



FAIR WORK
AUSTRALIA

15 February 2010

Mr Kyle Kutasi
Secretary
The National Electrical and Contractors Association
Western Australian Chapter
PO Box 782
BALCATTA WA 6914

By Email: necawa@neca.asn.au

Dear Mr Kutasi,

Application for certificate stating financial affairs of reporting unit encompassed by financial affairs of associated State body for year ended 30 June 2009 – FR2009/293

I refer to your application and further information lodged pursuant to s269 of the *Fair Work (Registered Organisations) Act 2009* in respect of The National Electrical and Contractors Association, Western Australian Chapter of for the financial year ended 30 June 2009. The application and further information was lodged with Fair Work Australia on 30 October 2009 and 12 February 2010, respectively.

I have granted the application. My certificate is enclosed.

Yours sincerely,

Terry Nassios
Delegate of the General Manager
Fair Work Australia

FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

s.269(2)(a) - Reporting unit's financial affairs encompassed by associated State body

The National Electrical Contractors Association
(FR2009/293)

CERTIFICATE

On 30 October 2009 an application was made under s269(2)(a) of the Act by the Western Australian Chapter ("the Chapter") of the abovenamed organisation for a certificate stating that the financial affairs of the Chapter are encompassed by the financial affairs of the Electrical and Communications Association of Western Australia ("the Association"), an associated State body, in respect of the financial year ended 30 June 2009.

On 30 October 2009 and 12 February 2010, the Chapter lodged a copy of the audited accounts of the Association with Fair Work Australia.

I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1979 (WA)*, a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the Chapter; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the Chapter; and
- is an associated State body.

I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited and provided a copy of the audited accounts to its members; and
- any members of the Chapter who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the Chapter who are members of the Association; and
- a report under s254 of the Act has been prepared in respect of the activities of the Chapter and has been provided to members of the Chapter with copies of the accounts.

I am satisfied that the financial affairs of the Chapter in respect of the financial year ended 30 June 2009 are encompassed by the financial affairs of the Association and I certify accordingly under s269(2)(a) of the Act.



T. Nassios
Delegate of the General Manager
Fair Work Australia

15 February 2010

**THE ELECTRICAL AND COMMUNICATIONS
ASSOCIATION OF WESTERN AUSTRALIA**

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

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**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

INCOME	2009	2008
	\$	\$
Clothing Sales	27,519	122,435
Commissions	81,874	84,463
Financial Administration	42,825	92,000
Group Management Reimbursement	209,238	205,156
Increase in valuation of investment property	-	2,808,604
Interest Received	20,504	40,071
National Conference Income	138,102	119,309
NECA News	71,426	16,399
Redundancy – Admin Fee	49,000	48,000
Rent	183,500	117,000
SAA Publications	96,577	317,303
Severance Payment Scheme – Admin Fee	49,000	48,000
Severance Scheme – Admin Fee	49,000	48,000
Social Revenue	171,104	86,099
Sponsorship	5,000	201,500
Stationery	9,097	12,554
Subscriptions	532,596	413,940
Sundry	416	36,072
	-	-
	<u>1,736,778</u>	<u>4,816,905</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

EXPENSES	Note	2009	2008
		\$	\$
Accommodation		7,033	3,545
Accounting Fees		40,760	1,170
Advertising – E.C.A.		36,160	3,670
Audit Fees		5,600	5,600
Bad Debts		16,764	14,339
Bank Charges		5,707	1,496
CEO Expense		245,647	170,877
Cleaning		7,791	6,908
Clothing Purchases		23,909	90,244
Consultancy		11,907	23,465
Courier Services		2,624	3,477
Database Maintenance		52,028	760
Depreciation		54,780	54,776
Electricity		4,933	5,263
Fringe Benefits Tax		13,852	13,976
Fuel Purchases		(2,510)	1,341
General Expenses		38,861	53,053
Insurance		14,122	19,406
Interest Expense and Charges		61,352	-
Legal Expenses		14,130	3,822
Meeting Expenses		1,969	6,910
Motor Vehicle Expenses		12,062	17,919
National Conference Expenditure		129,040	197,612
National Meetings		-	104
Office Wages		412,853	447,062
Postage		18,444	12,653
Promotions		-	14,419
Printing & Stationery		15,086	27,329
Provisions for Annual & Long Service Leave		3,363	14,466
Publications		23,823	18,519
Rates and Taxes		57,885	17,728
Record Storage		2,449	3,244
Repairs and Maintenance		10,664	8,124
Resale - Standards		68,973	278,966

