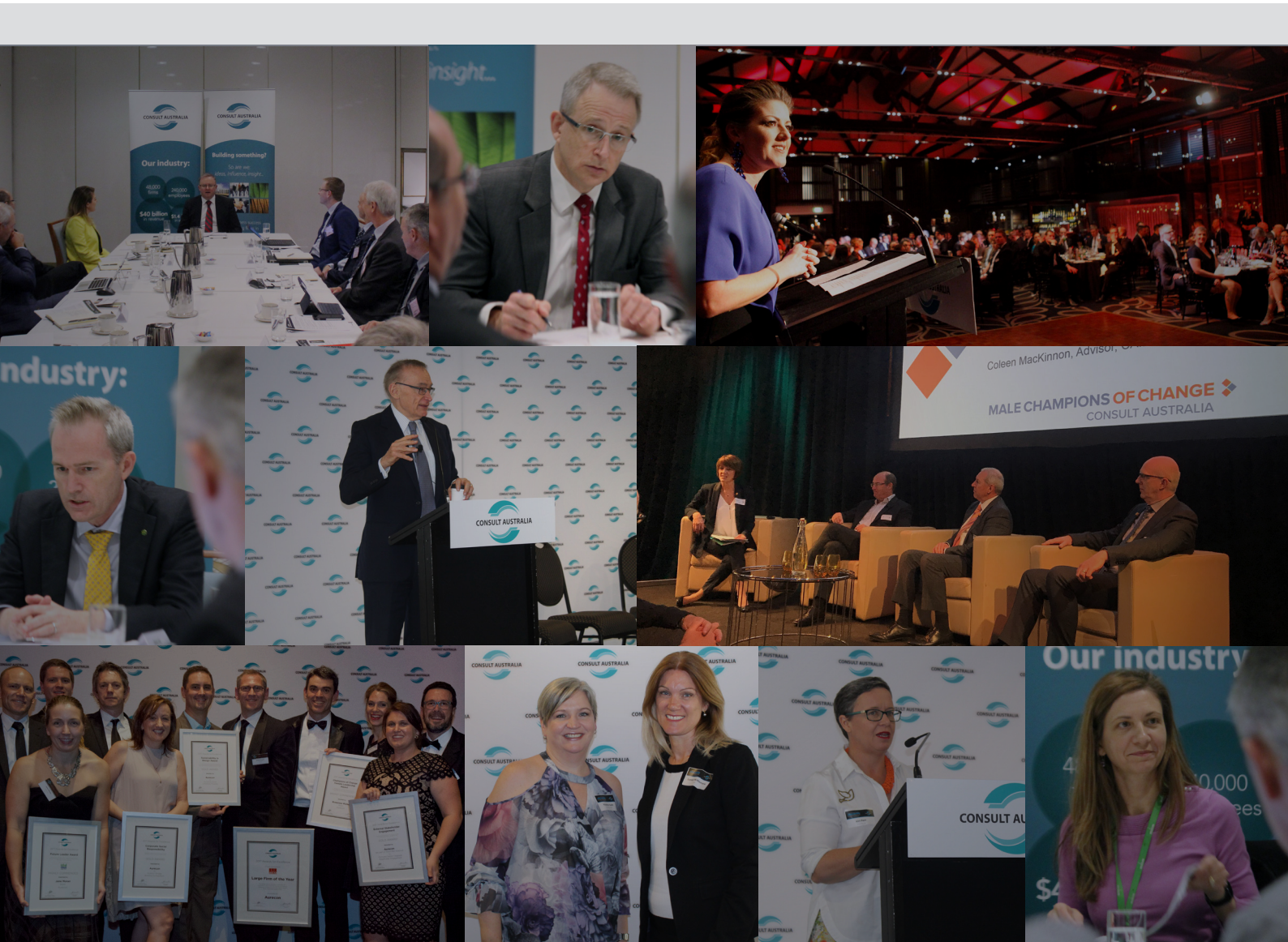




# ANNUAL REPORT FY2018



## From the President



Consult Australia has delivered another solid 12 months of performance in what can only be described as a challenging and transformative business environment. We have a largely buoyant market with many major infrastructure projects driving growth for our member organisations. Yet simultaneously our industry is challenged by digital

transformation, climate change and ongoing globalisation in an increasingly uncertain political environment. For many of our members this is driving their evolution in market and poses Consult Australia with the equal challenge of evolving with you.

