copy of the revised Operating Report with FWA together with confirmation that the revised Operating Report has been provided to members.

Related Party Transactions

The Related Party Transactions note in the report did not refer to the 370 Degrees Group or the EITF.

Please provide by 20 December 2011 further information as to whether the 370 Degrees Group and/or the EITF are controlled entities of the Chapter that should be disclosed in the Chapter's financial report in accordance with Australian Accounting Standard AASB 124 (*Related Party Disclosures*).

If you have any queries regarding the above please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz

Organisations, Research and Advice

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

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0410
Email: orgs@airc.gov.au



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about us

370° group Limited is one of the leading Group Training Organisations (GTO) in Victoria and Tasmania and trade based Registered Training Organisations (RTO) based in Melbourne.

370° group was established in 1992 to service the electrical industry and has since grown into four robust divisions, **370° traineeships**, **NECA Apprenticeships**, **NECA Skills Centre** and **tastec group training**, all offering a selection of business activities in employment and vocational training.

Group employment creates additional trainee employment and job opportunities and provides for continuity of employment while improving the quality and breadth of training available to trainees. **370° group** provide flexible employment through managing the time consuming process of payroll, superannuation, taxation, workcover and training. In essence, all the aspects related to the employment of trainees.

370° group has provided a consistent supply of high quality, skilled apprentices and trainees to industry. We provide electrical apprenticeships, business administration traineeships, as well as trainee jobs in the plumbing, information technology, and sport and recreation sectors.

We have established a national first Information Technology opportunity for students to gain an industry qualification, coupled with a tertiary degree while working in the industry. A relationship has been established with IBM and RMIT in developing an Information Technology cadetship program, involving a Certificate IV, a Diploma and then continuing to Degree Level. This innovative and dynamic cadetship is a cutting edge program over four years providing quality students with multiple entry and exit points.

As well as providing apprenticeship and traineeship programs, we also provide training to industry through the **NECA Skills Centre**. The **NECA Skills Centre** is a Registered Training Organisation with the Victorian Qualifications Authority providing training for the electrical industry for pre-apprentices, apprentices and tradespeople.

In addition, **370° group** is an accredited quality assured company under ISO 9001 Australian Standards and is compliant with the National Standards for Group Training Organisations (GTO's) and the Australian Qualification Training Framework (AQTF) RTO standards.

370° group is focused on 'taking careers further'.

"A traineeship has made a world of difference in such a short time for my son."

- Paul, father of IT Trainee

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NECA Victoria takes control of 370 Group

NECA Victoria is very pleased to announce that it has taken sole control of 370° Group Limited.

370° Group Limited (formerly VICTEC Limited) is the highly regarded group training and registered training organisation (RTO) which operates in Victoria and Tasmania.

"The opportunities that this presents for both NECA and 370° Group are immense," said NECA Victoria president Wes McKnight while making the announcement.

"There will be benefits which flow to NECA members and to the customers of 370° Group."

Mr McKnight also said that the existing relationship, which has seen 370° Group staff take an active part in many of the Information Nights that NECA provide to the contracting fraternity, will continue.

"It is a great opportunity for both members and non members alike to see the services that NECA can now provide in respect of both technical training and supply of apprentices.

The company was jointly established by NECA and the Electrical Trades Union (ETU) in the early 1990s and since then has become the pre-eminent provider of group training services and vocational education and training to the electrotechnology and related industries.

As a result of differing priorities, NECA and the ETU have reached an agreement whereby the ETU has formally resigned their interest in the company.

With campuses in North Carlton and Brunswick and operations in Tasmania (where it trades as Tastec), the company employs over

600 apprentices, trainees and staff.

The move consolidates NECA's position as the largest employer and trainer of electrical apprentices in Australia – group training companies in which NECA has an interest in produce in excess of 2,000 apprentices.

The 370° Group operates their own Apprentice Award program, with a number of their category winners going onto further success in the NECA Apprentice of the Year awards.

NECA Victoria CEO, Philip Green, said over the next 12 months NECA will be working to integrate our operations with those of 370° Group so that we can offer members a broader suite of services and be more responsive to members' training needs.

"The training that NECA is now in a position to offer covers a much broader spectrum. For example we have had a Diploma in Project management developed specifically for the electrical contracting industry and that is delivered exclusively by the 370° Group".

The business is expected to continue to develop as market awareness grows.

