



Australian Government
Registered Organisations Commission

10 October 2017

Mr Damian Long
Chief Executive Officer
Civil Contractors Federation, Queensland Branch

By e-mail: ccfqld@ccfqld.com

Dear Mr Long

Civil Contractors Federation, Queensland Branch
Financial Report for the year ended 30 June 2017 - FR2017/50

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Civil Contractors Federation, Queensland Branch. The financial report was lodged with the Registered Organisations Commission on 14 September 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission



**CIVIL CONTRACTORS
FEDERATION**

**CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH**
ABN 24 778 482 952

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Eight Mile Plains QLD 4113

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CERTIFICATE OF DESIGNATED OFFICER

s268 of Fair Work (Registered Organisations) Act 2009

I, Gavin Turner, being a Director of the Civil Contractors Federation QLD Branch certify:

- ↘ that the documents lodged herewith are copies of the full report referred to in s268 of the RO Act; and
- ↘ that the full report was provided to members on Tuesday 22 August 2017; and
- ↘ that the full report was presented to a general meeting of members of the reporting unit on 13 September 2017; in accordance with section 266 of the RO Act.

Signature:

Gavin Turner
Director
Civil Contractors Federation Queensland Branch

Mobile: 0418 731 463
Email: ccfqld@ccfqld.com

Dated in Queensland, on the 14th day of September, 2017

QUEENSLAND ANNUAL REPORT

2016-17

ABN 24 778 482 952



**CIVIL CONTRACTORS
FEDERATION**

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INDEPENDENT AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH.....A

EXECUTIVE REPORT

The last financial year has been a very challenging year for the Civil Construction Industry in Queensland and also for the Civil Contractors Federation Queensland Branch (CCF QLD). It was another year where we have seen a large number of businesses close either due to insolvency or by choice.

A decreased volume of projects in both private and government sectors with a subdued resource sector and a loss of reconstruction work have put unsustainable strain on margins. Many of our members who are continuing in business have had to look interstate. CCF QLD has been in part, affected by this downturn. Membership is at its lowest and Training Services revenues were well short of budget.

CCF QLD has experienced a large turnover of staff during the financial year. There are green shoots for both CCF QLD and the Civil Construction Industry over the coming years. Forecasts show a slight positive trend in the volume of infrastructure spending supported by the private sector. We see land development volumes are forecast to be steady with a growing trend over time. Maintenance spending will be back to pre -2011 levels with a strong focus on local government funding. There are positive signs for the North of the State with volumes trending upward from the start of the year.

Over the last year CCF QLD has focused on improving our relevance within the industry and to our members.

Our advocacy efforts have increased campaigning on issues such as;

- ↳ Security of payments changes
- ↳ Changes to the Work Health & Safety Act
- ↳ State Government procurement
- ↳ Local Council procurement
- ↳ Department of Main Roads contract and procurement practices
- ↳ Supporting the Inland Queensland Roads Action Plan (IQ-RAP)

We have also worked hard to improve our events. The quality and relevance of each event has increase through ensuring the most appropriate speakers and topics are being showcased, providing quality and relevant subjects and speakers.

Events held throughout the year included;

- ↳ The Queensland Charity Ball
- ↳ Cairns Industry Meeting with both the Cairns Regional Council and the Douglas Shire Council.
- ↳ Sunshine Coast Breakfast with Andrew Wallace
- ↳ Mackay Dinner and Portable Traffic Control Devices Seminar with The Department of State Development, Greater Whitsunday Alliance and The Transport of Main Roads.
- ↳ Brisbane Industry Meeting on the Queens Wharf project and Retaining Walls.

Training services has increased its scope of offering and style of delivery. Civil Train is starting to get success through strategic training partnering. It is planned that during the coming financial year further improvements will be made in course offering, delivery and transparency.

We are adding capability for our base in Townsville and will continue to improve on the support in delivery of services in the North of the State and regional areas.

I would like to thank the CCF QLD Board and staff for their support through this difficult time.

CCF QLD will continue to be the voice for the construction industry and will continue to improve and develop our support for our members over the coming year.



DAMIAN LONG
CHIEF EXECUTIVE OFFICER
CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH



GAVIN TURNER
PRESIDENT
CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH

OUR SPONSORS

It is with sincere gratitude that we thank our 2016-17 Corporate Sponsor Group.