Our State Chapters are an ongoing strength of our Association, providing the vital local connection with and between members, and with State Government. I'd like to give special thanks to all participants in our state committees for their ongoing work and support of Consult Australia. Over the past financial year, they have delivered 75 Consult Australia and 52 FutureNet events—reaching close to 6,000 attendees. I was also very pleased to note that the work of the State chapters was enhanced by the return of Nicola Grayson as our head of policy, with our Infrastructure Bodies Governance and Model Client papers in particular having provided strategic thought leadership to drive conversations in market.

At a national level, the focus has remained on building our voice in the built environment, especially at a federal government level. Our second Policy Dialogue Day was held in Canberra on 27 June where we heard from key Commonwealth Liberal, Labor, and Green Party Parliamentarians on their approaches to future infrastructure

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planning and in-turn presented on issues of capacity in both industry and governments to deliver projects, particularly with the continued onerous risk allocation through the contractual chain. We are beginning to see a shift in government thinking around procurement and the need for adoption of more collaborative approaches to project delivery and it is critical that we remain focused on this topic.

Operationally this year has focused on upgrading our IT systems and in turn improving our website, database software and communication tools. These improvements are ongoing but are a critical element in improving the Consult Australia team's effectiveness and the delivery of our services to members in an engaging way.

We also successfully delivered our two major member events last year—the ASPAC Leaders Conference and Congress and the Annual Awards for Excellence. The Leaders Conference is now established as a key forum for the senior leaders of our member firms—an event where they can network while learning and being challenged as leaders about what leadership means for our industry. Last year's Awards night was also a great success, with over 70 entries across the 14 categories. It was also very pleasing to see the President's Award go to Tony Horan, who has been a tireless supporter of our industry, consultants and Consult Australia's training programs over many years.

And lastly, at the beginning of last year we farewelled James Wright, Camille McGregor and Neill Stevens from the Board and welcomed in Rowenna Walker, Eva Woods, Brett Davis and James MacNeil. It has been such a pleasure chairing the board this year, it is a diverse, dynamic and experienced group of talent from our member firms and I thank all of them for their support and encouragement over the last year. Most recently, we also farewelled Max Bomben following his appointment to a new role and I want to express my heartfelt thanks to Max for his contribution and support during his term. This departure has also led to the selection and appointment of Scott Watson of Lyndsay Dynan, who joins as a new director in FY19, and who I am really looking forward to working with.

On behalf of the Board of Consult Australia, thank you to all our members for your ongoing support of Consult Australia and thank you to all the staff of Consult Australia who continue to look after us all. We will continue to work tirelessly in the best interests of the members and to continue to evolve Consult Australia for us all.

**Kiri Parr**  
Consult Australia President

## From the CEO



The Pretenders famously sang “Some things change, some stay the same...” and more a truism could never be coined. 2018 has been a year of both change (including our now 7<sup>th</sup> Prime Minister in eleven years) and relative stability in our sector after some years of volatility.

For Consult Australia, the theme also rings true for the year that was. New initiatives such as our Policy Dialogue and Mental Health working group were coupled with successful long-running programs including our Consult Australia Male Champions of Change (CAMCC), Awards for Excellence, Leader’s Conference and policy work.

In terms of our sector, we continue to see the faces of both firms and individuals change in a continued story of consolidation and globalisation. The rise of the global mega firms continued in 2017/18, having an impact both directly and indirectly for Consult Australia. As firms of all sizes struggle to define their competitive advantage in this new era, so too is there more ambiguity in what these firms want of their industry association. This presents a challenge for the likes of Consult Australia (and this is echoed in both our international sister organisations and in FIDIC itself) as larger, more complex and self-sufficient firms, servicing more diverse clients and markets, demand direct return on investment from their peak body contributions. This is also true for small and medium firms who find themselves operating in increasingly competitive and complex environments.

