National Electrical and Communications Association – National Office and its controlled entities

Financial Statements For the Year Ended 30 June 2023

National Electrical and Communications Association - National office and its controlled entities
Contents
30 June 2023

National Electrical and Communications Association - National office and its controlled entities
Report required under subsection 255(2A)
30 June 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) on National Electrical and Communications Association National Office for the year ended 30 June 2023.

	Consolidated		Parent	
Categories of expenditure	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Remuneration and other employment-related costs and expenses – employees	97,716,192	84,275,030	1,533,736	1,490,246
Advertising and promotion	2,227,228	2,440,407	680,464	429,489
Operating costs	17,437,473	14,878,647	450,375	417,642
Legal costs	93,420	28,840	1,854	-

This report is made in accordance with a resolution of officers.

On behalf of the officers

Signature of designated officer:
Name and title of designated officer:

Oliver Judd. Chief Executive Officer

Dated: 31st October 2023

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Independent Auditor's Report to the Members of National Electrical and Communications Association National Office and its controlled entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Electrical and Communications Association National Office and its controlled entities ("NECA National Office" or the "reporting unit"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declarations statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of National Electrical and Communications Association National office and its controlled entities as at 30 June 2023, 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).

We 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

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 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 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.

Information Other than the Financial Report and Auditor's Report Thereon

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.

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

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

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

Responsibilities of the 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

Our 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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. The auditor is responsible for the direction, supervision and performance of the reporting unit audit. The auditor remains solely responsible for the audit opinion.

We 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 we identify during the audit.

I declare that I am a registered auditor under the RO Act.

Crowe Audit Australia.

Crowe Audit Australia

Barbara Richmond
Partner

31 October 2023
Sydney

Registration number (as registered by the Commissioner under the RO Act): (AA2023/1)

National Electrical and Communications Association - National office and its controlled entities
Operating Report
30 June 2023

The Committee of Management presents its operating report on the National Electrical and Communications Association National Office and controlled entities ("NECA" or "the Group") for the financial year ended 30th of June 2023.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of NECA involve representing the interests of its members in the electrical and communications contracting industry. Its principal activities, and through its branches, include industrial relations, health and safety, legal, training, business-support services and advocacy representation with government, industry bodies, training bodies and in the industrial tribunals. A review of those activities presents the same as in the previous reporting period, such that there were no significant changes in the nature of those activities.

Significant changes in financial affairs

No significant change in the financial affairs of the Group occurred in during the financial year.

Matters subsequent to the end of the financial year

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of NECA, the results of those operations, or the state of affairs of NECA in subsequent financial periods.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

Name	Position	Is the position held because they are an officer/member of NECA or were nominated by NECA?
Chris Madson	Director of NESS Super Pty Ltd	Yes
John Williams	Director of NESS Super Pty Ltd	Yes
Ian Millner	Alternate Director of NESS Super Pty Ltd (resigned 31 March 2023)	Yes

Rights of members to resign

Members may resign from NECA in accordance with Rule 15, Resignation from Membership, of the Federal rules of the National Electrical and Communications Association. Rule 15 conforms with Section 174 of the Fair Work (Registered Organisations) Act 2009.

Number of members and employees

NECA had 6,709 (2022: 6,244) members as at 30 June 2023.

NECA had 9 full time equivalent ('FTE') (2022: 9 FTE) employees as at 30 June 2023. The controlled entities had 185 (2022: 86) employees and 1,489 (2022: 1,257) apprentices and trainees.

Names of committee of management members and period positions held during the financial year

The following persons were committee members of National Electrical and Communications Association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Position	Period
David Mcinnes	President	20 September 2022 - 30 June 2023 (appointed 20th September 2022)
Bruce Duff	President	1 July 2022 - 20 September 2022 (resigned 20th September 2022)
Greg Hodby	Vice President	1 July 2022 - 30 June 2023
Jim Heerey	Treasurer	1 July 2022 - 30 June 2023
Peter Beveridge	Committee Member	1 July 2022 - 30 June 2023
Wayne Hobson	Committee Member	1 July 2022 - 30 June 2023
Stephen Kerfoot	Committee Member	1 July 2022 - 30 June 2023
Stewart Joyce	Committee Member	1 July 2022 - 30 June 2023
David Peirce	Committee Member	1 July 2022 - 30 June 2023
Michael Davis	Committee Member	1 July 2022 - 30 June 2023
Robert Shelley	Committee Member	24 November 2022 - 30 June 2023 (appointed 24th November 2022)
Bruce Duff	Committee Member	20 September 2022 - 30 June 2023 (appointed 20th September 2022)
Jason Burgess	Committee Member	26 August 2022 - 30 June 2023 (appointed 26th August 2022)
Andrew Cross	Committee Member	29 July 2022 - 30 June 2023 (appointed 29th July 2022)
Chris Sweeting	Committee Member	20 July 2022 - 30 June 2023 (appointed 20th July 2022)
David Mcinnes	Committee Member	1 July 2022 - 20 September 2022 (resigned 20th September 2022)
Sally Waters	Committee Member	1 July 2022 - 26 August 2022 (resigned 26th August 2022)
Peter Hart	Committee Member	1 July 2022 - 29 July 2022 (resigned 29th July 2022)
Andrew Thorpe	Committee Member	1 July 2022 - 29 July 2022 (resigned 29th July 2022)
Jack Grego	Committee Member	1 July 2022 - 20 July 2022 (resigned 20th July 2022)
Oliver Judd	National Secretary	1 July 2022 - 27 April 2023 (resigned 27th April 2023)
Oliver Judd	CEO	1 July 2022 - 30 June 2023

Signature of designated officer

Name of the designated officer: Oliver Judd
Title of the designated officer: CEO

31 October 2023

National Electrical and Communications Association - National office and its controlled entities
Committee of management statement
30 June 2023

On 31 October 2023 the Committee of Management of the National Electrical and Communications Association National Office passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 30 June 2023:

The Committee of Management declares that in its opinion:

a) the financial statements and notes comply with the Australian Accounting Standards;
b) the financial statements and notes comply with 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);
c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of National Electrical and Communications Association National Office for the financial year to which they relate;
d) there are reasonable grounds to believe that National Electrical and Communications Association National Office will be able to pay its debts as and when they become due and payable; and
e) during the financial year to which the GPFR relates and since the end of that year:
    i. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
    ii. the financial affairs of National Electrical and Communications Association National Office have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
    iii. the financial records of National Electrical and Communications Association National Office have been kept and maintained in accordance with the RO Act; and
    iv. where the organisation consists of two or more reporting units, the financial records of National Electrical and Communications Association National Office have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
    v. where information has been sought in any request by a member of National Electrical and Communications Association National Office or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
    vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer

Name of the designated officer OLIVER JUDD
Title of the designated officer CEO

Dated: 31 October 2023

National Electrical and Communications Association - National office and its controlled entities
Consolidated statements of comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Revenue from contracts with customers					
Apprentice hire and traineeship revenue		96,957,999	83,710,333	-	-
Sale of products and services		11,885,466	9,950,924	-	-
Licence revenue		716,434	759,892	-	-
Capitation fees	4	1,443,935	1,258,696	1,443,935	1,258,696
Total revenue from contracts with customers	4	111,003,834	95,679,845	1,443,935	1,258,696
Income for furthering objectives					
Government grants		6,398,281	5,436,505	-	-
Donations from other parties		22,000	20,000	-	-
Total income for furthering objectives		6,420,281	5,456,505	-	-
Other Income					
Net gains from sale of assets	5	164,159	34,186	-	-
Investment income	5	808,320	286,319	21,490	148
Other income	5	1,486,224	552,831	1,202,419	1,015,893
Total other income		2,458,703	873,336	1,223,909	1,016,041
Total income		119,882,818	102,009,686	2,667,844	2,274,737
Expenses					
Employee expenses	6	(97,716,192)	(84,275,030)	(1,533,736)	(1,490,246)
Cost of goods sold		(4,332,157)	(3,728,977)	-	-
Affiliation and subscription expenses	7	(230,806)	(156,799)	(47,425)	(47,467)
Administration expenses	8	(6,157,658)	(5,356,098)	(344,858)	(317,656)
Depreciation and amortisation expense	9	(2,303,777)	(1,909,663)	(20,848)	(4,220)
Finance costs	10	(198,083)	(84,709)	-	-
Legal costs	11	(93,420)	(28,840)	(1,854)	-
Other expenses	12	(6,269,143)	(5,967,302)	(677,464)	(451,288)
Audit fees		(173,077)	(115,506)	(40,244)	(26,500)
Total expenses		(117,474,313)	(101,622,924)	(2,666,429)	(2,337,377)
Surplus/(deficit) before income tax expense		2,408,505	386,762	1,415	(62,640)
Income tax expense	13	(4,074)	(17,795)	-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of National Electrical and Communications Association		2,404,431	368,967	1,415	(62,640)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Gain on the revaluation of land and buildings, net of tax		6,370,750	1,012,673	-	-
Gain/(Loss) on the revaluation of financial assets, net of tax		265,040	(640,059)	-	-
Other comprehensive income for the year, net of tax		6,635,790	372,614	-	-
Total comprehensive income/(loss) for the year attributable to the members of National Electrical and Communications Association		9,040,221	741,581	1,415	(62,640)

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes

National Electrical and Communications Association - National office and its controlled entities
Consolidated statements of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Assets					
Current assets					
Cash and cash equivalents	14	12,877,389	17,245,926	269,628	697,385
Trade and other receivables	15	13,079,639	9,792,079	698,154	309,802
Inventories		789,819	740,507	-	-
Financial assets at fair value through profit or loss	16	2,063,421	1,401,465	475,586	359,077
Financial assets at fair value through other comprehensive income	17	9,062,124	8,540,829	-	-
Income tax refund due	13	18,128	11,940	-	-
Prepayments		1,237,680	678,424	177,972	54,488
Total current assets		39,128,200	38,411,170	1,621,340	1,420,752
Non-current assets					
Other investments	18	-	-	104	104
Property, plant and equipment	19	43,332,558	30,153,662	16,960	48,466
Right-of-use assets	20	1,759,018	828,191	-	-
Intangibles	21	73,022	20,175	14,608	-
Deferred tax		320,854	320,854	-	-
Total non-current assets		45,485,452	31,322,882	31,672	48,570
Total assets		84,613,652	69,734,052	1,653,012	1,469,322
Liabilities					
Current liabilities					
Trade and other payables	22	8,561,943	5,273,894	499,200	353,484
Contract liabilities	23	3,219,599	4,251,752	43,546	-
Lease liabilities	25	215,266	786,796	-	-
Employee provisions	26	7,144,186	6,433,989	141,671	157,306
Total current liabilities		19,140,994	16,746,431	684,417	510,790
Non-current liabilities					
Contract liabilities	23	489,397	438,387	-	-
Borrowings	24	3,208,487	1,494,487	-	-
Lease liabilities	25	1,792,413	59,580	-	-
Employee provisions	26	110,032	163,059	10,538	1,890
Total non-current liabilities		5,600,329	2,155,513	10,538	1,890
Total liabilities		24,741,323	18,901,944	694,955	512,680
Net assets		59,872,329	50,832,108	958,057	956,642
Equity					
Reserves	27	11,569,402	4,933,612	-	-
Retained surpluses		48,302,927	45,898,496	958,057	956,642
Total equity		59,872,329	50,832,108	958,057	956,642

The above consolidated statements of financial position should be read in conjunction with the accompanying notes

National Electrical and Communications Association - National office and its controlled entities
Consolidated statements of changes in equity
For the year ended 30 June 2023

Consolidated	Reserves $	Retained surpluses $	Total equity $
Balance at 1 July 2021	4,560,998	45,529,529	50,090,527
Surplus after income tax expense for the year	-	368,967	368,967
Other comprehensive income for the year, net of tax	372,614	-	372,614
Total comprehensive income for the year	372,614	368,967	741,581
Balance at 30 June 2022	4,933,612	45,898,496	50,832,108

Consolidated	Reserves $	Retained surpluses $	Total equity $
Balance at 1 July 2022	4,933,612	45,898,496	50,832,108
Surplus after income tax expense for the year	-	2,404,431	2,404,431
Other comprehensive income for the year, net of tax	6,635,790	-	6,635,790
Total comprehensive income for the year	6,635,790	2,404,431	9,040,221
Balance at 30 June 2023	11,569,402	48,302,927	59,872,329

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

National Electrical and Communications Association - National office and its controlled entities
Consolidated statements of changes in equity
For the year ended 30 June 2023

Parent	Reserves $	Retained surpluses $	Total equity $
Balance at 1 July 2021	-	1,019,282	1,019,282
Deficit after income tax expense for the year	-	(62,640)	(62,640)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(62,640)	(62,640)
Balance at 30 June 2022	-	956,642	956,642

Parent	Reserves $	Retained surpluses $	Total equity $
Balance at 1 July 2022	-	956,642	956,642
Surplus after income tax expense for the year	-	1,415	1,415
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,415	1,415
Balance at 30 June 2023	-	958,057	958,057

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

National Electrical and Communications Association - National office and its controlled entities
Consolidated statements of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Operating activities					
Cash received					
Receipts from customers		123,890,135	108,812,825	1,450,210	2,127,122
Receipts from other reporting units	37	2,984,465	2,687,305	355,907	340,842
Interest received		383,936	26,505	-	148
Distributions / dividends received		343,861	375,126	-	-
		127,602,397	111,901,761	1,806,117	2,468,112
Cash used					
Payment to other reporting units	37	(3,805,358)	(3,124,072)	(1,354,337)	(1,156,420)
Payments to suppliers and employees		(119,364,094)	(103,984,240)	(783,680)	(1,332,067)
Income taxes paid		(10,262)	(20,778)	-	-
Net cash from (used in)/from operating activities		4,422,683	4,772,671	(331,900)	(20,375)
Investing activities					
Cash received					
Proceeds from disposal of property, plant and equipment		56,147	34,186	-	-
Proceeds from disposal of investments		804,459	16,421	-	-
		860,606	50,607	-	-
Cash used					
Payments for investments		(1,722,670)	-	(91,907)	(359,077)
Payments for property, plant and equipment	19	(8,570,221)	(1,012,125)	(3,950)	(43,696)
Payments for intangibles	21	(46,139)	-	-	-
Net cash used in investing activities		(9,478,424)	(961,518)	(95,857)	(402,773)
Financing activities					
Cash received					
Proceeds from related party loans	37	1,819,000	884,000	-	-
Cash used					
Repayment of related party loans	37	(345,000)	(914,000)	-	-
Repayment of lease liabilities		(786,796)	(400,728)	-	-
Net cash used in financing activities		687,204	(430,728)	-	-
Net (decrease)/increase in cash and cash equivalents		(4,368,537)	3,380,425	(427,757)	(423,148)
Cash and cash equivalents at the beginning of the financial year		17,245,926	13,865,501	697,385	1,120,533
Cash and cash equivalents at the end of the financial year	14	12,877,389	17,245,926	269,628	697,385

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover both National Electrical and Communications Association as an individual entity and the Group consisting of National Electrical and Communications Association and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is National Electrical and Communications Association's functional and presentation currency.

