



28 November 2016

Mr John Kilgour
Chief Executive Officer
Civil Contractors Federation – Victorian Branch
Level 1, 322 Glenferrie Road
MALVERN VIC 3144

via email: jkilgour@ccfvic.com.au

Dear Mr Kilgour

Civil Contractors Federation Victorian Branch Financial Report for the year ended 30 June 2016 - [FR2016/270]

I acknowledge receipt of the financial report of the Civil Contractors Federation Victorian Branch (the **reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 23 November 2016.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm this concern has been addressed prior to filing next year's report.

Timescale requirements

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

I note that the following timescale requirement was not met:

Documents must be lodged with the FWC within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the FWC within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 25 October 2016. If this is correct the full report should have been lodged with the FWC by 8 November 2016.

The full report was lodged on 23 November 2016.

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

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

Reporting Requirements

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

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



**CIVIL CONTRACTORS
FEDERATION**

Certificate of Designated Officer

S268 of Fair Work (Registered Organisations) Act 2009

I, **Domenic De-Fazio**, 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 24th September 2016; and
- that the full report was presented to the General Meeting of Members of the reporting unit on 25th October 2016; in accordance with section 266 of the RO Act.

Signature

Domenic De-Fazio

President

Date: 25th October 2016

**CIVIL CONTRACTORS FEDERATION
(VIC BRANCH)**

ABN 97 341 352 156

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016**

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

Principal Activities s254(2)(a)

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 Branch's principal activities resulted in a trading profit of \$21,403 (2015 profit of \$23,571).

Cash balances during the year have decreased from \$1,634,209 to \$1,602,324. As at reporting date, it has a working capital surplus of \$1,508,097 (2015: \$1,523,072).

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

The Branch has also continued service provision in workplace training to meet industry demand.

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

Advocacy to both state and federal governments and government agencies has also been an area of high performance in representing the views of members in the industry.

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

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

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

Significant changes in Branch's financial affairs s254(2)(b)

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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the result of those operations, or the state of affairs of the Branch in future financial years.

Likely developments in the operations of the Branch and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Branch.

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

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: 400 Members and 119 Associate Members. At the end of the previous financial year there were 431 Members and 136 Associate Members.

Number of Employees *reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the VIC Branch of the Branch was 14.5 (2015: 14.6).

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

The persons who held office as members of the Committee/Board of Management of the VIC Branch during the financial year were:

Andrew Mahar	Board Member & Acting Vice President	18-02-2016 to 22-06-2016
Andrew Mahar	Board Member & National Board Member	1-07-2015 to 30-06-2016
Domenic De-Fazio	President	1-07-2015 to 30-06-2016
Sophie Brown	Vice President	1-07-2015 to 18-02-2016
John Plumridge	Board Member & Treasurer	1-07-2015 to 30-06-2016
Antony Damiani	Casual Board Member	18-02-2016 to 22-06-2016
Antony Damiani	Vice President	22-06-2016 to 30-06-2016
Clifford Smith	Board Member	1-07-2015 to 30-06-2016
Peter Rodrigues	Board Member	1-07-2015 to 13-11-2015
Jay Miller	Board Member	1-07-2015 to 30-06-2016
Steve Traicevski	Board Member	1-07-2015 to 30-06-2016
Bob Beck	Board Member	1-07-2015 to 30-06-2016
Robert Trebilco	Board Member	1-07-2015 to 30-06-2016

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

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

No officeholders held positions 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.

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

Manner of resignation

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

"9 - RESIGNATION OF MEMBERS

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



**Domenic De-Fazio
VIC President**

Date: 3rd of August 2016

**VIC Committee of Management Statement
for the Year Ended 30 June 2016**

On the 3rd of August 2016, 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 30 June 2016:

The Committee of Management (Board) declares in relation to the GPFR that in its opinion:

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

For Committee of Management:




Domenic De-Fazio
President, Victorian Branch


Date: 3rd August 2016

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

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

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


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


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

Dated 3/5/16

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

To the Members of Civil Contractors Branch – VIC Branch

Scope

The financial report and Committee of management responsibility

The financial report comprises the Committee of Management Statement, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes to the financial statements for the Civil Contractors Branch (VIC Branch) for the year ended 30 June 2016 set out on pages 4 to 34.