PLATINUM



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FINANCIAL REPORT FOR THE YEAR ENDED

30 JUNE 2017



**CIVIL CONTRACTORS
FEDERATION**

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2017

PRINCIPAL ACTIVITIES *s254(2)(A)*

The principal activities of the Branch during the financial year were the provision of technical and training services to members in the civil contracting industry:

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

RESULTS OF PRINCIPAL ACTIVITIES *s254(2)(A)*

The Branch's principal activities resulted in a loss of \$ 783,309 (2016 profit of \$15,409)

Advocacy and member services in industrial relations services have again been a focus given the Federal Workplace Relations reform including workplace agreements, and Building and Construction industry Code Compliance.

The Branch has also continued service provision in workplace training to meet industry demand. Such demand has however fallen significantly this year again this year, impacting revenue earned. A full analysis of the budget and development of a new strategy was necessary for the next Financial Year.

Continued education and promotion of contractors has also occurred.

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

SIGNIFICANT CHANGES IN NATURE OF PRINCIPAL ACTIVITIES *s254(2)(A)*

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

SIGNIFICANT CHANGES IN BRANCH'S FINANCIAL AFFAIRS *s254(2)(B)*

Matters and circumstances that arose which significantly affected the financial affairs of the branch were:

- ✚ Declining trainee volumes
- ✚ Unbudgeted termination and redundancy costs
- ✚ Assisting CCFWA Civil Train in order to address compliance and operating issues
- ✚ Engaging and integrating new staff
- ✚ Loss on Technology Symposium

OFFICERS OR MEMBERS WHO ARE SUPERANNUATION FUND TRUSTEE(S) OR DIRECTOR OF A COMPANY THAT IS A SUPERANNUATION FUND TRUSTEE *s254(2)(D)*

No officer, or member of the reporting unit [to the best of my knowledge] holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

NUMBER OF MEMBERS *RO reg 159(a)*

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 78 full members and 81 associate members. (2016: 113 full members and 91 associate members).

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CON'T)

NUMBER OF EMPLOYEES *RO reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the Queensland Branch of the Federation was 24. (2016; 19)

QUEENSLAND BRANCH BOARD MEMBERS *reg 159(c)*

The persons who held office as members of the Board of the Queensland Branch during the financial year were:

Gavin Turner

Acting Branch Vice-President (20-03-17 – 30-06-17)

Damian Long

Branch President (01-07-16 – 19-03-17)

Gavin Turner

Branch Vice-President (01-07-16 – 30-06-17)

Terry Lynch

Branch Treasurer (01-07-16 – 30-06-17)

Luke Bird

Branch Board Member (01-07-16 – 30-06-17)

Anthony Burke

Branch Board Member (01-07-16 – 21-04-17)

Terry Cogill

Branch Board Member (01-07-16 – 30-06-17)

Mark Goodwin

Branch Board Member (01-07-16 – 30-06-17)

Peter Kendall

Branch Board Member (01-07-16 – 30-06-17)

Tim McIlwain

Branch Board Member (01-07-16 – 30-06-17)

Richard Nyholt

Branch Board Member (01-07-16 – 15-09-16)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CON'T)

MANNER OF RESIGNATION

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

"9 - RESIGNATION OF MEMBERS

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



Gavin Turner
Acting PRESIDENT
CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH

Dated in Queensland, on the 14th day of August, 2017

CIVIL CONTRACTORS FEDERATION QUEENSLAND BRANCH BOARD STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

On, 14th August 2017 the Board of the Civil Contractors Federation Queensland Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2017:

The Board declares in relation to the GPFR that in its opinion:

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

Resolved by the Queensland Branch Board, (Committee of Management):



Gavin Turner
Acting PRESIDENT
CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH
Dated in Queensland, on the 14th day of August, 2017

AUDITOR'S INDEPENDENCE DECLARATION TO THE BOARD OF THE CIVIL CONTRACTORS FEDERATION – QUEENSLAND BRANCH

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

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

STANNARDS, ACCOUNTANTS AND ADVISORS

1/60 TOORAK ROAD, SOUTH YARRA VIC 3141



MICHAEL SHULMAN

PARTNER (REGISTERED COMPANY AUDITOR: 163888)
HOLDER OF CURRENT PUBLIC PRACTICE CERTIFICATE
APPROVED AUDITOR (FWC ACT AND REGULATIONS – 2017/45)

