



6 May 2014

Mr David Castledine
Chief Executive Officer
Civil Contractors Federation-New South Wales Branch
ccfnsw@civilcontractors.com

Dear Mr Castledine,

**Civil Contractors Federation-New South Wales Branch
Financial Report for the year ended 30 June 2013 - [FR2013/222]**

I acknowledge receipt of the financial report of the Civil Contractors Federation-New South Wales Branch. The documents were lodged with the Fair Work Commission on 11 October 2013.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Reports must be provided to Members at least 21 days before the General Meeting of Members

The designated officer's certificate states that the financial report was provided to members on 28 August 2013, and presented to a general meeting of members on 18 September 2013. Under section 265(5)(a) of the RO Act, where the report is presented to a general meeting of members, the report must be provided to members at least 21 days before that meeting.

If these dates are correct, the reporting unit only provided members the financial report 20 clear days before the general meeting. Please note that the requirement does not include either the day of giving notice or the meeting.

Please note that subsection 265(5) is a civil penalty provision and future failure to meet this timelines may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of members.

As stated, the Designated Officer's Certificate indicates that this meeting occurred on 18 September 2013. If this is correct the full report should have been lodged with the Fair Work Commission by 2 October 2013.

The full report was lodged on 11 October 2013.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the designated officer's certificate in accordance with section 268 of the RO Act.

Please note that in future financial years a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made if the branch cannot lodge on time.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

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11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au



RE: Certificate of Designated Officer

s268 of Fair Work (Registered Organisations) Act 2009

I, John Wade being the President of the Civil Contractors Federation New South Wales 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 28th August 2013 and
- that the full report was presented to a general meeting of members of the reporting unit on the 18th September 2013; in accordance with section 266 of the RO Act.

Signature:

Date:

11th October 2013

**CIVIL CONTRACTORS FEDERATION
(NSW BRANCH)**

ABN 55 645 813 882

**Financial Report
for the Year Ended
30 June 2013**

Contents

Operating Report 1 - 4

NSW Committee of Management Statement 5

Auditor's Independence Declaration..... 6

Statement of Profit and Loss 7

Statement of Comprehensive Income 8

Statement of Financial Position 9

Statement of Changes in Members' Fund..... 10

Statement of Cash Flow 11

Notes to the Financial Statements 12 - 28

Auditor's Report 29 - 30

**Operating Report
for the Year Ended 30 June 2013**

Principal Activities s254(2)(9a)

The principal activities of the Branch during the financial year were:

The Federation operates predominantly in one business and geographical segment, being a representative body of civil construction contractors in New South Wales, 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 Federation throughout New South Wales. The Federation 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 \$ 285,469 (2012 profit: \$5,006)

Advocacy and member services in industrial relations services has again been a focus given 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.

Membership communications through the NSW Bulletin and e-bulletins, member forums, functions, conferences and publications sales has been significant throughout the year.

Continued education and promotion of contractors has occurred to achieve recognition as accredited contractors for quality management WH&S and environmental management utilising the Federation's Contractor Management System.

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 Federation's financial affairs s254(2)(b)

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

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)

No officer, or member of the reporting unit 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 *reg 159(a)*

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 365 full members and 113 associate members.

Operating Report for the Year Ended 30 June 2013

Number of Employees *reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the NSW Branch of the Federation was 10.

NSW Branch Board Members *reg 159(c)*

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

John Wade –

Branch President (01.07.12 to 30.06.13)

- *Chair of Executive, Finance & Member Services Committee*
- *Member of Government and Public Affairs and Land Development / Infrastructure (combined)*
- *Chair of Regional Interaction Committee*

Mick Boyle –

Branch Vice-President (01.07.12 to 30.06.13)

- *Member of Executive, Finance & Member Services Committee*
- *Member of Government and Public Affairs and Land Development / Infrastructure (combined)*
- *Member of the Women in Civil Construction Sub-Committee*

Glenn Cherrie – (Life Member)

Branch Board Member (01.07.12 to 30.06.13)

- *Chair of Beaconsfield Press*

Robert Antoun –

Branch Board Member (01.07.12 to 30.06.13)

- *Member of the Environment, Waste and Demolition Sub-Committee*

Stuart Ford –

Branch Treasurer (01.07.12 to 30.6.2013)