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

Audit Approach

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

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

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

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

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

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

Independence

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

Audit Opinion


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


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

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

As part of our audit of the organisation for the year ended 30 June 2016, we are of the opinion that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.


Stannards Accountants & Advisors


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

Dated this 3..... day of  2016

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

	Note	2016 \$	2015 \$
Revenue	2	2,521,827	2,775,704
		<u>2,521,827</u>	<u>2,775,704</u>
Accountancy expenses		-	(30,573)
Auditors remuneration	3	(10,358)	(14,444)
Bad and doubtful debt expenses	3	-	(12,091)
Depreciation and amortisation expenses	3	(57,129)	(69,098)
Employee benefits expenses	3	(1,212,383)	(1,178,238)
National Branch Levy	3	(88,000)	(65,724)
Other expenses	3	(1,132,554)	(1,381,965)
Trading Profit before income tax		<u>21,403</u>	<u>23,571</u>
Special Projects		-	535
Net Profit before Income Tax		<u>21,403</u>	<u>24,106</u>
Retained earnings at the beginning of the financial year		1,774,874	1,750,768
Retained earnings at the end of the financial year		<u>1,796,277</u>	<u>1,774,874</u>

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2016**

	2016 \$	2015 \$
Profit for the period	21,403	24,106
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the period	21,403	24,106
Total Comprehensive Income attributable to members of the organisation	21,403	24,106

The accompanying notes form part of the financial statements

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

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,602,324	1,634,209
Trade and other receivables	5	1,204,545	1,268,837
Inventories	6	25,938	26,894
Other current assets	7	134,930	139,506
Total Current Assets		2,967,737	3,069,446
NON-CURRENT ASSETS			
Financial assets	8	12,500	12,500
Property, plant and equipment	9	334,018	314,773
Total Non-Current Assets		346,518	327,273
Total Assets		3,314,255	3,396,719
CURRENT LIABILITIES			
Trade and other payables	10	1,308,401	1,356,721
Borrowings	11	39,972	38,953
Provisions	12	111,267	150,700
Total Current Liabilities		1,459,640	1,546,374
NON-CURRENT LIABILITIES			
Trade and other payables	10	2,000	2,000
Borrowings	11	54,338	71,471
Provisions	12	-	-
Total Non-Current Liabilities		56,338	73,471
Total Liabilities		1,515,978	1,619,845
NET ASSETS		1,798,277	1,776,874
EQUITY			
Reserves	14	2,000	2,000
Retained earnings	15	1,796,277	1,774,874
Total Equity		1,798,277	1,776,874

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds
for the Year Ended 30 June 2016**

	\$
Balance as at 1 July 2014	1,750,768
Profit /(Loss) attributable to members	24,106
Balance at 30 June 2015	<u>1,774,874</u>
Reserve balance at 30 June 2015	<u>2,000</u>
<hr/>	
Balance as at 1 July 2015	1,774,874
Profit /(Loss) attributable to members	21,403
Balance at 30 June 2016	<u>1,796,277</u>
Reserve balance at 30 June 2016	<u>2,000</u>

The accompanying notes form part of the financial statements

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

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		2,481,905	2,817,671
Cash receipts from related parties – Branches	18(f)	50,812	149,154
Interest received		53,402	66,012
Cash payments to related parties - Branches	18(f)	(137,313)	(111,460)
Cash payments in the course of operations		(2,405,187)	(2,687,573)
Net cash provided by (used in) operating activities	19	43,619	233,804
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(101,532)	(120,191)
Proceeds from disposal of plant and equipment		42,142	24,766
(Payment)/Withdrawals from Investments		-	-
Special Projects		-	535
Net cash provided by (used in) investing activities		(59,390)	(94,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of hire purchases		(16,114)	(11,859)
Net cash provided by (used in) financing activities		(16,114)	(11,859)
Net increase/(decrease) in cash held		(31,885)	127,055
Cash at the beginning of the financial year		1,634,209	1,507,154
CASH AT THE END OF THE FINANCIAL YEAR	4	1,602,324	1,634,209

The accompanying notes form part of the financial statements

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Preparation

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

The financial report has been prepared on an accruals basis and is based on historical costs 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. The Branch is a 'not for profit' organisation.

