



31 October 2023

Tony Streefland
President
Master Builders' Association of Tasmania Inc.
Sent via email: headoffice@mbatas.org.au
CC: Rebecca.meredith@wlf.com.au

Dear Tony Streefland

**Master Builders' Association of Tasmania Inc.
Financial Report for the year ended 30 June 2023 –
(FR2023/79)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Master Builders' Association of Tasmania Inc. The documents were lodged with the Fair Work Commission (the Commission) on 30 October 2023.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the Fair Work (Registered Organisations) Act 2009 (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

Registered auditor's details

Item 29(b) of the reporting guidelines (RG) state that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

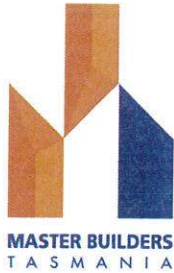
The Commission recommends that reporting units use these model financial statements to assist in complying with the Fair Work (Registered Organisations) Act 2009 (RO Act), the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries, please contact me on (03) 8650 0182 or by email at mihiri.jayawardane@fwc.gov.au.

Yours sincerely



Mihiri Jayawardane
Fair Work Commission



Master Builders Association of Tasmania Inc

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer¹

Certificate for the year ended June 2023.

I, Tony Streefland being the President of the Master Builders Association of Tasmania Inc certify:

- that the documents lodged herewith are copies of the full report the Master Builders Association of Tasmania Inc. for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on the 4th of October 2023; and
- that the full report was presented to a general meeting of members of the reporting unit on the 27th of October 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.


Signature of prescribed designated officer: 

Name of prescribed designated officer: Tony Streefland

Title of prescribed designated officer: President

Dated: 27th October 2023

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.



The Master Builders'
Association of Tasmania
Inc.
Financial Statements
30 June 2023

The Master Builders' Association of Tasmania Inc.
REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 30 June 2023

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2023

	2023	2022
	\$	\$
Categories of expenditures		
Remuneration and other employment-related costs and expenses - employees	1,439,309	1,180,618
Advertising	2,696	3,716
Operating costs	6,693,351	4,299,850
Donations to political parties	-	-
Legal costs	25,325	9,086



Signature of Designated Officer:

Name and Title of Designated Officer:

Mr Tony Streefland - President

Dated:

29/09/2023

The Master Builders' Association of Tasmania Inc.

OPERATING REPORT

for the period ended 30 June 2023

The officers of management presents its operating report on the reporting unit for the year ended 30 June 2023.

Principal activities

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

- Providing members services such as, contractual and commercial services, wide range of individual services including advice on industrial disputes, and negotiating with unions at both state and federal levels;
- Keeping members informed on matter relevant and relating to the building industry; and
- The Association promotes all forms of education and training within the building industry to encourage and preserve skills.

It is noted that during the financial year the activities of the Association were suitably carried out. No significant change in the nature of these activities occurred during the year.

The surplus/(deficit) from ordinary activities amounted to \$2,735,998 for the period ending 30 June 2023 (2022: \$264,472). The total comprehensive income of the Association amounted to \$2,850,277 (2022:\$ 389,047) for the period before mentioned.

Financial Affairs

No significant changes were noted to the financial affairs of the Association during the year.

Right to Resign

Rule 9 of the Association's Constitution deals with right of members to resign - any Member may resign from membership by written notice via letter, email or facsimile addressed to the Executive Director.

Superannuation Trustees/Directors

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

Number of members

The Association had 627 members at the end of the reporting period (2022: 605).

The Master Builders' Association of Tasmania Inc.

OPERATING REPORT

for the period ended 30 June 2023

Number of employees

The Association employed 109 (17 office based staff & 92 apprentices) as at 30 June 2023 (2022: 69 employees).

Payments to employers

The Association did not make any payments during the financial year to employers as consideration for the employers making payroll deductions of membership subscriptions.

Names of committee of management members and period positions held during the financial year

Names and positions of the Committee of Management for the financial year 1 July 2022 to 30 June 2023 were:

President & Residential Builder Director	Mr T Streefland	Re-appointed 9 November 2022
North West Region Director	Mr D Gates	
Northern Region Director	Mr J Faulkner	
Residential Builder Sector Director	Mr L Fenton	
Southern Region Director	Mr D Reid	
Northern Region Director	Mr A Kilpatrick	
General Contractor Sector Director	Mr C Edmunds	Resigned 17 November 2022
General Contractor Sector Director	Mr J De Jong	Appointed 24 May 2023
North West Region Director	Mrs V Mead	
Southern Region Director	Mrs L Perry	
General Contractor Sector Director	Mr N Silcox	

Signature of Designated Officer:



Name and Title of Designated Officer:

Mr Tony Streefland - President

Dated:

29/09/2023

The Master Builders' Association of Tasmania Inc.