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

EXPENSES (cont.)	Note	2009	2008
		\$	\$
Social Expenses		177,744	140,953
Software and Systems Support		30,650	66,886
Sponsorship		-	6,000
Subscriptions		114,271	75,966
Staff Recruitment and Training		34,727	6,802
Staff Superannuation		35,052	38,490
Telephone		30,182	23,419
Temporary Staff		-	5,286
Travel, Accommodation and Entertainment		31,285	27,349
Website		-	820
Workchoices		-	1,591
		<u>1,865,972</u>	<u>1,935,805</u>
(Loss) / Profit before income tax		(129,194)	2,881,100
Income tax expense		-	-
(Loss) / Profit after income tax		<u>(129,194)</u>	<u>2,881,100</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
INCOME		
Increase in valuation of investment property	-	2,808,604
Severance Schemes – Admin Fee	98,000	96,000
Interest Received	20,504	40,071
Rent	183,500	117,000
Subscriptions	532,596	413,940
Commissions	81,874	84,463
Redundancy Scheme – Admin Fee	49,000	48,000
Financial Administration	42,825	92,000
Sponsorship	5,000	201,500
Other Income	723,479	915,327
	<u>1,736,778</u>	<u>4,816,905</u>
 LESS:		
Expenditure – wages, office expenses & other outgoings	1,791,065	1,852,224
Bad Debts	16,764	14,339
Depreciation	54,780	54,776
Provision for Annual & Long Service Leave	3,363	14,466
	<u>1,865,972</u>	<u>1,935,805</u>
 (Loss) / Profit after income tax	(129,194)	2,881,100
Retained profits at beginning of year	4,949,401	2,068,301
Retained profits at end of year	<u>4,820,207</u>	<u>4,949,401</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

BALANCE SHEET AS AT 30TH JUNE 2009

	NOTES	2009 \$	2008 \$
EQUITY			
Retained Earnings		4,820,207	4,949,401
Reserves		856,938	856,937
		<u>5,677,145</u>	<u>5,806,338</u>
Represented by: -			
CURRENT ASSETS			
GST Input Credits		104,275	128,879
Sundry Debtors		454,572	297,803
Short Term Deposits and Bank	2	774,010	528,552
Petty Cash Imprest		348	500
Redundancy Payment Investment	3	793,148	759,925
Severance Administration Scheme(Old)	3	714,474	901,838
Severance Payment Scheme (New)	3	2,026,990	1,855,265
Prepayments		50,834	26,726
Financial Asset	4	836,585	836,585
		<u>5,755,236</u>	<u>5,336,073</u>
LESS: CURRENT LIABILITIES			
GST Charged		106,142	126,911
Income Received in Advance		603,558	9,854
Review Magazine		(3,832)	(3,832)
Petrol Security Deposits		83,092	66,892
Provision for Annual & Long Service Leave		29,398	20,675
Redundancy Payment Administration	3	793,148	765,924
Severance Administration Scheme (Old)	3	714,474	901,838
Severance Payment Scheme (New)	3	2,026,990	1,855,265
Sundry Creditors		103,313	144,588
Financial Liability	5	743,333	788,668
		<u>5,199,616</u>	<u>4,676,783</u>
Net Current Assets		559,143	659,290
ADD: NON-CURRENT ASSETS			
Property, plant and equipment	6	1,121,525	1,147,048
Investment Property	7	4,000,000	4,000,000
		<u>5,121,525</u>	<u>5,147,048</u>
NET ASSETS		<u>5,677,145</u>	<u>5,806,338</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	2009	2008
		\$	\$
Receipts from Operations		1,542,571	1,742,288
Payments to suppliers and employees		(1,220,563)	(1,793,906)
Interest received		20,504	40,071
Bad debts written off		(16,764)	(14,339)
Net cash inflow from operating activities	(i)	<u>325,748</u>	<u>(25,886)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and motor vehicles		(34,955)	(102,904)
Proceeds from sale of property, plant and equipment, and motor vehicles		-	21,000
Payment for investments		-	(827,817)
Net cash outflow from investing activities		<u>(34,955)</u>	<u>(909,721)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	800,000
Repayment of borrowings		(45,335)	(11,332)
Net cash inflow from financing activities		<u>(45,335)</u>	<u>788,668</u>
Net increase (decrease) in cash held		245,458	(146,939)
Cash at the beginning of the financial year		<u>528,552</u>	<u>675,491</u>
Cash at the end of the financial year		<u>774,010</u>	<u>528,552</u>
 RECONCILIATION OF DEFICIT NET CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / Profit before income tax		(129,194)	2,881,100
Plus (minus) non-cash items:			
Depreciation		54,780	54,776
Fixed assets written off		5,698	-
(Gain) / Loss on sale of non-current assets		-	(166)
Revaluation of investment property		-	(2,808,604)
Change in assets and liabilities			
(Increase) in receivables		(278,476)	(393,007)
(Increase) decrease in other current assets		104,771	86,731
Increase (decrease) in creditors		559,444	191,611
Increase in provisions		8,725	(38,327)
Net cash inflow from operating activities		<u>325,748</u>	<u>(25,886)</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- (a) This financial report is a special purpose financial report prepared to satisfy the reporting requirement of the *Industrial Relations Act 1979*. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Industrial Relations Act 1979* and the following Australian Accounting Standards:

AASB 1031: **Materiality**
AASB 110: **Events after the Balance Sheet Date**

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(b) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets, 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.