The good news is that Consult Australia seems to be responding to these challenges well on behalf of members. Our retention rates for membership remain extremely high (over 90%) and have been consistently so for the last decade despite the ownership changes in the market. In particular our engagement with the leaders of our sector has been strengthened through a number of new and continuing programs.

In September 2017, and again in June 2018, Consult Australia ran our Policy Dialogue, a full day summit in Parliament House Canberra including a handful of CEO’s from member firms and a range of Ministers, Shadow Ministers and senior bureaucrats. This high-level session is an important part of bringing members together with decision makers to highlight the significance of our sector in improving Australia’s economic, social and environmental performance. I’m sure members would appreciate that the revolving door of political leadership means that the task of familiarisation and engagement at this level is now more important than ever before, and feedback from both participants and politicians has been excellent.

In addition to this, our direct work with members on unlocking talent and capacity through the engagement of women in our industry (most directly through our work with the CAMCC), and also our early stage work on supporting



Policy Dialogue Day in Canberra June 2018.

firms to understand the workforce impacts of mental health have been well received and supported. Given our increased understanding of the importance of increased productivity, unleashed through motivated, empowered and valued employees, we know that these programs will serve members well. Coupled with the strong participation we see from members in both our Awards program and Leader’s Conference, this bodes well for reaping the benefits of the workforce of the future.

On the policy front, we welcomed the return of Nicola Grayson this year, and experienced a considerable ramping up of policy activity as a result. Our well-recognised (and highly regarded) work on infrastructure governance (our IBodies report) and Model Client policy were both released in the first half of 2018, and have been gaining much traction with policy makers since.

Operationally, Consult Australia had an outstanding year. We have begun a significant program of IT improvements, recognising that so much of our interface with members and stakeholders is through digital platforms. Members will notice our website ‘facelift’, with more improvements to come fuelled by a critical upgrade to a new CRM system (to be complete in FY19). Despite this investment for our future, and the lean operating environment for us due to member mergers, we also delivered a strong surplus to replenish reserves.

As always, I must note with pride the outstanding work of the Consult Australia team in delivering these results. The high calibre, productivity and professionalism of our staff is often noted to me, and I thank them for their dedication and commitment to this wonderful organisation.

**Megan Motto**  
Chief Executive Officer

## New Members in FY2018

Accession Consulting

Anthony Mew Engineering & Associates (AMEA)

BM2

Cardno Pty Ltd

Cubic Consulting Pty Ltd

Design Safety Solutions as Trustee  
for Country Princess Family Trust

Diametric Engineering Services

EIC Activities

EPIC Projects & Consulting

Gamblen Consulting

Grasso

Indochine Engineering

Ingegnaria Consultants Pty Ltd

Integral Group

Leigh Appleyard Family Trust

Panel Consulting

Quatrefoil Consulting Pty Ltd

RGC Consulting Pty Ltd

Richard Green Consulting

SIP Advisory Pty Ltd

SY Structures

TK Business Group Pty Ltd

Umwelt Australia

University of Wollongong

## Financial Year Policy Wins FY2018

### Strength built environment policy and pipeline

**Strategic initiative:** Thought Leadership, IBodies, Infrastructure Governance in Australia

- Consult Australia called for greater separation between politics, planning and projects, presenting a model infrastructure body or “IBody” for adoption by all jurisdictions following a comprehensive review of their existing governance procedures. Our Report IBodies, Infrastructure Governance in Australia launched on 30<sup>th</sup> January 2018 with an exclusive write up in the Australian Financial Review.
- Further media followed with print media articles in the Canberra Times (picked up in the SMH, The Age, Brisbane Times and WA Today), the Adelaide Advertiser, and five trade media publications. The Report was also featured through broadcast outlets, ABC Canberra, ABC Radio Perth, 2CC CANBERRA, and WIN TV.
- The WA and SA Governments shortly after announced their intentions to establish ‘IBodies’.
- We received a commendation from the CEO of Infrastructure Australia, who said,
 

*“This work represents an important and timely thought leadership contribution to the sector, as well as, and most importantly to policy makers. I would like to commend and nominate Consult Australia for this work.”*
- Infrastructure Victoria’s Chief Executive also sent a note of commendation to Consult Australia saying that he has shared our paper with government officials from New Zealand, Argentina, and Columbia who are all considering ways of strengthening their infrastructure governance.

