

2013

Consult Australia

Annual Report



From the President



It's certainly been a turbulent year for the consulting industry and whilst there was little doubt about the result, the Federal Election created a degree of uncertainty in the business world. This was not without its impact.

As you will read in the following pages, in 2013 Consult Australia made an operating loss of \$197,000 against an income of \$4 million.

When our members are doing it tough, so are we and prudent financial management is a priority for the Association over the next few years. I am however full of pride knowing that we continued to support and service our members during these financially troubling times and can report numerous wins and achievements outlined on the following pages—all of which we are very proud.

I wish to make particular mention of the Consult Australia Champions of Change group, comprised of those who have stood up and taken a stand on diversity in our industry. I'm looking forward to this group of committed CEOs leading our industry into a new era of female representation at all levels within our firms.

Another important ongoing focus is how we provide support to our members on matters of industrial relations. Since its inception as ACEA, Consult Australia has always been able to represent members on such matters and

to retain this ability into the future, we have constituted a new body, Consult Australia Industrial. We have applied for registration and we expect this will be completed sometime next year.

The 2013 AGM brings to an end my term as President and Chair. It has been an absolute pleasure to serve the membership and has been an experience that has enriched my life and brought me into contact with many wonderful and influential people. I'd like to thank the Board, who I've thoroughly enjoyed working with and who have shown me great support, and the many members who contribute so much to the Association. The CEO and all the national and state staff are committed to Consult Australia and have made my role not just easy, but an absolute pleasure.

There remains a lot of unfinished work as we strive to become the Association of choice for all consultants who work in the built environment. I'm pleased to be handing over to a new President, with a refreshed Board and a skilled and experienced CEO, who together will help realise this vision and bring success to Consult Australia and facilitate a prosperous industry.

A handwritten signature in black ink, appearing to read 'Jamie Shelton'.

Jamie Shelton
Consult Australia President

From the CEO



The past year has been a busy and challenging period for Consult Australia; with a Federal Election coinciding with a year which saw some of the most difficult trading conditions that our industry has seen in the last few decades at least. The downturn in market conditions for many firms resulted in a hit to both Consult Australia's subscription growth targets and event attendance, which unfortunately had a significant negative

impact on the organisation's finances.

The difficult times presented both a challenge and an opportunity, with Consult Australia embarking on significant pre-election advocacy, including banding with other like-minded organisations to develop the thinking behind *A New Deal for Urban Australia*. This became the backbone of much of our public policy lobbying in 2012/13 and focussed on the core issues of infrastructure funding and governance reform as the keys to unlocking Australia's productivity agenda.

Joint efforts with CEDA also saw increased political and media focus on the issue of infrastructure funding supporting a more sophisticated debate

regarding AAA credit ratings, government surplus and deficit budgets.

Amongst our numerous other policy wins, we worked hard on members' behalf to generate significant political, media and public awareness of a range of issues including Government changes to 457 visas and changes to personal tax deductions for self-education expenses.

On top of all that, we also established two new Roundtables— the Resources Roundtable to support member's work in the mining, oil & gas and petrochemicals sectors and a new Roundtable focussing on Building Information Modelling (BIM) and Integrated Project Delivery (IPD).

I thank all our staff for their unyielding dedication and our members for your ongoing support during this busy period.

A handwritten signature in black ink, appearing to read 'Megan Motto'.

Megan Motto
Chief Executive Officer

2012/2013 Financial Year Policy Wins

FEDERAL ELECTION 2013

- Campaigned throughout 2013 advocating those key recommendations reflected in our 2013 Federal Election Platform. Key meetings were held across both sides of Parliament establishing a strong bi-partisan understanding of our policy priorities in advance of the change in Government in September. Ongoing discussions with the new Government continue to advance our interests with a range of new inquiries and policy announcements to be progressed in the year ahead.

SKILLS

- Through advocacy with the office of the **Minister for Immigration and Citizenship, the Hon. Chris Bowen**, secured reforms of the visa subclass 476, expanding eligibility to a wide range of accredited engineering graduates.
- Retained Government support for the Consult Australia's in-house Immigration Outreach Officer (IOO), and advocated for an industry focus across migration policy with the offices of the **Minister for Skills, Senator the Hon. Chris Evans; Leader of the Opposition, the Hon. Tony Abbott; Scott Morrison and Senator Michaela Cash**.
- As part of the National Engineering Registration Board (NERB) continued to advocate the benefits of registration including with **federal Shadow Minister for Finance, Deregulation and Debt Reduction, the Hon. Andrew Robb**.
- Led action to halt moves to discontinue the **Diploma of Engineering Drafting and Advanced Diploma of Engineering Design**, ensuring the course remains available and delivers graduates to the industry.
- Continued advocacy led to the **creation of the subclass 400 visa** to help employers bring highly specialised non-ongoing workers to Australia for up to three months.
- Invited by the **Minister for Tertiary Education, Skills, Jobs, and Workplace Relations, Senator to the Hon. Chris Evans** to work with the Australian Workforce and Productivity Agency (AWPA) to advance recommendations made by the **Senate Education, Employment and Workplace Relations Committee** in its inquiry report on the shortage of engineering and related skills.
- Generated significant political, media and public awareness of the impact of **Government changes to the 457 visa program** on the consulting industry.
- Founding member of the **Scrap The Tax Alliance**, fighting against changes to personal tax deductions for self-education expenses.

CONTRACTS, LIABILITY & PROCUREMENT

- **AS4122-2010 General Conditions of Contract for Consultants** continues to be rolled out as our preferred agreement between consultants and their clients, providing fair, reasonable, clear and concise contract conditions for all parties. Consult Australia held detailed discussions regarding the use of AS4122-2010 with the **Municipal Association of Victoria** and the **WA Department of Finance and Services**.
- One of only two industry representatives on the **NSW Department of Finance and Services Policy and Industry Advisory Committee** negotiating a new standard contract for consultants in NSW with representatives from over twelve NSW Government departments and agencies.

- **NSW Government Industry Action Plan for Professional Services** adopts key recommendations strongly advocated by Consult Australia supporting best practice procurement, liability reform, fairer risk allocation and contract terms.
- Met with the office of South Australian Treasurer, **the Hon. Jack Snelling** to discuss South Australian guidelines on limiting liability, and opportunities to secure limitations of liability in South Australian government contracts.
- Continued to campaign for procurement reform through representation on the **COAG Infrastructure Working Group**; working closely with the **Australasian Procurement and Coordination Council (APCC)** on their procurement guidelines; and submitting to the **Commonwealth Government's review of Australian Contract Law**.
- Met with and made representations to a number of local, state and federal government agencies to discuss issues arising from their contracting practices.
- Advocated strongly for better procurement in **QLD through a detailed submission to the QLD Procurement Review**.
- Working with the new Office of the Industry Advocate in South Australia to **achieve better contract terms for consultants** engaging with public sector agencies in that state.
- Met with the offices of **Attorney-General, the Hon. Mark Dreyfus MP** and **Shadow Attorney-General George Brandis** to discuss reforming proportionate liability laws around Australia to achieve a uniform national position against contracting out.

SMALLER AND REGIONAL FIRMS

- Advocacy with the office of the **Hon. Bruce Billson, Shadow Minister for Small Business, Competition Policy and Consumer Affairs**; invited to attend **Minister for Small Business, the Hon. Brendan O'Connor's Small Business Forum**.

RESOURCES

- Advocacy across the political spectrum, including with the offices of the **Minister for Resources and Energy** and **Shadow Minister for Energy and Resources**.

INFRASTRUCTURE AND URBAN DEVELOPMENT

- The **COAG Reform Council** review of capital city strategic planning systems reflected many of Consult Australia's recommendations in *Tomorrow's Cities Today*, calling for better integrated strategic planning and broader cost benefit analyses supporting infrastructure delivery.
- Participated in the launch of **State of Australian Cities 2012 which features Tomorrow's Cities Today** as a case study of stakeholder recommendations supporting governance reform.
- Launched a comprehensive policy agenda promoting excellence in the built environment in Victoria. Advocated for this agenda strongly with **Victorian Parliamentary Secretary for Transport, Edward O'Donohue; Shadow Treasurer the Hon. Tim Holding; and Shadow Minister for Major Projects and Infrastructure, Tim Pallas**.
- Recommendations for the establishment of **Infrastructure Victoria and Projects Victoria** adopted as part of the **Victorian Labor Jobs and Investment Plan**. Complementary advocacy commenced with the office of the **Minister for Public Transport and Roads, the Hon. Terry Mulder**.
- Recommendations for the establishment of **Infrastructure SA and Projects SA** developed and advocated with the office of the **Minister for Transport and Infrastructure the Hon. Patrick Colon MP**.

- Joined the Urban Coalition, comprising 10 leading industry bodies and released *A New Deal for Urban Australia* calling for the creation of an Urban Infrastructure Fund, a stronger role for Infrastructure Australia and a renewed focus on urban infrastructure by the Federal Government.
- Through the **Coalition for Local Government Reform**, secured media coverage in The Daily Telegraph, Courier Mail, Herald Sun and other online publications through the submission of a letter to the Independent Local Government Review Panel's '*Better, Stronger Local Government*' paper, leading to the Panel's recommendation to consolidate local government across NSW.
- Joint efforts with CEDA saw increased political and media focus on the issue of **infrastructure funding** supporting a more sophisticated debate regarding AAA credit ratings, government surplus and deficit budgets.
- With Regional Development Australia (RDA) and 10,000 Friends of Greater Sydney (FROGS), launched *Sydney 2051: A Plan for Action* and led gathering of industry, business, education and government leaders to advance a vision for a greater Sydney.

WORKPLACE HEALTH & SAFETY

- Consult Australia's **Safety in Design Tool Kit** launched by **Senator Matt Thistlethwaite**; leading the industry towards a consistent approach to safety in design, recognised by government, acclaimed by peer associations, and compliant with obligations under harmonised Workplace Health and Safety (WHS) legislation.
- Continuing to push for safer, simpler and harmonised WHS laws around Australia. Consult Australia held frequent discussions with the **South Australian Government** ahead of their vote to pass the model WHS laws, and we made submission to the **Western Australian Government** on their proposed legislation and urged the **Victorian Government** to reconsider their position.
- Met with the **South Australian Department of Planning, Transport and Infrastructure** to develop WHS guidelines for all stakeholders involved in construction work on their project.
- Secured position of a leading participant in activities to develop and enhance policies and responses to **mental health issues** in the workplace, partnering with a range of organisations including Beyond Blue and ACCI.

WORKFORCE DIVERSITY

- Joined the **Australian Women in Resources Alliance (AWRA)**, working with peak bodies such as the Australian Mines and Metal Association (AMMA), and companies such as Rio Tinto and Bechtel, to facilitate the increased attraction and retention of women across industry.
- 13 CEOs of Consult Australia member firms signed the **Charter of the Consult Australia Champions of Change**, committing to actively advance equality across their businesses and to act as advocates for the consulting industry.
- Advocacy across the political spectrum, including with the offices of the **Prime Minister, Minister for the Status of Women, Minister for Early Childhood and Childcare, Shadow Parliamentary Secretary for the Status of Women, Shadow Parliamentary Secretary for Supporting Families**, and the **Shadow Minister for Childcare and Early Childhood**.

SUSTAINABILITY

- Supported advocacy across jurisdictions by the Australian Sustainable Built Environment Council (ASBEC) for a **Policy Framework for Climate Change Adaptation in the Built Environment**.

2012/2013 new members:

4DGeotechnics Pty Ltd
Air Quality Professionals Pty Ltd
Aquenta Consulting Pty Ltd
Bellwether Contractors Pty Ltd
Bonacci Group (QLD) Pty Ltd
Capital Engineering Pty Ltd (aka Capital House Australasia)
Cox Howlett & Bailey Woodland
David Morris Consulting Pty Ltd
DJG & Associates
Dorian Engineering Consultants
Dryka Consulting Engineers
Elton Consulting
Environmental Projects
Fyfe Pty Ltd
GCStruct Engineering Consultants
Geohart Consultants Pty Ltd
Geolyse Pty Ltd
Gradwell Consulting
Haskoning Australia Pty Ltd
Inside Infrastructure Pty Ltd
J.H. Cockerell Pty Ltd
Kanebridge Engineering Pty Ltd
LP Consulting Australia Pty Ltd
MacLeod Consulting Pty Ltd
Mitchell Brandtman (QLD)
Mulder Kampman Design
Multiframe Consulting & Multiframe Trailer
NS Projects Pty Ltd
Ochre West Consulting Engineers
PDC Design Pty Ltd
Specialist Testing & Technical Services (STATS) Pty Ltd
Stephen Waite Consulting
Structural Integrity Engineering Pty Ltd (SIE)
Structural Reporting Pty Ltd
Sustainability House
TABEC Pty Ltd
The Buchan Group (VIC)

Financial Report

FINANCIAL OVERVIEW

The financial results for Consult Australia in respect of the period 1 July 2012 – 30 June 2013 are summarised in the tables presented. The Full Annual Report 2013 is in accordance with mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and include the organisation's financial statements, the director's report, the auditor's report and associated statements thereon. A full copy can be obtained on request.

STATEMENT OF COMPREHENSIVE INCOME

The organisation produced a net operating deficit of \$0.197m for the year, a slight improvement from the prior year deficit of \$0.239m. Total revenue and other income increased by 8.82% to \$4.019m, while expenditure increased by 7.22% to \$4.217m. The 2012/2013 financial year was again characterised by further constraints in a tight operating environment.

REVENUE AND EXPENDITURE

The increase in total revenue of \$0.326m over the 2012 result represents a CPI adjustment to the base subscription rate and a turnaround in income derived from education and events.

The increase in expenditure of \$0.284m over the 2012 result was mainly due to increased administration expenses. New staff recruitment at higher rates and post GFC salary freeze adjustments for key personnel attributed to increased payroll expenses. Significant changes have been made to reduce the overheads of the organisation for the next financial year.

CAPITAL EXPENDITURE

Capital Expenditure totalled \$0.023m which was predominantly investment in IT hardware and software.

STATEMENT OF FINANCIAL POSITION

The financial position of the organisation remains strong with net assets of \$0.314m. The 2013 deficit has decreased the organisations position by 38.15% over the 2012 result. Significant steps have been taken to improve the rigour of monthly reporting ensuring both the Board and Management the provision of relevant and timely information in respect of decision making and to ensure an improvement in the coming financial year.

ASSETS

Cash and cash equivalents have decreased from \$0.305m to \$0.161m. The organisation remains in a position to fund investments and operations in the next financial year. Trade receivables have reduced \$0.111m from the 2012 result with debtor recovery on track. Property, plant and equipment had a net decrease of \$0.029m due to the retirement of IT servers no longer in use.

LIABILITIES

Current Liabilities have decreased significantly due to a reduction in Income in Advance of \$0.408m.

NET WORKING CAPITAL

Net working capital has decreased from \$0.427m in 2012 to \$0.323m in 2013. The negative variance is primarily due to a reduction in current assets.

CASH FLOW AND LIQUIDITY

Cash of \$0.161m was held at balance date. Borrowing facilities are not expected to be required for the next financial year.

EQUITY

Consult Australia's financial objective is to protect and grow member funds whilst ensuring it has sufficient reserves to continue to provide services of high standards in a difficult operating environment as set out in its Strategic Plan.

Profit/Loss

Consolidated Group

Income	2013	2012
Commercial Activities	\$1,654,293	\$1,516,991
Interest on Investments	\$45,788	\$64,771
Subscriptions	\$2,319,464	\$2,111,839
Total Income	\$4,019,635	\$3,693,601
Expenses		
Member Services	\$1,745,608	\$1,936,870
Overheads inc Tax	\$2,471,029	\$1,995,819
Total Expenses	\$4,216,637	\$3,932,689
Net Profit/ Loss	(\$197,002)	(\$239,088)

Balance Sheet

Consolidated Group

Current Assets	2013	2012
Cash and cash equivalents	\$160,681	\$304,516
Trade and other receivables	\$146,792	\$257,706
Investments	\$471,604	\$834,020
Inventories	\$6,380	\$6,854
Other	\$346,642	\$374,209
Total Current Assets	\$1,132,279	\$1,777,305
Non-Current Assets		
Investments	\$-	\$-
Property Plant and Equipment	\$72,817	\$101,322
Total Non-Current Assets	\$72,817	\$101,322

Total Assets	\$1,205,096	\$1,878,627
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Current Liabilities

Accounts Payable	\$244,860	\$327,535
Income in Advance	\$432,008	\$840,078
Provisions	\$131,924	\$132,421
Total Current Liabilities	\$808,792	\$1,300,034

Non-Current Liabilities

Provisions	\$81,816	\$67,103
Total Non-Current Liabilities	\$81,816	\$67,103

Total Liabilities	\$890,608	\$1,367,137
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Net Assets	\$314,488	\$511,490
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Equity

Retained surplus	\$314,488	\$511,490
Total Equity	\$314,488	\$511,490