

**From:** ROC - Registered Org Commission  
**Sent:** Thursday, 7 December 2017 8:53 AM  
**To:** 'Natalie Smith'; 'necawa@necawa.asn.au'  
**Cc:** Garry Itzstein; Hannes Boshoff  
**Subject:** FR2017/235 NECA WA - AMENDED OPERATING REPORT LODGED  
[SEC=UNCLASSIFIED]  
**Attachments:** FR2017\_235\_NECA\_WA Chapter\_Certificate\_07122017.pdf

**UNCLASSIFIED**

Dear Mr Itzstein

Please find attached a letter and certificate advising that the abovementioned application for a s.269 certificate from the Western Australia Chapter of The National Electrical Contractors Association has been granted.

Yours sincerely

**DAVID VALE**  
Principal Adviser  
Financial Reporting  
**Registered Organisations Commission**

Tel: (02) 8293 4654  
[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

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**Registered Organisations Commission**

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Australian Government  
Registered Organisations Commission

7 December 2017

Mr Garry Itzstein  
Chapter Secretary  
The National Electrical Contractors Association-Western Australia Chapter  
PO Box 782  
Balcatta WA 6914

By email: [necawa@necawa.asn.au](mailto:necawa@necawa.asn.au)

Dear Mr Itzstein

**Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 30 June 2017 (FR2017/235)**

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* in respect of the Western Australia Chapter of The National Electrical Contractors Association (**NECA WA**) for the financial year ended 30 June 2017. The application was lodged with the Registered Organisations Commission (the **ROC**) on 21 November 2017. I also acknowledge the amended application lodged on 5 December 2017 which included the additional information required under section 254(2)(b) of the RO Act within the Operating Report.

I am satisfied that NECA WA is a reporting unit and that its financial affairs for the financial year ended 30 June 2017 were encompassed by the Electrical and Communications Association of Western Australia (**the Association**), an associated State body registered under the *Industrial Relations Act 1979 (WA)*. I have granted the application. The certificate is attached.

If you wish to discuss this matter, please contact David Vale on (02) 8293 4654 or by email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CE', with a small flourish at the end.

Chris Enright  
Executive Director  
Registered Organisations Commission



# CERTIFICATE

*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-Western Australia Chapter**  
(FR2017/235)

MR ENRIGHT

MELBOURNE, 7 DECEMBER 2017

*Reporting unit's financial affairs encompassed by associated State body*

[1] On 21 November 2017 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Western Australia Chapter of The National Electrical Contractors Association (the reporting unit) for a certificate stating that the financial affairs of the reporting unit 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 ending 30 June 2017.

[2] On 21 November 2017, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] On 5 December 2017, the reporting unit lodged an amended application.

[4] 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 reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- is an associated State body.

[5] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;
- any members of the reporting unit 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 reporting unit who are members of the Association; and
- a report under s.254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[6] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 30 June 2017, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



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**From:** Natalie Smith <NSmith@necawa.asn.au>  
**Sent:** Tuesday, 5 December 2017 4:13 PM  
**To:** ROC - Registered Org Commission  
**Cc:** Garry Itzstein; Hannes Boshoff  
**Subject:** RE: FR2017/235 NECA WA [SEC=UNCLASSIFIED]  
**Attachments:** 2017 Reporting Statements for ROC 051217.pdf

Hi David

As discussed last week, please find attached the signed corrected 2017 Reporting Statement. The original documentation will be posted to you today.

Kind regards

**Natalie Smith**  
Executive Assistant

*Working Days: Monday, Tuesday & Thursday*



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5 December, 2017

Registered Organisations Commission  
Compliance  
414 Latrobe Street  
MELBOURNE VIC 3000

To Whom it May Concern

**National Electrical Contractors Association, The-Western Australia Chapter  
Annual Returns for Financial Year Ending 30 June 2017**

The National Electrical Contractors Association, Western Australia Chapter makes application pursuant to Section 269 of the *Fair Work (Registered Organisations) Act 2009* ('the Act') to be taken to have satisfied Part 3 of Chapter 8 of the Act for the financial year ending **30 June 2017**.

**Relief Sought**

- That the General Manager 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 Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

**Grounds and Reasons**

Section 269 of the Act 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.







national  
electrical and  
communications  
association

**WESTERN AUSTRALIA CHAPTER**

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ABN 19 295 808 769

The Reporting Unit is taken to have satisfied Part 3 of Chapter 8 of the Act 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 has lodged the audited accounts with the Western Australian Industrial Registry;
- b) A copy of the audited accounts are attached hereto (See Attachment A);
- 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 Attachment B).

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 the Act 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.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Garry Itzstein', written over a light blue circular stamp or watermark.

