



2022

ANNUAL REPORT

www.consultaustralia.com.au

From the President



If someone would have told me at the beginning of this financial year that we would be in lockdown for the first half of it, we would have a new government and there would be a war in Europe, I would not have believed them!

Consult Australia continued to serve its members through the lockdown with online events, provision of advice and support as well as continuing our important advocacy role. Indeed, I think Infrastructure Australia summed it up in their 2021 Plan where they specifically cited Consult Australia being an “agent for change” driving industry productivity and innovation. I would reflect that our profile has made tremendous steps this year with increased media access including tier 1 media coverage with regular pieces in the Australian Financial Review. This would not have been our experience even two years ago. I am extremely proud of the position Consult Australia is in now, with acknowledgement in industry on a par with, and in some cases eclipsing other peak industry bodies. This is testament to our high calibre, focussed policy team and investment in public relations.

This year saw the retirement of Board Directors Gerry Doyle as our outgoing President and Brett Davis as well as Holly Carson. At the AGM we welcomed Kerry van Donderen (AECOM) and Arthur Psaltis (Pritchard Francis) onto the Board bringing a large and medium firm as well as maintaining South Australian and Western Australian representation. After the AGM Board appointments, the Remunerations and Nominations Committee recommended to the Board a skills gap to be filled by a small business sector member and so Martin Gamble (Gamcorp), based in Melbourne was elected as a nominated Director in February.

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The Board and the Executive Team revisited the Consult Australia Strategy and priorities to extend to 2024. We landed on more of an evolution rather than a revolution in that we refined the Vision and Mission with a focus on growth. Our updated Vision is to be *‘the leading voice for a vibrant and prosperous industry supporting consulting businesses in design, advisory and engineering’* with our Mission *‘to create value and success for our members through relevant and influential advocacy, thought leadership, engagement, and services’*. Importantly we continued with our four P focus areas, People, Practice, Pipeline and Procurement. Our growth goal areas being profile, engagement and revenue.

Our engagement with members has strengthened further with regular: large firms forums, Champions of Change meetings, small business open forums, All Committee Chairs shares, roundtable meetings and refreshed local committees across the country.

We were delighted to finally get our members together face to face at our 'OneConsult' Conference and Awards in Sydney, it was a fabulous and energising few days that coincided with our 70th birthday celebrations – lots to celebrate, both past and present!

Nearly 60% of our revenue comes from membership, whilst we are challenged at the larger end of our membership cohort with consolidation of the medium firms into the larger firms there is still a lot of opportunity to grow our membership base and subsequently our revenue. To that end the Board and Executive Team have already got a membership sub-committee up and running to focus on that particular challenge. In FY22 our Contracts for Consultants education course has been popular as well as the high-quality Boardroom events around the country. In FY23 we are taking more of a longer-range approach to events planning now that the risks of Covid and face to face events are abating.

This financial year has not been without its challenges. As you can see from the financial report our surplus is much reduced from last year. Whilst the OneConsult Conference was a great opportunity to collaborate, the overall event did make a loss which impacted our outturn performance, we have taken a number of learnings from that. Along with the broader Australian business landscape, we have been impacted by the competition for talent and Consult Australia being such a small association unable to offer extensive career progression, we have experienced some staff turnover as a consequence.

Given the scale of the association and the need for focus on how to best serve our members, the Board have been pleased with the enhanced level of collaboration not only between businesses in the membership but also with other industry groups to leverage and enhance our impact. In particular, the positive relationship with the Australian Contractors Association (ACA) has led to us developing the Partnership for Change papers, four joint papers on Multiple Design Reviews, Digital Engineering, Model Client, and Reliance Information. We are also excited to be taking a lead role with the Australian Sustainable Built Environment Council supporting the formation of a new cross-industry collaboration to progress commitments to net zero infrastructure and decarbonisation.

Looking forward, the Board are excited at the prospect of the next chapter for Consult Australia under Jonathan Cartledge's leadership, as our new CEO. Nicola Grayson's tenure propelled our advocacy and profile to new heights. The Board were delighted that we were able to activate our CEO succession plan when Nicola chose to take the next step in her career. In such a buoyant market yet with multiple complex challenges we are hopeful of what FY23 and beyond holds for Consult Australia.