COMMITTEE OF MANAGEMENT DECLARATION

for the period ended 30 June 2023

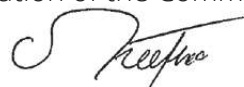
On the 29 / 09 / 2023 the Committee of Management of Master Builders' Association of Tasmania Inc. passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2023:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management:

Signature of Designated Officer:



Name and Title of Designated Officer:

Mr Tony Streefland - President

Dated:

29/09/2023

The Master Builders' Association of Tasmania Inc.

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2023

	Note	2023 \$	2022 \$
REVENUE	3	<u>11,017,464</u>	<u>5,854,065</u>
TOTAL INCOME		11,017,464	5,854,065
EXPENSES			
Employee Expenses	4	1,439,309	1,180,618
Administration Expenses	4	6,696,047	4,303,566
Grants or Donations	4	4,057	-
Legal Costs	4	25,325	9,086
Depreciation and Amortisation Expense	4	<u>116,728</u>	<u>96,323</u>
TOTAL EXPENSES		8,281,466	5,589,593
SURPLUS FOR THE YEAR		<u>2,735,998</u>	<u>264,472</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income:			
Fair value of MBA Insurance Services	10	<u>114,279</u>	<u>124,575</u>
Total other comprehensive income		<u>114,279</u>	<u>124,575</u>
TOTAL COMPREHENSIVE INCOME		<u>2,850,277</u>	<u>389,047</u>

The accompanying notes form part of the financial statements

The Master Builders' Association of Tasmania Inc.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5	8,942,634	2,036,608
Prepayments		79,349	34,354
Inventories		15,409	16,743
Trade and Other Receivables	6	538,259	641,229
TOTAL CURRENT ASSETS		9,575,651	2,728,934
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	3,986,742	3,029,763
Investment Property	9	-	3,237,000
Other Financial Assets	10	1,161,369	1,047,090
Right of Use Asset	8	248,573	120,183
TOTAL NON-CURRENT ASSETS		5,396,684	7,434,036
TOTAL ASSETS		14,972,335	10,162,970
CURRENT LIABILITIES			
Trade Payables	11(a)	1,276,535	231,248
Income Received in Advance		180,281	119,003
Unexpended Grants		982,985	527,013
Employee Entitlements	12	273,393	211,181
Lease Liability	13(a)	195,299	20,478
Other Payables	11(b)	175,814	56,120
TOTAL CURRENT LIABILITIES		3,084,307	1,165,043
NON-CURRENT LIABILITIES			
Employee Entitlements	12	56,918	39,068
Lease Liability	13(a)	143,796	121,822
TOTAL NON-CURRENT LIABILITIES		200,714	160,890
TOTAL LIABILITIES		3,285,021	1,325,933
NET ASSETS		11,687,314	8,837,037
EQUITY			
Accumulated Funds & Reserves	14	11,687,314	8,837,037

The accompanying notes form part of the financial statements

The Master Builders' Association of Tasmania Inc.

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2023

	RESERVES	ACCUMULATED FUNDS	TOTAL EQUITY
	\$	\$	\$
Balance as at 1 July 2021	1,953,373	6,494,617	8,447,990
Surplus for the year	-	264,472	264,472
Other Comprehensive Income	-	124,575	124,575
Balance as at 30 June 2022	1,953,373	6,883,664	8,837,037
Balance as at 1 July 2022	1,953,373	6,883,664	8,837,037
Surplus for the year	-	2,735,998	2,735,998
Other Comprehensive Income	-	114,279	114,279
Transfer from Reserves	(1,646,994)	1,646,994	-
Balance as at 30 June 2023	306,379	11,380,935	11,687,314

The accompanying notes form part of the financial statements

The Master Builders' Association of Tasmania Inc.