(c) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Association. Investment property is carried at fair value, representing open-market value determined by external valuers every three years. Changes in fair values are recorded in the income statement as part of other income.

(d) Comparative Figures

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

(e) Impairment of Assets

At each reporting date, the entity 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.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established

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

(i) Investment

Investments held are originally recognised at cost which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at reporting date. Movements in fair value are recognised through equity reserve.

2. SHORT TERM DEPOSITS AND BANK

	2009	2008
	\$	\$
Cash at Bank	491,481	334,350
Cash on Deposit	282,529	194,202
	<u>774,010</u>	<u>528,552</u>

3. ADMINISTRATION SCHEMES

REDUNDANCY ADMINISTRATION
SEVERANCE SCHEME ADMINISTRATION

These are employee cessation schemes administered for the benefit of members.

The results of the Schemes do not form part of the trading results of the Association and so are capitalised against the appropriate Scheme's accounts.

However income earned for the administration is treated as revenue.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

4. Financial Asset

Investment represents 836,585 units at \$1 each held in NECA WA Group Property Trust.

5. FINANCIAL LIABILITY

Financial liability represents NECA WA Group Property Trust loan paid by The Electrical and Communications Association (WA). The facility is secured by a corporate guarantee and indemnity from The Electrical and Communication (WA) and NECA WA Group Pty Ltd in its own capacity and trustee for NECA WA Group Property Trust as well as first registered standard mortgage by The Electrical and Communications over property at 9 Cressall Road, Balcatta WA and by NECA WA Group Pty Ltd in its own capacity and trustee for NECA WA Group Property Trust over property at Lot 2, Delawney Street, Balcatta WA.

6. FIXED ASSETS

	2009	2008
	\$	\$
Land (Prowse Street) at valuation July 2007	<u>916,937</u>	<u>916,937</u>
Buildings (Prowse Street) – at cost	53,062	53,062
LESS: Accumulated Depreciation	<u>(2,652)</u>	<u>(1,326)</u>
	<u>50,410</u>	<u>51,736</u>
Plant & Equipment – at cost	100,809	155,811
LESS: Accumulated Depreciation	<u>(58,744)</u>	<u>(89,755)</u>
	<u>42,065</u>	<u>66,056</u>
Fixtures & Fitting – at cost	93,458	107,994
LESS: Accumulated Depreciation	<u>(90,726)</u>	<u>(104,182)</u>
	<u>2,732</u>	<u>3,812</u>
Motor Vehicles – at cost	163,326	136,791
LESS: Accumulated Depreciation	<u>(53,945)</u>	<u>(28,284)</u>
	<u>109,381</u>	<u>108,507</u>
TOTAL FIXED ASSETS	<u><u>1,121,525</u></u>	<u><u>1,147,048</u></u>

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

7. INVESTMENT PROPERTY

	2009	2008
Land and Building (Cressall Road) Balcatta	<u>\$4,000,000</u>	<u>\$4,000,000</u>

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and subject to similar leases. The above is based on valuations on 5 July 2007.

8. RESERVES

Asset Revaluation Reserve

This reserve records the revaluation of property, plant and equipment.

9. CONTINGENCIES

Recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed.

The Association's income tax advisors are confident that the Association is an income tax exempt employer association for the purposes of the income tax law. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE ADMINISTRATION SCHEME (OLD SCHEME)

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
INCOME		
Interest Received on Deposits	<u>36,366</u>	<u>61,269</u>
LESS EXPENSE		
Administration Fees	49,000	48,000
Bank Charges	-	90
	<u>49,000</u>	<u>48,090</u>
(LOSS) / SURPLUS	<u><u>(12,634)</u></u>	<u><u>13,179</u></u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE ADMINISTRATION SCHEME (OLD SCHEME)

BALANCE SHEET 30TH JUNE 2009

	2009	2008
	\$	\$
ASSETS		
ANZ Cash Management Account	24,390	25,305
ANZ Cheque Account	689,670	871,135
Interest Receivable	-	5,398
Sundry Debtor	414	-
	<u>714,474</u>	<u>901,838</u>
LESS LIABILITIES		
Severance Tax Liability	-	10,005
Contribution owing to Employees	540,151	713,876
Sundry Creditor	9,000	-
	<u>549,151</u>	<u>723,881</u>
NET ASSETS	<u>165,323</u>	<u>177,957</u>
ACCUMULATED FUNDS		
Brought Forward	177,957	164,778
Surplus for the year	<u>(12,634)</u>	<u>13,179</u>
ACCUMULATED FUNDS AT 30TH JUNE	<u>165,323</u>	<u>177,957</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SEVERANCE PAYMENT SCHEME
(NEW SCHEME – Commenced 1/4/04)**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
INCOME	\$	\$
Interest received	105,236	108,371
	<hr/>	<hr/>
LESS EXPENSES		
Consultancy	-	3,000
Administration Fees	49,000	48,000
	<hr/>	<hr/>
Total expenses	49,000	51,000
	<hr/>	<hr/>
SURPLUS	56,236	57,371
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SEVERANCE PAYMENT SCHEME
(NEW SCHEME – Commenced 1/4/04)**

