



FAIR WORK
AUSTRALIA

16 December 2011

Mr Ian Sowerby
President
Civil Contractors Federation, Victorian Branch

email: ccfvic@civilcontractors.com

Dear Mr Sowerby

Re: Financial Report for the Civil Contractors Federation, Victorian Branch for year ended 30 June 2011 – FR2011/2627

I acknowledge receipt of the revised Audit Report for the Civil Contractors Federation, Victorian Branch for the year ended 30 June 2011. The report was lodged with Fair Work Australia on 13 December 2011.

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

If you have any further enquiries I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan

Organisations, Research and Advice

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2011 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.

Stacy Annand - PA

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



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

13/8/11

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

Report on the Financial Report

We have audited the accompanying financial report of Civil Contractors Federation (Victorian Branch) ("the Federation") which comprises the statement of financial position as at 30 June 2011 and the income statement, statement of comprehensive income, profit and loss statement, statement of changes in members funds 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 Victorian Branch Committee of Management.

Board's Responsibility for the Financial Report

The Victorian Branch Committee of Management 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 Part 3 of Chapter 8 of Schedule 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 Accounting 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 Board, 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 (VICTORIAN BRANCH)**

Independence

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

Auditor's opinion

In our opinion the general purpose financial report of Civil Contractors Federation (Victorian Branch) presents fairly in accordance with the *Fair Work (Registered Organisations) Act 2009* the Federation's financial position as at 30 June 2011 and its performance for the year ended on that date and complies with Australian Accounting Standards (including the Australian Accounting Interpretations).

There were kept by the Branch satisfactory accounting records which detailed the sources and nature of the income (including income from members) and the nature and purposes of the expenditure.

There has been no recovery of wages activity during the year.

See Minutes

STANNARDS ACCOUNTANTS & ADVISORS



M B SHULMAN (Holder of Public Practice Certificate)

Partner

Auditor Registration no. 163888

Dated in Melbourne this *13th day of April 2011*



FAIR WORK
AUSTRALIA

29 September 2011

Mr Ian Sowerby
President
Civil Contractors Federation, Victorian Branch

email: ccfvic@civilcontractors.com

Dear Mr Sowerby

Re: Financial Report for the Civil Contractors Federation, Victorian Branch for year ended 30 June 2011 – FR2011/2627

I acknowledge receipt of the financial report for the Civil Contractors Federation, Victorian Branch (the Branch) for the year ended 30 June 2011. The report was lodged with Fair Work Australia (FWA) on 9 September 2011.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in Fair Work Australia within certain timescale requirements. For your assistance I have attached a diagrammatic summary of the financial reporting process and time-limits contained in fact sheet 9 http://www.fwa.gov.au/documents/organisations/factsheets/RO_factsheet_9.pdf.

As you will note from the enclosed diagram the reporting process begins with a meeting of the committee of management. At that meeting a resolution is passed authorising the making of a statement by the committee in which it makes certain declarations with respect to the reporting unit's compliance with various aspects of the *Fair Work (Registered Organisations) Act 2009* and the General Manager's Guidelines. This Committee of Management Statement and the General Purpose Financial Report are then audited.

The General Purpose Financial Report, including the Committee of Management Statement and the Operating Report, and the Auditor's Report – known as the full report – are then provided to members. Depending on the rules of the reporting unit, a copy of the full report must be provided to members at least 21 days before they are presented to a general meeting, or, if the rules allow for the full report to be presented to the committee of management, then the documents must be provided within 5 months of the end of the financial year.

The full report, accompanied by a Designated Officer's Certificate, must be lodged with Fair Work Australia within 14 days of its presentation to an appropriate meeting.

From the information available, the full report which includes the Committee of Management Statement dated 13 August 2011, Operating Report dated 8 September 2011 and Auditor's Report dated 9 August 2011 was supplied to members on 16 August 2011.

If the dates on the documents are correct, it would appear that the Auditor could not have taken into account the resolution of the Committee of Management made on 13 August 2011 unless the date of the Audit Report is incorrect.

Under these circumstances, Fair Work Australia cannot file the report. Moreover, if the dates on the documents are accurate, I advise the organisation will need to repeat certain steps in the reporting process.

Could the Branch arrange for a revised Audit Report to be lodged with Fair Work Australia.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



**CIVIL CONTRACTORS
FEDERATION**

Certificate of Designated Officer

S268 of Fair Work (Registered Organisations) Act 2009

I **Ian Sowerby**, being the **President** of the **Civil Contractors Federation, Victorian 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 16th August 2011; and
- that the full report was presented to the General Meeting of Members of the reporting unit on 7th September 2011; in accordance with section 266 of the RO Act.

Signature

Date: 8th September 2011



**Civil Contractors Federation
(Victorian Branch)**

2011 Annual General Meeting Notice

Wednesday, 7th September, 2011

16h August 2011

Dear Member

Notice is hereby given pursuant to the Rules of the Federation that the Annual General Meeting of Members of the Civil Contractors Federation (Victorian Branch) is to be held on Wednesday 7th September, 2011.

Meeting details are set out below and the Agenda for the meeting is attached. Also attached are the Minutes of the 2010 Annual General Meeting and the 2010/2011 Annual Report which includes the full financial reports and Auditor's Report for the year ended 30th June, 2011. These documents will also be available to Members at the AGM for approval.

- Date: Wednesday, 7th September, 2011
- Time: 9.00am following the Metro Breakfast
- Venue: Manningham Function Centre
Doncaster Road, Doncaster Vic 3108
Melway: Map 33: F 12

The AGM will be held as part of the Free Member Seminar on 7th September 2011.

Attachments:

- Meeting Agenda
- Minutes of 2010 Annual General Meeting
- 2010/11 Annual Report including financial reports and Auditor's report.

If you haven't received these documents, you can obtain them by:

- accessing our website at www.civilcontractors.com (under Victoria/Annual Meeting) ; or
- telephoning Gaye Shillinglaw on 9819 5170 and ask her to post them to you.

I look forward to seeing you at the Annual General Meeting.

Yours sincerely

Claude Cullino
Chief Executive Officer



**Civil Contractors Federation
(Victorian Branch)**

2011 Annual General Meeting

Wednesday, 7th September, 2011

Following the Metro Breakfast @ Manningham Function Centre, Doncaster

Agenda

1. Welcome
2. Apologies
3. Adoption of Minutes of 2010 Annual General Meeting
4. President's (Annual) Report
5. Acceptance of Annual Accounts
6. Appointment of Auditor
7. Appointment of Returning Officers
8. Declaration of Office Bearers
9. General Business



Annual General Meeting

Held on Tuesday 7th September 2010 @ 7.30am
at The Manningham Function Centre
Doncaster Road, Doncaster

Minutes of Meeting

Present:

- President – Ian Sowerby
- Honorary Treasurer – Andrew Simpson

▪ Board Members:

- Rohan Davidson
- Robin Hicks (retiring)
- Graeme Chambers (retiring)
- John Plumridge
- Steve Pittonet (retiring)
- Gary Gardiner
- David Draper
- Alex Lukac (incoming)
- Rod Watson (incoming)

▪ Officers:

- Claude Cullino – Chief Executive Officer
- John Stewart – General Manager, Operations
- Cath Stephensen – General Manager, Training & Development
- Gaye Shillinglaw – General Manager, Finance & Governance

▪ Members/Observers:

- 46 in attendance (list has been kept on record).

1. Apologies

Motion: That the apologies from Nathan Blackledge, Jeff Gallus, Sean Delaney, Andrew Mahar, Tony Croagh, John Lander and Ken Edgley be received.

Moved: John Plumridge

Seconded: Gary Gardiner
Carried

2. Minutes of the Previous Annual General Meeting

Motion: That the Minutes of the Annual General Meeting held on 17 September 2009 be adopted as a true record of the proceedings of that meeting.

Moved: Robin Hicks

Seconded: Steve Pittonet
Carried

3. Annual Report

Motion: That the Annual Report be received.

Moved: Graeme Chambers

Seconded: Gary Gardiner
Carried

4. Presentation of 2009/10 Annual Statement of Accounts

Motion:

That the Audited Financial Statement for the year ending 30th June 2010 be accepted.

Moved: Andrew Simpson

Seconded: John Plumridge
Carried

5. Appointment of Auditor

Motion: That the current Auditor, Michael Shulman of Stannards Accountants and Advisors Pty Ltd be re-appointed as Auditor for the 2010/11 financial year.

Moved: Andrew Simpson

Seconded: John Plumridge
Carried

6. Appointment of Returning Officers

Motion: That Ken Edgley be appointed as Honorary Returning Officer and Ian Shields and Peter Maguire as Honorary Assistant Returning Officer for 2010/11.

Moved: David Draper

Seconded: Steve Pittonet
Carried

7. Declarations of Election Results

President, Ian Sowerby acknowledged and thanked the retiring Board Members, Robin Hicks, Nathan Blackledge, Graeme Chambers and Steve Pittonet for their contribution and commitment to the Board, and welcomed the recently elected new Board Members, Alex Lukac, Rod Watson, Sean Delaney and Jeff Gallus.

Motion: That the Returning Officer's Declaration be noted.

Moved: Robin Hicks

Seconded: Gary Gardiner
Carried

8. General Business

There were no General Business items.

10. Meeting Closed: 8.00am

Civil Contractors Federation Branch and Federation Board

DECLARATION OF RESULTS FOR UNCONTESTED OFFICES

Results of the election for the following offices conducted in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009 and the rules of the organisation.

E2011/2575

Victorian Branch

Branch President

Candidate

MAHAR, Andrew

Branch Vice-President

Candidate

LANDER, John Joseph

Branch Honorary Treasurer

Candidate

SIMPSON, Joseph

Branch Board Member (10)

Candidates

CROAGH, Tony
DAVIDSON, Rohan
DELANEY, Sean
GALLUS, Jeffrey
GARDINER, Gary
LUKAC, Alex
WATSON, Rod
PLUMRIDGE, John
SOWERBY, Ian
VAN ENK, Marcus

Board Member

Candidate

GARDINER, Gary

Alternate Board Member

Candidate

MAHAR, Andrew

As the number of nominations accepted did not exceed the number of positions to be filled, I declare the above candidates elected.

Jeff Webb
Returning Officer
9 August 2011



Victorian Branch

ANNUAL REPORT

2010/11

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OVERVIEW

This Annual Report provides a comprehensive overview of the activities and achievements of the Branch over the financial year, 2010/11.

This year has been a period of consolidation and the branch has maintained its strong financial and advocacy position within the Victorian civil construction industry. This has been achieved through sound governance and management structures supported by a diligent Board and competent Management and staff contingent.