**Garry Itzstein**  
Secretary









**Electrical &  
Communications  
Association**

**THE ELECTRICAL AND COMMUNICATIONS  
ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**ABN 19 295 806 769**

The Electrical and Communications Association of Western Australia is a registered industrial organisation pursuant to the *Industrial Relations Act 1979* of Western Australia

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 June 2017**



**THE ELECTRICAL AND COMMUNICATIONS  
ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

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THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>REVENUE:</b>			
Revenue	3 (a)	1,331,455	1,144,809
Other income	3 (b)	<u>3,714,051</u>	<u>3,806,837</u>
<b>Total revenue</b>		<b><u>5,045,506</u></b>	<b><u>4,951,646</u></b>
<b>LESS EXPENDITURE:</b>			
Service delivery costs	3 (c)	2,188,619	2,321,356
Depreciation		67,855	69,912
Amortisation		36,334	21,784
Employee benefits	3 (d)	2,851,924	2,566,716
Loss on revaluation of investment properties		357,106	-
Loss on sale of non-current assets		729	1,626
Impairment		<u>(50,000)</u>	<u>176,091</u>
<b>Total expenditure</b>		<b><u>5,452,567</u></b>	<b><u>5,157,485</u></b>
<b>Loss for the year</b>		<b>(407,061)</b>	<b>(205,839)</b>
Retained earnings at beginning of year		<u>4,702,678</u>	<u>4,908,517</u>
<b>Retained earnings at end of year</b>		<b><u>4,295,617</u></b>	<b><u>4,702,678</u></b>

The accompanying notes form part of these financial statements.



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

BALANCE SHEET AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	1,689,610	1,930,328
Trade and other receivables	5	1,157,655	1,192,512
Stocks		8,073	9,091
Other current assets		290,926	103,808
<b>TOTAL CURRENT ASSETS</b>		<b>3,146,264</b>	<b>3,235,739</b>
NON-CURRENT ASSETS			
Financial assets	6	1	1
Property, plant and equipment	7	71,877	139,562
Investment properties	8	2,650,000	3,007,106
Intangible assets	9	168,021	104,753
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,889,899</b>	<b>3,251,422</b>
<b>TOTAL ASSETS</b>		<b>6,036,163</b>	<b>6,487,161</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	1,499,126	1,618,844
Provisions	11	241,420	165,639
<b>TOTAL LIABILITIES</b>		<b>1,740,546</b>	<b>1,784,483</b>
<b>NET ASSETS</b>		<b>4,295,617</b>	<b>4,702,678</b>
<b>EQUITY</b>			
Retained earnings		4,295,617	4,702,678
<b>TOTAL EQUITY</b>		<b>4,295,617</b>	<b>4,702,678</b>

The accompanying notes form part of these financial statements.



**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operations		5,087,144	4,449,299
Payments to suppliers and employees		(5,270,580)	(4,849,678)
Interest received		39,718	49,162
Net cash outflow from operating activities		<u>(143,718)</u>	<u>(351,217)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment and motor vehicles		(12,847)	(15,916)
Proceeds from sale of property, plant and equipment, and motor vehicles		15,449	191
Payment for intangible assets		(99,602)	(99,037)
Net cash outflow from investing activities		<u>(97,000)</u>	<u>(114,762)</u>
Net decrease in cash held		(240,718)	(465,979)
Cash at the beginning of the financial year		1,930,328	2,396,307
Cash at the end of the financial year	4	<u>1,689,610</u>	<u>1,930,328</u>
<b>RECONCILIATION OF SURPLUS NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) for the year		(407,061)	(205,839)
Plus/ (minus) non-cash items:			
Depreciation		67,855	69,912
Amortisation		36,334	21,784
Loss on sale of non-current assets		731	1,626
Profit on sale of non-current assets		(3,501)	-
Loss on revaluation of investment properties		357,106	-
Change in assets and liabilities			
Decrease/(increase) in receivables		34,854	(379,253)
(Increase)/decrease other current assets		(186,100)	52,994
(Decrease)/increase in payables		(119,717)	80,451
Increase in provisions		75,781	7,108
Net cash outflow from operating activities		<u>(143,718)</u>	<u>(351,217)</u>

The accompanying notes form part of these financial statements.



**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared to satisfy the reporting requirement of the *Industrial Relations Act 1979*. The Electrical and Communications Association of Western Australia is a registered industrial organisation pursuant to the *Industrial Relations Act 1979* of Western Australia and is the Western Australian Chapter of the National Electrical Contractors Association. The Committee of Management has determined that the Association is not a reporting entity.

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:

**Basis of preparation**

The financial statements provide comparative information in respect of the previous period.

**(a) Consolidated financial statements**

Consolidated financial statements have not been prepared for the company and its subsidiaries because neither the company nor the group is a reporting entity and the directors have decided not to comply with AASB 10 Consolidated Financial Statements.

**(b) 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 by directors 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.

Profit and losses on disposal of plant and equipment are taken into account in determining the result for the year

**(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 on a regular basis. Changes in fair values are recorded in the income statement as part of other income.

**(d) 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  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(e) Employee Benefits**

Provision is made for the Association'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.

**(f) 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.

**(g) 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.

Membership income is recognised on a straight line proportional basis over the duration of the membership. Memberships received in advance for future financial years are recognised as a liability.

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).

**(h) Intangible assets**

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

**(i) Comparative figures**

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

**NOTE 2: INCOME TAX**

The Association has self assessed itself to be exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.