National Electrical and Communications Association is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

122 Hume Highway
Chullora NSW 2190

A description of the nature of the Group's operations and its principal activities are included in the officers' report, which is not part of the financial statements.

The financial statements were authorised for issue on 31 October 2023.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Group's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

The Group has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009 (RO Act). For the purpose of preparing the general purpose financial statements, the Group is a not-for profit entity.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of National Electrical and Communications Association ('incorporated association' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. National Electrical and Communications Association and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Significant accounting policies (continued)

Pursuant to section 242 of the Fair Work (Registered Organisations) Act 2009 where an organisation is divided into branches, each branch will be a reporting unit unless a certificate is issued by the Commissioner stating that the organisation is, for the purpose of compliance with that Part of the Act,
divided into reporting units on an alternative basis. Alternative reporting units are:

(a) the whole of the organisation; or
(b) a combination of 2 or more branches of the organisation.

Each Branch of an organisation must be in one, and only one, reporting unit.

All state Branches of National Electrical and Communications Association are separate reporting units. All other controlled entities are consolidated in the National Electrical and Communications Association National Office consolidation and are treated as one reporting unit.

Pursuant to section 253, as soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year. These GPFR are required to comply with Tier 1 reporting requirements of AASB 1053.

For purposes of the consolidation, the consolidated entity comprises the National Electrical and Communications Association National Office and the subsidiaries and associates of NECA National that are not otherwise required to report as separate reporting units. Refer to note 34 for the entities comprising this reporting unit.

In preparing the consolidated financial statements, all inter group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Apprentice hire and traineeship revenue
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Sale of products and services
Revenue from the sale of products and service is recognised at the point in time when the customer obtains control of the product or service, which is generally at the time of delivery.

Capitation fees
Where the Group's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Group recognises the capitation fees promised under that arrangement when or as it transfers the Group.

In circumstances where the criteria for a contract with a customer are not met, the Group will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Income of the Group as a Not-for-Profit Entity
Consideration is received by the Group to enable the entity to further its objectives. The Group recognises each of these amounts of consideration as income when the consideration is received (which is when the Group obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Group's recognition of the cash contribution does not give to any related liabilities.

During the year, the Group received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations from members; and
- government grants.

Gains from sale of assets
An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Income tax
The Group is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Some subsidiaries however, that fall under the control of the Group are for profit entities that are subject to income tax. The relevant tax treatments for these entities are set out below.

The income tax expense / (benifit) for the year comprises current income tax expense / (benifit) and deferred tax expense / (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (benifit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 2. Significant accounting policies (continued)

For trade receivables that do not have a significant financing component, the Group applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Investments and other financial assets

Investments and other financial assets, other than interests in subsidiaries or associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 2. Significant accounting policies (continued)

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Acquisition of assets and or liabilities that do not constitute a business combination
The Group did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act .

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-15 years
Land and buildings	40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 2. Significant accounting policies (continued)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1-10 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1-5 years.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Refund liabilities
Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits
Termination benefits are recognised when a detailed plan of termination has been communicated to affected employees. They are measured as short-term employee benefits when expected to be settled wholly within 12 months of the reporting date or as long-term benefits when not expected to be settled within 12 months of the reporting date.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

Revaluation of land buildings

The Group's land and buildings are valued in accordance to the group valuation policy. It carries its land and buildings at revalued amounts, with changes in fair value being recognised in the statement of comprehensive income. Land and buildings were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 30 June 2023

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in note 19 and note 29.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

Disaggregation of revenue from contracts with customers

Note 4. Revenue (continued)

A disaggregation of NECA's revenue by type of arrangements is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Other reporting units	1,443,935	1,258,696	1,443,935	1,258,696
Other parties	109,559,899	94,421,149	-	-
Total revenue from contracts with customers	111,003,834	95,679,845	1,443,935	1,258,696

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Major product lines				
Sale of products	5,550,922	4,779,644	-	-
Apprenticeship and traineeship	96,957,999	83,710,333	-	-
Services	8,494,913	7,189,868	1,443,935	1,258,696
	111,003,834	95,679,845	1,443,935	1,258,696
Timing of revenue recognition				
Goods transferred at a point in time	5,550,922	4,779,644	-	-
Services transferred at a point in time	96,957,999	83,710,333	-	-
Services transferred over time:	8,494,913	7,189,868	1,443,935	1,258,696
	111,003,834	95,679,845	1,443,935	1,258,696

(a) Capitation fees from another reporting unit

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
NECA - New South Wales branch	542,832	466,823	542,832	466,823
NECA - Victorian branch	355,380	350,982	355,380	350,982
NECA - Queensland branch	97,542	30,798	97,542	30,798
NECA - Western Australian branch	281,348	259,523	281,348	259,523
NECA - South Australia/Northern Territory branch	103,015	101,899	103,015	101,899
NECA - Australian Capital Territory branch	43,406	36,095	43,406	36,095
NECA - Tasmanian branch	20,412	12,576	20,412	12,576
Total capitation fees	1,443,935	1,258,696	1,443,935	1,258,696

Note 5. Other income

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Net gain on disposal of property, plant and equipment				
Plant and equipment	164,159	34,186	-	-
Investment income				
Interest				
- Deposits	383,936	26,505	21,490	148
Managed investment schemes				
- Distributions / dividends	343,861	375,126	-	-
- Net loss on disposal of financial instruments	-	(19,620)	-	-
- Net loss on revaluation of financial instruments	80,523	(95,692)	-	-
Total investment income	808,320	286,319	21,490	148
Other income				
Events and conferences	-	282,461	-	282,461
Management fee income	-	-	250,489	647,875
Other income	1,486,224	270,370	951,930	85,557
Total other income	1,486,224	552,831	1,202,419	1,015,893

Note 6. Employee expenses

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Holders of offices				
Wages and salaries	281,332	273,055	281,332	273,055
Superannuation	29,540	27,305	29,540	27,305
Leave and other entitlements	34,655	28,495	34,655	28,495
Total employee expenses - office holders	345,527	328,855	345,527	328,855
Employees other than office holders				
Wages and salaries	84,305,683	73,134,651	1,031,322	836,971
Superannuation	7,879,184	6,499,494	110,619	95,435
Leave and other entitlements	3,248,433	2,665,955	(41,641)	3,018
Separation and redundancies	391,957	209,869	-	-
Other employee expenses	1,545,408	1,436,206	87,909	225,967
Total employee expenses - employees other than office holders	97,370,665	83,946,175	1,188,209	1,161,391
Total employee expenses	97,716,192	84,275,030	1,533,736	1,490,246

Note 7. Affiliation and subscription expenses

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Affiliation fees				
Australian Chamber of Commerce & Industry	23,350	45,100	23,350	45,100
Subscriptions	207,456	111,699	24,075	2,367
Total affiliation and subscription expenses	230,806	156,799	47,425	47,467