- *Chair of Industrial Relations Committee*
- *Member of Executive, Finance & Member Services Committee*
- *Chair of the Women in Civil Construction Sub-Committee*

Paul Burton –

Branch Board Member (01.07.12 to 30.06.13)

- *Chair of Industrial Relations Committee*
- *Member of Government and Public Affairs and Land Development / Infrastructure (combined)*

Glenn Fordham –

Branch Board Member (01.07.12 to 30.6.13)

- *Chair of Government and Public Affairs and Land Development / Infrastructure Committee (combined)*
- *Member of Industrial Relations Committee*
- *Member of Moving Plant, Plant Hire & Cartage Committee*

**Operating Report
for the Year Ended 30 June 2013**

Tom Brady –

Branch Board Member (01.07.12 to 30.06.13)

- *Chair of Waste, Environment & Sustainability, Demolition and Recycling Combined Committee*
- *Member of Moving Plant, Plant Hire & Cartage Committee*

Karl Waeger –

Branch Board Member (01.07.12 to 30.06.13)

- *Chair of Workforce Development Committee*
- *Member of Regional Interaction Committee*

Mark Schultz –

Branch Board Member (01.07.12 to 30.06.13)

- *National Board Member*
- *Chair of Moving Plant, Plant Hire & Cartage Committee*

Lee Fahey –

Branch Board Member (20.02.13 to 30.06.13)

Scott Olsen –

Branch Board Member (12.07.12 to 18.12.12), (15.04.13 to 30.06.13)

- *Chair of Workplace Health and Safety Committee (12.07.12 to 18.12.12)*

Craig Smith –

Branch Board Member (20.02.13 to 30.06.13)

Troy Lilliendal –

Branch Board Member (01.07.12 to 20.02.13)

Paul Wise –

Branch Board Member (01.07.12 to 12.07.12)

- *Member of Government and Public Affairs Committee*

**Operating Report
for the Year Ended 30 June 2013**

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 Federation by written notice addressed and delivered to the Chief Executive Officer.
- (b) A notice of resignation from membership of the Federation takes effect:
 - (i) at the end of two weeks after the notice is received by the Federation: 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 Federation in relation to a period before the Member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.
- (d) A notice delivered to the person mentioned in subrule (1) shall be taken to have been received by the Federation when it was delivered.
- (e) A notice of resignation that has been received by the Federation 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 Federation is valid even if it is not effected 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."



John Wade
NSW President

Dated in Sydney this 27th day of August 2013

**NSW Committee of Management Statement
for the Year Ended 30 June 2013**

On, 27th August 2013 the Board of the Civil Contractors Federation (NSW 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 2013:

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

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

For the NSW Branch Board (Committee of Management):



John Wade
NSW President

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2013, there have been:-

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

Stannards, Accountants & Advisors
Stannards, Accountants & Advisors
1/60 Toorak Road, South Yarra VIC 3141


Michael Shulman
Partner (Registered Company Auditor: 163888)
Holder of Current Public Practice Certificate

Dated *27/6/13*

**Statement of Profit and Loss
for the Year Ended 30 June 2013**

	Note	2013 \$	2012 \$
Revenues	2	2,516,516	2,742,724
Employee expenses	3f	(1,379,926)	(1,281,164)
Depreciation and amortisation	3d	(58,364)	(44,553)
Bad and doubtful debts	3a	-	(20,100)
Merchant fees and bank charges		(8,027)	(10,650)
National Levy	3e	(107,700)	(103,300)
Rental expenses		(81,484)	(137,440)
Functions, seminars and conference costs		(287,629)	(277,983)
Training costs		(237,036)	(293,264)
Communication costs		(41,092)	(43,358)
Travelling expenses		(25,279)	(44,023)
CCF Bulletin and Year Book expenses		(37,396)	(54,634)
Other expenses from ordinary activities	3g	(538,052)	(427,249)
(Loss) / Profit from ordinary activities before income tax expense		(285,469)	5,006
Income tax expense	1a	-	-
Net (loss) / profit from ordinary activities after income tax expense attributable to the Federation		(285,469)	5,006

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2013**

	2013	2012
	\$	\$
(Loss) / surplus for the period	(285,469)	5,006
Other Comprehensive Income for the period	-	-
Total comprehensive Income for the period	(285,469)	5,006
Total comprehensive Income attributable to members of the organisation	(285,469)	5,006

