



10 October 2016

Mr Phillip Sutherland
Chief Executive Officer
South Australia Branch
Civil Contractors Federation
psutherland@ccfsa.com.au

CC: Michael Shulman, Stannards Accountants & Advisors by email: advisors@stannards.com.au

Dear Mr Sutherland,

**Civil Contractors Federation - South Australia Branch
Financial Report for the year ended 30 June 2016 - [FR2016/264]**

I acknowledge receipt of the financial report of the Civil Contractors Federation - South Australia Branch. The documents were lodged with the Fair Work Commission on 8 September 2016.

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 2017 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 FWC will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the FWC website. In particular, I draw your attention to Financial reporting process and timelines which explains the timeline requirements, and Diagrammatic summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

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 18 August 2016, and presented to a General Meeting of members on 7 September 2016. 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 19 days before the General Meeting.

Please note that the day the notice is sent and the day of the meeting can not be counted. As such these two days do not count towards the 21 days. For next year's report, please ensure that the notice is sent twenty one days before the meeting but that the twenty one days does not include the day of the meeting or the day notice is sent.

Loans, Grants and donations statement

A Loans, Grants and Donations statement was lodged with the FWC as required under subsection 237(1) of the RO Act. Figures for grants and donations that exceeded \$1,000 were also supplied in the financial report. However, while the total amount for donations and grants matches the financial report, the breakdown is different to the figure supplied on the Loans, Grants and Donations Statement.

Please ensure that next year's loans, grants and donations statement figures are reflected in the financial report.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8656 4698 or via email at catherine.bebbington@fwc.gov.au.

Kind regards



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

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CCF SA



REYNELLA INTERCHANGE

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Civil Contractors
Together - Stronger

**CIVIL CONTRACTORS FEDERATION
(SA BRANCH)**

ABN 65 484 720 549

**Financial Report
For the Year Ended
30 June 2016**

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**Committee of Management Statement
For the Year Ended 30 June 2016**

On 18 August 2016, the Committee of Management of the Civil Contractors Federation, South Australia 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 2016:

The Committee of Management (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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, 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 committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 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) the information sought in any request of a member of the reporting unit or the General Manager of FWC duly made under section 272 of the RO Act has been furnished to the member or General Manager of FWC; and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RO Act.
 - (vii) In relation to recovery of wages activity, no revenue has been derived from undertaking recovery of wages activity during the period.

For Committee of Management:



Gerard Beltrame
CCF SA Branch President

Date: 18TH AUGUST 2016

**Operating Report
For the Year Ended 30 June 2016**

PRINCIPAL ACTIVITIES S254(2)(A)

The principal activities of the SA Branch during the financial year were to represent, promote and protect the Civil Contracting Industry including the provision of technical and other information, the conduct of events and activities and in the provision of training services to members.

The Branch represents its members to all levels of Government and advocates for a regulatory and taxation environment that is supportive of the civil construction industry. The major results from the Branch conducting its principal activities were as follows:

- The Branch was able to promote the civil industry and identify the various issues faced by civil contractors and make representations on behalf of the members to relevant government authorities and departments.
- The Branch identified and promoted the civil industry needs and made representations for increased public investment in transport and other infrastructure.
- The Branch's training revenues have decreased as a result of the change in State Government's training subsidy policy. The branch invested in marketing and promotional activities to promote Civil Trains fee for service training offering.
- A number of networking events and forums were held to discuss, brief and advise members on issues of relevance to the civil industry.

RESULTS OF PRINCIPAL ACTIVITIES S254(2)(A)

The Branch's principal activities resulted in a surplus of \$95,254 (2015 surplus of \$618,774).

Cash balances during the year had decreased to \$422,553 from \$799,620. As at reporting date, it had net assets of \$7.7million (2015: \$7.6million).

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 reporting year which significantly affected the financial affairs of the SA Branch.

**Operating Report
For the Year Ended 30 June 2016 (cont'd)**

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 [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: 196 associate members, 52 Associate Stakeholders (also known as Affiliates), 4 Life members, 256 Full members and Retired members of 37. Total of 545 members. (2015: 210 associate members, 56 Associate Stakeholders (also known as Affiliates), 4 Life members and 264 Full members. Total of 534 members.

NUMBER OF EMPLOYEES RO reg 159(b)

The number of persons who were, at the end of the financial year, employees of the SA Branch of the Branch of the Federation was: 29 (2015: 37).

