



**CIVIL CONTRACTORS
FEDERATION**

THE *voice*
OF THE INDUSTRY

CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

ANNUAL REPORT 2016-2017

ABN 55 645 813 882

2016-17 President's Report

On behalf of the CCF NSW Branch Board, I present to you the Branch's 2016/17 Annual Report.

It is, I am very pleased to report, another excellent result.

Financially we have made another strong profit this year. Once again it is the best result of all the CCF Branches around Australia. As a Membership organisation it is not making a profit that counts, but the financial security created by this result for CCF NSW allows it to maintain member services and look at how those services can be expanded for the long-term benefit of Members.

The Branch's operations, with a small but dedicated core team, have managed to maintain Member services and provide a considerable advocacy output through the year. It reflects the strong view of the current NSW Board, and indeed previous boards, that CCF NSW exists only to support our Members and advocate on behalf of our industry.

The core focus of the NSW Branch, is to Provide Support for our Members especially in a crisis, that we help give Members tools so they can Sustainably Grow their businesses, and that we provide Members a Collective Voice they would never otherwise have as an individual organisation.

Over the course of this year our Membership services have expanded. We are offering more value in terms of compliance support, for example with the release of the CCF NSW Business Certification System. We have also responded to the increased complexity of industrial relations and employment related law issues and engaged a solicitor to work within the staff team to provide advice to Members. No other CCF Branch has this capability in house.

In terms of helping to grow business, we are offering new events and more service in terms of marketing our Members to potential customers - our new free 'Find a Business' Member directory service is the most hit page on our website.

I have met numerous NSW Government Ministers and officials throughout the year whilst assisting David advocating on your behalf and they all talk of the respect they have for the CCF NSW and the way it conducts its advocacy. They talk consistently of how the Branch will not shy from robustly giving the views of Members but will always provide a thoughtful, well researched recommendation. What this means for Members is that your concerns are heard and our views considered and at times our advice sought on matters.

As the voice of the industry, this is exactly the reputation we need our peak representative body to have. It does not come easily however, and requires a sense of integrity, commitment to one's view, and a measure of fearlessness. The Board and all Members should be proud to know this defines how CCF NSW advocates to government.

CCF NSW is also forward thinking. For example, it's doing a lot of work with government on what is fast becoming a critical issue – our future skilled workforce and productivity demands. CCF NSW sought and won in 2015 reforms to civil apprenticeships which have seen a tenfold increase in the number of apprentices enrolled this year compared to last. We launched in June the Women in Civil program. We saw technology as a productivity driver and launched Australia's first civil industry conference to focus just on that. And, after four years of dogged advocacy, in June we convinced the NSW Government to support us in going into schools and talking directly to students on what an amazing industry we are in.

The organisation is constantly looking for ways to improve and add more value for Members. In the coming months more exciting initiatives will be announced. Significant investment is being made to provide the *next* round of Membership Service announcements. These are being funded out of the profits made to date, and the wonderful support of our sponsors. The new programs, I am happy to say, are not being funded from increased Membership Fees - in the past three years Membership fees have risen a total of just 3%.



The Board is particularly pleased at the way David and his team at CCF NSW have performed this past year. It is a very lean and efficient unit of excellent hardworking people who do an extraordinary job supporting our Members...often unseen.

As the NSW Branch representative on the National Board, I can also report that our Canberra based CCF National office is also developing a strong national advocacy capability. The move to Canberra is starting to pay off for Members. CCF NSW has worked well with the National Office in supporting it, especially on IR matters this past year. In my role on the CCF National Board I get to see in detail how the NSW Branch is performing on a comparative basis to the other state branches. By every measure be it governance, Member service, advocacy, innovation, or financial performance, the NSW Branch is, in my opinion clearly one of the best performing CCF Branches.

On behalf of the Board of CCF NSW, I commend to you the 2016/17 Annual Report of the NSW Branch.



Mick Boyle
CCF NSW Branch President

2016-17 CEO's Report

Welcome to the 2016/17 Annual Report of the operations of the Civil Contractors Federation New South Wales Branch.

