



CIVIL CONTRACTORS
FEDERATION



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ANNUAL REPORT

2021-2022





**CIVIL CONTRACTORS
FEDERATION**

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Michael Unger
President
Civil Contractors
Federation National

President's Report

It is my pleasure to provide this President's Report summarizing the main CCF National activities and achievements for 2021-2022.

Thankfully, Australia returned to a relative sense of normalcy over the past 12 months following a turbulent period brought about by the COVID pandemic. This return to 'business as usual' conditions, while obviously welcome, has presented a range of opportunities and challenges for our industry.

We continue to witness record government funding levels for infrastructure, and as a result, construction activity across all sectors of our industry continues to remain strong. Looking ahead, the infrastructure pipeline looks positive which provides a level of certainty for CCF and its members. CCF continues to advocate to government for a sustained level of infrastructure investment over the next 10-15 years to match industry capacity and thereby generate much needed economic and employment growth in the Australian economy.

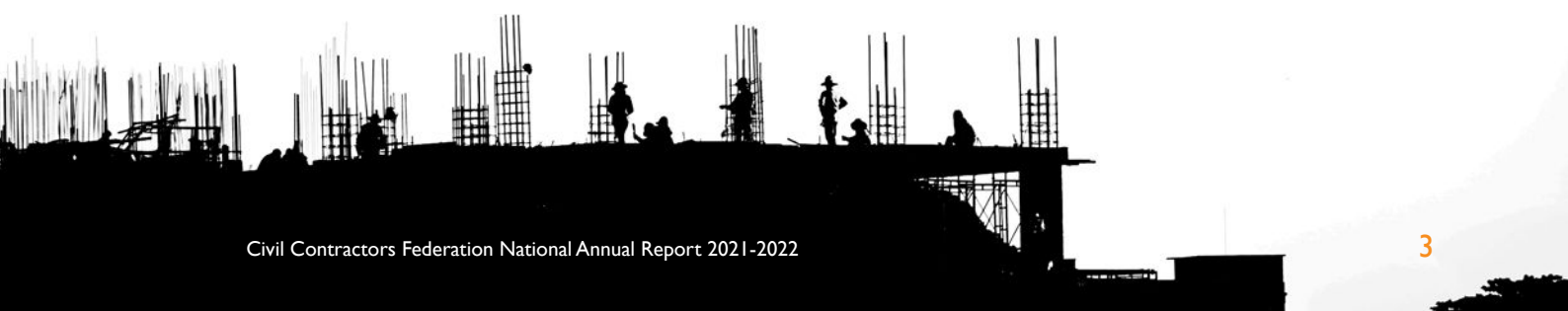
Despite these strong business conditions however, there are a number of significant challenges across our industry requiring immediate government attention.

This includes, for example, significant skill and capacity shortages across our industry which impact on our ability to deliver on the infrastructure agendas of the public and private sectors. In 2022, CCF National undertook a major survey of our members to better understand these shortages and presented these findings to government to encourage greater investment and reforms to skills and training. Further information on the findings from our survey is contained in the Communications and Advocacy section of the Annual Report.

Exacerbating these shortages are weaknesses and shortcomings in the procurement frameworks of many jurisdictions. There is a growing need to achieve a more efficient, equitable, and competitive procurement framework, underpinned by more appropriate risk allocation arrangements. In the past 12 months CCF National contributed to a federal parliamentary inquiry into the procurement of federally funded infrastructure and we continue to push for much needed reform in this area.

These issues – 'Procurement' and 'Workforce' – are two of CCF's six 'policy pillars', which were agreed upon following extensive input from all CCF State and Territory bodies at our mid-year National Advocacy Workshop in Canberra.

These pillars also include 'Infrastructure Investment', 'Industry Sustainability', 'Industrial Relations' and 'Environment'. Further information on these issues are contained in CCF's publication 'Civil Contractors Federation: Advocacy and Policy Priorities' available on the [CCF National website](#).