SA BRANCH BOARD MEMBERS RO reg 159(c)

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

Name	Title	Period Of Office
Gerard Beltrame	Branch President & National Board Member	1-7-15 to 30-06-16
Paul Davison	Branch Vice President	1-7-15 to 30-06-16
Andrew Young	Branch Honorary Treasurer	1-7-15 to 2-9-15
Michael Jeffery	Branch Honorary Treasurer	2-9-15 to 30-6-16
SA Board Members		
Jessica Tucker	Branch Board Member	1-7-15 to 6-06-16
Ted Paluszek	Branch Board Member	1-7-15 to 30-06-16
Chris Plumb	Branch Board Member	1-7-15 to 2-9-15
Christopher Reynolds	Branch Board Member	1-7-15 to 30-06-16
Mike Forster	Branch Board Member	1-7-15 to 30-06-16
Charles Hatcher	Branch Board Member	2-9-15 to 30-6-16
Tom Newland	Associate Member Rep (Observer)	1-7-15 to 2-9-15
Russell Bianco	Associate Member Rep (Observer)	1-7-15 to 2-9-15
Nick Anderson	Associate Member Rep (Observer)	2-9-15 to 30-6-16
Simon Abraham	Associate Member Rep (Observer)	2-9-15 to 30-6-16

**Operating Report
For the Year Ended 30 June 2016 (cont'd)**

MANNER OF RESIGNATION

Members may resign from the Federation in accordance with rule 9, 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 (National).
- (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 sub-rule (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 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."

Gerard Beltrame
SA Branch President

Signature 

Date: 18th 2016


AUGUST

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2016 there have been:-

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


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


Michael Shulman
Partner (Registered Company Auditor: 163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations)

Dated 16/6/2016

**Statement of Profit or Loss and Comprehensive Income
for the Year Ended 30 June 2016**

	Note	2016 \$	2015 \$
Trading Revenue	2	5,207,078	6,642,425
EIF Grant	2	1,366,000	1,366,000
Other Income	2	160,950	358,288
Employee benefits	3a	(2,818,326)	(3,781,139)
Depreciation, amortisation and impairment	3b	(1,125,423)	(1,175,481)
Advertising		(162,187)	(92,041)
Employer costs		(222,024)	(263,560)
Finance costs		(16,353)	(21,957)
Functions, seminars and conference costs		(401,596)	(438,960)
National levy	3c	(104,500)	(74,282)
Motor vehicle expenses		(67,092)	(85,539)
Repairs and maintenance		(304,211)	(357,816)
Printing and stationery		(97,198)	(94,206)
Training materials and equipment		(472,751)	(544,275)
Other expenses	3d	(847,115)	(818,683)
Profit / (Loss) for the year		95,254	618,774
Other Comprehensive Income			
Revaluation increase/(decrease) in property		-	-
Total Comprehensive Income		95,254	618,774

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2016**

	Note	2016	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	422,553	799,620
Trade and other receivables	5	1,062,202	887,005
Other current assets	6	217,888	407,374
TOTAL CURRENT ASSETS		1,702,643	2,093,999
NON-CURRENT ASSETS			
Other non current assets	6	12,500	12,500
Property, plant and equipment	7	8,308,659	9,370,717
TOTAL NON-CURRENT ASSETS		8,321,159	9,383,217
TOTAL ASSETS		10,023,802	11,477,216
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,193,143	1,307,223
Borrowings	9	290,561	390,561
Unearned Income	12	573,000	1,366,000
Short term provisions	10	195,048	171,834
TOTAL CURRENT LIABILITIES		2,251,752	3,235,618
NON-CURRENT LIABILITIES			
Unearned Income	12	-	573,000
Borrowings	9	-	-
Long-term provisions	10	60,645	52,447
TOTAL NON-CURRENT LIABILITIES		60,645	625,447
TOTAL LIABILITIES		2,312,397	3,861,065
NET ASSETS		7,711,405	7,616,151
EQUITY			
Retained earnings		7,711,405	7,616,151
Reserves		-	-
TOTAL EQUITY		7,711,405	7,616,151

The accompanying notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 30 June 2016**

2015	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2014	6,997,377	-	6,997,377
Profit attributable to members of the entity	618,774	-	618,774
Transactions with owners in their capacity as owners	-	-	-
Sub-total	7,616,151	-	7,616,151
Balance at 30 June 2015	7,616,151	-	7,616,151
2016	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2015	7,616,151	-	7,616,151
Profit attributable to members of the entity	95,254	-	95,254
Transactions with owners in their capacity as owners	-	-	-
Sub-total	7,711,405	-	7,711,405
Balance at 30 June 2016	7,711,405	-	7,711,405