Note 8. Administration expenses

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Conference and meeting expenses	20,962	24,845	25,603	25,832
Contractors / consultants	1,301,948	1,203,201	173,133	106,504
Directors remuneration	212,390	213,469	-	-
Property expenses	1,188,345	966,156	6,154	22,912
Office expenses	667,474	541,294	18,671	17,651
Information communications technology	691,479	792,605	13,798	59,545
Management fees	84,746	(74,455)	-	-
Motor vehicle expenses	273,922	191,861	-	-
Travel and accommodation	239,371	62,189	90,641	8,046
Other expenses	1,306,756	1,203,597	-	55,766
Subtotal administration expense	5,987,393	5,124,762	328,000	296,256
Operating lease rentals				
Short-term lease payments	170,265	231,336	16,858	21,400
Low-value assets lease payments	-	-	-	-
Total administration expenses	6,157,658	5,356,098	344,858	317,656

Note 9. Depreciation and amortisation

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Depreciation				
Buildings	456,498	352,043	-	-
Plant and equipment	1,191,218	1,102,617	20,848	4,220
Right-of-use assets	604,557	429,752	-	-
Total depreciation	2,252,273	1,884,412	20,848	4,220
Amortisation				
Software	51,504	25,251	-	-
Total amortisation	51,504	25,251	-	-
Total depreciation and amortisation	2,303,777	1,909,663	20,848	4,220

Note 10. Finance costs

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Overdrafts / loans	89,501	53,473	-	-
Unwinding of discount - right-of-use assets	108,582	31,236	-	-
Total finance costs	198,083	84,709	-	-

Note 11. Legal costs

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Litigation	-	-	-	-
Other legal matters	93,420	28,840	1,854	-
Total legal costs	93,420	28,840	1,854	-

Note 12. Other expenses

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Apprentice costs (other than salaries)	908,612	693,649	-	-
Training	2,596,808	2,654,892	-	-
Insurance	472,668	414,591	17,949	16,714
Advertising and promotion	2,227,228	2,440,407	662,515	429,489
(Reversal of) / bad debts expense	(7,780)	(291,076)	(3,000)	5,085
Inventory obsolescence	-	13,000	-	-
Debt recovery costs	71,607	41,839	-	-
Total other expenses	6,269,143	5,967,302	677,464	451,288

Note 13. Income tax

Australian Cabler Registration Pty Ltd, NECA Legal Pty Ltd and NECA Trade Services Pty Ltd are the only tax paying entities within the Group. The income tax expense for the consolidated group is calculated as follows:

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Income tax expense				
Current tax	4,074	5,001	-	-
Deferred tax - origination and reversal of temporary differences	-	12,794	-	-
Aggregate income tax expense	4,074	17,795	-	-
Deferred tax included in income tax expense comprises:				
Decrease in deferred tax assets	-	12,794	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate				
Surplus/(deficit) before income tax expense	2,408,505	386,762	1,415	(62,640)
Tax at the statutory tax rate of 30%	722,552	116,029	425	(18,792)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-taxable income	(718,478)	(98,234)	(425)	18,792
Income tax expense	4,074	17,795	-	-

Note 13. Income tax (continued)

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Income tax refund due				
Income tax refund due	18,128	11,940	-	-

Note 14. Cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Current assets				
Cash on hand	3,329	1,710	-	-
Cash at bank	4,094,502	12,419,148	223,164	651,454
Cash on deposit	8,779,558	4,825,068	46,464	45,931
	12,877,389	17,245,926	269,628	697,385

Note 15. Trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Receivables from other reporting units				
NECA - New South Wales Branch	376,636	114,406	251,423	114,406
NECA - Queensland Branch	79,301	21,466	71,561	16,050
NECA - Australian Capital Territory Branch	48,554	651	21,370	-
NECA - Tasmanian Branch	36,208	208	16,449	-
Total receivables from other reporting units	540,699	136,731	360,803	130,456
Other receivables				
Trade receivables	10,923,429	8,266,901	343,933	188,928
Contract assets	2,944,319	2,234,234	-	-
Other trade receivables	367,847	511,068	-	-
Total other receivables	14,235,595	11,012,203	343,933	188,928
Less - allowance for expected credit losses	(1,696,655)	(1,356,855)	(6,582)	(9,582)
Total trade and other receivables (net)	13,079,639	9,792,079	698,154	309,802

Allowance for expected credit losses
The Group has recognised a loss of $248,716 (2022: a gain of $260,742) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Note 15. Trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 $	Carrying amount 2022 $	Allowance for expected credit losses 2023 $	Allowance for expected credit losses 2022 $
Less than 30 days	0.46%	14.04%	7,569,422	5,783,722	40,084	812,008
30-60 days	59.04%	3.12%	1,613,687	849,191	952,685	26,472
61-90 days	1.68%	7.87%	376,419	218,509	6,325	17,188
Greater than 90 days	19.35%	32.29%	1,904,600	1,552,210	697,561	501,187
			11,464,128	8,403,632	1,696,655	1,356,855

Parent	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 $	Carrying amount 2022 $	Allowance for expected credit losses 2023 $	Allowance for expected credit losses 2022 $
Less than 30 days	0.93%	0.19%	679,498	94,179	6,336	180
30-60 days	-	2.35%	-	49,794	-	1,169
61-90 days	-	-	-	14,108	-	-
Greater than 90 days	0.98%	5.10%	25,238	161,303	246	8,233
			704,736	319,384	6,582	9,582

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Opening balance	1,356,855	1,625,597	9,582	4,497
Increase / (decrease) in provision recognised in the statement of comprehensive income	248,716	(268,742)	(3,000)	5,085
Receivables written off during the year as uncollectable	91,084	-	-	-
Closing balance	1,696,655	1,356,855	6,582	9,582

Note 16. Financial assets at fair value through profit or loss

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Current assets				
Managed investments	2,063,421	1,401,465	475,586	359,077

Refer to note 29 for further information on fair value measurement.

Note 17. Financial assets at fair value through other comprehensive income

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Current assets				
Managed investments	9,062,124	8,540,829	-	-

Refer to note 29 for further information on fair value measurement.

Note 18. Other investments

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
NECA Legal Pty Ltd	-	-	100	100
ECA Training Pty Ltd	-	-	2	2
Australian Cabler Registration Service Pty Ltd	-	-	2	2
	-	-	104	104

Note 19. Property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Non-current assets				
Land - at fair value	8,279,712	8,279,712	-	-
Buildings - at independent valuation	23,200,060	15,297,250	-	-
Less: Accumulated depreciation	(167,553)	(708,416)	-	-
	23,032,507	14,588,834	-	-
Plant and equipment - at cost	16,763,167	11,822,235	146,806	187,156
Less: Accumulated depreciation	(4,742,828)	(4,537,119)	(129,846)	(138,690)
	12,020,339	7,285,116	16,960	48,466
	43,332,558	30,153,662	16,960	48,466

Note 19. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $	Buildings $	Plant and equipment $	Total $
Balance at 1 July 2021	7,779,712	14,428,204	7,375,608	29,583,524
Disposals	-	-	1,012,125	1,012,125
Revaluation increments	500,000	512,673	-	1,012,673
Depreciation expense	-	(352,043)	(1,102,617)	(1,454,660)
Balance at 30 June 2022	8,279,712	14,588,834	7,285,116	30,153,662
Additions	-	2,529,421	6,040,800	8,570,221
Disposals	-	-	(56,147)	(56,147)
Revaluation increments	-	6,370,750	-	6,370,750
Transfers in/(out)	-	-	(58,212)	(58,212)
Depreciation expense	-	(456,498)	(1,191,218)	(1,647,716)
Balance at 30 June 2023	8,279,712	23,032,507	12,020,339	43,332,558

Parent	Plant and equipment $
Balance at 1 July 2021	8,990
Additions	43,696
Depreciation expense	(4,220)
Balance at 30 June 2022	48,466
Additions	3,950
Transfers in/(out)	(14,608)
Depreciation expense	(20,848)
Balance at 30 June 2023	16,960

Valuations of land and buildings
Land and building at 122 Hume Highway, Chullora NSW 2190 and 49 Tennant Street, Fyshwick ACT 2609 were valued by a third party valuer, Curtis Valuations, as at 30 June 2023.