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	4	684,408	549,262
Trade and other receivables	5	1,284,720	1,417,970
Other current assets	6	6,472	10,120
TOTAL CURRENT ASSETS		1,975,600	1,977,352
NON-CURRENT ASSETS			
Financial assets	7	12,500	12,500
Plant and equipment	8	138,865	195,946
TOTAL NON-CURRENT ASSETS		151,365	208,446
TOTAL ASSETS		2,126,965	2,185,798
CURRENT LIABILITIES			
Trade and other payables	9	1,954,700	1,737,101
Short term provisions	10	62,616	53,136
Borrowings	12	26,720	21,587
TOTAL CURRENT LIABILITIES		2,044,036	1,811,824
NON-CURRENT LIABILITIES			
Long term provisions	10	-	-
Borrowings	12	64,187	69,763
TOTAL NON-CURRENT LIABILITIES		64,187	69,763
TOTAL LIABILITIES		2,108,223	1,881,587
NET ASSETS		18,742	304,211
MEMBERS' FUNDS			
Accumulated Surplus		18,742	304,211
TOTAL MEMBERS' FUNDS		18,742	304,211

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds
for the Year Ended 30 June 2013**

	2013 \$	2012 \$
Balance at beginning of financial year	304,211	299,205
(Loss) / Surplus attributable to members	(285,469)	5,006
Balance at end of financial year	<u>18,742</u>	<u>304,211</u>

The accompanying notes form part of the financial statements

**Statement of Cash Flow
For the Year ended 30 June 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,642,457	2,433,564
Interest received		20,584	21,897
Payments to CCF National Office		(118,121)	(103,300)
Payments to suppliers and employees		2,407,879	(2,107,970)
Net cash provided by operating activities	15b	137,041	244,191
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(22,934)	(120,703)
Proceeds from sale of plant and equipment		21,482	7,273
Net cash (used in) investing activities		(1,452)	(113,430)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		(443)	91,350
Net cash (used in) financing activities		(443)	91,350
Net (decrease)/increase in cash held		135,146	222,111
Cash at the beginning of the financial year		549,262	327,151
Cash at the end of the financial year	15a	684,408	549,262

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 June 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial report of Civil Contractors Federation (NSW Branch) as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) for their entirety.

The following is a summary of the material accounting policies adopted by the Federation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

Accounting Policies

a. Income Tax

The Federation is registered under the Fair Work (Registered Organisations) Act 2009 and, is 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 is carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by the Branch 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.

Depreciation

The depreciable amounts of plant and equipment are depreciated using the straight line 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:

Office, furniture and equipment	20-33%
Motor vehicles	20%

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Plant and Equipment (cont'd)

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

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. 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 Branch 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 and Loss.

e. Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

f. 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 straight line basis over their estimated useful lives where it is likely that the Federation 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.

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.

Lease incentives received under operating leases are recognised as a liability. Lease payments reduce the liability.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. 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, receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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.

h. Revenue

Revenue from membership subscriptions is recognised proportionately over the period to which it relates.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the service.

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

i. Comparative figures

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

j. Operating Segment

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

The Federation operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in New South Wales, 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 New South Wales.

k. Critical Accounting Estimates and Judgements

The Branch 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 organisation.

Key Estimates – Impairment

The Branch Board assesses impairment on each reporting date by evaluating conditions specific to the Federation 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 2013, except as stated in the report.

Key Judgements - Doubtful Debts Provision

The Branch Board have assessed each debtor and have estimated a provision for doubtful debts amounting to \$16,102 (2012: \$25,888). The Branch Board believes that the full amount of the remaining debtors are recoverable.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. New Accounting Standards for Application in Future Periods

- The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Branch. The Branch has decided not to early adopt any of the new and amended pronouncements. The Branch's assessment of the new and amended pronouncements that are relevant to the Branch but applicable in future reporting periods is set out below:
- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. This amendment is a consequence of the deferral of IFRS 9 to allow IASB to complete its revision of that Standard. In light of this change of mandatory effective date, the Branch is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 30 June 2016. The directors anticipate that the adoption of AASB 9 and AASB 2010-7 will not have a significant impact on the Branch's financial statements.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. New Accounting Standards for Application in Future Periods

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interest in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Branch does not believe this will have a significant impact on its financial statements.

- AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either ‘joint operations’ (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or ‘joint ventures’ (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). This standard will not impact the Branch’s financial statements.
- AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a ‘structured entity’, replacing the ‘special purpose entity’ concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Branch.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

These Standards are not expected to significantly impact the Branch.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Branch’s financial statements.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. New Accounting Standards for Application in Future Periods

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013)

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosures (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This Standard is not expected to significantly impact the Branch's financial report as a whole.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Branch.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans, including:

- removal of the "corridor" approach from AASB 119, thereby requiring entities to recognise all changes in a net defined benefit liability/(asset) when they occur; and
- disaggregation of changes in a net defined benefit liability/(asset) into service cost, net interest expense and remeasurements and recognition of:
 - i. service cost and net interest expense in profit or loss; and
 - ii. remeasurements in other comprehensive income.

AASB 119 (September 2011) also includes changes to the criteria for determining when termination benefits should be recognised as an obligation.

The directors anticipate that the application of amendments to AASB 119 will not have a material impact on the amounts reported by the Branch.

- AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Branch's financial statements.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. New Accounting Standards for Application in Future Periods

- AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Branch's financial statements.

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009-2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Branch's financial statements.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m. Information to be provided to Members or General Manager of FWC

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 a reporting unit, or the General Manager of FWC, may apply to the reporting unit for a specified prescribed information in relation to the reporting unit 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 reporting unit
- (3) A reporting unit must comply with an application made under subsection (1).

n. Going Concern

Despite the Branch's 2013 loss, the Directors believe based on forecasts for the 2014 year and support by other Branches (as required) within the Federation, that a going concern basis of accounting is appropriate.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

	2013 \$	2012 \$
NOTE 2: REVENUE		
Operating activities:		
Membership income (Subscriptions)	1,258,769	1,085,340
Advertising & sponsorship	96,140	105,821
Training income	449,682	829,463
Functions	401,541	365,458
CCF Bulletins	33,922	39,510
Short courses	40,290	43,015
Daily inspection procedure sales	56,982	60,750
Commission received	5,496	5,326
IMS System	39,355	39,020
Workplace reform	8,075	10,250
Plant assessments	-	440
Investment income	20,584	21,897
Piling Federation Management Fees	32,108	62,790
Other income	64,402	41,891
Sundry Income	9,170	31,753
Capitation Fees	-	-
Compulsory Levies	-	-
Donations / Grants	-	-
Financial Support (Branches)	-	-
Total Revenue	2,516,516	2,742,724
NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
The operating profit/(loss) of the Branch before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off to expense	-	500
Provision for doubtful debts	-	19,600
	-	20,100
b. Auditor's Remuneration		
Auditor's remuneration	10,000	8,900
	10,000	8,900
c. Operating Leases		
Photocopier charges	10,587	16,978
Rent	81,484	137,440
	92,071	154,418
d. Depreciation and Amortisation		
Plant and equipment	16,868	14,285
Motor vehicles	41,496	30,268
	58,364	44,553
e. Levy		
National office levy	107,700	103,300

The levy is imposed by the CCF National Office to assist in funding the National Office operations.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

	2013 \$	2012 \$
NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
f. Employee related expenses		
Salaries	1,126,353	987,249
Superannuation	97,034	83,244
Employee benefits	60,915	26,357
Payroll tax	71,104	32,543
Training and recruitment	24,520	151,771
	<u>1,379,926</u>	<u>1,281,164</u>
g. Other expenses		
Study Tour	13,553	-
Public Relations	45,809	-
Accountancy Fees	50,608	57,216
IT support	11,471	15,919
Motor vehicle expenses	72,768	55,110
Subscriptions	3,907	1,280
Meeting Costs	5,909	10,900
Legal Costs	3,857	4,320
Sponsorship	1,500	1,500
Sundry	328,670	281,004
	<u>538,052</u>	<u>427,249</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	500	3,140
Cash at bank	592,608	434,822
Short-term bank deposits	91,300	111,300
	<u>684,408</u>	<u>549,262</u>

The weighted average interest rate for cash as at 30 June 2013 is 2.11% (2012: 5.50%)

NOTE 5: TRADE AND OTHER RECEIVABLES

a. Current

Trade debtors - CCF (National Office)	3,344	21,041
- others	1,293,989	1,422,817
	<u>1,297,333</u>	<u>1,443,858</u>
Less: Provision for doubtful debts	(16,102)	(25,888)
	<u>1,281,231</u>	<u>1,417,970</u>
Sundry debtors	3,489	-
	<u>1,284,720</u>	<u>1,417,970</u>

b. Terms and Conditions

Trade debtors relate to services provided, they are non-interest bearing and are unsecured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days.