CASH FLOW STATEMENT

for the period ended 30 June 2023

	Note	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from trading		6,964,846	4,750,096
Grant funding		1,977,853	1,312,525
Interest received		65,092	24,829
		<u>9,007,791</u>	<u>6,087,450</u>
Cash used			
Payments to suppliers & employees		(6,793,704)	(5,416,328)
Interest expense		(7,270)	(4,341)
Net cash from (used by) operating activities	14(b)	<u>2,206,817</u>	<u>666,781</u>
INVESTING ACTIVITIES			
Cash received			
Dividend received		72,645	-
Proceeds from disposal of property		6,634,552	5,455
		<u>6,707,197</u>	<u>5,455</u>
Cash used			
Purchase of equipment and capital upgrades		(1,964,102)	(359,398)
Purchase of property		-	(607,651)
Net cash from (used by) investing activities		<u>4,700,948</u>	<u>(961,594)</u>
FINANCING ACTIVITIES			
Cash used			
Repayment of borrowings		(43,886)	(18,174)
Net cash from (used by) financing activities		<u>43,886</u>	<u>18,174</u>
Net increase (decrease) in cash held		<u>6,906,026</u>	<u>(312,987)</u>
Cash & cash equivalents at the beginning of the reporting period		<u>2,036,608</u>	<u>2,349,595</u>
Cash & cash equivalents at the end of the reporting period	14(a)	<u>8,942,634</u>	<u>2,036,608</u>

The accompanying notes form part of the financial statements

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009* (the RO Act). For the purpose of preparing the general purpose financial statements, the Master Builders' Association of Tasmania Inc. is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

1.2 Comparative Amounts

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

1.3 Significant accounting judgements and estimates

The Association has made the following significant accounting judgements in the process of applying its accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- Future increases in wages and salaries;
- Future interest rates;
- Future on-cost rates; and
- Experience of employee departures and period of service.

The following estimates have been made in the process of applying Master Builder's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

Useful lives of property, plant and equipment assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the depreciation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Association include:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* This Standard amends *AASB 101 Presentation of Financial Statements* (AASB 101) to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The reporting unit does not expect the adoption of this amendment to have a material impact on its financial statements.

1.5 Acquisition of assets and or liabilities that do not constitute a business combination

The Association did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act .

1.6 Current versus non-current classification

The Association presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Association classifies all other liabilities as non-current.

1.7 Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits in the circumstances set up below.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

1.8 Leases

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

fixed lease payments less any lease incentives;

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.8 Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Association to further its objectives (commonly known as peppercorn/concessionary leases), the Association has adopted the temporary relief under AASB 2018-814 and measures the right of use assets at cost on initial recognition.

The Association as lessor

The Association leases some rooms in their building to external parties.

Upon entering into each contract as a lessor, the Association assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Association's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Association applies AASB 15 to allocate the consideration under the contract to each component.

The Association currently has no operating leases.

1.9 Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial Assets

i) **Contract assets and receivables**

A contract asset is recognised when the Association's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

ii) **Initial recognition and measurement**

The Association's financial assets include trade receivables and loans to related parties.

The Association's financial assets are classified as financial assets subsequently measured at amortised cost because both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding.

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

The Association initially measures a financial asset at its fair value plus transaction costs. However contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note 1.18.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.11 Financial Instruments(continued)

iii) Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

iv) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, the Association directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Association currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

vi) Impairment

Debt instruments other than trade receivables

The Association recognises an allowance for ECLs for all contract assets, receivables and any other financial assets measured at amortisation cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Trade receivables and contract assets

For trade receivables that do not have a significant financing component, the Association applies a simplified approach in calculating ECLs. Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.11 Financial Instruments(continued)

Financial Liabilities

i) Initial recognition and measurement

The Association's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

The Association's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

ii) Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.12 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.12 Land, Buildings, Plant and Equipment (continued)

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Motor vehicles	4 – 5 years	4 – 5 years
Plant and Equipment	2.5 – 11 years	2.5 – 11 years
Buildings	50 years	50 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.14 Impairment of Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Master Builders were deprived of the asset, its recoverable amount is its fair value.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1.15 Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.16 Taxation (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair Value Measurement

The Association measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties.

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NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.17 Inventories

Inventories are valued at the lower of cost or net realisable value.

1.18 Revenue

Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, insurance sales and commission, apprentice hire and rental income.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Association has a contract with a customer, the Association recognises revenue when or as it transfers control of goods or services to the customer. The Association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Association.

If there is only one distinct membership service promised in the arrangement, the Association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Association's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Association allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Association charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.18 Revenue (continued)

course), the Association recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Association at their standalone selling price, the Association accounts for those sales as a separate contract with a customer.

Capitation fees

Where the Association's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Association recognises the capitation fees promised under that arrangement when or as it transfers the goods or services.

In circumstances where the criteria for a contract with a customer are not met, the Association will recognise capitation fees as income upon receipt.

