



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Robert Stewart  
Chief Executive Officer  
Master Builders Association of South Australia Incorporated  
PO Box 10014  
ADELAIDE BC SA 5000

Dear Mr Stewart,

**Re: Financial reports for year ended 30 June 2004 - FR2004/270  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Receipt is acknowledged of the financial reports of the Master Builders Association of South Australia Incorporated for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 25 October 2004.

**Your attention to the following matter is requested.**

**Operating report (titled "Report by the Council of Management")**

The following defects or deficiencies are contained in this report required under s254 of the RAO Schedule.

**(a) Review of principal activities:**

The report should have contained a review of the reporting unit's principal activities during the financial year, the results of those activities and any significant changes in the nature of the activities. (Emphasis added). The information provided does not sufficiently address these matters.

**(b) Significant changes in financial affairs:**

The report must give details of any significant changes in the reporting unit's financial affairs during the year.

**(c) Right of members to resign:**

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 9 of the organisation's Rules is applicable.

**(d) Trustees of superannuation entities:**

The report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation

***(e) Number of members and number of employees:***

Subsection 254(2)(f) of the RAO Schedule and regulation 159(a) and (b) of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (the RAO Regulations) require the operating report to contain information pertaining to the number of persons that were members and the number of persons who were employees of the reporting unit at the end of the financial year.

***(f) Membership of Committee of Management:***

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the RAO Regulations.

The operating report lodged provides details of the membership of the committee of management as at the date of the report (11 October 2004). An operating report should provide details of membership of the committee at the beginning of the financial year and any changes made to the composition of the committee during the financial year in order to fully comply with the abovementioned regulation.

The operating report lodged with the financial documents did not include most of the information required by the RAO Schedule and the RAO Regulations. Accordingly, you are requested to arrange for the committee of management to prepare an operating report addressing the required information for lodgement in the Industrial Registry as soon as possible. The organisation is obliged to also provide a copy to its members. You can however, undertake to do this after lodging a copy of the operating report in the Industrial Registry.

**General advice in relation to lodged financial report**

The following comments are made to assist you when you next prepare financial reports and you do not need to take any further action in respect of the financial reports already lodged other than the matter raised earlier.

**Committee of management statement**

It would appear that the document titled "Statement by Members of the Council of Management" only partially complies with the reporting guidelines issued by the Industrial Registrar for the purposes of s253 of the RAO Schedule. Under item 17 of the reporting guidelines, the committee of management statement must include declarations as to whether in the opinion of the committee of management:

- (a) the financial statements and notes comply with the Australian Accounting Standards;*
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;*

- (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 RAO Schedule and the RAO Regulations; and*
  - (iv) *where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and*
  - (v) *the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and*
  - (vi) *there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.*

In addition to these requirements, the committee of management statement must be made in accordance with such resolution passed by the committee in relation to the matters requiring declaration. The statement must also specify the date of the resolution.

### **Council of Management’s certificate**

Similarly, the certificate under the title “Council of Management’s Certificate” appears to replicate the committee of management’s certificate previously required under former provisions of the Workplace Relations Act 1996 (the Act). There is now a requirement to provide a Committee of Management Statement referred to above.

### **Auditor’s report**

The opinion of the auditor made under the auditor’s report is expressed in terms previously required under the Act. Subsection 257(5) of the RAO Schedule now sets out the matters upon which an auditor is required to make an opinion. The following wording would satisfy the requirements of the Schedule:

*“In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.”*

A copy of this letter has also been forwarded to your auditor.

### **Accounting officer’s certificate**

The report under the title “Accounting Officer’s report 2003 - 2004” appears to replicate the accounting officer’s certificate previously required under former provisions of the Act. Please note that there is no requirement under the RAO Schedule to lodge an accounting officer’s certificate.

## **Notes to the Financial Statements**

Your 'Notes to the Financial Statements' prepared under the General Purpose Financial Report (GPFR) sets out under Note 2 provisions relating to subsections 272(1), (3) and (4) of the RAO Schedule. Subsection 272(5) requires the GPFR to set out subsections 272(1), (2) and (3). Would you please ensure those subsections are included in the GPFR next year.

## **Timescale Requirements**

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements. From the information available, the reports were audited on 11 October 2004 and presented to a meeting on 19 October 2004. It is not possible the reports were provided to members at least 21 days before the meeting (refer s265(5)(a) of the RAO Schedule).

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7817 or by email : robert.pfeiffer@air.gov.au.

Yours sincerely



Robert Pfeiffer  
Statutory Services Branch

4 November 2004

cc Philip Plummer - HLB Mann Judd Stephens  
PO Box 377  
KENT TOWN SA 5071



MASTER BUILDERS ASSOCIATION  
SOUTH AUSTRALIA INCORPORATED  
ABN 61 183 783 305

FR2004/270

20/10/04

Rec'd  
25/10/04  
fb

AUSTRALLIAN INDUSTRIAL REGISTRY  
Level 35 Nauru House  
80 Collins Street  
Melbourne VIC 3000

To whom it may concern

**Lodgement of Annual Report 2004**

Attached is a published copy of Annual report that has been presented at the Annual General Meeting on the 19<sup>th</sup> of October 2004.

I certify that the document lodged is the copy of the document provided to members and presented to a meeting in accordance with section 266 of the Workplace Relations Act 1996.

Please contact me if additional information is required on (08) 82117466.

Yours sincerely  
Master Builders Association

**Rob Stewart**  
**Chief Executive Officer**  
**Master Builders Association SA Inc**

office holder?  
Yes, see letter  
with FR2002/281  
CEO is an officer.

SOUTH AUSTRALIA SINCE 1884

**MASTER BUILDERS ASSOCIATION (SA) INC.  
SUMMARY OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 30 JUNE 2004**

	\$
Total Assets	8,059,139
Total Liabilities	1,628,589
<b>Total Equity</b>	<b>6,430,550</b>
Revenues from ordinary activities	3,674,377
Expenses from ordinary activities	3,143,068
<b>Profit from ordinary activities</b>	<b>531,309</b>

COMMERCIAL

INDUSTRIAL

RESIDENTIAL

CIVIL

SUB CONTRACTORS

BUILDING SOUTH AUSTRALIA  
SINCE 1884

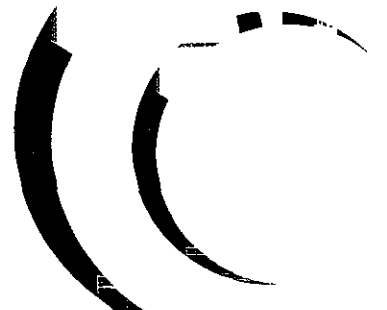
## 2004 ANNUAL REPORT



ONE HUNDRED AND TWENTIETH



**Master Builders  
Association**



4.6x5.2

Garage

## OFFICE BEARERS 2003 / 2004

<b>PRESIDENT</b>	<b>PH Kennedy</b> Chief Executive, Hansen Yuncken Pty Ltd
<b>DEPUTY PRESIDENT</b>	<b>P Eden</b> Managing Director, Eden Living Pty Ltd
<b>PAST PRESIDENT</b>	<b>GJ Meyers</b> Managing Director, Collaroy Developments Pty Ltd
<b>VICE PRESIDENT</b>	<b>MB Rundell</b> Managing Director, Brimblecombe Builders Pty Ltd
<b>VICE PRESIDENT</b>	<b>M O'Connor</b> Director, Built Environs Pty Ltd
<b>TREASURER</b>	<b>A Candetti</b> Managing Director, Candetti Constructions Pty Ltd