Dated in Queensland, on the 14th day of August, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenues	2	3,820,212	4,420,772
Employee expenses	3f	(2,235,153)	(2,279,852)
Rental expenses	3c	(57,658)	(63,552)
Functions, seminars and conference costs		(409,063)	(197,559)
Direct training costs and resource development		(347,777)	(289,306)
Depreciation and amortisation	3d	(390,063)	(446,305)
Bad and doubtful debts	3a	(10,304)	(3,322)
Auditor's Remuneration	3b	(11,950)	(10,925)
Advertising and promotion		(79,395)	(93,871)
Communications		(66,698)	(80,857)
Computer Support / Maintenance		(87,954)	(81,067)
National Levy	3e	(104,500)	(104,500)
Staff Training and development		(1,731)	(4,751)
Printing and stationery		(9,605)	(9,786)
Travelling expenses		(58,904)	(74,567)
Merchant fees and bank charges		(1,677)	(297)
Motor vehicle expenses		(99,643)	(89,632)
Consultancy Fees		(74,157)	(18,004)
Other expenses from ordinary activities	3g	(557,289)	(557,210)
Profit from ordinary activities before income tax expense		(783,309)	15,409
Income tax expense	1a	-	-
Net profit from ordinary activities after income tax expense attributable to the Branch		(783,309)	15,409

The accompanying notes form part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
(Loss)/Profit for the period	(783,309)	15,409
Other Comprehensive Income for the period (net of tax)	-	-
Total Comprehensive Income for the period	(783,309)	15,409
Total Comprehensive Income attributable to members of the organisation	(783,309)	15,409

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	712,471	1,278,685
Trade and other receivables	5	1,251,751	1,093,074
Inventories	6	133,288	166,120
Other current assets	7	186,438	307,906
TOTAL CURRENT ASSETS		2,283,948	2,845,785
NON-CURRENT ASSETS			
Financial assets	8	71,454	155,648
Plant and equipment	9	7,886,233	8,193,766
TOTAL NON-CURRENT ASSETS		7,957,687	8,349,414
TOTAL ASSETS		10,241,635	11,195,199
CURRENT LIABILITIES			
Trade and other payables	10	1,235,068	1,146,483
Short term provisions	11a	94,870	159,524
TOTAL CURRENT LIABILITIES		1,329,938	1,306,007
NON-CURRENT LIABILITIES			
Trade and other payables	10	-	194,186
Long term provisions	11b	-	-
TOTAL NON-CURRENT LIABILITIES		-	194,186
TOTAL LIABILITIES		1,329,938	1,500,193
NET ASSETS		8,911,697	9,695,006
MEMBERS' FUNDS			
Accumulated Surplus		8,911,697	9,695,006
TOTAL MEMBERS' FUNDS		8,911,697	9,695,006

The accompanying notes form part of the financial statements

STATEMENT OF CHANGES IN MEMBERS' FUND FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Balance as at 1 July 2016	9,695,006	9,679,597
Profit attributable to members	(783,309)	15,409
Balance at 30 June 2017	8,911,697	9,695,006

The accompanying notes form part of the financial statements

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		3,599,127	4,786,147
Receipts from related entities – National Office		35,319	87,924
Receipts from related entities – NT Branch		-	440
Receipts from related entities – TAS Branch		251	-
Receipts from related entities – Victorian Branch		660	2,477
Receipts from related entities – WA Branch		13,274	7,700
Payments to suppliers and employees		(3,947,714)	(4,503,231)
Payments to related entities – National Office		(94,405)	(119,482)
Payments to related entities – Victorian Branch		(1,378)	(548)
Payments to related entities – WA Branch		(98,182)	-
Interest received		12,904	21,873
Net cash provided by operating activities	15b	(480,144)	263,300
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Asset Acquisitions		-	(143,148)
Purchase of plant and equipment		(86,433)	(96,439)
Proceeds from sale of plant and equipment		363	24,194
Net cash (used in) investing activities		(86,070)	(215,393)
Net (decrease)/increase in cash held		(566,214)	47,907
Cash at the beginning of the financial year		1,278,685	1,230,778
Cash at the end of the financial year	15a	712,471	1,278,685

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers Civil Contractors Federation (QLD Branch) as an Individual entity. Civil Contractors Federation (QLD Branch) is a Branch incorporated in Queensland under the Fair Work (Registered Organisations) Act 2009