370° Group will remain a separate legal entity to NECA led by the ongoing Chair Jane Yulle as well as the CEO Maurice Graharn. The existing management and staff will continue in their current roles. ■

370° degrees group

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

Chief Executive Officer's Certificate

I, Philip Green, being the Chief Executive Officer of the National Electrical Contractors Association – Victorian Chapter certify:

- (a) that the document lodged herewith is a copy of the Revised Operating Report referred to in section 268 of the Fair Work (Registered Organisations) Act 2009;
- (b) that the Revised Operating Report was provided to members on 30 January 2012;



Philip Green
Chief Executive Officer

Dated this *30th* day of *January* 2012

27 January 2012

Philip Green
Secretary – Victorian Chapter
The National Electrical Contractors Association
Level 12, 222 Kings Way
SOUTH MELBOURNE VIC 3205

Dear Philip,

RESPONSE TO FAIR WORK AUSTRALIA

The following is provided as requested and in response to a letter to you from Fair Work Australia dated 12 December 2011.

370 DEGREES GROUP LIMITED

The letter from Fair Work Australia has only asked for information in relation to disclosure under the related party disclosure standard but the wording used in their letter refers to controlled entities which is more relevant to the accounting standard dealing with consolidation. For the sake of completeness we have chosen to respond in relation to both accounting standards. There are two separate issues regarding appropriate disclosure in the NECA Vic annual financial report for the year ended 30 June 2011 of NECA Vic's interest in 370 Degrees.

Issue 1: Is 370 Degrees a controlled entity of NECA Vic?

Following the payment during the financial year of \$3,250,000 by NECA Vic to the ETU, NECA Vic is now the only member of 370 Degrees. In these circumstances, NECA Vic would ordinarily be regarded as having control of 370 Degrees. On closer examination it was determined that the criteria required to demonstrate financial control for reporting purposes did not exist. The payment was therefore recorded as a significant expense rather than an investment in 370 Degrees. The main criteria examined was as follows:

- The constitution for 370 degrees specifically prohibits any member from sharing in either the net income or net assets of the organisation even on wind-up. This is standard wording designed to ensure that 370 Degrees is entitled to enjoy income tax exemption status. Consequently, unless the constitution of 370 Degrees is changed and the company's tax status is made redundant, at no time now or in the future will NECA Vic be entitled to share in the financial performance of 370 Degrees in the usual parent / subsidiary relationship;

On this basis, 370 Degrees does not fit the consolidation criteria set out in AASB 3 – Business Combinations as in particular, consolidation would materially distort the financial performance of NECA Vic to its own members.

Issue 2: Is 370 Degrees a related party of NECA Vic?

In our opinion, 370 Degrees is a related party of NECA Vic in accordance with the criteria set out in AASB 124 – ‘Related Party Disclosures’. The relevant criteria are as follows:

- Given NECA Vic is the only member of 370 Degrees it is regarded as being part of the same group; and
- Although NECA Vic does not control 370 Degrees, it can certainly be argued that it is in a position to exert significant influence over 370 Degrees.

Consequently, any transactions between NECA Vic and 370 Degrees should be included in the note to the annual financial report which discloses the nature and amount of any related party transactions. The payment to the ETU during the year was not a payment to 370 Degrees and was therefore not included in the note. It was however adequately disclosed elsewhere in the report as a significant item of expenditure. We are not aware of any other transactions between the two entities that would have warranted disclosure.

Going forward, it is expected that NECA Vic will receive payments from 370 Degrees for services rendered and these transactions should be disclosed as related party transactions in future annual financial reports by NECA Vic to its members.

ELECTRICAL INDUSTRY TRAINING FOUNDATION (EITF)

We confirm that the EITF was a related party of NECA Vic during the year up to 23 May 2011 when NECA Vic received a final capital distribution of \$1,300,000 from the EITF. The receipt was disclosed in the statement of comprehensive income and should have been disclosed in the related party note but seems to have been omitted as an oversight. We are not aware of any other transactions that should have been included especially as it is our understanding that NECA members generally pay fees directly to the EITF rather than via NECA Vic.

Going forward, no further transactions between the two entities is expected as the EITF is likely to be wound up. Also for the sake of completeness, the EITF was controlled equally by both NECA Vic and the ETU during the 2011 financial year and consequently not consolidated by NECA Vic.

