

2016 - 2017 NATIONAL ANNUAL REPORT



CIVIL CONTRACTORS
FEDERATION

TABLE OF CONTENTS

	Description	Responsible	Page
1.0	President And CEO Report	Michael Unger	3
2.0	Australian Capital Territory Branch Report	Michael Hopkins	5
3.0	NewSouthWalesBranch Report	David Castledine	7
4.0	Northern Territory Branch Report	Tom Harris	10
5.0	Queensland Branch Report	Damian Long	12
6.0	South Australia Branch Report	Phillip Sutherland	15
7.0	Tasmania Branch Report	Adrian Granger	19
8.0	Victoria Branch Report	John Kilgour	21
9.0	Western Australia Branch Report	Jeff Miller	23
10.0	Financial Statements	Michael Unger	26
	Operating Report		
	National Office Board Statement		
	Auditor's Independence Declaration		
	Statement Of Profit And Loss		
	Statement Of Comprehensive Income		
	Statement Of Financial Position		
	Statement Of Changes In Member Funds		
	Statement Of Cashflow		
	Notes to the Financial Statements		
	Independent Auditor's Report		

PRESIDENT'S REPORT



I am pleased to present my inaugural Report as National President of the Civil Contractors Federation at a 'watershed' time in the history of our great organisation.

Twelve months ago your Board appointed Chris Melham as CCF National Chief Executive Officer with a clear mandate to implement an organisational restructure and secure the National Office in Canberra.

The restructure has occupied a considerable amount of his and the Board's time and is on track with a 'go live date' of 1 January 2018. In an operational sense it will be business as usual with CCF Members continuing to be serviced by CCF State bodies and the national advocacy agenda being addressed and implemented by our National office in Canberra.

Over the past twelve months CCF National has been building its presence, profile and credibility within key Government Departments and Ministerial offices. We are now represented on several national committees and forums that allow CCF to participate and influence the government decision making process. These include:

- the *Australian Government Security of Payments Working Group* whose role is to oversee the functioning of the Australian Building & Construction Commission;
- The *Australian Taxation Office Fuel Schemes Stakeholder Group* to facilitate ongoing, two-way communication on fuel tax credits issues between the ATO and industry;
- the *Civil Infrastructure Industry Reference Committee* whose role it is to drive the process of training package development in the civil construction industry;
- the *Australian Construction Industry Redundancy Trust* established in 1994 to create security of payment for redundancy entitlements for workers in the construction industry;
- the *National Heavy Vehicle Regulator Industry Reference Forum* that addresses the heavy vehicle regulatory framework;
- the *Standards Australia Council* responsible for overseeing the development of Australian, Australian/New Zealand and International Standards;
- the *Office of Federal Safety Commissioner* Australian Government Building and Construction WHS Accreditation Scheme (the Scheme).

There have been some significant industry issues that National has addressed over the past twelve months including:

- the development and launch of the first *CCF National Australian Infrastructure Outlook Report* that was produced on our behalf by BIS Shrapnel. This Report was successfully launched at the CCF National Infrastructure Breakfast in February this year in Canberra signalling the commencement of our National infrastructure policy agenda;
- the CCF filed several submissions to the 4 yearly modern award review proposing variations to the *Building and Construction General On-site Award 2010*. At the time of writing this report the Commission had not handed down its final decision;
- CCF welcomed the reinstatement of the *Australian Building and Construction Commission* with CCF National CEO Chris Melham being appointed by the Turnbull Government to be a member of *Australian Government Security of Payment Working Group* whose role it is to oversee the functioning of the Australian Building & Construction Commission;

- This time last year we held a very successful *CCF National Earth Awards Gala Dinner* to celebrate excellence in civil construction and I have no doubt that this year's event will be just as successful in the Great Hall of Parliament House;
- On the communication front, the publisher of the '*Earthmover & Civil Construction Magazine*' announced it was ceasing publication on 31 December 2016. National CCF news is now being disseminated to Members through the publication of our electronic newsletter called '*The Dispatch*'.

I wish to acknowledge the 8 CCF Branches including their dedicated Boards, CEO's and staff for their tireless efforts in continuing to service CCF's 2,000 plus Members. Thank you to the retiring Branch Board members at recent elections, and welcome to the newly appointed Branch Board members.

I would also like to thank recently departed CCF Branch CEO's Neil Hallagan from CCF NT and Kirk Cunningham from CCF ACT for their contributions. We welcome Tom Harris, CCF NT and Michael Hopkins, CCF ACT who have filled their shoes. Rob Row was acknowledged by Tony Baulderstone in his report last year and his role has since been filled by Damian Long at CCF QLD.

2017 saw the renewal of our most valued and longest serving Business Partner in Arthur J Gallagher whose significant contribution to both CCF and our Members cannot be ignored. This year's CCF National Earth Awards will once again be proudly brought to you by Arthur J Gallagher. We have been partners for over 30 years and CCF looks forward to that partnership continuing well into future. I would also like to welcome our newest CCF National Business Partner, PelicanCorp with whom we will showcase industry best practice and methods to work safer within the damage prevention and protection of the essential infrastructure space.

The role and effectiveness of my tenure as CCF President is contingent upon an effectively functioning National Board of Directors. I am fortunate to have Board members that are not afraid to express their opinion, are prepared to listen and respect each other's point of view, and then to reach a decision that is in the best interest of CCF and our Members. I wish to thank: Peter Kendall (Vice-President), Nick Zardo (Treasurer), Mick Boyle, Andrew Maher, Adrian Granger, Gerard Beltrame, and Mike Cull for their tireless efforts over the past 12 months. Together, we will continue to pursue a national agenda that is in the best interest of CCF Members and the wider civil construction industry.

Finally, I wish to acknowledge the efforts of Chris Melham and Kirsten Jenns and wish to note that they have made themselves visible at Branch events throughout the year to engage with the grass roots Members of CCF to better understand the issues that confront us as civil contractors and associates working in the industry.



Michael Unger
National President
Civil Contractors Federation

INTRODUCTION

As part of the National organisation of the Civil Contractors Federation, the principal activities of the Branch during the 2016/2017 financial year were to represent the Civil Contractors in the Australian Capital Territory and provide assistance to members through policy and advocacy on key issues related to the local industry.

The key activities of the Branch related to advocacy on local contractor involvement in infrastructure projects, reforms to ACT Government procurement models, and other advocacy services with the ACT Government and other major stakeholders.

FINANCIAL PERFORMANCE

FINANCIALS	2017	2016
PROFIT	(5,075)	2,867
BUDGET	-	-
BALANCE SHEET	2017	2016
NET EQUITY	71,063	76,138
CASH HOLDING	72,129	65,758

BUSINESS PLAN DELIVERY

The CCF ACT plan involves engagement with key ACT Government stakeholders (eg. ACT Treasury, Procurement, Transport and City Services departments) and allied industry groups. The key activities of CCF ACT are delivered in conjunction with Master Builders ACT (MBA ACT). MBA ACT provides key staff to carry out policy and advocacy activities, events management and business support services. Income is generated through two primary sources – membership fees and CCF ACT Earth Awards income.

CCF ACT membership remained constant over the year, with early signs of growth in the 2017-18 year. The CCF ACT Earth Awards, while a very successful event, did not generate the expected financial returns this year due to depressed local industry conditions.

Careful cost control helped minimise financial losses over the year.

NEW MEMBERS	2017
CONTRACTOR MEMBERS	0
ASSOCIATES	0
RESIGNATIONS	2017
CONTRACTOR MEMBERS	0
ASSOCIATES	0
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	16
ASSOCIATES	4

TRAINING

CCF Training is not undertaken in the ACT.

FINANCIALS	2016/2017	BUDGET
INCOME	0	0
EXPENDITURE	0	0
NET RESULT FOR YEAR	0	0

KEY ACHIEVEMENTS

CCF ACT has achieved a strong result for local members during 2016-17. Key achievements include:

- Advocacy which resulted in the appointment of an ACT Local Industry Advocate,
- The commencement of the ACT Local Industry Participation Policy (from 1 January 2017) which includes a formal weighting to reflect local content in government contracts, and
- Engagement with the ACT Procurement and Capital Works Department to ensure government contracting and tender processes are improved for local contractors.