Details of the trade debtors owing from the related party are outlined at Note 14e.

Sundry debtors are non-interest bearing and unsecured.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (Cont'd)**

	2013 \$	2012 \$
NOTE 6: OTHER CURRENT ASSETS		
Current		
Prepayments	5,668	5,257
Stock on Hand	804	4,863
	6,472	10,120
NOTE 7: FINANCIAL ASSETS		
a. Non-Current		
Shares in unlisted company – at Branch Board valuation	12,500	12,500
b. Terms and Conditions		
The Federation holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Company are valued based on the consideration of the transfer to shares to Civil Contractors Federation (NSW Branch) in August 2000. The Board continues to believe that this valuation is the most appropriate to value these shares.		
NOTE 8: PLANT AND EQUIPMENT		
Motor vehicles – at cost	216,577	210,554
Less: Accumulated depreciation	(199,775)	(45,748)
	16,802	164,806
Office furniture and equipment – at cost	173,685	214,169
Less: Accumulated depreciation	(51,622)	(183,029)
	122,063	31,140
Total plant and equipment – net book value	138,865	195,946
Reconciliation of movements in plant and equipment		
Motor vehicle – at cost		
Carrying amount at beginning of the year	164,806	107,435
Additions	19,109	95,368
Disposals	(20,356)	(7,729)
Depreciation expense	(41,496)	(30,268)
Carrying amount at end of the year	122,063	164,806
Furniture and equipment		
Carrying amount at beginning of the year	31,140	20,090
Additions	3,825	25,335
Disposals	(1,295)	-
Depreciation expense	(16,868)	(14,285)
Carrying amount at end of the year	16,802	31,140

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

	2013 \$	2012 \$
NOTE 9: TRADE AND OTHER PAYABLES		
a. Current		
Deferred income	1,598,012	1,407,210
Creditors and accruals	356,688	329,891
	<u>1,954,700</u>	<u>1,737,101</u>

b. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the 2014 financial year.

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.

NOTE 10: PROVISIONS

a. Current		
Provisions for annual leave	62,616	53,136
b. Non-Current		
Provisions for long service leave	-	-
c. Aggregate employee entitlement liability		
	62,616	53,136
d. Number of employees at year-end		
	10	12

	Elected Officials (Office holders)	Employees (other than Elected Officials)	Total
	\$	\$	\$
Analysis of Total Provisions			
Annual Leave	-	62,616	62,616
Long Service Leave	-	-	-
Redundancy	-	-	-
Other	-	-	-
	-	62,616	62,616

NOTE 11: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year

	Elected Officials (Office holders)	Employees (other than Elected Officials)	Total
	\$	\$	\$
Wages and Salaries	-	1,110,777	1,110,777
Annual Leave and Long Service Leave	-	60,915	60,915
Redundancy Payments	-	15,576	15,576
Other Employee Expenses	-	95,624	95,624
		1,282,892	1,282,892
Superannuation	-	97,034	97,034
Total	-	1,379,926	1,379,926

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (cont'd)**

	2013 \$	2012 \$
NOTE 12: BORROWINGS		
a. Current		
Hire Purchase Liability	26,720	21,587
b. Non-Current		
Hire Purchase Liability	64,187	69,763

Hire purchase liabilities are secured by the assets they are financing.

NOTE 13: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

The Branch does not have any derivative instruments at 30 June 2013.

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 Board members meet 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 2013 (cont'd)**

NOTE 13: FINANCIAL RISK MANAGEMENT (cont'd)

As at 30 June 2013, 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:

	2013 \$	2012 \$
Change in profit/(loss)		
Increase in interest rate by 1%	5,930	4,547
Decrease in interest rate by 1%	(5,930)	(4,547)
Change in equity		
Increase in interest rate by 1%	5,930	4,547
Decrease in interest rate by 1%	(5,930)	(4,547)

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.

