



**CIVIL CONTRACTORS
FEDERATION**

ANNUAL REPORT 2020-2021



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CIVIL CONTRACTORS FEDERATION

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President's Report

It is my pleasure to provide this President's Report summarizing the main CCF National activities and achievements for 2020-2021.

COVID-19 has presented significant challenges to our industry and to the Civil Contractors Federation. Lockdowns, social distancing and quarantining are just some of the obstacles our industry and its people have faced over the past 12 months as Australia has continued to grapple with the effects of the pandemic.

I have been proud to witness however the strength and resilience of the civil construction industry and the Civil Contractors Federation during these difficult times. We have been flexible, collaborative and innovative to ensure our industry has kept operating and continued to employ workers in our businesses.

In doing so, we have continued to play an integral role in all states and territories to 'rebuild Australia' from the economic impacts of COVID-19. Indeed, 'Rebuilding Australia' was the theme of a major CCF National report released this year to demonstrate the economic significance of the civil construction industry to the Australian economy and in recognition of the important role we will continue to play in underpinning Australia's economic recovery. Further information about the report is contained within this Annual Report.

The Rebuilding Australia report was one of a number of activities CCF National undertook over the past 12 months to advocate on behalf of the civil construction industry. We have provided a clear, unified and strong voice on the critical issues affecting the sector. We have actively engaged with the Federal Government, relevant departments and industry stakeholders to formulate policies and reforms for the betterment of our industry. We have met directly with Ministers, Shadow Ministers and key Members and Senators to explain our policy priorities and, where necessary, to call for change. And, we have undertaken research to provide an evidence base for our policy proposals and recommendations.

We have been successful on a number of levels as a result of our efforts. These have included:

- significant additional infrastructure funding announced in the Federal Budget 2021-2022
- a major Federal Parliamentary Inquiry being established into the procurement of federally funded infrastructure
- both major parties publicly committing to key elements of CCF National's policy platform, including greater support for the local civil construction industry.



Left to right: David Della Bona, Paul Davison, Peter Kendall, Mick Unger, Steve Traicevski, Lee Fahey, Bill Abbott, Anthony Damiani, Nick Zardo, Chris Melham.



CCF National Board Members meeting with the Hon Catherine King, Shadow Minister for Infrastructure and Transport



CCF National Board Members meeting with the Hon Paul Fletcher, Minister for Communications, Urban Infrastructure, Cities and the Arts

As 2021 draws to a close, attention turns to the next federal election. To prepare for this, the National Board finalised CCF National's key policy pillars in September 2021 following extensive input from all CCF State and Territory bodies at our mid-year National Advocacy Workshop in Canberra. These pillars identify the issues of relevance and significance to build a more sustainable civil construction industry in Australia and will form the basis of our advocacy in the federal election campaign.

The Advocacy Workshop also included a successful visit to Parliament House in Canberra where members of the CCF National Board met with senior Government and Opposition figures to discuss CCF National's policy priorities.

Unfortunately, one of the consequences of COVID-19 has been that many of our face-to-face events, such as the National Earth Awards, could not be held in person. I'm pleased to say however that our industry showed tremendous ingenuity and resilience over the past 12 months by moving many of our activities to online platforms to keep in touch with one another and to recognise excellence in our industry. We look forward to most, if not all of these events going back to face to face in 2022.

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. 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

I would like to thank our outgoing CCF National Board members for their enormous contribution to the Board over a number of years. I wish to pay a particular tribute to Peter Kendall who has served as Vice President and National Board member for the past 10 years. Peter is a tireless advocate for a more equitable and fair allocation of work across all construction tiers and the Board has benefitted greatly from his strategic advice. I also wish to thank Lee Fahey and Steve Traicevski for their contributions and welcome our incoming Board members: David Moody, CCF QLD and Anthony Damiani, CCF Victoria and welcome back to the Board Mick Boyle from CCFNSW.

