



CIVIL CONTRACTORS
FEDERATION

75

1943-2018
CELEBRATING
75 YEARS

2018 ANNUAL REPORT

*Your Voice in the
Civil Construction Industry*





CIVIL CONTRACTORS
FEDERATION



CIVIL CONTRACTORS
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Gallagher



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2018 FINANCIAL YEAR & PERFORMANCE SNAPSHOT

\$11bn

of public and private civil construction delivered by Contractor Members

135

Apprentices being serviced by Civil Train

\$1.935m

grant funding received from the State Government for introduction Civil Skills Cadetship Program

121

Associate Members

379

Contractor Members

200+

Training Courses delivered

20

3rd year Civil Engineering "under-graduates" participated in CCF's "Foresite" Program

40

new videos on CCF YouTube Channel

400+

businesses registered with CivFast (launch November 2017)

3,500+

inbound calls received by the new CCF Help Desk (launched January 2018)

\$3.2m

in revenue generated from CCF operations

4,000+

LinkedIn views per post

1,600+

participants completed training

26

industry events hosted and conducted in Melbourne and Regional Victoria

\$1.76m

in Members funds

3,000+

Facebook views per post

\$2.8m

in cash reserves under management

ABOUT CCF VICTORIA

For over 75 years, the Civil Contractors Federation – Victoria Branch has been the peak industry body representing and servicing the civil construction industry in this State.

CCF Members are responsible for the construction and maintenance of Australia's infrastructure, including roads, bridges, pipelines, drainage, ports and utilities. Our Members also play a vital role in the residential and commercial building industry by providing earthmoving and land development services including the provision of power, water, communications and gas.

CCF is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The organisation is governed by a National Board comprised of Member-elected representatives from each state and territory in the Commonwealth.

Our full range of benefits and services include:

- > Specialised training for civil industry
- > Advocacy on key industry issues
- > Contractor Management Systems
- > CivFast – online market portal
- > Events & Networking
- > Civil Career Advice
- > OH&S Advice
- > Industry Publications and Resources
- > Environmental Management Advice
- > Legal and Industrial Relations Advice





STRATEGIC GOALS & OBJECTIVES

SKILLS

Building capacity and capability in the civil construction industry to meet the critical infrastructure needs for Victoria through market leading training and apprenticeship programs and initiatives.

MEMBER SERVICES

Delivering benefits to Members that are relevant to their industry needs and driving improved operational standards through innovation, advice and support.

ADVOCACY

Be “the voice” of our Members and wider civil industry by effectively representing their interests to key stakeholders, including the 3 tiers of Government (Local, State & Federal), on relevant industry matters.

REPRESENTATION

Be an active contributor on Government and Industry Standing Committees where opinions are actively sought as the pre-eminent source of advice on civil construction industry matters.

TECHNOLOGY

Using technology and innovation to drive improved business opportunities, efficiency and revenue streams for all our Members and the industry.

PRESIDENT'S REPORT

As we celebrate 75 years servicing the civil construction sector in this State, our industry has never been stronger.

With the commissioning this year of the 2018 Victorian Infrastructure Outlook Report, released by BIS Oxford Economics, over \$75bn of public infrastructure spending is currently either under construction, or in the forward estimates. This unprecedented level of major infrastructure spending by the State Government, means opportunity. Contractors, suppliers and workers can look to the future and invest with much confidence.

CCF Victoria can also look back on the last 12 months with significant pride in what we have achieved. Two key highlights stand out for me during this period.

Firstly, the move of our CCF Victoria operations into new business premises at Notting Hill. A facility owned by CCF Members that will not only deliver significant financial benefits and costs savings, but leave a wonderful legacy in years to come. A professional work environment reflective of the progressive, service-oriented membership organisation that we have become.

Secondly, our successful Workforce Training & Innovation Fund (WTIF) grant funding application under the State Government's Skills First initiative. I have spoken and written passionately over the last 12 months about the "capacity and capability" skills gap confronting the civil construction industry. It is the biggest major risk to us delivering the crucial infrastructure needs in this State.

In June 2018, CCF executed an agreement with the State Government, which will see a commitment of \$1.935m from the WTIF grant funding, that will lead to the final development and introduction of our new Civil Skills Cadetship (CSC) Program. We must start to "bridge the gap" and over the next 2-years, 120 CSC cadets will be selected and recruited to participate in this CSC "pilot" Program. A program that we envisage will lead to becoming an education and industry standard for civil trainees and apprentices entering the industry.

These 2 major achievements are significant milestones in our rich history that is to be celebrated by all of us at CCF. Importantly, they underpin the visionary leadership, trust and confidence placed in us by the State Government and the CCF Board to "get the job done" and "invest for the future". I want to congratulate and thank the CCF Victoria team, led by CEO, John Kilgour, for their dedication and commitment to delivering these major milestones.

The release of our 2018/2020 Action Plan in June 2018, provides a very clear agenda and platform for growth for the future under our 5 strategic drivers, Skills – Member Services – Advocacy – Representation – Technology (SMART).

In commending this 2018 CCF Victoria Annual Report to Members, I also look forward to a coming year of new learning, initiatives and growth, working in close collaboration for the betterment of the industry.



Andrew Mahar, President, CCF Victoria



CHIEF EXECUTIVE OFFICER'S REPORT

In recent years, our membership numbers have been in decline with many contractors questioning “the value of membership”, particularly around membership renewals.

Over the last 12 months, we have challenged ourselves to ensure that the work we undertake is indeed “**Relevant and Local**” in servicing your needs. The business model that has served CCF well, is now not sustainable in an environment of accelerated industry growth and where Members seek a service model reflective of “going into business for yourself, but not by yourself”.

While 2018 delivered a strong cash position (\$2.8m), this is against a backdrop of an operating loss of \$85k. Our challenge over the next 12 months is to diversify income and revenue streams so that we are not at the vagaries of 3rd party funding.

The Board has recognised this “need for change” and is supportive of the initiatives we have, and are introducing. This includes increases in training through partnering arrangements, particularly in regional Victoria, CCF product sales and membership numbers under “Project 801”, are being clearly targeted.

The 1st stage of our business transformation journey commenced in 2016/17 and that was to “**Build the Base**”. We engaged with CCF Members and stakeholders on what services are valued, what we do well and where we need to improve. Over the last 12 months we are now clearly in stage 2 and that is to “**Change the Game**”. New roles, new people, new behaviours and new ways of working.

The 3rd and final stage of this transformation journey is to “**Keep the Pace**” by embedding these new processes, new relationships, and refine as appropriate.

The 2018 Annual Report provides all CCF Members an update on our work in this regard under our 5 key strategic drivers (SMART) including the launch of CivFast, (our exciting new on-line market portal), the establishment of our new Sales & Marketing and Member Services functions, to our new CCF Help Desk Services.

All these initiatives are targeted to deliver improved Member services and benefits. This includes our valuable advocacy and representation work that has led to a successful WTIF grant funding application under the State Government's Skills First initiative. I thank the CSC working group members for their tireless work in delivering an outstanding result for CCF and the civil industry at large.

In November 2017, I had the pleasure to be at the Australian Infrastructure Summit and the National Earth Awards held in Parliament House, Canberra. With record levels of infrastructure and a growing need to fill the skills shortage across the State, never has there been a better time to promote Victoria's civil construction sector and celebrate its success on a national stage.

While proud of all CCF Victoria finalists, congratulations go to our National Earth Award winners for their ability to demonstrate innovation, environmental sustainability, project management and construction excellence.