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

Accounting Policies

a. Income Tax

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

b. Cash and cash equivalents

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

c. Plant and Equipment

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

Cost and valuation

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

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

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

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

d. Plant and Equipment (cont'd)

Depreciation

The depreciable amounts of all fixed assets including buildings and capitalized lease assets, but excluding freehold land, is depreciated on a straight line method at rates based on their estimated 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.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75% - 25%
Plant & Equipment	2.5% – 100%

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the Statement of Profit and Loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Financial Instruments

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

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

f. Employee Benefits

Short-term employee benefits

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

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

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

f. Employee Benefits (cont'd)

Long-term employee benefits

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

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

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

Superannuation

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

g. Leases

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

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

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

h. Goods and Services Tax (GST)

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

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

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

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 and subscriptions and grants is recognised upon the delivery of the service on an accruals basis.

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

j. Comparative figures

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

k. Operating Segment

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

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

l. Cash and Cash Equivalents

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

m. Fair Value of Assets and Liabilities

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

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

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

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

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

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

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

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

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

n. Capitation Fees

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

o. Critical Accounting Estimates and Judgements

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

Key Estimates – Impairment

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

No impairment has been recognised in respect of any assets for the year ended 30 June 2016, except as stated in this report.

Key Judgements - Doubtful Debts Provision

The Board have assessed each debtor and have estimated no provision for doubtful debts is required. The Board believes that the full amount of the debtors are recoverable.

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

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

p. New Accounting Standards for Application in Future Periods

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

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

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

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

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

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

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

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

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

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

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

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

p. New Accounting Standards for Application in Future Periods

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

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

The main changes introduced by the new Standard include:

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

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

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

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

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

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

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

	2016 \$	2015 \$
NOTE 2: REVENUE		
Operating activities:		
CMS SCIMS Income	251,348	269,803
Conference / Functions	95,920	124,496
Sponsorship	144,950	182,034
Publications	44,784	76,700
Training Fees	585,843	574,334
Membership	940,089	1,045,725
Incolink Funding	362,652	344,516
Interest received	53,402	66,012
Other revenue	22,959	92,084
Profit on Sale of Non-current Assets	19,880	-
Capitation Fees	-	-
Compulsory Levy and Voluntary Levy	-	-
Donations / Grants	-	-
Financial Support - Branches	-	-
Total Revenue	2,521,827	2,775,704
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
The operating profit of the Branch before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off to expense	-	12,091
Provision for doubtful debts	-	-
	-	12,091
b. Auditor's Remuneration		
Auditor's remuneration – Financial Statement Audit (Other services: \$nil (2015: \$nil))	10,358	14,444
	10,358	14,444
c. Depreciation and Amortisation		
Plant and equipment	23,331	23,448
Motor vehicles	33,798	45,650
	57,129	69,098

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

	2016 \$	2015 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (cont'd)		
d. Employee related expenses		
Salaries	1,020,882	1,021,576
Superannuation	99,111	108,089
Employee benefits	20,295	(8,120)
Payroll tax	52,275	53,800
Training and recruitment	19,820	2,893
	1,212,383	1,178,238
e. Other expenses include:-		
Publications	40,680	75,348
CMS Expenses	157,920	250,818
Conference / Functions	172,203	215,994
Training Delivery Costs	102,950	95,837
Computer Expenses	18,794	13,206
Insurance Costs	8,226	13,273
Communication Expense	19,847	14,269
Motor Vehicle Expenses	30,507	45,075
Stationery, Printing and Postage	10,926	9,137
Rent	142,611	128,932
Legal Costs – Litigation	-	-
Legal Costs – Consultation (Other Matters)	173	775
Verification of Competency Project	-	27,414
Other Costs	427,717	491,887
Penalties (RO Act and Regulations)	-	-
Affiliation Fees	-	-
Consideration to employers making payroll deductions	-	-
Subscriptions (Political Parties etc)	-	-
Capitation Fees	-	-
Grants / Donations	-	-
Meeting Attendance Fees	-	-
	1,132,554	1,381,965
f. Levy		
National office levy	88,000	65,724
	88,000	65,724