**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
<b>NOTE 3: REVENUE, OTHER INCOME AND EXPENSES</b>	<b>\$</b>	<b>\$</b>
<b>(a) Revenue</b>		
Membership income	1,176,771	984,411
Administration	57,896	52,887
Commissions	44,618	57,176
Financial administration	52,170	50,335
<b>Total Revenue</b>	<b>1,331,455</b>	<b>1,144,809</b>
<b>(b) Other income</b>		
Members' activities revenue	284,656	285,876
Interest received	39,718	49,162
Rent	256,500	256,500
Profit on sale of non-current assets	3,501	-
WHS Income	292,677	300,244
SAA and publications income	126,911	198,466
Sponsorship	20,097	25,735
Group management	1,362,942	1,181,076
Administration recovery	221,038	253,743
Marketing recovery	307,322	250,802
WHS recovery	595,184	633,751
Other income	203,505	371,482
<b>Total Other Income</b>	<b>3,714,051</b>	<b>3,806,837</b>
<b>Total Income</b>	<b>5,095,506</b>	<b>4,951,646</b>
<b>(c) Service Delivery Costs</b>		
Membership expense	217,485	284,701
Members activities expenses	294,253	325,152
Rent expense	27,101	28,302
Group management	96,952	125,617
Administration	270,927	298,285
Marketing	88,222	98,466
WHS expenses	294,797	400,531
IT costs	33,253	25,827
Professional costs	500,632	279,503
SAA and publications	106,431	175,907
Sundry employee costs	216,471	215,752
Other expenditure	42,095	63,313
<b>Total service delivery costs</b>	<b>2,188,619</b>	<b>2,321,356</b>
<b>(d) Employee Benefits</b>		
Group Management	1,197,596	1,018,236
Administration	864,997	800,370
Marketing	259,388	198,852
WHS	529,943	549,258
<b>Total employee benefits</b>	<b>2,851,924</b>	<b>2,566,716</b>



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	184	500
Cash at bank	444,651	717,651
Short Term Deposits	1,244,775	1,212,177
	<u>1,689,610</u>	<u>1,930,328</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	953,355	1,017,089
Provision for impairment of trade receivables	-	(1,396)
Other receivables	330,391	352,910
Provision for impairment of other receivables	(126,091)	(176,091)
	<u>1,157,655</u>	<u>1,192,512</u>
<i>Provision for Impairment of Receivables</i>		
Impairment allowances recognised at the reporting dates have been determined after review of amounts outstanding past due date at those dates. Impairment for other receivables are determined by past payment experience and the financial position of that entity. The movement in the provision for impairment of receivables during the year was as follows:		
Balance at 1 July	(177,487)	-
Impairment losses recognised on trade receivables	-	(1,396)
Impairment losses reversed on trade receivables	1,396	-
Impairment losses recognised on loan to NECA legal	-	(176,091)
Impairment losses reversed on loan to NECA legal	50,000	-
<b>Balance at 30 June</b>	<u>(126,091)</u>	<u>(177,487)</u>
<b>6. FINANCIAL ASSETS</b>		
Investment in NECA Legal (WA) Pty Ltd	<u>1</u>	<u>1</u>
Ordinary shares at \$1 each held in NECA Legal (WA) Pty Ltd	<u>1</u>	<u>1</u>



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Plant & equipment – at cost	14,601	14,601
LESS: Accumulated depreciation	(11,126)	(9,953)
	<u>3,475</u>	<u>4,648</u>
Office & computer equipment – at cost	135,734	128,796
LESS: Accumulated depreciation	(114,583)	(106,758)
	<u>21,151</u>	<u>22,038</u>
Fixtures & fittings – at cost	73,400	71,319
LESS: Accumulated depreciation	(69,278)	(68,455)
	<u>4,122</u>	<u>2,864</u>
Motor vehicles – at cost	288,851	308,316
LESS: Accumulated depreciation	(245,722)	(198,304)
	<u>43,129</u>	<u>110,012</u>
<b>Total property, plant and equipment</b>	<b><u>71,877</u></b>	<b><u>139,562</u></b>

8. INVESTMENT PROPERTIES

	2017	2016
	\$	\$
Land and Building (5 Avior Avenue, Jandakot)		-
Balance at 1 July	3,007,106	3,007,106
Loss on revaluation on investment property	(357,106)	-
<b>Balance at 30 June</b>	<b><u>2,650,000</u></b>	<b><u>3,007,106</u></b>
<b>Total investment properties at fair value</b>	<b><u>2,650,000</u></b>	<b><u>3,007,106</u></b>

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. A 50% share in 5 Avior Avenue, Jandakot was purchased in November 2014 and this was classified as an investment property, as it is held for long-term rental yields and capital appreciation. The fair value of the company's investment property at 5 Avior Avenue, Jandakot as at 30 June 2017 has been arrived at on the basis of a valuation carried out on 30 June 2017 by Scott Grundmann & Associates, independent valuers not related to the company.



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9. INTANGIBLE ASSETS

	2017 \$	2016 \$
Capitalised software development	213,520	108,873
Software under development	31,210	36,255
<b>Total intangible assets</b>	<b>244,730</b>	<b>145,128</b>
<b>Cost at 1 July</b>	<b>145,128</b>	<b>46,091</b>
Additions	99,602	99,037
<b>Cost at 30 June</b>	<b>244,730</b>	<b>145,128</b>
<b>Accumulated amortisation at 1 July</b>	<b>(40,375)</b>	<b>(18,591)</b>
Charge for year	(36,334)	(21,784)
<b>Accumulated amortisation at 30 June</b>	<b>(76,709)</b>	<b>(40,375)</b>
<b>Net carrying amount at 30 June</b>	<b>168,021</b>	<b>104,753</b>

Software development costs capitalised are being amortised over 3 years.