Category 3 – Project Value \$5 million – \$10 million

Delcon Civil's Glenroy Main Drainage Upgrade Project

Category 6 – Project Value greater than \$75 million

Metro Trains, John Holland, Kellogg Brown & Root, Public Transport Victoria and the Level Crossing Removal Authorities Burke Road North and McKinnon centre Level Crossing Removal Project

The night also saw Victorian Apprentice and AFL Ruckman Matthew Kreuzer take out the National Trainee Award for outstanding achievements in his Certificate 3 in Civil Construction – General with his employer, CivilWorX.

This level of recognition on a national level is a clear demonstration of the outstanding quality of training and projects being delivered by Victoria's civil construction industry, and I congratulate all finalists and winners both at a National and local level.

Moving forward, we have laid a solid foundation for growth and there will be challenges in delivering our objectives. With the release of our 2018/2020 Action Plan, we have a very clear strategy and we will be judged by Members on how well we deliver it. I am buoyed by the fact that we have a first class CCF team and I personally thank them for their support and contribution over the last 12 months.

I commend this 2018 Annual Report to CCF Members. It provides you with detailed insights into the valuable work we do, for and on behalf of the broader civil industry, and I look forward to your continued support in the year ahead.



John Kilgour, CEO, CCF Victoria



PEOPLE & CULTURE

FOCUS: To be the “Employer of Choice” where CCF Victoria is recognised as a “great place to work” where we continue to develop the skills and competencies of our people to deliver our strategic goals and objectives.

At CCF Victoria, we know our people are our greatest asset. Their dedication and commitment to servicing CCF Members and the broader civil industry embraces our premise that “we exist solely to support our Members”.

As an equal opportunity employer, we continually strive to make CCF a great place to work.



OUR VALUES

RECOGNITION - showing appreciation and celebrating our individual and collective inputs and achievements.

INCLUSION - creating a supportive environment which encourages everyone to express their diverse views and opinions.

RESPECT - showing genuine interest courtesy and recognising that we all have significant ideas and skills to offer.

VISION - encouraging people to think about the future of the organisation and having the courage to make a difference.

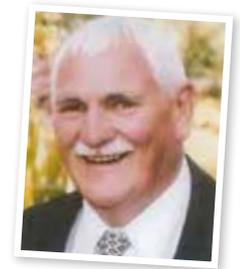
Over the last 12-month period, we have established a new Member Services and CCF Help Desk Services function to drive our service delivery offer to CCF Members both locally and regionally. This has seen a number of new people join CCF Victoria and we welcome them to the CCF team.

- Gavriel Berkowitz - Sales & Marketing Manager
- Chris Marriott - Member Services Manager
- Sonya Casey - Civil Skills Workforce Development Manager
- Patrick McCarthy - Team Leader CCF Help Desk
- Kim Black - Team Member CCF Help Desk
- Shane Bell - Member Services Officer, Eastern
- Annie Kessell - Member Services Officer, Western
- Donald Thomson - Trainer & Assessor
- Bernadette Wilson - RTO Administrator
- Jessica Dunn - Executive Assistant

We also acknowledge the following staff members who left CCF Victoria during the year. We thank them for their valued contribution to CCF and wish them every success for the future.

- Wayne Huntley - CSO Commercial (formerly Environmental Field Officer)
- Tony Kukuruzovic - CSO Utilities (formerly Water Liaison Field Officer)
- Annie Forster - Executive Secretariat

| LENGTH OF TENURE | | GENDER DIVERSITY | | |
|------------------|-------------|------------------|------|--------|
| Time | No of Staff | | Male | Female |
| < 5 years | 13 | CEO | 1 | |
| 5-10 years | 5 | Managers | 3 | 1 |
| > 10 years | 3 | Staff | 40% | 60% |



Vale Doug Huett

In November 2017, we were saddened to hear of the passing of an iconic figure in the civil construction industry - Doug Huett.

Doug was employed in 1988 as joint Victorian and National Executive Director of AERCF (which would later change its name to Civil Contractors Federation). In 1992, he became full time National Executive Director, which was a role he kept until 2002.

In 1988, the Federation was struggling to consolidate as a fully functioning National body. Doug had the passion and commitment to see the organisation become a Federation, and accepting its responsibilities as a registered body with the Industrial Relations Commission. This further developed the involvement of all States and consolidated the Federation as it is today. Bringing the States and Territories together, and holding them was and still is a very difficult task. Doug managed to work with all the individuals and personalities of the membership and office bearers.

After the National Executive Director role, Members will know of the many stories and features he penned for the Earthmover and Civil Contractor Magazine, and his role as Chief Judge for the National Earth Awards right up until this year.

He was good fun to be with, well liked and respected amongst Members and industry persons in all States and Territories. He will be missed by all.

SKILLS

FOCUS: *Building capacity and capability in the civil construction sector to meet the critical infrastructure needs for Victoria through market leading training and apprenticeship programs and initiatives.*

TRAINING – CIVIL TRAIN

OBJECTIVE: *Civil Train to be recognised and seen as the primary facilitator and provider of training to the civil construction industry.*

Our Civil Train function, led by General Manager, Rob Garrard; continues to offer quality training tailored to fit the Civil Construction and allied industry's needs.

With over 200 courses conducted and 1,600 participants completing practical training over the last 12 months, CCF has been instrumental in the upskilling and developing the Civil workforce in this State. Today, we continue to be a market leader in the Civil Construction Industry training arena.

In meeting statutory obligations, we delivered courses that assisted contractors to achieve accreditation with key organisations such as VicRoads, Energy Safe Victoria (ESV), Worksafe and Melbourne Retail Water Agencies (MRWA). This included contractor qualifications in Confined Space, Workplace Spotting, Control Traffic, Manual Handling, Trenching & Shoring, and Environmental Management to support accreditation to local government authorities.

In conjunction with the Victorian Skills Commission (VSC), Civil Train has developed an accredited course (22468VIC Course in Civil Construction Pathways) for new starters in Civil Construction, ensuring the opportunity to career paths into the Civil Industry. In addition, we worked with the TAFE sector to partnership in the delivery of programs to meet the growth in the Civil Construction industry.

In consultation with the Australian Bureau of Statistics (ABS), Civil Train has been pursuing the need to have Job Classifications (occupations) recognised with their own unique ANZSCO identifier within Civil Construction. This will ensure the industry is appropriately reflected within the National Skills Needs List and gain the same level of benefits as other more widely recognised trades.

Over the next 12 months we will “reach out” to Members and the broader industry in Regional Victoria, to deliver an improved training offering and service by establishing regional training hubs through local agent partnering arrangements.

The training centres will provide an extensive range of Civil Train services including accredited and non-accredited training and Verification of Competency (VOC) in mobile plant operations to verify the skills, knowledge and abilities of employees to operate plant or equipment while performing a set task. These partnering arrangements will be established in accordance with Australian Skills Quality Authority (ASQA) standards.



SKILLS

APPRENTICESHIP & TRAINEE PROGRAMS (CIVIL WORKFORCE DEVELOPMENT)

OBJECTIVE: *Develop and implement comprehensive career advisory pathways, strategies and programs paving the way for the next generation of civil contractors.*

A new Civil Workforce Development function has now been established to provide a necessary and dedicated focus on creating pathways and skills development to support Members. Through our advocacy work with both the State and Federal Governments, we successfully secured a series of grant funding that supports the attraction and retention of Apprentices and Trainees, delivering enhanced skills development and sustainable employment within the civil sector.