BALANCE SHEET FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
ASSETS		
ANZ Investment Account	1,797,236	1,592,555
ANZ Cheque Account	223,054	252,841
Sundry Debtor	1,009	-
Interest Receivable	5,691	9,869
	2,026,990	1,855,265
LESS LIABILITIES		
Severance Tax Liability	-	63,843
Contribution owing to employees	1,862,388	1,691,240
Sundry Creditor	8,184	-
	1,870,572	1,755,083
NET ASSETS	156,418	100,182
 ACCUMULATED FUNDS		
Brought Forward	100,182	42,811
Surplus for the year	56,236	57,371
ACCUMULATED FUNDS AT 30TH JUNE	156,418	100,182

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE SCHEMES

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING METHODS

This financial report is a special purpose financial report prepared for use by the Committee of Management. The Committee of Management has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards:

AASB 110: Events after the Balance Sheet Date

AASB 1031: Materiality

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

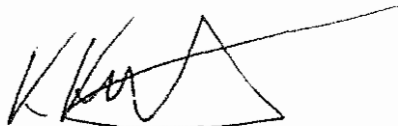
The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

I, MR KYLE KUTASI being the Officer in charge of the preparation of the accompanying accounts of "The Electrical and Communications Association of Western Australia", state that to the best of my knowledge and belief, such accounts present a true and fair view of the financial position of the Association as at 30th June 2009, and the results of its operations for the period then ended.

Balcatta
DATED at West Perth this *9th* day of September, 2009



MR KYLE KUTASI

THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA

MANAGEMENT COMMITTEE STATEMENT TO MEMBERS

The Management Committee of The Electrical and Communications Association of Western Australia has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Management Committee, the financial report as set out on pages 1 to 15:

1. Presents a true and fair view of the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2009 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Electrical and Communications Association of Western Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:



PRESIDENT



TREASURER

DATED at West Perth this 9th day of September, 2009

Balcatta

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
 THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of *The Electrical and Communications Association of Western Australia* which comprises the following:-

<p><u>Electrical Contractors Association</u></p> <p>Detailed Income Statement Summary Income Statement Balance Sheet Cash Flow Statement Notes to the financial statements</p>	<p><u>Electrical Contractors Association Severance Schemes</u></p> <p>Detailed Income Statement Balance Sheet Notes to the financial statements</p>
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Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Industrial Relations Act 1979* and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 under the *Industrial Relations Act 1979*. 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.

UTC Integrative Solutions is a member of the UTC Integrative Solutions Group of Companies. The Group of Companies is a group of related entities that are controlled by UTC Integrative Solutions Pty Ltd.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of The Electrical and Communications Association of Western Australia presents fairly, in all material respects the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Inherent Uncertainty

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 9 to the financial statements, recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed.

The Association's income tax advisors are confident that the Association is an income tax exempt employer association for the purposes of the income tax law. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.

UTC Integrative Solutions



U-Li Cheong

Principal

Address: Suite 4, 20 Kearns Crescent ARDROSS WA 6153

Dated this 22nd day of September 2009

27 October 2009

The Industrial Registrar
Attn: Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001



Dear Mr Pfeiffer,

**National Electrical Contractors Association, The-Western Australia Chapter
Annual Returns for Financial Year Ending 30 June 2009**

The National Electrical Contractors Association, Western Australia Chapter makes application pursuant to Section 269 of Schedule 1 of the *Fair Work (Registered Organisations) Act 2009* to be taken to have satisfied Part 3 of Schedule 1 for the financial year ending **30 June 2009**.

Relief Sought

- That the Registrar issue a certificate stating that the financial affairs of the Reporting Unit are encompassed by the financial affairs of the associated State body.
- That the Reporting Unit is taken to have satisfied Part 3 of Schedule 1 of the *Fair Work (Registered Organisations) Act 2009*.

Grounds and Reasons

Section 269 of Schedule 1 applies to The National Electrical Contractors Association, Western Australia Chapter (the 'Reporting Unit') on the following basis:

1. The Electrical & Communications Association of Western Australia (the 'associated State body') is registered as an industrial organisation pursuant to the *Industrial Relations Act 1979 (WA)*.
2. The associated State body is composed of substantially the same members as the Reporting Unit.
3. The officers of the associated State body are substantially the same as the officers of the Reporting Unit.