**Statement of Cash Flow
for the Year ended 30 June 2016**

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other customers		6,528,750	8,709,232
Payments to suppliers and employees		(6,609,049)	(7,995,254)
Interest received		4,066	3,385
Interest paid		(16,353)	(21,957)
Receipts from Related Parties	17(f)	26,015	61,329
Payments to Related Parties	17(f)	(147,131)	(169,269)
Net cash provided by (used in) operating activities	13(a)	(213,702)	587,466
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	84,182
Purchase of property, plant and equipment		(63,365)	(124,331)
Net cash provided by (used in) investing activities		(63,365)	(40,149)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment for borrowings		(100,000)	(100,000)
Net cash provided by (used in) financing activities		(100,000)	(100,000)
Net increase (decreases) in cash held		(377,067)	447,317
Cash at beginning of financial year		799,620	352,303
Cash at end of financial year	4	422,553	799,620

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

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 (SA Branch) as an Individual entity. Civil Contractors Federation (SA Branch) is a Branch incorporated in South Australia under the Fair Work (Registered Organisations) Act 2009. It is a 'not for profit' entity.

Basis of Preparation

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

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.

Accounting Policies

a. Income Tax

The Branch 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, cash at bank and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than twelve months.

c. Property, 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 2016 (cont'd)**

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

c. Property, Plant and Equipment (cont'd)

Depreciation

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

	2016	2015
Office Plant and Equipment	10-33%	10-33%
Furniture and Fittings	6.67-33%	6.67-33%
Buildings (straight line)	2.5-10%	2.5-10%
Other	10-30%	10-30%

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. 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 and Loss.

e. Employee Benefits

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 vesting sick leave are recognised as part of current trade and other payables in the statement of financial position. The Branch's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

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

e. Employee Benefits (cont'd)

Other 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.

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.

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 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.

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.

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.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

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

h. Revenue & Other income

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Civil Contractors Federation SA Branch's activities as discussed below:

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue for 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 contract.

Interest revenue

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

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are then credited to income based upon the terms and conditions of the grant.

i. Comparative figures

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

Where the Branch has retrospectively applied an accounting policy, made a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period is disclosed.

j. 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 South Australia. Its role is to represent and promote the Civil Contracting Industry including the provision of technical and other information, the conduct of events and activities and in the provision of training services to members. The Branch represents its members at all levels of Government and advocates for a regulatory and taxation environment that is supportive of the civil construction industry

k. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

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

I. 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 (ie. 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie. 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 (ie. 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 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

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

n. Critical Accounting Estimates and Judgements

The Committee of Management (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 2016, 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 \$13,137 (2015: \$11,990). The Board believes that the full amount of the remaining debtors is recoverable.

o. Branch Relationship with the Civil Contractors Federation

This Branch, while autonomous in relation to most of its day to day operations, is not considered to be a separate entity by law from the Civil Contractors Federation.

The ownership of Branch assets and responsibility for Branch liabilities are believed to ultimately rest with the Civil Contractors Federation. It is therefore possible that Branch assets may be appropriated by the Civil Contractors Federation to meet its obligations.

p. Going Concern

While the Branch, if viewed as an autonomous legal entity, is believed to be able to pay its debts as and when they fall due, no assessment has been made as to the likelihood of the Branch being called upon to financially support the Civil Contractors Federation either nationally or in respect of its other Branches

q. Provisions

Provisions are recognised when the Branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

r. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Branch during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

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

s. 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).

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 Committee of Management 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. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts and 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 contract(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.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the Committee of Management 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

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

New Accounting Standards for Application in Future Periods (cont'd)

- AASB 16: *Leases* (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;
- 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;
- by applying a practical expedient, a lessee is permitted 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 Committee of Management 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.

t. 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 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).

