



Australian Government
Registered Organisations Commission

12 December 2018

Mr Carl Copeland
Chapter Secretary
National Electrical Contractors Association, Western Australia Chapter
By e-mail: necawa@necawa.asn.au

Dear Mr Copeland,

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 2018 (FR2018/231)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* in respect of the National Electrical Contractors Association, Western Australia Chapter (**the reporting unit**) for the financial year ended 30 June 2018. The application was lodged with the Registered Organisations Commission (**the ROC**) on 26 November 2018.

I have granted the application, attached the certificate and make the following comments:

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager should be changed to the Registered Organisations Commission and Commissioner.

I note that under the heading 'Relief Sought' reference is made to the General Manager instead of the Commissioner.

Eligibility to apply for section 269 in future years

As required under the RO Act, the reporting unit's section 269 application lodged with the ROC included a copy of the Electrical and Communications Association of Western Australia (**State body**) financial statements. The financial statements disclosed under Note 1 *Basis of Accounting – Transfer of Operations* that on 30 June 2018, the State body's net assets of \$3,794,115 were transferred to the Electrical and Communications Association of Western Australia Inc. (**ECAWA Inc**). The note also discloses that it is the intention of the State body to cease operations and transfer its business operations to ECAWA Inc.

Section 269 of the RO Act applies to a reporting unit which has substantial common membership and office holders with a State registered body. This State registered body must be registered or recognised under a prescribed State Act and the financial affairs of the

reporting unit must be encompassed by the financial affairs of the State registered body. The prescribed State Act for Western Australia is the *Industrial Relations Act 1979 (WA)*.

It is our understanding that ECAWA Inc. is not registered or recognised under the *Industrial Relations Act 1979 (WA)*. If the State body transfers its administrative and operating functions to an entity that does not satisfy the eligibility requirements of section 269, it would appear that in future years the reporting unit will not be able to rely on this section to seek an exemption from the financial reporting obligations under Part 3 of Chapter 8 of the RO Act.

Potential rule alteration

I refer the reporting unit to Rule 20A – *Counterpart arrangements with State bodies* within the National Electrical Contractors Association’s rule book. With the transfer of net assets and the intended transfer of business operations of the State body to ECAWA Inc., it would appear that the reporting unit will not be able to rely on rule 20A for meeting its financial and administrative obligations.

It is my recommendation that the reporting unit should consult with the Fair Work Commission on the impact of this potentially new arrangement and seek confirmation as to any required rule alterations.

Request for acknowledgement

The fact that ECAWA Inc. is not, as far as we know, currently registered or recognised under the relevant State Act is an important issue which I urge the reporting unit to carefully consider. Upon receipt of this correspondence and before the ROC closes its file with respect to this application for a certificate under section 269, I request that you acknowledge receipt and that your attention has been drawn to the current status of ECAWA Inc. and the rules of the organisation.

If you wish to discuss this matter, please contact Kylie Ngo on (03) 9603 0764 or by email at Kylie.Ngo@roc.gov.au.

Yours sincerely,



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

National Electrical Contractors Association, The-Western Australia Chapter
(FR2018/231)

MR ENRIGHT

MELBOURNE, 12 DECEMBER 2018

Reporting unit's financial affairs encompassed by associated State body

[1] On 26 November 2018 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (**the Act**) by National Electrical Contractors Association, Western Australia Chapter (**the reporting unit**) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of the Electrical & Communications Association of Western Australia (**the Association**), an associated State body, in respect of the financial year ending 30 June 2018.

[2] On 28 November 2018, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] 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.

[4] 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.

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 30 June 2018, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE COMMISSIONER

Printed by authority of the Commonwealth Government Printer

19 November, 2018

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 2018**

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 2018**.

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



Carl Copeland
Chapter Secretary

THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, WESTERN AUSTRALIA CHAPTER

Operating report for year ended 30 June 2018 – 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 1,376.