During this period we welcomed four new Board members, Messrs Rod Watson [Cut & Fill P/L], Sean Delaney [Delplant P/L], Alex Lukac [Abigroup] and Jeff Gallus [BMD].

A new Victorian Government was elected late 2010 which saw the Coalition take control of the State and as a result of the State election, re-aligning policies and direction to suit the new Government has been a key issue for the branch and considerable effort is being made to establish credibility and opportunities to influence the new Government.

The Board has been active in establishing a number of Committees to influence the various sectors such as the Roads and Bridges area, the Water industry and also a Risk Management Committee to address areas of concern in the Land Development area.

Following the election and with a new government holding the reins of power, the Victorian Branch's advocacy efforts have been considerable, both before the November 2010 elections and in particular post election where the Chairman Ian Sowerby and your CEO, Claude Cullino have been successful on many fronts, benefitting both CCF Members and Victorians alike.

Key advocacy points have been to introduce a "Training Criteria" into civil construction projects and encourage State and Local Governments to look to releasing forward capital works programs to allow effective workforce planning by Contractors. There is currently a pilot project in place to develop the 'training criteria', and also we are pleased to report that these have been well received as well as reporting that there has been a perceivable increase in the level of credibility and of advice sought from the Branch by Government Agencies as well as other Industry groups.

Much of the increase in workloads is attributable to the activities of the government stimulus and a continuing response to the GFC, but I need to add that there is an emerging understanding that there are significant infrastructure requirements to meet population growth and congestion in urban areas as well as a potential financial crisis on the horizon.

The weather pattern has also changed in the past twelve months and we have experienced both a wet summer and wet winter, delaying many projects and causing cash flows and pressure on Contractors to unprecedented levels. The new generation of contractors will not have seen these conditions before and many Contractors have been working 24x6 in attempt to catch up and make ends meet.

The overall 1.3% increase in the level of membership is pleasing given the many difficulties currently facing the Sector.

In addition, the continuing sales of the CCF's Integrated Management System templates remains a significant aspect of member growth, recently recommendations were made to the National CMS Unit for the templates to be enhanced to include direct web access to the Dial Before You Dig service and the CCF National Website.

The National Board introduced a new CCF logo and branding livery and there has been a gradual and timely introduction of the Federation's new logo and Style guide within the Branch. The fees to the National Office were increased by some 47% which required the branch to carefully manage finances during the year. Also a review by the National Office saw a realignment of publishing practices across the Federation and this too had a negative impact on the branch's income stream.

The Branch continues to have a strong financial position that has enabled it to deliver a number of Member-value-add initiatives including a Free State Conference, free seminars and guidance materials on contemporary issues impacting upon the civil construction sector. There has been a

strong focus on revenue and it is pleasing to advise that sponsorship support to the Branch by Suppliers and industry partners has been strong. A range of specific research projects which are very important to our sector were undertaken during the year. These were in addition to the regular advisory services available through the Branch office and the OHS Field Officer. The OH&S area has been a significant focus in this period with the release of a large number of regulations, codes and guides supporting the proposed January 2012 Federal legislation. CCF has contributed significantly to the drafting and critiquing of these documents and has been working closely with WorkSafe Victoria in making submissions to Safe Work Australia.

Our task over coming months will be working with WorkSafe to develop transition tools for members and holding numerous awareness sessions.

With the support of EPA Vic, our Environmental Officer has been active in supporting members with queries on prescribed waste and also release of the CCF Environmental Guidelines for Civil Construction and a raft of new initiatives that included:

- Victorian Clean Fill Guidelines;
- Victorian Plant Hygiene guidelines (to prevent transference of noxious weeds);
- Holding 4 highly successful Environmental Forums focused on Hazardous waste and clean fill issues.

CCF continues to assist and provide best practice solutions for a number of members via the Field Officers' visitation program, over the past year in excess of 70% of our members have been visited. Results from a number of field surveys conducted in the latter part of the year indicate that the Branch is servicing its member's needs appropriately and within expectations.

To further support members, a number of publications, specific to civil contracting in Victoria have been developed and made available to members.

CCF's General Manager, Training & Development has assessed all roles and responsibilities of training services staff this year and developed a strategy and direction going forward.

The Branch held over 50 functions during the year enabling members to enjoy the considerable spread and range of excellent informative metropolitan and regional functions as well as a number of very well attended social functions. We have experienced considerable growth in attendance of many functions which underpins the need to continue the function program at the same level.

The Branch continues to enjoy a high level of Member satisfaction last year and this satisfaction continues into 2011 and is reflected in the increased membership and attendances to Vic Branch courses and functions.

The Branch has continued to enhance its communications with Members predominantly through the fortnightly e-news, the quarterly Bulletin, special mail-outs, regional meetings and other industry sector specific forums such as the Roads and Bridges and Pipelines Groups.

Through a range of representations on Government committees and meetings of special interest groups, including the Victorian Civil Construction Industry Alliance, allegiances with other industry groups have been strengthened.

Internally, the Board has put in place the following in order to better assess and resolve the issues and challenges confronting the civil construction industry:

- Victorian Civil Construction Industry Alliance;
- Alliance of Engineering Technical Skills Steering Committee;
- Risk Management Group;
- Roads & Bridges Group;
- Pipelines Group;
- Infrastructure Maintenance Services Group;
- OH&S Group;
- Environmental Panel;

- Water Utilities Group;
- Next Age Group;
- Women in "Civil Construction".

There has been a particularly pleasing development in the strengthening of the collaboration with WorkSafe, Small Business Victoria, EPA, VicRoads, DPCD and the Water Utilities and in particular our invited involvement in review, provision of sector input and introduction of the Nationally Harmonised H&S legislation in 2012. The Branch will continue to ensure that members are kept informed and not disadvantaged by any new regulatory regime.

The Branch is also actively participating with the Growth Area Authority [GAA] in the development of a unitary set of Standard Specifications and Drawings as well as in the Infrastructure Design Standards Project being undertaken by the Department of Planning and Community Development [DPCD] with the objective of a standard specifications and drawings across Victorian municipalities. Included in this process are the various sub-projects that include Planning integration, Street works Code of Practice and a Training roll-out program.

The Branch has responded to the Victorian Competition and Efficiency Commission Inquiry into Local Government Regulations and also inputted to initial work by the Auditor General's office and specifically continue to highlight the cost of contracting for CCF members.

Supporting the Submission was a study by CT Management and surveys of CCF Members [The Contractor as the Banker and The Cost of Tendering].

In the two surveys, the cost impost to Contractors in financing projects which is some 28% of turnover for the Contractor and that there is in excess of a million hours spent on preparing tenders is the case being put to improve the business practices and reduce the cost to deliver infrastructure.

The skills shortage in the Civil Construction Sector continues to be a significant issue particularly with the level of proposed infrastructure spending and investment by State and Federal governments. Work by both CCF National and the Vic Branch continue to identify a skills shortage in the Victorian civil construction industry with research indicating significant resultant efficiency losses in project delivery due to skills shortages. The Vic Branch has increased its activities in the area of workplace sustainability and engineering skills deficiencies by promoting the skills criteria in contracts and additional emphasis has been placed on the Educational Institutions participating in the 'Training Criteria' pilot project initiative.

The Board has established a panel of providers and the Next Age Group, to enable our wise but ageing members to stay connected and relevant in order to enable mentoring and provide support given the current and looming skills shortage in our industry.

There are changes to the workplace in terms of gender equity and workforce diversity being promoted by government and to ensure that we are able improve the contributions by women to our industry a Women in Civil Construction Committee has been formed and also a pilot project with Small Business Victoria and the Small Business Commissioner to address the women that support and stand by their men-folk in our industry. The WICC has established a program of works including a pilot Mentoring program for women, career guidance events and a professional networking group to assist women in the industry.

Whilst there has been substantial achievement highlighted in 2010/2011 as highlighted in this Annual Report, there are opportunities for improvement which the Branch will continue to address as they are identified and resources made available.

Whilst the Branch has had some changes at the Board level, the Branch has continued to enjoy a productive and successful year in meeting the expectations of Members on the one hand, whilst enhancing the performance of the civil construction sector on the other.

GOVERNANCE

The 2010/11 Board comprised the following:

- President – Ian Sowerby (9) 100%
- Vice President – John Plumridge (8) 90%
- Treasurer - Andrew Simpson (9) 100%
- National Board Member – Gary Gardiner (7) 80%
- Members:
 - Andrew Mahar (7) 80%
 - Rohan Davidson (7) 80%
 - John Lander (8) 90%
 - David Draper (6) 70%
 - Tony Croagh (8) 90%
 - Jeff Gallus(Elected Sept 2010) (7) 90%
 - Rod Watson(Elected Sept 2010) (6) 75%
 - Sean Delaney (Elected Sept 2010) (7) 90%
 - Alex Lukac (Elected Sept 2010) (6) 75%

Former Board members prior to the September 2010 elections were:

- Graeme Chambers (1)
- Steve Pittonet (1)
- Natham Blackledge (1)
- Robin Hicks (1)

The figure in brackets is the number of Board Meetings attended out of a total of 9 Board Meetings held during 2010/11.

The contribution of the outgoing Board members has been appreciated and their input much valued.

A key focus of the 2011 Corporate Workshop was to carry out an examination of the key external influences on the civil construction sector and to identify priorities for the Branch's ongoing Business Plan.

The Executive Committees listed above and also various ad-hoc Special Interest Groups continued to meet throughout the year, and issues raised there have been prosecuted through the Board or to appropriate Authorities.

The Victorian Civil Construction Industry Alliance which comprises 20 industry groups involved in the civil construction sector and continues to identify the key issues of the group. It continues to provide an effective forum for the members of the Alliance as well as influencing relevant State and Local Government issues.

Through a range of representations on Government committees and meetings of special interest groups, including the Victorian Civil Construction Industry Alliance, allegiances with other industry groups have been strengthened by the credibility of a consistent and unified message.

Ministers that have attended are the Hon's Richard Dalla Riva and Mathew Guy.

Meetings have been held with other Ministers, the Treasurer Kim Wells, Higher Education & Skills, Peter Hall, Minister for Public transport and Roads, Terry Mulder and Assistant Treasurer, Technology and the Minister responsible for the Aviation Industry, Gordon Rich-Phillips and Local Government Minister, Jeanette Powell.

Also the Parliamentary Secretary for Transport, the Hon Edward O'Donohue did the Opening address at the 2011 Conference.

Meetings have been held with Senior Advisors to all of the above including the Deputy Premier and Water Minister.