Please do not hesitate to contact me if you have any queries.

Yours sincerely

CROWE HORWATH MELBOURNE



PETER SEXTON

Partner

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

Revised Operating Report by the Committee of Management

Your Chapter Council members submit the consolidated financial report of the National Electrical Contractors Association – Victoria Chapter (“the Association”) for the financial year ended 30 June 2011.

Chapter Council Members

The names of Council members of the Association throughout the financial year and at the date of this report are:

W. McKnight	P. Tobin	M. Graham	D. Pierce
N. Lancefield	D. Spicer	J. Cutler	R. Chatfield
C. Hargreaves (elected 21/6/2011)		J. Kokinos	

Council members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the Association during the financial year was representing the interests of its members in the electrical and communications contracting industry and providing services and training to members. Significant change in the nature of these activities occurred during the year.

Significant Changes in State of Affairs

Significant changes in the state of affairs of the Association occurred during the financial year. During the reporting period, NECA became the sole member (stakeholder) of established training company 370 Degrees Group Ltd. This followed the resignation of the CEPU as the other member of the company. NECA Victoria paid the CEPU \$3.25m in return for the CEPU's resignation as a member.

Operating Results

The profit/(loss) of the Association for the financial year after providing for income tax amounted to (\$1,593,951) (2010: \$235,001).

Superannuation Trustees

No officer or Councillor of the Association is a trustee or director of an industry related superannuation entity.

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.

Number of Members

The Association had 1,249 (2010: 1,204) members at financial year end.

Number of Employees

The Association had 12 (2010: 12) employees at financial year end.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

Revised Operating Report by the Committee of Management (cont'd)

Members Right to Resign

Members may resign from the Association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of the National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Members of the Chapter Council:



WES MCKNIGHT
President



MICHAEL GRAHAM
Treasurer

Dated this *30th* day of *January* 2012



Fair Work Australia

2 February 2012

Mr Philip Green
Secretary - Victorian Chapter
The National Electrical Contractors Association
Level 12, 222 Kings Way
SOUTH MELBOURNE VIC 3205

Email - necavic@neca.asn.au

Dear Mr Green,

Re: Financial Report – NECA - Victorian Chapter - FR2011/2597
Fair Work (Registered Organisations) Act 2009 (RO Act)

The financial report for the Victorian Chapter of 'The National Electrical Contractors Association' (NECA) for year ended 30 June 2011 was lodged on 30 November 2011.

In correspondence of 7 and 9 December 2011 and in later discussions with the Chapter we sought the following actions to be taken by the Chapter by 31 January 2012:

- (i) the preparation of a revised Operating Report under s.254 of the RO Act, the provision of the revised report to members and the lodgement of the revised report with FWA; and
- (ii) the provision of written advice from the Chapter's auditor as to whether the 370 Degrees Group and/or the EITF are controlled entities of the Chapter that should be disclosed in future financial reports for the Victorian Chapter in accordance with Australian Accounting Standard AASB 124 (*Related Party Disclosures*).

On 30 January 2012 the Chapter lodged additional information to address the above points (being the lodgement of a revised Operating Report and s.268 Certificate, to address point (i), and the lodgement of a letter from Crowe Horwath Auditors dated 27 January 2012 to address point (ii).

We appreciate your assistance with respect to these matters.

With respect to point (ii), we note that we have also sought additional additional information from the NECA National Office by 17 February 2012 regarding the related parties of NECA as a whole [Attachment 1]. Accordingly, we will provide a more detailed response to the correspondence of Crowe Horwath Auditors after that date.

If you have any queries in the interim please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz

Organisations, Research and Advice

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

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0410
Email: orgs@alrc.gov.au



Fair Work Australia

23 January 2012

Mr James Tinslay
Secretary
The National Electrical Contractors Association
Locked Bag 1818
St Leonards NSW 1590

Email - necanat@neca.asn.au

Dear Mr Tinslay,

**Re: Financial Report – NECA - National Office - FR2011/2602
ss.253, 268 Fair Work (Registered Organisations) Act 2009 (RO Act)**

The financial report for the National Office of 'The National Electrical Contractors Association' (NECA) for year ended 30 June 2011 was lodged on 29 December 2011.