Our Civil Construction “Taster” Programs provided 3 days training and 1 week work experience to 47 secondary school students. The Civil Engineering “Foresite” Graduate Programs provided 12-week job placements for up to 20 **3rd year under-graduates**. These were successfully conducted and highly valued by industry, educational partners and participants. These were also supported by CCF’s participation in 15 **Job and Career Expos with over 83,000 attendees** exposed to a career in the civil construction industry.

Apprenticeships and Traineeships Completion Project (ATCP)

In July 2017, the Department of Education and Training (DET) commissioned CCF Victoria to undertake an extensive review and research on the crucial role played by employers of apprentices, while exploring factors that contribute to non-completion rates and testing ways to address these.

Under the auspices of our Civil Industry Working Group, established in February 2017, initial findings from the research indicates that a more rigorous recruitment and selection process is to be developed and considered. A CCF Industry Pilot Project is underway to study and document current recruitment and selection practices that an employer applies for a potential civil construction apprentice. **45 CCF Victoria Members were interviewed** and depending on the size and business management experience of the civil business, many do not have in place recruitment and selection processes with mixed understanding of the apprenticeship system including employer responsibility and accountability.

CCF will now pilot the CCF Victoria Civil Construction Recruitment and Selection Package (future recruitment practices/processes) over a 3-month period, with the findings and recommendations emanating from this research being presented to the State Government in December 2018.

Workplace Training Innovation Fund (WTIF) Skills First Initiative

CCF Victoria has led the successful development of a WTIF Grant Funding application, engaging with Government, TAFE, civil industry partners and CCF Members.

Following the execution of an MOU with the State Government in May 2017, CCF Victoria secured WTIF Seed Grant Funding to explore the development of a Centre of Excellence in Earthmoving (CEE) Program and develop a further WTIF Grant Funding application to support its introduction.

The Civil Industry Working Group amended the intention of the WTIF Grant Funding proposal to cover broader skills and streams with the sector. This resulted in the development of the **Civil Skills Cadetship (CSC) Program** and in **June 2018 a successful WTIF Grant Funding application of \$1.935m**, which will see **120 cadets** trained through a **4 stage CSC “Pilot” Program** over the next 2-year period.

The CSC “Pilot” Program is a civil industry led solution designed and developed in response to industry needs. It is a capacity development opportunity for all stakeholders involved; targeted participants, Industry Mentors, Lead Trainers, CSC Working Group Members, RTOs and Group Training Organizations, including relevant Victorian Government Departments.

The CSC “Pilot” Program will not only develop the capacity of entry level workers to confidently commit to the Certificate III in Civil Construction, but deliver blended approaches to training and upskill industry representatives to take on the role as mentors.



MEMBER SERVICES

FOCUS: *Delivering benefits to Members that are relevant to their industry needs and driving improved operational standards through innovation, professional advice and support.*

PROFESSIONAL SERVICES, PRODUCTS ADVICE & SUPPORT

OBJECTIVE: *Continuing to deliver products and services that are relevant to the civil industry needs, duly recognised and highly valued by Members.*

Following the findings and recommendations of our Process Fitness Review conducted by local and national Business Advisor, Pitcher Partners, two significant changes were undertaken over the last 12 months to support and enhance our service offering to CCF Members.

Member Services Function

In February 2018, we introduced a new Member Services function with dedicated Member Services Officers “in the field” undertaking a pro-active Account Management and visitation program to CCF Members throughout the State.

Led by our Member Services Manager, Chris Marriott, the Member Services team actively engaged with CCF Members on a diverse range of industry issues, including workplace relations and skills development, and acted as a key conduit providing advice on the 9 major business consumables to drive greater business cost efficiencies.

The introduction of technical consultants in OH&S, Water, Environmental and Waste Management, was a major initiative introduced during the year. This is providing dedicated specialist support to Members on all civil activities, as and when the specialists’ needs arose, following initial consultation with our Member Services team.

With direct access to all 3 tiers of Government and Government Departments, the Member Services team actively consulted with local government and departments on accreditation for individual contractors and facilitated over **12 National Heavy Vehicle Regulator Workshops** on new regulations covering Chain of Responsibility (CoR) and Oversize Overmass (OSOM) permitting.

These successful workshops underpin our philosophy of re-establishing Regional Chapters to ensure that CCF is indeed “**Relevant & Local**” in tackling the key issues and challenges confronting CCF Members and the broader civil industry in their respective regions.

Sales & Marketing Function

The second major change within our operations was the establishment of a dedicated Sales & Marketing function, led by Sales & Marketing Manager, Gavriel Berkowitz, to drive digital and non-digital projects, including the launch of CivFast, our new on-line market and portal for the civil industry; and introduce a new CCF Help Desk Services function to increase our professional service offer to Members.



MEMBER SERVICES

EVENTS, SALES, MARKETING & COMMUNICATIONS

OBJECTIVE: *Maintaining and improving communications and engagement with key stakeholders and Members on industry matters relevant to their business operations.*

As the peak industry body, CCF Victoria hosted over 26 informational, networking and recognition related events throughout the year. In addition to being informative, these events have facilitated effective networking opportunities for hundreds of Members and Associates.

Working with our industry business partners (Sponsors), events conducted included our highly successful **Earth Awards, President's Lunch and Training Awards**, which was supported by specific sector breakfast forums (Water, Rail & Road), the release of the **2018 Victoria Infrastructure Outlook Report** by BiS Oxford Economics and NHVR Workshops.

We thank and acknowledge our keynote speakers throughout the year including:

| | |
|---|--|
| Water Sector Breakfast (September 2017) | Anthony Carbines, Parliamentary Secretary for the Environment Tony Wright, CEO – Vic Water David Ryan, Managing Director – City West Water |
| President's Lunch: (November 2017) | Simon O'Donnell, former International Cricketer & TV presenter |
| 2018 Infrastructure Outlook Report: (February 2018) | the Hon Tim Pallas, Treasurer Adrian Hart, Associate Director – Construction, Maintenance & Mining, BiS Oxford Economics |
| Rail Sector Breakfast: (March 2018) | Kevin Devlin, CEO – Level Crossing Removal Authority Evan Tattersall, CEO – Melbourne Metro Rail Authority |
| Training Awards: (March 2018) | Neil Coulson, Victorian Skills Commissioner Nicole Livingstone, former International Swimmer & TV presenter |
| Road Sector Breakfast: (June 2018) | The Hon Luke Donnellan, Minister for Public Roads Bill Glasgow, Executive Director – VicRoads Andrew Williams, Project Director – VicRoads |
| Regional Forums: | Scott Cavanagh, Director City Infrastructure – Warrnambool Council Justin Ward, Manager, Mergers & Acquisitions Tax – Deloitte Australia Paul Ramsdale, Director – Jayrose Group Gareth Andrews, Founder – Life Again Foundation Chris Alford, Champion Harness Racer & Trainer Matthew Butlin, Red Tape Commissioner Peter Maguire, Director – Ridgeline HR |
| NHVR Workshops: (May – June 2018) | Brett Staker, Regulatory Compliance Officer – NHVR Simone Reinertsen, Stakeholder Engagement Specialist – Vic/Tas/SA |



During the year, we also “ramped up” our level of communication to CCF Members and the industry with feature articles in both the Earthmoving Equipment and Infrastructure Magazine publications, not to mention **3 issues of our own CCF Victoria Bulletin Magazine**.

