



**CIVIL CONTRACTORS
FEDERATION**

ANNUAL REPORT

2019-2020



**CIVIL CONTRACTORS
FEDERATION**

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CIVIL CONTRACTORS FEDERATION

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President's Report

It is my pleasure to provide this President's Report for the Civil Contractors Federation National Annual Report 2019-2020.

The challenges our industry has faced throughout 2019-2020 from Coronavirus have presented a significant test for the civil infrastructure sector. I am pleased to report, however, our great industry has risen to these challenges and continues to demonstrate its importance to the Australian economy.

In 2019-2020, CCF National sharpened its advocacy agenda to forge a closer working relationship with Government to ensure the needs of the civil infrastructure sector are being heard and understood by those at the highest levels of government.

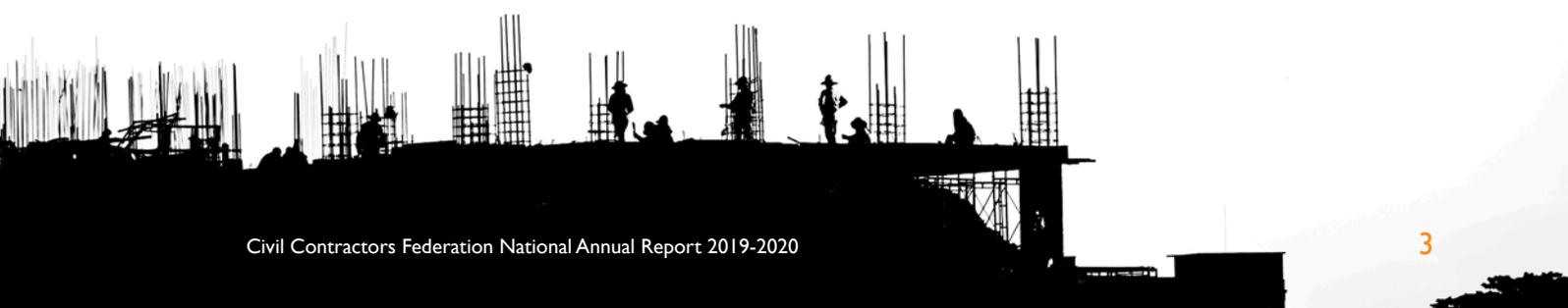
From the outset of the pandemic CCF National held direct meetings and engaged with senior ministers in the Federal Government, including the Deputy Prime Minister, the Hon Michael McCormack and the Minister for Population, Cities and Urban Infrastructure, the Hon Alan Tudge. These constructive discussions enabled industry to have a direct input into the development of the Government's infrastructure program.

These meetings and engagement were critical to reinforcing to Government that we are the 'go to' organisation for all matters relating to the civil infrastructure industry, and that our organisation is the peak industry body with whom they can constructively work with.

CCF National also provided direct input to government agencies responsible for developing policies and investing in projects to counter the effects of COVID-19. We developed for the Government's consideration a range of formal submissions highlighting the measures necessary to support the economy and to create jobs through infrastructure investment, procurement reform and additional skills funding.

This illustrates that now, more than ever before, we are providing the Federal Government with a clear, consistent and unified voice of behalf of the civil construction industry.

We have played, and continue to play, a constructive role on behalf of members to highlight our priorities during this economic and health crisis. We have brought to their attention the steps that need to be taken to minimise the impact of the crisis on our businesses. And, we have provided them with practical policy proposals to help build the Australian economy and put our industry on a stronger, more sustainable footing.



CCF National has done this in a number of ways, including direct advocacy and a stronger media presence. Details of this activity is contained in the Advocacy and Communication chapter of the Annual Report.

Unfortunately, one of the consequences of the Coronavirus was that many of our face to face events, such as the National Earth Awards, had to be cancelled for safety reasons. We look forward to reinstating these events in 2021, including a planned launch of an Infrastructure Report which is currently under development and due to be released in early 2021.