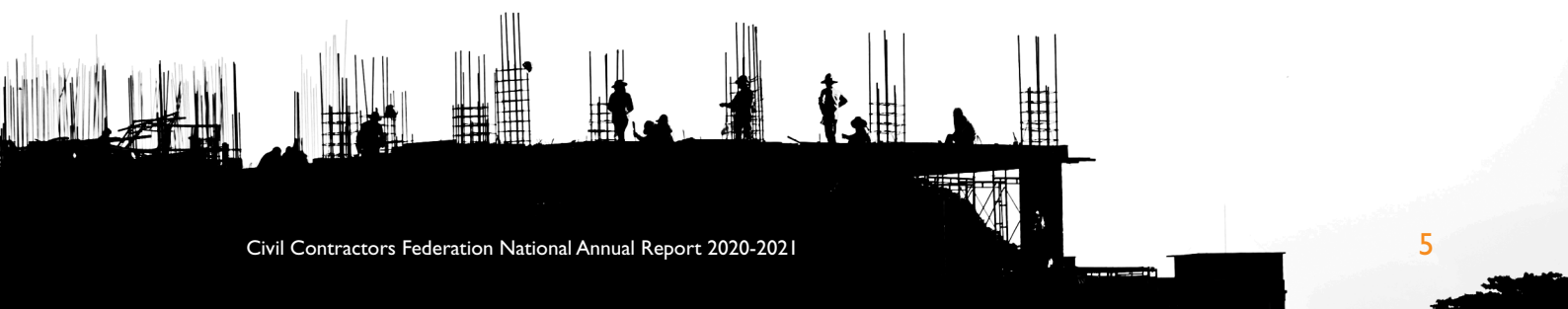
Finally, I wish to acknowledge the efforts of Chris Melham and Duncan Sheppard in our Canberra office and thank them for their service and for their support to the National Board.

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 \$280,483 (2020: profit of \$154,192). The net assets of CCF grew this year to \$877,703. At reporting date, CCF had a working capital surplus of \$742,302 and can pay its debts when they fall due.

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

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 via video conference – this has resulted in a reduction in Board meeting costs over the past 12 months, and CEO travel with external meetings also being held via videolink.

Principal operating activities of CCF National comprises:

- advocacy at a Federal level;
- high level media engagement;
- communication and information;
- insurance services through our national partnership 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 Contractor Federation National



Chief Executive Officer's Report

CCF National's advocacy and communications activities in 2020-2021 have focused on advocating for policies that advance our industry and improve our national economy. These activities are based upon our policy pillars as determined by the CCF National Board:

- Infrastructure Investment
- Efficient, Equitable and Competitive Procurement
- Enhancing Skills Development and Training
- Enhancing Industrial Relations
- Building a Stronger, More Sustainable Industry

Further information on these five policy pillars is available by [clicking here](#).

The policy priorities are consistent with CCF's major economic report *Rebuilding Australia – A Plan for a Civil Infrastructure Led Economic Recovery* ([click here](#)) which focuses on the importance of civil infrastructure investment and policy reform to counter the economic impacts of COVID-19.

CCF National will use the policy pillars and *Rebuilding Australia Report* in the lead up to the next federal election to publicly advocate for policies that achieve a stronger and more sustainable civil construction industry.

The *Rebuilding Australia* report provides evidence that civil construction is central to the economic recovery, with investment in infrastructure generating an economic return of 3:1. It also found that for every \$1 million invested, a total of \$2.95 million of output is contributed to the economy and that 7.2 workers are employed for every \$1 million invested.

The former Deputy Prime Minister, the Hon Michael McCormack welcomed the report in a [pre-recorded message](#) for the report's launch...



“It [Rebuilding Australia report] is going to be so vital in all of the decisions that we take and make from here on in.”

The Hon Michael McCormack, former Deputy Prime Minister.

Chief Executive Officer's Report *(continued)*

The report also:

- Analyses the significant economic benefits across the various sectors of the civil construction industry, including roads, rail, utilities, and other transport and civil construction.
- Analyses the current state of play of construction activity at the national level, and a snapshot of activity at the state and territory levels.
- Discusses the policy reforms necessary to maximise the economic benefits of increased civil infrastructure investment.



Chris Melham, CCF National Chief Executive Officer presenting a copy of the Rebuilding Australia report to the former Deputy Prime Minister, the Hon Michael McCormack.

In light of these figures, CCF National called on the Federal Government to significantly increase funding in the 2021/2021 Federal Budget to civil infrastructure to boost business confidence, support investment and create jobs.

Pleasingly, in May 2021 the Federal Government committed an additional \$15.2 billion to infrastructure in the federal budget.