BASIS OF PREPARATION

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

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

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

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

PRIOR YEAR COMPARATIVES

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

ACCOUNTING POLICIES

a. Income tax

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

b. Cash and cash equivalents

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

c. Plant and equipment

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

Cost and valuation

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Plant and equipment (cont'd)

Depreciation

The depreciable amounts of plant and equipment are depreciated using the straight line and/or diminishing value method at rates based on their estimated useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

	2017	2016
Leasehold improvements	2.5% - 33.33%	2.5% - 33.33%
Office plant and equipment	10%-37.5%	10%-37.5%
Furniture and Fittings	18.75%	18.75%
Motor vehicles	12.5%-40%	12.5%-40%

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

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

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

d. Trade and Other Receivables

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

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

e. Trade and Other Payables

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

f. Financial Instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Employee Entitlements

Short-term employee benefits

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

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

Long-term employee benefits

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

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

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

Superannuation

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

The number of employees at the end of the period was 24.

h. Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Leases (cont'd)

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

i. Goods and services tax (GST)

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

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

j. Revenue

Revenue from membership subscriptions is recognised proportionately over the period to which it relates. Any contribution received in advance for the next period is included in deferred income.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the service, this includes grant income which entails reciprocal conditions imposed upon the Branch.

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

All other revenue is recognised on an accruals basis

k. Operating Segment

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

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

l. Fair Value of Assets and Liabilities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

m. Capitation Fees

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

n. Critical accounting estimates and judgements

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

Key Estimates – Impairment

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

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

Key Judgements - Doubtful Debts Provision

The Board have assessed each debtor and have estimated a provision for doubtful debts amounting to \$nil (2016 : \$nil). The Board believes that the full amount of the remaining debtors are recoverable.

o. New accounting standards for application in future periods

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o. New accounting standards for application in future periods (Cont'd)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

o. New accounting standards for application in future periods (Cont'd)

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

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

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

The main changes introduced by the new Standard include:

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

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

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

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

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

- A gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

o. New accounting standards for application in future periods (Cont'd)

- The remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- Any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture.
- The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

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

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

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

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

- (1) A Member of an organisation, or the Commissioner, Registered Organisations Commission, may apply to the organisation for specified prescribed information in relation to the organisation to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the organisation.
- (3) An organisation must comply with an application made under subsection (1).

q. Going Concern

The Board believe based on forecasts for the 2018 year that a going concern basis continues to be appropriate. The branch is not reliant on agreed financial support to continue as a going concern, nor has it agreed to provide such support to ensure other branches can operate as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 2: REVENUE

	2017 \$	2016 \$
Operating activities:		
Training courses and funding	2,092,688	2,716,674
Member subscriptions	493,868	544,301
Function meeting and other activities	217,355	127,826
Capitation Fee	-	-
Affiliation Fees	-	-
Compulsory Levies	-	-
Donations and Grant	-	-
Interest income	12,904	21,873
Sponsorship income	267,250	210,500
Skills Centre Funding	388,404	388,404
CSQ Capability Skills Contract	96,000	105,808
Grants and Government Funding	-	-
Financial Support- other Branches	-	-
Other income	249,661	303,329
IMS Systems	2,082	2,057
Total Revenue	3,820,212	4,420,772

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

	2017 \$	2016 \$
The operating profit of the Federation before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off	10,304	3,322
Provision for doubtful debts	-	-
	<u>10,304</u>	<u>3,322</u>
b. Auditor's Remuneration		
Accounting fees – Other parties	2,250	1,125
Auditor's remuneration – Financial Statement Audit (\$nil for other services)	9,700	9,800
	<u>11,950</u>	<u>10,925</u>
c. Rental Expense on Operating Leases		
Motor vehicles	-	-
Office rental	57,658	63,552
	<u>57,658</u>	<u>63,552</u>
d. Depreciation and Amortisation		
Plant and equipment	390,063	446,305
	<u>390,063</u>	<u>446,305</u>
e. Levy		
National office levy	104,500	104,500

The levy is imposed by the CCF National Office to assist in funding the National Office operations. No other levies were paid during the year (2016: \$nil). There were no other levies (voluntary or compulsory) paid by the Branch (2016: \$nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (CONT'D)