The Reporting Unit is taken to have satisfied Part 3 of Schedule 1 on the following basis:

- a) The associated State body has, in accordance with the *Industrial Relations Act 1979 (WA)* prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members, and lodged the audited accounts with the Western Australian Industrial Registry;
- b) A copy of the audited accounts are attached hereto (See Annexure 1);
- c) All the members of the Reporting Unit and the associated State body, at substantially the same time, have been provided a copy of the Auditor's Report, Balance Sheet and Statement of Income and Expenditure, free of charge, in accordance with Division 4 of the *Industrial Relations Act 1979 (WA)*; and
- d) All members of the Reporting Unit have been provided with a copy of the Operating Report. A copy of the Operating Report is attached hereto (See Annexure 2).

The National Electrical Contractors Association, Western Australia Chapter submits that based on the grounds and reasons stated herein and the supporting documentation, the Branch satisfies section 269 of Schedule 1 and consequently seeks the relief as sought.

Should you wish to discuss this or any other matter, please do not hesitate to contact this office at any time.

Regards,



Kyle Kutasi
Secretary

THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

INCOME	2009	2008
	\$	\$
Clothing Sales	27,519	122,435
Commissions	81,874	84,463
Financial Administration	42,825	92,000
Group Management Reimbursement	209,238	205,156
Increase in valuation of investment property	-	2,808,604
Interest Received	20,504	40,071
Conference Income	138,102	119,309
NECA News	71,426	16,399
Redundancy – Admin Fee	49,000	48,000
Rent	183,500	117,000
SAA Publications	96,577	317,303
Severance Payment Scheme – Admin Fee	49,000	48,000
Severance Scheme – Admin Fee	49,000	48,000
Members Activities Revenue	171,104	86,099
Sponsorship	5,000	201,500
Stationery	9,097	12,554
Subscriptions	532,596	413,940
Sundry	416	36,072
	-	-
	<u>1,736,778</u>	<u>4,816,905</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

EXPENSES	Note	2009	2008
		\$	\$
Accommodation		7,033	3,545
Accounting Fees		40,760	1,170
Marketing		36,160	3,670
Audit Fees		5,600	5,600
Bad Debts		16,764	14,339
Bank Charges		5,707	1,496
CEO Expense		245,647	170,877
Cleaning		7,791	6,908
Clothing Purchases		23,909	90,244
Consultancy		11,907	23,465
Courier Services		2,624	3,477
Database Maintenance		52,028	760
Depreciation		54,780	54,776
Electricity		4,933	5,263
Fringe Benefits Tax		13,852	13,976
Fuel Purchases		(2,510)	1,341
General Expenses		38,861	53,053
Insurance		14,122	19,406
Interest Expense and Charges		61,352	-
Legal Expenses		14,130	3,822
Meeting Expenses		1,969	6,910
Motor Vehicle Expenses		12,062	17,919
Conference Expenditure		129,040	197,612
National Meetings		-	104
Office Wages		412,853	447,062
Postage		18,444	12,653
Promotions		-	14,419
Printing & Stationery		15,086	27,329
Provisions for Annual & Long Service Leave		3,363	14,466
Publications		23,823	18,519
Rates and Taxes		57,885	17,728
Record Storage		2,449	3,244
Repairs and Maintenance		10,664	8,124
Resale - Standards		68,973	278,966

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

EXPENSES (cont.)	Note	2009	2008
		\$	\$
Members Activities Expenses		177,744	140,953
Software and Systems Support		30,650	66,886
Sponsorship		-	6,000
Subscriptions		114,271	75,966
Staff Recruitment and Training		34,727	6,802
Staff Superannuation		35,052	38,490
Telephone		30,182	23,419
Temporary Staff		-	5,286
Travel, Accommodation and Entertainment		31,285	27,349
Website		-	820
Workchoices		-	1,591
		<u>1,865,972</u>	<u>1,935,805</u>
(Loss) / Profit before income tax		(129,194)	2,881,100
Income tax expense		-	-
(Loss) / Profit after income tax		<u>(129,194)</u>	<u>2,881,100</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
INCOME	\$	\$
Increase in valuation of investment property	-	2,808,604
Severance Schemes – Admin Fee	98,000	96,000
Interest Received	20,504	40,071
Rent	183,500	117,000
Subscriptions	532,596	413,940
Commissions	81,874	84,463
Redundancy Scheme – Admin Fee	49,000	48,000
Financial Administration	42,825	92,000
Sponsorship	5,000	201,500
Other Income	723,479	915,327
	<u>1,736,778</u>	<u>4,816,905</u>
 LESS:		
Expenditure – wages, office expenses & other outgoings	1,791,065	1,852,224
Bad Debts	16,764	14,339
Depreciation	54,780	54,776
Provision for Annual & Long Service Leave	3,363	14,466
	<u>1,865,972</u>	<u>1,935,805</u>
 (Loss) / Profit after income tax	 (129,194)	 2,881,100
Retained profits at beginning of year	<u>4,949,401</u>	<u>2,068,301</u>
Retained profits at end of year	<u><u>4,820,207</u></u>	<u><u>4,949,401</u></u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