The levy is imposed by the CCF National Office to assist in funding the National Office Operations. No other compulsory levies (2015: \$nil) were paid by the Branch.

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

	2016 \$	2015 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Current		
Deposit	4,000	4,000
Cash at bank & on deposit	1,598,324	1,630,209
	<u>1,602,324</u>	<u>1,634,209</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.		
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Trade Debtors	1,192,842	1,283,127
Less: Provision for Doubtful Debts	-	(16,719)
Sundry Debtors	11,703	2,429
	<u>1,204,545</u>	<u>1,268,837</u>
NOTE 6: INVENTORIES		
Current		
Publications on Hand – at cost	23,899	24,855
Cards on Hand – at cost	2,039	2,039
	<u>25,938</u>	<u>26,894</u>
NOTE 7: OTHER CURRENT ASSETS		
Current		
Borrowing Costs	1,035	676
Prepayments	89,988	94,923
Withholding Tax	-	-
Security Deposit – Leased Premises	43,907	43,907
	<u>134,930</u>	<u>139,506</u>
NOTE 8: FINANCIAL ASSETS		
Available for sale financial assets		
Unlisted investments, at fair value	12,500	12,500
Total available-for-sale financial assets	<u>12,500</u>	<u>12,500</u>

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

	2016 \$	2015 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles		
At cost	275,899	265,831
Accumulated depreciation	(92,504)	(87,103)
Total motor vehicles	183,395	178,728
Office Furniture & Equipment		
At cost	349,797	349,237
Accumulated depreciation	(273,996)	(263,215)
Total office furniture & equipment	75,801	86,022
Software		
At cost	55,385	55,385
Accumulated depreciation	(13,039)	(5,362)
Total software	42,346	50,023
CivFast System Development		
At cost	32,476	-
Accumulated depreciation	-	-
Total software development	32,476	-
Total property, plant and equipment	334,018	314,773

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 \$	Software \$	CivFast System Devopment \$	Total \$
Balance at 30 June 2014	179,948	99,408	11,329	-	290,685
Additions	71,436	6,435	42,320	-	120,191
Disposals	(27,005)	-	-	-	(27,005)
Depreciation Expense	(45,651)	(19,821)	(3,626)	-	(69,098)
Carrying amount at 30 June 2015	178,728	86,022	50,023	-	314,773
Carrying amount at 30 June 2015	178,728	86,022	50,023	-	314,773
Additions	51,215	17,841	-	32,476	101,532
Disposals	(12,750)	(12,408)	-	-	(25,158)
Depreciation Expense	(33,798)	(15,653)	(7,678)	-	(57,129)
Carrying amount at 30 June 2016	183,395	75,801	42,346	32,476	334,018

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

	2016 \$	2015 \$
NOTE 10: TRADE AND OTHER PAYABLES		
Current		
Income not yet earned	1,071,525	1,094,668
Accounts Payable	65,010	95,797
Other Creditors	39,083	22,589
Payroll Liabilities	21,339	23,245
GST Payable	107,844	114,047
Accrued Expenses	3,600	6,375
	1,308,401	1,356,721
No amounts were payable in respect of legal matters and/or consideration for employers making payroll deductions (2015:\$nil)		
Non-Current		
Debentures Not Repayable Within One Year	2,000	2,000
NOTE 11: BORROWINGS		
Current		
Hire Purchase Liability	43,083	43,600
Less: Unexpired Hire Purchase Liability	(3,111)	(4,647)
	39,972	38,953
Non-Current		
Hire Purchase Liability	56,818	74,601
Less Unexpired Hire Purchase Liability	(2,480)	(3,130)
	54,338	71,471
These borrowings are secured by the assets that were financed.		
NOTE 12: PROVISIONS		
Current		
Provision for Annual Leave	74,108	81,572
Provision for Long Service Leave	37,159	69,128
	111,267	150,700
Non-Current		
Provision for Long Service Leave	-	-
	-	-
Total provisions	111,267	150,700

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

NOTE 12: PROVISIONS (cont'd)

- (i) Employee provisions accrue directly to employees of the Branch.
No employee entitlements were accrued in respect of officeholders (2015 : \$nil)

	2016	2015
Number of employees at year-end	14.5	14.6

Of the amounts owing are payable as follows:-

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Officeholders		-		-		-
Other Staff	74,108	81,572	37,159	69,128	111,267	150,700
Total	74,108	81,572	37,159	69,128	111,267	150,700

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

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

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service

NOTE 13: EMPLOYEE BENEFITS

Employee benefits paid/accrued during the year	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Wages and Salaries	-	-	986,101	993,030	986,101	993,030
Annual Leave and Long Service Leave	-	-	20,295	(8,120)	20,295	(8,120)
Redundancy Payments	-	-	34,781	28,546	34,781	28,546
Superannuation	-	-	99,111	108,089	99,111	108,089
Total		-	1,140,288	1,121,545	1,140,288	1,121,545

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

	2016 \$	2015 \$
NOTE 14: RESERVES		
General Reserve – Members' Debentures	2,000	2,000
There has been no movement in the reserve during the current or preceding year.		
NOTE 15: RETAINED EARNINGS		
Retained earnings at the beginning of the financial year	1,774,874	1,750,768
Net profit attributable to the entity	21,403	23,571
Add/(Less): Special Projects	-	535
Retained earnings at the end of the financial year	1,796,277	1,774,874
NOTE 16: CAPITAL AND LEASING COMMITMENTS		
	2016 \$	2015 \$
Hire Purchase Commitments		
Payable – Minimum Hire Purchase payments		
Not later than 12 months	43,083	43,600
Later than 12 months but not later than 2 years	56,818	44,152
Later than 2 years but not later than 5 years	-	30,449
Minimum Hire Purchase payments	99,901	118,201
Less future finance charges	(5,591)	(7,777)
Present value of minimum payments	94,310	110,424
Operating Lease Commitments		
Payable – Minimum Operating Lease payments		
Not later than 12 months	200,747	192,364
Later than 12 months but not later than 2 years	96,378	288,180
Later than 2 years but not later than 5 years	96,270	59,133
Minimum Operating Lease payments	393,395	539,677

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

NOTE 17: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

The entity does not have any derivative instruments at 30 June 2016.

i. Terms, Conditions and Accounting Policies

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

ii. Treasury Risk Management

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

iii. Financial Risk Exposures and Management

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

Liquidity risk

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

Interest rate risk

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

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

	2016 \$	2015 \$
Change in profit/(loss)		
Increase in interest rate by 1%	16,023	15,238
Decrease in interest rate by 1%	(16,023)	(15,238)
Change in equity		
Increase in interest rate by 1%	16,023	15,238
Decrease in interest rate by 1%	(16,023)	(15,238)

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

Credit Risk Exposure

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

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

iv. Interest Rate Risk

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

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

NOTE 17: FINANCIAL RISK MANAGEMENT (cont'd)

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities			Total \$
				1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	
30 June 2016							
Assets:							
Cash	3.3%	1,602,324	-	-	-	-	1,602,324
Trade and Sundry Debtors		-	-	-	-	1,339,475	1,339,475
		1,602,324	-	-	-	1,339,475	2,241,799
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(1,310,401)	(1,310,401)
Borrowings	10%	-	(39,972)	(54,338)	-	-	(94,310)
		-	(39,972)	(54,338)	-	(1,310,401)	(1,404,711)
Net financial assets		1,602,324	(39,972)	(54,338)	-	29,074	1,537,088
30 June 2015							
Total financial assets	3.4%	1,634,209	-	-	-	1,408,343	3,042,552
Total financial liabilities	10%	-	(38,953)	(71,471)	-	(1,358,721)	(1,469,145)
Net financial assets		1,634,209	(38,953)	(71,471)	-	49,622	1,573,407

v. Net Fair Values

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

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

NOTE 18: RELATED PARTY TRANSACTIONS

a. VIC Branch Board members

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

Andrew Mahar, Domenic De-Fazio, Sophie Brown, John Plumridge, Clifford Smith, Antony Damiani, Peter Rodrigues, Jay Miller, Steve Traicevski, Bob Beck and Robert Trebilco.

The officeholders received no 'non cash' benefits (2015: \$nil). No officeholder of the Branch during the year and/or the prior year had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

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

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

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

John Kilgour	CEO
John Stewart	CEO (resigned 19/02/16)
Robert Garrad	General Manager Training
Anushan Jayaratne	Finance Manager

In the current year, there was 14.5 full time equivalent staff (2015: 14.6 staff).

c. Key Management Personnel Remuneration	2016 \$			2015 \$		
	Short Term Benefits	Post Employment Benefits	Total	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$	\$	\$	\$
Total Compensation	467,196	45,900	513,096	468,348	61,294	529,642

d. Annual Leave and Long Service Leave Accrued for Key Management Personnel at end of the Year	2016 \$			2015 \$		
	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
	\$	\$	\$	\$	\$	\$
Total Leave Provision	12,588	-	12,588	24,564	37,189	61,753

No termination benefits or share based payments were received, except as already disclosed in this report.

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

NOTE 18: RELATED PARTIES (cont'd)

e. Transactions with National Office, Branches and Related Entities

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

	2016	2015
	\$	\$
Levy Payment		
During the year, the VIC Branch paid to the National Office a per capita payment calculated in accordance with the rules.	88,000	65,724

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date – Federal office and other branches	2016	2015
	\$	\$
National Office	(8,571)	2,959
Queensland Branch	(110)	(110)
South Australia Branch	976	(1,273)
Western Australia Branch	(1,740)	(1,562)
New South Wales Branch	(495)	(138)
Northern Territory Branch	(275)	3,467
Tasmania Branch	1,575	945
Australian Capital Territory Branch	-	-
	<u>(8,640)</u>	<u>4,288</u>

Balance Reconciliation- related entities

National Office		
Carrying amount at beginning of the year	2,959	14,435
Levy charge	(88,000)	(65,724)
Sundry charges	(16,227)	(11,670)
Sundry income	10,488	32,409
Receipts	(13,024)	(45,376)
Payment made	95,233	78,885
Carrying amount at end of the year	<u>(8,571)</u>	<u>2,959</u>
Queensland Branch		
Carrying amount at beginning of the year	(110)	(105)
Sundry charges	(2,477)	(2,317)
Sundry income	548	1,736
Receipts	(548)	(1,736)
Payment made	2,477	2,312
Carrying amount at end of the year	<u>(110)</u>	<u>(110)</u>
South Australia Branch		
Carrying amount at beginning of the year	(1,273)	420
Sundry charges	(12,932)	-
Sundry income	7,391	6,466
Receipts	(4,820)	(17,038)
Payment made	12,610	8,879
Carrying amount at end of the year	<u>976</u>	<u>(1,273)</u>
Western Australia Branch		
Carrying amount at beginning of the year	(1,562)	(220)
Sundry charges	(548)	(4,214)
Sundry income	3,833	-
Receipts	(4,080)	(4,142)
Payment made	617	7,014
Carrying amount at end of the year	<u>(1,740)</u>	<u>(1,562)</u>

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

NOTE 18: RELATED PARTIES (cont'd)