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 & Appointed Acting Chapter Secretary 16/04/18)
- K. Bonomi (Western Australia Chapter Executive)
- A. Charlton (Western Australia Chapter Executive)
- C. Sweeting (Western Australia Chapter Executive)
- G. Warren (Western Australia Chapter Executive)
- P. Beveridge (Western Australia Chapter Executive)
- D. Wellington (Western Australia Chapter Executive)
- G. Baudains (Western Australia Chapter Executive)
- A. O'Grady (Western Australia Chapter Executive)
- G. Itzstein (Western Australia Chapter Secretary) – Resigned 16/04/18



Signed

Carl Copeland
Western Australia Acting Chapter Secretary

Date: 19 November, 2018



**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 2018



**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 2018

	Notes	2018 \$	2017 \$
REVENUE:			
Revenue	3 (a)	1,387,351	1,331,455
Other income	3 (b)	<u>3,390,522</u>	<u>3,714,051</u>
Total revenue		<u>4,777,873</u>	<u>5,045,506</u>
LESS EXPENDITURE:			
Service delivery costs	3 (c)	2,303,567	2,188,619
Depreciation		31,197	67,855
Amortisation		62,127	36,334
Employee benefits	3 (d)	2,757,485	2,851,924
Loss on revaluation of investment properties		-	357,106
Loss on sale of non-current assets		-	729
Impairment		<u>125,000</u>	<u>(50,000)</u>
Total expenditure		<u>5,279,376</u>	<u>5,452,567</u>
Loss for the year		(501,503)	(407,061)
Retained earnings at beginning of year		4,295,617	4,702,678
Transferred to the Electrical and Communications Associations of Western Australia Inc		<u>(3,794,114)</u>	-
Retained earnings at end of year		-	<u>4,295,617</u>

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 2018

	Notes	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	-	1,689,610
Trade and other receivables	5	-	1,157,655
Stocks		-	8,073
Other current assets		-	290,926
TOTAL CURRENT ASSETS			3,146,264
NON-CURRENT ASSETS			
Financial assets	6	-	1
Property, plant and equipment	7	-	71,877
Investment properties	8	-	2,650,000
Intangible assets	9	-	168,021
TOTAL NON-CURRENT ASSETS			2,889,899
TOTAL ASSETS			6,036,163
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	-	1,499,126
Provisions	11	-	241,420
TOTAL LIABILITIES			1,740,546
NET ASSETS			4,295,617
EQUITY			
Retained earnings	13	-	4,295,617
TOTAL EQUITY			4,295,617

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 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		4,213,971	5,087,144
Payments to suppliers and employees		(4,322,921)	(5,270,580)
Interest received		30,642	39,718
Net cash outflow from operating activities		(78,308)	(143,718)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and motor vehicles		(2,222)	(12,847)
Proceeds from sale of property, plant and equipment, and motor vehicles		15,455	15,449
Payment for intangible assets		(23,583)	(99,602)
Net cash outflow from investing activities		(10,350)	(97,000)
Net decrease in cash held		(88,658)	(240,718)
Cash at the beginning of the financial year	13	1,689,610	1,930,328
Transferred to the Electrical and Communications Association of Western Australia Inc		(1,600,952)	-
Cash at the end of the financial year	4	-	1,689,610
RECONCILIATION OF SURPLUS NET CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		(501,503)	(407,061)
Plus/ (minus) non-cash items:			
Depreciation		31,197	67,855
Amortisation		62,127	36,334
Loss on sale of non-current assets		-	731
Profit on sale of non-current assets		(7,458)	(3,501)
Loss on revaluation of investment properties		-	357,106
Change in assets and liabilities			
Decrease/(increase) in receivables		428,015	34,854
Decrease/(increase) in other current assets		44,742	(186,100)
(Decrease)/increase in payables		(168,058)	(119,717)
Increase in provisions		32,630	75,781
Net cash outflow from operating activities		(78,308)	(143,718)

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 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These are special purpose financial statements that have been prepared for the purposes of complying with the *Industrial Relations Act 1979* and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of The Electrical and Communications Association of Western Australia.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Basis of Accounting – Transfer of Operations

The Electrical and Communications Association of Western Australia Inc ("ECAWA Inc") was incorporated on 10 November 2015 with the purpose of amalgamating the services provided by The College of Electrical Training Inc ("CET"), Electrical Group Training Limited and The Electrical and Communications Association of Western Australia (ECAWA) to a single provider under ECAWA Inc.