Numerous meetings with Regional Victorian members of Parliament have also underpinned the advocacy on the main issues that are impacting on everyday contracting life.

The partnership with WorkSafe Vic has extended beyond the consultative arrangement and CCF are jointly presenting at regional meetings as well as undertaking training sessions which is focusing on the cultural changes necessary for productivity and safety improvements. Further, the funding investment by WorkSafe through their Small Business Safety Audit initiative has been utilized by many members in verifying the integrity of their Health and Safety management.

Work by both CCF National and the Vic Branch continue to identify a skills shortage across the country and particularly here in the Victorian civil construction industry with research indicating significant efficiency losses in project delivery due to skills shortages.

Additional emphasis has been placed on the Alliance Engineering Technical Skills Committee AETSC and the Victorian Civil Construction Industry Alliance in order to support the Bid for a Training Criteria in Contracts and also a new initiative for 2011/2012 to explore an opportunity for a Civil Construction Council or Forum with supporting bodies to oversee development and control of the civil construction in Victoria.

The Board's requirement being to achieve a significant level of self regulation within the civil construction Sector and to consult further with interested parties to determine on alternate structures for a peak body to administer services in the delivery of industry undertakings. The alternate structure addresses the need for Vision, Leadership and Training in the industry whilst at the same time allows the CCF organisation the opportunities to self-control and regulate the activities in our industry.

Considerable work at both the Branch and National level continues and a national Accounts System has been implemented in the branch for the 2011/12 financial year.

BUSINESS PLAN PERFORMANCE

Of the 43 actions presented in the 2010/11 Business Plan, 37 have been delivered. 4 actions were partially and are generally ongoing and will be completed and 2 could not be completed due to circumstances beyond the control of the Branch. Additional objectives not identified in the Business Plan were delivered throughout the year, the Business Plan performance is considered to be excellent.

There were 6 additional items that included:

- responses to the GAA Standard Specifications and Drawings as well as the Model Planning Permit Conditions;
- the DPCD's and Governance Group's Infrastructure Design Manual request for comment;
- a submission to Safe Work Australia Model Work Health and Safety Regulations and Codes of practice was also lodged;
- the Essential Services Commission undertook a review of Fees & Funding of Vocational Education and Training and CCF submitted a response to the Commission;
- the Branch contributed to the National review by AusRoads on National prequalification of civil Contractors;
- the Branch conducted a number of sessions and contributed significantly to a National submission to the Enquiry undertaken by the Australian Building and Construction Commission into Sham Contracting.

There have been also other submissions for funding and resources throughout the year.

The 6 incomplete and not commenced objectives were transferred to the 2011/2013 Plan.

A summary of performance against specific Team Contribution Indicators documented in the Business Plan is as follows:

- | | | | |
|---|---|-------|--------------|
| ▪ Conversion of identified prospective to Members | - | 86% | (target 85%) |
| ▪ Maintain membership retention | - | 91.8% | target 98% |
| ▪ Increase membership base | - | 672 | (target 660) |

▪ Increase by 10% the number of Councils/Government agencies specifying IMS	-	8%	(target 10%)
▪ Management System Sales		35	(target 36)
▪ Delivery of Business Plan Objectives (allowing for additional items)		Achieved	(target 95%)
▪ Meet Customer Service Undertaking targets	-	Achieved	
▪ Maintain quality of production of written material	-	Achieved	
▪ Maintain Member satisfaction at 2007/08 Level	-	Achieved	
▪ Numbers attending Gala Ball	-	350	(stretch target 400)

There has been on the Business Plan the need to identify and develop Greenhouse Gas Tools. The primary response given the Federal government's direction and the proposal for a Carbon Tax; CCF National have issued a draft policy position and this will evolve of time and there is a request for comment out to Branches at the present time. The matter of developing tools to meet regulatory requirements is more complex and will require a whole of industry approach. This has not been a high priority given the political debate in the community.

FINANCIAL PERFORMANCE (*Audited*)

o Surplus on operations	\$137,842		
o Nett Equity	\$1,362,880		\$137,842 improvement over 2009/2010
o Cash Holding	\$560,233		
o Total Employment Costs at % of Revenue	-	43.7%	(Target < 40%)
o Liquidity Level	-	223%	(Target > 300%)
o Trading Cover	-	2.45 Months	(Target > 3 months)
o Quick Ratio	-	6.26%	(Target > 1.5)
o Debtors Days	-	34.6 Days	(Target < 36)
o Membership Income as % of Total Employment cost	-	63.6%	(Target > 70%)
o Training Income/Wages ratio	-	48.2%	(Target > 30%)
o Return on Earnings:			
> Training	-	17.3%	(Budget > 8%)
> Global	-	3.9%	(Budget > 3%)
> Retained Earnings	-	\$1,362,880	Target \$1.2 mill min.)

The overall financial performance of the Branch has again been excellent. However, the National increase in fees of 47% to the National Office is a significant financial burden in 2010/2011 and the new National Business Plan may well require further increases in the levy to the National Office.

Despite a predicted downturn in training revenue, the Branch experienced an unexpected boost in training income due to its sound marketing strategy and quality training products becoming a preferred training organisation amongst member and non-member organisations attending CCF

courses. The range of courses has been expanded to include Certificate III apprenticeship training, an Introduction to Contract Management, Risk in Contract management, Trenching and Shoring, and Traffic Management Planning for those responsible for submitting plans.

In accordance with a provision of the Branch's Risk Management Plan, special audits were undertaken by the Branch's Auditor. Whilst the Branch received a 'clean bill of health' in regard to the audits, several minor opportunities for improvement were identified and these have been implemented.

After two years of zero increases, the Board has adopted a 2011/12 Budget that provides for a modest 3.1% increase in membership subscriptions and reluctantly, marginal increases in training fees or user costs to reflect the impact of real costs to the Branch.

ADVOCACY

Details in relation to the status of and successes with respect to all of the various Member-driven advocacy issues appear on the Branch's web-site.

Successes in regard to the various advocacy issues continue to be reported to Members through e-news, The Bulletin, The Earthmover, and Regional Meetings.

As described earlier one-on-one meetings were held with a considerable number of Government and industry representatives throughout the year and this, together with the other advocacy initiatives, has assisted significantly in enhancing the branding of the CCF Victoria.

Major reports delivered during the year were:

- Pilot Project for the Training Criteria – Scoping document;
- Finalisation Report on the "Toolkit for Contract Managers";
- Leadership study tour to the USA and Canada and recommendations for Civil Contractors, Marcus Van Enk, JHL Civil P/L

Other significant milestones were the meeting with Ministers and the acceptance "in principle" of the Training Criteria and support for the pilot project to demonstrate "proof" of concept.

The key benefits of making the relevant submissions are that these add to credibility and relevance for CCF for its members.

Major submission to the Growth Area Authority [GAA] in the development of a unitary set of Standard Specifications and Drawings across the five metropolitan growth Areas of Melbourne. Also a further submission, as a response to the Authority seeking comments, on the Model planning permit Conditions was also lodged by the Branch.

A submission Governance Group relevant to the Infrastructure Design Standards Project has been submitted. This being the project undertaken by Regional municipalities and supported by the Department of Planning and Community Development [DPCD] with the objective of establishing a common set of standard specifications and drawings across Regional Victorian municipalities.

A response to the Essential Services Commission review of Vocational Education and Training and CCF was submitted. The CCF response considered the effects [on Training uptake and the ability to provide training] of the current Fees and Funding mechanisms for Vocational Education and Training.

A submission to Safe Work Australia Model Work Health and Safety Regulations and Codes of practice was also lodged.

The Branch conducted a number of consultation sessions and contributed significantly to a National submission to the Enquiry undertaken by the Australian Building and Construction Commission into Sham Contracting.

Other submissions included:

- Detailed response to Safe Work Australia on the proposed Harmonised Health and Safety Regulations;
- Advisory reports to VicRoads on the development and implementation of nationally harmonized Road and Bridge contractor pre-qualification requirements;
- Responses to EPA Victoria on the draft guidelines for Clean Fill Tipping;
- Completed some 16 submissions to WorkSafe Victoria on sector impacts of the proposed harmonised Health and Safety Codes of Practice.

The key advocacy initiatives and outcomes were:

- The Training Criteria Pilot Project with the expenditure of some \$7m to determine “proof of concept” in civil construction contract has been negotiated. Partners being Melbourne Water, Skills Victoria, Cities of Wyndham, Whittlesea, Manningham, Chisholm Institute, Deakin University, Gordon Institute, Swinburne University and Monash University. Other municipalities supporting the project are the City of Greater Dandenong and the Mornington Peninsula Shire. There is also a commitment that the Training Criteria will be taken to Cabinet on receipt of the “Proof of Concept” Report.
- Secured an agreement with WorkSafe to expanded the number of funded small business health and safety audits;
- Provided substantial input into:
 - Auditor General’s work plan for a review of tendering and contract management in Local Government and also on project delivery of major roadworks;
 - Department of Primary Industry Machinery Hygiene guidelines and E-Learning Tool;
 - The Water Industry Liaison Committee;
 - Continue to influence the availability of work for members as part of the recovery process;
 - Initiatives with the Victorian Transport Association;
 - The deliberations of the Victorian Transport Industry Council, Foundations for Safety, WorkSafe Stakeholders Reference Group and Government Reference Group;
 - WorkSafe’s Government Procurement Review Group;
 - VicRoads review of Traffic Management Pre-Qualification and Project Health and Safety auditing;
 - Roads Australia Congestion and Road Pricing Forum;
 - ACCC’s Review into Sham Contracting;
 - Victorian Transport Infrastructure Summit;
 - DPCD’s project to improve Local Government Procurement practices;
 - Water companies’ review of their procurement practices;
 - Continued the review of the Worksite Safety-Traffic Management Code of Practice;
 - Input into VicRoads review of Traffic Management Training;
 - Victorian Transport Summit and ongoing report card feedback;
 - Achievement of a standardized contractor engagement process for Dept. of Sustainability and Environment and Dept. of Planning and Community Development;
 - Initial discussion with local government Victoria to standardize contractor pre-qualification across local government;
 - Continued to facilitated the implementation of the Victorian Electrical Distributors contractor pre-qualification Program;
 - Input into workshops for the re-development of VEDN Training;
 - Continued support and facilitated the development of the Growth Areas Authority councils standards project;
 - Continued support and facilitated the development of the Regional Councils’ Infrastructure Design Manual;
 - Further developed partnering relationships with ALDE & UDIA as primary stakeholders the consultative process for the solution of water industry issues impacting pipeline contractors;
 - Worked closely with South East Water to improve relationships and work practices between members and SEW;
 - Finalised the review and consultation with WorkSafe on the development of the Victorian Government OH&S in Procurement Guidelines in Civil Construction;
 - Development of the Weed e-Learning tool in conjunction with DSE/VicRoads and ALDE;

- Facilitated State training Network for the provision of Accredited Civil Construction Training in Victoria.
- With VicRoads, established improvements to the rideability testing and auditing;
- With VicRoads, developed Environmental Management practices and adjustments to various contract specifications to cater for an increase in sustainable resource use;
- Successfully achieved WorkSafe's agreement to clarify the matter of applicability of Health and Safety Coordination Plans;
- Continued to make representations to Ministers in regard to, forward capital works funding, fatigue management in emergency situations, responsiveness of councils and Government agencies, skills deficiencies, inconsistencies across the water sector and driving the infrastructure dollar further;
- Undertook a Survey of Local Government Performance and Capital Works completion levels;
- Made representations to Skills Victoria regarding Workforce analysis of roles and skills in the workplace;
- Implementation of the new National Accounting System.