To expand the subscription base and audience, the Bulletin has now “gone digital”. This has been facilitated by the release of a digital highlights page, (delivered via email), highlighting the key featured stories, with links to the full electronic version, hosted online. By digitally promoting access to the Bulletin, the number of readers has almost tripled and we expect this trend to continue to increase over time to improve our audience reach.

Social media activity played an important role in extending our reach with our **Facebook account posts reaching up to 3,000 people**. New LinkedIn, Instagram and Twitter Accounts were progressively introduced over the last 12-month period with posts **reaching up to 4,000, 200 and nearly 30 followers** respectively. In addition, **40 new videos have been placed on the CCF YouTube Channel**, with over **2,700 views recorded**.





A new suite of CCF marketing collateral was developed to support the launch of our exciting new CivFast product, together with our **2018/19 CCF Member Pack** containing a CCF Membership Guide and 2018/20 Action Plan, outlining the various services and products available through CCF Membership, while detailing the work we will be doing for and on behalf of our Membership base over the next 2-year period.

CivFast ... our on-line Market Portal built by Civil Contractors for Civil Contractors

After 2-years of product development, in November 2017 we launched CivFast, our user-friendly online market portal designed to match people and resources across key areas of the Civil Construction Industry.

CivFast has been built by Civil Contractors, for Civil Contractors, and connects users to the vast Civil Industry network, regardless of location. It is an effective tool for Contractors to find services and supplies, quickly and easily. It is also a cost-effective tool for Suppliers to generate potential leads and sales opportunities.

Operating in "real time", **CivFast is available online 24/7** and can be accessed anytime, anywhere. CivFast is now live in Victoria and Queensland, with plans to expand CivFast into the remaining States over the next 12-month period.



CIV FAST

**The Online Market for
Civil Industry**

Register Now

- ✓ *Get free quotes*
- ✓ *Register as a supplier*
- ✓ *Special rates for CCF Members*



**Register at:
www.civfast.com.au**



Plant Hire



Contracting
Services



Material & Fill

CCF Help Desk Services

In January 2018, a dedicated CCF Help Desk was introduced, operating from 8am – 5.30pm (Mon-Fri). Operating as the first point of contact, the Help Desk Team has raised the level of immediate support services to callers.

Since its conception, the CCF Help Desk Team has managed over **3,500 inbound calls** from Members and other contacts, on such matters as membership, training services, upcoming events, information on compliance and regulations, certifications, CCF Code, IMS systems, CCF products and CivFast enquiries.

Over the period of January – end June 2018, the CCF Help Desk's proactive engagement with Members has generated increased dialogue, resulting in a **50% average increase in inbound calls**. The Team has also completed **20+ outbound campaigns**, engaging with Members and other contacts on industry updates, upcoming events, promotional campaigns and training services.



ADVOCACY

FOCUS: Be “the voice” of our Members and wider civil industry by effectively representing their interests to key stakeholders including the 3 tiers of Government (Local, State & Federal) on relevant industry matters.

At a National level, CCF represented its Members at a Fair Work Commission hearing to consider an application by the Traffic Management Association of Australia to vary the **Building and Construction General On-site Award 2010**. CCF were present at the Commission hearing and aired our strong concerns on the severe cost burden this will place on CCF Members.

Locally, CCF Victoria actively engaged with the three tiers of Government, its departments and agencies, to improve the pipeline of work and support formulation of policies and reform to optimise efficiency and cost reductions of public civil infrastructure construction.





CAPITAL WORKS

OBJECTIVE: *Improving the pipeline of infrastructure works across all tiers of Government, including local agencies.*

With direct access to key industry decision makers, including Ministers, Shadow Ministers and Department heads, CCF Victoria provided Members with “a voice” on a number of important industry issues impacting on profitability and productivity. CCF actively engaged with various authorities on forward works programs to ensure continuity of works and support contractor accreditation processes.

In the lead up to the 2018 State Election later this year and support our advocacy work, CCF Victoria commissioned BiS Oxford Economics to produce the 2018 Victorian Infrastructure Outlook Report providing independent analysis of the challenges, implications and recommendations to both Federal & State Government’s in meeting Victoria’s growing infrastructure needs.

REFORMING PROCUREMENT

OBJECTIVE: *Reducing unnecessary time and cost in construction procurement and provide a fair, transparent and openly competitive environment for tendering public and private works.*

The release of the 2018 Victorian Infrastructure Outlook Report, builds on the issues previously raised by CCF Victoria in its submission into reforms covering public procurement and construction.

This led to CCF Victoria supporting the Victorian Civil Construction Industry Alliance (VCCIA) in the development of its recently released position paper, with 7 key priority areas of focus identified, i.e:

1. Optimising the management and renewal of the state’s public civil infrastructure assets.
2. Reforming public infrastructure procurement processes so there is consistency and standardisation of procurement systems, processes and their application across all levels of government.
3. Ensuring that civil infrastructure project designs are to a standard that will allow tendering outcomes and construction to deliver value for money.
4. Develop and implement procurement training programs for public and private sector professionals to ensure adequate skills and capability levels for all civil infrastructure procurement staff.
5. Ensuring a sustainable and competitive supply of quarried construction materials to underpin the delivery of affordable civil infrastructure.
6. Addressing red-tape issues which impede the efficient delivery of civil infrastructure projects.
7. Building “capacity and capability” in civil construction to meet and deliver the critical major infrastructure needs in this State.

This position paper is being extensively used in our advocacy work to both sides of politics in the lead up to the State Election in November 2018.

REPRESENTATION

FOCUS: *Be an active contributor on Government and Industry Standing Committees where our opinions are sought as the pre-eminent source of advice on civil construction industry matters.*

INDUSTRY REFERENCE GROUPS & SUBMISSIONS

OBJECTIVE: *Effectively representing the interest of Members to key stakeholder groups on relevant industry matters that deliver improved systems, processes, greater efficiency and productivity.*

CCF continued to actively represent the interest of Members on a number of key Standing Committees with Government Departments and Agencies and made a number of significant submissions and position papers to both State and Federal Parliamentary enquiries.

At a National level, CCF Victoria made representation to the Security of Payments review conducted by John Murray AM, that was completed and submitted to the Federal Government in December 2017.

86 recommendations were made on matters considered to not only be legislative best practice. Key amongst this is the use of a legislative model, which is based on what is commonly known as the East Coast model of security of payment laws, most notably that existing in the state of NSW, and the establishment of a system of statutory trusts to apply throughout the contractual payment chain and to certain construction projects and monies.

CCF also participated on the Standards Australia working group reviewing the development of new AS 11000 contracts as replacement to the current AS 2124 and AS 4000 contracts. We acknowledge and thank CCF Victoria Board Member, Bob Beck (Winslow Constructors) for his representation on this working group. CCF also made representation to the AS 1742.3 Traffic Management working group with a final paper now being completed for public comment prior to implementation of the new standards at the end of 2018.

VICTORIAN SKILLS COMMISSIONER – Industry Advisory Group (IAG)

Through our Civil Train RTO function, CCF was a key representative on the Victoria Skills Commissioner's Industry Advisory Group (IAG), which has led to successful funding applications for the development of a Civil Skills Cadetship (CSC) Program, Apprenticeship & Traineeship Completion Project (ATCP) and "Upskills" program, where CCF will complete instructional design work for new accredited units for new entrants into the civil industry.

WORKSAFE INDUSTRY REFERENCE COMMITTEES

CCF has been actively engaged in a number of industry Reference Committees, facilitated by Worksafe.

These committees are designed to provide industry representatives with the opportunity to engage and influence the review and development of new OHS Regulations (2017) and to reflect modern work practices and compliance codes that are being updated to reflect these regulations.