President's Report (continued)



CCFA Ltd Board and CEOs at the annual CCF Policy and Advocacy Workshop

This publication identifies the issues of relevance and significance to the industry to improve our strength and sustainability and measures to enhance Australia's sovereign capacity and capability. To achieve these objectives, the CCF Secretariat actively engages with the Federal Government, relevant departments and industry stakeholders to formulate policies and reforms for the betterment of our industry. It meets directly with Ministers, Shadow Ministers and key Members and Senators to explain our policy priorities and, where necessary, to call for change. And, it undertakes 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:

- a Federal Parliamentary Inquiry into the procurement of federally funded infrastructure picking up on a number of recommendations provided to the committee by CCF National's advocacy
- Federal Labor's election policy, called its 'Buy Australian Plan', which provides greater opportunities for mid and small tier Australian companies to participate in the infrastructure pipeline helping to build and strengthen our sovereign capability
- a number of state transport and infrastructure agencies including cost escalation clauses in their infrastructure contracts to take into account the rising cost of materials
- sustained growth of investment into infrastructure through successive federal budgets

President's Report (continued)

With the worst of COVID now past us, I am delighted that we have been able to come together as an industry and celebrate our achievements and successes at the federal, state and territory levels. To that end, the Civil Contractors Federation National Earth Awards will be held on Friday 11 November 2022. I congratulate all finalists and wish them luck in their respective categories and look forward to seeing industry come together on our night of nights in Canberra.

I wish to acknowledge the eight CCFA Ltd 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:

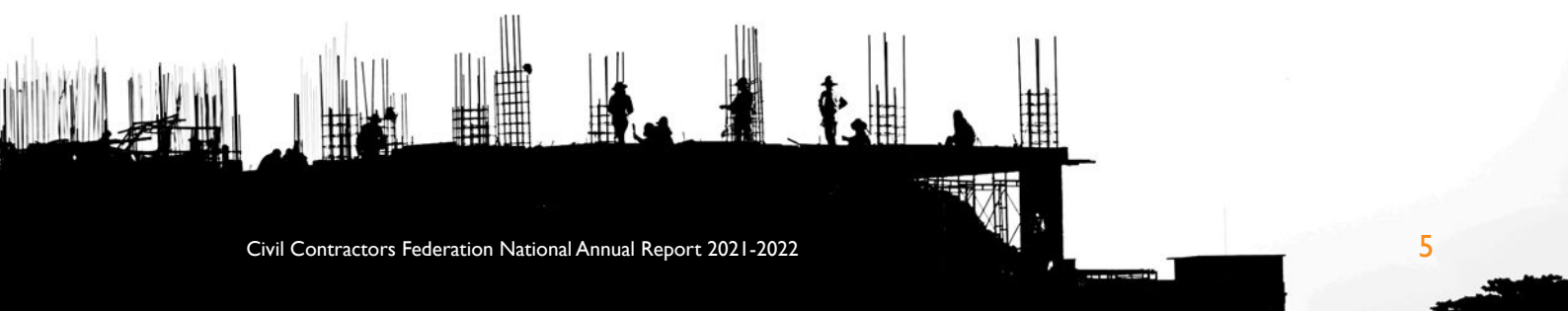
- CCFNSW** Mick Boyle, Vice President
- CCFACT** Nick Zardo, Treasurer
- CCFQLD** David Moody
- CCFVIC** Antony Damiani
- CCFWA** David Della Bona
- CCFSA** Charles Hatcher
- CCFTAS** Bill Abbott
- CCFNT** Michael Cull

I also 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.

It is with mixed emotions that I deliver this Annual President's Report, as it will be my last as CCF National President. I am not seeking re-election to the position of President and will therefore be handing over the reins to one of my colleagues at the CCF Annual General Meeting in November 2022, however I do intend to remain on the CCF National Board and look forward to continuing to provide my support. It has been an honour and a privilege to serve in this role since 2016. I have seen the organisation strengthen its position as the peak national industry body for the civil construction industry providing a clear, unified and strong voice on the critical issues affecting the sector. From a governance perspective, I have been proud to witness CCF come together and work more cohesively and collaboratively for the good of the broader industry. This would not have been possible without the collective efforts of my fellow CCF Board members, both current and past, whom I offer my heartfelt thanks. I have the upmost confidence my successor will continue to provide the leadership needed to ensure our actions across CCF 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

Nick Zardo

Treasurer
Civil Contractor
Federation National

The CCF generated a modest profit of \$21,011. The net assets of CCF increased to \$898,714. At reporting date, CCF has a working capital surplus of \$770,827 and can pay its debts when they fall due.

The membership of CCF has remained steady over the past 12 months, as it has done so throughout the past few years. At the end of the financial year the Register reflects 1,146 Contractor Members and 648 Associate Members.