## COUNCIL OF MANAGEMENT 2003 / 2004

### **D Camporeale**

Director & Operations Manager,  
Build-Tec Services Pty Ltd/Arcon Pty Ltd

### **A Catinari**

Managing Director,  
Commercial & General Group Pty Ltd

### **P Coutts**

Manager, Coutts Constructions

### **TM Covino**

General Manager,  
Kingswood Aluminium Pty Ltd

### **L Drusian**

General Manager,  
Joseph Constructions Pty Ltd

### **J Kennett**

Managing Director, Kennett Pty Ltd

### **PK Liedig**

Managing Director,  
Peter Liedig & Associates Pty Ltd

### **D McMahon**

Managing Director, McMahon Services Pty Ltd

### **S Minuzzo**

General Manager,  
Mario Minuzzo Builders Pty Ltd

### **SJ Salisbury**

Managing Director,  
SJ Salisbury Constructions Pty Ltd

### **C Siciliano**

Managing Director,  
McCracken Homes Pty Ltd

### **T Tagliaferri**

Managing Director, Tagara Builders Pty Ltd

## **LIFE MEMBERS**

**RJ Emmett**

**LT McEntee**

**J Marshall**

## **HONOURARY MEMBER**

**KC West**

## **AFFILIATE MEMBERS**

The Association of Wall & Ceiling Contractors  
of South Australia Incorporated

Plumbing Industry Association

Urban Development Institute of Australia

Window & Door Industry Council Incorporated

## PRESIDENT'S REPORT

### MASTER BUILDERS AND YEAR OF THE BUILT ENVIRONMENT

2004 celebrates the Year of the Built Environment and is also the 120th anniversary of the Master Builders Association of South Australia. Since 1884 it is our members who have continued to build the property assets of South Australians.

The greatest capital investment for most South Australians is in their home and the rapid capital growth over recent years has increased the wealth of homeowners. It is the building service our members provide that creates the assets of every South Australian home and property owner.

The Master Builders is by far the longest serving employer association in South Australia's history and represents all sectors of our industry including Housing, Civil, Commercial, Sub and Specialist Contractors, Manufacturers and Suppliers.

The Association has consolidated its unique position as the peak employer body both in our State and Nationally. Globally corporate emphasis is focused on astute governance, security and risk management through adherence to well defined systems and procedures. I am delighted to report our successful financial results and I am confident our governance and administrative structure will ensure our future success.

### INDUSTRY OVERVIEW

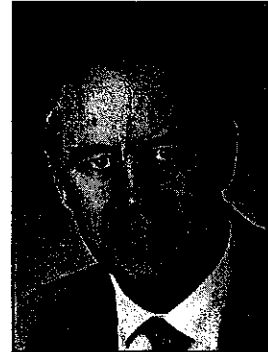
The Building and Construction Industry remains extremely buoyant and looks like remaining that way for some months to come. The construction and its allied industries employ over 60,000 South Australians and contribute \$5.5 billion to the State's economy.

### HOUSING

There is a projected slight downturn in the home building market however this is from a healthy level of activity. In 2003-04 slightly over 10,000 new residences were constructed and with 2,200 residential projects approved but

not yet started the residential market will remain strong.

The alterations and additions market will sustain its present strong level of activity. However, the market for building of investment apartments will continue to slow correcting to more sustainable levels avoiding the risk of oversupply and significant downturn of that market.



Peter Kennedy -  
President MBA

Housing affordability is a major issue for many South Australians and the lack of affordable housing options is making the dream of home ownership very difficult to achieve.

Nationally the industry in concert with the Government on a State and Federal level as well as financial institutions, need to address the issue of housing affordability and find creative and accessible solutions. Whether these solutions are through access to superannuation, long-term low interest loans, shared equity or tax concessions, the benefits of home ownership improve the wellbeing of our society.

### COMMERCIAL INDUSTRIAL AND CIVIL ENGINEERING

The commercial building industry continues to gain momentum with a projected 20% increase in activity over this current year. The value of Commercial/Engineering/Civil construction topped \$2,750 million for the current year.

A positive aspect of current commercial building activity is that private enterprise rather than government funding is driving the market. In the past South Australia has been very dependent on Government in the Commercial Sector. This shift demonstrates faith in South Australia as a place to invest and Adelaide as one of the premier cities of the world to conduct business.

4.6x5.2

Garage

## PRESIDENT'S REPORT

Naturally buoyant market conditions bring specific issues that influence supply and demand of services. Our industry has significant skills shortages across all sectors. A managed downturn in the residential market will bring some respite and a chance to complete the backlog of projects.

The high level of activity in the market is welcomed, however the inflationary aspect of this does have its downside, particularly for the new entrant to the housing market and for the feasibility of future projects.

### MEMBERSHIP

Membership is the lifeblood of the Association and we have continued to add value to membership by increasing our portfolio of services and products. I am delighted to report continued growth of the Association with the addition of over 350 new members for the financial year. The growth has been across all sectors of the industry.

The Association is acutely aware that it has an obligation to provide members a portfolio of services and benefits that meet their needs. The Association's membership level is at a record high with approximately 2,000 members.

### SKILLS SHORTAGES

The greatest industry issue is a continued shortage of skilled trades. Recent national statistics reveal that in 5 years over 80,000 tradespersons will withdraw from the market mainly due to aging. There will be a shortfall of some 44,000 trades persons nationally, which equates to approximately 6,000 less trades persons in South Australia than present levels.

Simply we need to attract good, young candidates into our industry. Skilled immigration may assist but will not solve the problem. The industry needs to identify, train and fund more young people into our skilled labour force.

### TRAINING

Training is vital to maintaining the skills base and to introduce new participants into the industry. The Master Builders Association has maintained its status as a Registered Training Organisation and continues to operate a vibrant Training Department.

I am delighted to report the continued success of the vocational education programme Doorways two Construction where we support 4 secondary schools. The Master Builders Group Training Scheme is now in its 22nd year, training 215 apprentices in 7 trade categories. The Association acknowledges the role of the Construction Industry Training Board in supporting training for the building and construction industry.

The Association continues to develop training opportunities to attract good young candidates into the industry. As the industry work force ages the Association realises the need to raise public awareness, the profile of the industry and to sell the benefits to young people in joining our training programmes.

The sustained industry demand indicates we could increase our number of apprentices 20% if increased funding were available. The Master Builders Association is acutely aware of this problem and is in the process of putting together strategies to help alleviate this issue. It is time to begin the process of reforming and restructuring training, as it becomes clearly evident that solving skills shortages is imperative for the future wellbeing of the industry.

### INSURANCE

Insurance remains a major issue for the industry with too few insurance companies providing insurance at realistic costs, particularly in housing indemnity, public liability and professional indemnity. The Master Builders Association is working hard to find long term solutions for our members to prevent them becoming hostage to the market as has been the case in recent times.

## PRESIDENT'S REPORT

Section 54 of the Workers Compensation Act is further compounding Public Liability insurance problems for contractors. The Master Builders had hoped that the mooted change to proportional liability based on liability being determined on a responsibility basis would have been enacted by now. The current application of this particular piece of legislation is unfair and fails to penalise those directly responsible. Unless this changes, the cost of Public liability insurance for South Australian contractors will remain high and may become unavailable or unaffordable for some.

### OCCUPATIONAL HEALTH SAFETY & WELFARE

The Association has continued to expand its OHS&W services and products with the launch of the Chemwatch software programme available free to members on our website. The programme is a 24/7 service available to members for information on the handling of all substances.

The continued development of Safety Manuals and the production of specific products including Job Safety Analysis and their supporting training courses actively promote improved standards of OH&S for our industry.

### LOBBY AGENT

The Association represents the whole industry whether it is commercial, housing, civil, subcontractor or supplier and enables us to understand and talk with authority on industry issues. The Association is the most effective lobby agency for the industry and we will continue to voice our members' opinions on issues that affect the industry.