Business & Meeting

There were limited number of specific lunches during the year because of the November 2010 State elections and some budgetary constraints. However, there were a number of events, forums and breakfasts, with members that enabled interaction and raising of issues that included the following:

- Hon Kim Wells, the Treasurer of Victoria;
- Hon Mathew Guy, the Minister for Planning;
- Hon Peter Hall, the Minister for Higher Education & Skills;
- Hon Terry Mulder, Minister for Public Transport and Roads;
- Hon Richard Dalla Riva, Minister Employment and Industrial Relations;
- Jeanette Powel, the Local Government Minister;
- Hon Gordon Rich-Phillips, Assistant Treasurer, Technology and the Minister responsible for the Aviation Industry;
- Hon Edward O'Donohue, the Parliamentary Secretary for Transport;
- Small Business Commissioner;
- Secretary of the Department of Transport;
- Chief Executive of VicRoads;
- Managing Director of metropolitan Water Utilities.

Advocacy Discussions

Productive discussions occurred with:

- The Premier;
- The State Treasurer;
- Minister for Public Transport and Roads;
- Minister for Local Government;
- Minister for Higher Education & Skills;
- Minister Employment and Industrial Relations;
- Assistant Treasurer, Technology and the Minister responsible for the Aviation Industry;
- Minister for Water;
- Minister for Small Business;
- Small Business Commissioner;
- Various Ministerial Chiefs of Staff and Advisers;
- Senior Officers of Worksafe, RACV, ACCC, DSE, VicRoads, EPA, Premiers and Cabinet;
- Department of Innovation Industry and Regional Development.

MEMBER SERVICES

Social

The quarterly breakfast meetings continued to receive strong support from Members.

We enjoyed a well attended President's Lunch, a memorable Gala Ball, an entertaining Earth Awards Dinner and an enjoyable Autumn Dinner provided excellent social and networking opportunities for Members, including two enjoyable Golf Days.

Member Support Initiatives

The following Member-value-add initiatives were delivered:

- An EPA Victoria Environmental Guide for Civil Construction;
- Provided an extensive Field Officer member visitation program for OH&S and Environmental issues;
- Assisted over 160 members lodge their details with the Industry Capability Network;
- Developed and carried out pilots for two introductory courses in Contract Management" training resulting from the initial Aurecon Contractor Toolkit for enhancing contractor performance;
- Provided Apprentice Sign up Services to Members;
- Developed accessible Regional Apprenticeship Training Services;
- Provided members with the opportunity through various forums to meet relevant industry client groups;
- Guide to assist Members to hedge against extraordinary cost of material rises;
- free seminars on:
 - Recruitment & retention;
 - Bid to Win – Writing Winning Tenders;
 - drugs and alcohol in the workplace;
 - workplace relations;
 - Harmonised OH&S Legislation;
 - Security of payment Legislation;
 - Clean fill tipping;
 - Handling and management of Hazardous Waste in civil construction;
- Updated the guide to assist and articles and enews for Members with the application of the Security of Payment legislation;
- Free mediation;
- Establishing strong relationships with Victoria's Industry Capability Network to align regional service providers with major purchasers;
- Fuel Card Discount at 7 Eleven outlets for Members.

Research Projects

Responding to representations from Members, the Branch initiated research projects in relation to a number of matters and the following were delivered in 2010/2011:

- External impacts on subdivisional and infrastructure construction costs;
- Sealing Practices in regional Victoria;
- Pavement Rideability;
- Impact poor contract specifications on the civil construction sector;
- Achieving civil infrastructure procurement best practice (in conjunction with DPCD and also the water sector);
- Benchmarking of key OHS and performance indicators in the civil construction sector;
- Benchmarked Capital Works completion Rates by local government;
- Civil Construction Occupation Review Report 2011 SkillsDMC/CCF.

Other

Through the new Local Government Collaborative Procurement Project, in which the Branch has a substantial interest, considerable progress has been made in relation to the standardisation of tendering processes, General Conditions of Contract and specifications.

During the latter part of the year we introduced a survey methodology to gain feedback from members on a variety of issues. The new electronic survey (via CCF Enews) which provides a two question survey poll is quickly gaining acceptance with members who are time short and reluctant to complete more traditional written surveys.

A number of members were assisted throughout the year involving WorkSafe, EPA, VicRoads, SEWL and other Authorities.

At the President's Lunch in November 2010, the Ken Edgley Award was presented to the following:

- Individual Award to: Gary Gardiner, Civilworx Constructions P/L;
- Company Award to: Winslow Constructors P/L;

Training Awards were presented to:

- | | |
|--------------------------------------|-----------------|
| • Geoff Brown Award 1 | Brody Hubbard; |
| • Geoff Brown Award 2 | Mathew Lind; |
| • Geoff Brown Award 3 | Phillip Lane; |
| • Ian Jacka Award | Nick Huntsman; |
| • Civil Contractors Federation Prize | Alexander Meek. |

Contractor Management System (CMS) Program

The CMS Program continues to be the most accepted solution in the industry for contractors Management Systems. In addition the number of client groups recognizing the systems and their Certification has increased and now includes all major Water Authorities, Local Government entities, and State Authorities. A growing acceptance of the systems is being experienced with major non government client groups such as the major contractors on the growing number of Alliance contracts.

The program this year has encouraged over 35 contractors to seek membership of CCF and the influence of the major client groups is continuing to drive both the growth of membership and system sales.

The level of Systems Certification is increasing steadily, however a number of our larger members are elevating their Certification levels to embrace Australian and International Standards.

During the year further software enhancements were developed for both CCF-IMS and CCF-SCIMS to improve daily usability for contractors, an example of this is the addition of electronic links to both the Dial Before You Dig web database and the CCF National website, the purpose being to encourage prompt access to the information contained on these websites.

Key Issues over the past 12 months in HR/IR Matters

1. Enterprise bargaining represents the vast bulk of consulting activity and this has most commonly arisen because of members' needs to achieve code compliance to qualify for projects.
2. The Rudd Government's overhaul of code compliance requirements for work tendered post 1 January 2010 meant that a business just needed an approved enterprise agreement to qualify rather than having to demonstrate strict compliance with the Code of Practice and Guidelines. By mid-2011, compliance with previous more onerous versions of the code

became less common and this has understandably reduced the demand for consulting services.

3. In May 2011, Fair Work Australia reported a substantial decline in enterprise bargaining approval applications and applications for enterprise bargaining orders. We have no doubt that this is in part due to the complexities of the enterprise bargaining process and the inconsistent and often remarkable decisions being made by Fair Work Australia.
4. Another factor in the downturn is the perceived winding back of the powers/activities

Key Deliverables 2010/11

o Total Membership	672	o No. Worksite Programs	116
o Metropolitan Members	387	o No. of regional meetings	32
o Country Members	285	o CMS Systems sold	35
o Associates	134	o CMS Certified Contractors	278(Vic)
o New Members	61	o New memberships resulting from sale of CMS	35
o Member resignations	32	o Receivables processed	10,110
o Members terminated	18	o Sponsorship	\$246,000
o Membership Growth	1.3%	o No. HR/ER queries	250Calls
o No. Training Programs	286	o Industry & member Work-place Relation	1,000 emails 2,000 emails
o Fee for Service Training (Nos. attending)	2,965	o Carding-Nos. Processed:	
		➤ Non Plant	3,819
		➤ Plant	1,138

COMMUNICATION

With the assistance of IncoLink funding, the OH&S Field Officer continued the successful program of visiting Members and assisting them to understand their OH&S and related obligations.

Improving the brand of the CCF has continued through a range of initiatives contributing to a greater awareness of the CCF amongst the politicians, Government Agencies, other industry groups and the media. The higher profile of the CCF is assisting us considerably in prosecuting the interests of Members and securing new members.

An additional field position to support members funded by EPA Victoria has been a real positive in 2010/2011 and has added value in dealing with materials handling of prescribed material. Tools have been developed to better advise to Members primarily in the area management of prescribed industrial waste and this year saw the release of the CCF/EPA Guideline for Environmental Management on Civil Construction projects and the Machinery Hygiene Guidelines.

CCF's key communications mediums in the E-news and Bulletins continue to add value to the CCF membership through the quality and volume of content that is relevant to all members.

The Victorian segment of the CCF website was further improved both in content and accessibility.

Further developments of the website have also enabled members to access presentation material provided by industry representatives presented to various CCF functions.

OPERATIONS

The National Office has requested that the Risk Management Plan/Business Continuity Plan be updated to conform to the National Office template. The Branch Plan was recently adopted and the National Plan has merit in a number of areas and it is proposed that the Branch Plan be updated later this calendar year to conform in style with the National template and improvement opportunities passed onto them.

Minor improvements to the implementation to the current IT system are ongoing and these are made with the broader National strategy focus.

Other specific actions of note by the Branch include:

- The CCF Victorian Pipelines Committee being reformed to address issues in that sector;
- The Branch has received 24 Expressions of Interest for the Earth Awards, Judging is due to commence early June;
- Achieved substantial resolution of member issues with South East Water;
- Liaising with all stakeholders including UDIA, ALDE and the water sector;
- National Harmonisation Submission for Roads and Bridges;
- Input to National Prequalification process to ensure an effective CCF response to effectively represent members.

Issues being addressed include:

- Members: Growth in membership will continue to be a sharp focus for the Branch and the continued relevance of the CCF to members;
- Emerging issues and conflicts between auditors and contractors regarding the water industry;
- The Branch maintained its Third Party Certification of its Quality management Systems to International Standard ISO 9001-2008.