The CCF continues a productive and constructive business partnership with PSC Insurance Brokers whose generous sponsorship together with membership fees allows it to continue to run the CCF Earth Awards and service the industry through the National office which is located in the Parliamentary triangle near Parliament House in Canberra

The CCF National Board returned to holding in person meetings over the past 12 months and its financial position allowed the Directors to take the September Board meeting to Darwin, where we were able to connect with the Board and members of Civil Contractors Northern Territory.

CCF members financial contributions were invested principally in the following activities by CCF National over the past 12 months:

- Advocacy at a Federal level;
- High level media engagement;
- Communication and information sharing with media, members, politician and bureaucrats and the community;
- Insurance services through our national partnership with PSC Insurance Brokers;
- Member service provision through our 8 CCF State and Member industry associations;
- Training and certification to the wider industry through our core CCF National Business Units, those being, Civil Train and the Contractor Management System.

There were no matters or circumstances that arose during the reporting year which significantly affected the financial affairs of the CCF.

I would like to thank my fellow Board Directors, the National Office, PSC Insurance Brokers and most importantly each and every CCF member for their support as the National CCF Office continues to represent the Civil Industry and its members in the Federal arena.

Nick Zardo

Treasurer
Civil Contractor Federation National



Chris Melham
Chief Executive Officer

Chief Executive Officer's Report

As the peak national representative body for the civil construction industry, Civil Contractors Federation Australia Ltd has successfully pursued a set of advocacy and policy priorities to achieve a stronger and more sustainable industry which in turn continues to make valuable economic and social contribution to the Australian economy.

Following a successful annual advocacy workshop in June this year, CCF's advocacy and policy priorities ([click here](#)) were slightly refined to include six policy pillars:



- Infrastructure Investment
- Industry Sustainability
- Industrial Relations
- Procurement
- Workforce
- Environment

The CCF National secretariat will continue to work with the Federal Government to achieve action in these and other areas to advance our industry and to improve our national economy.

Many of these issues came to the fore over the past 12 months, including before and after the 2022 federal election. Throughout the election campaign, both sides of politics committed to major infrastructure projects as well as a number of CCF's policies, including debundling and infrastructure procurement reform.

For example, Labor Leader Anthony Albanese has announced that, "Labor will provide opportunities for mid-and small-tier Australian companies to participate in the infrastructure pipeline helping to build and strengthen our sovereign capability. This will be done by packaging tenders where appropriate into multiple packages that allow smaller companies to bid for them".

Chief Executive Officer's Report *(continued)*

And former Infrastructure Minister Barnaby Joyce said that “Government must be instrumental in creating a Tier One sovereign capacity. We need to create a pathway for our mid-tier companies to evolve into Australia's next tier ones, companies to take on global, multi billion-dollar contracts.”

Another area of focus in 2021-2022 was skills development and training.

In mid-2022, the CCF National Secretariat undertook a nationwide survey of our members to better understand the skills and capacity challenges facing the civil infrastructure sector to ensure CCF can respond appropriately at the national level.

The *CCF Infrastructure Market Capacity Survey* ([click here](#)) highlighted that the single biggest challenge facing the sector is the availability of local skilled tradespeople and professionals. This reinforces the need to ensure civil occupations are accurately classified on the Australian New Zealand Standard Classification of Occupations (ANZSCO) which is an important step towards addressing skill issues.

Currently, civil apprentices and VET providers are significantly disadvantaged as they continue to be omitted from Australian Government skills and training funding programs with employers receiving only limited financial support for hiring apprentices.

Results of the survey have been provided to Government, including its independent advisor Infrastructure Australia which is currently developing its second Infrastructure Market Capacity Report to which the CCF National Secretariat provided a major submission.

CCF nationally also played a key role on behalf of industry to highlight to Government and industry the need for infrastructure procurement reform. We participated in a federal parliamentary committee inquiry called *Government procurement: A sovereign security imperative* ([click here](#)).

CCF lobbied hard for this inquiry with the centrepiece of our submission being the 2021 CCF National report *Rebuilding Australia – A Plan for a Civil Infrastructure Led Recovery* ([click here](#)).

The report is extensive and well considered and makes a number of recommendations which have the potential to significantly enhance the capacity and capability of the sector:

In particular, CCF welcomes the Committee's recommendation “The Committee sees that increasing the access of tier two and three companies, and related Australian small and medium enterprises, to projects in the Australian infrastructure pipeline as key to enhancing Australia's sovereign industry capacity.”