Rowenna Walker
President

From the CEO



It is a privilege to return to Consult Australia in 2022 as we celebrate our 70th anniversary and the enduring commitment with our members to deliver a better industry for businesses in design, advisory and engineering. My thanks on behalf of the members and team to former CEO Nicola Grayson for her leadership and achievements over the past four years including as reflected through this report for 2021-22.

As with the last financial year, in 2021-22 the impacts of the pandemic continued to be felt in the delivery of Consult Australia's services and engagement. The delivery of a new Strategic Plan at the end of 2021 saw a renewed commitment to strengthen our profile and advocacy, engage and support our members and grow our revenue to underpin our long-term support for the industry.

As we emerged from lockdowns at the start of 2022, it was fantastic to see the celebration of the industry's achievements and appreciation for all those who have supported Consult Australia at the 2021 Annual Awards for Excellence held in March. Our thanks to Linda Gault, Engagement Manager for what was a great celebration and reflective of the ongoing success of our events program and the services we continue to deliver for members.

Our advocacy continues to focus on those issues we know are most critical for our members. Our close relationships across governments continue to position us as a trusted advisor in the development of policy and reform both in high-level industry forums and discrete meetings focused on our members' specific concerns.



Consult Australia's success in effectively representing the breadth of the industry is reflected in the diversity of our membership from sole traders, small and medium enterprises (SME) to some of Australia's largest companies.



Enduring skills shortages, market capacity constraints and supply chain uncertainty have put new pressures on the delivery of what are record levels of investment across both the public and private sector. For our members, cascading concerns associated with escalating deterioration in the markets for professional indemnity insurance, and increasing risks in the delivery of their services, continue to present challenges that require ongoing advocacy at all levels. Our thanks to those member firms and their teams who have given their time to support our work, including those who continue to participate in our committees and roundtables and ensure our advocacy reflects what is a dynamic environment for the whole industry.

In this context we were pleased to strengthen our ongoing collaboration with the Australian Constructors Association through our Partnership for Change initiative. A focus on increasing productivity through reform with has been positively received and continues to drive our collaborative advocacy across governments.

Through this past year we have deepened our work with the Insurance Council of Australia to support an improved understanding of the risks and challenges our members face in the current market and advance new solutions with their clients. More details of our policy work and advocacy on behalf of members is contained later in this Report. I commend Kristy Eulenstein our Head of Policy and Government Relations and the broader team for their policy wins and influence on behalf of the industry throughout the year.

Consult Australia's success in effectively representing the breadth of the industry is reflected in the diversity of our membership from sole traders, small and medium enterprises (SME) to some of Australia's largest companies. Member feedback through all our forums is critical to ensure we are responsive to your needs. The ongoing success of our Large Firms Forum is mirrored in the regular engagement provided through the SME Open Forum and annual National SME Summit.

Just like with many other businesses in Australia, we have faced the challenges of staff turnover during this period, but also realised the renewal and opportunity that comes with change. We thank departing team members including Diane Dowdell (Manager WA), Cindy Laird (Senior Policy Advisor/Manager Vic), and Jan Irvine (Manager SA & NT) who made an enormous contribution to the industry in her work with Consult Australia across a number of roles for over 12 years.

We have welcomed Jane Creaser (Manager SA & NT), Mark Rogers (Manager Victoria), Emma Thunder (Manager WA) and Geetashni Chand (Policy Advisor) to the team. We also thank those team members who have taken on more expansive roles including Kristine Banks (Manager Queensland now also supporting Tasmania), Alison Kirk (Manager NSW now also supporting the ACT), and Teone Tobin (in her promotion from Policy Analyst to Senior Policy Advisor). This is an exceptional team and I am excited by the opportunities ahead working with them and the Board in the delivery of the Strategic Plan through 2022-23 and beyond.