CCF National also had a major win as a result of our advocacy on the need for procurement reform when the Federal Government announced in mid-2021 a House of Representatives Inquiry into the Procurement of Federally Funded Infrastructure.

CCF National's [submission](#) to the Inquiry, and my subsequent appearance before the Committee, highlighted the need for greater collaboration between industry and government to achieve a more efficient, equitable, and competitive procurement framework, the need for projects to be delivered to market in a more streamlined manner, and a more sustainable construction sector by providing greater opportunity for tier 2, 3 and 4 head contractors.

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

- **Department of Prime Minister and Cabinet** ([click here](#))
The Department coordinates and develops policy across the Government in economic, domestic and international issues.
- **Federal Treasury** ([click here](#))
Treasury provides economic analysis and policy advice on the economy, budget, taxation, financial sector; foreign investment, structural policy, superannuation, small business, housing affordability and international economic policy.
- **Infrastructure Australia** ([click here](#))
The nation'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.

Chief Executive Officer's Report (continued)

- **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.

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

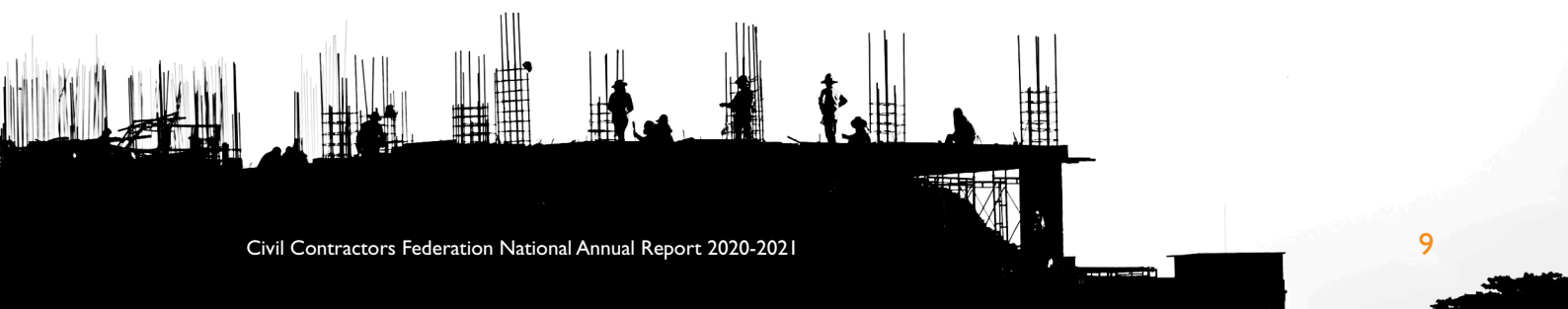
- A National Roadmap for Indigenous Skills, Jobs and Wealth Creation which is consulting with industry to increase economic opportunities for Indigenous Australians;
- The Office of Federal Safety Commissioner Review into the WHS Accreditation Scheme Review;
- the Australian Government Security of Payments 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).

In the lead up to the next election, CCF National will remain diligent by continuing to work with both sides of the federal political spectrum in advocating for our policy priorities to support the ongoing sustainability and viability of the civil construction sector, and in turn, assisting our sector to lead Australia's economic recovery efforts.