I wish to acknowledge the eight CCF Member States, including their dedicated Boards, CEO's and staff for their tireless efforts in continuing to service CCF's 1900 Members, particularly in navigating through the challenges brought by COVID-19. I would also like to thank my fellow Board members:

Queensland - Peter Kendall, Vice President

Australian Capital Territory - Nick Zardo, Treasurer

New South Wales - Lee Fahey

Victoria – Steve Traicevski

Western Australia - David Della Bona

South Australia - Paul Davison

Tasmania - Bill Abbott

Northern Territory - Michael Cull

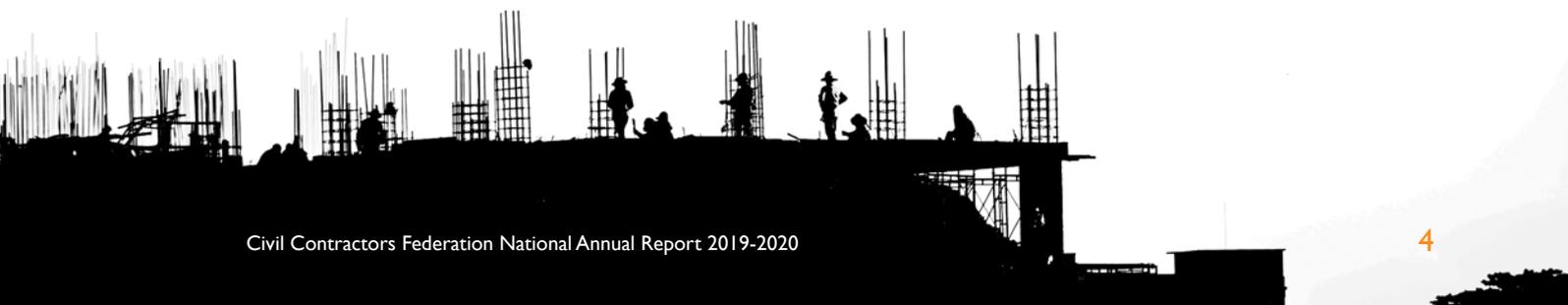
Finally, I wish to acknowledge the efforts of Chris Melham and Duncan Sheppard in our Canberra office and thank them for their service and for their support to the National Board.

On behalf of the Board, I thank all CCF Members for their ongoing association with, and support for our organisation. We look forward to working on behalf of you to ensure our collective actions are coordinated, consistent, and above all, targeted at achieving maximum benefits for you as a member.

Michael Unger

President

Civil Contractors Federation National





Treasurer's Report

Financial Result and Principal Activities

The CCF generated a profit of \$162,634 (2019: profit of \$64,195).

The net operating surplus grew by \$98,439 compared to 2019 primarily due to:

- An increase in sponsorship revenue from the insurance arrangement with PSC Insurance; and
- A concerted effort to reduce operational expenditure, particularly following the onset of COVID-19.

The CCF National Board has been restricted in terms of its ability to hold in person meetings since COVID-19, however, the Board has increased its meeting frequency to monthly meetings via video conference – this has resulted in a substantial reduction in Board meeting costs over the past 12 months.

The net assets of CCF grew this year to \$605,662 compared to \$443,028 as at 30th June 2019. At reporting date, CCF has a working capital surplus of \$603,422 and can pay its debts when they fall due. A full copy of the 2019 – 2020 Audited Accounts of the Civil Contractors Federation was sent to all CCF members.

Principal operating activities of CCF National comprises:

- advocacy at a Federal level;
- high level media engagement;
- communication and information sharing to our 1,900 members;
- national insurance sponsorship with PSC Insurance Brokers;
- service provision through our 8 State and Member associations;
- training and certification to the wider industry through our core National Business Units, those being, Civil Train and the Contractor Management System.

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

Nick Zardo

Treasurer

Civil Contractors Federation National



Chief Executive Officer's Report

CCF's advocacy and communication activities in 2019-2020 focused on demonstrating the capacity of the civil infrastructure sector to lead Australia's economic recovery and to support thousands of new jobs in the current economic climate.

Our activities were based upon our policy priorities:

- Increasing infrastructure investment and funding
- Ensuring efficient and equitable and competitive procurement
- Reforming skill development and training
- Enhancing industrial relations
- Protecting and enhancing the viability of civil industry businesses

Further information on the five priorities is available in [Constructing Australia \(click here\)](#) which CCF National released prior to the 2019 federal election.