Over the last 12-months, CCF has contributed to the review and introduction of new compliance codes covering Excavation and Demolition, Hazardous Manual Handling, Noise and Confined Spaces, and Warning Devices on Powered Mobile Plant. CCF is represented on these various committees by CEO, John Kilgour and CCF's Technical Consultant, Peter Kaneen.

CIVIL SKILLS INDUSTRY WORKING GROUP

The Civil Skills Cadetship (CSC) Program is an exciting new initiative, auspiced by the CCF, that will provide participants with foundation competencies, skills and work site experiences, ready to be employed as entry level workers in the civil industry.

The development of a successful Workforce Training & Innovation (WTIF) grant funding application under the State Government's Skills First initiative was driven by a select group of industry partners and educational providers, led by CCF's Sonya Casey. A group truly representative of the Civil Construction industry and training delivery providers, including the TAFE sector and learner support structures and services. We acknowledge and thank this group for their valuable contribution and wish them every success in the delivery of the CSC Program over the next 2-year period.

LAND DEVELOPMENT SECTOR REFERENCE COMMITTEES

CCF continued to provide representation in a number of reference committees linked to the Land Development sector.

The Local Government Infrastructure Design Association (LGIDA), under the auspices of the Victorian Planning Authority, convened a Technical Working Group reviewing the Engineering Design and Construction Manual (EDCM). The EDCM is for sub-division in Growth Areas and was finalised in April 2011 to standardise engineering requirements for subdivision development across all of Melbourne's growth area councils. Over the last 12 months, these standards have been under review and nearing completion.

CCF is represented on the EDCM by CCF Victoria Board Member, Steve Traicevski (Rokon), and more recently CCF's Technical Consultant, Geoff Reynolds. We thank them for their contribution to this group.

Other reference committees convened during the year including the Water Industry Liaison Committee (WILC), EPA and VEDN groups. Each of these committees addressed a significant number of technical issues identified and tabled with key stakeholders in reviewing industry standards. This included industry design and construction standards and codes of practice; technical training, competency and accreditation; and areas of a Quality Assurance, OH&S and environmental impact.



TECHNOLOGY

FOCUS: Using technology and innovation to drive improved business opportunities, efficiencies and revenue streams for all our Members and the industry.

CCF PRODUCTS & SERVICES

OBJECTIVE: *Creating future business opportunities for Members through innovation and connectivity.*

With technology being a core component of our evolving industry, CCF Victoria has embarked on a number of key initiatives to bring the latest technology to everything we do.

In addition to increasing our digital/online activity, this includes the development and/or implementation of key systems, introduced to enable improved service levels to the industry.

CCF VICTORIA WEBSITE: www.ccfvic.com.au

CCF Victoria's website is the best central location for finding up-to-date information on CCF Victoria's latest and upcoming programs, promotions, training course schedules, events and news.

To meet the ever-evolving needs of our growing on-line audience and to enhance user experience, we have commissioned a website refresh and redevelopment project, which is currently underway. This new version of the site is scheduled to be launched in 4Q 2018.

CCF CAREERS IN CIVIL WEBSITE: www.careersincivil.com.au

CCF Victoria is currently developing a new website for our Careers in Civil Construction programs. Designed to engage with the next generation of civil construction professionals, the site will cover information on entering and progressing within the industry, while profiling CCF lead initiatives and training programs - including but not limited to:

- > Civil Construction Taster Program
- > Civil Engineering Foresite Graduate Program
- > Youth Jobs paTH Internship Program
- > Civil Skills Cadetship (CSC) Program.

This new website is scheduled to be released in conjunction with the CCF website upgrade in 4Q 2018.

CCF MEMBER PORTAL

In lock-step with our commitment to delivering additional value to our Members, CCF Victoria continued to provide Members with exclusive access to our Member Portal. Hosted through the CCF Victoria website, the Member Portal provides a channel for accessing valuable information, downloadable resources and tools designed to benefit and assist civil contractor businesses.

As part of our current website redevelopment project, CCF Victoria is also developing an upgraded version of the Member Portal, allowing for the delivery of an enhanced user experience.

NEW CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM

In 2018, CCF Victoria scoped the introduction of a new CRM system to support our operations.

This upgraded system will facilitate greater operational facilities and cross-functional reporting abilities. The CRM is a critical tool in our service delivery model, especially pertinent to our customer/Member support Help Desk function and our front-line Member Services Team.

CONTRACTOR MANAGEMENT SYSTEM (CMS)

CCF Victoria maintains and manages the CCF Contractor Management System (CMS) purchases and certifications on a national level.

Over the last year, CCF produced an updated version of the CCF Systems Management Code (Code) in accordance with the latest AS4801, ISO 14000 and ISO 9001 Standards. This Code is currently with the independent auditing body, JAS-ANZ, for approval by its Governing Body; with the Code widely recognised and accepted by many Local Councils, Government Departments and Agencies; including VicRoads, Water and VEDN authorities.

CCF has also developed a Management System Document Suite (MSDS) that complies with the Code with all civil contractors purchasing the Code and accompanying MSDS, then having their CMS certified to the Code by an independent 3rd party JAS-ANZ auditor. Contractor Workshops launching the new Code and associated software will be conducted upon receipt of JAS-ANZ approval.



AUDITED FINANCIAL STATEMENTS & ACCOUNTS

VIC COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

On, 15th of August 2018 the Civil Contractors Federation (VIC Branch) Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2018:

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

- a. the financial statements and notes comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d. 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; and
- e. during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

- iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
- vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- f. in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name and title of designated officer: Andrew Mahar

Dated: 15th August 2018

AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE OF MANAGEMENT OF THE CIVIL CONTRACTORS FEDERATION - VIC BRANCH

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2018 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 - AA2018/45)

Dated 15/8/2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS FEDERATION (VIC BRANCH)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Civil Contractors Federation (VIC Branch), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Civil Contractors Federation (VIC Branch) as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a. the Australian Accounting Standards; and
- b. any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the VIC Branch is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of VIC Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Committee of Management is responsible for assessing VIC's 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 intend to liquidate VIC Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

- > Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- > Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- > Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- > Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the CCF VIC audit. We remain solely responsible for our audit opinion

We communicated with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

No revenue has been derived from undertaking recovery of wages activity during the 2018 financial year, as confirmed in the committee of management statement.

Stannards Accountants and Advisors

Michael B Shulman

Partner

Melbourne, VIC

Dated: 15/8/2018

Registered Company Auditor (163888)

Holder of Current Public Practice Certificate

Approved Auditor (FWC Act and Regulations – AA2018/45)

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 \$ | 2017 \$ |
|---|-------------|-------------|
| Revenue | 3,219,377 | 2,671,120 |
| | 3,219,377 | 2,671,120 |
| Auditors remuneration | (9,486) | (10,945) |
| Bad and doubtful debt expenses | (71,177) | (21,200) |
| Depreciation expenses | (96,058) | (42,033) |
| Employee benefits expenses | (1,583,057) | (1,238,738) |
| National Branch Levy | (88,000) | (88,000) |
| Other expenses | (1,456,843) | (1,219,688) |
| Total expenses | (3,304,621) | (2,620,604) |
| Net (Loss) / Profit before Income Tax | (85,244) | 50,516 |
| Retained earnings at the beginning of the financial year | 1,846,793 | 1,796,277 |
| Retained earnings at the end of the financial year | 1,761,549 | 1,846,793 |