CCF ACT also spent considerable effort engaging with the ACT Government and the head contractor for the Canberra Light Rail Stage 1 Project. This project represents a significant infrastructure investment in the ACT. CCF ACT efforts have focused on promoting opportunities for local members to work on the project, ensuring contract terms are fair for local contractors and suppliers, maximising local content, and ensuring new industrial relations laws are complied with.

The ACT Branch will remain engaged with ACT Treasury to ensure that future capital works programs contain a pipeline of work for local members.

INTRODUCTION

The core focus of the CCF NSW Branch remains the provision of support for our Members, especially in a crisis. We give Members information and tools so they can sustainably grow their businesses and we provide Members a collective voice they would never otherwise have as an individual organisation. While the NSW civil contracting industry is in the midst of an infrastructure boom, challenges such as skilled labour shortages, rising labour costs and tight margins, remain. No matter what the circumstances CCF NSW has remained a clear, articulate and resolute voice our Members can rely on.

FINANCIAL PERFORMANCE

FINANCIALS	2017	2016
PROFIT	402,657	153,715
BUDGET	150,403	990
BALANCE SHEET	2017	2016
NET EQUITY	894,137	491,480
CASH HOLDING	1,907,479	933,158

BUSINESS PLAN DELIVERY

Since 2013, CCF NSW has undertaken an annual 10-year economic projection of the NSW civil infrastructure industry. Based on this invaluable information, we have been able to develop a coherent business strategy, and have followed a very deliberate plan to expand our Membership service offering.

Financially, the NSW Branch Board is delighted with achieving a profit of \$402,657 for the 2016/17 year. This result was achieved largely through better than budgeted Membership retentions, increased sponsorship revenues, and very careful expense management.

However, as a Membership organisation it is not making a profit that counts, but the financial security created by this result. Such results allow CCF NSW to maintain Member services and to look at how those services can be expanded for the long-term benefit of Members.

It should be noted that while the NSW Membership offering has increased, annual fee increases have been held firmly under control, with increases over the past three years totaling just 3%.

Considerable investment in IT systems have improved record retention and made our internal management processes more efficient. Membership details can now be self-managed online, and event bookings and even attendance can now be purchased online.

The NSW Branch Board has always been clear that its vision is to expand CCF NSW Membership services as finances permit. Our performance is allowing us to do just that.

NEW MEMBERS	2017
CONTRACTOR MEMBERS	33
ASSOCIATES	30
RESIGNATIONS	2017
CONTRACTOR MEMBERS	38
ASSOCIATES	26
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	323
ASSOCIATES	123

KEY ACHIEVEMENTS

As the voice of the industry, CCF NSW has been extremely active. We have made in excess of 20 submissions to Government over the course of the year, including:

- Continuing our drive for the NSW Government procurement selection processes to be amended to properly reflect the value to the economy of companies that employ local (NSW) employees, and to improve inefficiencies in procurement activities;
- Promoting the timely payment of sub-contractors through the *Enough is enough ... pay on time* campaign we launched in consort with the NSW Department of Fair Trading;
- We have made three submissions on improvements to the NSW Security of Payments legislation improvements to cut red tape and make it more equitable;
- We have successfully argued that training targets in NSW Government contracts should reflect the critical market differences between civil and general construction;
- We have instrumental in arguing for the reintroduction of Junior Rates in our Award; and
- We have argued for reforms to remove redundancy provisions in our Award when a worker resigns but gainful employment is still on offer.

We spend a considerable portion of our time at CCF NSW thinking about the future, and we are doing a lot of work with Government on what is fast becoming a critical issue – our future skilled workforce and productivity demands. CCF NSW launched in June a *Women in Civil* program to encourage more women to join the civil contracting industry. And, after four years of dogged advocacy, we also convinced the NSW Government to support us in going into schools and talking directly to students on what an amazing industry we are in.

CCF NSW is constantly looking for ways to improve and add more value for Members. We have responded to the increased complexity of industrial relations and employment-related legal issues by appointing a lawyer as our Director Workplace Relations. We are offering more value in terms of compliance support with the release of the CCF NSW Business Certification System and, in terms of our Members marketing their businesses, our new free 'Find a Business' Member directory service is the most hit page on our website. We also launched a Member recognition program in June to acknowledge and thank Members for their ongoing retention.

We are a people industry and our high-quality events - such as this year's sold-out *Earth Awards*, the complimentary *People Awards*, our State of the State luncheons, our new Technology and Productivity Conference and Regional Meetings - are a critical part of the service we provide, as much for the information they impart as for the networking that occurs at them.

Despite near zero margins in the industry, we are delighted that our Membership numbers have again held steady. Retaining Members is about offering value, but it's so is engaging. Our efforts to conduct Member visits from our Compliance Support Unit is proving to be very well regarded.

From a governance perspective – an area the NSW Board places great emphasis on - the auditor's report again acknowledges the NSW Branch's very robust governance arrangements and management practices of the CCF NSW Branch.

INTRODUCTION

2016 / 2017 was a strong year for the Northern Territory branch. Our principal activities for the year included strengthening our representation of civil contractors in the Northern Territory as well as assisting industry to develop better business planning and relationship building.

Advocacy was again a key focus for the branch and with a change of government in the Northern Territory it was important that we provided a strong voice and clear direction to the new government in regard infrastructure investment and development to meet the current and future needs of the community.

FINANCIAL PERFORMANCE

FINANCIALS	2017	2016
PROFIT	52,602	67,521
BUDGET	15,883	2,623
BALANCE SHEET	2017	2016
NET EQUITY	321,584	268,982
CASH HOLDING	307,008	273,638

BUSINESS PLAN DELIVERY

Engagement with a wide range of government agency and stakeholder groups is important to our plan delivery. CCFNT has enhanced our level of engagement and we are actively involved in many industry related reference groups, committees and panels. These improvements in connectivity have increased our ability to be a powerful advocate for our sector that delivers many benefits to our members.

NEW MEMBERS	2017
CONTRACTOR MEMBERS	8
ASSOCIATES	5
RESIGNATIONS	2017
CONTRACTOR MEMBERS	8
ASSOCIATES	4
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	36
ASSOCIATES	42

TRAINING

CivilTrainSA has continued to provide services to members across the Northern Territory and we are actively working with them to improve training options for industry members. We are very pleased with our relationship with CivilTrainSA and we look forward to building on this into the future.

KEY ACHIEVEMENTS

The Northern Territory branch enhanced its advocacy on behalf of industry over the past year. With a change of government in the last quarter of the 2016 year, it was important that our issues were heard and that we kept infrastructure development and investment high on the government's agenda. This was achieved.

We have participated in many forums, panels, workshops, summits and committee engagements over the past year and these events have all increased our ability to effectively represent the civil contracting sector across the various layers of government and the broader business community.

The branch has performed well in a tough financial environment to keep membership stable and it is important that we ensure that our advocacy for and on behalf of our members continues to be of a high quality for this to continue.

We have hosted a number of successful industry related briefing sessions and social functions over the past year, with highlights being our Gala dinner, President's lunch and Women in Civil luncheon.

INTRODUCTION

The 2016 -2017 financial year has been a very challenging year for the Civil Construction industry in Queensland as the industry downturn continued. As a result it has proven to be a difficult year for the Civil Contractors Federation Queensland Branch (CCF QLD) with Membership at its lowest and Training Services falling short of budget.

Although the downturn continues, there are green shoots on the horizon for both CCF QLD and the Civil Construction Industry over the coming years' as forecasts show a slight positive trend in the volume of infrastructure spending supported by the private sector. Land development volumes are forecasted to be steady with a growing trend over time. Maintenance spending will trend to pre-2011 levels and will see a strong level of funding at local government level.

FINANCIAL PERFORMANCE

FINANCIALS	2017	2016
PROFIT	(783,309)	15,409
BUDGET	51,481	402,242
BALANCE SHEET	2017	2016
NET EQUITY	8,911,696.91	9,695,005.5
CASH HOLDING	712,470.75	1,278,684.9

BUSINESS PLAN DELIVERY 2016-2017

The state-wide Civil Industry downturn in Queensland continued through 2016 -2017. A large number of businesses in Queensland closed their doors either to insolvency or by choice. Decreased volumes of projects in both the private and government sectors with a subdued resource sector and a loss of reconstruction work has put unsustainable strain on margins and has resulted in many of our members looking for work interstate.