CCF also welcomes the Committee's recommendation for the Australian Government to: “...investigate, in consultation with state, territory and local governments, and relevant industry bodies and stakeholders, how to facilitate better planning and coordination of the infrastructure pipeline.”

The CCF National Secretariat will continue to work with all tiers of government to progress the Committee's infrastructure procurement reforms which are critical to building a stronger, more sustainable civil construction industry.

Chief Executive Officer's Report (continued)

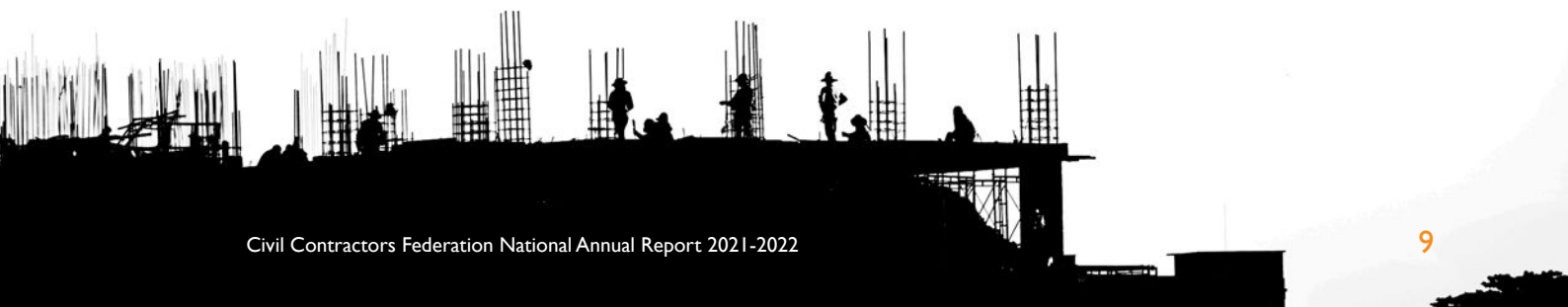


“The Committee sees that increasing the access of tier two and three companies, and related Australian small and medium enterprises, to projects in the Australian infrastructure pipeline as key to enhancing Australia’s sovereign industry capacity”

House of Representatives Standing Committee on Infrastructure, Transport and Cities 2022 report: “Government Procurement: A Sovereign Security Imperative”

During the year CCF National secretariat also engaged with, and provided submissions to, a range of government and nongovernment 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.
- 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



Chief Executive Officer's Report *(continued)*

CCF National secretariat 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:

- 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 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 Next 12 Months

Over the following 12 months we will continue to work with key stakeholders across industry and government on a number of key policy areas, including:

- Sustained growth of federal infrastructure investment to connect Australians and to build Australia's economic and social wellbeing
- A more sustainable and balanced approach to project allocation across all construction tiers and regions throughout Australia
- A lawful, efficient and sustainable civil construction industry through an effective industrial relations framework
- A balanced approach by working collaboratively with governments and industry to achieve equitable environmental outcomes
- Investment and reform to build and skill Australia's current and future infrastructure workforce
- Strengthening our sovereign capacity and capability through a more efficient and equitable government procurement process

Chris Melham

Chief Executive Officer





Duncan Sheppard

Senior Policy and
Communications Adviser
Civil Contractors Federation
National

Advocacy and Communications Report

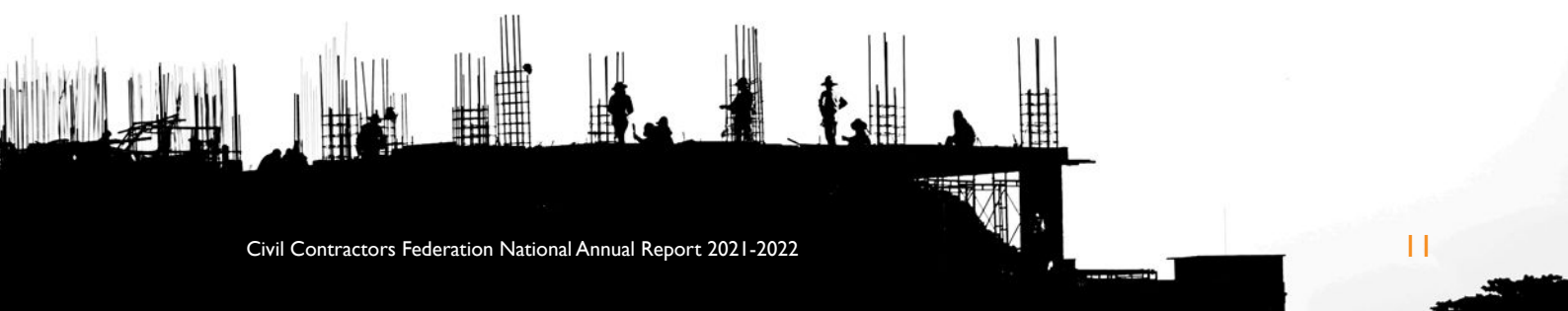
2021-2022 highlights:

Federal Election

Prior to the 2022 federal government election, the CCF National Secretariat officially launched the CCF's federal election priorities ([click here](#)) to encourage government action on key policies, investments and reforms. A productive meeting was held with the then Opposition to brief them on the CCF's policy priorities and discuss the Opposition's 'Buy Australian' policy.



Chris Melham, Chief Executive Officer, CCF National presenting a report to the Hon Catherine King, Minister for Infrastructure, Transport, Regional Development and Local Government



Advocacy and Communications Report (continued)

Chris Melham, Chief Executive Officer, CCF National presenting a report to the Hon Catherine King, Minister for Infrastructure, Transport, Regional Development and Local Government

Skills and Capacity Survey

The CCF National Secretariat surveyed its members to obtain feedback on skill and capacity issues affecting the industry across three key areas.

- the market capacity of the civil construction industry;
- the civil construction industry's ability to undertake additional projects now, and into the future;
- any resource constraints affecting their business.

Data collected from this 15-question survey ([click here](#)) informed work undertaken by Infrastructure Australia and assisted CCF National in its advocacy efforts as it continued to push for much needed infrastructure funding, procurement reform and investment in skills and training.

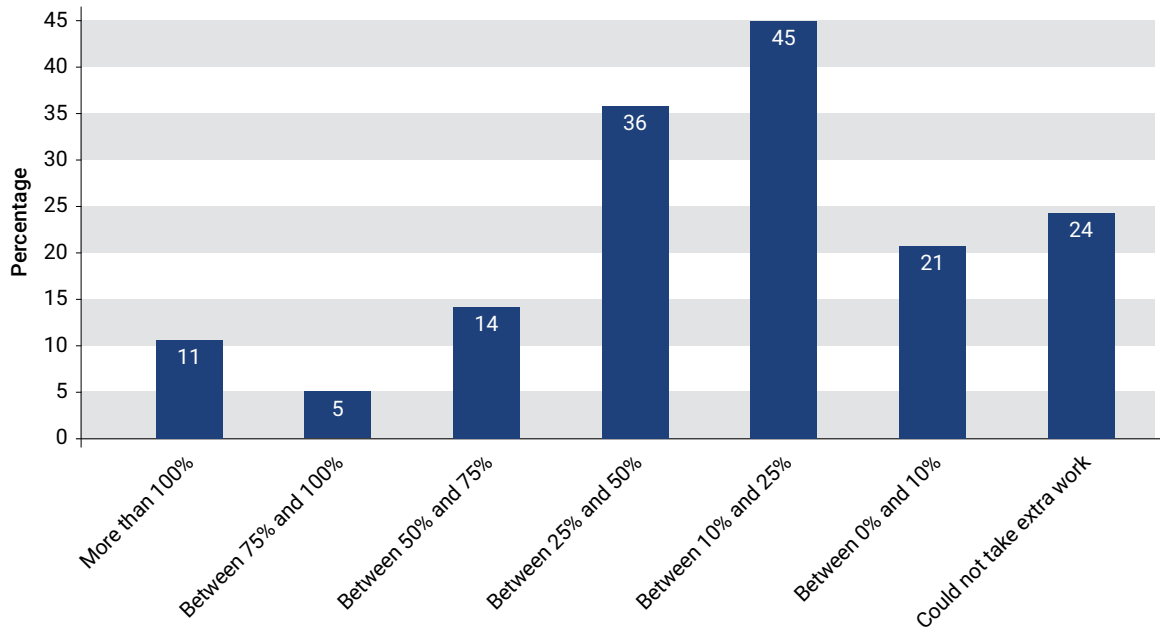
The survey reinforced CCF National's recommendations to Government to enhance skills development and training, and for ongoing spending to provide greater opportunity for tier 2, tier 3, tier 4, and SME's given they have additional capacity to tender for infrastructure projects.