Financial Performance

The Branch has achieved over the reporting period a profit of \$402,657, raising Member's funds to \$894,137. This result was achieved largely through better than budgeted membership retentions, increased sponsorship revenues, and very careful expense management. It should be noted that Membership fee increases have been held firmly under control, with increases over the reported and previous year totalling just 1.5%.

These profits underpin our financial security and are already being invested in developing new programs that will directly benefit Members. In what I consider to be exemplar governance, the NSW Branch Board has always been clear to me that its vision is for CCF NSW services to be expanded as our finances permit. We are doing just that.



Membership and Service

I am delighted our Membership numbers have again held steady, despite margins in NSW remaining extremely tight. Our goal is to lose zero Members and I reach out to all those who resign to learn how we can improve. Of continuing concern for me is that those that leave of their own volition typically do not understand what CCF NSW offers in terms of service. In the previous year to this reporting period we commenced an annual educational visitation program from our Compliance Support Unit - targeting those Members that do not use our service. It has been extremely productive and has resulted in almost every Member visited continuing on their Membership. This program remains in place.

In this reporting period, we have expanded further our compliance support services, and in fact have been investing significantly in soon to be announced services that will make the Membership value proposition even more compelling.

NSW remains the only CCF Branch that provides in-house Industrial Relations services for Members; much of it free. As noted in our President's report, we are increasing the range and delivery of this service and appointing a solicitor as our Director Workplace Relations. There will be no extra cost to Members for this.

Our high-quality events are a critical form of the service we provide, as much for the information they impart as for the networking that occurs at them. We are a people industry, and the CCF NSW events provide a great opportunity to build relationships. I strongly encourage all to attend as many as possible.

Advocacy

As the voice of the industry, CCF NSW has been extremely active. We have made in excess of 20 submissions to Government over the course of the year, including:

- Continuing our drive for the NSW Government procurement selection processes to be amended to properly reflect the value to the economy of companies that employ local (NSW) employees;
- To promote the timely payment of sub-contractors we launched in consort with the NSW Department of Fair Trading the *Enough is enough ... pay on time* campaign;
- We have made three submissions on improvements to the NSW Security of Payments legislation – improvements to cut red tape and make it more equitable;
- We have argued for changes to the national plant operator qualification to reflect what industry needs, not what academics think it needs;
- We have successfully argued that training targets in NSW Government contracts should reflect the critical market differences between civil and general construction;

- We have argued for the reintroduction of junior rates in our Award; and
- We have argued for reforms to remove redundancy provisions in our Award when a worker resigns but gainful employment still is on offer.

An Eye to the Future

We spend a considerable portion of our time at CCF NSW thinking about the future, and what we can do to foresee issues and so assist our Members and the industry. Since 2013, each year we have undertaken our 10-year economic projection of the NSW civil infrastructure industry. This invaluable information allows us to see into the future, and to consequently act for the industry. This is the role of a peak body.

In April 2013, we wrote to the NSW Government with a raft of measures we believed needed to be undertaken to manage the looming infrastructure boom. A critical concern was future skilled labour shortages, and we are seeing them now. I am delighted that in the very last week of the reporting year the NSW Government confirmed it would support one of our 2013 recommendations...to partner with us to go into schools and promote this amazing industry as a career. We are intent on building your next generation of civil workers.

Governance

The auditor's report again acknowledges the NSW Branch's very robust governance arrangements and management practices. Considerable investment in IT systems have improved record retention, and made our internal management processes more efficient.

These changes have pivoted into creating an even better Membership experience. Membership details including contacts can now be self-managed online, and event bookings and even membership can now be purchased online.

And thanks to family of Members

We ended the 2016/17 reporting year by announcing at the sell-out *Earth Awards* the commencement of a new program to acknowledge and thank Members for their ongoing retention. From now on at five-year join anniversaries, we will be acknowledging your ongoing contribution.

I say 'contribution' because Membership is a choice. We think CCF NSW provides considerable value for the fee paid, but not every business is willing to abide by a Code of Conduct and contribute to an industry representative body. I think this rightly marks our Members apart.

On behalf of the management team of CCF NSW, I commend to you the 2016/17 Annual Report of the CCF NSW Branch.