Like many of the CCF QLD Members, the Branch has faced a number of challenges throughout the year including a large turnover of staff which has caused significant business disruption and loss of operational knowledge. Departures during the year included the CEO, three Executive staff, the Client Services Manager, the Facilities Manager as well as key Management on extended leave. New staff has been engaged including a dedicated Training Services Manager. Strategic measures have been taken to tighten expenditure whilst continuing to provide quality events, an increased scope of training delivery and value to our Members.

CCF QLD Members have expressed the need for more transparency in relation to our Engagement and Advocacy Strategies. As a result, the Chief Executive Officer of CCF QLD continued to advocate for the best interest of Members & fostered strong & influential relationships with state, local and federal government representatives. Our website was also updated to cater for their demand with an exclusive Member portal and information relayed consistently through QLD Insight Magazine, Media Releases & E-News.

Advocacy efforts included increased campaigns on issues such as;

- Security of Payments changes
- Changes to the Work Health & Safety Act
- Local Procurement
- State Procurement
- Contract and Procurement practices within the Department of Main Roads
- The support of Inland Queensland Road Action Plan (IQ-RAP)

Our Manager - Client Services has quickly built strong business relationships with our existing membership base, with a focus on understanding their needs so that CCF QLD can continue to deliver value through quality content, quality & relevant events, relevant and timely information and improved training service delivery.

Our Members have taken advantage of CCF QLD benefits available throughout the year but believe we can add more value to their business by providing additional benefits including but not limited to;

- RACQ / NRMA discounts
- Fuel discounts
- Telecommunication deals
- Travel – including flights, accommodation & car rental deals
- Medibank discounts
- Work Wear discounts
- Fleet Dealership Deals

The information captured throughout Member visits has helped the Events & Marketing Department to implement strategies to deliver relevant & quality events with high level speakers. Events throughout the year included;

- The Queensland Charity Ball
- Cairns industry session with both the Cairns Regional Council & the Douglas Shire Council.
- Cairns luncheon with Queensland Treasurer Curtis Pitt
- Townsville industry session with Watpac & The Department of State Development
- Sunshine Coast Breakfast with Andrew Wallace
- Mackay Dinner & portable traffic control devices seminar with The department of State Development, Greater Whitsunday Alliance & the Transport of Main Roads
- Brisbane Industry Meeting on the Queens Wharf Project & Retaining Walls

Due to the industry downturn trainee numbers continued to be negatively impacted throughout 2016-2017. Although the results have been disheartening, Civil Train continues to strive at exceeding our clients' training needs and we will slowly see a positive result returning as it continues to increase its scope of offering and style of delivery, as well as adding capability for our base in Townsville to continue to improve on the support in delivery of services in the North of the state and regional areas.

Short course offerings have continued to prove popular with both existing and new clients, with a focus to implement a dedicated marketing campaign promoting course availability and in turn improving market share.

Alongside the implementation of a dedicated marketing campaign, the Civil Train Executive Team will continue to grow its' pipeline of contracts & tendering opportunities, as well as foster strong partnerships with industry leaders and expand on opportunities to create additional revenue streams i.e. online training materials.

Overall, the CCF QLD will continue to be the voice for the construction industry and will continue to improve and develop our support for our Members over the coming years' which should then reflect a positive growth in the business reporting.

CLIENT SERVICES - MEMBERSHIP

NEW MEMBERS	2017
CONTRACTOR MEMBERS	8
ASSOCIATES	12
RESIGNATIONS & TERMINATIONS	2017
CONTRACTOR MEMBERS	18
ASSOCIATES	13
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	91
ASSOCIATES	89

TRAINING SERVICES

FINANCIALS	2016/2017	BUDGET
INCOME	2,083,916.20	2,500,000.00
EXPENDITURE	2,760,780.76	2,559,078.15
NET RESULT FOR YEAR	(676,864.56)	(59,078.12)

KEY ACHIEVEMENTS

CCF QLD's key achievements for 2016 – 2017 include;

- Continuing to engage & foster business relationships with key State Government Departments including Department of Transport and Main Roads (DTMR) & the Department of State Development.
- Restocking staffing levels with quality personnel
- Dissolving negatively impacting Commercial Agreements
- Rewriting systems and streamlining processes
- Establishing accountability
- Finalizing approximately 200 trainee and apprentice completions
- Delivering approximately 1000 short courses

INTRODUCTION

Within the limits of our resources the CCF SA has provided a range of useful services to our Members including generating work for Members by robustly and publicly influencing federal, state, and local government to invest more money in transport and other infrastructure including in regional areas; to engage local contractors of all sizes to undertake these works; and focus government purchasing on local goods and services.

The CCF SA has also vigorously lobbied government to progress strategies that will give contractors easier and less costly access to government projects; reduce regulation including red and green tape; and speed up approval processes.

More broadly the CCF SA has strongly encouraged government to adopt a range of mechanisms designed to stimulate the private economy including investment attraction strategies. A stronger economy will mean more work for Members.

CCF SA has maintained its visibility in the print and electronic media. We believe it is very important to place issues of importance to civil contractors into the public domain. It is also vital that we highlight the important role civil contracting plays in the growth and prosperity of South Australia. There is little value in being the quiet achiever.

FINANCIAL PERFORMANCE

The CCF SA resulted in a trading loss of \$19,489 for 2016/17 (against a turnover of approximately \$6,350,000). Cash balance increased to \$628,770 from \$422,553. The CCF SA had net assets of \$7.69 million down from \$7.71 million.

FINANCIALS	2017	2016
PROFIT	(19,489)	95,254
BUDGET	\$16,943	7,085
BALANCE SHEET	2017	2016
NET EQUITY	7,691,916	7,731,108
CASH HOLDING	628,770	548,396

BUSINESS PLAN DELIVERY

The CCF SA call to government (federal, state and local) during the period in review has been to: Build, Build, Build...and...

- Continue to invest in productive infrastructure because it is nation building stimulates the economy and creates jobs.
- Create a pipeline of public works of all sizes in order to give the industry certainty and bring a halt to the erosion of civil construction capacity in South Australia.
- Unbundle appropriate projects into a number of smaller contracts.
- Preference local contractors and use local goods and services in the execution of publicly funded projects.

- Simplify the tender and prequalification process, standardize this, make it consistent and transparent, less costly and less onerous. Permit access to public works on fair and reasonable terms.
- Not expect the private sector to carry all of the risk associated with public works.
- Not undertake work that can be performed by the private sector (e.g. civil contractors), and not compete with the private sector for work.
- Differentiate South Australia from the rest of Australia by adopting a low business tax regime; minimize red tape and regulation and fast track approval processes.
- Don't forget about regional South Australia – the regions are the jewel in our crown.
- Adopt strategies that make South Australia the easiest place in Australia to do business. Whether it be opening a restaurant or building a garage. Just make it easy and not costly!

CCF SA Membership has kept pace with modest attrition, with a net result showing an increase in overall Membership. Regular surveying of Members has consistently shown a high Member satisfaction rate. The CCF SA has staff in the field at all times, supporting Members with various issues, and taking the pulse to ensure that CCF SA services are always relevant and of value to our Members.

NEW MEMBERS		2017
CONTRACTOR MEMBERS		30
ASSOCIATES		45
RESIGNATIONS		2017
CONTRACTOR MEMBERS		27
ASSOCIATES		40
CURRENT MEMBERSHIP		2017
CONTRACTOR MEMBERS		249
ASSOCIATES		244

TRAINING

Despite the tough operating environment for private training providers in SA, the CCF SA's training arms Civil Train and Train SA have maintained their excellent reputation for quality and continue to be highly regarded. Civil Train's skills centres at Thebarton, Pt Augusta, Alice Springs and Darwin have continued to grow and develop. Civil Train's work to retrain and reskill individuals from socially disadvantaged groups, long term unemployed and those transitioning from work in the automotive industry has brought significant praise to our staff from employers and government. Civil Train trained 3000 more people during the year in review than the previous year.

FINANCIALS	2016/2017	BUDGET
INCOME	4,341,370	4,082,519
EXPENDITURE	3,411,096	3,318,279
NET RESULT FOR YEAR	930,274	764,240

KEY ACHIEVEMENTS

Specific public infrastructure projects that have featured in CCF SA advocacy during the year in review are shown below. Those marked with an asterisk have subsequently been funded, in full or part, or flagged for future funding.