The most significant finding of the survey related to the availability of skilled tradespeople and professionals. Survey respondents were asked to rank a number of threats to the delivery of infrastructure projects, ranging from the availability of products such as precast concrete products and sand or quarry products, through to the availability of skilled and unskilled labour. In each state and territory, the highest ranked issue was the availability of local skilled tradespeople & professionals to undertake construction projects.

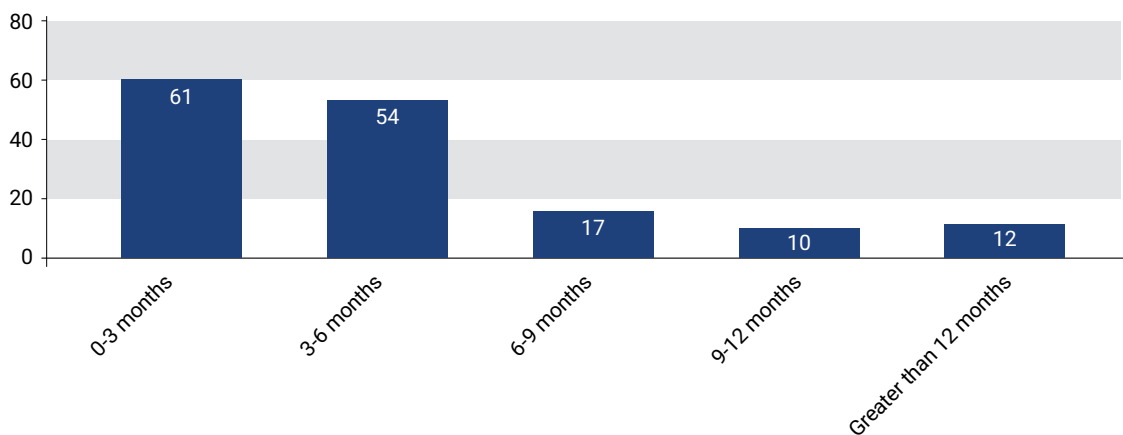
Advocacy and Communications Report *(continued)*

Other key results from the survey included:

If there was an increase in the number of capital projects tendered in your state, how much extra work can you take on?



If there was an increase in the number of capital projects tendered in your state, how long would it take your company to be in a position to meet this additional demand



Advocacy and Communications Report *(continued)*

Submission on 2022/2023 Federal Budget

The CCF National submission ([click here](#)) focused on three areas: sustained spending on civil infrastructure, an equitable spread of infrastructure funding and sufficient funding to advance procurement reform.

Submission on Productivity Commission review of Australia's productivity performance

CCF's submission ([click here](#)) to the review included eight recommendations largely drawn from our 2021 report *Rebuilding Australia – A Plan for a Civil Infrastructure Recovery* which focuses on the importance of civil infrastructure investment and policy reform to counter the economic impacts of COVID-19. The submission also highlighted the need to ensure state and territory procurement agencies are adequately resourced and skilled to manage infrastructure procurement processes.

For their part, current key users and constructors are pessimistic about government and industry's uptake of best practice procurement approaches.... The Civil Contractors Federation considered that adoption of best practice in government procurement had been weakened by the loss of in-house technical capability in procurement agencies.

Productivity Commission: 5-year Productivity Inquiry: Innovation for the 98%

Submission to the House of Representatives Inquiry into the Procurement of Government Funded Infrastructure

CCF National provided a submission ([click here](#)) to the inquiry and CCF National CEO Chris Melham subsequently appeared before the Committee to provide evidence. CCF National's advocacy focused on the need for greater collaboration between industry and government to achieve a more efficient, equitable, and competitive procurement framework and a more sustainable construction sector by providing greater opportunity for tier 2, 3 and 4 head contractors. The Committee's report included two key recommendations in relation to increasing access to tier 2 and tier 3 companies and improving industry engagement.

Advocacy and Communications Report (continued)

Submission on Industry Clusters – Training and Education

CCF National provided a submission ([click here](#)) to the Federal Department of Education, Skills and Employment regarding its proposed reforms to the Vocational Education and Training regime, with a focus on ensuring civil infrastructure received appropriate recognition in the policy reform process.