10. TRADE AND OTHER PAYABLES

Trade payables	24,915	19,377
Other payables	260,843	279,239
Petrol deposits	37,943	37,943
Income received in advance	1,175,425	1,282,285
<b>1,499,126</b>	<b>1,618,844</b>	

11. PROVISIONS

Provision for annual leave	170,414	143,141
Provision for long service leave	54,931	19,809
Other employee benefits	16,075	2,689
<b>241,420</b>	<b>165,639</b>	



**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**12. ADMINISTRATION SCHEMES**

- REDUNDANCY ADMINISTRATION
- SEVERANCE SCHEME ADMINISTRATION

The above are employee cessation schemes administered for the benefit of members. The results of such schemes do not form part of the trading results of the Association. However income earned for their administration is revenue of the Association.

**13. EVENTS AFTER THE REPORTING DATE**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the association's state of affairs in future financial years.



**STATEMENT BY THE EXECUTIVE**

The Executive of the Electrical and Communications Association of Western Australia has determined that the association is not a reporting entity because there are no users dependant on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Industrial Relations Act 1979*.

In the opinion of the Executive the financial report:

- a) The attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- b) the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- c) there are reasonable grounds to believe that College of Electrical Training (Inc) will be able to pay its debts as and when they fall due.

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

\_\_\_\_\_  
**Jack Grego**

\_\_\_\_\_  
**Kaela Bonomi**

DATED at Balcatta this 22nd day of August, 2017



RSM Australia Pty Ltd

8 St Georges Terrace Perth WA 6000  
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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA**

**Opinion**

We have audited the accompanying financial report, being a special purpose financial report, of the Electrical and Communications Association of Western Australia (the Association), which comprises the balance sheet as at 30 June 2017, the income statement and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the executive.

In our opinion, the financial report of Electrical and Communications Association of Western Australia has been prepared in accordance with *Industrial Relations Act 1979 (WA)*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1; and

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Industrial Relations Act 1979 (WA)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

The executive is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Industrial Relations Act 1979 (WA)* and for such internal control as the executive determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 off Birdanco Practice Trust ABN 65 319 352 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation



In preparing the financial report, the executive is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf) . This description forms part of our auditor's report.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the *Industrial Relations Act 1979 (WA)*, we also report that:

- a) There are no matters indicating that any person contravened or failed to comply with section 74 – *Duties of officers of organisation* of the *Industrial Relations Act 1979 (WA)*.

Perth, WA  
Dated: 23 August 2017

RSM  
RSM AUSTRALIA PTY LTD

  
ALASDAIR WHYTE  
Director





## THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, WESTERN AUSTRALIA CHAPTER

Operating report for year ended 30 June 2017 – s254

### Principal Activities

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

The Western Australia 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 Western Australia Chapter's principal activities during the reporting period.

### Significant Financial Changes

There were no significant changes in the financial affairs of the Western Australia Chapter during the reporting period.

### Manner of Resignation

Members may resign from the Western Australia 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, or
  - iii) sending by email to the address of the Association as ascertained by referring to the Association's current website, or
  - iv) in a format approved by the Executive.
- 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 Executive 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 Western Australia 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 Western Australia Chapter as at the end of the reporting period was 1,259.

Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Western Australia Chapter was NIL (0).

Members of Western Australia Chapter Council

The persons who held office as members of the Western Australia Chapter Council during the reporting period were:

- Z. Grego (Western Australia Chapter President)
- K. Bonomi (Western Australia Chapter Executive)
- A. Charlton (Western Australia Chapter Executive)
- I. Swain (Western Australia Chapter Executive) – resigned 22/11/16
- C. Sweeting (Western Australia Chapter Executive)
- G. Warren (Western Australia Chapter Executive)
- P. Tobin (Western Australia Chapter Vice President and Treasurer) – resigned 23/07/17
- J. Williams (Western Australia Chapter Executive) – resigned 25/07/17
- P. Beveridge (Western Australia Chapter Executive)
- D. Wellington (Western Australia Chapter Executive) – appointed 14/06/17
- G. Baudains (Western Australia Chapter Executive) – appointed 22/08/17
- A. O’Grady (Western Australia Chapter Executive) – appointed 25/07/17
- G. Itzstein (Western Australia Chapter Secretary)



---

Signed  
**Garry Itzstein**  
**Western Australia Chapter Secretary**

Date: 5 December, 2017



16 November 2017

Registered Organisations Commission  
Compliance  
414 Latrobe Street  
MELBOURNE VIC 3000



To Whom it May Concern

**National Electrical Contractors Association, The-Western Australia Chapter  
Annual Returns for Financial Year Ending 30 June 2017**

The National Electrical Contractors Association, Western Australia Chapter makes application pursuant to Section 269 of the *Fair Work (Registered Organisations) Act 2009* ('the Act') to be taken to have satisfied Part 3 of Chapter 8 of the Act for the financial year ending **30 June 2017**.