Valuations are carried out on the basis of and in accordance with Australian Accounting Standards AASB 13 Fair Value Measurement and AASB 116 Property, Plant & Equipment by adopting a direct comparison approach and capitalisation method.

The Group has a set policy for regular valuation of freehold land and buildings at least once every three to five financial years.

Refer to note 29 for further information on fair value measurement.

Note 20. Right-of-use assets

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Non-current assets				
Land and buildings - right-of-use	1,952,166	643,262	-	-
Less: Accumulated depreciation	(658,171)	(364,520)	-	-
	1,293,995	278,742	-	-
Motor vehicles - right-of-use	294,622	266,135	-	-
Less: Accumulated depreciation	(216,762)	(133,946)	-	-
	77,860	132,189	-	-
Office equipment - right-of-use	506,380	447,064	-	-
Less: Accumulated depreciation	(119,217)	(29,804)	-	-
	387,163	417,260	-	-
	1,759,018	828,191	-	-

The Group leases land and buildings for its offices under agreements of between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group also leases motor vehicles and plant and equipment under agreements of between two to five years.

The Group leases office equipment under agreements of less than ten years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $	Motor vehicles $	Office equipment $	Total $
Balance at 1 July 2021	385,615	12,452	131,479	529,546
Additions	17,465	185,436	511,855	714,756
Depreciation expense	(211,752)	(65,699)	(138,660)	(416,111)
Balance at 30 June 2022	191,328	132,189	504,674	828,191
Additions	1,507,470	28,487	-	1,535,957
Adjustments	-	-	(573)	(573)
Depreciation expense	(404,803)	(82,816)	(116,938)	(604,557)
Balance at 30 June 2023	1,293,995	77,860	387,163	1,759,018

Note 21. Intangibles

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Non-current assets				
Software - at cost	143,300	152,652	30,000	-
Less: Accumulated amortisation	(70,278)	(132,477)	(15,392)	-
	73,022	20,175	14,608	-

Note 21. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Software $
Balance at 1 July 2021	45,426
Amortisation expense	(25,251)
Balance at 30 June 2022	20,175
Additions	46,139
Transfers in/(out)	58,212
Amortisation expense	(51,504)
Balance at 30 June 2023	73,022

Parent	Software $
Balance at 1 July 2021	-
Balance at 30 June 2022	-
Transfers in/(out)	14,608
Balance at 30 June 2023	14,608

Note 22. Trade and other payables

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Current liabilities				
Trade creditors and accruals	4,836,415	2,568,773	359,069	236,713
Wages and salaries	1,902,348	1,184,946	76,468	70,735
GST payable	801,534	736,858	49,367	23,784
Superannuation	747,538	583,799	14,296	14,149
Payables to other reporting units (refer to note 33)	133,676	113,382	-	8,103
Other payables	140,432	86,136	-	-
	8,561,943	5,273,894	499,200	353,484

Refer to note 28 for further information on financial instruments.

Note 22. Trade and other payables (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Trade payables				
Trade creditors and accruals	4,836,415	2,568,773	359,069	236,713
Subtotal trade creditors	4,836,415	2,568,773	359,069	236,713
Payables to other reporting units				
NECA - New South Wales Branch	84,138	92,644	-	-
NECA - Queensland Branch	22,038	-	-	-
NECA - Australian Capital Territory Branch	-	5,063	-	3,978
NECA - Tasmanian Branch	27,500	15,675	-	4,125
Total payables to other reporting units	133,676	113,382	-	8,103
Total trade payables	4,970,091	2,682,155	359,069	244,816

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Other payables				
Wages and salaries	1,902,348	1,184,946	76,468	70,735
Superannuation	747,538	583,799	14,296	14,149
GST payable	801,534	736,858	49,367	23,784
Other payables	140,432	86,136	-	-
Total other payables	3,591,852	2,591,739	140,131	108,668

Amounts not expected to be settled within the next 12 months
The following amounts reflect other payables that is not expected to be taken within the next 12 months:

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
No more than 12 months	3,792,898	2,591,740	140,131	108,668
More than 12 months	133,676	113,382	-	8,103
Total obligations	3,926,574	2,705,122	140,131	116,771

Note 23. Contract liabilities

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Current liabilities				
Income in advance	3,219,599	4,251,752	43,546	-
Non-current liabilities				
Income in advance	489,397	438,387	-	-
	3,708,996	4,690,139	43,546	-

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Opening balance	4,690,139	3,464,427	-	-
Payments received in advance	13,016,956	2,453,960	1,949,586	-
Transfer to revenue - included in the opening balance	(2,962,076)	(621,781)	-	-
Transfer to revenue - performance obligations satisfied in current periods	(11,036,023)	(606,467)	(1,906,040)	-
Closing balance	3,708,996	4,690,139	43,546	-

Note 24. Borrowings

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Non-current liabilities				
Related party loans (refer to note 33)	3,208,487	1,494,487	-	-

Refer to note 28 for further information on financial instruments.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Total facilities				
Bank overdraft	1,000,000	1,000,000	-	-
Used at the reporting date				
Bank overdraft	-	-	-	-
Unused at the reporting date				
Bank overdraft	1,000,000	1,000,000	-	-

Note 25. Lease liabilities

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Current liabilities				
Lease liability	215,266	786,796	-	-
Non-current liabilities				
Lease liability	1,792,413	59,580	-	-
	2,007,679	846,376	-	-

Refer to note 28 for further information on financial instruments.

Note 26. Employee provisions

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Office holders				
Annual leave	30,061	23,944	30,061	23,944
Total employee provisions - office holders	30,061	23,944	30,061	23,944
Employees other than office holders				
Annual leave	4,977,788	4,530,378	70,316	61,538
Long service leave	894,886	831,944	51,832	73,714
Other	1,351,483	1,210,782	-	-
Total employee provisions - employees other than office holders	7,224,157	6,573,104	122,148	135,252
Total employee provisions	7,254,218	6,597,048	152,209	159,196
Current	7,144,186	6,433,989	141,671	157,306
Non-current	110,032	163,059	10,538	1,890
Total employee provisions	7,254,218	6,597,048	152,209	159,196

Note 27. Reserves

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Land and building asset revaluation reserve	11,475,599	5,104,849	-	-
Financial asset revaluation reserve	93,803	(171,237)	-	-
	11,569,402	4,933,612	-	-

Note 27. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Land and building asset revaluation $	Financial asset revaluation $	Total $
Balance at 1 July 2021	4,092,176	468,822	4,560,998
Revaluation - gross	1,012,673	(640,059)	372,614
Balance at 30 June 2022	5,104,849	(171,237)	4,933,612
Revaluation - gross	6,370,750	265,040	6,635,790
Balance at 30 June 2023	11,475,599	93,803	11,569,402

Note 28. Financial instruments

Financial risk management objectives
The main risks the Group are exposed to, through its financial instruments, are credit risk, liquidity risk and market risk consisting of interest rate risk, and equity price risk.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable, contract assets and liabilities, bank loans and overdrafts, and loans to and from related parties.