On 24 October 2017 a Special General Meeting was held at which the members of The Electrical and Communications Association of Western Australia approved a proposal that ECAWA transfer its business operations to ECAWA Inc. On 30 June 2018, the business conducted under the ECAWA entity was transferred to ECAWA Inc resulting in a net asset transfer of \$3,794,115 as shown in note 13.

Due to the intention to cease operations under the ECAWA entity and transfer business operations to ECAWA Inc, the ECAWA executive have determined that the going concern basis of preparation is no longer appropriate.

Accordingly, the financial statements are not prepared on a going concern basis. The executive has applied the requirements of paragraph 25 of AASB 101 Presentation of Financial Statements which states that "*When the financial report is not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern*".

The financial statements have been prepared on a transfer of operations basis, as all operations of ECAWA have been transferred to ECAWA Inc and there is no ongoing activity within ECAWA.

Impact of adopting the orderly transfer of business basis of preparation on measurement, classification of assets and liabilities, and disclosures in the financial report.

Under the orderly transfer of business basis of preparation, assets and liabilities are measured at their net realisable value. Net realisable value is based on the proceeds receivable on disposal less restructure and realisation costs as detailed in the accounting policies noted below. The realisable value of liabilities is their value in accordance with accounting standards and policies as detailed in the accounting policies noted below, regardless of whether full settlement is expected. Any gains or losses resulting from measuring assets and liabilities to the realisable values are recognised in profit or loss.



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Under the orderly termination of business basis of accounting, all assets and liabilities are classified as current. The accounting policies adopted are consistent with those of the previous financial year except for changes specified related to the adoption of the orderly transfer of operations basis of preparation.

Comparative information has not been restated and is measured and presented on a going concern basis.

(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 2018

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 2018

	2018	2017
	\$	\$
NOTE 3: REVENUE, OTHER INCOME AND EXPENSES		
(a) Revenue		
Membership income	1,246,099	1,176,771
Administration	41,481	57,896
Commissions	46,697	44,618
Financial administration	53,074	52,170
Total Revenue	1,387,351	1,331,455
(b) Other income		
Members' activities revenue	345,442	284,656
Interest received	30,642	39,718
Rent	128,250	256,500
Reversal of impairment	-	-
Profit on sale of non-current assets	7,458	3,501
WHS Income	206,606	292,677
SAA and publications income	94,033	126,911
Sponsorship	(97)	20,097
Group management	1,251,056	1,362,942
Administration recovery	211,080	221,038
Marketing recovery	322,131	307,322
WHS recovery	558,364	595,184
Other income	235,557	203,505
Total Other Income	3,390,522	3,714,051
Total Income	4,777,873	5,095,506
(c) Service Delivery Costs		
Membership expense	281,492	217,485
Members activities expenses	497,685	294,253
Rent expense	24,133	27,101
Group management	121,181	96,952
Administration	224,232	270,927
Marketing	68,814	88,222
WHS expenses	318,792	294,797
IT costs	44,588	33,253
Professional costs	475,703	500,632
SAA and publications	82,470	106,431
Sundry employee costs	116,624	216,471
Other expenditure	47,853	42,095
Total service delivery costs	2,303,567	2,188,619
(d) Employee Benefits		
Group Management	1,118,483	1,197,596
Administration	821,223	864,997
Marketing	302,430	259,388
WHS	515,349	529,943
Total employee benefits	2,757,485	2,851,924



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
4. CASH AND CASH EQUIVALENTS		
Cash on hand	-	184
Cash at bank	-	444,651
Short Term Deposits	-	1,244,775
	<u>-</u>	<u>1,689,610</u>
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	-	953,355
Other receivables	-	330,391
Provision for impairment of other receivables	-	(126,091)
	<u>-</u>	<u>1,157,655</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.		
6. FINANCIAL ASSETS		
Investment in NECA Legal (WA) Pty Ltd	<u>-</u>	<u>1</u>
Ordinary shares at \$1 each held in NECA Legal (WA) Pty Ltd	<u>-</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 2018

7. PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Plant & equipment – at cost	-	14,601
LESS: Accumulated depreciation	-	(11,126)
	<u>-</u>	<u>3,475</u>
Office & computer equipment – at cost	-	135,734
LESS: Accumulated depreciation	-	(114,583)
	<u>-</u>	<u>21,151</u>
Fixtures & fittings – at cost	-	73,400
LESS: Accumulated depreciation	-	(69,278)
	<u>-</u>	<u>4,122</u>
Motor vehicles – at cost	-	288,851
LESS: Accumulated depreciation	-	(245,722)
	<u>-</u>	<u>43,129</u>
Total property, plant and equipment	<u>-</u>	<u>71,877</u>

8. INVESTMENT PROPERTIES

	2018	2017
	\$	\$
Land and Building (5 Avior Avenue, Jandakot)		
Balance at 1 July	2,650,000	3,007,106
Loss on revaluation on investment property	-	(357,106)
Transferred to the Electrical and Communications Associations of Western Australia Inc	(2,650,000)	
Balance at 30 June	<u>-</u>	<u>2,650,000</u>
Total investment properties at fair value	<u>-</u>	<u>2,650,000</u>

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and subject to similar leases. 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 property was transferred to The Electrical and Communications Association of Western Australia Inc on 1 January 2018.



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

9. INTANGIBLE ASSETS

	2018 \$	2017 \$
Capitalised software development	-	213,520
Software under development	-	31,210
Total intangible assets	-	244,730

Software development costs capitalised are being amortised over 3 years.

10. TRADE AND OTHER PAYABLES

Trade payables	-	24,915
Other payables	-	260,843
Petrol deposits	-	37,943
Income received in advance	-	1,175,425
	-	1,499,126

11. PROVISIONS

Provision for annual leave	-	170,414
Provision for long service leave	-	54,931
Other employee benefits	-	16,075
	-	241,420

12. REMUNERATION OF AUDITORS

Audit services – RSM Australia Partners	\$14,000	\$13,750
	\$14,000	\$13,750



13. Transfer of assets

The following assets and liabilities were transferred to Electrical and Communications Association Inc on 30 June 2018.

	ECAWA
	\$
Cash and cash equivalents	1,600,952
Trade and other receivables	236,942
Stocks	6,938
Other current assets	319,556
Total current assets	<u>2,164,388</u>
Financial assets	1
Property, plant and equipment	35,103
Investment property	2,650,000
Intangible assets	129,477
Total non-current assets	<u>2,814,581</u>
Trade and other payables	910,804
Provisions	274,050
Total liabilities	<u>1,184,854</u>
Net assets transferred	<u>3,794,115</u>

14. 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.

15. EVENTS AFTER THE REPORTING DATE

No matter or circumstance has arisen since 30 June 2018 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.

16. CONTINGENT LIABILITIES AND ASSETS

The association did not have any contingent liabilities or assets as at 30 June 2018.



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 2018 and of its performance for the financial year ended on that date; and
- c) there are reasonable grounds to believe that the Electrical and Communications Association of Western Australia will be able to pay its debts as and when they fall due.

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

PRESIDENT
Jack Grego

TREASURER
Kaela Bonomi

DATED at Balcatta this 25th day of September, 2018



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 2018, 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 2018 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 Note 1, which states that the financial report has been prepared on the basis of an orderly transfer of operations as the business conducted by the Association was transferred to The Electrical and Communications Association of Western Australia Inc on 30 June 2018.

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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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RSM Australia Pty Ltd ACN 009 321 377 at Birdo Practice Trust ABN 65 319 382 479 trading as RSM

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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.

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 . This description forms part of our auditor's report.

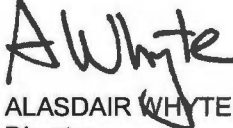
Report on Other Legal and Regulatory Requirements

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: 26 September 2018

RSM
RSM AUSTRALIA PTY LTD


ALASDAIR WHYTE
Director



25 September 2018

Chapter Secretary
National Electrical Contractors Association, Western Australia Chapter
By Email: necawa@necawa.asn.au

Dear Chapter Secretary,

**Re: Lodgement of Financial Report - [FR2018/231]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Electrical Contractors Association, Western Australia Chapter (the reporting unit) ended on 30 June 2018. 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 the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

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. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be 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 its rules) no later than 30 December 2018 (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 (see attached *Loans Grants and Donations* fact sheet FS 009). 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.