Income recognised from transfers to acquire or construct a non-financial asset

Where, as part of an enforceable agreement, the Association receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Association's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically at a point in time for acquired assets and over time for constructed assets. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.18 Revenue (continued)

Rental income

Leases in which the Association, as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

Apprentice hire

Apprentice hire income is recognised when the services have been performed.

Insurance sales and commission

Insurance sales and commission income are recognised when the right to receive payment is established.

Revenue received from recovery of wages

The association does not receive any revenue in regard to the recovery of wages on behalf of its members.

Training

Training income is recognised when the member invoice is generated.

Income of the Association as a Not-for-Profit Entity

Consideration is received by the Association to enable the entity to further its objectives. The Association recognises each of these amounts of consideration as income when the consideration is received (which is when the Association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Association's recognition of the cash contribution does not give to any related liabilities.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

2. EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2023, or to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Master Builders' Association of Tasmania Inc.

	2023	2022
	\$	\$
3. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Apprentice Hire	4,081,933	2,274,370
Associate Specialist Contractor	90,378	77,405
Associate Supplier Exchange	17,327	18,671
Commissions	2,279	2,521
Documents	16,027	17,801
Fee for Service	11,869	7,469
Housing Awards/Annual Dinner Income	249,656	254,949
Insurance Sales & Commission	175,604	155,994
Other Functions	21,446	29,279
Pathways Program Income	71,750	47,950
Subscriptions	571,764	533,809
Subsidies	977,853	557,960
Training	1,028,933	843,479
	<u>7,316,819</u>	<u>4,821,657</u>
INCOME FOR FURTHERING OBJECTIVES		
Grants	<u>544,028</u>	<u>477,552</u>
OTHER INCOME		
Dividends Received	72,645	-
Interest Income	65,092	24,829
Profit/(Loss) on Sale of Fixed Assets	2,557,055	2,905
Property Income	437,086	475,668
Sundry Revenue	24,739	51,454
	<u>3,156,617</u>	<u>554,856</u>
Total revenue	<u>11,017,464</u>	<u>5,854,065</u>
Disaggregation of revenue from contracts with customers		
The table below sets out a disaggregation of revenue by type of customer.		
Type of customer		
Members	5,993,835	3,928,998
Government	977,853	577,960
Other	345,131	334,699
Total revenue from contracts with customers by type of customer	<u>7,316,819</u>	<u>4,821,657</u>

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
4. EXPENSES		
Employee Expenses		
 Holders of office		
Wages and Salaries	-	-
Superannuation	-	-
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
Subtotal employee expenses holders of office	-	-
 Employees other than office holders		
Wages and Salaries	1,181,343	977,541
Superannuation	128,337	88,009
Leave and Other Entitlements	129,629	115,068
Separation and Redundancies	-	-
Other Employee Expenses	-	-
Subtotal employee expenses other than office holders	1,439,309	1,180,618
Total Employee Expenses	1,439,309	1,180,618
Administration Expenses		
Accounting & Audit	27,256	13,466
Advertising	2,696	3,716
Apprentice Expenses	4,753,250	2,640,224
Bad Debts	193	2,785
Bank Charges	3,429	8,910
Catering & Meeting Costs	83,261	78,510
Consultancies	146,735	40,977
Cost of Goods Sold	1,333	9,036
Documents	16,334	20,714
Entertainment	9,746	3,415
Federal Subscriptions	106,927	93,839
Fees/Allowances -Meeting and Conferences	62,360	69,674
Gift Card	5,161	24,231
Hi-Vis Army Program Overheads	3,054	44,332
Housing Awards/Annual Dinner Expense	253,000	244,238
Insurances	46,875	49,077
Interest Paid	7,270	4,341
Light & Power	35,602	26,921

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
4. EXPENSES - CONTINUED		
Marketing Expenses	58,399	29,250
Pathways Program Expenditure	56,710	55,710
Postage and Stamps	1,405	1,163
Printing and Photocopying	11,738	12,222
Property Expenses - Rates	99,530	87,274
Property/Office Equipment Maintenance	77,131	91,744
Rent	40,480	-
Sundry Expenses	205,545	138,524
Telephone	30,344	41,994
Training	506,474	445,953
Vehicle Running	43,809	21,326
Total Administration Expenses	6,696,047	4,303,566
Grants or Donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	1,507	-
Total expensed that exceeded \$1,000	2,550	-
Total Grants or Donations	4,057	-
Legal Costs		
Legal Expenses	25,325	9,086
Total Legal Costs	25,325	9,086
Depreciation and Amortisation		
Depreciation:		
Plant and Equipment	36,002	35,106
Buildings	23,725	25,340
Capital Upgrade	8,124	4,766
Amortisation:		
Bathurst St Right of Use	13,346	-
Motor Vehicles	35,531	31,111
Total Depreciation and Amortisation	116,728	96,323

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

		2023	2022
		\$	\$
5.	CASH & CASH EQUIVALENTS		
	Cash on Hand	1,500	1,500
	Commonwealth Trading Bank	357,603	320,961
	Cash Investment	1,076,804	1,031,873
	Commonwealth at Call	6,432,144	63,727
	Group Training Account	1,074,583	618,547
	Total Cash & Cash Equivalents	<u><u>8,942,634</u></u>	<u><u>2,036,608</u></u>
6.	TRADE & OTHER RECEIVABLES		
	Trade Receivables	(a) 543,101	644,227
	Other Receivables	-	1,844
	Provision for Impairment	(4,842)	(4,842)
	Total Trade Receivables	<u><u>538,259</u></u>	<u><u>641,229</u></u>

(a) Terms and Conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade debtors are non-interest bearing and generally on 30 day terms.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
7. PROPERTY, PLANT & EQUIPMENT		
Land & Buildings	1,747,151	2,595,651
Less: Accumulated Depreciation	(75,000)	(101,360)
	<u>1,672,151</u>	<u>2,494,291</u>
Plant & Equipment	259,003	732,327
Less: Accumulated Depreciation	(157,558)	(608,060)
	<u>101,445</u>	<u>124,267</u>
Furniture & Fittings	-	81,579
Accumulated depreciation	-	(12,098)
	<u>-</u>	<u>69,481</u>
Capital Work in Progress	2,213,146	341,724
Total Property, Plant & Equipment	3,986,742	3,029,763
(a) Reconciliations		
<i>Land & Buildings</i>		
Opening Written Down Value	2,494,291	1,911,980
Add Purchases	-	607,651
Less Disposals	(798,415)	-
Less Depreciation	(23,725)	(25,340)
Closing Written Down Value	1,672,151	2,494,291
<i>Plant & Equipment</i>		
Opening Written Down Value	124,267	91,416
Add Purchases	13,180	67,957
Less Depreciation	(36,002)	(35,106)
Closing Written Down Value	101,445	124,267
<i>Furniture & fittings</i>		
Opening Written Down Value	69,481	58,212
Add Purchases	-	16,035
Less Disposals	(69,481)	-
Less Depreciation	-	(4,766)
Closing Written Down Value	-	69,481
Capital Work in Progress	2,213,146	341,724
Total Property, Plant & Equipment	3,986,742	3,029,763

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
8 RIGHT OF USE ASSETS		
Bathurst St	120,120	-
Accumulated Amortisation	(13,346)	-
	106,774	-
Motor Vehicles	238,494	181,347
Less: Accumulated Depreciation	(96,695)	(61,164)
	141,799	120,183
Total Right of Use Assets	248,573	120,183
(a) Reconciliations		
<i>Motor Vehicles</i>		
Opening Written Down Value	120,183	9,930
Add Purchases	57,147	143,913
Less Disposals	-	(2,549)
Less Depreciation	(35,531)	(31,111)
Closing Written Down Value	141,799	120,183
<i>Bathurst St</i>		
Opening Written Down Value	-	-
Add Purchases	120,120	-
Less Disposals	-	-
Less Depreciation	(13,346)	-
Closing Written Down Value	106,774	-

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
9. INVESTMENT PROPERTY		
Opening balance as at 1 July	3,237,000	3,237,000
Less disposal	(3,237,000)	-
Other	-	-
Closing balance as at 30 June	-	3,237,000

(a) *116 Bathurst Street Hobart*

The property was disposed of during the year with the gain on sale recorded in profit and loss.

Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2023

	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets measured at fair value					
Nil	Nil	-	-	-	-
Total		-	-	-	-

Fair value hierarchy – 30 June 2022

	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets measured at fair value					
116 Bathurst Street, Hobart	30/06/2018	-	3,237,000	-	3,237,000
Total		-	3,237,000	-	3,237,000

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
10. OTHER FINANCIAL ASSETS		
<i>Unlisted Investment at fair value</i>		
MBA Insurance Services Pty Ltd	(a)	
Opening Balance	1,047,090	922,515
Other Comprehensive Income	114,279	124,575
Closing Value	<u>1,161,369</u>	<u>1,047,090</u>

(a) Fair Value

The association carries other financial assets at fair value. Movements in fair value are through other comprehensive income. As at 30 June 2023 there are no indicators of impairment.

	2023	2022
	\$	\$
11. TRADE PAYABLES & OTHER LIABILITIES		
(a) Trade Payables		
Trade Payables	1,249,104	230,803
Electronic Clearing Account	27,500	-
GST Liability/(Receivable)	(69)	445
Legal Costs		
Litigation	-	-
Other legal costs	-	-
Total Trade Payables	<u>1,276,535</u>	<u>231,248</u>
(b) Other Payables		
Sundries	158,709	40,343
Gift Card Liability	17,105	15,777
Total Other Payables	<u>175,814</u>	<u>56,120</u>

(c) Terms and Conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and normally settled on 30 day terms.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
12. EMPLOYEE ENTITLEMENTS		
Office holders:		
Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
Subtotal employee entitlements—office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual Leave	236,039	168,395
Long Service Leave	94,272	81,854
Separations and Redundancies	-	-
Other	-	-
Subtotal employee entitlements—employees other than office holders	<u>330,311</u>	<u>250,249</u>
Total Employee Entitlements	<u>330,311</u>	<u>250,249</u>
Current	273,393	211,181
Non-current	56,918	39,068
Total Employee Entitlements	<u>330,311</u>	<u>250,249</u>
13 LEASE LIABILITY		
Bathurst Street		
As at 1 July	-	-
Additions	189,881	-
Accretion of interest	1,571	-
Payments	(21,960)	-
As at 30 June	<u>169,492</u>	<u>-</u>
Current	104,076	-
Non-current	65,416	-
Motor Vehicles		
As at 1 July	142,300	-
Additions	50,800	160,473
Accretion of interest	5,699	4,341
Payments	(29,196)	(22,514)
As at 30 June	<u>169,603</u>	<u>142,300</u>

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
13 LEASE LIABILITY (continued)		
Current	25,807	20,748
Non-current	143,796	121,822
a) Total Lease Liability		
Current	195,299	20,478
Non-current	143,796	121,822
Total	<u>339,095</u>	<u>142,300</u>
b) The following are the amounts recognised in profit or loss		
Depreciation expense of right-of-use assets	48,877	31,111
Interest expense on lease liabilities	7,270	4,341
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	11,738	12,222
Variable lease payments	-	-
Total amount recognised in profit or loss	<u>67,885</u>	<u>47,674</u>
14. ACCUMULATED FUNDS & RESERVES		
(a) Accumulated Funds		
Balance at Beginning of Year	6,883,664	6,494,617
Add Surplus for the Year	2,735,998	264,472
Transfer from reserves	1,646,994	-
Add Other Comprehensive Income for the Year	114,279	124,575
Balance at End of Year	<u>11,380,935</u>	<u>6,883,664</u>
(b) Reserves		
Balance at Beginning of Year	1,953,373	1,953,373
Transfer to accumulated funds	(1,646,994)	-
Balance at End of Year	<u>306,379</u>	<u>1,953,373</u>
Total Accumulated Funds & Reserves	<u>11,687,314</u>	<u>8,837,037</u>

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
	\$	\$
15. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash on Hand	1,500	1,500
Cash at Bank	357,603	320,961
Cash Investment Account	1,076,804	1,031,873
Commonwealth at Call	6,432,144	63,727
Group Trading Account	1,074,583	618,547
	8,942,634	2,036,608
(b) Reconciliation of surplus/(deficit) to net cash from operating activities:		
Net Surplus/(Deficit)	2,735,998	264,472
Adjustments for non-cash items		
Depreciation and Amortisation	116,728	96,323
(Profit)/Loss on Disposal of Assets	(2,557,055)	(2,905)
ROU value retained on sale and leaseback	89,351	-
Bad debts expense	193	2,785
Changes in assets/liabilities		
(Increase)/Decrease in Trade & Other Receivables	102,970	(332,038)
(Increase)/Decrease in Prepayments	(44,995)	8,231
(Increase)/Decrease in Inventories	1,334	9,035
Increase/(Decrease) in Trade Payables & Other Liabilities	1,164,981	(12,186)
Increase/(Decrease) in Income in Advance	61,278	41,315
Increase/(Decrease) in Unexpended Grants	455,972	527,013
Increase/(Decrease) in Employee Entitlements	80,062	64,736
Net Cash provided by (used in) Operating Activities	2,206,817	666,781

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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FOR THE PERIOD ENDED 30 JUNE 2023

16. RELATED PARTY DISCLOSURES

The names of the officers of The Master Builders' Association of Tasmania Inc., during the financial year were:

President	Mr T Streefland	Director	Mr L Fenton
Immediate Past President	Mr D Gates	Director	Mr A Kilpatrick
Director	Mr D Reid	Director	Mrs V Mead
Director	Mr J Faulkner	Director	Mrs L Perry
Director	Mr C Edmunds	Director	Mr N Silcox
Director	Mr J De Jong		

There were no transactions between the office holders and the Association other than those relating to their membership of the Association and the reimbursement by the Association in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which would have been adopted by parties at arm's length.

Details of loans to officers is Nil.

None of the office holders are employees of The Master Builders' Association of Tasmania Inc. and therefore they do not receive any remuneration or employee entitlements

17. KEY MANAGEMENT PERSONNEL REMUNERATION

	Short-term employee benefits	Post- employment benefits	Long term benefits	Other	Total
2023					
Total income paid or payable to all key management personnel	494,395	57,846	-	19,375	571,616
2022					
Total income paid or payable to all key management personnel	198,891	21,796	-	19,072	239,759

18. AUDITORS REMUNERATION

	2023 \$	2022 \$
Amounts received or due and receivable by WLF Accounting & Advisory for:		
- an audit of the financial report of the Association	7,500	7,050
- accounting assistance	7,180	6,150
- Specialist tax review	120	-
	<u>14,800</u>	<u>13,200</u>

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19. DESCRIPTION OF OPERATIONS

The principal activities of the Association are to provide benefits to its members.

20. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the financial affairs of the Association.

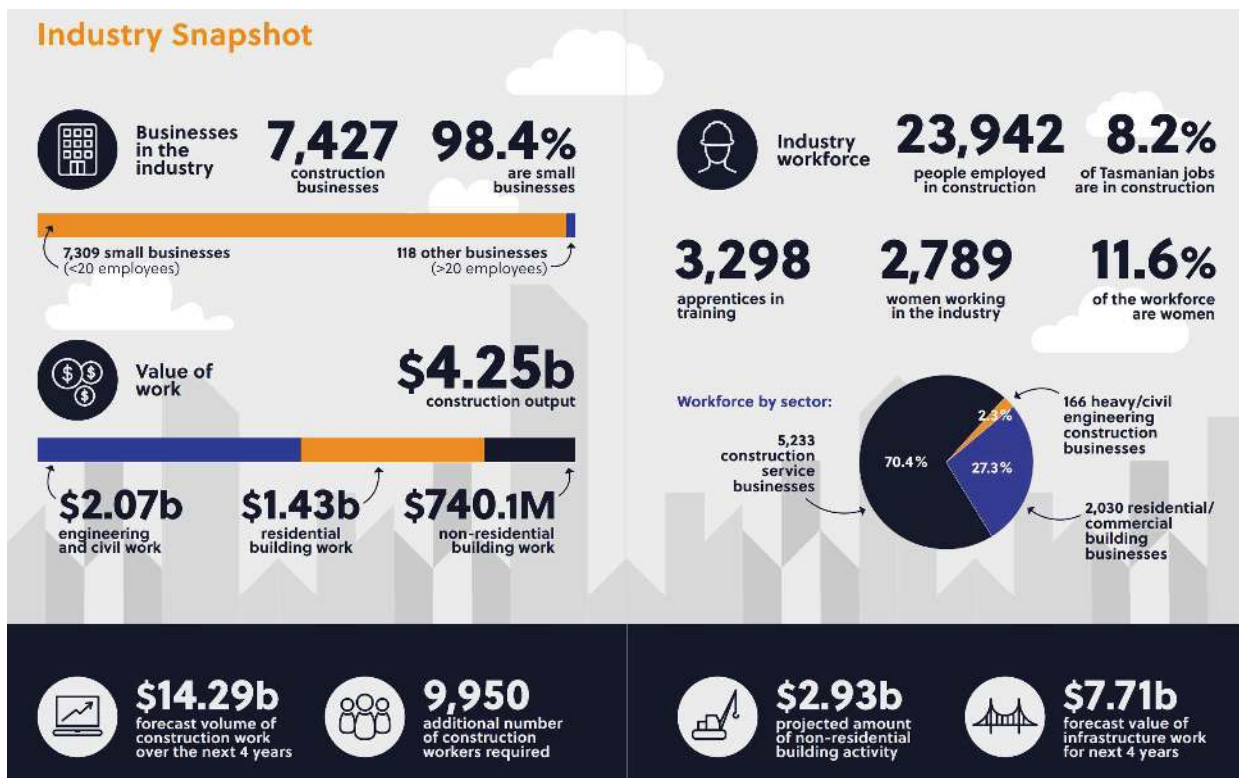
21. STATE OF THE INDUSTRY

2022-23 brought a unique set of challenges for the building and construction industry. In the wake of the COVID pandemic a number of issues continue to shape and challenge the industry, such as rising energy costs, skilled labour shortages, supply chain bottlenecks and international financial headwinds.

Our industry is made up of nearly 7,500 businesses and employs close to 24,000 Tasmanians. It is the fifth largest employer overall and largest employer of full-time workers in the Tasmanian economy.

The total volume of construction work done in Tasmania increased to \$3.72 billion during 2022-23.

A detailed snapshot of the industry as at the end of the 2023 financial year can be found below:



THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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FOR THE PERIOD ENDED 30 JUNE 2023

22. REGISTERED OFFICE

116 Bathurst Street
Hobart Tasmania 7000

23. SEGMENT REPORTING

The Master Builders' Association of Tasmania Inc. operates predominantly in the one geographical region being Tasmania. The Master Builders' Association of Tasmania Inc. activities surround the provision of benefits and services to its members.

24. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk represents the risk that a counter-party will fail to perform contractual obligations under a contract.

The Association's maximum credit risk exposure at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position. Credit risk exposure for receivables reflects the underlying credit risk inherent in the Association.

These risks are managed through the credit policies implemented by the Association. There is no concentration of credit risk in any particular industry or market segment, however all transactions are within the State of Tasmania.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Association will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount. The Association manages its liquidity risk through regular monitoring and management of cash flows.

(c) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

An increase / (decrease) in interest rate of 1% will have a corresponding effect on revenue of \$89,426 (2022: \$58,541).

An increase / (decrease) in interest rate of 1% will have a corresponding effect on expenses of \$1,695 (2022: nil).

(d) Net fair values

The carrying amounts of all financial assets and financial liabilities of the Association recognised at balance date generally approximated fair value because of the short term to maturity.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2023

25. INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER

In accordance with the requirement of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of that Act, which reads as follows:

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

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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FOR THE PERIOD ENDED 30 JUNE 2023

Officer Declaration Statement

I, **Tony Streefland**, being the Secretary of The Master Builders Association of Tasmania Inc, declare that the following activities did not occur during the year ending 30 June 2023.

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (RG 10);
- Agree to provide financial support to another reporting unit to ensure they continue as a going concern (RG 11);
- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission (RG 12);
- Receive capitation fees or any other revenue amount from another reporting unit;
- Receive revenue via compulsory levies;
- Receive donations;
- Receive revenue from undertaking recovery of wages activity;
- Incur fees as consideration for employees making payroll deductions of membership subscriptions;
- Pay compulsory levies;
- Pay capitation fees and other expense to another reporting unit;
- Pay affiliation fees to another entity;
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009 (RG 14(k));
- Have a receivable with another report unit (RG 15(a));
- Have a payable with another reporting unit (RG 15(b));
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions – RG 16(a);
- Have a fund or account for compulsory levies, voluntary contributions or required by rules of the organisation or branch (RG 17(a));
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity (RG 17(b));
- Have a balance within the general fund (RG 17(c));
- Provide cash flows to another reporting unit and/or controlled entity (RG 18(i));
- Receive cash flows from another reporting unit and/or controlled entity (RG 18(ii));
- Have another entity administer the financial affairs of the reporting unit (RG 19);
- Make a payment to a former related party of the reporting unit (RG 20);
- Receive revenue from volunteer services.

Signed by the officer:



Name of prescribed designated officer: **Mr Tony Streefland**

Title of prescribed designated officer: **President**

Dated **29/09/2023**

Auditor's Independence Declaration to the Committee of Management of the Master Builders' Association of Tasmania Inc.

In relation to our audit of the financial report of the Master Builders Association of Tasmania Inc. for the financial year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements as set out in the *Fair Work (Registered Organisations) Act 2009*; and any applicable code of professional conduct.

Wise Lord & Ferguson

WISE LORD & FERGUSON

Rebecca Meredith

REBECCA MEREDITH

Partner

Date: 29/09/2023



INDEPENDENT AUDITOR'S REPORT

To the Members of the Master Builders' Association of Tasmania Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Master Builders' Association of Tasmania Inc. (the reporting unit), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Master Builders' Association of Tasmania Inc. as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

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

I declare that I am an auditor registered under the RO Act.

Wise Lord & Ferguson

WISE LORD & FERGUSON

Rebecca Meredith

REBECCA MEREDITH

Partner

Date: 29/09/2023