	2017 \$	2016 \$
f. Employee related expenses		
Salaries	2,025,383	1,944,283
Superannuation	178,547	184,078
Redundancy Payments	15,385	30,751
Payroll tax	116,301	113,306
Employee Provisions	(100,463)	7,434
	2,235,153	2,279,852
g. Other expenses include:		
Business Development	6,984	21,417
Board Meeting Costs	21,678	28,392
Postage	13,297	19,279
Fringe Benefit Tax	28,638	23,000
Member Service Costs	87,839	131,789
Payroll Deduction Costs	-	-
Subscriptions – Other	6,725	4,873
Donations < \$1,000	-	1,000
Donations > \$1,000	900	-
Grants	-	-
Attendance Allowance / Fee	-	-
Legal costs – Litigation	-	-
Legal costs – Consultation (Other Matters)	23,455	18,291
Affiliation Fees	-	-
Fees/Allowances	-	-
Penalties – via FW(RO) Act or Regulations	-	-
Consideration to Employers Making Payroll Deductions	-	-
Disposal loss on Fixed Assets	3,540	-
Other	364,233	309,169
	557,289	557,210

NOTE 4: CASH AND CASH EQUIVALENTS

Current

Cash on hand	8,655	500
Cash at bank	213,987	239,854
Short-term bank deposits	489,829	1,038,331
	712,471	1,278,685

The weighted average interest rate for cash as at 30 June 2017 is 2% (2016: 2%)

NOTE 5: TRADE AND OTHER RECEIVABLES

a. Current

Trade debtors	318,147	268,417
Less: Provision for doubtful debts	-	-
	318,147	268,417
Accrued Income	933,604	824,657
GST Receivable	-	-
	1,251,751	1,093,074

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are secured.

Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days. No debtor at year end exceeded trading terms. There are no past due or impaired receivables (2016: \$nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

	2017 \$	2016 \$
NOTE 6: INVENTORIES		
a. Current		
Materials and supplies at net realisable value	133,288	166,120

NOTE 7: OTHER CURRENT ASSETS

a. Current		
Prepayments	188,538	310,006
Deposits	(2,100)	(2,100)
	<u>186,438</u>	<u>307,906</u>

NOTE 8: FINANCIAL ASSETS

a. Non-Current		
Investment in Construction Skills Limited Partnership	-	53,892
Investment in National Resource Training Unit	89,256	89,256
Amortisation of National Resource Training Unit	(17,802)	-
Shares in unlisted company – at Board valuation	-	12,500
	<u>71,454</u>	<u>155,648</u>

b. Terms and Conditions

The Branch holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Company are valued based on the consideration of the transfer to Civil Contractors Federation (QLD Branch) in August 2000. The shares were written off during the financial year. A Deed of Termination was signed which will result in such shares being transferred from Civil Contractors Federation (Qld Branch) to INFORMA.

In 2016, the Branch is a 50% venturer with LifeCare Consultants Ltd in Construction Skills Limited Partnership, which conducted civil construction training activities in New Zealand. At 30 June 2017, all related investment costs were expensed in the profit and loss.

The Branch holds 68.65% of National Resource Training Unit at reporting date. This is an unlisted investment.

c. Skills Centre

The Branch has executed an agreement with DEEWR wherein it received \$1.766 million from that department to assist with the funding of the construction of an Industry Skills Centre. As at reporting date, all funding has been received and the Centre was completed. The funding is being amortised to profit and loss over a 5 year period in accordance with funding agreement deliverables (see note 11(b)). The Centre is reflected as a fixed asset in Note 9, and is being depreciated (i.e. the buildings) over its economic life.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 9: PLANT AND EQUIPMENT

	2017 \$	2016 \$
Land – at cost	1,850,000	1,850,000
Land and Buildings – at cost	6,919,247	6,892,349
Less: Accumulated depreciation	(1,378,617)	(1,109,115)
	5,540,630	5,783,234
Office equipment – at cost	663,889	611,720
Less: Accumulated depreciation	(360,633)	(300,700)
	303,256	311,020
Furniture and Fittings – at cost	57,239	53,775
Less: Accumulated depreciation	(35,507)	(30,076)
	21,732	23,699
Motor vehicles – at cost	450,895	450,895
Less: Accumulated depreciation	(280,280)	(225,082)
	170,615	225,813
Total plant and equipment – net book value	7,886,233	8,193,766