Consult Australia is the only association dedicated solely to the success of this industry and you our members. It is you who bring so many of the solutions to those most pressing challenges we face as a country. A vibrant prosperous industry for our members is in everyone's interest and I, with the team, look forward to continuing to support that in the year ahead.



Jonathan Cartledge
Chief Executive Officer

Introduction to Board performance

The Board of Consult Australia developed and implemented a process for evaluating the performance of the Board in accordance with good governance principles described by the Australian Institute of Company Directors (AICD). This procedure was endorsed at the December 2020 Board meeting and the agreed areas for review are:

- Board composition and diversity
- Board self-evaluation
- Board meeting effectiveness
- Board committee effectiveness
- Board committee self-evaluation
- Board support of the CEO and President
- Board support of the roundtables and state/territory committees

The Board effectiveness assessment is conducted by the Nominations & Remuneration Committee of the Board and has had minor changes to the questions along with scoring definitions added which were endorsed by the Board in February 2022. The evaluation process does not include a process for directors to share individual concerns – this is provided through direct feedback to the President who will decide on a suitable approach to each individual case.

Board Diversity Results

Following the bi-annual board retirement and election process held in October 2021, the Board Diversity Assessment was undertaken to account for retirements and newly elected Board members. This again identified strong diversity in the experience of Board members and geographic representation. The skills of the Board Members were considered appropriate for the effective functioning of the Board. A lack of representation of small firms was however again identified and actions were put in place to identify a representative from a small business member to be included in the Board as a nominated Board Member. This action was completed in February 2022.

No further actions were required through the Board Diversity Assessment.

Board Member Attendance

The attendance of Board Members at all scheduled Board and Committee meetings has been assessed and considered suitable with most of the Board attending all scheduled meetings. The time demands of the role of Board Members has increased this year through the recruitment process for the new CEO and it is felt the current Board remain committed to furthering the interests and performance of Consult Australia.

Board Self Evaluation

The Board conducted a self-evaluation via an anonymous survey in July 2022 which was reviewed at the July 2022 Nominations and Remuneration Committee meeting. The results were compared to the previous self-evaluation noting very minor changes in scoring which do not warrant any actions. There were three consistent themes for improvement, summarised as:

- The Board holding ourselves and the Executive more accountable;
- Increase Board relationships with the Executive; and
- Prioritise key issues in conjunction with Director availability

Relationships was a theme from the previous survey as was director availability/commitment of time.

Board Committee effectiveness

The two committees of the Board (Finance & Risk and Nominations & Remuneration) conducted a self-evaluation via an anonymous survey of all directors in July 2022. Both committees recorded improvements in timely presentation of Board papers before meetings and other minor scoring changes. There were no significant areas for improvement identified for either committee which both score around "good".

Board Support of the CEO and President

The survey has not been conducted in 2022.

Board Support of the Roundtables and State/Territory Committees

The survey has not been conducted in 2022.

New members in FY21/22

NEW FULL MEMBERS

ASPECT Studios	ASPECT Studios is an international design practice, built from a global team of landscape architects, urban designers, architects, wayfinding specialists, strategists, and graphic designers.
Bajwa EnviroConsult	Bajwa EnviroConsult offers a broad range of environmental auditing and advisory services. Our focus is on providing statutory and non-statutory environmental auditing services.
Bazzenav Project Consulting	Bazzenav Project Consulting is a small engineering consultancy focusing on providing technical review services within the transport infrastructure industry, with a focus on roads and highways design and documentation, traffic analysis and interpretation, risk management and construction planning.
BD Solutions Consulting Pty Ltd	Working in design, collaborative problem solving, and architectural design.
Bioneering Australia	The goal of Bioneering Australia is to facilitate sustainability outcomes which contribute to robust, resilient and regenerative cities and organisations. We deliver targeted and practical sustainability solutions ranging from high level strategy development and implementation through to detailed modelling, measurement and reporting.
C2 Sneyd Consulting Pty Ltd	C2 Sneyd Consulting specialises in environmental assessment, approvals, natural resource management and project management.
Climate Resilience Pty Ltd	Working in the asset and facility management, climate change and carbon management, dam safety and surface water management, project management and wastewater fields.
Consulting Engineers North Queensland	Specialising in structural design engineering and geosynthetic engineering.
Entech Solutions	Entech Solutions provide innovative environmental and waste management solutions.
Hansen Engineering Group	Hansen Engineering Group provides civil/structural engineering design services to the infrastructure, industrial, commercial, and residential markets throughout Queensland.