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

	2016	2015 \$
NOTE 2: REVENUE AND OTHER INCOME		
Operating revenue:		
Qualifications	2,462,207	3,625,466
Short courses	1,598,542	1,779,420
Member subscriptions	564,925	581,744
Function and Sponsorship income	357,111	423,636
Production income	250	-
Publication Income	17,188	14,326
Advertising Income	45,061	78,232
Grants received	126,341	87,885
Other	35,453	51,716
Capitation Fees	-	-
Compulsory Levy & Voluntary Levy	-	-
Affiliation Fees	-	-
Donations	-	-
Financial Support - Branches	-	-
	5,207,078	6,642,425
EIF Grant		
EIF Grants Received	1,366,000	1,366,000
	1,366,000	1,366,000
Other Income		
Interest received	4,066	3,385
Directors fees	11,384	7,192
Lease income	107,449	122,426
Profit on Disposal of Assets	-	62,656
Other	38,051	162,629
	160,950	358,288
Total Revenue	6,734,028	8,366,713
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
The operating profit of the Branch before income tax expense has been determined after:		
a. Employee Benefits		
Salaries	2,569,195	3,471,001
Superannuation	217,719	266,949
Annual leave and long service leave	31,412	43,189
	2,818,326	3,781,139
b. Depreciation and Amortisation		
Plant and equipment	1,125,423	1,175,481
	1,125,423	1,175,481
c. Levy		
National office levy	104,500	74,282
	104,500	74,282

The levy is imposed by the CCF National Office to assist in funding the National Office operations. No other levies (compulsory) are paid or payable.

CIVIL CONTRACTORS FEDERATION (SA BRANCH)

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

	2016	2015
		\$
d. Other expenses		
Accounting fees	-	1,000
Auditor's Remuneration – Financial Statements Audit (Other Service: \$nil (2015: \$nil))	14,400	11,420
	14,400	12,420
Affiliation Fees	-	-
Attendance Allowance / Fee	-	-
Bad debts	18,250	5,250
Bank charges	14,792	17,396
Board / Committee meeting expenses	18,328	11,816
Capitation Fees	-	-
Consultancy fees	102,336	59,313
Grants < \$1,000	-	-
Grants > \$1,000	5,000	-
Donations < \$1,000	-	759
Donations > \$1,000	-	-
Insurance	64,023	69,216
Leasing Costs	97,528	131,824
Legal Costs – Litigation	-	-
Legal Costs – Other Matters	6,811	11,363
Licence fee and membership	14,124	14,629
Office rent and outgoings	88,066	86,850
RO Act Penalties	-	-
Employer Payroll Deduction Costs	-	-
Sponsorship	2,000	2,700
Subscriptions	2,810	-
Travel	49,640	51,782
Utilities	68,055	78,356
Production and distribution	55,790	73,715
Other general expenses	225,162	191,294
	847,115	818,683

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	3,300	3,300
Operating accounts	378,852	579,797
Saving accounts	40,401	216,523
	422,553	799,620

In accordance with the funding agreement between the Department of Education, Employment and Workplace Relations and the Civil Contractors Federation SA Branch, cash held in the EIF Project accounts in prior years was used for the specified activities under the Civil Train Highway to Skilling the Industry Project.

	Note	2016	2015
		\$	\$
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	14	422,553	799,620
		422,553	799,620

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

	Note	2016 \$	2015 \$
NOTE 5: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables	5 (b)	1,075,339	898,995
Provision for impairment of receivables	5 (a)	(13,137)	(11,990)
Sundry debtors	5 (b)	-	-
		<u>1,062,202</u>	<u>887,005</u>

(a) Provision for Impairment of Receivables

Current trade receivables are non-interest bearing and settle generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivables is impaired. These amounts have been included in other expense item.

Movement in the provision for impairment of receivables is as follows:

Provision for impairment as at 1 July 2014	12,409
Written Off	<u>(419)</u>
Provision for impairment as at 30 June 2015	<u>11,990</u>
Provided	<u>1,147</u>
Provision for impairment as at 30 June 2016	<u>13,137</u>

(b) Credit risk – Trade and Other Receivables

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specially provided for and mentioned within Note 5. The main source of credit risk to the Branch is considered to relate to the class of assets described as trade and other receivables.

The following table details the Branch's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Branch and other customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch. The balances of receivables that remain within trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past due and impaired \$	31-60 \$	61-90 \$	>90 \$	Within initial trade terms \$
2016						
Trade & term receivables	1,075,339	13,137	65,876	53,640	102,433	840,253
2015						
Trade & term receivables	898,995	11,990	61,318	16,270	81,522	727,895

The Branch does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 5: TRADE AND OTHER RECEIVABLES (cont'd)

(c) Collateral held as security

The Branch does not hold any collateral over any receivables balances

(d) Financial assets classified as loans and receivables

	2016	2015
	\$	\$
Trade and other receivables	1,062,202	887,005
	<u>1,062,202</u>	<u>887,005</u>

NOTE 6: OTHER ASSETS

CURRENT

Prepayments	83,167	63,864
Accrued income and other assets	134,721	343,510
	<u>217,888</u>	<u>407,374</u>