There are a number of challenges ahead and we have positioned ourselves to provide solutions by working with Governments, their agencies, the community and our members in finding solutions. Our focus is to improve the industry to make it a better place to work and to give confidence to the consumer, that by using a Master Builder you do get better value.

### INDUSTRIAL RELATIONS

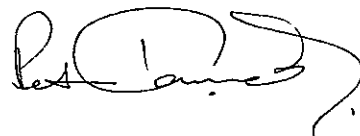
The Master Builders Association has worked tirelessly to avoid stoppages on commercial sites and has continued to develop a proactive strategy to maintain a harmonious industrial relations environment for members. Industrial Relations activities included the renewal and negotiation of enterprise bargaining agreements that were originally certified in 2000 and 2001, negotiation on employer contributions to the BIRST Fund to be exempt from fringe benefits tax and a submission on the draft Fair Work Bill.

### MARKETING & EVENTS

The Association had a very successful and extensive calendar of events and marketing activities presenting opportunities to promote the services and products of our members to the general public and to the industry. Highlights of the marketing event programme included:

- The 9th series of Building Ideas on Channel 9
- The Master Builders Building and Home Improvement Show
- The 14th Annual Building Excellence Awards
- The Master Builders Golf Days at Flagstaff Hill and Blackwood Golf Clubs
- The Southern Vales Wine Day

The Marketing Department's programme included the redevelopment of our website HYPERLINK "<http://www.mbasa.com.au>" and I recommend all members log on and investigate the services and information available over the net. Our publishing and print programme included the SA Builder and Building Ideas magazines plus numerous member alerts and media releases.





## PRESIDENT'S REPORT

The Master Builders Association acknowledges the support from our industry partners who sponsor our marketing activities and publicly thank them for their contribution.

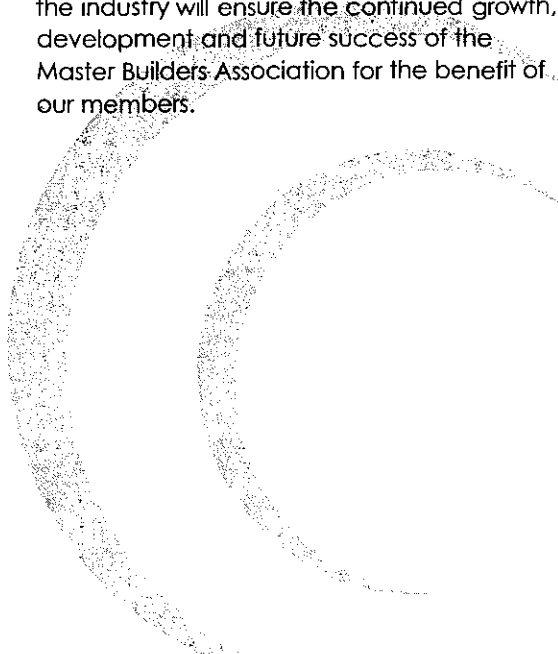
Allianz Australia  
Auspine  
Austral Brick  
Australian Casualty and Life  
Australian Home Warranty  
Bluescope Steel Colorbond  
Bluescope Steel Lysaght  
Bluescope Steel Zinalume  
Bianco Building Supplies  
Black Clelland Lawyers  
Boral Construction Materials  
Boral Masonry  
Cbus  
Clipsal  
CSR Building Products  
Construction Industry Training Board  
Crowther Blayne  
Delfin Lend Lease  
Europecar  
Fisher Jeffries  
FRS Legal  
Heath Lambert Group  
HomeStart Finance  
James Hardie  
Land Management Corporation  
Marner Steel & Mesh  
MasterSure  
Mitsubishi  
Nash  
Optus  
Readymix  
Rider Hunt  
Rinnai Australia  
SA Government  
Department of Premier and Cabinet  
Department for Administrative and Information Services – Workplace Services

SA Water  
Stegbar  
Sunday Mail New Homes and Land Section  
Westside Mechanical Contracting  
WorkCover Corporation

The Master Builders is uniquely placed as it represents the whole of the industry and the present Council of Management has clarity of vision for the industry and a focus that will always remain fundamentally South Australian but with a national and global outlook, to ensure members receive the best advantage and opportunity.

In conclusion, on behalf of the Council of Management I thank Robert Stewart, our Chief Executive Officer and the team at the Association for their dedicated commitment to the Master Builders during this reporting period. The performance and financial results of the Association are testament to the loyal, dedicated staff of the Master Builders, lead with vision and integrity by Robert.

The Association continues to grow by providing a relevant and an increasingly diverse portfolio of services and products for our members. Our traditional services and recent progressive initiatives are delivered by a motivated and highly skilled professional staff and are supported by the Association's position as the peak employer body in the industry. Our current activities and standing in the industry will ensure the continued growth, development and future success of the Master Builders Association for the benefit of our members.





## ACTIVITIES AND AFFAIRS 2003 - 2004

### **DEVELOPMENT & TECHNICAL DEPARTMENT**

During 2003/04, the Development & Technical Department experienced increased activity with a growing number of members seeking technical assistance. The following enquires were included: Occupational Health & Safety, Environmental Management, Planning or Technical assistance particularly items including the Building Code of Australia, The SA Housing Code, various Australian Standards and even the formula to calculate the Racking Forces the wind places on a residential building.

Various forms of State and Federal building legislation continued to change in accordance with an ever changing built environment. Community and Legislative expectations in the design and construction of new buildings continued to rise and innovative changes in relation to Architectural styling, energy efficiency and disabled access were demanded. The Building Code of Australia and the South Australian Housing Codes are now updated annually.

One of the primary aims of the Development and Technical Department is to continue to monitor these legislative changes in order to successfully lobby relevant authorities and keep members up to date with any vital information. This will support members who are continually in search of new innovative construction techniques to not only offer their clients the latest technology, but also lessen the impact of regulatory change.

Housing affordability remained a "very real" issue that the Department focused on throughout 2003/04. The legislative changes mentioned above have a direct impact on the building construction industry and unless the individual authorities introducing these changes are held accountable and made to view the overall picture, they have no understanding of the impact such changes incur.

Given the limited resources of the Development and Technical Department,

certain tasks were successfully delegated to the members Technical and Occupational Health & Safety Committees. The Master Builders web site underwent extensive redevelopment and is now used regularly to update members on technical matters.

The Department has continued to deliver training courses and or seminars to assist members. The ever popular Timber Framing Code Course continued to flourish throughout the year with additional regional technical evenings in Port Lincoln, Whyalla, Berri and Mount Gambier.

Regional Seminars have a dual purpose, assisting our staff in keeping members informed and providing the opportunity to meet face to face with the regional members to discuss individual needs. Staff also visited members in the far north of the state in Coober Pedy, Woomera and Roxby Downs.

### **OCCUPATIONAL HEALTH, SAFETY & WELFARE**

Occupational Health, Safety & Welfare continued to impact on the daily activities of members. The Generic Safety Induction Courses developed in conjunction with the Safer Industries Committee have also undergone significant change. "Green Card" as it is commonly known has been redeveloped and improved since it was first introduced. Green Card 2 has been presented by the Master Builders Association since January 2004 and the card is now valid for a period of three years from the date of receipt. The Occupational Health Safety & Welfare Act requires all employers to provide induction training and the Master Builders Green Card has become accepted as the Generic Induction with only site specific matters remaining to be completed by the Principal Contractor. The residential sector has also commenced offering Green Card as induction training.

During 2003/04 Workplace Services increased their number of inspectors dealing with the Building and Construction Industry. A change

## ACTIVITIES AND AFFAIRS 2003 - 2004

in focus from a consultative role to an enforcement role has also seen members seeking assistance in dealing with infringement notices and reviewing OH&S procedures following "Safety Blitz's."