- State-wide upgrade to rail/road level crossings including Oakland's Crossing* on a rolling program of metropolitan and regional crossings
- State-wide road maintenance program*
- State-wide improvements in traffic management infrastructure*
- Upgrade of the regional road network including duplication of Augusta Highway and Princes Highways*
- Upgrade Strzelecki Track to all weather status
- Upgrade Yorkeys Crossing Road to all weather status*
- Complete the North-South Corridor (South Road)*
- Maintain, upgrade or replacement of bridge assets state-wide including Joy Baluch Bridge*, Paringa Bridge and Great Western Bridge.
- Upgrade Cross Road to incorporate a dedicated freight lane from South Eastern Freeway to the North-South Corridor road
- Construct and or extend the tram network in Adelaide CBD and inner suburbs*
- Provide \$3 million to every council in SA (68) to spend on local infrastructure projects using local businesses and local people
- Underground power cables state-wide
- Water and sewerage pipe replacement program state-wide*
- Increased maintenance and or upgrades of jetties state-wide*
- Upgrade and or extend Adelaide metropolitan and regional train network*
- Construct more dedicated bikeways
- Construct a round-about at Port Wakefield (Augusta Highway and Port Wakefield Road)
- Duplication of Main South Road between Seaford and Sellicks Beach*

Although not on the scale we have seen in the other states, it is very pleasing to report that the Federal and State Government financial commitment to transport and other infrastructure in SA now approximates \$9 billion.

The local industry participation policies of the State Government, championed by the CCF SA, and soon to be enshrined in law, will continue to position SA civil contractors of all sizes to take advantage of this work. The local participation policy framework has been very effective in leveraging government procurement for the benefit of many civil contractors. Increased government tender weightings for firms, including those in regional areas, has also advantaged many civil contractors.

The CCF SA has made successful representations to government in relation to a number of policies, legislation and regulations including the Road Traffic Roadworks Amendment Bill, Security of Payments Act, and the Personal Property Security Register.

The 2017/18 State Budget also delivered a welcome further payroll tax reduction which will be of benefit to a number of our Members. The State Government has established a red tape reduction unit and has an annual red tape reduction day when outdated legislation is repealed. The CCF SA regularly brings unnecessary or outdated red and green tape to the attention of the government.

The \$50 billion Federal Government investment in naval ship building in SA will deliver significant work for local civil contractors (of all sizes). The CCF SA is liaising with the Federal and State Government to ensure the available work is brought to the attention of CCF SA Members as early as possible.

We were pleased to see the SA Construction Industry Training Board levy threshold raised from \$15,000 to \$40,000 which will remove a cost of business for many smaller civil contractors.

The CCF SA has collaborated with a number of councils, advocating for Federal and or State Government funding for local infrastructure projects. This has included upgrades to the Oaklands Railway Crossing (Marion), Great Western Bridge (Pt Augusta), Joy Baluch Bridge (Pt Augusta), and Paringa Bridge (Renmark).

The year in review has seen the CCF SA deliver, within the limits of our resources, a range of useful and helpful benefits to our Membership. On any measure, and in most areas including our events, publications and specialized programs (e.g. Health Worker-Healthy Futures Program), the CCF SA has punched above its weight.

INTRODUCTION

The CCF Tasmania Branch has had a good year of consolidation, with the resignation of our CEO, Tanya Denison in February the Board has looked at the options and the best fit for the operational side of our Branch.

Although we have not replaced the CEO to date, it is the intention of the Board to do so when we have the right strategic platform for this to occur.

The Board has taken steps to minimise the loss that we incurred in 2016 with some belt tightening without effecting our Member Services.

The CCF Earth Awards this year was once again well patronized by the Industry and a very successful night was held with some very good award nominations put forward.

The Board will look to increase functions into 2017-2018 including our Industry breakfasts, President's lunch and Women in Civil Construction lunch.

The Bi-Annual Board Elections in August sees Hugh Maslin step in as the new President, Simon Heazlewood take on the Vice President and Stewart Geeves as Honorary Treasurer. The other Board Members are Neil Armstrong, Robert Batchelor, Lincoln Bromwich, Jess Brunskill, Peter Campbell, Ashley Cooper, Adrian Granger, Alistair McCullouch, Camille O'Meara, Stephen Pregnal and Phillip Sidney.

FINANCIAL PERFORMANCE

FINANCIALS	2017	2016
PROFIT	-16,328	-69,271
BUDGET		-25,791
BALANCE SHEET	2017	2016
NET EQUITY	15,255	31,584
CASH HOLDING	40,216	69,167

BUSINESS PLAN DELIVERY

NEW MEMBERS	2017
CONTRACTOR MEMBERS	4
ASSOCIATES	0
RESIGNATIONS	2017
CONTRACTOR MEMBERS	3
ASSOCIATES	0
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	48
ASSOCIATES	26

TRAINING

The Branch is actively putting together training for our Members once again to provide Member Services that the Industry is asking for.

FINANCIALS	2016/2017	BUDGET
INCOME	19,102	
EXPENDITURE	13,458	
NET RESULT FOR YEAR	5,644	

KEY ACHIEVEMENTS

- State Government Grants
- Successful Earth Awards function
- Membership has been steady in a tough climate
- Advocacy maintained without a current CEO
- Member Services kept at a high level
- Ongoing investigation of training opportunities for the Tasmanian Branch to facilitate or deliver
- Kept on Budget to reduce our negative surplus

FINANCIAL PERFORMANCE

Reported as at 31/08/17

FINANCIALS (ytd)	2017	2016
PROFIT	(3,858)	50,516
BUDGET	144,057	9,546
FINANCIALS (ytd)	2017	2016
NET EQUITY	1,844,935	1,848,79
CASH HOLDING	1,163,620	893,293

BUSINESS PLAN DELIVERY

We are satisfactorily progressing with the objectives set out in the 2017 strategic plan. The plan is reviewed and traffic lighted twice year. The challenge to the branch is in member retention and onboarding as the value proposition is questioned frequently. The work branch carried out with the fitness review process had identified service gaps and opportunities to which we are rolling out programs. The Civfast commercialization will greatly influence member retention and attraction due to the discounts that are on offer for CCF members.

Acquiring of our own premises will strengthen the cost base in the third quarter of this year. There are number of other business process changes forecasted to deliver further cost savings.

NEW MEMBERS	2017
CONTRACTOR MEMBERS	13
ASSOCIATES	10
RESIGNATIONS	2017
CONTRACTOR MEMBERS	23
ASSOCIATES	12
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	386
ASSOCIATES	120

TRAINING

FINANCIALS	2016/2017	BUDGET
INCOME	1,058,619	1,033,379
EXPENDITURE	1,118,267	1,143,225
NET RESULT FOR YEAR	(59,648)	(109,846)

KEY ACHIEVEMENTS

1. Increasing the cert 111 apprenticeship numbers to 79
2. Delivering 190 fee for service courses for 1700 participants
3. Introduction of the online VetEnrol system to streamline the process
4. Delivering tailor made MRWA course for the water sector with a participation of 200
5. Transition from VRQA to ASQA to leverage training inter-state.
6. Purchase of the new premises and commencing a fit-out program to meet branch business needs
7. Securing a extension for the Incolink funded positions- two
8. Offering number of value added services and member services to the membership
9. Entering into a MOU with state government to establish a *Centre of Excellence in Earthmoving*(CEE)
10. Securing funding through Workforce Training and Innovation Fund (WTIF) and State Government Funding for Apprenticeships and Traineeship Project. Preliminary work is underway for seed funding with potential for long-term funding. These funds are utilized to commission the CEE program.
11. Greater engagement with the membership through social media channels and making inroads in to public news channels.
12. Implementing a streamline process to enhance the CCF brand value as a National brand and developing sub brands to position products such as Civfast.
13. Updating the CCF code of management

INTRODUCTION

While a difficult year for CCF WA financially, 2016/17 has also been one of our most effective for advocacy and for positioning the Federation as a highly credible voice in all matters related to infrastructure.

The WA civil construction industry has slowed dramatically from the historic high levels of expenditure during the mining construction boom. Inevitably, CCF WA's membership numbers have also slipped during the downturn, although from a historical perspective we are still in good shape with almost 230 contractor and associate members.