NON-CURRENT

Shares in unlisted company – at Board valuation	12,500	12,500
	<u>12,500</u>	<u>12,500</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Freehold land		
At cost	2,075,000	2,075,000
	<u>2,075,000</u>	<u>2,075,000</u>

Buildings

At Cost	6,775,850	6,754,841
Accumulated depreciation	(1,325,276)	(1,045,489)
	<u>5,450,574</u>	<u>5,709,352</u>

Course Materials

At Cost	21,175	21,175
Accumulated depreciation	(13,233)	(9,067)
	<u>7,942</u>	<u>12,108</u>

Plant and equipment

At cost	5,170,998	5,153,533
Accumulated depreciation	(4,504,969)	(3,705,140)
	<u>666,029</u>	<u>1,448,393</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

	2016	2015
		\$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT (cont'd)		
Furniture, fixture and fittings		
At cost	518,903	501,448
Accumulated depreciation	(431,414)	(394,990)
	<u>87,489</u>	<u>106,458</u>
Website development	29,185	21,748
At cost	(7,604)	(2,386)
Accumulated depreciation	<u>21,581</u>	<u>19,362</u>
Other		
At cost	49,500	49,500
Accumulated depreciation	(49,456)	(49,456)
	<u>44</u>	<u>44</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>8,308,659</u>	<u>9,370,717</u>

(a) Movements in Carrying Amounts

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

	Land \$	Buildings \$	Plant & Equipment \$	Furniture, Fixtures & Fittings \$	Course Materials \$	Other Property Plant & Equip't \$	Website \$	Total \$
Balance at the beginning of year	2,075,000	5,943,518	2,306,746	101,461	16,624	44	-	10,443,393
Additions	-	41,527	23,173	37,883	-	-	21,748	124,331
Disposals	-	-	(21,526)	-	-	-	-	(21,526)
Depreciation expense	-	(275,693)	(860,000)	(32,886)	(4,516)	-	(2,386)	(1,175,481)
Balance at 30 June 2015	<u>2,075,000</u>	<u>5,709,352</u>	<u>1,448,393</u>	<u>106,458</u>	<u>12,108</u>	<u>44</u>	<u>19,362</u>	<u>9,370,717</u>
Balance at the beginning of year	2,075,000	5,709,352	1,448,393	106,458	12,108	44	19,362	9,370,717
Additions	-	21,009	17,465	17,454	-	-	7,437	63,365
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	(279,787)	(799,829)	(36,423)	(4,166)	-	(5,218)	(1,125,423)
Balance at 30 June 2016	<u>2,075,000</u>	<u>5,450,574</u>	<u>666,029</u>	<u>87,489</u>	<u>7,942</u>	<u>44</u>	<u>21,581</u>	<u>8,308,659</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

	Note	2016	2015 \$
NOTE 8: TRADE AND OTHER PAYABLE			
CURRENT			
Trade payables		244,941	226,099
Amounts received in advance		812,296	774,189
Sundry payables and accrued expenses		135,906	306,935
		1,193,143	1,307,223
 (a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
- Total Current		1,193,142	1,307,223
Less:			
Amounts received in advance		(812,296)	(774,189)
Financial liabilities as trade and other payables	14	380,846	533,034
 NOTE 9: BORROWINGS			
Current			
Bank loans	14	290,561	390,561
		290,561	390,561
Non-Current			
Bank loans		-	-
		-	-

(a) Bank and Mortgage Loans

The Branch has a \$1 million (2015; \$1 million) overdraft facility with Commonwealth Bank of Australia which is subject to annual review and is a variable interest rate facility. It also has an \$80,000 (2015; \$80,000) Business Card facility. The property situated at Thebarton has been provided as security to the Commonwealth Bank for the provision of the facilities. There are no unsatisfied covenants within the bank borrowings.

	2016	2015 \$
NOTE 10: PROVISIONS		
Current		
Annual Leave	134,126	119,413
Long Service Leave	60,922	52,421
	195,048	171,834
 Non-Current		
Long Service Leave	60,645	52,447
	60,645	52,447
Number of employees at year-end	29	37

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 10: PROVISIONS (cont'd)

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

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Officeholders	-	-	-	-	-	-
Other Staff	134,126	119,413	121,567	104,868	255,693	224,281
Total	134,126	119,413	121,567	104,868	255,693	224,281

There are no provisions for separation and redundancy or other provisions for officeholders or other employees (2015: \$nil).