The Committee of Management has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as, interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day to day risk management is carried out at an individual chapter/subsidiary level under policies and objectives which have been approved by the Committee of Management. Each Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate movements. The Committee of Management receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Market risk

Foreign currency risk
The Group is not exposed to siginificant foreign currency risk.

Price risk
A large proportion of the financial instrument investments held by the Group are exposed to other price risk as a result of the Group's exposure to equity securities (those indirectly held investments at available for sale via the Company's investment account which are either held in domestic listed and unlisted shares or in managed investment schemes). Other price risk is the risk that the fair value or future cash flows of a financial investment may fluctuate because of the changes in market prices. The exposure to other price risk has a direct impact on the Statement of Comprehensive Income and Statement of Financial Position of the Association.

There is a fundamental financial relationship between risk and return. The investments are diversified across different risk profiles in return for commensurate returns in accordance with Macquarie's strategic asset allocation policy, meaning that the other price risk exposure is understood.

Note 28. Financial instruments (continued)

Whilst equity markets are inherently volatile and not suitable for short-term investment, over the long-term, equity investments have proven to be a good source of inflation protection, through the achievement of high returns in real terms. To manage the price risk, the investment portfolio is diversified in accordance with asset class limits (in accordance with Macquarie's strategic asset allocation policy).

The table below summarises the impact of increases/decreases of the abovementioned investment exposures on the Group's post tax profit for the year and on equity. The analysis is based on the assumption that the respective price indexes for the different asset classes may increase/decrease by the determined volatility factor with all other variables held constant and the financial instruments moving in accordance to the historical correlation with the indexes that the investments are exposed to.

Taking into account past performance, future expectations, economic forecasts, and the Group's management's knowledge and experience of the financial markets, the impact on profit or loss and the impact on equity in the table below are 'reasonably possible' over the next 12 months if other price risk changes by the following volatility factors from the target benchmarks with all other variables held constant, especially foreign exchange rates, held constant.

	Average price increase			Average price decrease		
Consolidated - 2023	% change	Effect on profit before tax and other comprehensive income	Effect on equity	% change	Effect on profit before tax and other comprehensive income	Effect on equity
Price rate risk	5.00%	556,277	556,277	(5.00%)	(556,277)	(556,277)

	Average price increase			Average price decrease		
Consolidated - 2022	% change	Effect on profit before tax and other comprehensive income	Effect on equity	% change	Effect on profit before tax and other comprehensive income	Effect on equity
Price rate risk	5.00%	497,115	497,115	(5.00%)	(497,115)	(497,115)

	Average price increase			Average price decrease		
Parent - 2023	% change	Effect on profit before tax and other comprehensive income	Effect on equity	% change	Effect on profit before tax and other comprehensive income	Effect on equity
Price rate risk	5.00%	23,779	23,779	(5.00%)	(23,779)	(23,779)

	Average price increase			Average price decrease		
Parent - 2022	% change	Effect on profit before tax and other comprehensive income	Effect on equity	% change	Effect on profit before tax and other comprehensive income	Effect on equity
Price rate risks	5.00%	17,954	17,954	(5.00%)	(17,954)	(17,954)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial market instrument will fluctuate because of changes in market interest rates. The Group is affected by interest rate risk due to its directly held cash balances. The Group does not have any floating rate debt instruments for both 2023 and 2022. The exposure to interest rate risk has a direct impact on the Statement of Comprehensive Income and Statement of Financial Position of the Group.

Note 28. Financial instruments (continued)

Interest rate risk is measured and monitored by the calculation of the duration of the investment portfolios which approximates the percentage change in portfolio valuation from a percentage change in market interest rates.

It would normally be expected that floating rate cash instruments have a direct exposure to interest rate risk. However, because the cash investments in the Group's investment accounts are in the nature of a pooled investment scheme, it is the unit price of the scheme which reflects the value of the financial investment. On this basis, the sensitivity of changes to the unit price for these instrument investments is included in the 'Price Risk' section.

Interest rate risk is measured and monitored by the calculation of the duration of the investment portfolios which approximates the percentage change in portfolio valuation from a percentage change in market interest rates. The only component of the financial instruments directly impacted by interest rates volatility for the purposes of quantifying the interest rate sensitivities are the cash holdings either within the individual portfolios or the master custodian accounts for the investment portfolio.

The following table illustrates sensitivities to the Group's exposure to changes in interest rates on its directly held cash balances. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Basis points increase			Basis points decrease		
Consolidated - 2023	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Interest rate risk	2	257,383	257,383	(2)	(257,383)	(257,383)

	Basis points increase			Basis points decrease		
Consolidated - 2022	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Interest rate risk	2	344,919	344,919	2	(344,919)	(344,919)

	Basis points increase			Basis points decrease		
Parent - 2023	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Interest rate risk	2	5,393	5,393	(2)	(5,393)	(5,393)

	Basis points increase			Basis points decrease		
Parent - 2022	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Interest rate risk	2	13,948	13,948	(2)	(13,948)	(13,948)

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non performance by counterparties of contract obligations that could lead to a financial loss to the Association and arises principally from the Group's receivables.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

The Group has no significant concentration of credit risk with any single counterparty or Branch of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in note 15.

Note 28. Financial instruments (continued)

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at note 15.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 2022 is the carrying amounts as illustrated in note 15.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Bank overdraft	1,000,000	1,000,000	-	-

Remaining contractual maturities
The following tables detail the Group's and incorporated association's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade creditors	-	4,836,415	-	-	-	4,836,415
Payables to other reporting units	-	133,676	-	-	-	133,676
Other payables	-	3,792,898	-	-	-	3,792,898
Interest-bearing - variable						
Lease liability	-	215,266	1,792,413	-	-	2,007,679
Related party loans	-	-	-	3,208,487	-	3,208,487
Total non-derivatives		8,978,255	1,792,413	3,208,487	-	13,979,155

Note 28. Financial instruments (continued)

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade creditors	-	2,568,773	-	-	-	2,568,773
Other payables	-	2,705,122	-	-	-	2,705,122
Interest-bearing - variable						
Related party loans	-	786,796	59,580	1,494,487	-	2,340,863
Total non-derivatives		6,060,691	59,580	1,494,487	-	7,614,758

Parent - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade creditors	-	359,069	-	-	-	359,069
Payables to other reporting units	-	14,296	-	-	-	14,296
Total non-derivatives		373,365	-	-	-	373,365

Parent - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade creditors	-	236,713	-	-	-	236,713
Other payables	-	116,771	-	-	-	116,771
Total non-derivatives		353,484	-	-	-	353,484

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 29. Fair value measurement

Fair value hierarchy
The following tables detail the Group's and incorporated association's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Other current assets	11,125,545	-	-	11,125,545
Land and building	-	31,312,219	-	31,312,219
Total assets	11,125,545	31,312,219	-	42,437,764

Consolidated - 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Other current assets	9,942,294	-	-	9,942,294
Land and building	-	22,868,546	-	22,868,546
Total assets	9,942,294	22,868,546	-	32,810,840

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3
The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2023 based on independent assessments by a valuation expert having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Note 30. Key management personnel disclosures

Compensation
The aggregate compensation made to officers and other members of key management personnel of the Group is set out below:

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Short-term employee benefits				
Salary (including annual leave taken)	1,383,302	1,113,201	281,332	273,055
Annual leave accrued	81,032	88,571	31,055	23,944
Directors Remuneration	-	165,000	-	-
Total short-term employee benefits	1,464,334	1,366,772	312,387	296,999
Post-employment benefits				
Superannuation	129,482	109,106	29,540	27,305
Other long-term benefits				
Long-service leave	64,114	18,552	3,600	4,551
Aggregate compensation	1,657,930	1,494,430	345,527	328,855

Committee members, directors and their related entities are able to use the services provided by the Group. Such services are made available on terms and conditions no more favourable than those available to other members.