Chris Melham

Chief Executive Officer

Civil Contractors Federation National





Advocacy and Communications Report

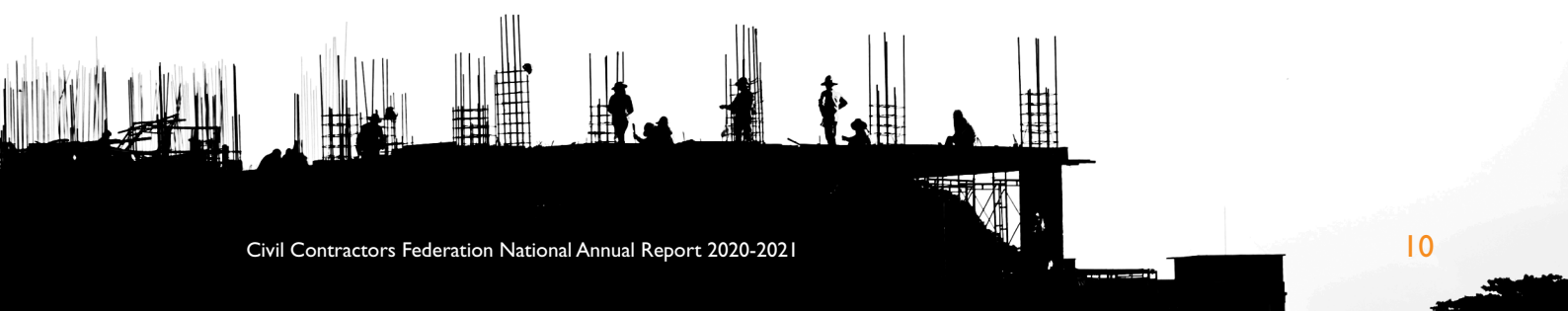
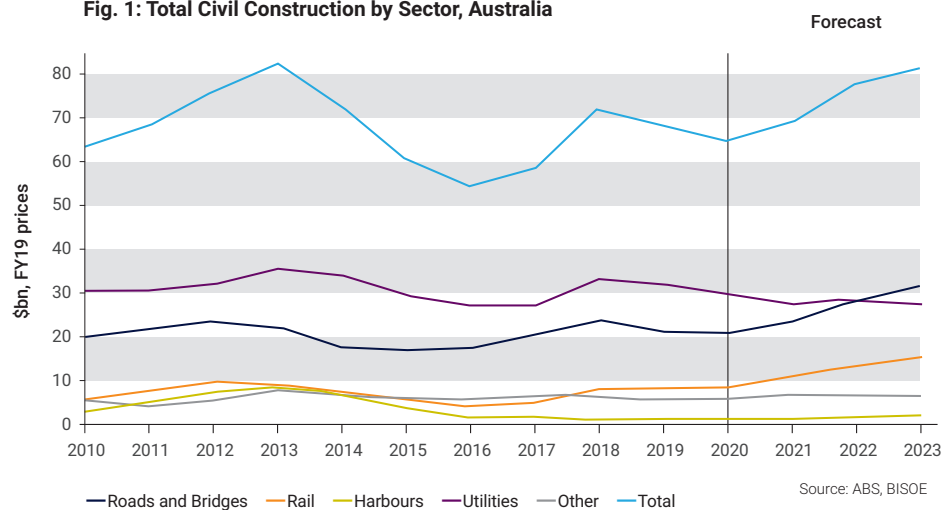
Rebuilding Australia Report



'Rebuilding Australia, A Plan For a Civil Infrastructure Led Recovery' was launched in May 2021. The report was produced for CCF National by BIS Oxford Economics, with the online launch featuring the former Deputy Prime Minister, the Hon Michael McCormack MP. Copies of the report were provided to key government and industry stakeholders, CCF National board members and CEOs. More than 100 industry and government stakeholders took part in the report's launch, which also featured a presentation from report author, Dr Adrian Hart from BIS Oxford Economics. To watch the launch, [click here](#).

The report explored the potential broader economic benefits of increased civil infrastructure funding and estimated current total civil construction expenditure, out to 2023.

Fig. 1: Total Civil Construction by Sector, Australia



Advocacy and Communications Report (continued)

2021/2022 Federal Budget

The 2021/2022 Federal Budget which was handed down in May 2021 was a positive result for the civil construction industry.

The infrastructure Budget announcements are consistent with the key recommendations provided to the Federal Treasurer and the Deputy Prime Minister by CCF National in our [pre-budget submission](#) and also in [Rebuilding Australia - A Plan for a Civil Infrastructure Led Recovery](#).

CCF National's advocacy efforts in relation to the budget were recognised in the House of Representatives during Budget week when the former Deputy Prime Minister, the Hon Michael McCormack said:



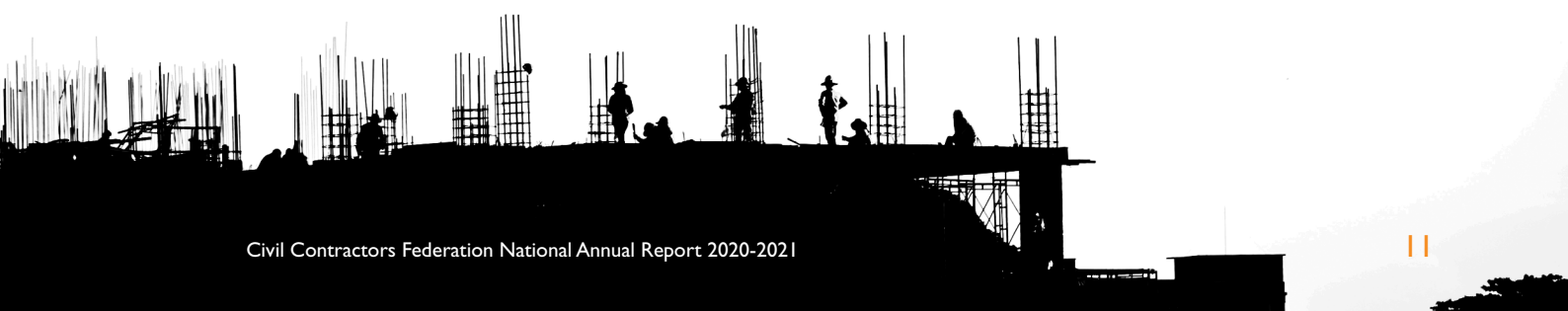
“Indeed, the infrastructure budget announced by the Treasurer last night has \$15.2 billion of new project commitments. But don’t just take my word for it. Chris Melham—I know he’s known to many of those opposite—CEO of the Civil Contractors Federation, said, ‘Investing in civil infrastructure projects generates jobs, boosts business confidence and underpins economic growth.’ That is what he said, and he is right. Certainly regional Australia is a big beneficiary of the infrastructure budget announced last night, including the 10-year Infrastructure Investment Pipeline Program and the 30,000 additional jobs on top of the 100,000. This \$110 billion of infrastructure is supporting Australians right throughout the economy—and certainly, as I say again, in those country areas”.

The Hon Michael McCormack, Former Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, House of Representatives, May 2021

Parliamentary Inquiry into the Procurement of Federally Funded Infrastructure

Following extensive lobbying by CCF National, the House of Representatives Standing Committee on Infrastructure, Transport and Cities announced in May an inquiry into procurement of government funded infrastructure.

CCF provided a comprehensive [submission](#) to the Committee and Chief Executive Officer appeared before the Committee in person to discuss CCF National's submission. During the hearing, Mr Melham outlined the value in establishing a formal mechanism, such as a 'Civil Infrastructure Consultative Forum' to facilitate a two-way dialogue between industry and government on critical civil infrastructure matters such as investment, procurement and enhanced skills development and training.



Advocacy and Communications Report (continued)

Mr Melham also highlighted the importance of infrastructure investment running in parallel with training, education and up-skilling funding in the civil infrastructure sector; including re-instating civil occupations on the National Skills Needs List at a classification level that would ensure apprentices, employers and training providers become eligible for grants and funding under the Commonwealth Government's flagship program, the Australian Apprenticeships Incentives Program.

Other major correspondence and submissions CCF National provided to government agencies in 2020/2021 included:

- Australian Infrastructure Plan
- Civil Construction Consultative Forum
- National Plan to Transition Australia's National COVID-19 Response
- Infrastructure and Transport National Cabinet Reform Committee
- Automatic Mutual Recognition of Occupations
- Productivity Commission - Improving industry engagement and reforming qualifications in Vocational Education and Training Discussion Paper

Advocacy in Action Webinar

In November 2020, Chief Executive Officer Chris Melham participated in an online webinar hosted by CCF Victoria to promote the role CCF National plays in advocating to Government on behalf of its members. Key topics discussed during the webinar included how CCF National:

- Has been advocating on behalf of members in calling for additional monetary infrastructure investment commitments from the Federal Government and to increase funding for skills.
- Directly engaged with senior ministers, including the former Deputy Prime Minister, the Hon Michael McCormack.
- Undertook surveys to demonstrate our sector's strong capacity to take on more infrastructure projects and employ more workers to stimulate the Australian economy.
- Provided formal submissions to the Federal Government on a range of matters consistent with CCF National's policy pillars, including infrastructure investment, skills, industrial relations, procurement and foreign investment.
- Engaged with a range of government and non-government bodies to advocate for policies that support the civil construction sector.

Advocacy and Communications Report (continued)

Communications

CCF National provided articles to 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.