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

| | 2018 \$ | 2017 \$ |
|--------------------------------------|------------|------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 2,804,559 | 893,293 |
| Trade and other receivables | 1,316,486 | 1,226,826 |
| Inventories | 32,645 | 31,771 |
| Other current assets | 65,493 | 159,041 |
| Total Current Assets | 4,219,183 | 2,310,931 |
| NON-CURRENT ASSETS | | |
| Financial assets | - | 12,500 |
| Property, plant and equipment | 2,971,082 | 1,958,686 |
| Total Non-Current Assets | 2,971,082 | 1,971,186 |
| Total Assets | 7,190,265 | 4,282,117 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 3,356,636 | 1,431,628 |
| Borrowings | 212,587 | 116,617 |
| Provisions | 171,110 | 126,517 |
| Total Current Liabilities | 3,740,333 | 1,674,762 |
| NON-CURRENT LIABILITIES | | |
| Trade and other payables | 2,000 | 2,000 |
| Borrowings | 1,684,383 | 756,562 |
| Total Non-Current Liabilities | 1,686,383 | 758,562 |
| Total Liabilities | 5,426,716 | 2,433,324 |
| NET ASSETS | 1,763,549 | 1,848,793 |
| EQUITY | | |
| Reserves | 2,000 | 2,000 |
| Retained earnings | 1,761,549 | 1,846,793 |
| Total Equity | 1,763,549 | 1,848,793 |

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2018

| | \$ |
|--|-----------|
| Balance as at 1 July 2016 | 1,796,277 |
| Profit /(Loss) attributable to members | 50,516 |
| Balance at 30 June 2017 | 1,846,793 |
| Reserve balance at 30 June 2017 | 2,000 |
| Balance as at 1 July 2017 | 1,846,793 |
| Profit /(Loss) attributable to members | (85,244) |
| Balance at 30 June 2018 | 1,761,549 |
| Reserve balance at 30 June 2018 | 2,000 |

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

| | 2018 \$ | 2017 \$ |
|--|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts in the course of operations | 3,090,512 | 2,569,866 |
| Cash receipts from related parties - Branches | 24,713 | 59,020 |
| Interest received | 14,492 | 19,953 |
| Cash payments to related parties - Branches | (109,622) | (105,098) |
| Cash payments in the course of operations | (1,024,686) | (2,364,034) |
| Net cash provided by (used in) operating activities | 1,995,409 | 179,707 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payment for plant and equipment | (1,150,137) | (1,671,560) |
| Proceeds from disposal of plant and equipment | 42,203 | 3,953 |
| Net cash provided by (used in) investing activities | (1,107,934) | (1,667,607) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net proceeds / (repayments) of hire purchase liabilities | 98,243 | (39,386) |
| Borrowings - net | 925,548 | 818,255 |
| Net cash provided by (used in) financing activities | 1,023,791 | 778,869 |
| Net increase/(decrease) in cash held | 1,911,266 | (709,031) |
| Cash at the beginning of the financial year | 893,293 | 1,602,324 |
| CASH AT THE END OF THE FINANCIAL YEAR | 2,804,559 | 893,293 |

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

| | 2018 \$ | 2017 \$ |
|---|------------------|------------------|
| NOTE 3: REVENUE | | |
| Operating activities: | | |
| CMS SCIMS Income | 199,541 | 211,709 |
| Events/Functions | 101,428 | 90,584 |
| Sponsorship | 165,040 | 121,409 |
| Publications | 53,279 | 62,443 |
| Training Fees | 1,132,369 | 868,333 |
| Membership | 847,183 | 946,269 |
| Incolink Funding | 344,100 | 344,686 |
| Interest received | 14,492 | 19,953 |
| Grants | 289,947 | - |
| Other revenue | 71,478 | 5,734 |
| Profit on Sale of Non-Current Assets | 520 | - |
| Capitation Fees | - | - |
| Compulsory Levy and Voluntary Levy | - | - |
| Donations | - | - |
| Projects Income | - | - |
| Sundry Income | - | - |
| Financial Support - Branches | - | - |
| Revenue Derived from Undertaking Recovery of Wager Activity | - | - |
| Total Revenue | 3,219,377 | 2,671,120 |

| | 2018 \$ | 2017 \$ |
|--|------------------|------------------|
| NOTE 4: PROFIT FROM ORDINARY ACTIVITIES | | |
| The operating profit of the Branch before income tax expense has been determined after: | | |
| a. Bad and Doubtful Debts | | |
| Bad debts written off to expense | - | - |
| Provision for doubtful debts | 71,177 | 21,200 |
| | 71,177 | 21,200 |
| b. Auditor's Remuneration | | |
| Auditor's remuneration – Financial Statement Audit (Other services: \$nil (2017: \$nil)) | 9,486 | 10,945 |
| | - | - |
| | 9,486 | 10,945 |
| c. Depreciation and Amortisation | | |
| Plant and equipment | 39,419 | 14,369 |
| Motor vehicles | 37,342 | 27,664 |
| Building & Fittings | 19,297 | - |
| | 96,058 | 42,033 |
| d. Employee related expenses | | |
| Salaries | 1,322,356 | 987,106 |
| Superannuation | 107,584 | 92,965 |
| Employee benefits | 58,071 | 98,929 |
| Payroll tax | 60,978 | 52,727 |
| Redundancy payments | - | - |
| Training and recruitment | 34,068 | 7,011 |
| Other Employee Expenses | - | - |
| | 1,583,057 | 1,238,738 |

e. Other expenses include: -

| | | |
|--|-----------|-----------|
| Publications | 43,712 | 55,940 |
| CMS Expenses | 118,638 | 154,776 |
| Events / Functions | 247,898 | 155,299 |
| Training Delivery Costs | 110,229 | 129,181 |
| Computer Expenses | 27,341 | 17,916 |
| Insurance Costs | 15,458 | 10,365 |
| Communication Expense | 22,850 | 19,097 |
| Motor Vehicle Expenses | 52,877 | 30,662 |
| Stationery, Printing and Postage | 13,471 | 6,445 |
| Rent | 89,068 | 161,361 |
| Legal Costs – Litigation | - | - |
| Legal Costs – Consultation (Other Matters) | 7,269 | 2,849 |
| Other Costs | 503,536 | 428,234 |
| Consultancy Fees | 77,076 | 38,363 |
| ATCP Expenses | 102,379 | - |
| Incolink – OH&S Consultant Expense | 19,950 | 4,200 |
| Penalties (RO Act and Regulations) | - | - |
| Affiliation Fees | - | - |
| Consideration to employers making payroll deductions | - | - |
| Subscriptions (Political Parties etc) | - | - |
| Levies – Other Parties | - | - |
| Grants > \$1,000 | - | - |
| Grants < \$1,000 | - | - |
| Donations > \$1,000 (Non-Political) | 5,000 | - |
| Donations < \$1,000 (Non-Political) | 91 | 5,000 |
| Meeting Attendance Fees | - | - |
| Capitation Fees | - | - |
| Forgiveness of Loans | - | - |
| Other/Sundry | - | - |
| | 1,456,843 | 1,219,688 |

f. Levy

| | | |
|----------------------|--------|--------|
| National office levy | 88,000 | 88,000 |
| | 88,000 | 88,000 |

The levy is imposed by the CCF National Office to assist in funding the National Office Operations. No other compulsory or voluntary levies (2017: \$nil) were paid by the Branch.

g. Expenses – Financial Affairs Administered by Other Entities

For the financial year ended 30 June 2018, there was \$nil incurred for any financial affairs administered by other entities (2017: \$nil).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)

| | 2018 \$ | 2017 \$ |
|---|------------|------------|
| NOTE 5: CASH AND CASH EQUIVALENTS | | |
| Current | | |
| Deposit | 4,000 | 4,000 |
| Cash at bank & on deposit | 2,800,559 | 889,293 |
| | 2,804,559 | 893,293 |
| Reconciliation of cash | | |
| Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as set out above. | | |
| NOTE 6: TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Trade Debtors | 1,387,609 | 1,248,163 |
| Less: Provision for Doubtful Debts | (71,177) | (21,200) |
| Sundry Debtors | 54 | (137) |
| | 1,316,486 | 1,226,826 |
| NOTE 7: INVENTORIES | | |
| Current | | |
| Publications on Hand - at cost | 25,693 | 24,270 |
| Cards on Hand - at cost | 2,039 | 2,039 |
| Stock Promotions - at cost | 4,913 | 5,462 |
| | 32,645 | 31,771 |

| | 2018 \$ | 2017 \$ |
|-------------------------------------|------------|------------|
| NOTE 8: OTHER CURRENT ASSETS | | |
| Current | | |
| Borrowing Costs | 2,110 | 605 |
| Prepayments | 63,383 | 114,529 |
| Security Deposit - Leased Premises | - | 43,907 |
| | 65,493 | 159,041 |
| NOTE 9: FINANCIAL ASSETS | | |
| Current | | |
| Available for sale financial assets | - | - |
| Unlisted investments, at fair value | - | 12,500 |
| | - | 12,500 |

The shares were written off during the financial year. A Deed of Termination was signed resulting in such shares being transferred from CCF VIC to INFORMA.

The Branch previously held 625 shares in Beaconsfield Press Pty Limited. The shares held were originally valued based on the consideration of the transfer of shares in August 2000.

| | 2018 \$ | 2017 \$ |
|---|------------|------------|
| NOTE 10: PROPERTY, PLANT AND EQUIPMENT | | |
| Motor Vehicles | | |
| At cost | 342,330 | 275,899 |
| Accumulated depreciation | (88,183) | (120,167) |
| Total Motor Vehicles | 254,147 | 155,732 |
| Office Furniture & Equipment | | |
| At cost | 277,172 | 415,265 |
| Accumulated depreciation | (112,433) | (285,054) |
| Total Office Furniture & Equipment | 164,739 | 130,211 |
| Software | | |
| At cost | 55,385 | 55,385 |
| Accumulated depreciation | (30,559) | (16,334) |
| Total Software | 24,826 | 39,051 |
| CivFast System Development (1) | | |
| At cost | 184,646 | 109,792 |
| Accumulated depreciation | - | - |
| Total CivFast System Development | 184,646 | 109,792 |

| | | |
|--|------------------|------------------|
| Land and Buildings | | |
| At cost | 1,271,785 | 1,523,900 |
| Accumulated depreciation | - | - |
| Total Land and Buildings | 1,271,785 | 1,523,900 |
| Building & Fitout | | |
| At cost | 906,622 | - |
| Accumulated depreciation | (11,325) | - |
| Total Building & Fitout | 895,297 | - |
| Aircon & Electrical Equipment | | |
| At cost | 155,145 | - |
| Accumulated depreciation | (5,356) | - |
| Total Aircon & Electrical Equipment | 149,789 | - |
| Furniture & Office Equipment | | |
| At cost | 28,470 | - |
| Accumulated depreciation | (2,617) | - |
| Total Furniture & office Equipment | 25,853 | - |
| Total Property, Plant and Equipment | 2,971,082 | 1,958,686 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)

Movements in carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

(1) This asset has both tangible and intangible characteristics

| | Motor Vehicles | Office Furniture & Equipment | Software | CivFast System Development | Land and Buildings | Land | Building & Fitout | Aircon | Furniture & Office Equipment | Total |
|--|----------------|------------------------------|----------|----------------------------|--------------------|-----------|-------------------|---------|------------------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 30 June 2016 | 183,395 | 75,801 | 42,346 | 32,476 | - | - | - | - | - | 334,018 |
| Additions | - | 70,344 | - | 77,316 | 1,523,900 | - | - | - | - | 1,671,560 |
| Disposals | - | (4,859) | - | - | - | - | - | - | - | (4,859) |
| Depreciation Expense | (27,663) | (11,075) | (3,295) | - | - | - | - | - | - | (42,033) |
| Carrying amount at 30 June 2017 | 155,732 | 130,211 | 39,051 | 109,792 | 1,523,900 | - | - | - | - | 1,958,686 |
| Carrying amount at 30 June 2017 | 155,732 | 130,211 | 39,051 | 109,792 | 1,523,900 | - | - | - | - | 1,958,686 |
| Additions | 165,448 | 71,714 | - | 74,854 | - | - | 654,507 | 155,145 | 28,469 | 1,150,137 |
| Transfer to new asset group | - | - | - | - | (1,523,900) | 1,271,785 | 252,115 | - | - | - |
| Disposals | (29,691) | (11,992) | - | - | - | - | - | - | - | (41,683) |
| Depreciation Expense | (37,342) | (25,194) | (14,225) | - | - | - | (11,325) | (5,356) | (2,616) | (96,058) |
| Carrying amount at 30 June 2018 | 254,147 | 164,739 | 24,826 | 184,646 | - | 1,271,785 | 895,297 | 149,789 | 25,853 | 2,971,082 |

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
| NOTE 11: TRADE AND OTHER PAYABLES | | |
| Current | | |
| Income not yet earned | 2,857,376 | 1,102,094 |
| Accounts Payable | 440,328 | 163,418 |
| Other Creditors | 46,261 | 49,875 |
| Payroll Liabilities | 848 | 21,394 |
| GST Payable | (177) | 88,847 |
| Accrued Expenses | 12,000 | 6,000 |
| | 3,356,636 | 1,431,628 |

No amounts were payable in respect of legal matters and/or consideration for employers making payroll deductions (2017: \$nil) Creditors and accruals 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.

| | | |
|--|-------|-------|
| Non-Current | | |
| Debentures Not Repayable Within One Year | 2,000 | 2,000 |

NOTE 12: BORROWINGS

| | | |
|---|----------------|----------------|
| Current | | |
| Hire Purchase Liability | 48,937 | 40,704 |
| Less: Unexpired Hire Purchase Liability | (5,594) | (899) |
| | 43,343 | 39,805 |
| Westpac Business Loan (i) | 169,244 | 76,812 |
| Total Current Borrowings | 212,587 | 116,617 |

Non-Current

| | | |
|---|------------------|----------------|
| Hire Purchase Liability | 114,165 | 15,179 |
| Less: Unexpired Hire Purchase Liability | (4,341) | (60) |
| | 109,824 | 15,119 |
| Westpac Business Loan (i) | 1,574,559 | 741,443 |
| Total Non-Current Borrowings | 1,684,383 | 756,562 |

(i) The facilities for this borrowing are secured by the following:

\$1,400,000 Limited Guarantee and Indemnity provided by Civil Contractors Federation ABN 41 639 349 350 supported by: Mortgage by Civil Contractors Federation over the property located at 9 Business Park Drive, Notting Hill Vic 3168.