The inspectors were also directed to review health and safety procedures on residential building sites. The Master Builders has continued to assist members wherever possible by issuing "Member Alerts" and preparing OH&S Policies and procedures for members.

All sectors of the industry continued to be scrutinised in relation to Occupational Health, Safety and Welfare issues. Particularly in relation to the following; sub contract carpenters standing on one plank, electrical equipment not tagged and tested, records of maintenance on plant & equipment, scaffolding erected by unlicensed scaffolders, inadequate fencing of building sites or excavations.

The delivery of existing training courses and the development of new courses relating to Occupation Health & Safety was a high priority throughout the year. The development of the Job Safety Analysis training course was highly successful along with the Electrical Testing & Tagging course that trains members how to tag and test their own electrical equipment.

Chemwatch is a Chemical Database and Management System that provides members with up to date information on a vast array of hazardous substances. The program was launched on the Master Builders Web Site with over 1 million Chemwatch Material Safety Data Sheets that are available 24 hours a day, 7 days a week. Chemwatch provides full reports, details of personal protective equipment, health effects, doctor's advice and more.

### PLANNING

The Master Builders Association continued to strive for Private Certification of Planning Consents. Several Private Building Surveyors have become members of the Master Builders Association and now work with staff to achieve greater efficiencies in "the system". Master Builders has supported the sections of the Sustainable Development Bill calling for small Development Assessment Panels with representation from the community and the industry, getting together, making informed decisions on development approvals. It is envisaged that this procedure will provide local authorities with the necessary time to develop strategic plans across their entire district or even combine in regional groups to properly plan their district and develop the necessary infrastructure that is now demanded by modern communities.

The Master Builders Association values a good working relationship with the Minister for Urban Development and Planning and the Staff of Planning SA. For the Association to continue to work towards its goals of consistent planning principals and processes between all local authorities, it is required to develop a greater understanding of the difficulties members experience in order to develop policies that combat such problems. The Master Builders complete response to the Sustainable Development Bill is contained on the Master Builders Web Site, [www.mbasa.com.au](http://www.mbasa.com.au).

## ACTIVITIES AND AFFAIRS 2003 - 2004

### ENVIRONMENTAL

The Master Builders Association has during 2003/04 continued to support the changing practices in the interest of environmental protection. It is pleasing to see that many builders have reviewed standard onsite practices and now supply waste management bins on site for the collection of construction waste. With construction waste placed in bins, the waste material is contained in one location, making the sites cleaner and safer for onsite activities. Transportation of the bin to a waste recover facility has also become simpler and enhanced the professionalism of the industry.

In the interest of assisting members in the implementation of good environmental site practices, Master Builders participated in a small sub committee combining the expertise of Build-Tec Services, West Torrens Council, the Patawalonga & Torrens Catchment Boards, Walter Brook Architects, the EPA and KESAB. The result was the development of a simple Site Supervisors Check List on the items that should be considered when commencing activities on site. The Check sheet is supported by practical solutions produced by KESAB.

Issues surrounding pollution of stormwater drainage systems continued throughout 2003/04. The Environmental Protection Authority (EPA) also continued with training of Pollution Control Officers in Local Authorities across the entire state and many Local Authorities have subsequently trained Environmental Health Surveyors, Traffic Inspectors and Building Surveyors in the management of stormwater pollution. The Master Builders continued to work with staff of Local Authorities and the EPA to develop practice solutions to avoid members receiving on the spot fines. However some local Authorities have found it necessary to impose "pollution blitz's" in order to achieve compliance.

The introduction of water restrictions during 2003 also impacted on members compliance with the control of dust blowing around construction sites and being able to clean or wash down vehicles before leaving site. The

Master Builders Association worked in conjunction with SA Water to achieve a practical solution for construction activities. A Code of Practice relating to noise from construction sites was also introduced controlling the commencement and completion of site activities. The Master Builders was forced to negotiate a practical approach for site activities that must commence prior to the designated starting time. Activities such as the pouring of concrete in the early hours of the morning on days where the temperatures are expected to be excessive are still permitted, subject to various conditions being complied with.





## ACTIVITIES AND AFFAIRS 2003 - 2004

### TRAINING DEPARTMENT

The 2003/2004 financial year saw a number of challenges for the training department. These included a complete turnover of the training team and the appointment of a new Training Manager in March of 2004. These changes have had a positive effect on the department and have led to staffing stabilisation and renewed vibrancy.

Concerted marketing of training courses in the second half of the year resulted in higher participation in all courses and led to the financial year finishing on an upward trend that is expected to continue into the 2004/05 period.

### FUNDING

The Construction Industry Training Board (CITB) continued to supply funding for many of the Master Builders training courses. With the predicted downturn in the building industry, the CITB will be required to reduce funding in many training areas. These reductions will invariably require the Master Builders to derive income from alternative funding streams, such as fee for service or other State or Commonwealth funds.

### TECHNOLOGY

Early in 2004 Master Builders Training Department purchased several new desktop computers and data projectors. These resources have enabled the Training Department to deliver concurrent training courses and allowed our trainers to create more dynamic presentations.

Current system limitations have created a need to source an alternative database to assist in the administration of the Training Department. Several Customer Relationship Management (CRM) systems have been reviewed that would meet the current and future needs of the Training Department. A decision on which system will be the most appropriate for the organisational needs of Master Builders is expected to be reached early in the 2004/05 financial year.

### SKILLS SHORTAGE

One of the major ongoing concerns for Master Builders is addressing skill shortages within the Building and Construction Industry. The Training (and other) Departments continue to work through these issues at a national level in order to develop strategies to address this issue. The Master Builders Australia Training Director has facilitated a number of face to face and telephone conferences with the Training Managers and Master Builders Executives to discuss this pressing issue. A number of initiatives to attract young people back to the industry have been implemented. Conversely, strategies are being developed to attract more mature workers to the industry, some of whom may come from the flailing engineering or production sectors who may be re-trained to provide valuable contributions to the building industry. Other initiatives such as the Doorways 2 Construction and the Youth Employment Program (YEP) discussed in the next topics, provide a much smaller scale solution to targeted trades and organisations. The Master Builders Association has the opportunity to conduct a number of the YEP programs in various trade areas over the coming financial year with the appropriate support from our members.

### DOORWAYS 2 CONSTRUCTION

Master Builders has been appointed the Registered Training Organisation (RTO) for four schools facilitating these programs. Each school has approximately fifteen students per year who participate in the program and each student has the opportunity to graduate with a Certificate I in Construction. This program provides an awareness of the industry for participants and can also lead into apprenticeships; particularly as the Master Builders Group Training Scheme is required to source ten percent of its apprentices from Doorways 2 Construction graduates.

### **YOUTH EMPLOYMENT PROJECT (YEP)**

State Government funding has been secured to deliver training to 45 unemployed youth in three program areas. This program was due to commence early in 2004, however recruitment for this program proved difficult for the State Government who was charged with supplying participants. Master Builders has renegotiated the contractual offer to manage all recruitment for this program that will now commence early in 2005. It is expected that this program will be run in conjunction with Master Builders members who have a desire to assist in the skills development and employment opportunities of these participants. Members involved with roof tiling, roof sheeting and plasterboard fixing are particularly interested in this program, as are materials suppliers and manufacturers.

### **CONTRACTOR'S MANAGEMENT PROGRAM**

The nine modules that comprise this qualification continue to be the mainstay for the Training Department. This qualification addresses a range of member requirements including the Building Work Contractor and Building Work Supervisor license as well as offering a framework in which to train participants in a range of skills for the industry that leads to a Nationally Recognised Certificate IV in Contractor Management.

### **GREEN CARD**

The introduction of Green Card 2 in October 2003 resulted in renewed interest in this course and the Association trained some 2,000 participants. Many of the commercial sites now require workers to have the Green Card prior to accessing the site and the trend is becoming more prevalent among the residential builders. This training is expected to be in demand well into 2005.