In the previous financial year we advised the NECA National Office that NECA and its Chapters are required in future to provide more information in their financial reports prepared under s.253 of the RO Act regarding:

- (i) the compensation paid to elected officers
- (ii) the composition of the Committee of Management of each entity
- (iii) controlled entities of the NECA National Office and its Chapters

The changes were requested so as to ensure that the financial reports prepared by NECA and its Chapters under s.253 comply with the financial reporting obligations of Part 3 of Chapter 8 of the RO Act (which include the Australian Accounting Standards under s.253 of the RO Act).

On 16 June 2011 the National Office advised that future financial reports will provide the relevant information regarding points (i) and (ii) above [Attachment A]. The financial reports subsequently lodged by NECA and its Chapters for year ending 30 June 2011 generally have made disclosures relating to points (i) and (ii).

The National Office also provided on 18 June 2011 details regarding seven controlled entities at point (iii) above and advised that '*related party relationships will be disclosed from 2011 and thereafter by relevant reporting units in their financial reports*'. However, the NECA financial reports lodged for y/e 30 June 2011 did not appear to fully do so. It also appears that more than seven controlled entities may need to be disclosed.

Accordingly, we seek further information regarding the controlled entities of NECA and its Chapters by 17 February 2012 for the reasons set out below.

Controlled entities - Australian Accounting Standards

The Australian Accounting Standards appear to require the existence of controlled entities to be acknowledged, and financial information regarding such entities to be provided (in normal circumstances) in consolidated financial accounts by the parent entity - as follows:

- AASB 124 (Related Party Disclosures) provides at paragraph 13 that '*[r]elationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them*'
- AASB 127 (Consolidated and Separate Financial Statements) provides at paragraphs 9 to 10 that a parent entity (except in unusual circumstances) shall present consolidated financial statements in which it consolidates its investments in subsidiaries in accordance with AASB 127.

These obligations would appear to continue into the future notwithstanding the commencement of reduced financial reporting requirements for Tier 2 entities which take effect in 2013 [AASB 2010-2] and the removal of the consolidation provisions from AASB 127 into AASB 10 (Consolidated Financial Statements) in 2013.

An examination of the financial reports recently lodged by NECA and its Chapters for y/e 30 June 2011 indicates that NECA financial reports should provide more detail regarding controlled entities. For example:

- The National Office Financial Report for y/e 30 June 2011 stated that the National Office owns 100% of *NECA Legal Pty Ltd*, 50% of *SPEC P/L* and 50% of *Australian Cabler Registration Service P/L* however the report commented that the 'Committee members are in the opinion that the National Electrical Contractors Association - National office is not entitled to share the results of these entities'.
- The NECA NSW Chapter Financial Report for y/e 30 June 2011 [FR2011/zzz] stated at Note 1(j):

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 statement are prepared at the New South Wales Chapter level.

We draw your attention to the following points with respect to the note in the NSW accounts:

- The note appears to suggest that the financial affairs of the NSW Chapter are consolidated into the financial report of the National Office - however the NSW Chapter is itself a 'reporting unit' under s.242 of the RO Act and thus prepares its own financial reports under the RO Act.
- The note appears to suggest that the controlled entities of the NSW Chapter are simultaneously disclosed in *separate* financial statements and in *consolidated* National Office accounts - however financial information for a controlled entity is normally disclosed in consolidated financial accounts or (in rare cases) in separate financial statements rather than in both types of accounts.
- To the extent that the note suggests that the controlled entities for the NSW Chapter are disclosed in the National Office's Financial Report, the National Office's Financial Report for y/e 30 June 2011 did not appear make such disclosures.

We also note that the NECA Victorian Chapter Financial Report for y/e 30 June 2011 [FR2011/2597] disclosed that the Victorian Chapter now has 100% control over the *370 Degree Group*. The Chapter has advised that it will respond to our correspondence regarding this entity and *EITF* by 31 January 2012 [Attachment B].