One of the big decisions we made this year was to merge our Civil Train operations with CCF Qld's Civil Train. A merged Civil Train offers our Western Australian members a greater level of traineeship and short course options, all still delivered by our Trainers & Assessors based in Western Australia at the CCF WA Skill Centre.

The short-term financial impacts of the merger are part of the reason why CCF WA recorded a loss this financial year. The CCF WA Board is confident however that we are well placed to return to profitability in the coming year or so.

FINANCIAL PERFORMANCE

FINANCIALS	2017	2016
PROFIT	(386,618)	171,397
BALANCE SHEET	2017	2016
NET EQUITY	2,250,523	2,637,141
CASH HOLDING	381,051	243,152

BUSINESS PLAN DELIVERY

NEW MEMBERS	2017
CONTRACTOR MEMBERS	14
ASSOCIATES	13
RESIGNATIONS	2017
CONTRACTOR MEMBERS	24
ASSOCIATES	36
CURRENT MEMBERSHIP	2017
CONTRACTOR MEMBERS	127
ASSOCIATES	99

TRAINING

FINANCIALS	2016/2017
INCOME	643,020
EXPENDITURE	669,821
NET RESULT FOR YEAR	(26,801)

During the 2016/17 financial year, the management and administration of WA's traineeship was assumed by CCF Queensland. The financial results above were impacted by one-off expenses resulting from this change.

KEY ACHIEVEMENTS

In 2016/17 CCF WA:

- Released the second *WA Infrastructure Report*, an in-depth look at the economic and infrastructure outlook for WA, produced in collaboration with BIS Oxford Economics.
- Through the high-profile Roe 8 campaign, defended the important principle of honouring a contract.
- Joined with like-minded industry groups in the Infrastructure Coalition, advocating for the establishment of an independent advisory body ('Infrastructure WA').
- Hosted monthly Industry Roundtables providing members with direct access to key decision-makers in government and influencers in the private sector.
- Attracted a record 21 entries for the 2016 Earth Awards.

CIVIL CONTRACTORS FEDERATION

NATIONAL

FINANCIAL STATEMENTS

**CIVIL CONTRACTORS FEDERATION
(NATIONAL OFFICE)**

ABN 41 639 349 350

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2017**

Contents

Operating Report	1 - 3
National Office Board Statement	4
Auditor's Independence Declaration.....	5
Statement of Profit and Loss	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Members' Fund.....	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 33
Auditor's Report	34 - 37

(page numbering applies to original report)

Operating Report for the Year Ended 30 June 2017

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the National Office during the financial year were to promote, protect and advance the interest of its members engaged in any manner of civil contracting and/or ancillary industries.

The National Office operates predominantly in one business and geographical segment, being a representative body of civil construction contractors in Australia, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to awards rates and work practices to members of the National Office throughout Australia. The Federation represents its members at all levels of Government and lobbies for concessions relating to civil construction and business trade.

RESULTS OF PRINCIPAL ACTIVITIES S254(2)(A)

The Civil Contractors Federation National Office (CCFNO) incurred a loss of \$21,323 (2016: profit of \$61,313). In 2017, CCFNO's revenue fell by some \$0.02 million this year primarily due to the National Conference not being held. Expenditure also increased in 2017, primarily salaries paid to employees during the period, and the write off of fixed assets. The net assets of CCFNO decreased this year to \$0.5 million. At reporting date, CCFNO has a working capital surplus of \$0.49 million and can pay its debts when they fall due.

Overall, CCFNO continues to service the branches and its members in all facets of Civil Contracting. Value added advice and services to members are the key objective of the Federation. Ongoing industrial relations advice, government lobbying, training and certification continues to be provided.

The CCFNO did not acquire an asset or liability during the financial year as a result of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act, a restructure of the branches of an organisation, and/or a determination or revocation by the Commissioner, Registered Organisations Commission.

SIGNIFICANT CHANGES IN NATURE OF PRINCIPAL ACTIVITIES S254(2)(A)

There were no significant changes in the nature of the National Office's principal activities during the financial year.

SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS S254(2)(B)

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the National Office.

OFFICERS OR MEMBERS WHO ARE SUPERANNUATION FUND TRUSTEE(S) OR DIRECTOR OF A COMPANY THAT IS A SUPERANNUATION FUND TRUSTEE S254(2)(D)

No officers and members hold positions as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of the organisation.

NUMBER OF MEMBERS RO reg 159(a)

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 1,256 Members and 732 Associate Members. At the end of the previous financial year there were 1,358 Members and 745 Associate Members.

Operating Report for the Year Ended 30 June 2017

NUMBER OF EMPLOYEES *RO reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the CCF National Office was 2 (2016: 2).

NATIONAL BOARD MEMBERS *reg 159(c)*

The persons who held office as members of the Board of the National Office during the financial year were:

TITLE	NAME	PERIOD OF OFFICE
National President	Anthony Baulderstone	1-7-2016 to 4-11-2016
National President	Michael Unger	4-11-2016 to 30-06-2016
Vice President	Michael Unger	1-7-2016 to 4-11-2016
Treasurer	Nick Zardo	1-7-2016 to 30-06-2017
Board Member	Andrew Maher	1-7-2016 to 30-06-2017
Board Member	Michael Boyle	1-7-2016 to 30-06-2017
Vice President	Peter Kendall	4-11-2016 to 30-06-2017
Board Member	Peter Kendall	1-7-2016 to 4-11-2016
Board Member	Adrian Granger	1-7-2016 to 30-06-2017
Board Member	Michael Cull	1-7-2016 to 30-06-2017
Board Member	Gerard Beltrame	1-7-2016 to 30-06-2017

Operating Report for the Year Ended 30 June 2017

MANNER OF RESIGNATION

Members may resign from the Branch in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009 and with rule 9 of the Civil Contractors Federation Constitution and Rules, which reads as follows:

"9 - RESIGNATION OF MEMBERS

- (a) A Member may resign from the Federation by written notice addressed and delivered to the Chief Executive Officer (National).
- (b) A notice of resignation from membership of the Federation takes effect:
 - (i) at the end of two weeks after the notice is received by the Federation: or
 - (ii) on the day specified in the notice;whichever is later.
- (c) Any dues payable but not paid by a former Member of the Federation in relation to a period before the Member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.
- (d) A notice delivered to the person mentioned in sub-rule (1) shall be taken to have been received by the Federation when it was delivered.
- (e) A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Federation is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Federation that the resignation has been accepted.



Mick Unger
National President

Date: 24/8/17

National Board for the Year Ended 30 June 2017

On 24th August 2017, the National Board of the Civil Contractors Federation passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2017.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the Commissioner, Registered Organisations Commission and Australian Accounting Standards;
- (b) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (d) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the National Branch Board were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) the information sought in any request of a member of the reporting unit or the Commissioner, Registered Organisations Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the Commissioner, Registered Organisations Commission;
 - (v) the financial records of the reporting unit have been kept, to the extent we have been advised of them and as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - (vi) no requests were received from any member of the reporting unit or a Commissioner, Registered Organisation Commission for information under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vii) there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the year; and
- (e) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

Resolved by the Committee of Management:



Mick Unger
National President
Date: 24/8/17



**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF THE
CIVIL CONTRACTORS FEDERATION – NATIONAL OFFICE**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2017 there have been: –

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Stannards Accountants & Advisors
1/60 Toorak Road, South Yarra VIC 3141


MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated 24/8/17

Statement of Profit and Loss for the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	2	677,252	699,405
Accountancy Fees	3b	(20,102)	(15,829)
Audit Fees	3b	(8,060)	(7,560)
Bad Debts	3a	-	(3,200)
Computer and IT Costs		(27,540)	(51,413)
Depreciation / Amortisation	3c	(67,965)	(85,724)
Functions and Events Expenses		(61,330)	(6,614)
Insurance		(44,502)	(48,987)
Meeting Expenses		(7,697)	(7,562)
National Communication Costs		(7,773)	(7,488)
National Lobbying / Representation / Travel		(30,648)	(33,188)
Rent		(39,123)	(31,693)
Salaries & Other Benefits - Officeholders		-	-
Salaries & Other Benefits - Employees		(331,626)	(248,809)
National Publications		(4,763)	(3,174)
Other Expenses	3d	(41,923)	(67,798)
(Loss) / Profit from ordinary activities before income tax expense		(15,800)	80,366
Significant Items:			
Restructuring Costs		(5,523)	(19,053)
(Loss) / Profit before income tax		(21,323)	61,313
Income tax expense	1a	-	-
(Loss) / Profit after income tax expense attributable to the Federation		(21,323)	61,313