In the context of COVID 19, two of CCF's key objectives were to secure additional infrastructure investments from the Federal Government and to increase funding for skills development and training, with the aim of maintaining and strengthening the sustainability of the civil infrastructure sector throughout the COVID-19 pandemic.

I am pleased to say our efforts continue to bear fruit. Since the outbreak of COVID-19 the Government has announced approximately \$14 billion of new infrastructure investment. These have included:

- an additional \$7.5 billion for road and rail infrastructure projects in the 2020-2021 Budget
- an additional \$2 billion investment in road safety measures under a new Road Safety Program
- an additional \$1 billion under the Local Roads and Community Infrastructure Program in
- addition to \$500 million announced in June 2020.
- \$2 billion in new funding to build water infrastructure including dams, weirs and pipelines

Chief Executive Officer's Report (continued)

From 1 July 2021 the Australian Apprenticeships Incentives Program (AAIP) will be replaced with a new, simplified and streamlined incentives program for employers of apprentices and trainees, the **Incentives for Australian Apprenticeships (IAA)**. CCF National continues to advocate for an update to the National Skills Needs List to include more civil occupations that qualify for this incentives program.

During the year CCF National engaged with a range of government and non-government bodies to advocate for policies that support the civil construction sector. These included:

- **Infrastructure Australia [\(click here\)](#)**

The Federal Government's independent infrastructure advisor. It provides research and advice to governments, industry and the community on the infrastructure investments and reforms

- **The Department of Infrastructure [\(click here\)](#)**

The Department has responsibility for infrastructure and major projects, transport, local government, rural and regional development, population policy, and cities.

- **The Australian Building and Construction Commission [\(click here\)](#)**

An independent, statutory authority of the Australian Government, responsible for promoting understanding and enforcing workplace relations compliance in the Australian building and construction industry.

- **National Skills Commission [\(click here\)](#)**

Provides expert advice and national leadership on the Australian labour market, current and future skills needs and workforce development issues.

- **National COVID-19 Commission Advisory Board [\(click here\)](#)**

Coordinates advice to the Australian Government on actions to anticipate and mitigate the economic and social impacts of the global COVID-19 pandemic.

- **The Office of the Federal Safety Commissioner [\(click here\)](#)**

Acts to improve workplace health and safety (WHS) practices on building and construction sites across Australia.

- **The Australian Competition and Consumer Commission [\(click here\)](#)**

An independent Commonwealth statutory authority whose role is to enforce the Competition and Consumer Act 2010 and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.



Chief Executive Officer's Report (continued)

CCF National has also participated in a number of national committees and forums that allowed us to advocate and influence the government decision making process. These have included:

- 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).

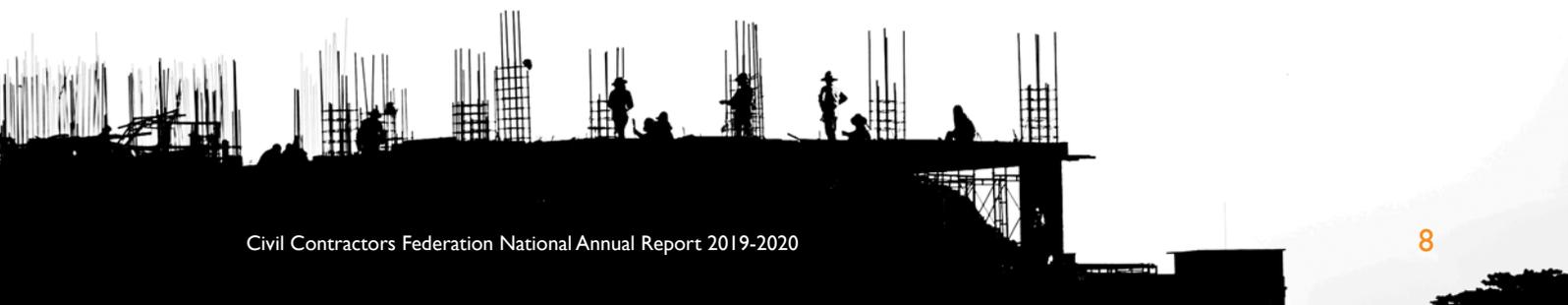
I am pleased to formally table in more detail CCF National's advocacy and communications efforts over the past 12 months which have been bolstered through the appointment to the CCF National Secretariat of Mr. Duncan Sheppard in early 2019 to the position of Senior Policy and Communications Advisor. Duncan has experience in communications and policy positions with several peak national industry bodies with an infrastructure mandate as well as experience in the Federal Department of Infrastructure portfolio.