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 11: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Wages and Salaries	-	-	2,569,195	3,427,384	2,569,195	3,427,384
Annual Leave and Long Service Leave	-	-	31,412	43,189	31,412	43,189
Redundancy Payments	-	-	-	43,617	-	43,617
Superannuation	-	-	217,719	266,949	217,719	266,949
Total	-	-	2,818,326	3,781,139	2,818,326	3,781,139

Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)

	2016	2015
		\$
NOTE 12: UNEARNED INCOME		
Current	573,000	1,366,000
Non-Current	-	573,000
	<u>573,000</u>	<u>1,939,000</u>

The Branch was awarded a contract for the grant of \$8.2 million during the financial year ended 30th June 2011 under the Education Investment Fund Program to expand its training capacity through the purchase of simulators, mobile training units and the redevelopment of the training facilities at Thebarton. The EIF grant has been deferred and is being recognised as income over a six-year period.

	2016	2015
		\$
NOTE 13: CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax.		
Profit from ordinary activities	95,254	618,774
Non-cash flows in profit		
EIF Income	(1,366,000)	(1,366,000)
Depreciation	1,125,423	1,175,481
Net (gain)/loss on disposal of property, plant and equipment	-	(62,656)
Changes in operating assets and liabilities		
(Increase)/decrease in trade and term receivables	(175,197)	407,233
(Increase)/decrease in other assets	189,486	(240,473)
Increase/(decrease) in trade payables and accruals	(114,080)	11,918
Increase/(decrease) in provisions	31,412	43,189
	<u>(213,702)</u>	<u>587,466</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 14: FINANCIAL RISK MANAGEMENT

Specific Financial Risk Exposures and Management

The main risks Civil Contractors Federation SA Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts. The Branch does not have any derivative instruments at 30 June 2016.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note	2016	2015
		\$
Financial Assets		
Cash and cash equivalents	422,553	799,620
Trade and other receivables	1,062,202	887,005
Total financial assets	1,484,755	1,686,625
Financial Liabilities		
Financial liabilities at amortised costs		
- Trade and other payables	380,846	533,032
- Borrowings	290,561	390,561
Total financial liabilities	671,407	923,593

Financial risk management policies

The Branch's Committee of Management (Board) has overall responsibility for the establishment of Civil Contractors Federation SA Branch's financial risk management framework. The board meets regularly and review risk and evaluates risk management strategies in the context of the most recent economic conditions and forecasts.

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.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

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.

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

At 30 June 2016, 100% of Civil Contractors Federation SA Branch debt is floating rate.

(b) Liquidity risk

Liquidity risk arises from the possibility that Civil Contractors Federation SA Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, Civil Contractors Federation SA Branch ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial guarantee liabilities are treated as payable on demand since Civil Contractors Federation SA Branch has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Financial liability maturity analysis – Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans	290,561	390,561	-	-	-	-	290,561	390,561
Trade and other payables (excluding estimated annual leave)	380,846	533,032	-	-	-	-	380,846	533,032
Total contractual outflows	671,407	923,593	-	-	-	-	671,407	923,593

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity risk (cont'd)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flows realisable								
Cash and cash equivalents	422,553	799,620	-	-	-	-	422,553	799,620
Trade, term and loans receivable	1,062,202	887,005	-	-	-	-	1,062,202	887,005
Total inflows	1,484,755	1,686,625	-	-	-	-	1,484,755	1,686,625

Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Civil Contractors Federation SA Branch and arises principally from Civil Contractors Federation SA Branch's receivables.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Collateral held by Civil Contractors Federation SA Branch securing receivable are detailed in Note 5(c).

The Branch has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Trade and other receivables that are neither past due or impaired are considerate to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

(d) Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

(d) Net Fair Values (Cont'd)

	2016		2015	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents	422,553	422,553	799,620	799,620
Trade and other receivables	1,062,202	1,062,202	887,005	887,005
Total financial assets	1,484,755	1,484,755	1,686,625	1,686,625
Financial liabilities				
Trade and other payables	380,846	380,846	533,032	533,032
Bank debt	290,561	290,561	390,561	390,561
Total financial liabilities	671,407	671,407	923,593	923,593

(e) Interest rate risk sensitivity analysis

As 30 June 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2016 \$	2015 \$
Change in Profit		
- Increase in interest rate by 2% (2015: 2.0%)	2,639	8,181
- Decrease in interest rate by 0.5% (2015: 0.5%)	(659)	(2,045)
Change in Equity		
- Increase in interest rate by 2% (2015: 2.0%)	2,639	8,181
- Decrease in interest rate by 0.5% (2015: 0.5%)	(659)	(2,045)