**Relief Sought**

- That the General Manager 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 Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

**Grounds and Reasons**

Section 269 of the Act 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 Chapter 8 of the Act 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 has lodged the audited accounts with the Western Australian Industrial Registry;
- b) A copy of the audited accounts are attached hereto (See Attachment A);
- 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 Attachment B).

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 the Act 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.

Yours sincerely



**Garry Itzstein**  
Secretary





**Electrical &  
Communications  
Association**

**THE ELECTRICAL AND COMMUNICATIONS  
ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**ABN 19 295 806 769**

The Electrical and Communications Association of Western Australia is a registered industrial organisation pursuant to the *Industrial Relations Act 1979* of Western Australia

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 June 2017**





**THE ELECTRICAL AND COMMUNICATIONS  
ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**CONTENTS TO FINANCIAL REPORT**

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THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>REVENUE:</b>			
Revenue	3 (a)	1,331,455	1,144,809
Other income	3 (b)	3,714,051	3,806,837
<b>Total revenue</b>		<b>5,045,506</b>	<b>4,951,646</b>
<b>LESS EXPENDITURE:</b>			
Service delivery costs	3 (c)	2,188,619	2,321,356
Depreciation		67,855	69,912
Amortisation		36,334	21,784
Employee benefits	3 (d)	2,851,924	2,566,716
Loss on revaluation of investment properties		357,106	-
Loss on sale of non-current assets		729	1,626
Impairment		(50,000)	176,091
<b>Total expenditure</b>		<b>5,452,567</b>	<b>5,157,485</b>
<b>Loss for the year</b>		<b>(407,061)</b>	<b>(205,839)</b>
Retained earnings at beginning of year		4,702,678	4,908,517
<b>Retained earnings at end of year</b>		<b>4,295,617</b>	<b>4,702,678</b>

The accompanying notes form part of these financial statements.



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

BALANCE SHEET AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,689,610	1,930,328
Trade and other receivables	5	1,157,655	1,192,512
Stocks		8,073	9,091
Other current assets		290,926	103,808
<b>TOTAL CURRENT ASSETS</b>		<b>3,146,264</b>	<b>3,235,739</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	6	1	1
Property, plant and equipment	7	71,877	139,562
Investment properties	8	2,650,000	3,007,106
Intangible assets	9	168,021	104,753
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,889,899</b>	<b>3,251,422</b>
<b>TOTAL ASSETS</b>		<b>6,036,163</b>	<b>6,487,161</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,499,126	1,618,844
Provisions	11	241,420	165,639
<b>TOTAL LIABILITIES</b>		<b>1,740,546</b>	<b>1,784,483</b>
<b>NET ASSETS</b>		<b>4,295,617</b>	<b>4,702,678</b>
<b>EQUITY</b>			
Retained earnings		4,295,617	4,702,678
<b>TOTAL EQUITY</b>		<b>4,295,617</b>	<b>4,702,678</b>

The accompanying notes form part of these financial statements.



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operations		5,087,144	4,449,299
Payments to suppliers and employees		(5,270,580)	(4,849,678)
Interest received		39,718	49,162
Net cash outflow from operating activities		<u>(143,718)</u>	<u>(351,217)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment and motor vehicles		(12,847)	(15,916)
Proceeds from sale of property, plant and equipment, and motor vehicles		15,449	191
Payment for intangible assets		(99,602)	(99,037)
Net cash outflow from investing activities		<u>(97,000)</u>	<u>(114,762)</u>
Net decrease in cash held		(240,718)	(465,979)
Cash at the beginning of the financial year		1,930,328	2,396,307
Cash at the end of the financial year	4	<u>1,689,610</u>	<u>1,930,328</u>
<b>RECONCILIATION OF SURPLUS NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) for the year		(407,061)	(205,839)
Plus/ (minus) non-cash items:			
Depreciation		67,855	69,912
Amortisation		36,334	21,784
Loss on sale of non-current assets		731	1,626
Profit on sale of non-current assets		(3,501)	-
Loss on revaluation of investment properties		357,106	-
Change in assets and liabilities			
Decrease/(increase) in receivables		34,854	(379,253)
(Increase)/decrease other current assets		(186,100)	52,994
(Decrease)/increase in payables		(119,717)	80,451
Increase in provisions		75,781	7,108
Net cash outflow from operating activities		<u>(143,718)</u>	<u>(351,217)</u>

The accompanying notes form part of these financial statements.



**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared to satisfy the reporting requirement of the *Industrial Relations Act 1979*. The Electrical and Communications Association of Western Australia is a registered industrial organisation pursuant to the *Industrial Relations Act 1979* of Western Australia and is the Western Australian Chapter of the National Electrical Contractors Association. The Committee of Management has determined that the Association is not a reporting entity.

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:

**Basis of preparation**

The financial statements provide comparative information in respect of the previous period.

**(a) Consolidated financial statements**

Consolidated financial statements have not been prepared for the company and its subsidiaries because neither the company nor the group is a reporting entity and the directors have decided not to comply with AASB 10 Consolidated Financial Statements.

**(b) 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 by directors 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.

Profit and losses on disposal of plant and equipment are taken into account in determining the result for the year

**(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 on a regular basis. Changes in fair values are recorded in the income statement as part of other income.

**(d) 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  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(e) Employee Benefits**

Provision is made for the Association'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.