Duncan and I look forward to continuing to represent the interests of CCF's 1,900 members at the national level, and in close cooperation with our hard working and dedicated National Board, will continue to place the civil infrastructure sector as a key player in leading Australia's economic recovery.

Wishing you all a safe and prosperous 2021.

Chris Melham

Chief Executive Officer
Civil Contractors Federation National





Advocacy and Communications Report

Major activities in 2019-2020 included:

- Direct meetings with the Deputy Prime Minister, the Hon Michael McCormack to discuss the Government's infrastructure stimulus measures and industry's response. Mick Unger (CCF National President), Peter Kendall (CCF National Vice President) joined Chief Executive Officer Chris Melham and Senior Policy and Communications Advisor Duncan Sheppard in these meetings, during which CCF canvassed a number of issues relating to the civil construction industry's strong capacity to undertake more projects and to take on extra workers to counter the economic impact of COVID-19.
- Engagement with the Hon Alan Tudge, Minister for Population, Cities and Urban Infrastructure on the Government's infrastructure agenda, particularly in major cities.
- Undertaking a comprehensive COVID-19 survey of CCF members to obtain data on:
 - + the impact of COVID-19 on civil construction businesses;
 - + the ability of members to tender for more civil construction projects; and
 - + their capacity to employ more workers should they be successful in a project tender.

The survey report, which is available by [clicking here](#), was provided to the Prime Minister, his key federal ministers and senior officials in the Department of Infrastructure. The data from the survey provided CCF National with clear evidence of our sector's strong capacity to take on more infrastructure projects and employ more workers to stimulate the Australian economy.

Advocacy and Communications Report (continued)

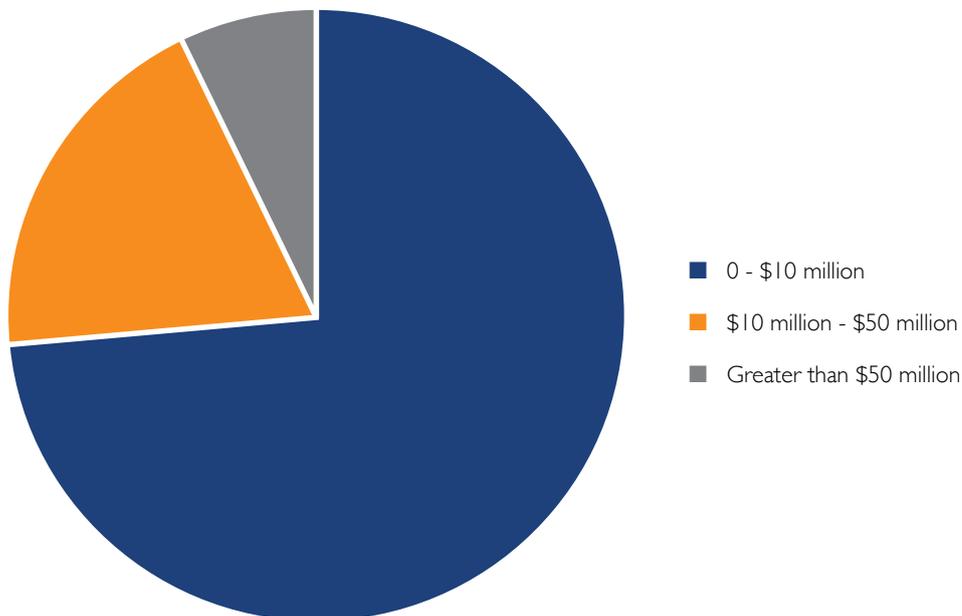


“What I can say is that on the civil construction side, in relation to the roads, the rail, all of that work continues at a pace and there is definitely capacity there, in fact, a survey conducted by the Civil Contractors Federation recently which says 90 percent of their members had capacity to do more which is a good sign”

The Hon Alan Tudge, Minister for Minister for Population, Cities and Urban Infrastructure, Sky News, April 27, 2020