David Castledine
CCF NSW Chief Executive Officer



**CIVIL CONTRACTORS
FEDERATION
(NSW BRANCH)**

**FINANCIAL REPORT
FOR YEAR ENDED 30
JUNE 2017**

ABN 55 645 813 882

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**Operating Report
for the Year Ended 30 June 2017**

Principal Activities s254(2) (9a)

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

The Federation operates predominantly in one business and geographical segment, being a representative body of civil construction and maintenance contractors in New South Wales, providing support to Members throughout New South Wales via professional services, information and advice in a wide range of business service areas.

These services include industrial relations advice, employment advice, dispute resolution, changes to Acts and Regulation, changes to awards and work practices to Members of the Federation.

As the peak employer representative body for the industry in New South Wales the Federation represents its Members at all levels of Government and advocates relating to civil construction and maintenance and business trade.

Results of principal activities s254(2)(a)

The Branch's principal activities resulted in a profit of \$402,657 (2016 profit: \$153,715).

Member services in workplace health and safety, employment services and industrial relations including workplace agreements and Federal and State Building and Construction Industry Code Compliance have remained core service offerings.

The Branch has again advocated strongly for Members and the industry in range of business impacting sectors, including infrastructure planning, procurement strategy and application, skills, industrial relations, workplace health and safety, and injury management/worker's compensation.

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

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

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

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

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

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

Officers or Members who are Superannuation Fund Trustee(s) Or Director of a Company that is a Superannuation Fund Trustee S254(2)(D)

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

**Operating Report
for the Year Ended 30 June 2017**

Number of Members *reg 159(a)*

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 323 full members and 123 associate members. (2016: 328 full members and 119 associate members).

Number of Employees *reg 159(b)*

The number of persons who were, at the end of the financial year, full time employees of the NSW Branch of the Federation was 7 (2016: 9).

NSW Branch Board Members *reg 159(c)*

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

Michael Boyle – Branch President (01.07.16 to 30.06.17)

Stuart Ford – Branch Vice-President (01.07.16 to 30.06.17)

Craig Smith – Branch Treasurer (01.07.16 to 30.06.17)

John Wade – Branch Board Member (01.07.16 to 30.06.17)

Robert Antoun – Branch Board Member (01.07.16 to 30.06.17)

Tom Brady – Branch Board Member (01.07.16 to 30.06.17)

Glenn Cherrie – Branch Board Member (01.07.16 to 30.06.17)

Anthony Di Cello – Branch Board Member (01.07.16 to 05.10.16)

Lee Fahey – Branch Board Member (01.07.16 to 30.06.17)

Michael Fitzgerald – Branch Board Member (01.07.16 to 30.06.17)

Glenn Fordham – Branch Board Member (01.07.16 to 30.06.17)

David O'Connor – Branch Board Member (01.07.16 to 30.06.17)

Mark Schultz – Branch Board Member (01.07.16 to 30.06.17)

Paul Wise – Branch Board Member (01.07.16 to 24.05.17)

Kim Liddell – Branch Board Member (05.10.16 to 30.06.17)

**Operating Report
for the Year Ended 30 June 2017**

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 of resignation that has been received by the Branch is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Branch is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Branch that the resignation has been accepted.



Michael Boyle
NSW President

Dated: 4th August 2017

**NSW Committee of Management Statement
for the Year Ended 30 June 2017**

On the 4th August 2017, the Civil Contractors Federation (NSW Branch) Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2017:

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

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

Resolved by the Committee of Management:



Michael Boyle
NSW President

Dated: 4th August 2017



CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

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

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

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

Shirley Ann... [Handwritten Signature]

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

[Handwritten Signature]

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

Dated *4/8/17*

**Statement of Profit or Loss
for the Year Ended 30 June 2017**

	Note	2017 \$	2016 \$
Revenues	2	2,661,421	2,272,781
Employee expenses	3f	(1,163,763)	(1,028,502)
Depreciation and amortisation	3d	(66,712)	(54,821)
Bad debts	3a	(5,881)	-
Merchant fees and bank charges		(11,263)	(7,554)
National Levy	3e	(88,000)	(88,000)
Rental expenses	3c	(103,340)	(99,792)
Functions, seminars and conference costs		(424,101)	(370,042)
Communication costs		(30,709)	(27,633)
Travelling expenses		(23,990)	(11,751)
Project costs (ITAB & IBA)		(26,973)	(17,254)
CCF Bulletin and Year Book expenses		(32,174)	(54,470)
Other expenses from ordinary activities	3g	(281,858)	(359,247)
Profit / (Loss) from ordinary activities before income tax expense		402,657	153,715
Income tax expense	1a	-	-
Net profit / (loss) from ordinary activities after income tax expense attributable to the Federation		402,657	153,715