CCF National distributed media releases throughout the year on a range of topics to communicate our advocacy agenda to our stakeholders. CCF National received media mentions in a number of publications which are available on the CCF National [website](#).

CCF National's produced a new [video](#) *Civil Construction - Leading Australia's Economic Recovery*.

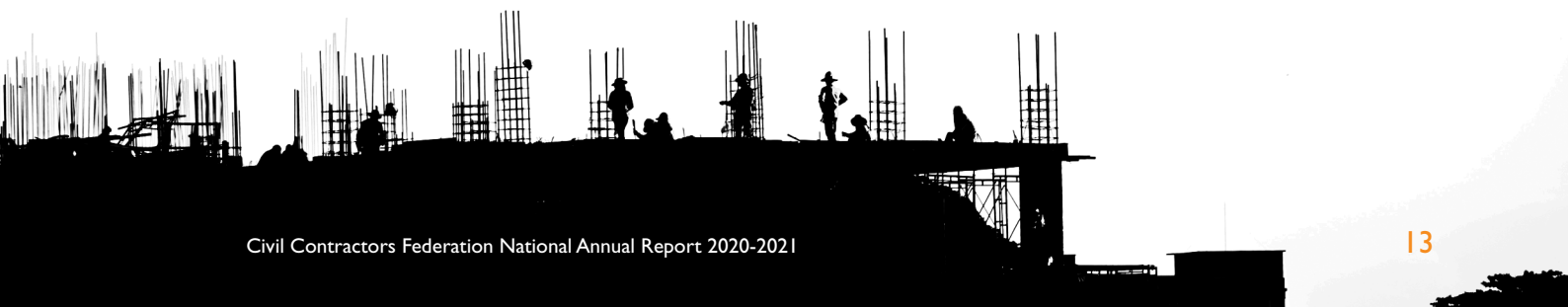
The video was shot at Parliament House and at a range of civil construction sites around the ACT and highlights the important role the civil construction industry plays in the national economy. CF National uses the video to communicate to our government and industry stakeholders the economic benefits of greater investment in civil infrastructure and associated reforms to improve the strength and sustainability of our industry.

CCF National sent regular editions of *National Dispatch*, our monthly e-bulletin to more than 2000 members and subscribers. To subscribe to *National Dispatch*, visit www.civilcontractors.com.au.

There has been growth in the use of social media, including LinkedIn and Twitter; to communicate CCF National's messages to its members and stakeholders.

Duncan Sheppard

Senior Policy and Communications Adviser
Civil Contractors Federation National



The Next 12 Months

The next 12 months will be critical for the Australian civil construction sector with a looming federal election 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:

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/>

I. INFRASTRUCTURE INVESTMENT

- Sustained growth of federal infrastructure investment to underpin construction activity and improve economic growth
- Deliver a 15–20-year pipeline of sustainable infrastructure projects by using debt funding as part of the overall government funding mechanism
- Equitable distribution of projects and funding across all states and territories

2. EFFICIENT, EQUITABLE AND COMPETITIVE PROCUREMENT

- Increase industry capacity of tier 2, 3 and below by including minimum local content requirement for all government contracts
- Greater use of collaborative contracting by all tiers of government
- Fair and equitable contract terms and risk allocation

3. ENHANCING SKILLS DEVELOPMENT AND TRAINING

- Reinstate civil occupations on the National Skills Needs List to achieve a more equitable distribution of training and upskilling funding to apprentices, employers and accredited service providers in the civil sector
- Change ANZSCO Codes to recognise relevant civil streams
- Work collaboratively with Government to maintain and promote a sustainable civil construction workforce



The Next 12 Months (continued)

4. ENHANCING INDUSTRIAL RELATIONS

- Retention of the Australian Building and Construction Commission
- Retention of the Registered Organisations Commission
- Abolition of industrial relations instruments which impose unjust legal risk on civil construction companies.

5. BUILDING A STRONGER, MORE SUSTAINABLE INDUSTRY

- Greater project disaggregation to maximise participation of tier 2, 3 and below contractors
- Support the employment of local people on projects
- Reduce red tape and inconsistent regulatory practices and approval processes
- Investment in People, Technology and Safety to strengthen industry sustainability

Chris Melham

Chief Executive Officer
Civil Contractors Federation National