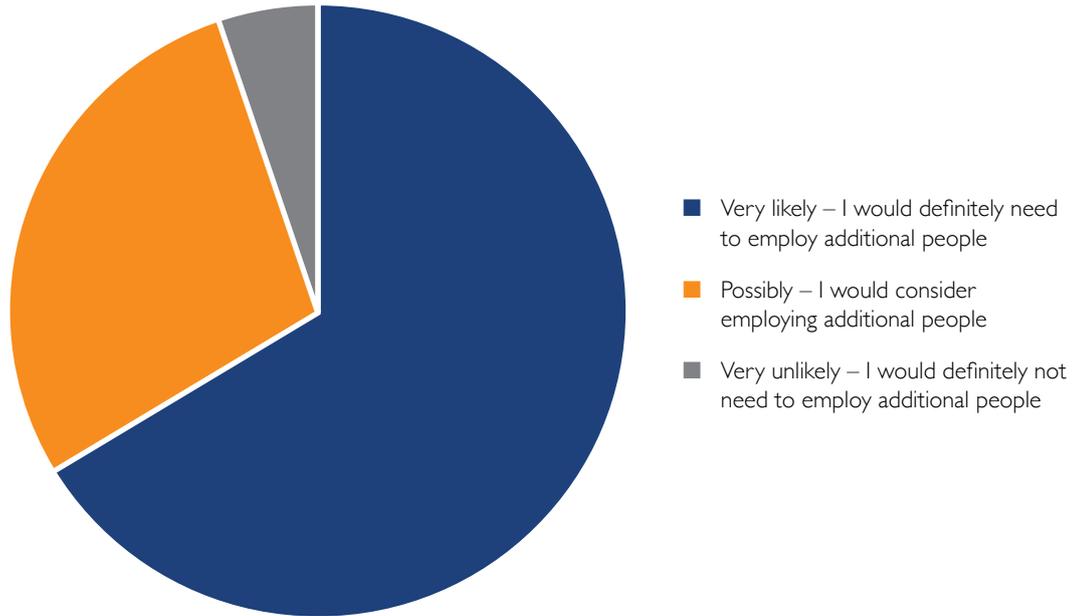
Key results from the survey included:

In the event of increased government funding for civil infrastructure projects, which threshold level would your business have the capacity to tender for?

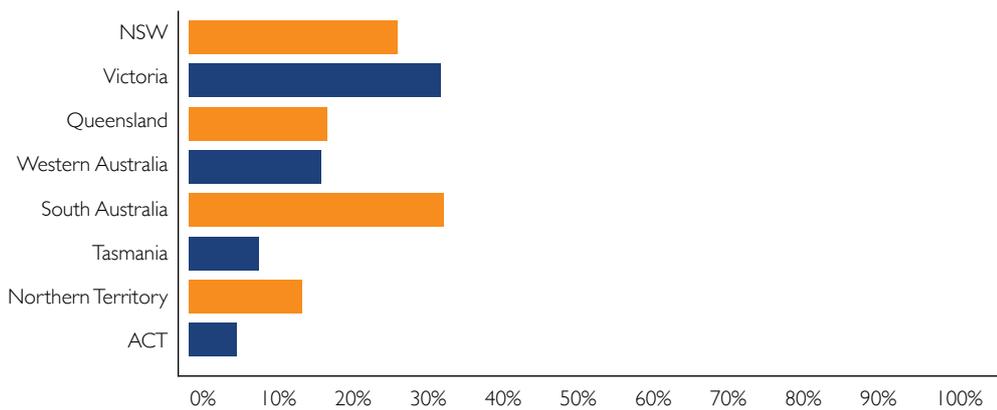


Advocacy and Communications Report *(continued)*

What is the likelihood of your business employing additional workers if you were successful in tendering for a new civil infrastructure project/s?



In which state or territory does your company operate, including multiple states?



Advocacy and Communications Report (continued)



A looming skills shortage in the civil construction sector is a “severe risk” to the federal and state governments’ infrastructure-led post-COVID recovery plan, a leading industry body has warned. Civil Contractors Federation chief executive Chris Melham said there was an urgent need for such skills as bridge, road and tunnel constructors, civil plant operators, pipe layers and line markers to be added to the National Skills Commission’s Skills Needs List.