Further information required

To ensure that relevant information regarding the organisation's controlled entities is correctly disclosed in the organisation's financial reports prepared under the s.253 of the RO Act we seek, by 17 February 2012, a list of the controlled entities of NECA and its Chapters relating to such accounts under s.253, set out as follows:

Name of controlled entity	Country of incorporation of entity	Percentage owned by NECA National Office and/or any NECA Chapter	Which reporting unit of NECA controls this entity?	Which reporting unit of NECA will disclose this entity as its controlled entity and prepare 'Consolidated Financial Statements' that include that entity in its future Financial Reports under AASB 124 and 127?	If any such entity is not to be disclosed in the financial report for the NECA National Office (or the relevant Chapter) please: 1. provide the reasons for that approach (citing relevant provisions of AASB 124 & 127); and 2. confirm whether the financial report for the NECA National Office (or the relevant Chapter) will include in future a Note to the Accounts that: a. discloses the existence of that controlled entity; and b. provides the reasons why the financial affairs of that controlled entity have not been disclosed in the financial report of the NECA National Office (or the relevant Chapter) citing relevant provisions of AASB 124 & 127.

If you have any queries regarding the above please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,



Andrew Schultz

Organisations, Research and Advice



National office | national electrical and communications association
Level 4, 30 Atchison Street, St Leonards New South Wales 2065
Locked Bag 1818 St Leonards New South Wales 1590
telephone: +61 2 9439 8523 facsimile: +61 2 9439 8525
email: neca@neca.asn.au website: www.neca.asn.au
ABN 78 019 016 742

Attachment A

16 June 2011

Mr Andrew Schultz
Tribunal Services and Organisations
Fair Work Australia
11 Exhibition Street
MELBOURNE VIC 3000
GPO Box 1994
MELBOURNE VIC 3001

By email only: andrew.schultz@fwa.gov.au

Dear Mr Schultz

Correspondence of 19 May 2011 re NECA Financial Reports

I refer to your correspondence of 19 May 2011.

In response to the issues raised, as they concern NECA reporting units, I respond as follows:

1. From 2011 and thereafter, reporting units will be separately disclosing in their Profit and Loss Statements (or in their Notes to the Accounts) the employee benefits paid to the elected National Secretary (or Chapter Secretary as the case may be).
2. From 2011 and thereafter, reporting units will list in their Operating Report the National Secretary (or the Chapter Secretary as the case may be) as a member of the 'Committee of Management' (including in South Australia and Tasmania).
3. From 2011 and thereafter, reporting units will treat the National Secretary (or the Chapter Secretary as the case may be) as a member of the 'key management personnel'.
4. From 2011 and thereafter, reporting units will include a Related Party Note in their financial reports that discloses the total compensation paid to 'key management personnel', including the elected Secretary (as well as compensation paid to any other members of the Committee of Management and any other relevant executives, directors and/or elected officers).

In view of the above, NECA does not consider it necessary to make further submissions or replies as to these matters. Please advise if you require otherwise.

NECA National Ph: 02 9439 8523

NECA Victoria Ph: 03 9645 5533

NECA Western Australia Ph: 08 9321 8637

NECA New South Wales Ph: 02 9744 1099

NECA Tasmania Ph: 03 6238 3656

NECA Northern Territory Ph: 08 8922 9689

NECA Australian Capital Territory Ph: 02 6280 5690

NECA South Australia Ph: 08 8272 2966

NECA Queensland Ph: 1300 794 816

in terms of reporting units having a related party relationship with the entities listed in your correspondence of 19 May 2011, I respond (in table form) as follows:

Entity	Related Party Relationship	Comment
ECA Training Pty Ltd	Shares owned by NECA	Group training company trading as NECA Group Training operating in NSW
NECATec	See NECA Training Pty Ltd	Trading name for registered training organisation NECATec operating in NSW
NECA Legal Pty Ltd	Shares owned by NECA	Legal service
NECA Training Pty Ltd	Shares owned by NECA	Trading as NECATec
NECA Group Training	See ECA Training Pty Ltd	Trading name for group training company ECA Training Pty Ltd operating in NSW
NECA WA Group Property Trust	Trustee owned by NECA WA Group Pty Ltd	Owner of NECA WA building
NECA WA Group Pty Ltd	Shares owned by NECA	Corporate trustee for NECA WA Group Property Trust

The above related party relationships will be disclosed from 2011 and thereafter by relevant reporting units in their financial reports.

I trust the above information resolves all outstanding matters arising in your correspondence of 19 May 2011. Please do not hesitate to contact me should you require anything further.