NOTE 13: PROVISIONS

| | | |
|----------------------------------|----------------|----------------|
| Current | | |
| Provision for Annual Leave | 117,319 | 74,108 |
| Provision for Long Service Leave | 53,791 | 52,409 |
| | 171,110 | 126,517 |
| Non-Current | | |
| Provision for Long Service Leave | - | - |
| | - | - |
| Total Provisions | 171,110 | 126,517 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)

NOTE 13: PROVISIONS (cont'd)

- (i) Employee provisions accrue directly to employees of the Branch.
No employee entitlements were accrued in respect of officeholders (2017: \$nil)

| | 2018 | 2017 |
|---|-------|------|
| Number of full time equivalent employees at year-end | 19.85 | 13.2 |

Of the amounts owing are payable as follows: -

| | Annual Leave | | Long Service Leave and Retirement Allowance | | Total | |
|---------------|--------------|------------|---|------------|------------|------------|
| | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ |
| Officeholders | - | - | - | - | - | - |
| Other Staff | 117,319 | 74,108 | 53,791 | 52,409 | 171,110 | 126,517 |
| Total | 117,319 | 74,108 | 53,791 | 52,409 | 171,110 | 126,517 |

| | Separation and Redundancy Provisions | | Other Employee Provisions | | Total | |
|---------------|--------------------------------------|------------|---------------------------|------------|------------|------------|
| | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ |
| Officeholders | - | - | - | - | - | - |
| Other Staff | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2017: \$nil).

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 Branch 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 Branch 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.

NOTE 14: EMPLOYEE BENEFITS

| Employee benefits paid/ accrued during the year | Elected Officials (Office holders) | | Employees (other than Elected Officials) | | Total | |
|--|---------------------------------------|------------|--|------------|------------|------------|
| | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ | 2018 \$ | 2017 \$ |
| Wages and Salaries | - | - | 1,322,356 | 987,106 | 1,322,356 | 987,106 |
| Annual Leave and Long Service Leave | - | - | 58,071 | 98,929 | 58,071 | 98,929 |
| Redundancy Payments | - | - | - | - | - | - |
| Superannuation | - | - | 107,584 | 92,965 | 107,584 | 92,965 |
| Other Employee Expenses | | | 95,045 | 59,738 | 95,045 | 59,738 |
| Total | - | - | 1,583,056 | 1,238,738 | 1,583,056 | 1,238,738 |

| | 2018 \$ | 2017 \$ |
|---------------------------------------|------------|------------|
| NOTE 15: RESERVES | | |
| General Reserve - Members' Debentures | 2,000 | 2,000 |

There has been no movement in the reserve during the current or preceding year.

NOTE 16: RETAINED EARNINGS

| | | |
|--|-----------|-----------|
| Retained earnings at the beginning of the financial year | 1,846,793 | 1,796,277 |
| Net profit attributable to the entity | (85,244) | 50,516 |
| Retained earnings at the end of the financial year | 1,761,549 | 1,846,793 |



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (cont'd)**

**NOTE 17: CAPITAL AND LEASING
COMMITMENTS**

Hire Purchase Commitments

| | | |
|---|---------|--------|
| Payable - Minimum Hire Purchase payments: | | |
| Not later than 12 months | 48,937 | 40,704 |
| Later than 12 months but not later than 2 years | 114,165 | 15,179 |
| Later than 2 years but not later than 5 years | - | - |
| Minimum Hire Purchase payments | 163,102 | 55,883 |
| Less future finance charges | (9,935) | (959) |
| Present value of minimum payments | 153,167 | 54,924 |

Operating Lease Commitments

| | | |
|---|--------|---------|
| Payable - Minimum Operating Lease payments: | | |
| Not later than 12 months | 20,078 | 140,962 |
| Later than 12 months but not later than 2 years | 36,930 | 59,001 |
| Later than 2 years but not later than 5 years | - | - |
| Minimum Operating Lease payments | 57,007 | 199,963 |

In the 2017 financial year, the Branch acquired a new property on which they had contracted to spend \$48,609 on capital improvements. No capital improvement commitments noted at 30 June 2018.



OUR BUSINESS PARTNERS

We would like to acknowledge the following financial supporters and sponsors of CCF Victoria during the 2017/18 year.



CORPORATE DIRECTORY

Directors

The following Directors held office as Members of the Committee / Board of Management of the Victorian Branch during the 2017/18 year:

| BOARD MEMBER | POSITION |
|------------------|---|
| Andrew Mahar | President, National Board Member & Board Member |
| Clifford Smith | Vice President |
| John Plumridge | Treasurer & Board Member |
| Jay Miller | Board Member |
| Steve Traicevski | Board Member / National Board (alternate) |
| Bob Beck | Board Member |
| Robert Trebilco | Board Member |
| Michael DiCarlo* | Casual Board Member (resigned August 2017) |
| Nick Karapetsas* | Casual Board Member (resigned Feb 2018) |
| Khaled Elagha | Casual Board Member |

Board Meetings

The full Board met a total of 6 times during the year (July, September & November 2017 and February, April & June 2018), with the Board Executive meetings each other alternate month.

Board Resignations* & Appointments

The following Board resignations were received during the course of the 2017/18 year:

- > Michael DiCarlo (wef August 2017)
- > Nick Karapetsas (wef February 2018)

New Board members appointed on a “casual vacancy” position during the 2017/18 year:

- > Nick Karapetsas (wef August 2017)
- > Khaled Elagha (wef April 2018)

CCF Management Team

Chief Executive Officer

John Kilgour

Commercial & Finance Manager

Anushan Jayaratne

Member Services Manager

Chris Marriott (since February 2018)

Sales & Marketing Manager

Gavriel Berkowitz (since July 2018)

General Manager, Civil Train

Rob Garrard

Civil Skills Workforce Development Mgr

Sonya Casey (since June 2018)

Principal Office

9 Business Park Drive, Notting Hill. VIC. 3168

External Auditor

Stannards Chartered Accounts

Internal Auditor

BTS Global

Banker

Commonwealth Bank Australia

Solicitors

Doyles Construction Lawyers
Giannakopoulos Solicitors
Lander & Rogers
McKean Park Lawyers

Insurance Broker

Gallaghers

Insurance underwriter

QBE Insurance (Australia) Limited

Technology Service Provider

IT Connexions



CIVIL CONTRACTORS
FEDERATION

75

1943-2018

CELEBRATING
75 YEARS

CCF VICTORIA ACKNOWLEDGE & THANK THE FOLLOWING CCF MEMBERS FOR THEIR FINANCIAL CONTRIBUTION
TOWARDS THE FIT OUT OF THE CCF VICTORIA BRANCH OFFICE, 9 BUSINESS PARK DRIVE, NOTTING HILL

ADVANCED ENVIRONMENTAL SERVICES
BMD
CALIFAM CONSTRUCTIONS PTY LTD
DIAL BEFORE YOU DIG
FULTON HOGAN
G P SMITH EQUIPMENT (VIC) PTY LTD
GALLAGHER
HITACHI CONSTRUCTION MACHINERY
LAKE & LAND
LANCE SMITH EXCAVATIONS
LITTLE ROCK CIVIL PTY LTD

McCLURE EARTHMOVING
MAW CIVIL PTY LTD
MILLERS CIVIL CONTRACTORS PTY LTD
MULTIPRO CIVIL PTY LTD
PAVETEK ROAD SERVICES
PIPECON PTY LTD
PROGRESS EARTH
ROKON GROUP
SOUTH EAST WATER CORPORATION
WINSLOW CONSTRUCTORS PTY LTD

Official Opening Friday 27th July 2018
CCF Victoria President, Andrew Mahar (Pipecon)



*Civil Contractors Federation Victoria thanks you
for your ongoing Membership and Support*



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S *Skills*



M *Member Services*



A *Advocacy*



R *Representation*



T *Technology*



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