Coronavirus: Lack of skilled workers threatens Australia’s infrastructure-led recovery, The Australian, Friday 21 August 2020

- Direct advocacy to the Prime Minister, Treasurer, Deputy Prime and other senior ministers during the COVID-19 pandemic.

In the initial stages of the pandemic, CCF encouraged Government to ensure construction sites remained open and focused on the COVID-19 risk management strategies and protocols industry put in place to enable ongoing construction.

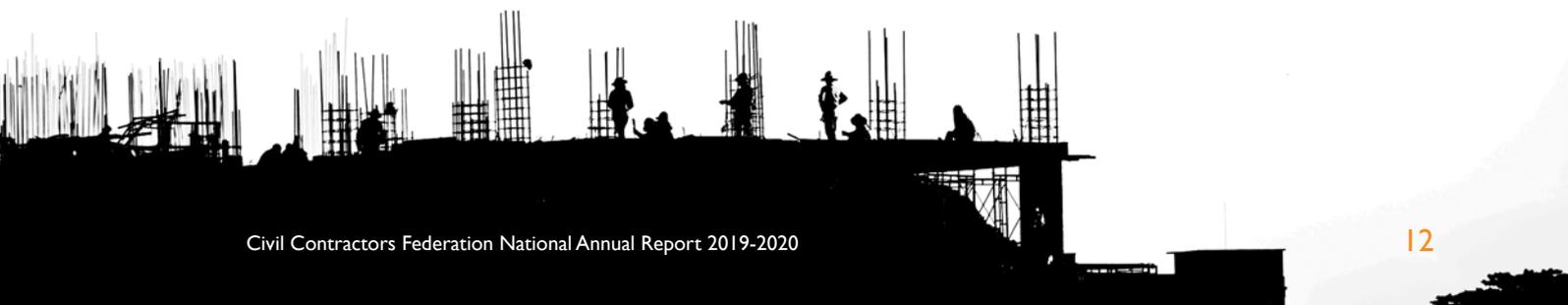
It also provided Government with a ‘civil construction procurement policy plan’ in the early phase of the pandemic, aimed at achieving a positive cash flow position for businesses and to assist them keep their doors open and employment retention.

Subsequent to this, CCF developed a ‘five-point infrastructure plan’ to encourage Governments to maximise the economic impact of their infrastructure spend and to boost the productive capacity of the civil infrastructure sector.

Point 1 – Maximise capacity of the civil construction sector as evidenced by a recent CCF National member survey that found the civil construction sector has significant capacity to tender for additional infrastructure projects and a subsequent need to employ more workers if governments rolled out additional project funding.

Point 2 – Bring forward infrastructure spending and accelerate shovel ready projects across all civil sectors, including road, rail, bridges, utilities, drainage and telecommunications.

Point 3 – Disaggregation of large projects where possible to encourage expressions of interest from tier 2 and tier 3 companies, and that project allocation be spread across all jurisdictions to ensure widespread community benefits are realized from the stimulus spend.



Advocacy and Communications Report (continued)

Point 4 – Funding to increase infrastructure investment should be derived from the \$60 billion Job Keeper savings and by using debt funding for productive infrastructure to stimulate the economy both during and after this economic crisis whilst interest rates are at historically low levels.

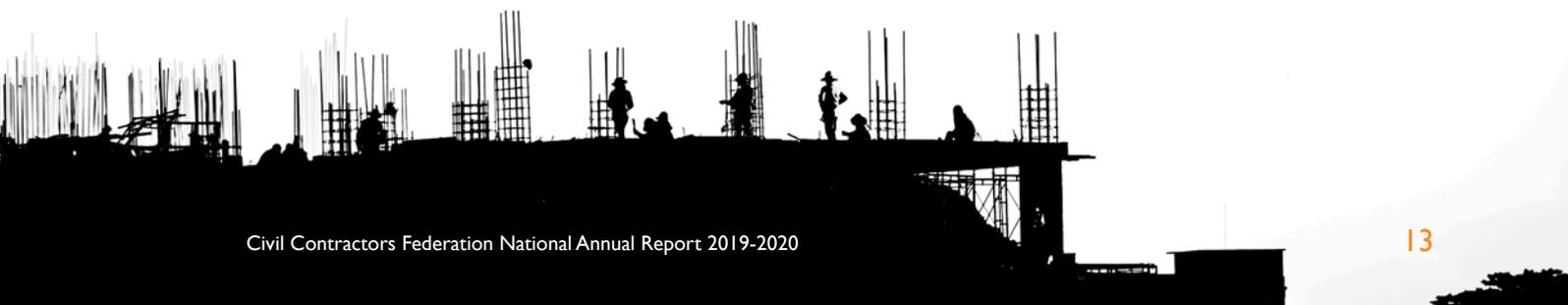
Point 5 – Procurement agencies should simplify their procurement processes where possible and work more closely with civil construction companies via collaborative contract arrangements.