RECONCILIATION OF MOVEMENTS IN PLANT AND EQUIPMENT

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Office Equipment \$	Furniture and fittings \$	Motor Vehicles \$	Land and buildings \$	Total \$
Balance at the beginning of the year	311,020	23,699	225,813	7,633,234	8,193,766
Additions	56,070	3,465	-	26,898	86,433
Disposals	(3,903)	-	-	-	(3,903)
Depreciation expense	(59,931)	(5,432)	(55,198)	(269,502)	(390,063)
Carrying amount at the end of the year	303,256	21,732	170,615	7,390,630	7,886,233

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

2017	2016
\$	\$

NOTE 10: TRADE AND OTHER PAYABLES

a. Current

Deferred income	771,204	883,697
Creditors and accruals	463,864	262,786
	1,235,068	1,146,483
Non-Current		
Deferred income	-	194,186

b. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the year 2017-18. In the current year, it also includes \$0.194 million (current liability), representing the balance of monies received from the Department of Education, Training and the Arts (the Department) to fund the purchase of the building and a digital path project. This income has been received subject to terms and conditions imposed by the Department over the period from its receipts to 5 years after project completion date. Such funds are being amortised on a straight line basis to profit over a 5-year period.

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. No payables exist at reporting date (2016: \$nil) in respect of legal costs or consideration to employees for payroll deductions.

NOTE 11: PROVISIONS

a. Current

Provisions for annual leave	94,870	106,624
Provision for Long Service Leave	-	52,900
	94,870	159,524

b. Non-current

Provisions for long service leave	-	-
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c. Aggregate employee entitlement liability

94,870	159,524
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d. Number of employees at year-end

24	19
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Of the amounts owing above, they are payable as follows:

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Officeholders	-	-	-	-	-	-
Other Staff	94,870	106,624	-	52,900	94,870	159,524
Total	94,870	106,624	-	52,900	94,870	159,524

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

PROVISION FOR EMPLOYEE BENEFITS

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

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the 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 12: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Wages and Salaries	-	-	2,025,383	1,944,283	2,025,383	1,944,283
Annual Leave and Long Service Leave	-	-	(100,463)	7,434	(100,463)	7,434
Redundancy Payments	-	-	15,385	30,751	15,385	30,751
Superannuation	-	-	178,547	184,078	178,547	184,078
Other employee expenses	-	-	116,301	113,306	116,301	113,306
Total	-	-	2,235,153	2,279,852	2,235,153	2,279,852

NOTE 13: FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT POLICIES

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

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

i. Terms, conditions and accounting policies

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

ii. Treasury risk management

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

iii. Financial risk exposures and management

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

Liquidity risk

The Branch manages this risk by monitoring its credit terms on trade debtors

Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 13: FINANCIAL RISK MANAGEMENT (CONT'D)

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

	2017 \$	2016 \$
Change in profit/(loss)		
Increase in interest rate by 1%	7,038	12,782
Decrease in interest rate by 1%	(7,038)	(12,782)
Change in equity		
Increase in interest rate by 1%	7,038	12,782
Decrease in interest rate by 1%	(7,038)	(12,782)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 13: FINANCIAL RISK MANAGEMENT (CONT'D)

INTEREST RATE RISK

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

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	1 to 5 years \$	Fixed Interest Rate Maturities Over 5 years \$	Non Interest Bearing \$	Total \$
30 June 2017							
Assets:							
Cash	2%	703,816	-	-	-	8,655	712,471
Trade and Sundry Debtors		-	-	-	-	1,438,189	1,438,189
		703,816	-	-	-	1,446,844	2,150,660
Liabilities:							
Sundry Creditors and Other Liabilities		-	-	-	-	(1,235,068)	(1,235,068)
		-	-	-	-	(1,235,068)	(1,235,068)
Net financial assets		703,816	-	-	-	211,776	915,592
30 June 2016							
Assets:							
Cash	2.25%	1,278,185	-	-	-	500	1,278,685
Trade and Sundry Debtors		-	-	-	-	1,400,980	1,400,980
		1,278,185	-	-	-	1,401,480	2,679,665
Liabilities:							
Sundry Creditors and Other Liabilities		-	-	-	-	(1,340,669)	(1,340,669)
		-	-	-	-	(1,340,669)	(1,340,669)
Net financial assets		1,278,185	-	-	-	60,811	1,338,996

CREDIT RISK EXPOSURE

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

The Branch is not materially exposed to any individual credit risk.

iv. Net Fair Values

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 14: RELATED PARTIES

a. Queensland Branch Board Members

The names of the members of the QLD Branch Board who held office during the year are as follows:

Gavin Turner, Damian Long, Terry Lynch, Luke Bird, Terry Cogill, Mark Goodwin, Peter Kendall, Tim McIlwain, Richard Nyholt, Mark Panizza and Anthony Burke.

Members of QLD Branch did not receive fees for attendance at meetings, nor did they accrue any employee entitlements.

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

No officeholder or officer of the Branch (this year or last year) received any remuneration because they were a member of, or held position with a Board or other organisation because:-

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

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

Damian Long	- Chief Executive Officer (Commenced 19-03-2017)
Robert Row	- Chief Executive Officer/General Manager – Civil Train (Terminated 31-12-2016)
Jennifer Boggiano	- Manager - Office of CEO (Terminated 05-12-2016)
Tamara Andary	- General Manager - Marketing and Events
John Andary	- General Manager – Client Services (Terminated 07-10-2016)
Leslie Hart	- Facilities Manager (Terminated 27-01-2017)
Cheryl Connors	- Administration Manager- Civil Train
Doris Westwood	- Finance and Compliance Manager
Paula Huckstadt	- Communications and Policy / Personal Assistant (Terminated 31-03-2017)
Adrian Kent	- General Manager – Training Services (Commenced 21-11-2016)
Leanne Weier	- Client Services Manager (Commenced 21-11-2016)
Casy Ramage	- Executive Assistant (Commenced 19-04-2017)

c. Key management personnel remuneration

	2017			2016		
	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$	\$	\$	\$
Total Compensation	832,830	74,923	907,753	1,003,484	96,315	1,099,799

Termination payments amounted to \$15,385 (2016: \$30,751). These were paid to 1 (2016: 4) employees as part of wages and salaries, no share based payments were received nor performance bonuses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 14: RELATED PARTIES (CONT'D)

d. Annual Leave and Long Service Leave Accrued for Key Management Personnel during the year

	2017			2016		
	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
Total Leave Provision	31,463	-	31,463	66,663	52,900	119,563

e. Transactions with national office, branches and related entities

Entities related to QLD Branch Board members paid membership fees, event costs and received training, purchased statutory awards and updates from the Branch during the year on the same commercial terms and conditions offered to all other members. Total transactions are as follows:

Membership fees \$44,106 (2016: \$62,800)

Events \$29,915 (2016: \$24,427)

Training \$40,202 (2016: \$59,065)

Transactions with officers and officer related entities.

These transactions were on normal commercial terms and conditions.

	2017 \$	2016 \$
Levy Payment		
During the year, Queensland Branch of the Union paid to the National Office a per capital payment calculated in accordance with the rules.	104,500	104,500

f. Related Party balances at year end

	2017 \$	2016 \$
Amounts receivable/(payable) at reporting date – Federal office and other branches		
National Office	(5,445)	233
Victoria Branch	1,740	110
Western Australia	221,623	(97,357)
	217,918	(97,014)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 14: RELATED PARTIES (CONT'D)

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

Balance Reconciliation- related entities:-

	2017 \$	2016 \$
National Office		
Carrying amount at beginning of the year	233	8,866
Levy Charge	(104,500)	(104,500)
Sundry charges	(4,090)	(4,636)
Sundry income	43,826	68,945
Receipts	(35,319)	(87,924)
Payment made	94,405	119,482
Carrying amount at end of the year	(5,445)	233
Northern Territory Branch		
Carrying amount at beginning of the year	-	-
Sundry charges	-	-
Sundry income	-	440
Receipts	-	(440)
Payment made	-	-
Carrying amount at end of the year	-	-
Tasmanian Branch		
Carrying amount at beginning of the year	-	-
Sundry charges	-	-
Sundry income	251	-
Receipts	(251)	-
Payment made	-	-
Carrying amount at end of the year	-	-
Victorian Branch		
Carrying amount at beginning of the year	110	110
Sundry charges	(1,378)	(548)
Sundry income	2,290	2,477
Receipts	(660)	(2,477)
Payment made	1,378	548
Carrying amount at end of the year	1,740	110
Western Australia Branch		
Carrying amount at beginning of the year	(97,357)	550
Sundry charges	(14,884)	(98,182)
Sundry income	248,956	7,975
Receipts	(13,274)	(7,700)
Payment made	98,182	-
Carrying amount at end of the year	221,623	(97,357)