### **OTHER SAFETY TRAINING**

All other safety training continues to be in high demand, particularly for the Commercial Sector. These courses include; Job Safety Analysis (JSA), Senior First Aid, Electric Power Tool Testing and Workzone Traffic Management.

## ACTIVITIES AND AFFAIRS 2003 - 2004

### HOUSING REPORT

In 2003/04 the homebuilding and home alterations sectors of the Association continued to be the most rapidly growing categories of membership. The awareness and profile of Housing members was strongly promoted through the Building Ideas television programme, Building Excellence Awards, Building Ideas magazine, "New Homes and Land" section of the Sunday Mail and the Building and Home Improvement Show at Wayville Showgrounds.

The housing market exceeded forecasted estimates with approximately 10,200 new residential projects commenced and approximately 2,200 approvals of residential projects yet to be commenced indicating the market will remain strong.

The Alternations/ Additions and home improvement markets experienced strong growth in enquiry level and work in progress. Good resale value and limited availability of land also sustained this sector of the industry.

The high profile Housing Committee Chaired by Charlie Sicilaino with Scott Salisbury as Vice Chairman maintained its influential status representing members and addressing vital industry issues. The Committee's proactive agenda included a series of meetings and briefings with the Ministers of Planning and Housing. Included in the Committee's agenda was a series of guest speakers who were invited to address meetings on vital industry matters.

The Committee set pragmatic and prescriptive outcomes for all meetings by including on agendas technical, planning, OHS, supply and environmental matters to be actioned. The framework and objectives set by the Committee was to consult, inform, act and lobby for members on relevant housing issues.

Matters addressed, actioned and reported by the Committee during the period included:

#### **BUILDING INDEMNITY INSURANCE**

The Association negotiated increased access to Building Indemnity Insurance through the

provision of 2 insurers, Australian Home Warranty and Vero.

However, residential builders still had to comply and conform to stringent financial qualifications to access the product. This situation unfortunately still continues to plague the industry. The Association continued to lobby for a total reform based not only on the financial capacity of the builder to deliver a product but also to take into account licensing, mandatory inspections, the elimination of front loaded contracts, training and professional development of builders.

#### **REFORM OF THE RESIDENTIAL BUILDING DISPUTE PROCESS**

The Association met with the Attorney General and presented a submission for the reform of the current licensing, technical and systems for consumer protection that operate in South Australia. The reform called for the reconstitution of the Commercial Tribunal, or similar mandated jurisdiction, to resolve disputes arising from the construction industry.

The reform supports previous presentations to the Government calling for the consolidation of these various functions into one government department rather than the current system, which has the Office of Consumer & Business Affairs regulating the assessment and issue of licensing whilst Planning SA is responsible for the 'technical skills' side of the process and the private insurance industry providing consumer protection.

#### **STATE HOUSING PLAN**

During the period a representative of the Master Builders Association was appointed to the Minister for Housing's Steering Group to establish a State Housing Plan aimed at improving housing outcomes for our community. The Steering Group addressed the current housing system and will continue to propose strategic directions for the next ten years.

The State Housing Plan proposed strategic directions on the following issues:

- Homeownership
- Affordable housing

## ACTIVITIES AND AFFAIRS 2003 - 2004

- Residential planning
- Private rental accommodation
- Urban and regional renewal
- Alternative financing
- Land supply
- Homeless
- Workforce

The Committee in consultation with the Minister has identified housing affordability as the major residential problem confronting low to moderate-income earners.

### **HOUSING INDUSTRY PROSPECTS FORUM (HIPF)**

The Master Builders is a foundation member of the HIPF the most respected authority in providing forecasting reports, building trends and activity within the South Australian market to government and industry stakeholders. Represented on the HIPF Committee and Forecasting Sub Committee the Master Builders provide half yearly forecasts for members free on our web site.

The HIPF forecasts have proven to be very accurate and an important planning tool for builders and suppliers. The Master Builders Association continues as a financial supporter of HIPF to ensure its sustainability.

### **PLANNING AND DEVELOPMENT**

The Housing Committee established a Planning Sub Committee to respond to the State Government's Planning reform agenda set by the Economic Development Board's strategic objectives to remove the barriers and inefficiencies from the Development Approval process. Representatives of the Committee have met with the Minister of Planning and Development and submissions have been made on proposed changes to the Planning system. However, the Sub Committee is still waiting on Planning modules to be released for consultation and comment.

The Housing Committee continues to lobby for greater consistency and uniformity from the planning regime but has publicly supported the State Government's initiative to have a planning framework driven by policy rather than by development approval. The

Housing Committee supports proposed reforms in the draft bill to Assessment Panels and mandated local government adherence to planning modules.

Submissions have also been made on the moratorium on development applications in the Hills Face Zone and Keswick and Brown Hill Creek Flood Plan.

### **OHS & W AND ENVIRONMENTAL COMPLIANCE**

The Housing Committee in concert with the Safety and Technical Committees continued its liaison with the Ministers for Environment and Department of Administration and Information Services and their agencies to ensure members were informed and consulted on all matters relating to compliance and regulatory change.

Refer to Technical and OHS & W Reports in this Report for further detail.

### **BUILDING EXCELLENCE AWARDS**

The 2003 Building Excellence Awards drew a record number of entries, attendees and sponsors. The Awards are the premier event on the building and construction industry calendar and the event held at the Adelaide Convention Centre showcased our members building excellence.

### **HOUSING URBAN DEVELOPMENT ADVISORY COMMITTEE**

The Chief Executive Officer of the Master Builders Association, Robert Stewart, has been appointed by the Minister to HUDAC resulting in the Association having a voice on all regional and urban development issues.



## ACTIVITIES AND AFFAIRS 2003 - 2004

### INSURANCE

Building Indemnity Insurance continued to be an issue for Housing Sector members. Whilst the situation stabilised over the past twelve months, there are still only two insurance companies offering the product in South Australia.

In the eastern states, CGU have entered the market and are currently offering Building Indemnity Insurance to builders in Victoria and New South Wales. It is envisaged that CGU will in the near future expand its operations and offer Indemnity Insurance to South Australian builders. The Master Builders continued to monitor the situation and will advise housing members if and when CGU enters the South Australian market.

The Association continued to be active in lobbying the State Government for legislative amendments to ease the insurance issue for members and as a result of the actions of the Association, the State Government is currently reviewing the requirement for Building Indemnity Insurance on Retirement Villages.

In February 2004, the Australian Security & Investment Commission (ASIC) introduced the Financial Services Regulation. Under these regulations all personnel who deal with insurance products must hold the appropriate qualifications. All staff of the Master Builders Association who deal with insurance were successful in obtaining the necessary qualification before the deadline set by ASIC.

During the year under review, the Association was able to maintain facilities for obtaining indemnity insurance for members with Australian Home Warranty and VERO. These two insurers differ in their underwriting criteria and each member's individual circumstances will determine which insurer is best suited for them.

### AUSTRALIAN HOME WARRANTY PTY LTD

Australian Home Warranty (AHW) changed ownership on January 1 to become a division of OAMPS Underwriting Agencies Pty Ltd. The underwriting insurer is Australian International

Insurance Ltd (AII). Master Builders welcomed these changes as AII has a far greater prudential capacity than the previous underwriting insurance company.

In April 2004 Master Builders was able to convince AHW that a reduction in premiums was warranted and a 10% reduction across the board was announced. The underwriting criteria of AHW is such that it will accept director's guarantees. Subsequently AHW provided insurance to Trusts without a bank guarantee providing the director's assets are adequate and not held for and on behalf of a trust or superannuation fund.