Occupational Health & Safety

- Completion of a thorough review of the harmonised WHS Regulations, preparation and lodgment of submission to SWA;
- Conducted a full round of WHS awareness sessions for members;
- Stakeholder meetings regarding the Australia WorkSafe Harmonisation Regulatory processes;
- Ensuring appropriate and relevant materials are available to members to guide them through the implementation of Harmonised WHS legislation.

Environmental

- Achieved support from DSE/Vicroads and ALDE in the form of grant funding to assist the development of the Weed E-learning tool;
- Commenced development of an E Learning tool for civil construction workers in relation to weed transference control.

Membership Services and Sponsorship

- A significant number of new Members have been recruited [see earlier in the report] as well as Subscriptions Renewals for the 2011/12 have been paid by 31st July 2011;
- Achieved a significant increase of 90% in Branch level sponsorship.

TRAINING

A solid year with the implementation of new student management system, Job Ready and the development of a Training and Development strategy for the Department. The final phase of JobReady to encompass the new National MYOB system is a critical issue for next financial year.

The first training provider's network meeting for training providers under the Memorandum of Agreement was held on 20th May 2011.

A new full time trainer for Apprentices has been appointed.

We were able to grow even though there was market saturation for Construction OH&S Induction Training courses, the Training Department:

- Delivered 282 courses across the state [compared to 249 the previous financial year, 13% change in the total number of courses - due to the introduction of Certificate 111 Training in the second half of the financial year;
- Delivered to 3,567 total course participants – only a very slight change of 3% based on the previous financial year's figure of 3,671 total course participants; average paid attendance figures per scheduled course shows a slight change at 12.6 participants/course, slightly down from last year at 13.83. This figure reflects on the first half of the financial year, prior to the introduction of the Cert111 Apprenticeship program;
- Issued 3,819 course certifications (down 22.4% based on the previous financial year with total of 4,902 issued certificates);
- Issued 1,138 Green Cards for Plant Operator Assessments (change of 30% based on previous financial year with total of 1608 Plant Operator Tickets issued) this change reflects the continuing decline in Plant Operator Cards. However, this is expected to pick up as Civil train brings the process of plant Operator Assessment "in-House" with cards attached to the achievement of National competencies;
- The scheduled courses program shows an overall decrease of 17%. Client feedback indicates difficulty in releasing employees to attend training because of operational commitments.

Issues being addressed include:

- Communications & marketing Strategy;
- Course scope;
- Availability of Trainers;
- Training Providers Network progression of Memorandums of Agreement.

Annual State Conference

A free to Members State Conference was held on Wednesday, 20th July 2011 in Melbourne, delivering a varied program on effective business management strategies within the civil construction sector.

The Conference was opened by Hon Edward O'Donohue, Parliamentary Secretary for Transport, with a key note address on the outlook of civil construction in Victoria. Other key industry representatives presented on specialised topics that were significant to effective project implementation in the industry with very favourable comments received from conference attendees.

Jim Betts, Secretary for Victoria's Department of Transport, provided an outline of the \$2.264 B transport budget and pipeline of works currently being planned.

Gary Liddle, CEO of VicRoads detailed his views on Alliance Contracting and the Road Authority's direction and attitudes to this form of contracting.

Marcus Van Enk, JHL Civil P/L reported back on his study tour to the USA and Canada and his recommendations for Civil Contractors here in Australia.

The Conference also featured Women in Construction and key note speakers included Gill McCabe from, Office of Women's Policy and also Jane Lewis, Senior Advisor, Education Victorian Equal Opportunity and Human Rights Commission.

With 235 Day Registrations compared with 316 last year and 189 Dinner Attendees compared to 206 last year. These are both down from last year but comparable to the 2009 attendances which were 238 and 177 for the conference day and dinner respectively.

Evaluation of the feedback collected indicated that delegates were impressed with the conference offerings, however competition from other events and operational pressures brought about by the changes in weather patterns in 2010/2011 restricted member attendances.

Workforce Sustainability

The Alliance Technical Skills Steering Committee was formed following the 2006 Skills Summit and Branch Skills Summit in 2009. The Committee was formed to draw attention to the critical shortage of skilled workers, particularly civil engineering professionals. The ATSSC Alliance comprises an alliance of Education Providers, members and others. This Committee has responsibility for implementing the outcomes of the Skills Summit.

Key initiatives achieved through this Committee and the Branch's workforce sustainability program included:

- Identification of funding sources for the civil construction industry at both State and Federal level for use in Victoria.
The new federal Government providing funds for Critical Skills only and at the State level the new government maintained the Training Guarantee funding and rationalized the labour workforce funding;
- CCF secured \$25,000 from Skills Vic to be invested in the WSUD Training Criteria pilot project;
- Commencement of work on developing Workforce Sustainability models for industry use irrespective of company size and we are attempting to work with Skills DMC to capture workforce information via the Workforce Maximiser, there are restriction due to lack of funding available from the State Agencies;
- Working with Universities delivering civil qualifications in curriculum review and development to better meet the needs of the industry, currently CCF services both Deakin and the RMIT Industry Advisory Boards;
- Extension of service providers for the delivery of Certificate 4 in Civil Construction;
- Provision of ongoing support for the provision of industry involvement in program delivery and in the placement of students in industry as part of their under graduate program;
- Through the Workforce Sustainability resource CCF has commenced a proof of concept pilot for a Training Criteria Project, project funding includes some \$15,000 from Melbourne Water for the stage 1 and requests for stage 2 funding are pending. Skills Victoria are providing some \$25,000 for stage 2 in terms of skills definition while the local government partners are providing some \$7m worth of projects and in kind support to assess skills and development of the appropriate documentation and contractor response material;
- Established a Next Age Group for members and others in the industry that are transitioning into retirement to maintain their links with the industry and provide support to Civil Contractors;
- Established a "Women in Civil Construction" Group to foster gender equity and resources for the industry. This has been a joint CCF and NAWIC initiative connecting and empowering women through both professional and social support networks;
- Undertook a Bid-to-Win pilot project [funding \$10,000] to support Contractors in benchmarking their Business and improving their understanding of the Clients perspective in evaluating tenders;
- Commenced a pilot project for "women beside the man" project with Small Business Victoria.

Careers Development

The directions of the Branch's careers development program has been maintained and has activities undertaken include:

- Development of an extensive careers promotion program, being represented at over 40 career Expo's to promote careers in the industry;
- Securing industry exposure to over 140,000 students, parents and teachers through the Expo program;

- Involvement in regular Special School Projects e.g. Engineering Projects; Math/Science Projects; Apprenticeship Programs etc.;
- Further development of the civil construction industry Careers Advisors Kit for schools, careers advisors, students and parents;
- Continued development of networks with schools, careers advisors, relevant agencies, job networks and the like;
- Expanding and implementing the Civil Construction Taster Programs in more regions;
- Established partnering strategies with RTO's to develop training of Taster Programs and now Pre-apprenticeship Program;
- Secured funding with BICCIAB for development and implementation of a Certificate II in Civil Construction;
- Ongoing development of providers for the delivery of Certificate 3 in Civil Construction across the State;
- Career Presentations and Site visits for Careers Teachers and students to civil construction projects;
- Continued the Foresite Program; a work placement program for 3rd Year University students which gives exposure to Civil Contractor Companies as Employers of Choice;
- Provided assistance to members with utilizing the apprenticeship system.

Incolink

The industry makes a significant contribution to Incolink on behalf of its employees. The CCF has accessed Incolink funds which are invaluable in order to provide service to members through a Careers Information Field Officer, Civil Construction Traffic Management Field Officer, Workforce Sustainability Project Officer and Civil and OH&S Field Officer. These funds provide essential support to the industry and are a valuable source of funds to supplement the limited resources of the CCF.

ORGANISATIONAL DEVELOPMENT

Continuous improvement in the organisation's processes has remained a high priority with a specific focus on meeting Members' needs and enhancing the image of the Branch.

Initiatives undertaken in this area included:

- Implementation of the new National EXPO BIZ Accounting System;
- Independent measurement of the Customer Service Undertaking indicators;
- Specific training of staff in Student database system, ATQF processes and National Training System;
- Staff training Needs Analysis;
- Full review of the Civil Train Policy Manual;
- Retention of the Branch's ISO9001 certification;
- Further enhancement of the Business Continuity Plan;
- Systematic review of services, as appropriate;
- Implementation of the IT Strategy;
- Minor upgrades to office and training facilities to enhance productivity and benefit users;
- Through a competitive process, sought and appointed a reputable firm to provide accountancy support; and
- Review of pre-existing arrangements for the provision of workplace relations services.

In addition to the statutory financial audit, four special audits were undertaken during the year.

Although benchmarking of the Branch's operations was a Business Plan objective for this year, this initiative has been delayed pending the implementation of a benchmarking project across all Branches in relation to accounting operations.

A comprehensive assessment and forward plan by the Training and Development Division was presented following the review StandEzy Solutions [looking at Civil Train across other Branches with the view of a forward plan for the Victorian Branch] with the identified skills issue being the major implementation focus for the Industry.

Strategic Services Partnership with CCF Vic Branch & Arrangement with RidgeLineHR

Performance over the 12 month period 1 July 2010 to 30 June 2011

- Received over 250 calls (more than 1 per working day) from members or CCF Victoria internal staff for advice on workplace relations or related matters;
- Had over 1,000 email communications (more than 4 per working day) on CCF Victoria, industry and member matters;
- Had over 2,000 email communications (more than 9 per working day) on workplace relations news and decisions from government agencies, legal firms and news services;
- Produced 4 full page Bulletin articles as well as numerous e-news items;
- Attended a number of meetings of AETSC and National Workplace Relations Committee teleconferences and other CCF events and ad-hoc meetings with CCF internal personnel, primarily Claude Cullino and Cath Stephensen;
- In February 2011, conducted a comprehensive review of website content for workplace relations, legislation and useful links and provided recommendations and instructions for changes;
- Developed and delivered a presentation to the Board and Executive on 26 February 2011;
- Developed and presented at the Members Briefing with the Australian Building and Construction Commissioner on 10 March 2011;
- Represented CCF Victorian Branch on the expert panel at the Melbourne Round Table for the ABCC Enquiry into Sham Contracting and Labour Hire on 4 April 2011;
- Prepared the Annual Wage Review Update in June 2011 following publications of Fair Work Australia's decision;
- Spent 4 hours per week on related reading and learning activities (substantially increased due to complexity of Fair Work, incidence of decisions on "new matters" and inconsistencies in FWA decision-making);
- Spent 2 hours per week on related administration activities.