There is no provision for doubtful debts in respect of the related party balances listed above (2016: \$nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 15: CASH FLOW INFORMATION

	2017 \$	2016 \$
a. Reconciliation of Cash		
Cash at bank and deposit	712,471	1,278,685
	712,471	1,278,685
b. Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
Operating profit after income tax	(783,309)	15,409
Non-cash flows in surplus/(deficit) from ordinary activities		
- Depreciation and amortisation	390,063	446,305
- Skills Centre Funding	(388,404)	(388,404)
- Disposal (Gain) / Loss - Plant	3,450	306
- Write off of Financial Assets	84,194	-
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(158,677)	485,789
Decrease/(Increase) in inventories	32,832	25,107
Decrease/(Increase) in other assets	121,468	(221,523)
(Decrease)/Increase in payables and employee entitlements	(218,149)	(99,689)
Net cash provided by operating activities	(480,144)	263,300

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 16: OPERATING COMMITMENTS

	2017	2016
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- not later than 12 months	-	-
- between 12 months and five years	-	-
- greater than five years	-	-
	-	-

NOTE 17: FAIR VALUE MEASUREMENT

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

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

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

NOTE 17: FAIR VALUE MEASUREMENT (CON'T)

a. Fair value hierarchy

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

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

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

Valuation techniques

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

- ↘ Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities
- ↘ Income approach: valuation techniques that convert estimated future cash flows or income and

expenses into a single discounted present value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 17: FAIR VALUE MEASUREMENT (CONT'D)

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

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

	Note	30 June 2017			Total
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets available for sale:		-	71,454	-	71,454
Total financial assets recognised at fair value		-	71,454	-	71,454
<i>Non-financial assets</i>					
Freehold land and buildings		-	7,390,630	-	7,390,630
Total non-financial assets recognised at fair value		-	7,390,630	-	7,390,630

	Note	30 June 2016			Total
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets available for sale:		-	155,648	-	155,648
Total financial assets recognised at fair value		-	155,648	-	155,648
<i>Non-financial assets</i>					
Freehold land and buildings		-	7,633,233	-	7,633,233
Total non-financial assets recognised at fair value		-	7,633,233	-	7,633,233

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 17: FAIR VALUE MEASUREMENT (CONT'D)

b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 30 June 2017 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Available for sale:	71,454	Market approach: recent observable market data or discounted cashflows	Market unit price
<i>Non-financial assets</i>			
Financial assets at fair value through profit or loss:	7,390,630	Cost approach: using recent observable market data or discounted cashflows	Price per square metre, market borrowing rate
	7,462,084		

c. Disclosed Fair Value Measurements

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

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

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

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

NOTE 18: EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONT'D)

NOTE 19: CONTINGENT LIABILITIES

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

NOTE 20: COMMITMENTS

Capital expenditure commitments as at 30 June 2017 were \$nil. (2016: \$nil).

NOTE 21: ECONOMIC DEPENDENCY

The Branch is economically dependent on ongoing funding in the form of membership fees, existing worker training from contractors and new entrant training income from the QLD Department of Education, Training and Employment.

NOTE 22: OTHER DISCLOSURES

The Branch is economically dependent on ongoing funding in the form of membership fees, existing worker training from contractors and new entrant training income from the QLD Department of Education, Training and Employment.

NOTE 23: FEDERATION DETAILS

The registered office and the principal place of business of the Branch is:

CIVIL CONTRACTORS FEDERATION QUEENSLAND BRANCH

11 HI-TECH COURT
EIGHT MILE PLAINS
QUEENSLAND 4113

INDEPENDENT AUDITORS REPORT

2016-17



**CIVIL CONTRACTORS
FEDERATION**

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

Report on the Audit of the Financial Report

Auditor's Opinion

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

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

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

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Branch in accordance with the independence requirements of Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS BRANCH (QUEENSLAND BRANCH) (CONT'D)

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

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

Board Responsibility for the Financial Report

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

In preparing the financial report, the Board are responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the auditing in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL CONTRACTORS BRANCH (QUEENSLAND BRANCH) (CONT'D)

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

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Stannards Accountants and Advisors



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

Dated in Queensland, on the 14th day of August, 2017

CIVIL CONTRACTORS FEDERATION
QUEENSLAND BRANCH

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