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
for the Year Ended 30 June 2017**

	2017	2016
	\$	\$
Surplus / (Loss) for the period	402,657	153,715
Other Comprehensive Income for the period	-	-
Total comprehensive Income for the period	402,657	153,715
Total comprehensive Income attributable to members of the organisation	402,657	153,715

The accompanying notes form part of the financial statements

**Statement of Financial Position
as at 30 June 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,852,527	878,194
Trade and other receivables	5	1,882,357	2,052,035
Other current assets	6	145,106	146,668
TOTAL CURRENT ASSETS		3,879,990	3,076,897
NON-CURRENT ASSETS			
Financial assets	7	5,000	12,500
Plant and equipment	8	136,850	101,043
Website Development Costs	9	67,166	85,142
TOTAL NON-CURRENT ASSETS		209,016	198,685
TOTAL ASSETS		4,089,006	3,275,582
CURRENT LIABILITIES			
Trade and other payables	10	2,980,391	2,578,008
Short term provisions	11	60,269	84,059
Borrowings	13	32,534	35,005
TOTAL CURRENT LIABILITIES		3,073,194	2,697,072
NON-CURRENT LIABILITIES			
Long term provisions	11	49,186	50,960
Borrowings	13	72,489	36,070
TOTAL NON-CURRENT LIABILITIES		121,675	87,030
TOTAL LIABILITIES		3,194,869	2,784,102
NET ASSETS		894,137	491,480
MEMBERS' FUNDS			
Accumulated Surplus		894,137	491,480
TOTAL MEMBERS' FUNDS		894,137	491,480

The accompanying notes form part of the financial statements

**Statement of Changes in Members' Funds
for the Year Ended 30 June 2017**

	2017 \$	2016 \$
Balance at beginning of financial year	491,480	337,765
Surplus / (Loss) attributable to members	402,657	153,715
Balance at end of financial year	894,137	491,480

The accompanying notes form part of the financial statements

**Statement of Cash Flow
For the Year ended 30 June 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,798,379	1,652,823
Receipts from National Office		-	2,872
Receipts from Victoria Branch		2,365	8,879
Interest received		32,720	27,970
Payments to CCF National Office – Levy charge		(88,000)	(88,000)
Payments to CCF National Office – Sundry		(11,250)	(8,807)
Payments to CCF Victoria Branch		(14,139)	(9,094)
Payments to suppliers and employees		(1,695,147)	(1,611,484)
Net cash provided by operating activities	16b	1,024,928	(24,841)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(79,283)	(46,960)
Website development costs		(17,985)	(70,564)
Proceeds from sale of plant and equipment		12,725	13,773
Net cash (used in) investing activities		(84,543)	(103,751)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		33,948	3,674
Net cash (used in) financing activities		33,948	3,674
Net (decrease)/increase in cash held		974,333	(124,918)
Cash at the beginning of the financial year		878,194	1,003,112
Cash at the end of the financial year	16a	1,852,527	878,194

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 June 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Preparation

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

The Civil Contractors Branch (NSW Branch) is a 'not for profit' organisation.

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

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

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

Prior Year Comparatives

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

Accounting Policies

a. Income Tax

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

b. Cash and cash equivalents

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

c. Plant and Equipment

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

Cost and valuation

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

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

c. Plant and Equipment (cont'd)

All other fixed assets are also measured at the lower of cost and fair value.

Depreciation

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

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

	2017	2016
Office, furniture and equipment	20%-33%	10%-33%
Motor vehicles	10%-20%	10%-20%

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

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

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

d. Trade and other Receivables

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

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

e. Trade and other Payables

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

f. Financial Instruments

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

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

g. Employee 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.

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.

h. Leases

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

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

h. Leases (cont'd)

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

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

i. Goods and Services Tax (GST)

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

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

j. Revenue

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

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

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

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 NSW Australia, 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 NSW Australia.

l. Fair Value of Assets and Liabilities

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

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (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
for the Year Ended 30 June 2017 (cont'd)**

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

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

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

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

m. Capitation Fees

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

n. Critical Accounting Estimates and Judgements

The Board 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 2017, 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 except as disclosed at Note 5. The Board believes that the full amount of the remaining debtors is recoverable.

Notes to the Financial Statements for the Year Ended 30 June 2017 (cont'd)

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

o. New Accounting Standards for Application in Future Periods

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

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

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

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

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

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

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

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

- identify the contract(s) with a customer;
- identify the performance obligations in the 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

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

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

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

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

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

The main changes introduced by the new Standard include:

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

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

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

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

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

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

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

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

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

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

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

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

q. Going Concern

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 2: REVENUE		
Operating activities:		
Membership Income (Subscriptions)	1,498,760	1,343,126
Sponsorship	143,364	116,811
Functions	670,924	456,673
CCF Bulletins	60,909	68,620
Daily Inspection Procedure Sales	40,111	43,800
IMS System	2,333	3,175
Interest Income	32,720	27,970
Consulting Fees	27,600	15,184
Other Income	6,319	6,896
Projects Income	178,381	190,526
Sundry Income	-	-
Compulsory and Voluntary Levies (Other Bodies)	-	-
Grants	-	-
Donations	-	-
Financial Support (Branches)	-	-
Capitation Fees	-	-
Total Revenue	2,661,421	2,272,781
NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
The operating profit/(loss) of the Branch before income tax expense has been determined after:		
a. Bad and Doubtful Debts		
Bad debts written off to expense	5,881	-
	5,881	-
b. Auditor's Remuneration		
Auditor's remuneration – Audit of Financial Statements (other services - \$nil (2016: \$nil))	9,600	14,000
	9,600	14,000
c. Operating Leases		
Rent	103,340	99,792
	103,340	99,792
d. Depreciation and Amortisation		
Plant and equipment and Website	55,711	36,183
Motor vehicles	19,088	19,488
(Profit) / Loss on sale of vehicles	(8,087)	(850)
	66,712	54,821
e. Levy		
National office levy	88,000	88,000

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
f. Employee related expenses		
Salaries	1,017,458	832,870
Superannuation	81,801	69,471
Employee benefits	(25,564)	32,283
Payroll Tax	55,124	45,912
Training and recruitment	34,944	47,966
Other employee expenses	-	-
	1,163,763	1,028,502
g. Other expenses		
Study Tour	-	10,000
Affiliation Fees	-	-
Auditor's Remuneration	9,600	14,000
Attendance Allowance / Fee – Meetings & Conferences	2,645	5,929
Penalties – via RO Act or Regulations	-	-
Other Compulsory Levies	-	-
Consideration to Employers for Payroll Deductions	-	-
Donations < \$1,000	700	285
Donations > \$1,000	-	5,000
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Public Relations	4,748	2,337
Accountancy Fees	27,732	67,643
IT support	32,511	31,956
Motor vehicle expenses	64,912	66,022
Legal costs – Litigation	-	-
Legal Costs – Consultation (Other Matters)	2,390	12,069
Sponsorship	-	-
Subscriptions – Political Parties etc.	-	-
Subscriptions	1,535	7,947
Forgiveness of Loans	-	-
Consulting Fees	-	300
Other / Sundry	135,085	135,759
	281,858	359,247
NOTE 4: CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	500	500
Cash at bank	1,002,027	474,578
Short-term bank deposits	850,000	403,116
	1,852,527	878,194
The weighted average interest rate for cash as at 30 June 2017 is 1.35% (2016: 1.10%)		
NOTE 5: TRADE AND OTHER RECEIVABLES		
a. Current		
Trade debtors	1,888,860	2,064,909
Less: Provision for doubtful debts	(7,932)	(15,369)
	1,880,928	2,049,540
Sundry and other debtors	1,429	2,495
	1,882,357	2,052,035

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

b. Terms and Conditions

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

Details of the trade debtors owing from related parties are outlined at Note 15f.

Sundry debtors are non-interest bearing and unsecured.

	2017 \$	2016 \$
NOTE 6: OTHER CURRENT ASSETS		
Current		
Prepayments and Security Deposits	137,264	143,644
Stock on Hand	7,842	3,024
	145,106	146,668
NOTE 7: FINANCIAL ASSETS		
a. Non-Current		
Shares in unlisted company – at Branch Board valuation	5,000	12,500

b. Terms and Conditions

The Federation holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Branch were valued based on the consideration of the transfer to shares to Civil Contractors Federation (NSW Branch) in August 2000. For the year end 30 June 2017, the Civil Contractors Federation (NSW Branch) Committee of Management wrote down the value of the NSW shareholding in Beaconsfield Press to \$5,000.

NOTE 8: PLANT AND EQUIPMENT

Motor vehicles – at cost	140,187	124,619
Less: Accumulated depreciation	(24,950)	(60,432)
	115,237	64,187
Office furniture and equipment – at cost	172,193	167,684
Less: Accumulated depreciation	(150,580)	(130,828)
	21,613	36,856
Total plant and equipment – net book value	136,850	101,043

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
Reconciliation of movements in plant and equipment		
Motor vehicle – at cost		
Carrying amount at beginning of the year	64,187	54,042
Additions	74,776	42,556
Disposals	(4,638)	(12,873)
Depreciation expense	(19,088)	(19,538)
Carrying amount at end of the year	115,237	64,187
Furniture and equipment		
Carrying amount at beginning of the year	36,856	51,581
Additions	4,507	4,404
Disposals	-	(50)
Depreciation expense	(19,750)	(19,079)
Carrying amount at end of the year	21,613	36,856
Total carrying amount at end of the year	136,850	101,043

NOTE 9: WEBSITE DEVELOPMENT COSTS

Website development costs	120,181	102,196
Less: Accumulated amortisation	(53,015)	(17,054)
	67,166	85,142

NOTE 10: TRADE AND OTHER PAYABLES

a. Current		
Deferred income	2,629,660	2,189,817
Creditors and accruals	350,731	388,191
	2,980,391	2,578,008

b. Terms and Conditions

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the 2017/18 year and project funding received for 2017/18 and beyond.

Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
Provision for Employee Benefits (cont'd)		
NOTE 11: PROVISIONS		
a. Current		
Provisions for annual leave	60,269	84,059
Provisions for long service leave	-	-
	60,269	84,059
b. Non-Current		
Provisions for long service leave	49,186	50,960
	109,455	135,019
c. Aggregate employee entitlement liability		
	7	9
d. Number of employees at year-end		

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Officeholders	-	-	-	-	-	-
Other Staff	60,269	84,059	49,186	50,960	109,455	135,019
Total	60,269	84,059	49,186	50,960	109,455	135,019

There are no bonuses for separation and redundancy or other provisions for officeholders or other employees (2016: \$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 12: EMPLOYEE BENEFITS

	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Employee benefits paid/accrued during the year						
Wages and Salaries	-	-	1,017,458	824,450	1,017,458	824,450
Annual Leave and Long Service Leave	-	-	(25,564)	32,283	(25,564)	32,283
Redundancy Payments	-	-	-	8,420	-	8,420
Superannuation	-	-	81,801	69,471	81,801	69,471
Other Employee Expenses	-	-	90,068	93,878	90,068	93,878
Total	-	-	1,163,763	1,028,502	1,163,763	1,028,502

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 13: BORROWINGS		
a. Current		
Hire Purchase Liability	32,534	35,005
b. Non-Current		
Hire Purchase Liability	72,489	36,070
c. Terms and Conditions		
Hire purchase facilities are secured by the assets they are financing.		

NOTE 14: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company. The Branch does not have any derivative instruments at 30 June 2017.

i. Terms, Conditions and Accounting Policies

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

ii. Treasury Risk Management

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

iii. Financial Risk Exposures and Management

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

Liquidity risk

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

Interest rate risk

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

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

	2017 \$	2016 \$
Change in profit/(loss)		
Increase in interest rate by 1%	17,470	8,066
Decrease in interest rate by 1%	(17,470)	(8,066)
Change in equity		
Increase in interest rate by 1%	17,470	8,066
Decrease in interest rate by 1%	(17,470)	(8,066)

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

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

Credit Risk Exposure

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

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

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk

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

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities			Total \$
				1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	
30 June 2017							
Assets:							
Cash	1.35%	1,852,027	-	-	-	500	1,852,527
Trade and Sundry Debtors		-	-	-	-	2,027,463	2,027,463
		1,852,027	-	-	-	2,027,963	3,879,990
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(2,980,391)	(2,980,391)
Borrowings	6.5%	-	(32,534)	(72,489)	-	-	(105,023)
		-	(32,534)	(72,489)	-	(2,980,391)	(3,085,414)
Net financial assets		1,852,027	(32,534)	(72,489)	-	(952,428)	794,576

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	1 year or less \$	Fixed Interest Rate Maturities 1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	Total \$
30 June 2016							
Assets:							
Cash	1.10%	877,694	-	-	-	500	878,194
Trade and Sundry Debtors		-	-	-	-	2,198,703	2,198,703
		877,694	-	-	-	2,199,203	3,076,897
Liabilities:							
Sundry Creditors & Other Liabilities		-	-	-	-	(2,578,008)	(2,578,008)
Borrowings	6.5%	-	(35,005)	(36,070)	-	-	(71,075)
			(35,005)	(36,070)	-	(2,578,008)	(2,649,083)
Net financial assets		877,694	(35,005)	(36,070)	-	(378,805)	427,814

Credit Risk Exposure

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

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

iv. Net Fair Values

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

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 15: RELATED PARTIES

a. NSW Branch Committee of Management

The names of the members of the NSW Committee of Management who held office during the year are as follows:

Michael Boyle, Stuart Ford, Craig Smith, John Wade, Robert Antoun, Tom Brady, Glenn Cherrie, Anthony Di Cello, Lee Fahey, Michael Fitzgerald, Glenn Fordham, David O'Connor, Mark Schultz, Paul Wise and Kim Liddell.

No officeholder received any remuneration during the year, or accrued an employee entitlement.

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

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

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

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

David Castledine - Chief Executive Officer
 Raul Baonza – Compliance Support Officer – People Issues (Terminated 5 May 2017)
 Danielle Briggs – Finance Officer
 Heath Kilah – Compliance Support Field Officer – SEQ Systems (Terminated 3 March 2017)
 Fred Olovich - Compliance Support Field Officer – SEQ Systems (Commenced 27 March 2017)
 Dr. Liesel Henn – Policy and Projects Manager

There were 7 full time equivalent staff at 30 June 2017 (2016: 9 full time equivalent staff).

	2017			2016		
	Salaries	Super-annuation	Total	Salaries	Super-annuation	Total
c. Key Management Personnel Remuneration	\$	\$	\$	\$	\$	\$
Total Compensation	669,265	58,038	727,303	571,234	48,272	619,506

	2017			2016		
	Annual Leave	Long Service Leave	Total	Annual Leave	Long Service Leave	Total
d. Annual Leave and Long Service Leave Accrued for Key Management Personnel During the Year	\$	\$	\$	\$	\$	\$
Total Leave Provision	52,119	33,837	85,956	78,257	38,217	116,474

There were no bonuses payables to key personnel this year (2016: \$nil).

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

e. Transactions with National Office, Branches and Related Entities

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

Levy Payment	2017	2016
During the year, the NSW Branch paid a National capitation levy calculated in accordance with the rules.	\$ 88,000	\$ 88,000

f. Related Party balances at year end

Amounts receivable/(payable) at reporting date – Federal office and other branches	2017	2016
	\$	\$
National Office	(2,206)	(8,995)
Victoria Branch	715	495
	<u>(1,491)</u>	<u>(8,500)</u>

Balance Reconciliation- related entities

National Office		
Carrying amount at beginning of the year	(8,995)	(4,875)
Levy charge	(88,000)	(88,000)
Sundry charges	(4,461)	(12,829)
Sundry income	-	2,774
Receipts	-	(2,872)
Payment made	99,250	96,807
Carrying amount at end of the year	<u>(2,206)</u>	<u>(8,995)</u>

CMS Unit / Victoria Branch

Carrying amount at beginning of the year	495	138
Sundry Charges	(14,139)	(9,094)
Sundry Income	2,585	9,236
Receipts	(2,365)	(8,879)
Payment made	14,139	9,094
Carrying amount at end of the year	<u>715</u>	<u>495</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 16: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash on hand	500	500
Cash at bank	1,002,027	474,578
Call deposit	850,000	403,116
	1,852,527	878,194
b. Reconciliation of profit / (loss) from ordinary activities after income tax to net cash provided by operating activities		
Operating profit / (loss) after income tax	402,657	153,715
Add/(Less) items classified as investing/financing activities		
- Gain on disposal of non-current assets	(8,087)	(850)
- Write down of shareholding in Beaconsfield Press	7,500	-
Non-cash flows in profit/(loss) from ordinary activities		
- Depreciation and amortisation	74,799	55,671
Changes in assets and liabilities		
Decrease/(Increase) in receivables	169,678	(580,237)
Decrease/(Increase) in other assets	1,562	(90,591)
(Decrease)/Increase in deferred income	439,843	346,559
(Decrease)/Increase in creditors and accruals	(37,460)	58,609
(Decrease)/Increase in provisions	(25,564)	32,283
Net cash provided by operating activities	1,024,928	(24,841)

c. Credit Facility

The Branch has a business card credit facility of \$50,000. The facility is required to be clear at the end of each month. At 30 June 2017, the available facility was \$47,001

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

	2017 \$	2016 \$
NOTE 17: OPERATING COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- not later than 12 months	97,095	94,425
- between 12 months and five years	26,570	102,515
	123,665	196,940

a. Office

An operating lease agreement was commenced on 23 September 2013 for a period from September 2013 to September 2018 with Essential Fire Superannuation Pty Ltd for the use of the premises situated at 11/9 Hoyle Avenue, Castle Hill.

NOTE 18: EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 19: 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.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 19: FAIR VALUE MEASUREMENT (cont'd)

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.

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.

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 19: FAIR VALUE MEASUREMENT (cont'd)

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

	Note	30 June 2017			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Available for sales assets		-	5,000	-	5,000
Total financial assets recognised at fair value		-	5,000	-	5,000
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
Total non-financial assets recognised at fair value		-	-	-	-

	Note	30 June 2016			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
Recurring fair value measurements					
<i>Financial assets</i>					
Available for sales 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		-	-	-	-

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

Description	Fair Value at 30 June 2017 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Financial assets at fair value through future cash flow:	5,000	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Market price per share, market borrowing date
	5,000		

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 19: FAIR VALUE MEASUREMENT (cont'd)

c. Disclosed Fair Value Measurements

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

- accounts receivable and other debtors;
- 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

NOTE 20: CONTINGENT LIABILITIES

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

NOTE 21: ECONOMIC DEPENDENCY

The Branch is economically dependent on ongoing funding in the form of membership fees.

NOTE 22: OTHER DISCLOSURES

The Branch did not receive or provide any financial support from/(to) any other reporting unit during the year.

Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

At 30 June 2017, a total amount of \$7,722 was payable in respect of legal costs (relating to 'other matters') (2016: \$Nil). No payable exists at reporting date in respect of consideration to payroll deductions (2016: \$nil).

**Notes to the Financial Statements
for the Year Ended 30 June 2017 (cont'd)**

NOTE 23: BRANCH DETAILS

The registered office and the principal place of business of the Branch is:
Civil Contractors Federation (NSW Branch)
Unit 11
9 Hoyle Avenue
Castle Hill NSW 2154



CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

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

Report on the Audit of the Financial Report

Auditor's Opinion

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

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

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

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

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

Basis for Opinion

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

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

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

Stannards Accountants and Advisors Pty Ltd
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Partners
Angela Angelini, CA
Richard Stewart, CA
Valley Truitt, CPA
Walter, CA
Melissa Cooper, CA
Paula Anderson, CA



CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

**INDEPENDENT AUDIT REPORT
(Cont'd)**

Committee of Management Responsibility for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



CIVIL CONTRACTORS FEDERATION (NSW BRANCH)

INDEPENDENT AUDIT REPORT
(Cont'd)

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

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

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

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

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

Stannards Accountants and Advisors
Stannards Accountants and Advisors


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

Dated: 4/8/17

2016-17 Annual Sponsors

Platinum



Gold



Silver



Bronze