DISAPPOINTMENTS

- Membership retentions falling below the branch target;
- Lack of 'pipeline' of projects within VicRoads and other Government Agencies for a data base of forward capital works programs including local municipalities;
- Considerable under-delivery of councils' capital works programs has been disappointing;
- The amount of effort in convincing government of the need to address the 'Skills Gap' and introduce a Training initiative;
- The non funding by the State Government of the DPCD's project to establish a single Specification through the Infrastructure Design Manual [IDM] project;
- Some Councils and Government agencies not understanding the real impact that their tendering and contract management practices on the efficient delivery of infrastructure;
- The ongoing reluctance of many local Government entities to engage with contractors over issues impacting the sector;
- Reluctance on the part of some Government agencies to embrace alternate dispute resolution;
- Difficulty in securing business lunches with the new Ministers [understandable that there has been a change of government and many are new in the portfolio];
- Limited take-up by Members of the free seminars held to address contemporary issues in the civil construction sector;
- Challenge in getting a broader take up from members of training programs.

The Branch will continue to work arduously to ameliorate the concerns of Members implicit in the aforementioned disappointments.

THE FUTURE

Building on the achievements of the recent years and acknowledging the specific challenges impacting upon the civil construction sector, over the next 12-months the Branch aims to:

- Continue to assist Members and reduce the financial impost of doing business on Contractors;
- Maintain a high profile in regard to our advocacy and representations activities;
- Further improve our branding;
- Further develop the State Conference, free to Members;
- Successfully implement the Training Criteria into the pilot partners and introduce the initiative throughout State and Local governments;
- Assist Members to respond to new legislative requirements including the Environment Protection (Industrial Waste Resource) Regulations, Occupational Health and Safety Legislation, Fair Work Act and the Carbon Tax;
- Continue to assist and support members on Environmental issues such as issues of prescribed waste and environmental management;
- Maintain the influence and the effectiveness of the Victorian Civil Construction Industry Alliance
- Deliver the outcomes from the 2009 Skills Summit;
- Develop comprehensive Workforce Sustainability strategies to assist the industry in managing the size and composition of the workforce, retaining and managing that workforce and skilling that workforce;
- Further enhance communications with Members;
- Increase Fee for Service revenue base and margin;
- Utilise our strong financial position to provide increased benefits to members;
- Influence clients to only engage systems certified contractors;
- Achieve best practice procurement in Local and State Government agencies with the promotion of the principles of the Best Practice Guide for Tendering and Contract Management;
- Promote the use of the CCF Toolkit for Collaborative Procurement;
- Incorporate the CCF Toolkit into the CCF management Systems templates;
- Achieve a Code of behavior within the CCF Membership;
- Build upon the work already undertaken to assist Members to respond to clients' sustainability requirements;
- Continue the development of tools for Members in relation to dealing with work health in the workplace;
- Continue to influence future directions for OHS requirements upon Members;
- Continue to support members regarding Worksite Safety–Traffic Management Code of Practice;
- Continue to pursue the development of an effective partnership with State Government agencies and Councils aimed at driving the infrastructure dollar further;
 - Continue to be vigilant to ensure that our governance, risk management, strategic planning and administrative functions meet contemporary best practice;
 - Continue to establish forums and committee structures that ensure that contractor issues are identified and challenges addressed;
 - Identify and implement appropriate student management software to improve accuracy and efficiency;
 - Adjust the internal Business Management System to reflect outcomes from the recent AQTF requirements;
 - Review the Training Course cost structure and report appropriate strategies to the Board to ensure cost recovery;
 - Look at opportunities to consolidate current initiatives and pilots being undertaken as long term improvements to the industry;
 - Successfully propose a Civil Construction Council framework to oversight civil construction in Victoria.

Overall 2010/2011 has been a successful year with many highlights as identified in this report.

The 2011/2012 year is off to a good start and this report is commended to the members for their support.



Ian Sowerby
President



Claudio Cullino
Chief Executive Officer

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

CIVIL CONTRACTORS FEDERATION

VICTORIAN BRANCH

ABN: 97 341 352 156

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**Civil Contractors Federation
Victorian Branch**

**Operating Report
For the Year ended 30 June 2011**

Principal activities s254(2)(a)

The principal activities of the Civil Contractors Federation, Victorian Branch during the financial year were:

The principal activities of the Branch during the financial year were to represent the members as a peak employer body in Victoria and provide member services consistent with the objects of the Federation.

Results of principal activities s254(2)(a)

The Civil Contractors Federation, Victorian Branch principal activities resulted in:

The Branch's principal activities resulted in a profit of \$137,842 (2010: \$41,670)

For the 2011 year, the Branch generated operating cash inflows of \$102,913, whilst it had expended some \$117,819 on financing and investing activities. Cash balances during the year have decreased from \$1,397,802 to \$575,129 as a result of its activities during the year. As at reporting date, it has a working capital surplus of \$306,514 (2010: \$150,331, and financial assets held by the organisation have increased by \$43,046 as a result of the investment in Managed Funds.

Significant changes in nature of principal activities s254(2)(a)

There were no significant changes in the nature of the Civil Contractors Federation, Victorian branch 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 Civil Contractors Federation, Victorian Branch.

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

Each reporting unit should take care when using these templates. While every care has been taken in their preparation, the circumstances of a particular reporting unit may demand a subtle change tailored to their particular or peculiar situation. However, it is hoped such occasions will be rare. If you have any concerns please contact National Office.

Financial reporting template no.2

1 of 2

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: 545

Number of Employees *RO reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the Victorian Branch of the Federation was: 16.2 (includes 4 *part-time employees*] part-time employees) measured on a full-time equivalent basis.

Committee of Management Members *RO reg 159(c)*

The persons who held office as members of the Committee of Management of the Civil Contractors federation, Victorian Branch during the financial year were:

Branch President: Ian Sowerby
Vice President: John Plumridge
Honorary Treasurer: Andrew Simpson

National Board Member: Gary Gardiner
Alternate National Member: Ian Sowerby

Branch Committee:
Gary Gardiner
Andrew Mahar
David Draper
Tony Croagh
Alex Lukac
Rod Watson
Sean Delaney
John Lander
Rohan Davidson
Jeff Gallus

Each reporting unit should take care when using these templates. While every care has been taken in their preparation, the circumstances of a particular reporting unit may demand a subtle change tailored to their particular or peculiar situation. However, it is hoped such occasions will be rare. If you have any concerns please contact National Office.

Financial reporting template no.2

1 of 2

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 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.”

Name: Ian Sowerby

Title of Office held: Victorian Branch President

Signature:



Date 8th September 2011

Each reporting unit should take care when using these templates. While every care has been taken in their preparation, the circumstances of a particular reporting unit may demand a subtle change tailored to their particular or peculiar situation. However, it is hoped such occasions will be rare. If you have any concerns please contact National Office.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
COMMITTEE OF MANAGEMENT STATEMENT

On 13th August 2011, the Committee of Management of the Civil Contractors Federation, Victorian Branch, passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 2011:

The Committee of Management 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 Australia (FWA);
- (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 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 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) the information sought in any request of a member of the reporting unit or the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009; and
 - (vii) in relation to recovery of wage activity, there has been no recovery of wage activity during the year.

For Committee of Management:

Title of Office held: PRESIDENT, VICTORIAN BRANCH

Signature:

IAN SOWERBY

Date: 13th August 2011

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	2	3,496,645	3,660,251
		<u>3,496,645</u>	<u>3,660,251</u>
Accountancy expenses		(18,491)	(15,670)
Auditors' remuneration	3	(8,965)	(16,950)
Bad and doubtful debt expenses	4	(891)	(712)
Depreciation and amortisation expenses	4	(72,450)	(74,488)
Employee benefits expenses	4	(1,529,136)	(1,400,082)
Investment expenses		(8,800)	(15,832)
Other expenses		(1,720,070)	(2,094,847)
Profit before income tax		<u>137,842</u>	<u>41,670</u>
Retained earnings at the beginning of the financial year		1,225,038	1,183,368
Retained earnings at the end of the financial year		<u>1,362,880</u>	<u>1,225,038</u>

The accompanying notes form part of these financial statements.

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Profit for the period		<u>137,842</u>	<u>41,670</u>
Other Comprehensive income for the period		-	-
Total Comprehensive income for the period		<u>137,842</u>	<u>41,670</u>
Total Comprehensive income attributable to members of the organisation		<u>137,842</u>	<u>41,670</u>

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash and cash equivalents	5	560,223	575,129
Trade and other receivables	6	1,257,054	1,211,641
Inventories	7	13,919	10,970
Other current assets	8	52,198	51,958
Total Current Assets		<u>1,883,394</u>	<u>1,849,698</u>
Non-Current Assets			
Financial assets	9	948,721	905,675
Property, plant and equipment	10	274,332	302,974
Total Non-Current Assets		<u>1,223,053</u>	<u>1,208,649</u>
Total Assets		<u>3,106,447</u>	<u>3,058,347</u>
Current Liabilities			
Trade and other payables	11	1,360,382	1,454,592
Borrowings	12	72,295	108,368
Provisions	13	94,113	92,189
Other current liabilities	14	50,090	44,218
Total Current Liabilities		<u>1,576,880</u>	<u>1,699,367</u>
Non-Current Liabilities			
Trade and other payables	11	2,000	2,000
Borrowings	12	106,700	88,044
Provisions	13	55,987	41,898
Total Non-Current Liabilities		<u>164,687</u>	<u>131,942</u>
Total Liabilities		<u>1,741,567</u>	<u>1,831,309</u>
Net Assets		<u>1,364,880</u>	<u>1,227,038</u>
Equity			
Reserves	15	2,000	2,000
Retained earnings	16	1,362,880	1,225,038
Total Equity		<u>1,364,880</u>	<u>1,227,038</u>

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION

VICTORIAN BRANCH

ABN: 97 341 352 156

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Retained Earnings \$	General Reserves - Members' Debentures \$	Total \$
Balance at 1 July 2009	1,183,368	2,000	1,185,368
Profit attributable to members	<u>41,670</u>	<u>-</u>	<u>41,670</u>
Balance at 30 June 2010	<u>1,225,038</u>	<u>2,000</u>	<u>1,227,038</u>
Profit attributable to members	<u>137,842</u>	<u>-</u>	<u>137,842</u>
Balance at 30 June 2011	<u><u>1,362,880</u></u>	<u><u>2,000</u></u>	<u><u>1,364,880</u></u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Cash Flows From Operating Activities			
Cash Receipts in the course of operations		3,436,208	3,391,447
Cash Receipts from related parties		82,012	51,010
Interest Received		38,391	40,279
Cash Payments in the course of operations		<u>(3,453,698)</u>	<u>(3,333,251)</u>
Net cash provided by (used in) operating activities	18	<u>102,913</u>	<u>149,485</u>
Cash Flows from Investing Activities			
Payment for Plant & Equipment		(30,079)	(7,982)
Proceeds from disposal of Plant & Equipment		87,879	34,904
(Payment)/Withdrawals from Investments		<u>(43,046)</u>	<u>(893,175)</u>
Net cash provided by (used in) investing activities		<u>14,754</u>	<u>(866,253)</u>
Cash Flows from Financing Activities			
Repayment of Hire Purchases		<u>(132,573)</u>	<u>(105,905)</u>
Net cash provided by (used in) financing activities		<u>(132,573)</u>	<u>(105,905)</u>
Net increase (decrease) in cash held		(14,906)	(822,673)
Cash at beginning of financial year		575,129	1,397,802
Cash at end of year	5	<u>560,223</u>	<u>575,129</u>

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Statement of Significant Accounting Policies

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

The financial report covers CIVIL CONTRACTORS FEDERATION VICTORIAN BRANCH as an individual entity.

