



Treasurer's report

For the Year Ended 30 June 2024

Dear Member

Before you is the Electrotechnology Training Institute Limited (herein referred to as ETI) Audited Financial Report for the year ending 30 June 2024.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

As at 30 June 2024, the operations of ECA WA Inc achieved a total turnover of \$52,943,749 mil with a net surplus of \$353,237

The key result for each business unit are as follows:

- **Electrical Group Training:**

EGT had an excellent result and generated a net surplus of \$1.2m for the year. Total apprentice numbers as at June 2024 were 547. Despite the high level of industry demand, EGT is facing numerous challenges to recruit quality apprentice's and are investing in numerous recruitment strategies in the next financial year to maintain the demand.

EGT, through various incentives, grants and funding programs passed a total of over \$4m on to host employers via discount on apprentice invoicing.

- **College of Electrical Training:**

CET made a surplus of \$560k for the year. The result is the net surplus over both campuses.

CET started the financial year with a couple of months in deficit, strict intervention of management turned CET's result in a surplus by the end of the financial year.

An analysis on the CET delivery model over time indicate the over servicing and over delivery with very high apprentice numbers does not achieve positive financial outcomes, this is directly linked to the increased cost of delivery and poor increases in funding from the Department of Training and Workforce Development. CET's apprentice numbers have continued to increase, a decision was made to cap the number of apprentices to the maximum between 1800-2000 which is the model for optimum surpluses. This will allow capacity for additional Fee for Service delivery to compliment industry demand.





Funding increases were discussed with the Minister throughout the year and a substantial increase in funding was negotiated. The true impact of all the key measures actioned by the CET management team and the funding increases will be visible in the 2024/2025 financial year.

- **Equip-Safe:**

EQS was acquired in the late 2022 financial year. This is the second full reporting year. EQS made a deficit of \$220k for the year. During the Financial year there has been a strategic direction change, relating to the physical location of EQS operations, and the development of a new product to form a new basis to drive EQS to turn surpluses.

The decision was made to not locate EQS to the new Malaga premises and to remain in the Welshpool property. The lease term was therefore extended, and again this resulted in higher depreciation due to the leasing of the premises.

EQS identified a gap in the market for high-risk certification under a unit of competency model rather than obtaining a yellow card. This resulted in the development of our very own Orange card, and a new product to the market. At the time of this report the Orange card is well received by the market and the demand is increasing.

Both these will set the scene for the next 12 months to turn EQS around.

- **ETI:**

Member and other services including Corporate Service returned a net deficit of \$1.3mil for the year. This is better than the projected budget, mainly due to positive returns on both investment portfolios, and the passive income from the investment properties.

- **ECA Legal:**

ECA Legal produced a profit of \$136k for the year before tax, after tax \$20k. This is an excellent result for the legal team. External revenue is rising.





Consolidated Statement of Financial Position

- Cash balances at \$4.35m increased by \$700k from the prior year. A detailed cashflow statement is available to view in the Annual Financial Report for 2023/24.
- Trade and other receivables at \$5.9m are slightly higher than last year due to increased operation and the fluctuation in incentive claims.
- Investment properties remain at \$6.15m with no changes in the revaluations.

The total assets of ETI were \$50.6m as at 30 June 2024, a \$2mil increase from the prior year.

ETI managed to retain very few liabilities, resulting in a net asset value of \$43m as at 30 June 2024, a slight increase from the previous financial year.

The Annual Financial Report for 2023/24 shows a stable ETI in a strong financial position with sound, solid holdings in property and cash reserves and well placed for the future.

Dan Bailey

Treasurer

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