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, as set out above, 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 operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available 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.

Yours faithfully,

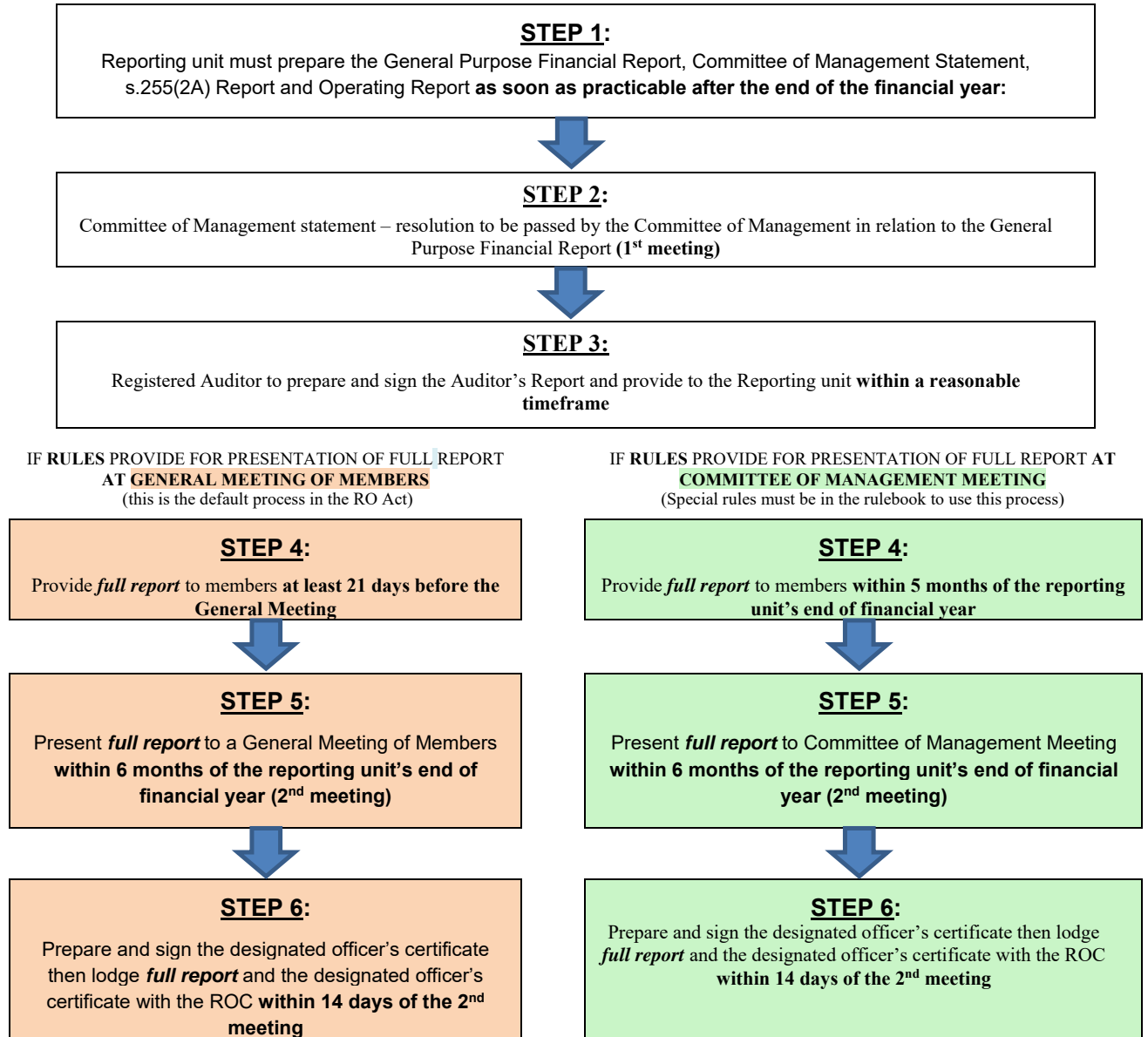
Joanne Fenwick
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

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	-	-
Total grants or donations	-	-

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

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice