



ANNUAL REPORT 2019-20

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From the President



There is no doubt that the last financial year will be remembered for the global pandemic that has impacted all corners of the globe. Australia has not been immune to what has occurred, but has managed to minimise the impact when compared with countries in Europe or America.

COVID 19 has forced Consult Australia to change many of the practices that we have had in place for a number of years. This change has been good for the organisation and ultimately good for our members. The accessibility to decision makers that has been caused by a need to keep whatever parts of the Australian economy working has meant that we have been able to champion our industry through the pandemic. We have also learnt that we can make our events and our team far more accessible using webinars, video conferencing and other tools that we have all become much more familiar with.

Unfortunately, Consult Australia did not start the pandemic in the position of strength that we would have liked. The last 2 financial years have seen deficits and whilst Consult Australia still has a strong balance sheet this strength has deteriorated. We have needed to reshape and refocus the organisation to be able to continue to represent our industry. We are not alone, this is the case for many associations across Australia as associations struggle for relevance and differentiation.

This year it was necessary to restructure the organisation to a position that we could manage the cost base into the future. This came after a push over the preceding 12 months to try and raise revenue. The decision to restructure came as the Board and Management both felt that given the environment the time was right to make the changes necessary to ensure that the association could continue to meet the needs of the industry into the future.

We have continued to focus on how we can provide value to your industry, your business and your people through the 4 strategic P's of People, Practice, Pipeline and Procurement. There have been many areas of good work done which you will read in this AGM pack with our State Divisions and Roundtables continuing to produce high quality work.

I have been told many times over the past few months that this global pandemic is a real chance to make strategic change in our industry to make it a better industry for the future. This is very true, we have a real chance to change what we do, to make our industry stronger and more sustainable. However, to achieve change we need to be clear on what it is that we want the new world to look like, that is what specifically do we want to change. The Policy team has taken this challenge on and is working with members to try and articulate the change that we want to make.

The 2019/20 Financial Year has seen a lot of change, both in the world and in Consult Australia. We are committed to making our industry, the businesses in our industry and the people in those businesses to be as strong as possible.

A handwritten signature in black ink, appearing to read 'Gerry Doyle'. The signature is stylized and fluid.

Gerry Doyle
President

From the CEO



Casting back to the first half of the 2019-20 financial year feels a significant stretch in a world where the calendar is now defined by 'pre-COVID' and 'post-COVID'. In our pre-COVID start to the financial year, Consult Australia was in full swing with our face to face events providing members with peer to peer networking opportunities across our client events, education, and professional development. We were lucky enough to hold our Leaders Conference as planned in February 2020, with the theme The Built Environment 2030, which we looked through the lenses of demand, technology, people, and structure. This included the launch of our Economic Forecast report for 2020, which at the time it was written did not and could not contemplate what the global pandemic would mean for the world economy and the market here in Australia, it tells a story of the year that should have been, but sadly is not.

Our International Women's Day breakfast in NSW on 6 March 2020, was the last face to face event held before heading into the lockdown. We owe a debt of gratitude to Romilly Madew, CEO of Infrastructure Australia, who was booked for a boardroom lunch event in Sydney on Monday 18 March 2020. It became clear over that weekend that it would not be prudent to hold the event face to face, however rather than cancel, Romilly agreed to do the event online. Thank you also to our members who embraced the online approach making it a successful first of many. We determined not to cancel any event and only postpone where absolutely necessary, thus ensuring that we continued to provide members with valuable and timely content.

Whilst we have all felt the loss of networking, online delivery has enabled us to reach a much broader audience. Our events are no longer capital city centric and no commute is required! I am pleased to say that some face to face events are tentatively returning, but we will continue to offer online event content into the future so that we can continue to provide this valuable content to all members wherever you are.

We have this year said goodbye to Kisanne Dulin (COO), Steve Coghlan (WA State Manager) and Jill Carney (QLD State Manager) through resignation/restructure and I thank them for their outstanding contribution to Consult Australia. We have also welcomed to the team our new Finance Manager, Penny Clark, Database Manager, Michelle O'Neill, and WA State Manager, Diane Dowdell.

Further, we delivered our IT transformation launching our new website on 1 July 2020. The site has been designed around the value of Consult Australia. Under 'your industry' you'll find our advocacy and thought leadership campaigns organised by our four key focus areas, people, practice, pipeline, and procurement. Under 'your business' you can find all our member services including our practice notes and business guides, and 'your career' is where you'll find our professional development and event listings. To find out what's going on in your local area, navigate to the state/territory pages to see upcoming events and local advocacy. You can keep up to date with our activities and publications by going to the latest news page. We have also moved our Customer Relationship Management system to Salesforce, a powerful tool that will enable us to provide members with engagement reports about the benefits they are getting (or missing out on). This together with our new website will provide a better customer service experience.



We have learnt much over the last 12 months, including how strong our team's commitment is to Consult Australia's members, partners, and stakeholders. We have worked together to set out our team values and I am extremely proud of how the team has embodied these during an incredibly uncertain time. We have supported each other and worked hard to support the membership. All these changes and challenges have set us up well for the future as we stand together in support of this essential and exceptional industry.

OUR VALUES

In 2019/20 our team worked together to determine our core values. These embody what we expect of each other and what our members can expect of us, which we will uphold and embed in our everyday interactions.

Adaptable

Able to adjust to differing conditions.

Accountable

Doing what is expected and agreed, be reliable and own the outcomes.

Community

Connecting people that share a passion for improving the built and natural environment.

Influential

Effecting important change through positive engagement.

Integrity

Doing the right thing even when others are not around.

Open Communication

Actively listening to, and freely share with others.

Professional

Being your best 'work' self.

Respectful

Treating others as they need to be treated.

Supportive

Having each other's back – your win is our win; your challenge is our challenge.



Nicola Grayson
Chief Executive Officer

New Members in FY2020

CMC Asia Pacific

Mark Kiryakos

Procivil Consulting

Site & Civil Consulting

Civil Geotechnical Consultants

Infracorr Consulting

Prime Engineering Consultants

RDW Advisory

Niche Environmental & Heritage

BVT Engineering

Solid Void

Brennan Consultants Australia

Kiri Parr

Evangelisti & Assoc

Red Fire Engineers

JHK & Assoc

Sensum Engineering

Edgeloe Engineering Pty Ltd

Johnston Project Management & Consulting Pty Ltd

Hydricity Systems

Shaw Civil Consulting

Engagement

Over the past 12 months Consult Australia Events and Education programmes have seen a great deal of change but also success – over 6000 people have participated in our events and education programmes across the country. In August 2019 the third annual Male Champions of Change Report Launch and Industry Lunch was held at Doltone House in Sydney, with keynote address provided by Kathryn Fagg, AO. Themed 'Balance for Better', over 200 people joined the members of the Consult Australia Champions of Change to recognise the progress being made within the industry and discussion about more work to be done.

The 2019 Awards for Excellence were celebrated at a dynamic "Under the Sea" themed dinner at the Shangri – La in Sydney in October as we recognised the outstanding projects and people in the industry over the past 12 months. We once again congratulate all the winners for the 2019 Awards. February 2020 saw the Annual Conference built around the theme 'Consulting in the Built Environment 2030'. Little were we to know how much some of the ideas discussed were to be embraced just a short 6 weeks later as all of our state and national events and education programmes were moved to online learning due to the outbreak of Covid-19.

Over the last quarter of the year all courses were transitioned online and we'd like to thank our facilitators and attendees for their continued support and commitment to provide our members the best possible courses in such a dynamically changing market. We look forward to providing a greater range of products and events over the next 12 months both online and as restrictions start to ease face to face.

Advocacy Highlights

Being a member of Consult Australia gives your industry a strong voice through our high-profile advocacy, thought leadership, engagement, and services. In the first six months of 2020 our focus has been dominated by COVID-19 related activities. Through this period, we have:

- Helped your business by providing up-to-date information and guidance on COVID-19 related issues.
- Highlighted the value and importance of our industry for COVID-19 economic response and recovery through government engagement.
- Continued to provide you with opportunities to individually connect with decision-makers via our online events, including our boardroom series.

We have increasingly showcased SME members, for example by including SME business logos on our submission to the Small Business Ombudsman on Supply Chain Financing. During discussions on COVID-19 we have encouraged government initiatives that will support the business continuity of our SME members.

Here is a snapshot of activities and achievements for the first half of 2020, across not only COVID-19 related issues but also our priority focus areas, People, Pipeline, Practice, and Procurement. We have:

- Written to over 90 government Ministers, CEOs and Agency Heads to share our briefing note on supply of work and supply of payments in the wake of the COVID-19 pandemic.
- Influenced COVID-19 recovery plans through meetings with:
 - o The Office of the Deputy Prime Minister – leading to our call on members for best procurement examples.
 - o Over 20 state/territory agency heads – leading to discussions on procurement and contracting reform.
 - o Infrastructure bodies around the country including, Infrastructure Australia, INSW, Infrastructure WA, Building Qld, Infrastructure SA and Infrastructure ACT.
 - o The Deputy Chair of the ACCC raising competition and market impacts.
- Participated in COVID-19 response working groups on invitation by government agencies around the country in recognition of our expertise.

- Released 14 Briefing Notes on COVID-19 related issues including, JobKeeper, restrictions of movement, commercial tenancies, WHS, and contractual risks.
- Made 11 submissions to government consultations on, skills, unfair contracts, building reforms, bushfire recovery, and mental health.
- Submitted recommendations for the Federal Budget and set out our policy platforms for federal, state and territory elections. In 2019/20 this included the 2020-21 Federal Pre-Budget Submission (November 2019).
- Achieved legislative change including a protection from undue influence in the Design & Building Practitioners Bill 2019 (NSW).
- Conducted an Industry Health Check Pulse Survey to measure the impact and anticipated impacts of the COVID-19 pandemic across our membership, which has been used to inform a number of ministerial briefings, both by us and government agencies/departments.
- Debated key issues securing quotes in major newspapers, The Australian, The Age, and the AFR. Topics covered included risk and insurance, consultants as essential during COVID-19 shutdown, and our concerns about the HomeBuilder scheme.

Pre COVID-19 in the latter part of 2019 we published two substantial Thought Leadership reports:

Business Case Development in Australia



Supporting our Pipeline work, this report promotes an integrated and collaborative approach to business case development. The business case process includes several phases:

- Strategic (case for change)
- Economic (value for money)
- Commercial (viable procurement model)
- Financial (affordable)
- Management (governance and delivery).

We give attention to the issue of scalability and the potential for key business cases roles to reflect the complexity and size of the relevant project. While there are differences in approach and terminology across jurisdictions, the underlining principles are the same.

A dedicated working group of Consult Australia members consulted with Infrastructure Australia to deliver this project.

Australia's STEM Education Challenges



In this discussion paper we explore Australia's current STEM education challenges (supporting our focus on People). We analyse Australia's STEM education performance relating to quality, uptake, and the diversity of its cohort. We review the current approach of Australian governments to improve STEM education outcomes, and the range of related industry and education sector initiatives in place.

Using this paper, we have started a conversation on how governments, industry and the education sector can work together to build a robust STEM talent pipeline. Consult Australia has been discussing the findings with relevant stakeholders to develop practical recommendations on improving STEM education outcomes, and to better understand how STEM education can align to skills demands of the future workforce.

We plan to develop further thought leadership on the importance of STEM education and the STEM talent pipeline for Australia's future.

In addition to this thought-leadership we have achieved the following in each of our priority areas.

People

- We successfully challenged onerous Christmas tender periods of key government clients, prioritising the mental health of our industry. In response, various agencies including Brisbane City Council and Transport for NSW extended their tender deadlines. QLD's Department of Transport and Main Roads also produced new guidelines to ensure tender periods do not close during holiday periods.
- We launched a new online work experience gateway pilot in Queensland, allowing member firms to tap into the existing network of secondary school students looking for work experience and work shadowing opportunities.
- We launched our Mental Health Ambassador Network, established to help drive a cultural change and improve practices in the broader industry and across our membership.
- We made the following submissions to government consultations:
 - 2020-21 Migration Program, Commonwealth Department of Home Affairs
 - Mental Health Inquiry, Productivity Commission
 - Skilled Migration Occupation List Review, Commonwealth Department of Employment
 - WHS Model Law – Mental Health, Commonwealth Department of Health
 - Potential Skilled Migration Reform, Commonwealth Minister for Immigration
 - Education Pathways Review, COAG Education Council
 - National Bushfires Royal Commission
 - Alternate JobKeeper Employer Eligibility Test, Commonwealth Treasury
 - ACT Engineering Workforce Plan, ACT Chief Engineer
 - SA Designated Area Migration Agreements, SA Department of Innovation and Skills
 - NSW Curriculum Review, NSW Department of Education.

Pipeline

- We provided members with the opportunity to meet infrastructure leaders across the country – including meetings with water, road, transport, health and education CEOs and Directors-General – to gain insight into the forward pipeline and influence the way state and federal leaders consider the pipeline of projects.
- We made submissions to government consultations relevant to pipeline:
 - Infrastructure Australia's Five-Yearly Audit
 - Asset Recycling Sector-Type Opportunities, Department of Infrastructure
 - Northern Australia Infrastructure Facility Review, Commonwealth Department of Industry, Science, Energy and Resources
 - National Bushfires Royal Commission
 - 20 Year Strategy Plan Discussion Paper, Infrastructure SA.

Practice

- Represented the voice of the consultants in the Building Ministers Forum, raising members concerns about the availability and affordability of Professional Indemnity Insurance.
- Participated in extensive industry consultation with government, parliamentarians, and bureaucrats, in the lead up to the passing of the Design and Building Practitioners Act 2020 (NSW).
- We made submissions to government consultations including:
 - Consultation Regulatory Impact Assessment for Reforms to the Approval Process for Commercial Buildings in WA, WA Department of Mines, Industry Regulation and Safety
 - National Bushfires Royal Commission
 - Review of Licensing, Standards Australia
 - Ethical Supplier Mandate and Demerits, QLD Department of Housing and Public Works
 - Proposed Building Reforms Discussion Paper, NSW Department of Better Regulation
 - Public Accountability Committee Inquiry into the Regulation of Building Standards, Building Quality and Building Disputes, NSW Legislative Council
 - Draft Design and Building Practitioners Bill 2019 (NSW), Department of Better Regulation
 - Concept Papers for Regulations supporting the Design and Building Practitioners Act 2020 (NSW), Department of Better Regulation.

Procurement

- We developed the new concise Consult Australia Contract. This allows members to spend less time developing bespoke contracts and more time engaging with clients. This is a core value add service, available free and digitally for members. For the first time we also produced an Advisory Note to assist understand key issues and clauses.
- Held meetings across the county with major client groups to inform better procurement and contracting including the Department of Defence.
- We made submissions to government consultations including:
 - Consultation Regulatory Impact Statement on Unfair Contract Term Protections, Commonwealth Treasury
 - Supply Chain Financing Review, Australian Small Business and Family Enterprise Ombudsman
 - Payment Times Reporting Framework, Commonwealth Department of Industry, Science, Energy and Resources
 - SA Productivity Commission Review of Government Procurement – Stage 2 Draft Report
 - Local Government Contracting, WA Small Business Development Commissioner.

Financial Report

Financial Overview

The financial results for Consult Australia in respect of the period 1 July 2019 – 30 June 2020 (FY2019/2020) are summarised in the tables presented as part of this report. The Full Annual Report 2019 has been prepared 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 is available on request.

Statement of Comprehensive Income

The organisation produced a net operating deficit of \$107,603, a slight improvement on last year's deficit of \$163,425. Total revenue and other income decreased by 9 per cent to \$3,071,926, with a decrease in expenditure by 10 per cent to \$3,179,529. FY2019/2020 saw a decrease in expenditure in the second half of the year due to COVID-19 resulting in less travel and event related expenses.

Revenue and Expenditure

The decrease in total revenue of \$314,184 over FY2019/2020 was due to a combination of a decrease in membership and sponsorship. The decrease in expenditure of \$370,006 over the FY2019/2020 result was due to an organisational restructure and in the latter half of the financial year a reduction in expenditure associated with travel and expenditure on events.

Statement of Financial Position

Work during the 2020 financial year concentrated on implementing further controls and reporting oversight in key asset and liability areas of the organisation. In addition, FY20 brought to account the implementation of AASB16 Leases and the impacts on the Statement of Financial Position and Financial Performance as required. Overall the impact of these actions has been to ensure a high degree of accuracy and accountability across the financial operations and confidence from the board that all relevant information is available for decision making purposes.

Assets

Cash and cash equivalents have increased from \$593,491 to \$713,183 and investment in term deposits has decreased from \$470,110 to \$170,110. The organisation remains in a position to fund investments and operations in the next financial year. Trade receivables have decreased \$89,031 from FY2018/2019. Property, plant and equipment had a net increase of \$33,769 due to IT expenditure and the right of use asset is now reported accordingly seeing an increase of \$130,080 in non-current assets.

Liabilities

Changes in Current Liabilities and Non-Current Liabilities include the significant reduction in trade and other payables and provisions, offset by the increase in Income in Advance and the recognition of the lease liability as per AASB16. The net impact over all liabilities is an increase of \$16,609.

Cash Flow and Liquidity

Cash of \$713,183 was held at balance date, an increase of \$119,692 from FY2018/19. 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.

Statement of Profit and Loss

	2020	2019
	\$	\$
Revenue	3,071,927	3,386,110
Personnel expenses excl. consultants	(1,746,414)	(1,917,991)
Finance costs	(10,208)	-
Depreciation	(168,800)	(94,356)
Occupancy expenses	(14,862)	(138,341)
Other expenses	(1,239,246)	(1,398,847)
Loss before income tax	(107,603)	(163,425)
Income tax expense		
Loss after income tax	(107,603)	(163,425)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(107,603)	(163,425)

Statement of Financial Position

	2020	2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	883,293	1,063,601
Trade and other receivables	37,491	126,522
GST receivable	20,201	28,240
Prepayments	131,599	109,064
TOTAL CURRENT ASSETS	1,072,584	1,327,427
NON-CURRENT ASSETS		
Plant and equipment	312,972	279,203
Right-of-use assets	130,080	-
TOTAL NON-CURRENT ASSETS	443,052	279,203
TOTAL ASSETS	1,515,636	1,606,630
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	137,585	245,165
Income in advance	480,427	415,592
Provisions	79,212	125,963
Lease liability	136,871	-
TOTAL CURRENT LIABILITIES	834,095	786,720
NON-CURRENT LIABILITIES		
Provisions	50,428	81,194
TOTAL NON-CURRENT LIABILITIES	50,428	81,194
TOTAL LIABILITIES	884,523	867,914
NET ASSETS	631,113	738,716
EQUITY		
Retained earnings	631,113	738,716
TOTAL EQUITY	631,113	738,716

Statement of Changes in Equity

	Retained Earnings	Total
2020	\$	\$
Balance at 1 July 2019	738,716	738,716
Surplus attributable to members of the parent entity	(107,603)	(107,603)
Balance at 30 June 2020	631,113	631,113
2019		
Balance at 1 July 2018	902,141	902,141
Surplus attributable to members of the parent entity	(163,425)	(163,425)
Balance at 30 June 2019	738,716	738,716

Statement of Cash Flows

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Subscriptions	1,849,117	1,998,801
Other receipts	1,585,451	1,616,459
Payments to suppliers and employees	(3,422,015)	(3,912,517)
Interest received	13,125	28,982
Net cash provided by/(used in) operating activities	25,678	(268,275)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of plant and equipment	(72,490)	(139,421)
Net cash used by investing activities	(72,490)	(139,421)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Acquisition of plant and equipment	(133,496)	-
Net cash used by investing activities	(133,496)	-
Net increase/(decrease) in cash and cash equivalents held	(180,308)	(407,696)
Cash and cash equivalents at beginning of year	1,063,601	1,471,297
Cash and cash equivalents at end of financial year	883,293	1,063,601