BALANCE SHEET AS AT 30TH JUNE 2009

	NOTES	2009 \$	2008 \$
EQUITY			
Retained Earnings		4,820,207	4,949,401
Reserves		856,938	856,937
		<u>5,677,145</u>	<u>5,806,338</u>
Represented by: -			
CURRENT ASSETS			
GST Input Credits		104,275	128,879
Sundry Debtors		454,572	297,803
Short Term Deposits and Bank	2	774,010	528,552
Petty Cash Imprest		348	500
Redundancy Payment Investment	3	793,148	759,925
Severance Administration Scheme (Old)	3	714,474	901,838
Severance Payment Scheme (New)	3	2,026,990	1,855,265
Prepayments		50,834	26,726
Financial Asset	4	836,585	836,585
		<u>5,755,236</u>	<u>5,336,073</u>
LESS: CURRENT LIABILITIES			
GST Charged		106,142	126,911
Income Received in Advance		603,558	9,854
Review Magazine		(3,832)	(3,832)
Petrol Security Deposits		83,092	66,892
Provision for Annual & Long Service Leave		29,398	20,675
Redundancy Payment Administration	3	793,148	765,924
Severance Administration Scheme (Old)	3	714,474	901,838
Severance Payment Scheme (New)	3	2,026,990	1,855,265
Sundry Creditors		103,313	144,588
Financial Liability	5	743,333	788,668
		<u>5,199,616</u>	<u>4,676,783</u>
Net Current Assets		559,143	659,290
ADD: NON-CURRENT ASSETS			
Property, plant and equipment	6	1,121,525	1,147,048
Investment Property	7	4,000,000	4,000,000
		<u>5,121,525</u>	<u>5,147,048</u>
NET ASSETS		<u>5,677,145</u>	<u>5,806,338</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	2009	2008
		\$	\$
Receipts from Operations		1,542,571	1,742,288
Payments to suppliers and employees		(1,220,563)	(1,793,906)
Interest received		20,504	40,071
Bad debts written off		(16,764)	(14,339)
Net cash inflow from operating activities	(i)	<u>325,748</u>	<u>(25,886)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and motor vehicles		(34,955)	(102,904)
Proceeds from sale of property, plant and equipment, and motor vehicles		-	21,000
Payment for investments		-	(827,817)
Net cash outflow from investing activities		<u>(34,955)</u>	<u>(909,721)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	800,000
Repayment of borrowings		(45,335)	(11,332)
Net cash inflow from financing activities		<u>(45,335)</u>	<u>788,668</u>
 Net increase (decrease) in cash held		 245,458	 (146,939)
Cash at the beginning of the financial year		<u>528,552</u>	<u>675,491</u>
Cash at the end of the financial year		<u>774,010</u>	<u>528,552</u>
 RECONCILIATION OF DEFICIT NET CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / Profit before income tax		(129,194)	2,881,100
Plus (minus) non-cash items:			
Depreciation		54,780	54,776
Fixed assets written off		5,698	-
(Gain) / Loss on sale of non-current assets		-	(166)
Revaluation of investment property		-	(2,808,604)
Change in assets and liabilities			
(Increase) in receivables		(278,476)	(393,007)
(Increase) decrease in other current assets		104,771	86,731
Increase (decrease) in creditors		559,444	191,611
Increase in provisions		8,725	(38,327)
Net cash inflow from operating activities		<u>325,748</u>	<u>(25,886)</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- (a) This financial report is a special purpose financial report prepared to satisfy the reporting requirement of the *Industrial Relations Act 1979*. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Industrial Relations Act 1979* and the following Australian Accounting Standards:

AASB 1031: Materiality
AASB 110: Events after the Balance Sheet Date

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(b) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets, 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.

(c) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Association. Investment property is carried at fair value, representing open-market value determined by external valuers every three years. Changes in fair values are recorded in the income statement as part of other income.

(d) Comparative Figures

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

(e) Impairment of Assets

At each reporting date, the entity 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.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established

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

(i) Investment

Investments held are originally recognised at cost which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at reporting date. Movements in fair value are recognised through equity reserve.

2. SHORT TERM DEPOSITS AND BANK

	2009	2008
	\$	\$
Cash at Bank	491,481	334,350
Cash on Deposit	282,529	194,202
	<u>774,010</u>	<u>528,552</u>

3. ADMINISTRATION SCHEMES

REDUNDANCY ADMINISTRATION
SEVERANCE SCHEME ADMINISTRATION

These are employee cessation schemes administered for the benefit of members.