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Branch is believed to be liable for unpaid debts for the Civil Contractors Federation to the extent of the branch assets and at the date of this report, no known amount exists for any contingent liability.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

	2016	2015
	\$	\$
Capital expenditure commitments contracted for:		
Renovations of Thebarton Property	-	-
EIF Project commitments		
Simulators	-	-
Mobile training units	-	-
Building redevelopment	-	-
	-	-

(b) Operating Lease Commitments

Non- cancellable operating leases payable in respect of motor vehicles and equipment

Payable:-	2016	2015
	\$	\$
Less than one year	111,073	131,492
More than one year but less than five years	77,614	210,652
Total Operating Lease Commitments	188,687	342,144

(c) Rental Lease Commitments

Non- cancellable operating leases payable in respect of motor vehicles and equipment

Payable:-	2016	2015
	\$	\$
Less than one year	28,260	28,260
More than one year but less than five years	-	-
Total Operating Lease Commitments	28,260	28,260

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 17: RELATED PARTY TRANSACTIONS

a. SA Branch Board members

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

Gerard Beltrame, Paul Davison, Andrew Young, Jessica Tucker, Ted Paluszek, Chris Plumb, Christopher Reynolds, Mike Forster, Tom Newland, Russell Bianco, Michael Jeffery, Charles Hatcher, Nick Anderson and Simon Abraham.

Members of the SA Branch Board received no attendance fees during the year, nor do they accrue any entitlements.

The officeholders received no 'non cash' benefits (2015: \$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

Any person(s) having delegated authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any committee member is considered key management personnel.

Designation	Name	Period in Office
Chief Executive Officer	Phillip Sutherland	1-7-15 to 30-6-16
Director Operations and Finance	Marie Paterson	1-7-15 to 30-6-16
Director Global Learning and Future Directions	Victoria Griffith	1-7-15 to 30-6-16

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

	2016 \$			2015 \$		
c. Key Management Personnel Remuneration	Short Term Benefits \$	Post Employment Benefits \$	Total \$	Short Term Benefits \$	Post Employment Benefits \$	Total \$
Total Compensation	429,491	39,690	469,181	491,052	46,646	537,708

	2016 \$			2015 \$		
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel End of the Year	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
Total Leave Provision	16,803	60,945	77,748	2,752	46,917	49,669

No remuneration benefits were paid to officeholders during the year, nor are any entitlement provisions set aside for them at reporting date.

No termination benefits or share based payments were paid to officeholders during the year (2015: \$nil)

e. Other transactions with the Branch

Entities related to SA Branch Board members paid membership fees, 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.

Levy Payment	2016	2015
During the year, the SA Branch paid to the National Office a per capita payment calculated in accordance with the rules.	\$ 104,500	\$ 74,282

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

f. Related Party balances at year end

Other sundry income / charges between the SA Branch and other reporting units are set out below, and were on normal commercial terms and conditions

Unsecured and interest free amounts receivable/(payable) at reporting date	2016 \$	2015 \$
Victoria Branch	(976)	1,273
Tasmania Branch	-	(1,050)
Queensland Branch	-	-
NSW Branch	-	-
National Office	(10,507)	(6,043)
West Australia Branch	-	-
North Territory Branch	(879)	-
Paluszek Enterprises	1,089	(355)
	<u>(11,273)</u>	<u>(6,175)</u>

Reconciliation – related entity loans

Victoria Branch

Carrying amount at beginning of the year	1,273	(420)
Sundry income	12,932	-
Sundry charges	(7,391)	(6,466)
Receipts	(12,610)	(8,879)
Payment made	4,820	17,038
Carrying amount at end of the year	<u>(976)</u>	<u>1,273</u>

Tasmania Branch

Carrying amount at beginning of the year	(1,050)	100
Sundry income	-	8,468
Sundry charges	-	-
Receipts	-	(9,618)
Payment made	1,050	-
Carrying amount at end of the year	<u>-</u>	<u>(1,050)</u>

Queensland Branch

Carrying amount at beginning of the year	-	-
Sundry income	-	-
Sundry charges	-	-
Receipts	-	(782)
Payment made	-	782
Carrying amount at end of the year	<u>-</u>	<u>-</u>