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. 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 classess of financial assets and financial liabilities, is as follows:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities			Total \$
				1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	
30 June 2013							
Assets:							
Cash	2.11	683,908	-	-	-	500	684,408
Trade and Sundry Debtors		-	-	-	-	1,284,720	1,284,720
		683,908	-	-	-	1,285,220	1,969,128
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(1,954,200)	(1,954,700)
Borrowings		-	(26,720)	(64,187)	-	-	(90,907)
		-	(26,720)	(64,187)	-	(1,954,700)	(2,045,607)
Net financial assets		683,908	(26,720)	(64,187)	-	(669,480)	(76,479)
30 June 2012							
Total financial assets	5.50	546,122	-	-	-	1,421,110	1,967,232
Total financial liabilities		-	(21,587)	(69,763)	-	(1,737,101)	(1,828,451)
Net financial assets		546,122	(21,587)	(69,763)	-	(315,991)	138,781

v. 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 2013 (Cont'd)**

NOTE 14: RELATED PARTIES

a. NSW Branch Board members

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

Robert Antoun, Mick Boyle, Tom Brady, Paul Burton, Glenn Cherrie, Stuart Ford, Glenn Fordham, Lee Fahey, Troy Lilliendal, Scott Olsen, Craig Smith, John Wade, Karl Waeger, Paul Wise and Mark Schultz.

The President is entitled to a stipend of \$650 per month. No officeholder received any other remuneration during the year, or accrued an employee entitlement. No termination benefit or share based payments were received.

The officeholders received no 'non cash' benefits (2012: \$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

David Castledine - Chief Executive Officer
 Raul Baonza – Manager Workforce Support
 Robyn Herdman – Manager Workforce Support (terminated on 2 November 2012)
 Roland Ford – Training Manager (started on 7 January 2013)

In the current year, there were 12.5 full time equivalent staff (2012: 9.2 full time equivalent staff).

c. Key Management Personnel Remuneration	2013 \$			2012 \$		
	Salaries \$	Super-annuation \$	Total \$	Salaries \$	Super-annuation \$	Total \$
Total Compensation	426,371	32,191	458,562	271,315	23,334	294,649

A lump sum of \$15,576 was received by key staff on termination during the year.

d. Other transactions with the Branch

Entities related to NSW Branch Board members paid membership fees, received training, purchased statutory awards and updates from the Federation during the year on the same commercial terms and conditions offered to all other members.

e. Civil Contractors National Office

At the end of financial year an amount of \$3,344 (2012: \$21,041 per Note 5(a)) was receivable from the CCF National Office and an amount of \$11,483 was payable to CCF National Office (2012: \$26,245). An amount of \$118,121 (2012: \$103,300) was incurred to the National Office for the National Office levy and other charges.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (Cont'd)**

	2013 \$	2012 \$
NOTE 15: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash on hand	500	3,140
Cash at bank	592,608	434,822
Call deposit	91,300	111,300
	684,408	549,262
b. Reconciliation of profit / (loss) from ordinary activities after income tax to net cash provided by operating activities		
Operating profit / (loss) after income tax	(285,469)	5,006
Add/(Less) items classified as investing/financing activities		
- Loss on disposal of non current assets	169	456
Non-cash flows in profit/(loss) from ordinary activities		
- Depreciation and amortisation	58,364	44,553
- Doubtful debts provision	(9,786)	(52,394)
Changes in assets and liabilities		
Decrease/(Increase) in receivables	143,036	(287,263)
Decrease/(Increase) in other assets	3,648	(812)
(Decrease)/Increase in deferred income	190,802	411,496
(Decrease)/Increase in creditors and accruals	26,797	96,792
(Decrease)/Increase in provisions	9,480	26,357
Net cash provided by operating activities	137,041	244,191

c. Credit Facility

The Branch has a business card credit facility of \$50,000. The facility is required to be clear at the end of each month. At 30 June 2013, the available facility was \$50,000.