The accompanying notes form part of the financial statements

Statement of Comprehensive Income for the Year Ended 30 June 2017

	2017 \$	2016 \$
(Loss) / Profit for the period	(21,323)	61,313
Other Comprehensive Income for the period	-	-
Total Comprehensive (Deficit) / Income for the period	(21,323)	61,313
Total Comprehensive (Deficit) / Income attributable to members of the organisation	(21,323)	61,313

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	333,363	407,266
Trade and other receivables	5	251,223	69,319
TOTAL CURRENT ASSETS		584,586	476,585
NON-CURRENT ASSETS			
Property, Plant and equipment	6	8,443	76,408
TOTAL NON-CURRENT ASSETS		8,443	76,408
TOTAL ASSETS		593,029	552,993
CURRENT LIABILITIES			
Trade and other payables	7	70,428	26,871
Provisions	8	21,242	3,440
TOTAL CURRENT LIABILITIES		91,670	30,311
TOTAL LIABILITIES		501,359	30,311
NET ASSETS		501,359	522,682
MEMBERS' FUNDS			
Accumulated Surplus		501,359	522,682
TOTAL MEMBERS' FUNDS		501,359	522,682

The accompanying notes form part of the financial statements

Statement of Changes in Members' Fund for the Year Ended 30 June 2017

	\$
Balance as at 1 July 2015	461,369
(Loss) / Profit attributable to members	61,313
Balance at 30 June 2016	522,682
	\$
Balance as at 1 July 2016	522,682
(Loss) / Profit attributable to members	(21,323)
Balance at 30 June 2017	501,359

The accompanying notes form part of the financial statements

Statement of Cash Flows for the Year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		132,779	101,792
Interest Received		5,324	1,527
Receipts from CCF Branches	11f	494,521	578,805
Other Revenue		27,649	13,934
Payments to CCF Branches	11f	(58,354)	(127,336)
Payments to suppliers		(675,822)	(416,504)
Net cash provided by operating activities	12b	(73,903)	152,218
CASH FLOWS FROM INVESTING ACTIVITIES			
Plant Acquired		-	(59,441)
System Exchange Software		-	-
Net cash (used) in investing activities		-	(59,441)
Net (decrease)/increase in cash held		(73,903)	92,777
Cash at the beginning of the financial year		407,266	314,489
Cash at the end of the financial year	12a	333,363	407,266

The accompanying notes form part of the financial statements

Notes to the Financial Statements for the Year Ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009.

The financial report covers Civil Contractors Federation (National Office) as an Individual entity. Civil Contractors Federation (National Office) is a Federation incorporated in the Australian Capital Territory under the Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

The financial report of Civil Contractors Federation (National Office) as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) for their entirety. The Civil Contractors Federation (National Office) is a 'not for profit' organisation.

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

Cost is based on fair values of consideration given in exchange for assets.

The accounting policies set out below have been consistently applied, unless otherwise stated.

Prior Year Comparatives

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

Accounting Policies

a. Income Tax

The National Office is registered under the Fair Work (Registered Organisations) Act 2009 and, is believed to be exempt from income tax including capital gains tax, by virtue of the provisions of s.50-15 of the Income Tax Assessment Act 1997.

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than three months and net of bank overdrafts.

c. Plant and Equipment

Each class of plant and equipment are carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Cost and valuation

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to present value in determining recoverable amounts.

Notes to the Financial Statements for the Year Ended 30 June 2017

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

c. Plant and Equipment (cont'd)

The depreciation rates used for each class of assets are:

<u>Class of Fixed Assets</u>	<u>Depreciation Rate</u>
Plant & Equipment	33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

The assets' carrying value is written down immediately to recoverable amount if the carrying amount is greater than estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the Statement of Profit and Loss.

d. Trade and other Receivables

Trade and other receivable are recognised initially at fair value and are generally due for settlement within 30 days.

The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivable is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement as an expense.

e. Trade and other Payables

Trade payables and other accounts payable are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

f. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Board assess whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen, impairment losses are recognised In the Income Statement.

g. Employee Benefits

Short-term employee benefits

Provision is made for the National Office's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The National Office's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Notes to the Financial Statements for the Year Ended 30 June 2017

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

g. Employee Benefits (cont'd)

Long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The National Office's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the National Office does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

No provision is made for sick leave as there is no vested liability to pay for accumulated leave and the sick leave to be taken in future reporting periods is not expected to be greater than entitlements which are expected to accrue in those periods.

Superannuation

Contributions are made by the National Office to employee superannuation funds and are expensed when incurred. The National Office is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

h. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the National Office are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a written down value basis over their estimated useful lives where it is likely that the National Office will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense, and is included in receivables and payables in the Statement of Financial Position.

Cash flows are presented in the Cash Flow Statement on a gross basis, except the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements for the Year Ended 30 June 2017

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

j. Revenue

Revenue comprising National Office contributions is recognised proportionately over the period to which it relates. Any contribution received in advance for the next period is included in deferred income.

Member subscriptions revenue is recorded on an accruals basis of accounting.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the service.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

k. Operating Segment

The Federation is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

The Federation operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to award rates of and work practices to members of the Branch throughout Australia.

l. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Board assess whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit and Loss.

m. Fair Value of Assets and Liabilities

The National Office measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the National Office would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Notes to the Financial Statements for the Year Ended 30 June 2017

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

m. Fair Value of Assets and Liabilities (cont'd)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

n. Capitation Fees / National Office Contributions

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

o. Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the National Office.

Key Estimates – Impairment

The Board assesses impairment on each reporting date by evaluating conditions specific to the National Office that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of any assets for the year ended 30 June 2017, except as stated in this report.

Key Judgements - Doubtful Debts Provision

The Board have assessed each debtor and have estimated no provision for doubtful debts is required (2016: \$nil). The Board believes that the full amount of the debtors is recoverable.

Notes to the Financial Statements for the Year Ended 30 June 2017

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

o. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Board anticipate that the adoption of AASB 9 may have an impact on the Branch's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited numbers of exemption, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contracts(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Notes to the Financial Statements for the Year Ended 30 June 2017

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

o. New Accounting Standards for Application in Future Periods (cont'd)

The Transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Board anticipate that the adoption of AASB 15 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Lease* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Board anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-10: Amendments to Australian Accounting Standards – *Sale of Contribution of Assets between an investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

Notes to the Financial Statements for the Year Ended 30 June 2017

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

o. New Accounting Standards for Application in Future Periods (cont'd)

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a “business” as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- A gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor’s interest in that associate or joint venture;
- The remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- Any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor’s interest in the associate or joint venture.
- The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor’s interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the Board anticipate that the adoption of AASB 2014-10 may have an impact on the Branch’s financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

p. Information to be provided to Members or Commissioner, Registered Organisations Commission

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows: -

1. A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
3. An organisation must comply with an application made under subsection (1).