The results of the Schemes do not form part of the trading results of the Association and so are capitalised against the appropriate Scheme's accounts.

However income earned for the administration is treated as revenue.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

4. Financial Asset

Investment represents 836,585 units at \$1 each held in NECA WA Group Property Trust.

5. FINANCIAL LIABILITY

Financial liability represents NECA WA Group Property Trust loan paid by The Electrical and Communications Association (WA). The facility is secured by a corporate guarantee and indemnity from The Electrical and Communication (WA) and NECA WA Group Pty Ltd in its own capacity and trustee for NECA WA Group Property Trust as well as first registered standard mortgage by The Electrical and Communications over property at 9 Cressall Road, Balcatta WA and by NECA WA Group Pty Ltd in its own capacity and trustee for NECA WA Group Property Trust over property at Lot 2, Delawney Street, Balcatta WA.

6. FIXED ASSETS

	2009	2008
	\$	\$
Land (Prowse Street) at valuation July 2007	916,937	916,937
Buildings (Prowse Street) – at cost	53,062	53,062
LESS: Accumulated Depreciation	(2,652)	(1,326)
	<u>50,410</u>	<u>51,736</u>
Plant & Equipment – at cost	100,809	155,811
LESS: Accumulated Depreciation	(58,744)	(89,755)
	<u>42,065</u>	<u>66,056</u>
Fixtures & Fitting – at cost	93,458	107,994
LESS: Accumulated Depreciation	(90,726)	(104,182)
	<u>2,732</u>	<u>3,812</u>
Motor Vehicles – at cost	163,326	136,791
LESS: Accumulated Depreciation	(53,945)	(28,284)
	<u>109,381</u>	<u>108,507</u>
TOTAL FIXED ASSETS	<u><u>1,121,525</u></u>	<u><u>1,147,048</u></u>

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

7. INVESTMENT PROPERTY

	2009	2008
Land and Building (Cressall Road) Balcatta	<u>\$4,000,000</u>	<u>\$4,000,000</u>

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and subject to similar leases. The above is based on valuations on 5 July 2007.

8. RESERVES

Asset Revaluation Reserve

This reserve records the revaluation of property, plant and equipment.

9. CONTINGENCIES

Recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed.

The Association's income tax advisors are confident that the Association is an income tax exempt employer association for the purposes of the income tax law. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE ADMINISTRATION SCHEME (OLD SCHEME)

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
INCOME		
Interest Received on Deposits	<u>36,366</u>	<u>61,269</u>
LESS EXPENSE		
Administration Fees	49,000	48,000
Audit Fees	-	-
Bank Charges	-	90
	<u>49,000</u>	<u>48,090</u>
(LOSS) / SURPLUS	<u><u>(12,634)</u></u>	<u><u>13,179</u></u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE ADMINISTRATION SCHEME (OLD SCHEME)

BALANCE SHEET 30TH JUNE 2009

	2009	2008
	\$	\$
ASSETS		
ANZ Cash Management Account	24,390	25,305
ANZ Cheque Account	689,670	871,135
Interest Receivable	-	5,398
Sundry Debtor	414	-
	714,474	901,838
LESS LIABILITIES		
Severance Tax Liability	-	10,005
Contribution owing to Employees	540,151	713,876
Sundry Creditor	9,000	-
	549,151	723,881
NET ASSETS	165,323	177,957
ACCUMULATED FUNDS		
Brought Forward	177,957	164,778
Surplus for the year	(12,634)	13,179
ACCUMULATED FUNDS AT 30TH JUNE	165,323	177,957

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SEVERANCE PAYMENT SCHEME
(NEW SCHEME – Commenced 1/4/04)**

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
INCOME	\$	\$
Interest received	105,236	108,371
	<hr/>	<hr/>
LESS EXPENSES		
Audit Fees	-	-
Consultancy	-	3,000
Administration Fees	49,000	48,000
Total expenses	49,000	51,000
	<hr/>	<hr/>
SURPLUS	56,236	57,371
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SEVERANCE PAYMENT SCHEME
(NEW SCHEME – Commenced 1/4/04)**

BALANCE SHEET FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
ASSETS		
ANZ Investment Account	1,797,236	1,592,555
ANZ Cheque Account	223,054	252,841
Sundry Debtor	1,009	-
Interest Receivable	5,691	9,869
	<u>2,026,990</u>	<u>1,855,265</u>
LESS LIABILITIES		
Severance Tax Liability	-	63,843
Contribution owing to employees	1,862,388	1,691,240
Sundry Creditor	8,184	
	<u>1,870,572</u>	<u>1,755,083</u>
NET ASSETS	156,418	100,182
 ACCUMULATED FUNDS		
Brought Forward	100,182	42,811
Surplus for the year	56,236	57,371
ACCUMULATED FUNDS AT 30TH JUNE	156,418	100,182