NEW FULL MEMBERS (CONTINUED)

HKA	HKA helps clients manage risk, disputes and uncertainty on complex contractors and challenging projects.
Mark G Jackson Consulting	Mark G Jackson Consulting provides clients with whole of life technical support for construction projects in the wind energy industry and broader energy market.
Pavement Asset Services Pty Ltd	Pavement Asset Services works with all aspects of pavements and related civil engineering activities, including planning, investigation and testing, design and specification, materials, contract management, project management, earthworks, construction, operation, performance and asset management. PAS also has environmental engineering capabilities, including site contamination investigation and site waste classification.
Regional Geotechnical Solutions	Regional Geotechnical Solutions is a specialist geotechnical and geoenvironmental consulting company dedicated to servicing the regional NSW market. The aim of geotechnical consulting is to provide advice on optimising the interactions between the ground and the development, and to advise on utilising the ground conditions for maximum benefit.
RfR Consulting	RfR Consulting provides communications, stakeholder engagement, community relations, consultation and environmental approval services, with specialties including feasibility, project development, site and corridor preservation, property acquisition, planning, geotechnical investigation, environmental impact assessment, community and stakeholder consultation, legislative approvals, contract development, tender evaluation, the transition into construction and construction impact communications.
Skyscape Management Group	Skyscape Management Group offer experienced project advisory services for the built environment. Our services are targeted and tailored to provide complete property development and project management solutions across a broad range of requirements.
Structural Reporting Pty Ltd	Structural Reporting provides a dedicated professional support service for building and infrastructure defects, be it anything from an office to a walkway bridge, car park, residential or industrial building, our aim is to help you understand the structural issues affecting your site and advise an appropriate course of action.
Synchrony Projects	Synchrony Projects is a training and advisory organisation specialising in integrated Project Planning, Assurance, Risk Management and Control. We work across project risk and performance management, developing governance frameworks and project control solutions to help our clients improve their project selection and execution capability.
Turnbull Engineering	Turnbull Engineering deliver professional services for Australia's most complex infrastructure projects. We design and plan projects from feasibility to construction, and support contractors through construction and asset owners through the full life-cycle of assets.
Voss Grace + Partners Pty Ltd	Voss Grace + Partners is an engineering consultancy, specialising in fire life safety for the built environment including performance-based design, fire protection engineering, fire risk assessments, and emergency planning.
Watt Asset Advisory	Watt Asset Advisory is a client-focused engineering boutique based in Newcastle, NSW, specialising in offering condition assessment, structural repair and technical rehabilitation solutions.
Welshaw Consulting Pty Ltd	Responsible for the delivery of a range of structural engineering projects including shopping centre design and refurbishment, mining process infrastructure, silo and conveyor support structures, electrical substation water treatment infrastructure, temporary works and residential-type construction.
Whats Critical Pty Ltd	Working with the property industry to unravel and resolve project complexity.

NEW FULL MEMBERS (CONTINUED)

Yachtmarinas Australia Pty Ltd

Chartered civil and coastal engineer and project/construction manager with experience as a government engineer, structural designer, design and construction contractor and consultant, delivering a broad range of civil, marine, structural and multi-disciplinary projects.

NEW ASSOCIATE MEMBERS

Piper Alderman

Piper Alderman works with a broad range of clients, both in Australia and around the world. From blue chip clients and corporate giants to small family firms, we pride ourselves on providing tailored, up-to-the-minute, cross-industry legal advice.

Advocacy Priorities, Activities and Wins

Our policy priorities are People, Procurement, Practice and Pipeline, with our advocacy campaigns sitting under these. Below are just some of the activities and wins we have achieved against these priorities.

 People Creating a vibrant and sustainable workforce for our industry	 Procurement Better procurement practice for a productive and viable supply ecosystem	 Practice Enhanced productivity through balanced reforms	 Pipeline Smart project pipeline that drives growth and prosperity for the industry
<ul style="list-style-type: none">Striving for a mentally healthy industryThinking smarter about skillsCollaboration as culture	<ul style="list-style-type: none">De-risking for deliveryModel clientCollaboration as culture	<ul style="list-style-type: none">Digital by defaultAutomatic mutual registrationCollaboration as culture	<ul style="list-style-type: none">Go slow to go fastSmarter pipeline of projects

Developing policy platforms for budgets, elections, and the Productivity Inquiry

Each year we develop policy platforms for the Federal Budget as well as relevant elections – covering all four policy priority areas. In 2021/22 this included:

- Federal Pre-Budget Submission (January 2022)
- Federal Election Priorities (January 2022)
- SA Election Priorities (March 2022).

For the benefit of members, in May and June 2022 we also developed summaries of the Federal Budget and Budget Response Speech as well as summaries of the NSW, Qld and WA Budgets.

As happens every five years, in 2022 the Commonwealth Productivity Commission called for submissions to inform the Productivity Inquiry. Our submission (March 2022) canvassed the broad range of our advocacy campaigns, and we focussed on legislative, funding and policy reform.

People

In 2021/22 our advocacy effort for the People priority was focussed on mental health and skills.

Striving for a mentally healthy industry

Consult Australia was featured in the National Mental Health Commission's series on industry initiatives supporting mentally healthy workplaces. We were one of 13 case studies demonstrating how industry is leading on mentally healthy workplaces and successfully driving positive change. Our striving for mentally healthy workplaces thought leadership paper, mental health roundtable, ambassador network and mental health knowledge hub were all championed.

We also made four submissions on mental health:

- National Mental Health Commission – Blueprint for mentally healthy workplaces (November 2021)
- National Mental Health Commission – National Workplace Initiative – Theory of Change and Evaluation Model (February 2022)
- WorkSafe Vic – Proposed OHS Amendment (Psychological Health) Regulations (March 2022)
- National Workplace Initiative – Blueprint for mentally healthy workplaces release 2 (May 2022).

Thinking smarter about skills

Given the current skills shortages felt across the industry, Consult Australia used the opportunity to advocate for thinking more broadly about the skills challenge, especially as faced by the consulting sector. We made five submissions relevant to skills:

- Targeted Update of the Australian and New Zealand Standard Classification of Occupations (July 2021)
- National Skills Commission – Skills Priority List Survey (November 2021)
- Culture Standard for the Construction Industry (December 2021)
- Updating the Australian and New Zealand Standard Classification of Occupations (March 2022)
- National Skills Commission - Skills Priority List Survey (March 2022).

Procurement

In 2021/22 our advocacy effort for the Procurement priority was focussed on de-risking the professional indemnity (PI) market, which is inherently linked to our Model Client Policy.

De-risking for delivery

Procurement and PI insurance is always top of our advocacy list as we engage with government clients and Departments of Treasury and Finance to discussing the impacts of problematic contract clauses on the PI market. We have over 20 government forums going on around the country focussed on these issues. One of the most notable wins for Consult Australia was being appointed on the Procurement Industry Advisory Group in SA at the request of the SA Treasurer.

Consult Australia invested significant time contributing to the Commonwealth Parliamentary Inquiry into Procurement Practices of Government-Funded Infrastructure. We sent in a lengthy submission, as well as joined with 13 other industry stakeholders to call for procurement reform. We also gave evidence at the related Parliamentary Hearings. Our solutions-focus was reflected in the *Final Report Government Procurement: A sovereign security imperative* where Consult Australia was quoted extensively.

We also made eight submissions on procurement:

- The Tasmania Parliament - Legislative Council Select Committee Inquiry on TasWater (July 2021)
- Strengthening Protections Against Unfair Contract Terms (September 2021)
- Improving Consumer Guarantees and Supplier Indemnification Provisions under the Australian Consumer Law (February 2022)
- Transport for NSW – Project Streamline Professional Services Contracts (March 2022)
- Transport for NSW - Sustainable Procurement in Infrastructure (April 2022)
- NSW Department of Customer Service – Decennial Insurance (May 2022)
- QLD Government Procurement – Buy Queensland – Procurement Strategy and Policy (May 2022)
- NSW Department of Customer Service – NSW Small Business Strategy (June 2022).

Pipeline

In 2021/22 our advocacy effort for the Pipeline priority included two campaigns, smarter pipeline of projects and go slow to go fast.

Smarter pipeline of projects and go slow to go fast

To further our pipeline campaigns, we provided members with the opportunity to meet infrastructure leaders to gain insights into the forward pipeline and influence the way state and federal leaders consider the pipeline of projects. This included exclusive boardroom meetings with Andrew George, CEO Water NSW, Dr Sarah Hill CEO for Western Sydney Parkland City Authority, Susana Fueyo, Executive Director North-South Corridor (SA), Peter Woronzow, Director General of Department of Transport WA, Dale Connor, CEO of Lendlease, Neil Scales, Director General of Transport and Main Roads, Scott Smith, CEO SEQ Council of Mayors, the Hon Michael Ferguson, MP, and the Hon Guy Barnett MP.

Consult Australia also celebrated Queensland winning the Olympics 2032 bid and Victoria winning the Commonwealth Games 2026 bid – noting both would have significant impacts of the pipeline of projects in both states.

Practice

In the Practice priority, we continued to advocate for automatic mutual registration for engineers including bringing to the attention of governments in NSW and Victoria the business impacts of registration schemes, as we try to find the right balance of regulation and impost on business.

Otherwise, in Practice Consult Australia tackles a range of issues which go to the overarching need for enhanced productivity through balanced reforms. For example, we staunchly advocated for the removal of the Victorian Construction Supplier Register requirement for nominated directors to be registered with the Victorian Building Authority in each category that the business is seeking to be pre-qualified for under the register. We were successful in removing the requirement for engineers in multi-disciplinary businesses and continue our advocacy to alleviate the challenge as it continues to impact other consultants, for example, quantity surveyors and draftspersons.

As a nominating organisation for Standards Australia we have also had members represent us on various technical committees, driving the revision and development of standards to benefit the whole industry.

We also made five submissions to the following government consultations relevant to practice:

- Australian Building Codes Board – NCC 2022 – Fire applications – quantification of performance solutions (July 2021)
- Australian Building Codes Board – NCC 2022 – Structural applications – quantification of performance solutions (July 2021)
- Further Inquiry into Building Standards – Parliamentary Committee NSW (August 2021)
- Department of Home Affairs - United Arab Emirates Comprehensive Economic Partnership Agreement and Gulf Cooperation Council Free Trade Agreement (April 2022)
- Deregulation (PMC) - Regulator Responsiveness (May 2022).

Publications



Thought leadership

In 2021/22 we published four Partnership for Change thought leadership reports with the Australian Constructors Association (ACA). The Partnership for Change initiative brings forward sector-wide reform proposals and demonstrates a solutions-based approach to improve productivity and address challenges in the built environment.

The publication of the papers provided a basis for collaborative discussions between government, contractors, and consultants to drive positive change. Together ACA and Consult Australia met with senior leaders and procurement experts around the country.

The Partnership for Change papers provide recommendations to aid the adoption of technology, improve reliance on tender information, streamline design reviews, and for government delivery agencies to lead the way as Model Clients. Members are encouraged to share these with their clients and partners:

- Digital technology (June 2022)
- Model client (June 2022)
- Multiple design reviews (June 2022)
- Reliance on information (June 2022)

Member Resources

Consult Australia produces a range of member-only resources, including over 50 Business Guides and Client Briefings on topics of current relevance to members. Ideas for new topics are provided by members, including through our local committees, national roundtables and the small business open forum. The Business Guides are developed to keep member team members up to date on a wide range of topics, while the Client Briefings can be used by members to help knowledge-sharing with clients and to self-advocate on industry-wide issues.

In 2021/22 we developed six new/refreshed member resources:



Contract checklist
(August 2021)



Member guide: domestic violence and family abuse
(August 2021)



PI Insurance Market Update
(September 2021)



Client briefing: contractual indemnities
(September 2021)



Member guide: labour hire laws
(October 2021)



Member guide: mental health conversations in the workplace
(November 2021)

Surveys

Consult Australia's advocacy is evidence-based, which means we need to draw out relevant information from our members to push for policy change. In 2021/22 we released numerous surveys for member feedback, focussing on mental health, claims data, and the health of industry. The key ones over this period were the two Industry Health Check Pulse Surveys, discussed below.



Industry Health Check: Pulse Survey Results, September 2021

The results of the September 2021 pulse survey showed that the biggest issues impacting business confidence:

- Mental health and wellbeing was named as the most significant challenge with members concerned about work/life balance.
- The availability and affordability of PI insurance was reported as a challenge with businesses seeing reduced coverage and increased premiums.
- Workforce capacity to deliver the expected volume of work over the next six months was also a concern, with voluntary turnover having an impact on capacity.

Industry Health Check: Pulse Survey Results, June 2022

The June 2022 results of the pulse survey revealed the top business costs as being salaries, recruitment and PI insurance:

- 54% of members reported increasing salaries by up to 15%, and a further 8% of members report increasing wages by 15-30%. Some members reported increases greater than this.
- 46% of businesses had seen an increase in the voluntary turnover of staff (explaining why recruitment was a top business cost).
- 79% of businesses experienced an increase in their PI insurance premium – on average between 11-30% and 60% of businesses reported a reduction in the number of insurers willing to offer cover.



Financial Report

Financial Overview

The financial results for Consult Australia in respect of the period 1 July 2021 – 30 June 2022 (FY2021/2022) are summarised in the tables presented as part of this report. The Full Annual Report 2022 has been prepared in accordance with mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001*. The current reporting period is our first period of reporting under new requirements of issuing General Purpose Financial Statements (GPFS) instead of historically providing Special Purpose Financial Statements (SPFS) but largely contains the same data as provided in prior years and includes the organisation's financial statements, the director's report, the auditor's report and associated statements thereon. A full copy is available on request.

Statement of Comprehensive Income

Consult Australia delivered a small net operating surplus of \$7,656 reflecting our challenges through difficult economic times including impacts of continued COVID-19 restrictions and inflation on operating costs. Gross revenue delivered of \$2,886,850 was a growth of \$226,877 and total expenses of \$2,879,194 represented an increase of \$408,134.

Revenue and Expenditure

The organisation continues to feel the impacts of COVID-19 which have largely created uncertainty in delivery of key revenue streams, further reinforcing the need to make sound commercial decisions in services offered to our members and stakeholders. Despite the challenges, the Consult Australia team were able to generate an increase of revenue by \$226,877 being 8% growth on the prior year revenue (FY 2020/2021).

Having emerged from the worst of lockdowns to enjoy in-person meetings and events for the first time since April 2020, we have naturally seen an increase in expenses related to revenues with in-person delivery and an increase for travel costs by getting the team out and about engaging with stakeholders and members. Cost management controls continue across the operations to ensure we maintain a reasonable cost base.

The move back to in-person events and meetings, in addition to inflation pressures on other operating expenses, has resulted in an increase of \$408,134 or 14% on prior year expenses (FY 2020/2021).

Statement of Financial Position

The FY2021/2022 year continued to drive forward our risk register and operational responses to managing risk, coupled with comprehensive reporting of financial data to underpin the certainty and confidence of Consult Australia being able to meet all obligations as they are due.

Assets

A marginal increase in current assets of \$28,038 is offset by a decline in non-current assets of \$200,990 which includes amortisation of the Sydney office lease, resulting in a net \$150,661 decrease in total assets. As we move into the mid-term of our lease, we expect total assets to decline again in FY 2022/23 with the amortisation of premise related assets (Fixtures and Fittings, and Right-of-Use).

Liabilities

Current liabilities have reduced slightly by \$24,605 and non-current liabilities by \$133,712, netting a decrease of \$158,317 in total liabilities. This has a direct correlation to the Right-to-Use asset recorded, as it decreases, so too does our Lease Liabilities.

Continuing into FY 2022/2023 we anticipate liabilities to reduce as we transition to the final year of our Sydney premise agreement in addition to reducing our liabilities where possible relating to trade payables and provisions.

Cash Flow and Liquidity

Cash of \$1,111,500 was held at 30 June 2022, a small increase of \$28,038 on the prior year balance. Borrowing facilities or special member levies are not required for the next financial year.

Equity

Consult Australia continues to maintain a cash liquidity focus, and holds a minimum cash reserve to support this position at 30 June 2022. Delivery on our value proposition for members in addition to growing our organisation and reach is the ambition of the organisation, however we recognise the difficulties Consult Australia faces in economic certainty and inflation pressures over the coming year may impact surplus delivery.

Statement of Profit or Loss and other Comprehensive Income

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
Revenue	2,886,850	2,659,973
Personnel expenses excl. consultants	1,603,207	1,484,154
Events expenses	432,990	251,219
Finance costs	17,580	3,735
Depreciation	212,996	195,766
IT Expenses	136,444	148,260
Advertising and marketing expenses	60,080	90,470
Occupancy expenses	373,104	261,871
Other expenses	42,793	35,585
Surplus before income tax	7,656	188,913
Income tax expense	-	-
Surplus after income tax	7,656	188,913
Other comprehensive income for the year, net of tax	-	-
Total comprehensive (loss)/income for the year	7,656	188,913

Statement of Financial Position

At 30 June 2022

		2022	2021	
		\$	\$	
ASSETS	Current Assets			
	Cash and cash equivalents	1,111,500	1,083,462	
	Trade receivables	35,393	30,830	
	Other receivables	27,512	26,059	
	Prepayments	137,778	121,503	
	Total Current Assets	1,312,183	1,261,854	
	Non-Current Assets			
	Plant and equipment	185,672	251,050	
	Right-of-use assets	271,223	406,835	
	Total Non-Current Assets	456,895	657,885	
	Total Assets	1,769,078	1,919,739	
	LIABILITIES	Current Liabilities		
		Lease liability	135,286	121,595
Trade and other payables		259,804	196,997	
Contract liabilities		310,887	398,200	
Provisions		68,691	82,481	
Total Current Liabilities		774,668	799,273	
Non-Current Liabilities				
Lease liabilities		149,954	285,240	
Provisions		16,774	15,200	
Total Non-Current Liabilities		166,728	300,440	
Total Liabilities		941,396	1,099,713	
Net Assets		827,682	820,026	
EQUITY		Retained earnings	827,682	820,026
	Total Equity	827,682	820,026	

Statement of Changes in Equity

For the Year Ended 30 June 2022

		Retained Earnings	Total
		\$	\$
2022			
Balance at 1 July 2021		820,026	820,026
Surplus attributable to members		7,656	7,656
Balance at 30 June 2022		827,682	827,682
2021			
Balance at 1 July 2020		631,113	631,113
Loss attributable to members		188,913	188,913
Balance at 30 June 2021		820,026	820,026

Statement of Cash Flows

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Subscriptions	1,802,314	1,713,052
Other receipts	1,352,160	1,193,972
Payments to suppliers and employees	(2,978,124)	(2,565,327)
Interest received	2,870	2,842
Net cash provided by/(used in) operating activities	179,220	344,539
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of plant and equipment	(12,006)	(3,763)
Net cash used by investing activities	(12,006)	(3,763)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability under AASB16	(139,176)	(140,607)
Net cash used by financing activities	(139,176)	(140,607)
Net increase/(decrease) in cash and cash equivalents held	28,038	200,169
Cash and cash equivalents at beginning of year	1,083,462	883,293
Cash and cash equivalents at end of financial year	1,111,500	1,083,462