The financial report of CIVIL CONTRACTORS FEDERATION VICTORIAN BRANCH complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted 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 modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

b. Property, Plant and Equipment

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

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75% - 25%
Plant and equipment	1.5 – 66.67%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. 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 entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease.

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 under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

e. Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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 outflows to be made for those benefits.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

g. Provisions

Provisions are recognised when the entity 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.

h. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

i. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

j. 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 Tax 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

k. 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 entity 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.

l. Comparative Figures

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

m. Critical accounting estimates and judgments

The Committee of Management 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 entity.

n. Adoption of new and revised accounting standards

During the current year, the Branch has adopted the revised Australian Accounting Standard AASB 101: Presentation of Financial Statements, which became mandatory. The adoption of this Standard has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of this Standard has had on the financial statements of the Branch.

The accompanying notes form part of these financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information with the financial statements. Below is an overview of the key changes and the impact on the Branch's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements. These changes are not expected to impact the financial performance or financial position of the Branch.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transaction with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity be presented in the income statement.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement – the statement of comprehensive income, or two statements – a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Branch's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit and loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosure in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

o. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Branch has decided not to early adopt. A discussion of those future requirements and their impact on the Branch is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Branch has not yet determined any potential impact on the financial statements.

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS

The 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 and loss and there is no impairment or recycling on disposal of the instrument; and
 - 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.
- AASB124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Branch.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for the annual reporting periods commencing from 1 July 2010) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Branch.

- AASB 2009-8: Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard clarifies the accounting for cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Branch.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2010).

CIVIL CONTRACTORS FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs issued by the IASB. The Standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Branch.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first- time adopter to apply the transitional provisions in Interpretation 19. This Standard is not expected to impact the Branch.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. It is not expected to impact the Branch.

p. Reporting Unit/Information to members or Registrar

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

- 1) *A member of a reporting unit, or a General Manager of FWA, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be 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)*

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

2 Revenue

Operating activities

Interest received	38,391	40,279
Rendering of services	1,833,560	1,880,490
Other revenue	1,624,694	1,739,482
Total revenue	<u>3,496,645</u>	<u>3,660,251</u>

3 Auditor's Remuneration

Audit Services	8,965	9,500
Other Services	-	7,450
	<u>8,965</u>	<u>16,950</u>

4 Profit from Ordinary Activities

Expenses

Loss on Sale of Non-current Assets	13,548	15,549
Depreciation of property, plant and equipment	72,450	74,488
Bad Debts Written Off	891	712
Total bad and doubtful debts	<u>891</u>	<u>712</u>
Rental of Premises	151,332	145,568
Operating Lease Expenditure	23,177	26,309
	<u>174,509</u>	<u>171,877</u>
Salary and Benefits – Officers	180,073	166,689
Salary and Benefits – Non-Officers	1,349,063	1,233,393
	<u>1,529,136</u>	<u>1,400,082</u>
Significant Revenue		
Incolink Funding	656,899	624,871
	<u>656,899</u>	<u>624,871</u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

5 Cash and Cash Equivalents

Current

Deposit	4,000	4,000
Cash at Bank	171,010	94,240
Commercial Bills	385,213	476,889
	<u>560,223</u>	<u>575,129</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as set out above.

6 Trade and Other Receivables

Current

Unamortised GST on Cars	14,953	17,799
Trade Debtors	1,238,252	1,189,842
Sundry Debtors	3,849	4,000
	<u>1,257,054</u>	<u>1,211,641</u>

7 Inventories

Current

Publications on Hand – at cost	12,484	7,713
Cards on Hand – at cost	1,435	3,257
	<u>13,919</u>	<u>10,970</u>

8 Other Current Assets

Current

Borrowing Costs	1,004	638
Prepayments	50,856	50,982
Withholding Tax	338	338
	<u>52,198</u>	<u>51,958</u>

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

9 Financial Assets

Available for sale financial assets

Unlisted investments, at fair value	948,721	905,675
Total available-for-sale financial assets	<u>948,721</u>	<u>905,675</u>

10 Property, Plant and Equipment

Motor Vehicles:

At cost	255,870	308,485
Accumulated depreciation	(72,389)	(80,773)
Total motor vehicles	<u>183,481</u>	<u>227,712</u>

Office Furniture & Equipment:

At cost	348,504	313,302
Accumulated depreciation	(257,653)	(238,040)
Total office furniture & equipment	<u>90,851</u>	<u>75,262</u>
Total property, plant and equipment	<u>274,332</u>	<u>302,974</u>

Movements in Carrying Amounts

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

	Motor Vehicles \$	Office Furniture & Equipment \$	Total \$
Balance at the 1 July 2009	181,093	89,319	270,412
Additions	149,521	7,982	157,503
Disposals	(47,887)	(2,566)	(50,453)
Depreciation Expense	(55,015)	(19,473)	(74,488)
Carrying amount at 30 June 2010	<u>227,712</u>	<u>75,262</u>	<u>302,974</u>
Additions	110,031	35,204	145,235
Disposals	(101,427)	-	(101,427)
Depreciation Expense	(52,835)	(19,615)	(72,450)
Carrying amount at 30 June 2011	<u>183,481</u>	<u>90,851</u>	<u>274,332</u>

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

11 Trade and Other Payables

Current

CMS in Trust	-	72,101
Income Not Yet Earned	1,062,561	1,082,008
Accounts Payable	114,706	112,007
Other Creditors	13,181	18,422
Payroll Liabilities	34,152	46,934
GST Payable	135,782	123,120
	<u>1,360,382</u>	<u>1,454,592</u>

Non-Current

Debentures Not Repayable Within One Year	<u>2,000</u>	<u>2,000</u>
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12 Borrowings

Current

Hire Purchase Liability	87,205	123,873
Less: Unexpired Hire Purchase Liability	(14,910)	(15,505)
	<u>72,295</u>	<u>108,368</u>

Non-Current

Hire Purchase Liability	112,068	95,223
Less Unexpired Hire Purchase Liability	(5,368)	(7,179)
	<u>106,700</u>	<u>88,044</u>

13 Provisions

Provision for Annual Leave	94,113	92,189
Provision for Long Service Leave	55,987	41,898
Total provisions	<u>150,100</u>	<u>134,087</u>

Analysis of Total Provisions

Current	94,113	92,189
Non-current	55,987	41,898
	<u>150,100</u>	<u>134,087</u>

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

14 Other Liabilities

Current

Accrued Wages/Bonuses	40,000	28,000
Accrued Expenses	10,090	16,218
	<u>50,090</u>	<u>44,218</u>

15 Reserves

General Reserve – Members' Debentures	<u>2,000</u>	<u>2,000</u>
---------------------------------------	--------------	--------------

There has been no movement in the reserve during the current or preceding year.

16 Retained Earnings

Retained earnings at the beginning of the financial year	1,225,038	1,183,368
Net profit attributable to the entity	137,842	41,670
Retained earnings at the end of the financial year	<u>1,362,880</u>	<u>1,225,038</u>

17 Capital and Leasing Commitments

Hire Purchase Commitments

Payable - minimum Hire Purchase payments		
Not later than 12 months	87,205	123,873
Later than 12 Months but not later than 2 years	65,175	60,413
Later than 2 years but not later than 5 years	46,893	34,810
Minimum Hire Purchase payments	<u>199,273</u>	<u>219,096</u>
Less future finance charges	(20,278)	(22,684)
Present value of minimum lease payments	<u>178,995</u>	<u>196,412</u>

CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS

17 Capital and Leasing Commitments (Continued)

Operating Lease Commitments

Payable - minimum Operating Lease payments		
Not later than 12 months	160,987	163,777
Later than 12 Months but not later than 2 years	21,149	160,987
Later than 2 years but not later than 5 years	23,360	44,509
Minimum Operating Lease payments	<u>205,496</u>	<u>369,273</u>

18 Cash Flow Information

Reconciliation of net cash provided by operating activities to profit after income tax

Profit from Ordinary Activities after income tax	137,842	41,670
Add / (Less) Non Cash Flows in Profit from Ordinary Activities:		
- Depreciation	72,450	74,488
- (Profit)/Loss on Sale of Plant & Equipment	13,548	15,549
	<u>223,840</u>	<u>131,707</u>
Changes in Operating Assets and Liabilities		
- (Increase)/Decrease in Trade Debtors	(48,410)	(175,663)
- (Increase)/Decrease in Inventory	(2,949)	5,060
- (Increase)/Decrease in Prepayments	126	11,190
- (Increase)/Decrease in Other Assets	(366)	215.00
- (Increase)/Decrease in Other Receivables	2,997	(5,852)
- Increase/(Decrease) in Payables	(94,210)	143,044
- Increase/(Decrease) in Other Liabilities	5,872	37,288
- Increase/(Decrease) in Employee Entitlements	16,013	2,496
Net cash provided by operating activities	<u>102,913</u>	<u>149,485</u>

The entity currently has no credit standby or financing facilities in place.

There were no non-cash financing or investing activities during the period except for the hire purchase of \$115,156 of motor vehicles and office equipment

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

19 Financial Instruments

Financial Risk Management

The entity's financial instruments consists primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The entity does not have any derivative instruments at 30 June 2011.

	Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non Interest Bearing \$	Total \$
			Within 1 Year \$	1 to 5 Years \$		
Financial Assets						
Cash and cash equivalents	8.70%	171,010	389,213	-	-	560,223
Managed Investments		936,221	-	-	-	936,221
Total Financial Assets		<u>1,107,231</u>	<u>389,213</u>	<u>-</u>	<u>-</u>	<u>1,496,444</u>
Financial Liabilities						
Bank overdraft secured		-	-	-	-	-
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date and adjusted for transaction costs expected to be incurred. For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded in organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities which approximate each other are disclosed in the Statement of Financial Position and in the notes to the financial statements.

A 1% change in interest rates would change profit before tax by \$11,072

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

19 Financial Instruments (Continued)

Financial Instruments

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2011		2010	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	560,223	560,223	575,129	575,129
Managed Investments	936,221	936,221	893,175	893,175
Total Financial Assets	1,496,444	1,496,444	1,468,304	1,468,304
Financial Liabilities				
Bank overdraft secured	-	-	-	-
Total Financial Liabilities	-	-	-	-

20 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The ultimate parent entity is the Civil Contractors Federation, of which this reporting entity is the Victorian Branch. The names of Committee members are set out in the Operating Report

Other related parties are other state branches of the Civil Contractors Federation.

Transactions with related parties:	\$	\$
Income		
Interstate Branches	158,071	217,301
Expenses		
Affiliation – National CCF	152,910	99,817
Insurance - National CCF	3,560	3,560
CMS Expenses	50,635	77,085
	207,105	180,462

As at 30 June 2011 the balances receivable from related parties are as follows:

CCF - National Branch	(13,949)	(5,819)
CCF – NSW Branch	1,476	-
CCF - NT Branch	-	424
CCF – SA Branch	-	6,505
CCF – Qld Branch	-	7,887
CCF – Tas Branch	2,907	2,596

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
NOTES TO THE FINANCIAL STATEMENTS**

21 Entity Details

The principal place of business of the entity is:

Level 2, 192B Burwood Road,
Hawthorn Victoria 3122

The principal segment is member services within Australia.

The entity is domiciled in Australia.

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
ABN: 97 341 352 156
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
INCOME		
Membership Contributions	972,783	974,451
Publications	64,213	84,808
Training Fees	796,564	821,231
	<u>1,833,560</u>	<u>1,880,490</u>
OTHER INCOME		
Interest Received	38,391	40,279
Meetings & Social Functions	754,166	608,861
Incolink	656,899	624,871
Sundry Income	91,772	86,705
CMS Income	70,175	419,045
OAMPS State End Fee	51,682	-
	<u>1,663,085</u>	<u>1,779,761</u>
	<u>3,496,645</u>	<u>3,660,251</u>
EXPENSES		
Accountancy Fees	18,491	15,670
Affiliation & CEO meetings - National C.C.F.	152,910	99,817
Auditor's Remuneration	8,965	16,950
Bad Debts Written Off	891	712
Bank Charges	11,483	12,338
CMS	12,882	237,692
Computer Web Site	10,058	11,043
Depreciation	72,450	74,488
Hire Purchase Charges	22,171	20,280
Investment Expenses	8,800	15,832
Legal & Professional Costs	30,075	17,370
Loss on Sale of Non-current Assets	13,548	15,549
Meetings, Seminars & Functions	364,106	471,670
Motor Vehicle Expenses	75,988	67,124
Other Administrative Costs	590,018	608,441
Payroll Tax	67,255	64,194
Provision for Annual Leave	1,924	3,207
Provision for Long Service Leave	14,089	(716)
Publications	37,390	47,770
Regional Support Expenditure	7,027	7,313
Salaries & Benefits - Officers	180,073	166,689
Salaries & Benefits - Non Officers	1,349,063	1,233,393
Scholarship	128	3,694
Special Projects and Advocacy	87,092	85,813
Subscriptions	12,132	7,527
Training Expenditure	136,591	221,973
Travelling & Accommodation	22,568	15,663
Victorian Prequal	50,635	77,085
	<u>3,358,803</u>	<u>3,618,581</u>
Profit before income tax	<u>137,842</u>	<u>41,670</u>

The accompanying notes form part of these financial statements.

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2011 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

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



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

9/8/11

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

Report on the Financial Report

We have audited the accompanying financial report of Civil Contractors Federation (Victorian Branch) ("the Federation") which comprises the statement of financial position as at 30 June 2011 and the income statement, statement of comprehensive income, profit and loss statement, statement of changes in members funds 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 Victorian Branch Committee of Management.

Board's Responsibility for the Financial Report

The Victorian Branch Committee of Management 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 Part 3 of Chapter 8 of Schedule 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 Accounting 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 Board, 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 (VICTORIAN BRANCH)**

Independence

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

Auditor's opinion

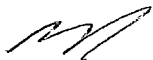
In our opinion the general purpose financial report of Civil Contractors Federation (Victorian Branch) presents fairly in accordance with the *Fair Work (Registered Organisations) Act 2009* the Federation's financial position as at 30 June 2011 and its performance for the year ended on that date and complies with Australian Accounting Standards (including the Australian Accounting Interpretations).

There were kept by the Branch satisfactory accounting records which detailed the sources and nature of the income (including income from members) and the nature and purposes of the expenditure.

There has been no recovery of wages activity during the year.

Sydney Smith & Co

STANNARDS ACCOUNTANTS & ADVISORS



M B SHULMAN (Holder of Public Practice Certificate)

Partner

Auditor Registration no. 163888

Dated in Melbourne this *9th day of August 2011.*

**CIVIL CONTRACTORS FEDERATION
VICTORIAN BRANCH
(CCFVIC)**

**AUDIT
FOR THE YEAR ENDED
30 JUNE 2011**

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1. INTRODUCTION

1.1 Purpose of Report

We have now completed our interim and final balance date audits of CCFVIC for the year ended 30 June 2011. This report sets out a summary of our findings.

1.2 Scope of Review

In undertaking our audit, our principal procedures included:

- a review of the internal control environment adopted by CCFVIC;
- reconciliation of CCFVIC's divisional results (as reported in the 30 June 2011 management accounts) to source documentation;
- a comparison of results reported in the current period to those of prior periods, aimed at identifying unusual or significant trends;
- a review of major balance sheet account reconciliations prepared by management, aimed at identifying unusual or long standing reconciling items; and
- a search for unrecorded liabilities.

Significant matters arising from our review are set in Section 2 of this report.

It should however be noted, on the basis of the procedures outlined above, we have no reason to believe that CCFVIC's results from operations (as summarised below) for the year ended 30 June 2011 and its financial position at that date are not reasonably stated. Further, we are in a position to sign CCFVIC's accounts, once they have been approved by the Committee of Management of CCFVIC.

Set out below are the profits/(losses) generated by CCFVIC this year.

Results From Operations

<i>Name of Fund</i>	<i>Profit after Tax 30 June 2011 \$000</i>	<i>Profit after Tax 30 June 2010 \$000</i>
Membership Income	972	974
Training Fees	796	821
Meeting & Social Functions	755	609
CMS Income	70	419
Incolink	656	625
Other Income	248	212
Gross Revenue	3,497	3,660
Employee Costs	(1,529)	(1,400)
Other Costs	(1,830)	(2,218)
Net Profit	138	42

The overall result of CCFVIC this year improved vis-à-vis the 2010 year. Revenue fell by some \$0.16 million (primarily CMS income offset by growth in functions income), whilst expenditure was curtailed. The result is not unreasonable given the current state of the economy, and importantly, membership revenue has been maintained. The capacity of CCFVIC to continue to generate its current returns is dependent upon its capacity to maintain membership levels, which at least in part stems from its continuing delivery of relevant and appropriate services to its members.

At 30 June 2011, CCFVIC had cash and liquid assets of \$1.51 million, and net assets of \$1.36 million, a sound position given the nature of the organisation.

2. SIGNIFICANT MATTERS

As a result of our audit procedures, we have identified a number of significant matters that are detailed below for the Committee of Management's information.

2.1 Reconciliations Review

The major asset and liabilities of CCFVIC comprise cash, investments, receivables, accounts payable, employee entitlements and deferred income. A summary of our findings from our review of reconciliations of those accounts at 30 June 2011 is as follows:–

<i>Balance Sheet Account</i>	<i>CCFVIC</i>
Cash at Bank	✕
Investments	✕
Receivables	✕
Accounts Payable	✕
Employee Entitlements	✕
Deferred Income	✕

✕ *Reconciliation adequately completed at 30 June 2011
– no long standing or irreconcilable items exist.*

2.2 Adoption of Australian Equivalents to AIFRS

As a result of the introduction in 2006 of Australian equivalents to International Financial Reporting Standards (AIFRS), CCFVIC's financial reports have been prepared in accordance with those standards (to the extent they are applicable to the entity). We believe the financial reports also comply in full with the Fair Work (Registered Organisations) Act and Regulations 2009.

2.3 Deferred Income

Given that CCFVIC's subscriptions are levied prior to each balance date, consistent with prior periods, the net income generated from these subscriptions relating to the 2011/12 subscription year has been deferred and will be recognised in the profit/(loss) in the next financial year (i.e. 2012). Additionally, the net income arising from the 2010/11 subscription year has been recognised in the profit/(loss) in the 2011 financial year.

We concur with this accounting treatment and believe it is prudent.

2.4 Investment Strategy

CCFVIC currently invests its surplus funds in accordance with an approved investment strategy. We believe this represents good corporate governance, and that the strategy should continue to be reviewed, to ensure it remains relevant to CCFVIC's investment expectations and cashflow needs, given the volatility of the global economy.

2. SIGNIFICANT MATTERS (cont'd)

2.5 Special Audit

During the 2011 year, we conducted special reviews of CCFVIC's payroll, personal reimbursements, petty cash, the risk management plan and 'leave' management processes. We have reassessed the areas reviewed at balance date and confirm that all recommendations in our previous reports have been or are being actioned. We recommend that further assessments be undertaken of these areas and/or other internal control and member service areas throughout the 2012 financial year in keeping with good corporate governance.

2.6 Other Matters

On the basis of our audit procedures, we did not become aware of any other significant matters which we believe would have a material impact on CCFVIC's results from operations for the year ended 30 June 2011 and its financial position at that date. Further, we did not become aware of any deficiencies in CCFVIC's accounting systems and internal controls (based upon our audit procedures.).

We would be pleased to discuss the contents of this report in further detail at your earliest convenience.

3. GENERAL

- 3.1 In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party other than CCFVIC in respect of this report, including any errors or omissions therein, arising through negligence or otherwise however caused.
- 3.2 This report is not to be used for any purpose other than those specified herein, nor may extracts or quotations be made without our express pre-written approval.