### VERO

Vero formerly Royal & Sun Alliance continued to offer building indemnity insurance to members of Master Builders. Its underwriting criteria was such that it required all assets to support the insurance facility to be held in the name of the trading entity. VERO required trusts to provide a bank guarantee to enable access to indemnity insurance.

### GENERAL INSURANCE

Master Sure continued to provide members with construction industry specific insurance policies relating to Public Liability and Contract Works. Master Sure policies were continually vetted to ensure they provided members with the best possible insurance cover at the best possible premium.

### CONTRACTS

The Contracts Committee continued to meet on a regular basis to address issues relating to the documentation used in the industry and to provide general advice to members on their contractual obligations. Liaison with other committees of the Association was paramount to ensure issues were dealt with in a consistent manner and that the interests of all members were addressed.

The committee discussed numerous issues outlined below and published various articles in the SA Builder.



## ACTIVITIES AND AFFAIRS 2003 - 2004

### PRE- QUALIFICATION

DAIS expressed concern over the lack of Trade Contractors that were Pre-Qualified for Government Contracts and formed a working party to explore the reluctance of Trade Contractors to seek Pre- Qualification. The Association was invited to nominate representatives for this working party.

### STAR RATES

In line with the understanding reached with DAIS last year, the DAIS Star Rates were increased in line with the increase in labour rates paid under Enterprise Bargaining Agreements

### AUSTRALIAN BUILDING INDUSTRY CONTRACT SUITE (ABIC)

The Master Builders nationally has an agreement with the Royal Australian Institute of Architects (RAIA) to develop a suite of contracts to replace the JCC suite as well as SBW2. To date the Major Works, Simple Works and Basic Works contracts have been developed.

The National Contracts Committee raised several issues relating to these contracts and during the year under review, negotiations began with the RAIA to amend the contracts. Whilst it is still early in the negotiation stage, the RAIA Contracts Committee approached the process with enthusiasm and appears to have the same aim as the Master Builders National Contracts Committee of producing the best possible contract for the industry in Australia

During the year work commenced on the drafting of attendant sub-contracts for use with the 2003 version of the Major Works Contract (ABIC MW-1 2003), Simple Works Contract (ABIC SW-1 2002) and the Basic Works Contract (ABIC BW-1 2002). It is envisaged that these attendant sub-contract agreements will be available in the first quarter of 2004/05.

When these contracts are released, the Master Builders will arrange for a training course to enable contract users to familiarise themselves with its requirements.

A major works contract with Bills of Quantity has been drafted and will be finalised throughout 2004/05.

### NEW AND REVISED CONTRACTS

During the year the Contracts Committee developed or revised the following contract documents:

- Commercial Building Contract (SABC1)
- Building Schedule for Residential Building Work

The Contracts Committee addressed a significant number of issues relating to the ABIC suite of contracts and members of the committee are to be commended on their commitment and input.

## ACTIVITIES AND AFFAIRS 2003 - 2004

### MARKETING

2003/04 proved to be an extremely active year for the Marketing Department. Cross promotion of activities, services and events was notable as was the further development of greater diversity in marketing packages on offer. Although the industry experienced increased activity, Marketing activities were well supported by members and industry related organizations.

The following "dot points" outline the primary aims of the Marketing Department in 2003/04:

- To sustain the Association's position at the forefront of the building and construction industry.
- To continue to create further brand awareness (both within the industry and by end consumers).
- To continue to further develop the viability of the Master Builders brand.
- To strategically grow and maintain the membership base.
- To continue to strengthen the Association's media presence.
- To continue to promote the value of membership.

### MEMBERSHIP

The Association continued to represent all sectors of the building and construction industry setting it apart from other employer based Associations. Membership continued to increase at an average rate of 30 new members per month and on a national scale, the Master Builders Association membership growth reflected a 7% increase.

The Association's "Is your Builder a Master Builder" and "I am a Master Builder" marketing campaigns continued to be promoted throughout 2003/04. These campaigns not only highlight the benefits and value of membership, but also promote members to end consumers.

The members merchandising range expanded in 2003/04 to incorporate an even greater range of products and services. Members now have access to the following:

- Vehicle Fleet deals / Petrol Cards
- Marketing and Business Advice
- Mediation / Arbitration Services
- Building Ideas Television series
- Corporate Video / CD Rom / DVD Production
- SA Builder Magazine
- "Toolbox" (Technical Resource Publication)
- Europcar - vehicle hire
- Insurance Packages: Public Liability, Contract Works, Indemnity, Income Protection
- Master Builders Public Referral Service
- Industry Training Courses, Seminars and Advice
- Builders Licensing
- Weekly Tender field list
- Book-keeping & Business Administration Services
- Master Builders Group Training Scheme - Apprentice Hire
- Industrial Relations Advice and Representation
- Enterprise Bargaining Agreements
- Technical / Occupational Health & Safety Advice and Information
- Master Builders Contracts and Building Documentation
- Environmental & Planning Advice
- Site Signs, Telephone Deals, Master Builders Merchandising / Clothing

**ACTIVITIES AND AFFAIRS 2003 - 2004****MARKETING ACTIVITIES & PRODUCTS**

The Association's media presence across all mediums continued to increase throughout 2003/04 and representatives of the Association were frequently called upon to make comment on various industry issues and initiatives.

**Building Ideas - Television Series**

In 2003/04 Building Ideas was screened at the prime time of 5:00pm on Saturday afternoons on Channel 9. It remains one of the Networks few remaining locally produced programs and the series rated very highly. Those members that advertised throughout the series were extremely pleased with the positive results. Building Ideas continues to be based on an "infotainment" format where each story is both informative and entertaining.

**CD & Video Production**

The production of Corporate Videos, CD Roms and DVD's continued during the year with several members and Corporate Partners requesting compilations of their Building Ideas segments and overviews of their businesses.

**Master Builders Web Site**

The Master Builders Web Site was completely redeveloped during 2003/04. The "General" and "Members Only" sections were overhauled resulting in increased navigation, consistency and overall accessibility. Members and the general public are now able to purchase various Association products through the Web Site.

**PUBLICATIONS****SA Builder Magazine**

The bi-monthly SA Builder Magazine remained one of the Association's most popular marketing products. It was again the industry's leading publication and continued to be well received by members, independent subscription holders and industry related bodies and organizations.

**Building Ideas Magazine**

The fourth edition of the Building Ideas Magazine was published in December 2003. The magazine remained on sale throughout most metropolitan Newsagents until March 2004 and as such, proved to be a "popular selling publication". Those members and companies that advertised reported excellent results and the next edition is eagerly anticipated.

**Sunday Mail**

The Association's media relationship with the Sunday Mail continued throughout 2003/04 and a weekly consumer question and answer column was set up to coincide with weekly episodes of Building Ideas.

**Members Diaries**

The Master Builders "Members Diary" was a new initiative for 2003. Around 200 diaries were sold to members and feedback was excellent. As a result, diaries will again be produced next year.

**ANNUAL / SPECIAL EVENTS****Master Builders Association Building Excellence Awards**

A record number of entries were received for the 2003 Building Excellence Awards. This was reflected, by a record number of members, guests and industry representatives who attended the evening. The theme for the evening was "Building through the Ages" which was reflected in an Egyptian stage set. Guests were entertained by MC Paul Martell, Tenor Tasso Boyessis and an 18 piece orchestra. The major four awards were presented to New Age Joinery for Specialist Contractor of the Year, Eden Living for Project Home Builder of the Year, Scott Salisbury Homes for Residential Builder of the Year and Hansen Yuncken for Commercial Builder of the Year.



**ACTIVITIES AND AFFAIRS 2003 - 2004****Golf Day**

There were two Association Golf Day's held during 2003/04. One was at Flagstaff Hill Golf Club and the other at Blackwood Golf Course. Around 150 participants took part in both day's activities and the new venue and format of the day held at Blackwood proved to be a resounding success.