**Notes to the Financial Statements
for the Year Ended 30 June 2013 (Cont'd)**

	2013 \$	2011 \$
NOTE 16: OPERATING COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalized in the financial statements:		
- not later than 12 months	29,016	160,417
- between 12 months and five years	-	-
	<u>29,016</u>	<u>160,417</u>

a. Office

An operating lease agreement was signed in June 2008 for a period commencing from June 2008 to May 2013 with Norwest Commercial and Industrial Real Estate Pty Limited for the use of these premises situated at 2.07/25 Solent Circuit, Baulkham Hills. The lease expired on 31 May 2013. The Branch currently occupies a reduced area until 30 September 2013 at \$9,672 plus GST per month. The Branch has offered a bank deposit of \$36,600 for restoration, being for the return of the site to its original condition if required, as and when it relocates. The directors have reasonable grounds to believe the bond of \$36,600 will be recovered in full after necessary repairs to the premises.

A new lease over premises at Hoyle Avenue have been signed. The new lease is for a period of 4 years.

b. Training Centre

The operating lease on land at Penrith Lakes was terminated by Penrith Lakes Development Corporation Ltd in October 2012. The bank guarantee and \$20,000 deposit were both released on that date.

NOTE 17: EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have occurred since the end of the financial year which significantly affect, or may significantly affect, the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years, other than the Branch is relocating to new premises.

NOTE 18: CONTINGENT LIABILITIES

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

NOTE 19: 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 NSW Department of Education and Training.

NOTE 20: BRANCH DETAILS

The registered office and the principal place of business of the Branch is:
Civil Contractors Federation (NSW Branch)
Suite 2.07
25 Solent Circuit
Norwest Business Park
Baulkham Hills NSW 2153

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

Report on the Financial Report

We have audited the accompanying financial report of Civil Contractors Federation (NSW Branch) ("the Federation") which comprises the statement of financial position as at 30 June 2013 and the income statement, statement of comprehensive income, statement of changes in members fund and the cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the NSW Branch Committee.

Board's Responsibility for the Financial Report

The NSW Branch Committee of the Federation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and 1 of the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

1. In our opinion the financial report of Civil Contractors Federation (NSW Branch) at 30 June 2013 is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by the Fair Work (Registered Organisations) Act 2009.
2. In relation to recovery of wages activity, there has been no recovery of wages activity during the year.
3. There were kept by CC (NSW Branch) in respect of the year to 30 June 2013 satisfactory accounting records detailing the sources and nature of the income (including income from members) and the nature and purpose of the expenditure of CCF (NSW Branch).

Stannards Accountants & Advisors

STANNARDS ACCOUNTANTS & ADVISORS



M B SHULMAN CA (Holder of Current Public Practice Certificate and Approved Auditor)

Partner

Company Auditor Registration no. 163888

Dated in Melbourne *27/6/13*



**CCF NSW Branch
Board Operational
Report
2012 / 2013**

CCF NSW Branch Report 2012 / 2013

INTRODUCTION

Whilst the other Branch business units performed well through the year, a significant loss of confidence within the NSW civil construction industry through 2012 lead to the revenue projections of Civil Train NSW not being met. However, the long term financial benefits of continuing to support and serve Members ultimately outweighs the short term financial loss that has occurred in this year.

In other areas, the Branch has prepared well to support Members with the increased volume of work commencing in 2013/14. Our research into the state of the NSW industry over next 10 years has informed our development of the *Eight Strategies* for efficient delivery of NSW civil infrastructure, which clearly articulate CCF NSW's call to action for the NSW Government.

Despite the Civil Train NSW financial result, we have continued to fulfil our reason for being - to support and serve our Members.

FINANCIALS	2013	2012
Profit/Loss	\$ 285,469 Loss	\$ 5,006 Profit
Budget	\$ 40,559 Profit	\$190,532 Loss

BALANCE SHEET	2013	2012
Net Equity	\$ 18,741	\$304,211
Cash Holding	\$ 684,408	\$ 492,662

BUSINESS PLAN DELIVERY

The all-of-Branch year end position for the 2012/13 year is disappointing. The loss reduces Net Equity to the thinnest of margins and considerable scrutiny has and will continue to be deployed in monitoring status.

When the results of the Civil Train NSW business unit are excluded, CCF NSW made a profit of \$159,249. It is a credit to the Branch that it could still achieve this result and continue to deliver support and services to Members.

The Civil Train NSW outcome is due to:

- a significant reduction in enrolments in qualification courses, meaning forecast new revenues were not secured (Last year achieved 275. This Year Target 296 and achieved 75)
- high withdrawal numbers from pre-existing courses, particularly in regional NSW, meaning that minimum participant numbers to deliver courses profitably were not achieved outside Sydney.