Yours sincerely


 James C Tinsley
 Chief Executive Officer
 National Electrical and Communications Association (NECA)


NECA national
 electrical and
 communications
 association



Fair Work Australia

12 December 2011

Mr Philip Green
Secretary - Victorian Chapter
The National Electrical Contractors Association
Level 12, 222 Kings Way
SOUTH MELBOURNE VIC 3205

Attachment B

Email - necavic@neca.asn.au

Dear Mr Green,

**Re: Financial Report – NECA - Victorian Chapter - FR2011/2597
Fair Work (Registered Organisations) Act 2009 (RO Act)**

On 7 December 2011 we sought additional information regarding the financial report for the Victorian Chapter of The National Electrical Contractors Association (NECA) for the year ended 30 June 2011 (as attached).

On 9 December 2011 we discussed this matter by telephone. During that discussion the following timeframe was established for the provision of the additional information:

- *by Friday 13 January 2012:*
 - prepare a revised Operating Report under s.254 (to take into account the issues set out in the correspondence of 7 December 2011 below)
 - provide a copy of the revised Operating Reporting to members; and
 - lodge a copy of the revised Operating Report with FWA together with confirmation that the revised Operating Report has been provided to members.
- *by Tuesday 31 January 2012:*
 - provide written advice from your auditor as to whether the 370 Degrees Group and/or the EITF are controlled entities of the Chapter that should be disclosed in future financial reports for the Victorian Chapter in accordance with Australian Accounting Standard AASB 124 (*Related Party Disclosures*).

Your assistance with respect to these matters is appreciated.

If any difficulties arise with respect to the above time frames or if you seek any additional assistance with respect to financial reporting under the RO Act please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz

Organisations, Research and Advice

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

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 8655 0410
Email: orgs@airc.gov.au



Fair Work Australia

7 December 2011

Mr Philip Green
Secretary - Victorian Chapter
The National Electrical Contractors Association
Level 12, 222 Kings Way
SOUTH MELBOURNE VIC 3205

Email - necavic@neca.asn.au

Dear Mr Green,

**Re: Financial Report – NECA - Victorian Chapter - FR2011/2597
Fair Work (Registered Organisations) Act 2009 (RO Act)**

The financial report for the Victorian Chapter of 'The National Electrical Contractors Association' (NECA) for year ended 30 June 2011 was lodged on 30 November 2011.

Operating Report - further information required

The Operating Report must contain a 'review of the reporting unit's principal activities during the year' and 'give details of any significant changes' in its financial affairs under s.254 of the RO Act.

Page 5 of the report stated that a payment of \$3.25m was made during the year to enable the Chapter to 'replace the ETU as a member of the 370 Degrees Group'. This group appears to be a training provider - see Attachments 1 and 2 below. Page 5 also referred to a '[d]istribution from EITF' of \$1.32m.

The Operating Report did not state that one of the principal activities of the Chapter is to provide training. Nor did it give details of significant changes in its financial affairs arising from the above transactions.

To remedy these deficiencies please take the following action by 20 December 2011:

- prepare a revised Operating Report under s.254 to take into account the above issues;
- provide a copy of the revised Operating Reporting to members; and
- lodge a copy of the revised Operating Report with FWA together with confirmation that the revised Operating Report has been provided to members.

Related Party Transactions

The Related Party Transactions note in the report did not refer to the 370 Degrees Group or the EITF.

Please provide by 20 December 2011 further information as to whether the 370 Degrees Group and/or the EITF are controlled entities of the Chapter that should be disclosed in the Chapter's financial report in accordance with Australian Accounting Standard AASB 124 (*Related Party Disclosures*).

If you have any queries regarding the above please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz

Organisations, Research and Advice

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

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0410
Email: orgs@afrc.gov.au



taking careers further

Employer of NECA Skills Apprentices of the Year 2010

Employer of GTC Future of the Year 2008

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[370° traineeships](#)

[370° skills centre](#)

[tasbec group training](#)



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about us

370° group Limited is one of the leading Group Training Organisations (GTO) in Victoria and Tasmania and trade based Registered Training Organisations (RTO) based in Melbourne.

370° group was established in 1992 to service the electrical industry and has since grown into four robust divisions, 370° traineeships, NECA Apprenticeships, NECA Skills Centre and tasbec group training, all offering a selection of business activities in employment and vocational training.

Group employment creates additional trainee employment and job opportunities and provides for continuity of employment while improving the quality and breadth of training available to trainees. 370° group provide flexible employment through managing the time consuming process of payroll, superannuation, taxation, workover and training. In essence, all the aspects related to the employment of trainees.