### Infrastructure & Urban Development:

- The Department of Prime Minister and Cabinet’s Assistant Secretary for Cities attended Consult Australia’s Infrastructure and Urban Design Roundtable to discuss the Government’s Cities Policies.
- The Australian Financial Review quoted from Consult Australia’s Pre-Federal Budget Submission. Consult Australia’s submission puts forward a number of infrastructure funding proposals, but the asset recycling aspect was picked up as a result of America’s interest in the approach taken in Australia.
- Infrastructure Australia hosted our newly established Business Case Working Group to explore how Consult Australia can add value to business case development in Australia through thought-leadership.

### Improve procurement for better project outcomes

**Strategic initiative:** Model Client Policy

- Consult Australia’s ‘Model Client Policy’ was launched on 13<sup>th</sup> June 2018 through a whole of Australia campaign receiving both radio and print media coverage. It has been circulated to key Government stakeholders across the country.
- The Western Australian Department of Finance has indicated that it is going to work towards becoming a ‘Model Client’, and the Queensland Department of Main Roads, and Housing and Public Works have also indicated interest in the Policy.
- The Office of the Small Business Ombudsman is also working with Consult Australia to promote the policy within the Commonwealth Government.

## Strategic initiative:

Centre for Procurement Excellence

- Consult Australia has developed a model for a Centre for Procurement Excellence. We have been invited to brief the office of the Commonwealth Minister for Finance on this initiative, with a view to seeking Government adoption of this proposal. The Centre's primary function would be to improve procurement skills and capacity across government entities.

**Strategic initiative:** Client engagement

- Defence Co-Lab - Cooperation between Consultants, Contractors & Defence

Two Defence | Industry 'Co-Lab' have been held so far this year bringing together senior Defence officials, consultants and contractors. Initiated by Consult Australia, the Co-Lab has agreed a Terms of Reference and jointly developed a Charter to aid engagement. Activities agreed through the Co-Lab to be delivered include a CEO breakfast; work to influence the agenda of the major national conference to make it more relevant to industry; and a nationwide consultation to help consultants and contractors better understand work that is coming up.

- Our State Committees continue to hold regular meetings with key government agencies to engage on industry issues.
- We have consulted with the leading Professional Indemnity (PI) Insurance brokers to produce a Practice Note for members on the extensions to standard PI insurance cover, which may be available to consultants, providing guidance on what to look out for.

## Strengthen the talent pipeline

**Strategic initiative:** Mental Health in the Workplace

- A Mental Health Working Group has been formed and is developing guidance and thought-leadership for Consult Australia members to support mental health in the workplace. With one in every five (20% or approximately 3.2 million) Australians projected to experience mental illness throughout their lives, promoting mentally healthy workplace environments is rapidly being recognised as a crucial factor for improving workforce retention, productivity and competitiveness.

Addressing skills gaps through temporary/permanent migration

- Consult Australia has held briefings with the Commonwealth Department of Home Affairs and the Department of Jobs and Small Business to share the results of our skills short survey results and to discuss the impact of the recent changes to the visa programmes on consulting businesses.

## Lead debate on the built environment

**Strategic initiative:** Thought Leadership, Innovation in the built environment

Consult Australia is partnering with Deloitte Access Economics to unlock innovation in project delivery. The initiative will see public and private sector client groups coming together with Consult Australia members to develop a clear understanding of the constraints and opportunities, with a view to increasing greater collaboration and innovation. The CRC for Low Carbon Living has provided funding to us for the project pilot event.

Smart Cities Guide

- Consult Australia and the Smart Cities Council ANZ launched a Smart Cities Guide for Consultants, a tool kit to assist consultants better understand the role of data, design and technology in Cities.

## Improve the regulatory and business environment for firms

Building Ministers' Industry Forum

- Consult Australia was a signatory on a joint industry letter to the Federal Building Minister calling for the Building Ministers Forum to reconvene the industry forum in light of the recent Shergold & Weir report into improving the effectiveness of compliance and enforcement systems for the building and construction industry. The Minister has agreed and Consult Australia has been invited to participate.