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 2: REVENUE		
Operating activities:		
Sponsorships	110,000	100,000
National Office Contributions	511,500	511,500
Functions and Events	14,979	54,074
CCF/IBC Income	-	-
Interest Received	5,324	1,527
Donations > \$1,000	-	-
Donations < \$1,000	-	-
Grants > \$1,000	-	-
Grants < \$1,000	-	-
Member Subscriptions	-	-
Compulsory & Voluntary Levy	-	-
Industry Rebates & Incentives	-	-
Publications Income	7,800	18,370
Other Revenue	27,649	13,934
Total Revenue	677,252	699,405
NOTE 3: LOSS FROM ORDINARY ACTIVITIES		
The operating profit / (loss) of the National Office before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off	-	3,200
Provision for doubtful debts	-	-
	-	3,200
b. Auditor's Remuneration – audit of financial statements		
Accounting fees	20,102	15,829
Auditor's remuneration – Financial Statement Audit (other fees: \$nil (2016: \$nil))	8,060	7,560
	28,162	23,389
c. Depreciation and amortisation		
Plant and equipment	67,965	85,724

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (cont'd)		
d. Other expenses comprise:		
Bank charges	969	1,318
Cleaning	2,684	657
Consultancy fees	9,413	24,373
Compulsory & Voluntary Levies	-	-
Couriers and freight	167	340
Interest paid	-	348
Licence fees and memberships	13,320	7,221
Member database	-	7,000
Office expenses and meetings	2,391	5,548
Photocopier / printer costs	2,816	4,401
Recruitment	2,512	4,112
Repairs and maintenance	819	477
Legal costs – Litigation	-	-
Legal costs – Consultation (Other Matters)	3,302	6,349
Stationery and printing	2,830	4,394
Training and professional development	700	990
Penalties – via RO Act or Regulations	-	-
Consideration to Employers For Payroll Deductions	-	-
Attendance Allowance / Fees – Meetings & Conferences	-	-
Capitation Fees	-	-
Compulsory and/or Voluntary Levy	-	-
Donations < \$1,000	-	50
Donation > \$1,000	-	-
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Affiliation Fees	-	-
Electricity	-	220
	41,923	67,798

e. Employee related expenses		
Other expenses comprise:		
Salaries	268,540	211,645
Superannuation	22,307	17,680
Redundancy Payments	-	-
Payroll Tax	19,923	15,709
Leave and Other Entitlements	20,856	3,775
	331,626	248,809

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

	2017 \$	2016 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Current		
Cash at bank	333,363	407,266
	<u>333,363</u>	<u>407,266</u>

The weighted average interest rate for cash as at 30 June 2017 is 2.05% (2016: 2.13%)

NOTE 5: TRADE AND OTHER RECEIVABLES

a. Current		
Debtors	117,647	43,919
Other Debtors and Prepayments	129,176	21,000
Security Deposit	4,400	4,400
	<u>251,223</u>	<u>69,319</u>

b. Terms and Conditions

Details of the sundry debtors owing from related parties are outlined at Note 11.
No debtors are outside of agreed trading terms.

NOTE 6: FIXED ASSETS

Plant and equipment and furniture and fittings – at cost	16,856	337,997
Less: Accumulated amortisation / depreciation	(8,413)	(261,589)
	<u>8,443</u>	<u>76,408</u>
Total fixed assets – net book value	<u>8,443</u>	<u>76,408</u>

Reconciliation of movements in plant and equipment

Plant and equipment and furniture and fittings

Carrying amount at beginning of the year	76,408	102,691
Additions	-	59,441
Disposals	-	-
Amortization / Depreciation expense	(67,965)	(85,724)
	<u>8,443</u>	<u>76,408</u>
Carrying amount at end of the year		
	<u>8,443</u>	<u>76,408</u>
Total	<u>8,443</u>	<u>76,408</u>

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

	2017 \$	2016 \$
NOTE 7: TRADE AND OTHER PAYABLES		
a. Current		
Trade Creditors *	65,321	21,431
Sundry Payables	5,107	5,440
	70,428	26,871

*Includes \$2,047 payable to legal advisors for consulting matters (2016: \$nil)

b. Terms and Conditions

Creditors and other payables are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts.

Amount payable to related parties are set out in Note 11.

	2017 \$	2016 \$
NOTE 8: PROVISIONS		
Current		
Provision for Annual Leave	21,242	3,440
Provision for Long Service Leave	-	-
	21,242	3,440
Number of employees at year end	2	2

Of the amounts owing above, they are payable as follows:-

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Officeholders	-	-	-	-	-	-
Other Staff	21,242	3,440	-	-	21,242	3,440
Total	21,242	3,440	-	-	21,242	3,440

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2016: \$nil).

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the National Office does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the National Office does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 9: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Wages and Salaries	-	-	268,540	211,645	268,540	211,645
Annual Leave and Long Service Leave	-	-	20,856	3,775	20,856	3,775
Redundancy Payments	-	-	-	-	-	-
Payroll Tax	-	-	19,923	15,709	19,923	15,709
Superannuation	-	-	22,307	17,680	22,307	17,680
Total	-	-	331,626	248,809	331,626	248,809

No bonuses or share based payments were made to office holders/employees in 2017 or 2016.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 10: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The National Office's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company.

The National Office does not have any derivative instruments at 30 June 2017.

i. Terms, Conditions and Accounting Policies

The National Office's accounting policies are included in Note 1, while the terms and conditions, including the effective weighted average interest rate of each class of financial asset and financial liability both recognised and unrecognised at the balance date are included under the appropriate note for that instrument.

ii. Treasury Risk Management

The Branch Committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

iii. Financial Risk Exposures and Management

The main risks the National Office is exposed to through its financial instruments are interest rate risk, liquidity and credit risk.

Liquidity risk

The National Office manages this risk by monitoring its credit terms on trade debtors.

Interest rate risk

The National Office has performed a sensitivity analysis relating to its exposure to interest rates risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2017, the effect on profit and equity as a result of the changes in interest rates with all other variables remaining constant would be as follows:

	2017 \$	2016 \$
Change in profit/(loss)		
Increase in interest rate by 1%	3,334	4,073
Decrease in interest rate by 1%	(3,334)	(4,073)
Change in equity		
Increase in interest rate by 1%	3,334	4,073
Decrease in interest rate by 1%	(3,334)	(4,073)

No sensitivity analysis has been performed on foreign currency risk as the National Office is not materially exposed to foreign currency fluctuations.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 10: FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk

The National Office's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	1 to 5 years \$	Fixed Interest Rate Maturities Over 5 years \$	Non Interest Bearing \$	Total \$
30 June 2017							
Assets:							
Cash	2.05	333,363	-	-	-	-	333,363
Trade and Sundry Debtors		-	-	-	-	251,233	251,233
		333,363	-	-	-	251,233	584,596
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(91,670)	(91,670)
		-	-	-	-	(91,670)	(91,670)
Net financial assets		333,363	-	-	-	159,563	492,926
30 June 2016							
Assets:							
Cash	2.13	407,266	-	-	-	-	407,266
Trade and Sundry Debtors		-	-	-	-	69,319	69,319
		407,266	-	-	-	69,319	476,585
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(30,311)	(30,311)
		-	-	-	-	(30,311)	(30,311)
Net financial assets		407,266	-	-	-	39,008	446,274

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The National Office is not materially exposed to any individual credit risk.

iv. Net Fair Values

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 11: RELATED PARTIES

a. National Office Board members

a. National Office Board members

The names of the members of the National Office Board who held office during the year are as follows: Anthony Boulderstone, Michael Unger, Nick Zardo, Andrew Maher, Michael Boyle, Peter Kendall, Adrian Granger, Michael Cull, and Gerard Beltrame.

Members of the National Office Board received no attendance fees during the year, nor did they accrue any entitlements.

The officeholders received no 'non cash' benefits (2016: \$nil). No officeholder of the National Office during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the National Office (this year or last year) received any remuneration because they were a member of, or held position with a Board or peak council because: -

- i) The officeholder held such a position with the Board or peak council only because they were an officeholder of the National Office; or
- ii) They were nominated for the position by the National Office; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the National Office.

b. Names and positions held by key management personnel in office at any time during the year

John Miller – Chief Executive Officer (1.07.16 – 29.07.16)

Chris Melham – Chief Executive Officer (31.10.16 – 30.06.17)

	2017 \$			2016 \$		
c. Key Management Personnel Remuneration	Short Term Benefits \$	Post- Employment Benefits \$	Total \$	Short Term Benefits \$	Post- Employment Benefits \$	Total \$
Total Compensation	194,243	15,560	209,803	127,422	11,430	138,852

	2017 \$			2016 \$		
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
Total Leave Provision	14,948	-	14,948	3,440	-	3,440

No termination benefits or share based payments were received, except as already disclosed in this report.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 11: RELATED PARTIES (cont'd)

e. Transactions with National Office, Branches and Related Entities

Entities related to National Office Board members paid membership fees, received training, purchased statutory awards and updates from the Branch during the year on the same commercial terms and conditions offered to all other members.