370° group has provided a consistent supply of high quality, skilled apprentices and trainees to industry. We provide electrical apprenticeships, business administration traineeships, as well as trainee jobs in the plumbing, information technology, and sport and recreation sectors.

We have established a national first Information Technology opportunity for students to gain an industry qualification, coupled with a tertiary degree while working in the industry. A relationship has been established with IBM and RMIT in developing an Information Technology cadetship program, involving a Certificate IV, a Diploma and then continuing to Degree Level. This innovative and dynamic cadetship is a cutting edge program over four years providing quality students with multiple entry and exit points.

As well as providing apprenticeship and traineeship programs, we also provide training to industry through the NECA Skills Centre. The NECA Skills Centre is a Registered Training Organisation with the Victorian Qualifications Authority providing training for the electrical industry for pre-apprentices, apprentices and tradespeople.

In addition, 370° group is an accredited quality assured company under ISO 9001 Australian Standards and is compliant with the National Standards for Group Training Organisations (GTO's) and the Australian Qualification Training Framework (AQTF) RTO standards.

370° group is focused on 'taking careers further'.

"A traineeship has made a world of difference in such a short time for my son."

-Paul, father of IT Trainee

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**Electrical Connection
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press clip

NECA Victoria takes control of 370 Group

NECA Victoria is very pleased to announce that it has taken sole control of 370° Group Limited.

370° Group Limited (formerly VICTEC Limited) is the highly regarded group training and registered training organisation (RTO) which operates in Victoria and Tasmania.

"The opportunities that this presents for both NECA and 370° Group are immense," said NECA Victoria president Wes McKnight while making the announcement.

"There will be benefits which flow to NECA members and to the customers of 370° Group."

Mr McKnight also said that the existing relationship, which has seen 370° Group staff take an active part in many of the Information Nights that NECA provide to the contracting fraternity, will continue.

"It is a great opportunity for both members and non members alike to see the services that NECA can now provide in respect of both technical training and supply of apprentices.

The company was jointly established by NECA and the Electrical Trades Union (ETU) in the early 1990s and since then has become the pre-eminent provider of group training services and vocational education and training to the electrotechnology and related industries.

As a result of differing priorities, NECA and the ETU have reached an agreement whereby the ETU has formally resigned their interest in the company.

With campuses in North Carlton and Brunswick and operations in Tasmania (where it trades as Tastec), the company employs over

600 apprentices, trainees and staff.

The move consolidates NECA's position as the largest employer and trainer of electrical apprentices in Australia – group training companies in which NECA has an interest in produce in excess of 2,000 apprentices.

The 370° Group operates their own Apprentice Award program, with a number of their category winners going onto further success in the NECA Apprentice of the Year awards.

NECA Victoria CEO, Philip Green, said over the next 12 months NECA will be working to integrate our operations with those of 370° Group so that we can offer members a broader suite of services and be more responsive to members' training needs.

"The training that NECA is now in a position to offer covers a much broader spectrum. For example we have had a Diploma in Project management developed specifically for the electrical contracting industry and that is delivered exclusively by the 370° Group".

The business is expected to continue to develop as market awareness grows.

370° Group will remain a separate legal entity to NECA led by the ongoing Chair Jane Yule as well as the CEO Maurice Graham. The existing management and staff will continue in their current roles. ■

370° degrees group

2



FAIR WORK
AUSTRALIA

10 December 2012

Mr Philip Green
Secretary
Victorian Chapter
The National Electrical Contractors Association
Level 12, 222 Kings Way
SOUTH MELBOURNE VIC 3205

Dear Mr Green,

The National Electrical Contractors Association - Victorian Chapter - FR2011/2597

We refer to the financial report for the Victorian Chapter of The National Electrical Contractors Association for year ended 30 June 2011 that was lodged previously under s.268 of the *Fair Work (Registered Organisations) Act 2009*. Further documents relating to this financial return were lodged on 30 January 2012 in response to a request by FWA.

Subsequently we sought additional information from the National Office of the organisation regarding the disclosure of information pertaining to the related parties of the organisation and its Chapters. We are still in correspondence with the National Office of the organisation regarding that issue. If any issues arise regarding that issue that is relevant to the Victorian Chapter you will be notified.

The financial report for year ending 30 June 2011 has now been filed.

Yours faithfully,

Andrew Schultz
Senior Advisor
Regulatory Compliance Branch