Submission on Infrastructure Australia’s Delivering Outcomes Report

CCF’s submission ([click here](#)) highlighted a number of concerns in relation to the Report’s overall theme and supporting recommendations and argued the consultative process for the Report did not include the full spectrum of the civil construction sector. CCF queried why the report appeared to focus strongly on the views of companies operating at the Tier 1 end of Australia’s construction market.

Submission on review of Infrastructure Australia

CCF’s submission ([click here](#)) highlighted the need to ensure future industry stakeholder processes conducted by IA included greater engagement with the civil construction industry to ensure its findings are representative of the broader construction industry.

Submission to ABS on ANZSCO Review

CCF provided the Australian Bureau of Statistics with a comprehensive submission ([click here](#)) in April 2022 as part of their review of construction occupations on the Australian New Zealand Standard Classification of Occupations (ANZSCO). CCF’s submission advocated for civil occupations to be accurately classified in ANZSCO to ensure employers, apprentices and VET providers are eligible for Commonwealth rebates and payments.



Advocacy and Communications Report (continued)

Cost Escalation

CCF National and CCF State and Territory Associations continue to advocate for the inclusion of price escalation clauses on new and existing contracts for construction projects receiving federal and state funding. CCF argues that adopting price escalation clauses in infrastructure contracts is needed to enable contractors to access cost relief for nominated affected materials and fuel and that government as the principal should incur a portion of the cost increases and the risk.

FINANCIAL REVIEW

Contractors at 'breaking point', seek relief as costs spiral

Jenny Wiggins and Simon Evans

Mar 24, 2022 - 7:20pm

Save Share

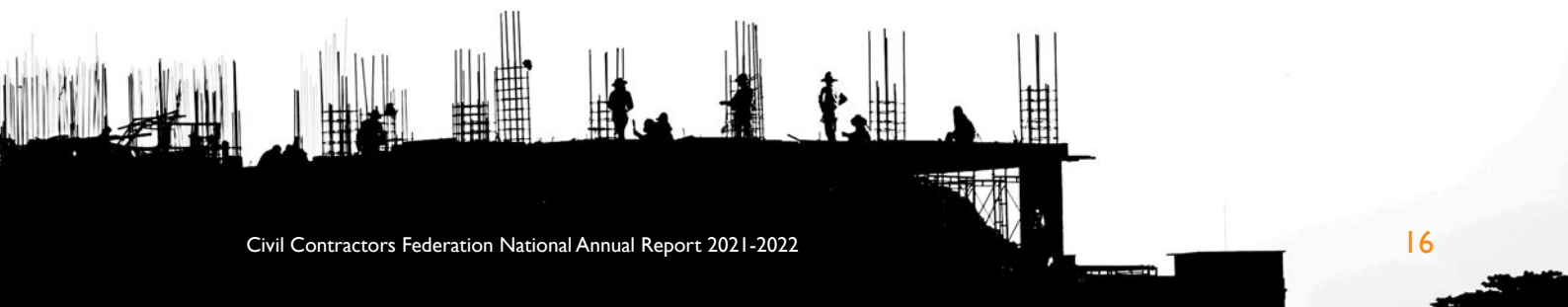
Civil contractors who say that they are at "breaking point" due to soaring materials and fuel prices have called on state and federal governments to follow the lead of Queensland and bear more of the costs of core building materials like steel and concrete.

Jobs and Skills Summit

CCF National CEO Chris Melham participated in the Jobs and Skills Summit Industry Roundtable with Infrastructure Minister Catherine King which was held to inform the Jobs and Skills Summit. At the roundtable, CCF sought her support for civil construction occupations to be formally recognised as trades in ANZSCO.

Australian Building and Construction Commission

CCF National wrote to and met with a number of Senate cross benchers seeking their support to block the proposed abolition of the Australian Building and Construction Commission. CCF reiterated its support for the retention of the ABCC in the absence of any firm details being provided by the Government regarding the new regulatory arrangements. At the time of writing this report the issues have not been debated in the Parliament.



Advocacy and Communications Report (continued)

Government Engagement

CCF National held a series of meetings with key Commonwealth agencies, including the Federal Treasury, Department of Prime Minister and Cabinet and Department of Finance. Matters discussed included results from CCF's skills and capacity surveys and CCF's national policy priorities.

Communications

CCF National received regular coverage in mainstream and trade media, including quarterly op-eds in *Infrastructure Magazine* and a front-page story in the *Australian Financial Review* on cost escalation.

Duncan Sheppard

Senior Policy and Communications Adviser
Civil Contractors Federation National