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE SCHEMES

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING METHODS

This financial report is a special purpose financial report prepared for use by the Committee of Management. The Committee of Management has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards:

AASB 110: Events after the Balance Sheet Date
AASB 1031: Materiality

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

STATEMENT BY PRINICIPAL ACCOUNTING OFFICER

I, MR KYLE KUTASI being the Officer in charge of the preparation of the accompanying accounts of "The Electrical and Communications Association of Western Australia", state that to the best of my knowledge and belief, such accounts present a true and fair view of the financial position of the Association as at 30th June 2009, and the results of its operations for the period then ended.

DATED at Balcatta this 10th day of September, 2009

MR KYLE KUTASI

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

MANAGEMENT COMMITTEE STATEMENT TO MEMBERS

The Management Committee of The Electrical and Communications Association of Western Australia has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Management Committee, the financial report as set out on pages 1 to 15:

1. Presents a true and fair view of the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2009 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Electrical and Communications Association of Western Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:

PRESIDENT

TREASURER

DATED at Balctta this 10th day of September, 2009

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of The *Electrical and Communications Association of Western Australia* which comprises the following:-

Electrical Contractors Association

Detailed Income Statement
Summary Income Statement
Balance Sheet
Cash Flow Statement
Notes to the financial statements

Electrical Contractors Association Severance Schemes

Detailed Income Statement
Balance Sheet
Notes to the financial statements

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Industrial Relations Act 1979* and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 under the *Industrial Relations Act 1979*. 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 Australian professional ethical pronouncements

Auditor's Opinion

In our opinion, the financial report of The Electrical and Communications Association of Western Australia presents fairly, in all material respects the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Inherent Uncertainty

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 9 to the financial statements, recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed.

The Association's income tax advisors are confident that the Association is an income tax exempt employer association for the purposes of the income tax law. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.

UTC Integrative Solutions

U-Li Cheong

Principal

Address: Suite 3, 20 Kearns Crescent ARDROSS WA 6153

Dated this 11th day of September 2009

THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, WESTERN AUSTRALIA CHAPTER

Operating report for year ended 30 June 2009 – s254

Principal Activities

The principal activities of the Chapter during the reporting period were to provide services and representation to the members, consistent with the objects of the Association.

The Chapter's principal activities result in improving the business environment for the membership, particularly with respect to negotiated and arbitrated employee wages outcomes.

There were no significant changes in the nature of the Chapter's principal activities during the reporting period.

Manner of Resignation

Members may resign from the Chapter in accordance with Rule 7, which reads as follows:

- a) *Subject to Rule 8 below, a member, including a provisional member, associate member and a Life member, may discontinue his membership with the Association by giving written notice of resignation to the Association and serving such notice of resignation on the Association by:
 - i) *delivering the notice personally to the registered office of the Association, or*
 - ii) *sending by certified mail to the address mentioned in sub paragraph (i) or to the address of the Association as ascertained by referring to a current directory of telephone numbers.*
 - iii) *In a format approved by the Management Committee.**
- b) *The notice of resignation takes effect on the day on which it was served on the Association or on a later day specified in the notice.*
- c) *A member who has ceased to be eligible to be a member of the Association or who has become disqualified from continuing, as a member shall upon request being made to the Secretary and with the approval of the Management Committee be issued with a notification of clearance and thereupon membership of such member shall terminate.*
- d) *Subject to Rule 8, nothing in this Rule prevents the Association from recovering all unpaid fees, fines, levies or other dues payable by a member under the Rules to the end of the period covered by the notice or upon the date of issue of a clearance card.*

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme

No officers of the Chapter held positions of Trustee or director of a Trustee Company of a superannuation entity or exempt public sector superannuation scheme.

Number of Members

The number of members recorded on the register of members of the Chapter as at the end of the reporting period was 530.

Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Chapter was one (1).

Members of Committee of Management

The persons who held office as members of the Committee of Management of the Chapter during the reporting period are:

- J. Sweeting (Chapter President)
- I. Swain (Chapter Vice President)
- G. Mizza (Chapter Treasurer)
- W. Carter (Chapter Executive)
- Z. Grego (Chapter Executive)
- R. Hatherley (Chapter Executive)
- M. Pearson (Chapter Executive)
- M. Green (Chapter Executive)
- A. Taylor (Chapter Executive) *resigned 25 September 2008*
- G. Itzstein (Chapter Executive) *resigned 5 March 2009*
- S. Higgins (Chapter Executive) *from 25 September 2008*
- P. Mannion (Chapter Executive) *from 14 April 2009*
- K. Kutasi (Chapter Secretary)

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Signed
John Sweeting
Chapter President

Date: 10 September 2009