	2016 \$	2015 \$
New South Wales Branch		
Carrying amount at beginning of the year	(138)	4,977
Sundry charges	(9,236)	(2,255)
Sundry income	9,094	17,629
Receipts	(9,094)	(23,239)
Payment made	8,879	2,750
Carrying amount at end of the year	<u>(495)</u>	<u>(138)</u>
Northern Territory Branch		
Carrying amount at beginning of the year	3,467	-
Sundry charges	(20,606)	-
Sundry income	-	12,590
Receipts	-	(17,973)
Payment made	16,864	8,850
Carrying amount at end of the year	<u>(275)</u>	<u>3,467</u>
Tasmania Branch		
Carrying amount at beginning of the year	945	1,820
Sundry charges	(633)	-
Sundry income	19,876	34,982
Receipts	(19,246)	(38,627)
Payment made	633	2,770
Carrying amount at end of the year	<u>1,575</u>	<u>945</u>
Australian Capital Territory Branch		
Carrying amount at beginning of the year	-	-
Sundry charges	-	-
Sundry income	-	1,023
Receipts	-	(1,023)
Payment made	-	-
Carrying amount at end of the year	<u>-</u>	<u>-</u>

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

	2016 \$	2015 \$
NOTE 19: CASH FLOW INFORMATION		
Reconciliation of net cash provided by operating activities to profit after income tax		
Profit from Ordinary Activities after income tax	21,403	24,106
Add/(Less) Non Cash Flows in Profit from Ordinary Activities:		
- Depreciation	57,129	69,098
- (Profit)/Loss on Sale of Plant & Equipment	(16,984)	2,239
- Special Projects	-	(535)
- Doubtful Debts	-	16,719
	61,548	111,627
Changes in Operating Assets and Liabilities:		
- (Increase)/Decrease in Trade Debtors	64,292	191,121
- (Increase)/Decrease in Inventory	956	(12,381)
- (Increase)/Decrease in Prepayments	4,935	13,704
- (Increase)/Decrease in Other Assets	(359)	-
- (Increase)/Decrease in Sundry Receivables	-	-
- Increase/(Decrease) in Payables	(48,320)	(25,207)
- Increase/(Decrease) in Employee Entitlements	(39,433)	(45,060)
Net cash provided by operating activities	43,619	233,804

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

NOTE 20: FAIR VALUE MEASUREMENT

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

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

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

a. Fair Value Hierarchy

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

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

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

Valuation techniques

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

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

NOTE 20: FAIR VALUE MEASUREMENT (cont'd)

a. Fair Value Hierarchy (cont'd)

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

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

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

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

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

NOTE 20: FAIR VALUE MEASUREMENT (cont'd)

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

Description	Fair Value at 30 June 2016 & 30 June 2015 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>			
Financial assets at fair value through profit or loss:	-		
Available-for-sale financial assets:	12,500	Market Value using income on DCF approach	Price per share, market borrowing rate
	12,500		

c. Disclosed Fair Value Measurements

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

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liability.

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

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

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

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

NOTE 21: EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have occurred since the end of the financial year which significantly affect, or may significantly affect, the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

NOTE 22: CONTINGENT LIABILITIES

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

NOTE 23: ENTITY DETAILS

The principal place of business of the entity is:

1 / 322 Glenferrie Road
MALVERN VIC 3144

The principal segment is member services within Victoria, Australia.

The entity is domiciled in Australia.

NOTE 24: ECONOMIC DEPENDENCY

The Branch is economically dependent on ongoing funding in the form of Membership fees, existing worker training from contractors and new entrant training income.

NOTE 25: OTHER DISCLOSURES

The Branch did not receive financial support from any other reporting unit during the year, nor provide any to other reporting units. Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

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

No legal fees or employer payroll deductions for subscriptions were payable at reporting date (2015: \$nil).