Note 31. Remuneration of auditors

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Crowe Audit Australia				
Audit of the financial statements	62,125	56,950	33,125	26,500
Other services	26,500	25,550	7,119	-
	88,625	82,500	40,244	26,500
Stannards Accountants				
Audit of the financial statements	12,171	4,116	-	-
Other services	-	-	-	-
	12,171	4,116	-	-
McLean Delmo Bentleys				
Audit of the financial statements	28,755	27,750	-	-
Other services	43,526	1,140	-	-
	72,281	28,890	-	-
	173,077	115,506	40,244	26,500

The auditor of the Group is Crowe Audit Australia. The fees are stated net of GST. Unless otherwise stated Crowe Audit Australia is the auditor.

Other services provided by the auditors related to tax compliance and consulting services in relation to consolidation of accounts.

Component auditors of subsidiaries
Stannards Accountants completed the audit of Constructive Legal Solutions Pty Ltd.

Note 31. Remuneration of auditors (continued)

McLean Delmo Bentleys completed the audit of NECA Education and Careers Limited.

Note 32. Contingent liabilities, assets and commitments

There are no other material commitments and or contingencies to report at balance date.

Note 33. Related party transactions

Parent entity
National Electrical and Communications Association is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Associates
Interests in associates are set out in note 35.

Joint ventures
Interests in joint ventures are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 30.

Transactions with related parties
The following transactions occurred with related parties:

Revenue received from other reporting units

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Capitation fees				
Capitation fees received from other reporting units (please refer to note 4(a) for details of each reporting units)	1,443,935	1,258,696	1,443,935	1,258,696
Other revenue / income				
NECA - New South Wales branch	2,214,821	2,204,081	169,685	180,740
NECA - Queensland branch	123,874	161,819	55,000	50,000
NECA - Australian Capital Territory branch	41,250	117,744	41,250	41,900
NECA - Tasmanian branch	136,250	142,765	41,250	37,500
Total other revenue / income	2,516,195	2,626,409	307,185	310,140
Total revenue received from other reporting units	3,960,130	3,885,105	1,751,120	1,568,836

Expenses paid to related parties

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Expenses				
NECA - New South Wales branch	1,393,043	1,508,249	963,126	960,600
NECA - Queensland branch	676,629	457,093	311,812	137,512
NECA - Australian Capital Territory branch	930,322	887,518	77,774	66,983
NECA - Tasmanian branch	622,309	339,189	78,028	32,209
Total expenses paid to related parties	3,622,303	3,192,049	1,430,740	1,197,304

Note 33. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Receivables from other reporting units				
NECA - New South Wales branch	376,636	114,406	251,423	114,406
NECA - Queensland branch	79,301	21,466	71,561	16,050
NECA - Australian Capital Territory branch	48,554	651	21,370	-
NECA - Tasmanian branch	36,208	208	16,449	-
Total receivables from other reporting units	540,699	136,731	360,803	130,456
Payables to other reporting units				
NECA - New South Wales branch	84,138	92,644	-	-
NECA - Australian Capital Territory branch	-	5,063	-	3,978
NECA - Tasmanian branch	27,500	15,675	-	4,125
NECA - Queensland Branch	22,038	-	-	-
Total payables to other reporting units	133,676	113,382	-	8,103

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Loans from NECA NSW	Consolidated			
	2023 $	2022 $	2021 $	2020 $
Related party loans - non-current				
NECA Legal Pty Ltd	151,458	147,458	107,458	347,458
NECA Training Ltd	386,110	386,110	386,110	381,795
NECA Trade Services Pty Ltd	880,919	960,919	1,030,919	955,919
ECA Training Pty Ltd	1,550,000	-	-	3,093,947
	2,968,487	1,494,487	1,524,487	4,779,119
Loans from NECA VIC				
CLS	240,000	-	-	-
Total related party loans	3,208,487	1,494,487	1,524,487	4,779,119

Terms and conditions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: $nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Subsidiaries:			
Australian Cabler Registration Service Pty Ltd (a)	Australia	100%	100%
NECA Education and Careers Limited (b)	Australia	100%	100%
ECA Training Pty Ltd (a)	Australia	100%	100%
NECA Training Ltd (a)	Australia	100%	100%
NECA Legal Pty Ltd (a)	Australia	100%	100%
NECA Trade Services Pty Ltd (c)	Australia	100%	100%
NECA Foundation Limited (d)	Australia	100%	100%
Constructive Legal Solutions Pty Ltd (a)	Australia	100%	100%

(a) Entities has been consolidated as National Electrical and Communications Association National Office is the sole shareholder and has majority at the board, and therefore the Group controls these entities.
(b) NECA Education and Careers Ltd is a Group controlled entity for the purposes of the parent entity separate and consolidated group financial reports. The Group is the sole member of NECA Education and Careers Ltd and has the power to govern its financial and reporting policies. The constitution for NECA Education and Careers Ltd specifically prohibits any member from sharing in either the net income or net assets of the organisation even on wind up. This is standard wording designed to ensure that NECA Education and Careers Ltd is entitled to enjoy income tax exemption status. Consequently, unless the constitution of NECA Education and Careers Ltd is changed and the company's tax status rescinded, at no time now or in the future will the Group be entitled to share in the financial performance of NECA Education and Careers Ltd in the usual parent / subsidiary relationship.
(c) NECA Trade Services Pty Ltd has been consolidated as National Electrical and Communications Association New South Wales Branch is the sole shareholder and has majority at the board, and therefore controls NECA Trade Services Pty Ltd.
(d) NECA Foundation Limited is a trustee company of NECA Foundation. NECA Foundation was established to fundraise, invest and allocate monies for education and research that benefits and advances the interests of the community including the electrotechnology industry.

The following NECA Branches are deemed to be their own reporting units under the RO Act. Hence, these Branches are not consolidated into the NECA Group.

NECA - New South Wales branch
NECA - Victorian branch
NECA - Queensland branch
NECA - Western Australian branch
NECA - South Australia/Northern Territory branch
NECA - Australian Capital Territory branch
NECA - Tasmanian branch

Note 35. Interests in associates

The following disclosures relate to entities not equity accounted for by the NECA Branches. This detail is provided for a full understanding of the NECA structure:

Information relating to associates that are material to the NECA Branches are set out below

Table - Ownership interest held by NECA Branches

Note 35. Interests in associates (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Protect Services Pty Ltd *	Australia	25%	25%
MERT Pty Ltd **	Australia	20%	20%

* Protect Services Pty Ltd is a company incorporated in Australia, NECA Victoria owns [25]% (2022: 25%) of that company which is a trustee of Protect Services Trust ("PST"). PST collects premiums for a designated insurer in its capacity as administrator. NECA Victoria has a 25% entitlement to profits made by PST. NECA Victoria does not have majority voting rights on the board, nor does it have significant influence over board decisions by virtue of the board structure, hence the accounts of the company have not been consolidated, nor equity accounted.