In June, the Prime Minister announced that governments would work together to streamline assessment and approval processes for major infrastructure projects, agreeing to Point 5 which CCF also submitted to the Transport and Infrastructure Council meeting earlier that month.

- Formal submissions to Government on a range of matters consistent with CCF National's policy pillars, including infrastructure investment, skills, procurement and foreign investment. This included CCF National's **submission** to the Department of Education, Skills and Employment on the need to include civil construction occupations on the National Skills Needs List.
- A proactive approach to engaging with the media, which included issuing 14 media releases to put on the public record CCF's position on issues affecting our industry. This engagement resulted in exposure in media outlets such as Sky News, The Australian newspaper, the Australian Financial Review and Channel Nine News, as well as trade media. To view our press releases, [click here](#), and for subsequent media coverage, [click here](#)
- CCF National articles in a range of CCF member publications to provide readers with details on advocacy activities at the national level. This included for example, articles from Chris Melham, CCF National Chief Executive Officer in the Bulletins of CCF New South Wales, CCF Victoria, CCF Queensland and CCF Western Australia. Editorials were also provided in industry publications, such as the Infrastructure magazine.
- Regular editions of *National Dispatch*, CCF National's monthly e-bulletin from CCF National – were sent to more than 2000 members and subscribers. To subscribe to *National Dispatch*, visit <https://www.civilcontractors.com/>.
- Growth in the use of social media, including LinkedIn and Twitter, to communicate CCF National's messages to its members and stakeholders.

Duncan Sheppard

CCF National Senior Policy and Communications Advisor



The Next 12 Months

The next 12 months will be critical for the Australian civil construction sector with the potential for a Federal Election from as early as August 2021 and the ongoing challenge of the economy fighting its way out of the economic recession.

For this reason, CCF National will remain diligent by continuing to work with both sides of the federal political spectrum in advocating five key policy pillars of critical importance to the ongoing sustainability and viability of the civil construction sector, and in turn, assisting our sector to lead Australia's economic recovery efforts.

These CCF National policy pillars are as follows:

1. Increased Infrastructure Investment and Funding

- a. Increased infrastructure investment and a sustainable pipeline of Commonwealth civil infrastructure projects.
- b. Fair distribution of project allocation & funding across State & Territories.
- c. Use of debt funding for productive infrastructure projects.

2. Enhancing Industrial Relations

- a. A robust security of payments regime to ensure fair and equitable terms of payment for sub-contractors.
- b. Retention and strengthening of the Australian Building & Construction Commission
- c. Retention of the Registered Organisations Commission.

3. Reform Skills Development and Training

- a. Creation of a sustainable civil construction workforce.
- b. Increased government funding toward civil training and upskilling.
- c. Inclusion of civil occupations on the National Skills Needs List.

4. Efficient, Equitable & Competitive Procurement

- a. Standardization of procurement policy across all agencies.
- b. Minimum local content requirement for all commonwealth government contracts.
- c. Indigenous procurement policy reform to boost indigenous employment.

5. Protecting & Enhancing the Viability of Civil Industry Businesses

- a. National uniformity and consistency of legislation and regulation.
- b. Retention of the Fuel Tax Credit Scheme in its current form.
- c. Cutting red tape to enhance the longer term viability & sustainability of the sector.

I look forward to continuing to keep you updated on the CCF National advocacy agenda over the next 12 months and representing your interests at the highest levels of Federal Government. To stay tuned to all the CCF National News please visit: <https://www.civilcontractors.com/>

Chris Melham

Chief Executive Officer
Civil Contractors Federation National