Budget 2018 response

- We attended the Federal Budget Lock-up providing a briefing paper for members, sent out the night of the Budget announcement. Our media statement was picked up in the Australian, The Fifth Estate, and Roads and Infrastructure OnLine.

## Financial Report

The financial results for Consult Australia in respect of the period 1 July 2017 – 30 June 2018 are summarised in the tables presented. The Full Annual Report 2018 is in accordance with mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and includes 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 surplus of \$209K for the year, a reduction from the prior year surplus of \$224K. Total revenue and other income decreased by 0.5% to \$3.648m, with a decrease in expenditure by 0.1% to \$3.438m. The 2017/2018 financial year was characterised by continued efficiencies in order to service members in shifting markets.

### Revenue and Expenditure

The decrease in total revenue of \$19K over FY2017 was due to a combination of a decrease in sponsorship and subscription income.

The decrease in expenditure of \$6K over the FY2017 result was due to increase in depreciation and rental expenditure offset by reduction in other expenses.

### Statement of Financial Position

The financial position of the organisation has strengthened with net assets of \$902K. The 2018 surplus has increased the organisations position by 30% over the FY2017 result. Significant steps have been taken to improve the rigour of monthly reporting the provision of relevant and timely information to both the Board and Management. This has assisted in the management of costs in the organisation and led to improved decision making.

### Assets

Cash and cash equivalents have decreased from \$622K to \$486K and investment in term deposit increased from \$576K to \$984K. The organisation remains in a position to fund investments and operations in the next financial year. Trade receivables have decreased \$20K from FY2017 as a result of ongoing focused collections efforts. Property, plant and equipment had a net decrease of \$33K due routine depreciation.

### Liabilities

Current Liabilities have increased by \$12K due to movement of GST payable.

### Cash Flow and Liquidity

Cash of \$486K 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	2018	2017
Commercial Activities	\$1,809,705	\$1,806,432
Interest on Investments	\$25,297	\$21,752
Subscriptions	\$1,813,779	\$1,839,529
<b>Total Income</b>	<b>\$3,648,781</b>	<b>\$3,667,713</b>
Expenses		
Personnel Costs inc Tax	\$2,083,337	\$2,020,172
Member Services	\$923,892	\$945,342
Overheads inc Operational expenses	\$431,654	\$477,867
<b>Total Expenses</b>	<b>\$3,438,883</b>	<b>\$3,443,381</b>
<b>Net Profit/ (Loss)</b>	<b>\$209,898</b>	<b>\$224,332</b>

### Balance Sheet

CURRENT ASSETS	2018	2017
Cash and cash equivalents	\$486,630	\$622,828
Trade and other receivables	\$63,138	\$83,987
Investments	\$984,667	\$576,267
Other	\$176,603	\$160,418
<b>Total Current Assets</b>	<b>\$1,711,038</b>	<b>\$1,443,500</b>
Non-Current Assets		
Property Plant and Equipment	\$234,138	\$267,778
<b>Total Non-Current Assets</b>	<b>\$234,138</b>	<b>\$267,778</b>
<b>Total Assets</b>	<b>\$1,945,176</b>	<b>\$1,711,278</b>
Current Liabilities		
Accounts Payable	\$234,755	\$222,509
Income in Advance	\$533,996	\$551,078
Provisions	\$232,199	\$211,224
<b>Total Current Liabilities</b>	<b>\$1,000,950</b>	<b>\$984,811</b>
Non-Current Liabilities		
Provisions	\$42,085	\$34,224
<b>Total Non-Current Liabilities</b>	<b>\$42,085</b>	<b>\$34,224</b>
<b>Total Liabilities</b>	<b>\$1,043,035</b>	<b>\$1,019,035</b>
<b>Net Assets</b>	<b>\$902,141</b>	<b>\$692,243</b>
Equity		
<b>Retained surplus</b>	<b>\$902,141</b>	<b>\$692,243</b>
<b>Total Equity</b>	<b>\$902,141</b>	<b>\$692,243</b>