** MERT Pty Ltd is the trustee of the Mechanical and Electrical Redundancy Trust ("the scheme"), it is the company incorporated in Australia. The National Electrical and Communications Association New South Wales Branch ("NECA New South Wales") / The Electrical Contractors Association ("ECA NSW") owns [20]% (2022: 20%) of the scheme, and has no entitlement of the income and capital of the scheme. The scheme has been set up to safeguard the redundancy benefits of electrical and mechanical workers within the electrical and construction industry. The purpose of the scheme is for employer groups to contribute to it, and hold monies in trust for its members if they become redundant or are terminated. No monies are distributed to the Group in respect of those contributions. The Group does not have the majority voting rights on the board, nor does it have significant influence by virtue of the board structure, hence the scheme has not been consolidated, nor equity accounted.

Note 36. Interests in joint ventures

The following disclosures relate to entities not equity accounted for by the NECA Branches. This detail is provided for a full understanding of the NECA structure:

Information relating to joint ventures that are material to the NECA Branches are set out below.

Table - Ownership interest held by NECA Branches.

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Elecnet (Australia) Pty Ltd *	Australia	50%	50%
NESS Super Pty Ltd **	Australia	50%	50%
Future Energy Skills Pty Ltd ***	Australia	50%	50%

Note 36. Interests in joint ventures (continued)

* ElecNet (Aust) Pty Ltd is the trustee of the Electrical Industry Severance Scheme ("the scheme"), it is the company incorporated in Australia. National Electrical and Communications Association Victorian Branch ("NECA Victoria") owns [50]% (2022: 50%) of the scheme, and have entitlement to 25% of the income and capital of the Electrical Division of the scheme. The scheme has been set up for the benefit of its members and not the Group. The purpose of the scheme is for employer groups to contribute to it, and hold monies in trust for its members if they become redundant or are terminated. No monies are distributed to the Group in respect of those contributions. Further, NECA Victoria under the Trust Deed has no risk in relation to an unfunded scheme position (contingent liability). NECA does had in place a facility agreement with Elecnet that expired post 2020, to the extent of a capped portion of the distributions. The Group does not have the majority voting rights on the board, nor does it have significant influence by virtue of the board structure, hence the accounts of the scheme have not been consolidated, nor equity accounted. During the year, NECA Victoria received distributions of $nil (2022: $nil) from the scheme and directors fees of $[ ] (2022: $164,664).

** NESS Super Pty Ltd is the trustee of NESS Super ("the fund"), it is the company incorporated in Australia. The National Electrical and Communications Association New South Wales Branch ("NECA New South Wales")/ The Electrical Contractors Association ("ECA NSW") owns 50% (2021: 50%) of the trustee company NESS Super Pty Ltd, and have no entitlements of the income and capital of the fund. The fund has been set up by electrical industry representatives to service the electrotechnology industry, contractors and employees. The purpose of the fund is for employers to contribute to it, and hold monies for its member's superannuation fund. No monies are distributed to the Group in respect of those contributions.

*** Future Energy Skills Pty Ltd ("Future") is a company limited by guarantee and registered with the Australian Charities and Not For Profit Commission ("ACNC"). Future is governed by a board of directors from industry peak bodies, the National Electrical and Communications Association ("NECA") and the Electrical Trades Union of Victoria ("ETU") as members. The current NECA Victoria director who are part of the board include Michael Purnell. The directors are ultimately responsible for managing the business of Future on behalf of the members. The board of directors (from NECA and ETU) is comprised of: up to two directors appointed by the ETU; up to two directors appointed by NECA; and up to two independent directors. During the year, no transactions have occurred between NECA Victoria and Future.

Note 37. Cash flow information

Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Cash and cash equivalents as per:				
Statement of cash flow	12,877,389	17,245,926	269,628	697,385
Statement of financial position	12,877,389	17,245,926	269,628	697,385
Difference	-	-	-	-

Note 37. Cash flow information (continued)

Reconciliation of surplus/(deficit) after income tax to net cash from/(used in) operating activities

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Surplus/(deficit) after income tax expense for the year	2,404,431	368,967	1,415	(62,640)
Adjustments for:				
Depreciation and amortisation	2,303,777	1,909,663	20,848	4,220
Write off of non-current assets	-	(34,186)	-	-
Net gain on disposal of financial instruments	-	19,620	(24,602)	-
Net loss on revaluation of financial instruments	-	95,692	-	-
Accrued interest expense on loans	-	(250,000)	-	-
Lease adjustment	573	-	-	-
Change in operating assets and liabilities:				
Decrease/(increase) in trade and other receivables	(3,287,560)	143,488	(388,352)	(112,997)
Increase in inventories	(49,312)	(1,952)	-	-
Increase in income tax refund due	(6,188)	-	-	-
Decrease in deferred tax assets	-	12,794	-	-
Decrease/(increase) in prepayments	(559,256)	(34,693)	(123,484)	22,750
Increase in trade and other payables	3,940,191	486,776	145,716	119,717
Increase/(decrease) in contract liabilities	(981,143)	1,484,382	43,546	(95,864)
Increase/(decrease) in employee benefits	657,170	572,120	(6,987)	104,439
Net cash from/(used in) operating activities	4,422,683	4,772,671	(331,900)	(20,375)

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Operating activities				
Cash received from other reporting units				
NECA - New South Wales branch	2,690,065	2,157,182	190,907	183,762
NECA - Queensland branch	121,898	248,317	66,000	77,990
NECA - Australian Capital Territory branch	50,952	123,941	49,500	41,965
NECA - Tasmanian branch	121,550	157,866	49,500	37,125
Total cash inflows	2,984,465	2,687,306	355,907	340,842
Cash paid to other reporting units				
NECA - New South Wales branch	(1,332,214)	(1,471,426)	(927,645)	(911,801)
NECA - Queensland branch	(730,761)	(424,083)	(292,982)	(135,352)
NECA - Australian Capital Territory branch	(1,093,970)	(929,733)	(64,328)	(73,837)
NECA - Tasmanian branch	(648,413)	(298,830)	(69,382)	(35,430)
Total cash outflows	(3,805,358)	(3,124,072)	(1,354,337)	(1,156,420)

Note 37. Cash flow information (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Financing activities				
Cash received from related party				
NECA - New South Wales Branch	1,819,000	884,000	-	-
Total cash inflows	1,819,000	884,000	-	-
Cash paid to related party				
NECA - New South Wales Branch	(345,000)	(914,000)	-	-
Total cash outflows	(345,000)	(914,000)	-	-

Note 38. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 39. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of the Group, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the Group to be made available to the person making the application.
(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Group.
(3) The Group must comply with an application made under subsection (1).

National Electrical and Communications Association - National office and its controlled entities
Officer declaration statement
30 June 2023

The Group did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay compulsory levies
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a donation that was $1,000 or less
- pay a donation that exceeded $1,000
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Signature of designated officer

Name of the designated officer: Oliver Judd Title of the designated officer: CEO

31 October 2023