**Southern Vales Function**

The 2003/04 Association's Corporate partner's "thank you" event was held at Wirra Wirra Winery in McLaren Vale. Over 150 guests enjoyed the relaxed Spring luncheon held in honor of the Association's Building Excellence Award winners and Association sponsors. The function proved to be an excellent networking function.

**Master Builders Building & Home Improvement Show**

The 2003 Master Builders Building and Home Improvement Show was held over three days in July from the 16th to the 18th at Wayville Showgrounds. The show has become South Australia's most popular building and home improvement event and was attended by 20,000 visitors. There were over 200 exhibitors and the event remained strictly focused on building and renovation products and services. Cross promotion of the event occurred on Building Ideas and via several special features in the Sunday Mail. Feedback from exhibitors was excellent and many reported a number of "positive leads".

**International Marketing / Export Services**

The International division of the Association again put together a delegation of members who attended various Trade and Export forums including the "Big 5" Trade Mission to Dubai. Those members that took part in the mission reported positive outcomes and results.

## ACTIVITIES AND AFFAIRS 2003 - 2004

### INDUSTRIAL RELATIONS

#### ENTERPRISE BARGAINING

The last twelve months has seen the renewal of the majority of agreements certified in 2000 and 2001 and a number of new agreements predominantly in the industrial/ commercial building sector.

The majority of the renewals maintained the integrity of customised agreements. However, due to intense industrial pressure, a number of the employers were coerced into signing the CFMEU Collective Agreement.

While the wages were increased by 12% over the next three-year period, the allowances such as Consolidated Disability Allowance and Travelling Allowance were increased by up to 50% and no longer have any resemblance as to why these allowances are paid.

#### THIRTY-SIX HOUR WEEK

The CFMEU campaign for a thirty-six hour week and an additional thirteen leisure days has not been as successful as in the other States. A number of employers have renewed their agreement without the addition of these concepts, while other employers have not embraced the union's common date of operation. As a result the industry in South Australia has either a 36 or 38 hour ordinary working week and in the case of implementation of the 36-hour week a variance of commencement dates for its introduction.

#### NATIONAL WAGE CASE

The ACTU in its 2004 claim sought an increase of \$26.60 per week and a resultant increase in work related allowances. On 5th May 2004 a Full Bench of the Australian Relations Commission awarded an increase of \$19.00 per week in award rates with increases in work related allowances of approximately 3.3%.

The minimum adult wage was increased by \$19.00 per week to \$467.40 per week.

#### STATE WAGE CASE

On 15th July 2004 a Full Bench of the State Industrial Relations Commission flowed on the National Wage Case decision of \$19.00 per week to all State Awards.

#### RIGHT OF ENTRY

The majority of principal contractors now require union officials to provide them with 24 hours notice of their intention to enter respective sites. While this strategy has resulted in a reduction of industrial action and interference with the works programme some union officials have failed to comply with this direction and entered sites illegally.

#### BIRST FUND

Since 2002 the Master Builders movement and others have lobbied the Federal Government regarding the ATO ruling that contributions into redundancy funds would be subject to Fringe Benefits Tax from 1st April 2003. Through intense lobbying this date was extended to 1st April 2004.

On 1st April 2004 Senator Coonan announced that employers would have until 31st March 2005 to comply with the Fringe Benefits Tax (FBT) exemption for payments made into worker entitlement funds.

In South Australia, the BIRST fund is a prescribed fund. As all of the Master Builders Association enterprise agreements are legal industrial instruments, contributions to the BIRST fund are not subject to FBT. During the extended transitional period, the Government is working with the industry to address concerns about payments made into the Fund under the Awards.

#### WORK AND FAMILY TEST CASE

The Master Builders movement has appeared in the Work and Family Test Case with the view of once again seeking to flow relevant outcomes into the National Building and Construction Industry Award.

This Case is still proceeding.

## ACTIVITIES AND AFFAIRS 2003 - 2004

### **SCHOOL BASED APPRENTICESHIPS**

The application to vary the National Building and Construction Industry Award to include provisions for school-based apprenticeships has been heard by the Australian Industrial Relations Commission and the parties are awaiting a decision on the matter.

### **SUB-CONTRACTOR SECTOR**

Throughout the year the Subcontracting Sector met on a monthly basis to discuss issues of importance to this group of members, namely:

- Occupational Health, Safety and Welfare  
Members were kept informed of Department of Workplace Services planned inspections of commercial and residential sites, possible changes to the legislation such as asbestos removal, falls from heights and the "National Standard for Construction Work."
- Payroll Tax  
Members were advised that the Compliance Branch of Revenue SA was looking at the issue of the subcontractor/supplier relationship and the inclusion of subcontractors for payroll tax purposes.
- Bill of Quantities  
The matter of a Bill of Quantities where variations per line item amount to a minimum of \$2K was discussed and the matter was resolved to the satisfaction of subcontractors by the reduction of \$2K to \$400.00.
- Prequalification  
This matter has been on-going for a number of years and it was concluded that the categories of cladding, wall fixing and flushing, ceiling fixing, steel fixing, formwork and concreting should be added to the existing trade categories.

- Other issues that were the subject of discussion during the year and have been commented on elsewhere in this report are enterprise bargaining, 36 hour week, BIRST, the Royal Commission in the building industry, WorkCover (s54), DAIS Star Rates, various award matters (school based apprenticeships, wage increases etc) and public liability insurance.

### **GENERAL CONTRACTING SECTOR**

- S54, Workers Rehabilitation and Compensation Act  
The Association has been involved in discussions with a number of other employer associations, WorkCover representatives, ministers, ministerial staff and members of the Opposition in an attempt to have them understand the problems with the current legislation and why it should be changed to provide fairness and equity to all parties involved in the process when an accident occurs.
- Submissions were submitted to the Minister for Industrial Relations and WorkCover and officers of the Association appeared before the Upper House Select Committee early in the year. At this point in time it is understood the Select Committee has not tabled its report in Parliament.
- BIRST and FBT  
The Association and the BIRST Fund together with their interstate counterparts continued to lobby the Federal Government and the ATO regarding the issue of FBT on employer contributions to redundancy funds. As a result of the intense lobbying the Federal Government has granted a further twelve-month moratorium on FBT on redundancy payments. The Master Builders movement is continuing to work with the Federal Government to fix the legislative problems with the payment of FBT on contributions.



## ACTIVITIES AND AFFAIRS 2003 - 2004

- Industrial Relations (Fair Work) Bill

The Association filed a submission and held discussions with the Minister for Industrial Relations advisers regarding a number of issues relevant to members. One of the major issues is the introduction of unfair contracts into the Industrial Relations and Employees Act.

The Bill is currently before Parliament.

- Security of Payment

The Minister for Housing is considering the issue of security of payment and has appointed a consultant and a select committee to advise on the matter.

- Royal Commission into the Building Industry

Following the findings of the Cole Royal Commission into the industrial/ commercial sector of the building and construction industry, the Federal Government introduced into Parliament the Building and Construction Improvement Bill 2003. The Association's CEO and IR Manager appeared before the Senate Employment Workplace Relations and Education References Committee and were subject to questioning by the Senators on the industry in South Australia and a number of the proposals contained in the Bill.

The Government did not proceed with the Bill due to lack of support from the Democrats. The Democrats agreed to support the Workplace Relations Amendment (Codifying Contempt Offences) Bill which will increase the powers of the Building Industry Taskforce to gather information and they also agreed to triple the current penalties under the Workplace Relations Act.

This new Bill is currently before Parliament.

Other issues that were the subject of discussions during the year and have been commented on elsewhere in this report are enterprise bargaining, 36 hour week, DAIS Star Rates, various award matters (part-time employment, wage increases, school based apprenticeships, work and family test case, termination, change and redundancy test case etc), various WorkCover training, Occupational Health, Safety and Welfare matters, Technical, Environmental and Contracts.