NSW Branch

Carrying amount at beginning of the year	-	-
Sundry income	-	-
Levy charge	-	-
Sundry charges	-	-
Receipts	-	(1,463)
Payment made	-	1,463
Carrying amount at end of the year	<u>-</u>	<u>-</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 17: RELATED PARTY TRANSACTIONS (cont'd)

f. Related Party balances at year end

	2016	2015
	\$	\$
National Office		
Carrying amount at beginning of the year	(6,043)	(5,313)
Sundry income	11,857	6,946
Levy charge	(104,500)	(74,282)
Sundry charges	(16,380)	(7,429)
Receipts	(12,260)	(16,496)
Payment made	116,819	90,531
Carrying amount at end of the year	<u>(10,507)</u>	<u>(6,043)</u>
West Australia Branch		
Carrying amount at beginning of the year	-	7,991
Sundry income	-	16,100
Sundry charges	70	(288)
Receipts	(70)	(24,091)
Payment made	-	288
Carrying amount at end of the year	<u>-</u>	<u>-</u>
Northern Territory Branch		
Carrying amount at beginning of the year	-	-
Sundry income	-	8,427
Sundry charges	(11,846)	(8,247)
Receipts	-	-
Payment made	10,967	-
Carrying amount at end of the year	<u>(879)</u>	<u>-</u>
Paluszek Enterprises		
Carrying amount at beginning of the year	(355)	(6,518)
Sales income	1,089	1075
Purchases made	(12,045)	(54,079)
Receipts	(1,075)	-
Payment made	13,475	59,167
Carrying amount at end of the year	<u>1,089</u>	<u>(355)</u>

T Paluszek has a financial interest in Paluszek Enterprises. During the year the Branch used Paluszek Enterprises on an arm's length basis to provide training services to the Branch.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 18: 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.

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.
- **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.

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 18: FAIR VALUE MEASUREMENT (cont'd)

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.

	30 June 2016			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements				
<i>Financial assets</i>				
Available for sale financial assets	-	12,500	-	12,500
Total financial assets recognised at fair value	-	12,500	-	12,500
<i>Non-financial assets</i>				
Freehold land & buildings	-	7,525,574	-	7,525,574
Total non-financial assets recognised at fair value	-	7,525,574	-	7,525,574

	30 June 2015			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements				
<i>Financial assets</i>				
Available for sale financial assets	-	12,500	-	12,500
Total financial assets recognised at fair value	-	12,500	-	12,500
<i>Non-financial assets</i>				
Freehold land & buildings	-	7,784,352	-	7,784,352
Total non-financial assets recognised at fair value	-	7,784,352	-	7,784,352

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

Description	Fair Value at 30 June 2016 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Available for sale financial asset	12,500	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Price per share, market borrowing rate
<i>Non-financial assets</i>			
Financial assets at fair value through profit or loss:	7,525,574	Market approach: Using recent observable market data on discounted cashflows	Price per square metre, market borrowing rate
	7,538,074		

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 18: FAIR VALUE MEASUREMENT (cont'd)

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

NOTE 19: EVENTS AFTER THE BALANCE SHEET 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.

NOTE 20: CONTINGENT LIABILITIES

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

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.

NOTE 22: OTHER DISCLOSURES

The Branch did not receive financial support from any other reporting unit during the year. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

There were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions at reporting date.

There is no legal costs payable in trade payables (2015: \$Nil), nor any unpaid employer deductions for memberships (2015: \$Nil).

**Notes to the Financial Statements
for the Year Ended 30 June 2016 (cont'd)**

NOTE 23: ASSOCIATION DETAILS

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

Civil Contractors Federation SA Branch
1 South Road
THEBARTON SA 5031

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

To the Members of Civil Contractors Branch – SA Branch

Scope

The financial report and Committee of management responsibility

The financial report comprises the Committee of Management Statement, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes to the financial statements for the Civil Contractors Federation (SA Branch) for the year ended 30 June 2016 set out on pages 6 to 38.

The SA Branch Board of the Branch is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the SA Branch. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting estimates made by members of the Committee of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion


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 General Manager of FWC, 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 2016, we also believe that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.


Stannards Accountants & Advisors


MB Shulman
Registered Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations)

Dated this 15th day of April 2016

Certificate of Designated Officer
S268 of Fair Work (Registered Organisations) Act 2009

I Gerard Beltrame being the President of the Civil Contractors Federation SA Branch certify:

- that the documents lodged herewith are copies of the full report referred to s268 of the RO Act;
- that the full report was provided to members on 18 August 2016; and
- that the full report was presented to a general meeting of members of the reporting unit on 7 September 2016; in accordance with section 266 of the RO Act.

Signature:



Gerard Beltrame

Date: 08/09/2016