The results are reflective of the collapse in confidence that occurred in the NSW civil construction market in the middle of 2012. Whilst this created one of the busiest representative periods for CCF NSW on record, it also decimated both existing and future training enrolments, leaving little choice for the Branch than to close training or incur a significant loss.

In 2011/12 CCF NSW had, in response to a chorus of concern from regional Members, committed delivering training into regional NSW. The Board of CCF NSW thus made at the close of 2012 the toughest of decisions - to continue on with training delivery in regional NSW despite incurring a once-off loss in 2012/13. In making this decision the Board determined it must honour the trust Members have in CCF NSW in order to avoid the more severe and longer lasting damage of large numbers of lost memberships.

Civil Train NSW also cut costs, and reinvented its delivery model in March 2013 with far lower fixed costs per qualification. The new model also offers employers far more flexibility and a significantly lower total training cost. Prior to the new model's release, Civil Train NSW had only secured four (4) enrolments for the year, yet with the new model finished with 75 enrolments.

The new model also allows many short courses to be delivered across all of NSW, effectively doubling the target market for our short courses. Re-energised, a far more expansive short course calendar has been developed utilising staff, contractors and Associate Member resources.

Throughout this tough period, CCF NSW has continued to maintain focus on the primary objectives of the organisation – to support our Members and to be the voice of our industry.

MEMBERSHIP

NEW MEMBERS	2013
Contractor members	17
Associate members	11

RESIGNATIONS	2013
Contractor members	33
Associate members	11

CURRENT MEMBERSHIP	2013
Contractor members	365
Associate members	113

TRAINING

FINANCIALS	2013	BUDGET
Income	\$ 489,972	\$ 1,837,026
Expenditure	\$ 934,690	\$ 1,601,430
Net result for the year	\$ 444,718 (Loss)	\$ 235,596 Profit

KEY ACHIEVEMENTS

The beginning of the 2012/13 year saw an abrupt collapse in confidence in the NSW civil construction industry. Widespread and major insolvencies saw CCF NSW call on the NSW government in August to launch an inquiry into their causes.

CCF NSW's advocacy and Member support role during this period was manifestly important to the future framework and longevity of the industry in this State, and this was without doubt one of the busiest periods the Branch has ever witnessed.

Paradoxically, the future for the NSW industry however looks bright, with the much anticipated launch of the NSW Government's State Infrastructure Strategy in December heralding considerable work. The Branch subsequently commissioned BIS Shrapnel to undertake one of the most important pieces of civil infrastructure research ever undertaken in this state – an “earthmover activity only” 10 year forecast for the industry.

This research informed our creation of the *Eight Strategies* for the NSW Government to efficiently deliver on its civil infrastructure plans. In a concerted effort, the last half of the year saw us deliver these strategies directly into the offices of NSW Government.

Excluding the Civil Train NSW business unit result, CCF NSW made a profit of \$159,249. This occurred whilst we continued to provide in-house delivered services in industrial relations, human resources, safety, environment and quality management. Indeed, support for Members in face of increased union activity has been extensive, with some 2,000 IR related enquiries being received in the year. Further, over 40 Member events were run across the State.

Despite the financial loss emanating from Civil Train NSW, its current value to the NSW industry should not be underestimated, particularly given the State's infrastructure plans. Prior to 2011/12, Civil Train NSW effectively did no training in regional NSW, and was processing only approximately 40 certificate level qualification enrolments per year. However, in the 2011/12 and 2012/13 year some 320 enrolments were processed, of which 134 were in regional NSW.

CCF NSW has also moved to prepare for the impending surge in NSW civil infrastructure work. An innovative and more efficient training delivery model has been implemented - one that significantly lowers the total cost of training for employers. Further, CCF NSW has finalised the move to new premises that are more reflective of the organisation our Members need us to be, and allows us to expand the ways we can effectively support and serve our Members in the future.

In short, despite the loss incurred in the 2012/13 year, the Branch has been careful to minimise the impact on the delivery of support and services for Members - the Membership value proposition has been maintained.



John Wade
Branch President



David Castledine
Branch CEO



Stuart Ford
Branch Treasurer