15 July 2016

Mr John Kilgour
Chief Executive Officer
Civil Contractors Federation-Victorian Branch
By email: jkilgour@ccfvic.com.au

Dear Mr Kilgour,

**Re: Lodgement of Financial Report - [FR2016/270]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Civil Contractors Federation-Victorian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

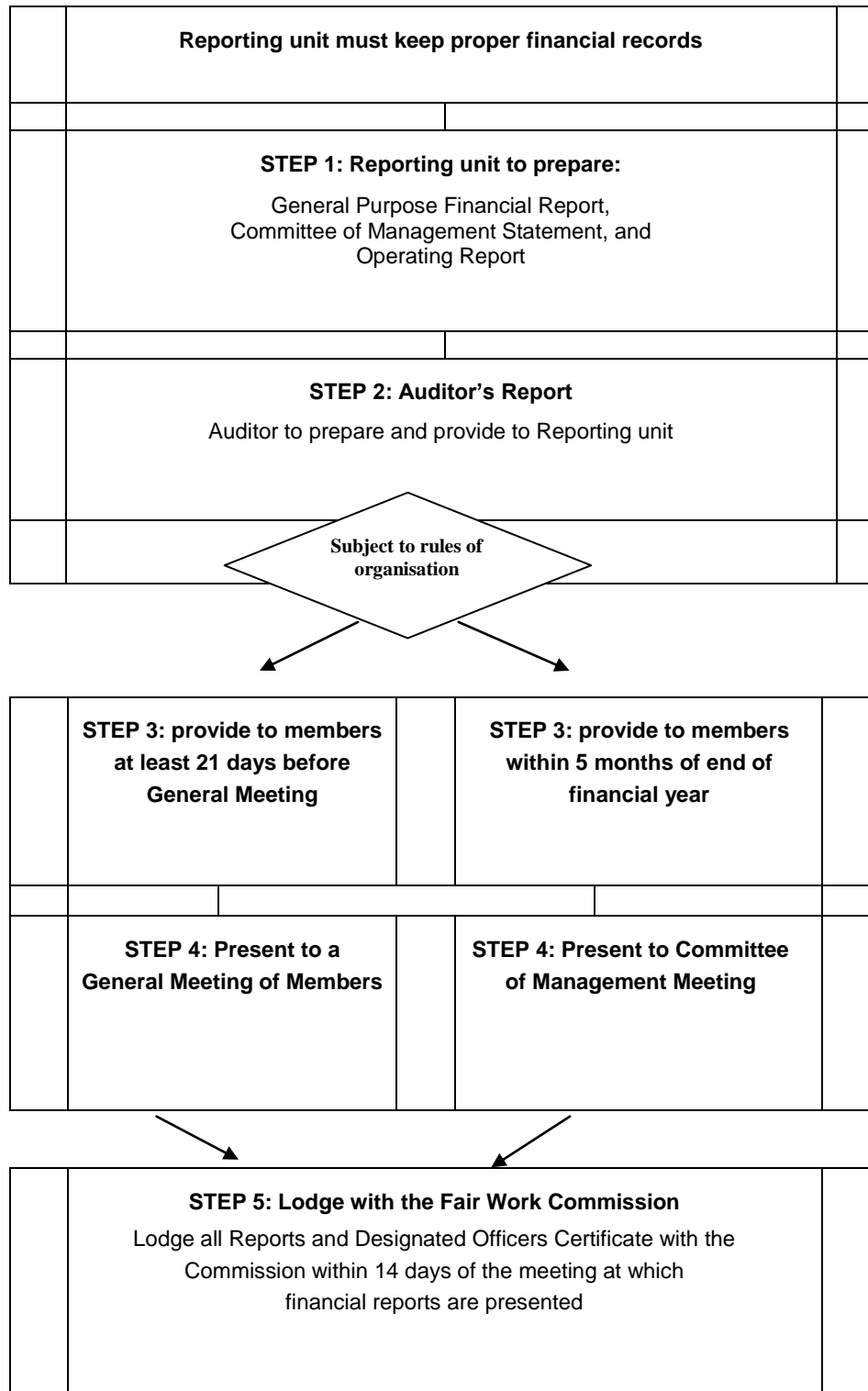


Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au