**(f) 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.

**(g) 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.

Membership income is recognised on a straight line proportional basis over the duration of the membership. Memberships received in advance for future financial years are recognised as a liability.

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).

**(h) Intangible assets**

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

**(i) Comparative figures**

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

**NOTE 2: INCOME TAX**

The Association has self assessed itself to be exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
NOTE 3: REVENUE, OTHER INCOME AND EXPENSES	\$	\$
<b>(a) Revenue</b>		
Membership income	1,176,771	984,411
Administration	57,896	52,887
Commissions	44,618	57,176
Financial administration	52,170	50,335
<b>Total Revenue</b>	<b>1,331,455</b>	<b>1,144,809</b>
<b>(b) Other income</b>		
Members' activities revenue	284,656	285,876
Interest received	39,718	49,162
Rent	256,500	256,500
Profit on sale of non-current assets	3,501	-
WHS Income	292,677	300,244
SAA and publications income	126,911	198,466
Sponsorship	20,097	25,735
Group management	1,362,942	1,181,076
Administration recovery	221,038	253,743
Marketing recovery	307,322	250,802
WHS recovery	595,184	633,751
Other income	203,505	371,482
<b>Total Other Income</b>	<b>3,714,051</b>	<b>3,806,837</b>
<b>Total Income</b>	<b>5,095,506</b>	<b>4,951,646</b>
<b>(c) Service Delivery Costs</b>		
Membership expense	217,485	284,701
Members activities expenses	294,253	325,152
Rent expense	27,101	28,302
Group management	96,952	125,617
Administration	270,927	298,285
Marketing	88,222	98,466
WHS expenses	294,797	400,531
IT costs	33,253	25,827
Professional costs	500,632	279,503
SAA and publications	106,431	175,907
Sundry employee costs	216,471	215,752
Other expenditure	42,095	63,313
<b>Total service delivery costs</b>	<b>2,188,619</b>	<b>2,321,356</b>
<b>(d) Employee Benefits</b>		
Group Management	1,197,596	1,018,236
Administration	864,997	800,370
Marketing	259,388	198,852
WHS	529,943	549,258
<b>Total employee benefits</b>	<b>2,851,924</b>	<b>2,566,716</b>



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	184	500
Cash at bank	444,651	717,651
Short Term Deposits	1,244,775	1,212,177
	<u>1,689,610</u>	<u>1,930,328</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	953,355	1,017,089
Provision for impairment of trade receivables	-	(1,396)
Other receivables	330,391	352,910
Provision for impairment of other receivables	(126,091)	(176,091)
	<u>1,157,655</u>	<u>1,192,512</u>

*Provision for Impairment of Receivables*

Impairment allowances recognised at the reporting dates have been determined after review of amounts outstanding past due date at those dates. Impairment for other receivables are determined by past payment experience and the financial position of that entity. The movement in the provision for impairment of receivables during the year was as follows:

Balance at 1 July	(177,487)	-
Impairment losses recognised on trade receivables	-	(1,396)
Impairment losses reversed on trade receivables	1,396	-
Impairment losses recognised on loan to NECA legal	-	(176,091)
Impairment losses reversed on loan to NECA legal	50,000	-
<b>Balance at 30 June</b>	<u>(126,091)</u>	<u>(177,487)</u>

<b>6. FINANCIAL ASSETS</b>		
Investment in NECA Legal (WA) Pty Ltd	<u>1</u>	<u>1</u>
Ordinary shares at \$1 each held in NECA Legal (WA) Pty Ltd	<u>1</u>	<u>1</u>





THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Plant & equipment – at cost	14,601	14,601
LESS: Accumulated depreciation	(11,126)	(9,953)
	<u>3,475</u>	<u>4,648</u>
Office & computer equipment – at cost	135,734	128,796
LESS: Accumulated depreciation	(114,583)	(106,758)
	<u>21,151</u>	<u>22,038</u>
Fixtures & fittings – at cost	73,400	71,319
LESS: Accumulated depreciation	(69,278)	(68,455)
	<u>4,122</u>	<u>2,864</u>
Motor vehicles – at cost	288,851	308,316
LESS: Accumulated depreciation	(245,722)	(198,304)
	<u>43,129</u>	<u>110,012</u>
<b>Total property, plant and equipment</b>	<b><u>71,877</u></b>	<b><u>139,562</u></b>

8. INVESTMENT PROPERTIES

	2017	2016
	\$	\$
Land and Building (5 Avior Avenue, Jandakot)		-
Balance at 1 July	3,007,106	3,007,106
Loss on revaluation on investment property	(357,106)	-
<b>Balance at 30 June</b>	<b><u>2,650,000</u></b>	<b><u>3,007,106</u></b>
<b>Total investment properties at fair value</b>	<b><u>2,650,000</u></b>	<b><u>3,007,106</u></b>

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. A 50% share in 5 Avior Avenue, Jandakot was purchased in November 2014 and this was classified as an investment property, as it is held for long-term rental yields and capital appreciation. The fair value of the company's investment property at 5 Avior Avenue, Jandakot as at 30 June 2017 has been arrived at on the basis of a valuation carried out on 30 June 2017 by Scott Grundmann & Associates, independent valuers not related to the company.



THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9. INTANGIBLE ASSETS

	2017 \$	2016 \$
Capitalised software development	213,520	108,873
Software under development	31,210	36,255
<b>Total intangible assets</b>	<b>244,730</b>	<b>145,128</b>
<b>Cost at 1 July</b>	<b>145,128</b>	<b>46,091</b>
Additions	99,602	99,037
<b>Cost at 30 June</b>	<b>244,730</b>	<b>145,128</b>
<b>Accumulated amortisation at 1 July</b>	<b>(40,375)</b>	<b>(18,591)</b>
Charge for year	(36,334)	(21,784)
<b>Accumulated amortisation at 30 June</b>	<b>(76,709)</b>	<b>(40,375)</b>
<b>Net carrying amount at 30 June</b>	<b>168,021</b>	<b>104,753</b>

Software development costs capitalised are being amortised over 3 years.

10. TRADE AND OTHER PAYABLES

Trade payables	24,915	19,377
Other payables	260,843	279,239
Petrol deposits	37,943	37,943
Income received in advance	1,175,425	1,282,285
<b>1,499,126</b>	<b>1,618,844</b>	

11. PROVISIONS

Provision for annual leave	170,414	143,141
Provision for long service leave	54,931	19,809
Other employee benefits	16,075	2,689
<b>241,420</b>	<b>165,639</b>	



**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA  
(UNION OF EMPLOYERS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**12. ADMINISTRATION SCHEMES**

- REDUNDANCY ADMINISTRATION
- SEVERANCE SCHEME ADMINISTRATION

The above are employee cessation schemes administered for the benefit of members. The results of such schemes do not form part of the trading results of the Association. However income earned for their administration is revenue of the Association.

**13. EVENTS AFTER THE REPORTING DATE**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the association's state of affairs in future financial years.



**STATEMENT BY THE EXECUTIVE**

The Executive of the Electrical and Communications Association of Western Australia has determined that the association is not a reporting entity because there are no users dependant on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Industrial Relations Act 1979*.

In the opinion of the Executive the financial report:

- a) The attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- b) the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- c) there are reasonable grounds to believe that College of Electrical Training (Inc) will be able to pay its debts as and when they fall due.

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

\_\_\_\_\_  
Jack Grego

\_\_\_\_\_  
Kaela Bonomi

DATED at Balcatta this 22nd day of August, 2017



RSM Australia Pty Ltd

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

**Opinion**

We have audited the accompanying financial report, being a special purpose financial report, of the Electrical and Communications Association of Western Australia (the Association), which comprises the balance sheet as at 30 June 2017, the income statement and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the executive.

In our opinion, the financial report of Electrical and Communications Association of Western Australia has been prepared in accordance with *Industrial Relations Act 1979 (WA)*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1; and

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Industrial Relations Act 1979 (WA)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

The executive is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Industrial Relations Act 1979 (WA)* and for such internal control as the executive determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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In preparing the financial report, the executive is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the *Industrial Relations Act 1979 (WA)*, we also report that:

- a) There are no matters indicating that any person contravened or failed to comply with section 74 – *Duties of officers of organisation of the Industrial Relations Act 1979 (WA)*.

Perth, WA  
Dated: 23 August 2017

RSM  
RSM AUSTRALIA PTY LTD

  
ALASDAIR WHYTE  
Director

## THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, WESTERN AUSTRALIA CHAPTER

Operating report for year ended 30 June 2017 – 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, or
  - iii) sending by email to the address of the Association as ascertained by referring to the Association's current website, or
  - iv) in a format approved by the Executive.
- 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 Executive 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 1,259.

Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Chapter was NIL (0).

Members of Chapter Council

The persons who held office as members of the Chapter Council during the reporting period were:

- Z. Grego (Chapter President)
- K. Bonomi (Chapter Executive)
- A. Charlton (Chapter Executive)
- I. Swain (Chapter Executive) – resigned 22/11/16
- C. Sweeting (Chapter Executive)
- G. Warren (Chapter Executive)
- P. Tobin (Chapter Vice President and Treasurer) – resigned 23/07/17
- J. Williams (Chapter Executive) – resigned 25/07/17
- P. Beveridge (Chapter Executive)
- D. Wellington (Chapter Executive) – appointed 14/06/17
- G. Baudains (Chapter Executive) – appointed 22/08/17
- A. O'Grady (Chapter Executive) – appointed 25/07/17
- G. Itzstein (Chapter Secretary)



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Signed  
**Garry Itzstein**  
**Chapter Secretary**

Date: 16 November 2017





9 August 2017

Mr Garry Itzstein  
Chapter Secretary  
Western Australia Chapter  
The National Electrical Contractors Association  
By Email: [necawa@necawa.asn.au](mailto:necawa@necawa.asn.au)

Dear Mr Itzstein,

**Re: Lodgement of Financial Report - [FR2017/235]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Electrical Contractors Association, The Western Australia Chapter (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