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date – Federal office and other branches	2017 \$	2016 \$
- Victoria Branch	10,164	8,571
- Queensland Branch	5,445	(233)
- South Australia Branch	8,813	10,507
- Western Australia Branch	35,026	6,218
- NSW Branch	2,206	8,995
- Northern Territory Branch	2,066	2,440
- Tasmania Branch	2,066	2,440
- ACT Branch	-	-
	<u>65,786</u>	<u>38,938</u>

Balance Reconciliation- related entities

Victoria Branch

Carrying amount at beginning of the year	8,571	(2,959)
Levy income	88,000	88,000
Sundry income	2,679	16,227
Sundry charges	(13,364)	(10,488)
Receipts	(89,086)	(95,233)
Payment made	13,364	13,024
Carrying amount at end of the year	<u>10,164</u>	<u>8,571</u>

Queensland Branch

Carrying amount at beginning of the year	(233)	(8,866)
Levy income	104,500	104,500
Sundry income	4,090	4,636
Sundry charges	(43,826)	(68,945)
Receipts	(94,405)	(119,482)
Payment made	35,319	87,924
Carrying amount at end of the year	<u>5,445</u>	<u>(233)</u>

South Australia Branch

Carrying amount at beginning of the year	10,507	6,043
Levy income	104,500	104,500
Sundry income	1,642	16,380
Sundry charges	(11,104)	(11,857)
Receipts	(105,527)	(116,819)
Payment made	8,795	12,260
Carrying amount at end of the year	<u>8,813</u>	<u>10,507</u>

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 11: RELATED PARTIES (cont'd)

f. Related Party balances at year end (cont'd)

	2017 \$	2016 \$
Western Australia Branch		
Carrying amount at beginning of the year	6,218	-
Levy income	88,000	88,000
Sundry income	2,859	13,308
Sundry charges	(771)	(14,150)
Receipts	(62,051)	(90,871)
Payment made	771	9,931
Carrying amount at end of the year	35,026	6,218
NSW Branch		
Carrying amount at beginning of the year	8,995	4,875
Levy income	88,000	88,000
Sundry income	4,461	12,829
Sundry charges	-	(2,774)
Receipts	(99,250)	(96,807)
Payment made	-	2,872
Carrying amount at end of the year	2,206	8,995
Northern Territory Branch		
Carrying amount at beginning of the year	2,440	-
Levy income	16,500	16,500
Sundry income	2,759	7,217
Sundry charges	-	(1,008)
Receipts	(19,633)	(21,276)
Payment made	-	1,007
Carrying amount at end of the year	2,066	2,440
Tasmania Branch		
Carrying amount at beginning of the year	2,440	-
Levy income	16,500	16,500
Sundry income	2,111	15,141
Sundry charges	(105)	(318)
Receipts	(18,985)	(29,201)
Payment made	105	318
Carrying amount at end of the year	2,066	2,440
ACT Branch		
Carrying amount at beginning of the year	-	-
Levy income	5,500	5,500
Sundry income	84	3,616
Sundry charges	-	-
Receipts	(5,584)	(9,116)
Payment made	-	-
Carrying amount at end of the year	-	-

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

	2017 \$	2016 \$
NOTE 12: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at Bank	333,363	407,266
	333,363	407,266
b. Reconciliation of (Loss) / Profit from ordinary activities after income tax to net cash provided by operating activities		
(Loss) / Profit from Ordinary Activities after income tax	(21,323)	61,313
Add/(Less):		
Non Cash Flows in (Loss) from Ordinary Activities:		
Depreciation / Amortization	67,965	85,724
	46,642	147,037
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(181,904)	(3,347)
Increase/(Decrease) in Provisions	17,802	3,440
Increase/(Decrease) in Creditors, Accruals and Other Liabilities	43,557	5,088
Net Cash Provided by Operating Expenses	(73,903)	152,218
	2017 \$	2016 \$
NOTE 13: OPERATING COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalized in the financial statements:		
- not later than 12 months	43,264	41,600
- between 12 months and five years	-	43,264
- greater than five years	-	-
	43,264	84,864

a. Office

An operating lease agreement commenced on 1 July 2016 with a rent commencement date of 1 October 2015 with Henry Kazar Super Investments Pty Ltd and Michael Slaven Super Investments Pty Ltd for the use of the premise situated at Unit 13, 11 National Circuit Barton.

NOTE 14: CONTINGENT LIABILITIES

The National Office is not subject to any material contingent liabilities at balance date.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 15: ECONOMIC DEPENDENCY

The National Office is economically dependent on ongoing funding in the form of contributions from branches and membership fees. The Office did not receive financial support from any other reporting unit during the year. During the period CCF National did not provide any form of support to another reporting unit or entity to facilitate their continuing as a going concern.

NOTE 16: FEDERATION DETAILS

The registered office and the principal place of business of the National Office is:

Civil Contractors Federation (National Office)
Unit 13, Level 3 Engineering House
11 National Circuit
Barton ACT 2600

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 17: FAIR VALUE MEASUREMENT

The National Office measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The National Office does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The National Office selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the National Office are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the National Office gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 17: FAIR VALUE MEASUREMENT

a. Fair Value Hierarchy (cont'd)

The following tables provide the fair values of the National Office's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	Note	30 June 2017			Total
		Level 1	Level 2	Level 3	
		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:	-	-	-	-	-
Available-for-sale financial assets:	-	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings	-	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-	-

	Note	30 June 2016			Total
		Level 1	Level 2	Level 3	
		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:	-	-	-	-	-
Available-for-sale financial assets:	-	-	-	-	-
Total financial assets recognised at fair value	-	-	-	-	-
<i>Non-financial assets</i>					
Freehold land & buildings	-	-	-	-	-
Total non-financial assets recognised at fair value	-	-	-	-	-

b. Valuation Techniques and Inputs Used to Measure Fair Values

Description	Fair Value at 30 June 2017 and 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Non-financial assets	-	n/a	n/a
Financial assets at fair value through profit or loss:	-	n/a	n/a
Available-for-sale financial assets:	-	n/a	n/a
	-	n/a	n/a

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

NOTE 17: FAIR VALUE MEASUREMENT

c. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors; and
- accounts payable and other payables.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

NOTE 18: OTHER DISCLOSURES

The National Office did not receive financial support from any other reporting unit during the year. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the National Office and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the National Office was wholly or partly responsible.

There were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions at reporting date, nor payables for any legal services at reporting date (except as disclosed in Note 7).

NOTE 19: SUBSEQUENT EVENTS

The CCF Group is currently undertaking a restructure wherein the branches (including CCF National Office), will transfer their net operating assets to newly established companies limited by guarantee for no consideration. It is envisaged the companies limited by guarantee will continue to be controlled by the branch executive / members, and that the state branches will ultimately be wound up. This is expected to occur prior to the end of the next financial year. The organisation's registration with the Fair Work Commission will remain.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS FEDERATION (NATIONAL OFFICE)

To the Members of Civil Contractors Federation – National Office

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Branch, which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss, the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the National Board Statement.

In our opinion under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity
 - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of the Commissioner, Registered Organisations Commission, including;
 - 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. Any donations or other contributions deducted from recovered money; and
- c) Any other requirements imposed by these Reporting Guidelines or the Fair Work (Registered Organisations) Act 2009.

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 30 June 2017, we are of the opinion that the National Board's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility 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 Branch in accordance with the independence requirements of Corporations Act 2001 and 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 responsibilities in accordance with the Code.

We confirm that the independence declaration by the *Corporations Act 2001*, which has been given to the National Board, would be in the same terms if given to the Board as at the time of this auditor's report.

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

INDEPENDENT AUDIT REPORT

(Cont'd)

Committee of Management Responsibility for the Financial Report

The National Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Reporting Guidelines of the Commissioner, Registered Organisations Commission. This responsibility includes establishing and maintaining internal controls relevant to the preparation and true and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are responsible in the circumstances.

In preparing the financial report, the National Board are responsible for assessing the Branch'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 intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 auditing 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Board.
- Conclude on the appropriateness of the National Board'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 Branch'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 Branch to cease to continue as a going concern.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

- 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 business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

We communicate with the National Board 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 our audit.

We also provide the National Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the National Board, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We can describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

Stannards Accountants and Advisors



MB Shulman

Michael Shulman Registered Company Auditor (163888)

Holder of Current Public Practice Certificate

Approved Auditor (FWC Act and Regulations – AA2017/45)

Dated 24/5/17

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