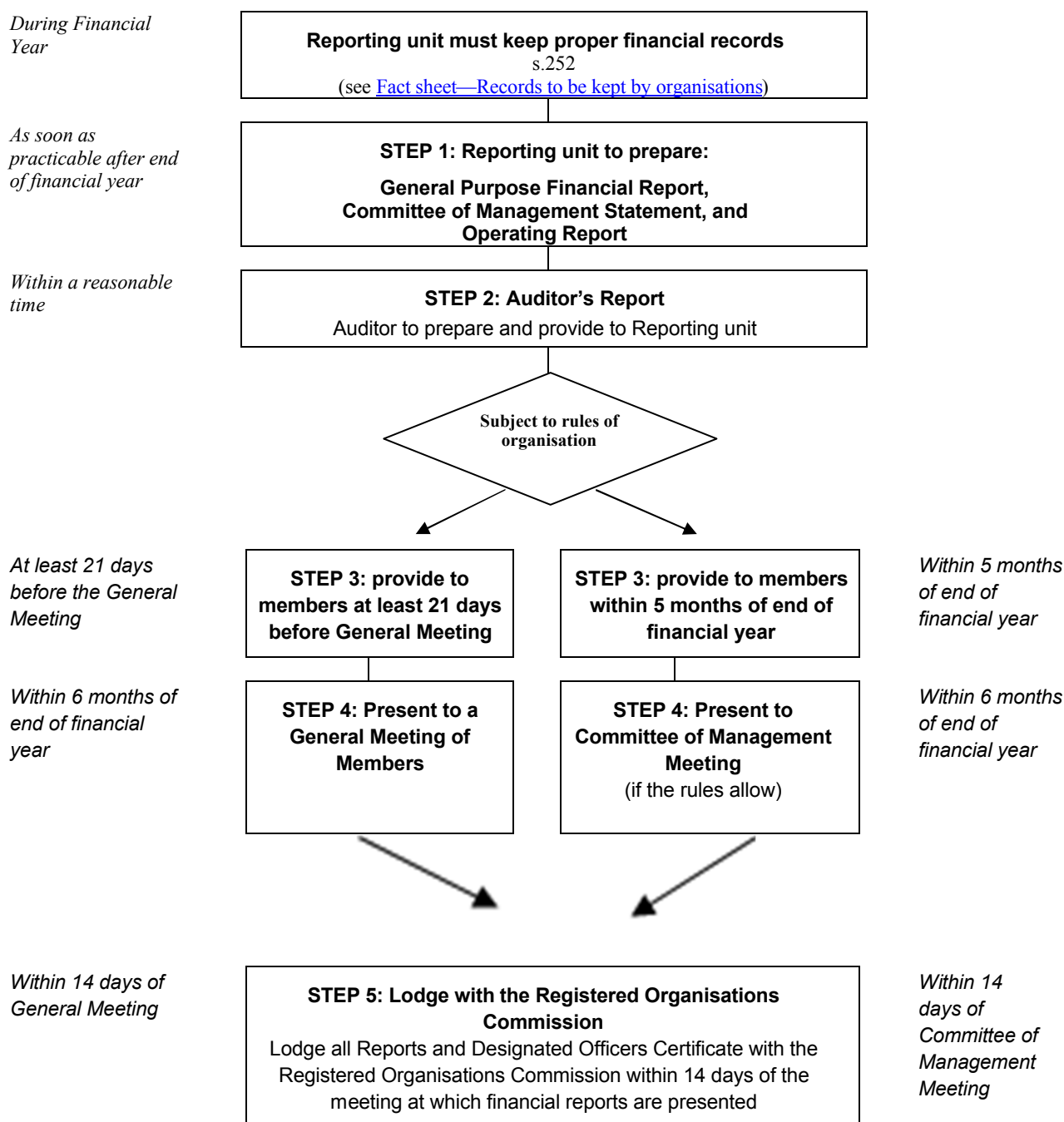
**Carolyn Moloney**  
**Registered Organisations Commission**



# Fact sheet

## Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





## Fact sheet

### Loans, Grants & Donations

#### The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:





- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*



\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

#### Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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### Grants & Donations within the Financial Report

Item 16(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

#### Note 4E: Grants ~~OR~~ donations\*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)



## **Guidance Note**

### **Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009***

Prepared and issued by the Registered Organisations Commission

<b>Version</b>	<b>Date published</b>
1	4 August 2017

## 1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

## 2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report<sup>1</sup>.

## 3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

<sup>1</sup> Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

#### 4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.



<To be printed on Auditor letterhead>

## Independent Audit Report to the Members of <name of Reporting Unit>

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position<sup>2</sup> as at <balance date>, the statement of comprehensive income<sup>3</sup>, statement of changes in equity<sup>4</sup> and statement of cash flows<sup>5</sup> for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management<sup>6</sup> Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon<sup>7</sup>

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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<sup>2</sup> Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

<sup>3</sup> Ibid paragraph 9

<sup>4</sup> Ibid paragraph 9

<sup>5</sup> Ibid paragraph 9

<sup>6</sup> Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

<sup>7</sup> Ibid paragraph 7

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

## **[Report on Other Legal and Regulatory Requirements]<sup>8</sup>**

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

## **[Report on the Recovery of Wages Activity financial report]<sup>9</sup>**

### **Opinion on the recovery of wages activity financial report**

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

### **Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

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<sup>8</sup> Ibid paragraph 11

<sup>9</sup> Ibid paragraph 11

<City>  
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)<sup>10</sup>: <insert number>

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<sup>10</sup> Ibid paragraph 12

## 5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.