## STAFF 2003 - 2004

<b>CHIEF EXECUTIVE OFFICER</b>	Robert Stewart
<b>DIRECTOR OF OPERATIONS</b>	David Callan
<b>EXECUTIVE ASSISTANT</b>	Helen Voigt
<b>INDUSTRIAL RELATIONS MANAGER</b>	Maurie Howard
<b>CONTRACTS / INSURANCE MANAGER</b>	Bill Beattie
<b>MARKETING MANAGER</b>	Ilona Tamm
<b>DEVELOPMENT &amp; TECHNICAL MANAGER</b>	Kent Hopkins
<b>FINANCE &amp; ADMINISTRATION MANAGER</b>	Oksana Tkachenko
<b>TRAINING MANAGER</b>	David Thompson (from 03/04)
<b>HOUSING COORDINATOR</b>	Sari Flynn
<b>MEMBERSHIP COORDINATOR</b>	John Jamieson
<b>FINANCE &amp; ADMINISTRATION OFFICER</b>	Stacey Appleton
<b>INSURANCE &amp; MEMBERSHIP OFFICER</b>	Robyn Mayfield
<b>MARKETING ASSISTANT</b>	Julia Harrington
<b>SYSTEMS &amp; PROCEDURES ADMINISTRATOR</b>	Fiona Halliday (from 04/04)
<b>RECEPTIONIST</b>	Angela Tricker Diedre Jones
<b>TRAINING COORDINATOR</b>	Larissa Laganin
<b>INDUSTRIAL RELATIONS - ADMINISTRATION ASSISTANT</b>	Kendyl Knott (from 06/04)

COMMERCIAL

INDUSTRIAL

RESIDENTIAL

CIVIL

SUB CONTRACTORS

BUILDING SOUTH AUSTRALIA  
SINCE 1884



**Master Builders  
Association**

## REPRESENTATION 2003 - 2004

### **Asbestos Advisory Committee**

M Howard

### **BIRST Board of Management**

R Stewart, M Howard

### **Builders Architects Liaison Committee**

R Stewart, B Lifeplo, G Meyers, M Rundell, G Minuzzo

### **Building Industry Working Party**

D Callan

### **Building Work Advisory Panel (BWC Act 1995)**

B Beattie, R Stewart

### **CITB Board**

R Stewart, B Beattie

### **CITB - ATP Funding Working Party (04/03)**

D Thompson

### **CITB - Civil Sector**

D Thompson

### **CITB - Commercial Sector**

D Thompson

### **CITB - Cross Sector Committee**

D Thompson

### **CITB - Housing Sector**

D Thompson, W Hughes

### **CITB - ITAB**

R Stewart

### **Construction Industry Forum**

R Stewart, T Swan

### **Construction Industry Long Service Leave Board**

J Whiting, S Minuzzo

### **Doorways to Construction Committee**

R Stewart, M Rundell, G Peacock

### **Development Assessment Enforcement & Assoc Fees Working Party**

C Siciliano

### **Foundations for Safety - South Australia**

K Hopkins, R Stewart

### **Housing Industry Prospects Forum**

D Callan

### **Housing Urban Development Advisory Committee (HUDAC)**

R Stewart

### **Housing Week Reference Group**

S Flynn

### **Industrial Relations Advisory Committee**

M Howard

### **Industry Panel-Assessor (BWC Act 1995)**

R James

### **Master Builders Australia National Board**

G Meyers/P Kennedy

### **Master Builders Australia National Executive Directors Committee**

R Stewart

### **Master Builders Group Training Scheme**

R Stewart, D Thompson, O Tkachenko, J Marshall, C Parletta, T Tagliaferri, J Twelftree, A Linder, N Colls

### **Planning SA - Inner Regional Reference Group**

S Flynn

### **Premiers Industry Leaders Meeting**

G Meyers, R Stewart

### **SAHT/MBA Liaison Group**

R Stewart, R Papillon, J Twelftree, C Siciliano

### **Shared Objectives Government & Industry of State Housing Plan**

D Callan

### **South Australian Housing Cod Sub Committee**

K Hopkins

### **State Housing Plan Steering Committee**

D Callan

### **Urban Development Institute of Australia (UDIA)**

D Callan, S Flynn

### **Urban Stormwater Initiative**

K Hopkins

### **WorkCover Employer Strategic Meeting**

M Howard

### **WorkCover Safer Industries**

K Hopkins

### **World Skills**

J Marshall

## SECTOR COMMITTEES 2003 - 2004

### BUILDING CONSULTANTS GROUP

#### Chairperson N Rose

W Reeves            G Erbsland            K van de Horst  
K Hopkins

### COMMERCIAL CONTRACTORS

#### Chairperson J Kennett

A Carr            M Howard            G Ochota  
T Lang            T Tagliaferri        D Camporeale  
P Caretti           J Marshall           S Minuzzo  
N Mossop        M Rundel            P Tymukas  
R Pike            D Hough            R Weir  
T Swan            G Meyers            R Stewart  
B Lunn

### CONTRACTS / DOCUMENTATION

#### Chairperson A Candetti

B Beattie            C Howard            D Camporeale  
D Elsdon            T Tagliaferri        D Dalby  
B Liteplo            D Black            G Gill  
D Egarr            R Zanchetta        T Shuttleworth  
J Elliot            T Covino            R Cattonar  
A Salvatore        G Green

### HOUSING

#### Chairperson P Eden / C Siciliano (05/04)

S Salisbury        P Coutts            R Zito  
D Callan            D Sibley            R Gasparin  
J Twelftree        E Zito            D Scinto  
G Nicholas        J Totani            G Dann  
K Hopkins        A DiBacco        V Luppino  
G Heynen        B Allen            G Minuzzo

### INDUSTRIAL RELATIONS

#### Chairperson J Whiting

L Drusian            P Kennedy            N Nicholls  
D Hough            P Salveson           J Kennett  
G Ochota            J Wilson            M Howard  
P Liedig            T Sarah            F Harding

### SUBCONTRACTORS

#### Chairperson T Covino

B Biggs            P Liedig            S Noske  
A Gow            D Vial            M Howard  
F Pascale        A Salveson        J Kennett  
L Drusian        R Farnham        R Bianco  
W Irvine

### TECHNICAL

#### Chairperson T Tagliaferri

K Hopkins        C Durwood            R Mons  
J Todd            W Reeves            W Irvine  
B Allen            R DiTroia            M Hall  
B Dorniak        D Bates            J Pinyon  
G Perry            P VanLoggem        B Routley  
R O'Shanesey    P LaForgia           G Riches

### OCCUPATIONAL HEALTH SAFETY & WELFARE

#### Chairperson K McLeavey

K Hopkins        T Tagliaferri        A Marshall  
G Burroughs     K Brown            J Ising  
D Stearne        P Melville           P LaForgia  
D Stearne        G Hodby            J Harris  
J Carter            M Hall            S Santarelli



## TREASURER'S REPORT 2003 - 2004

Net Income	2003/2004	2002/2003
Operations	338,912	249,179
Property	192,397	162,264

The operating surplus for 2003/04 is the reported surplus after rent deductions for the area occupied by the Association. The Association has recorded a stronger operating surplus for the period, which continues the improvement brought about from previous years. This result was due to strong growth in membership income and emphasis on associated services of the Association in all areas of its operations.

Income from property investment was effected by a reorganisation of the tenancies and should exhibit a strong growth in future years as a result of the recent refurbishments.

The core activities of the Association returned a profit in their own right and continued emphasis will be placed on these areas to produce income to reduce the reliance on member fees.



**A Candetti**  
Treasurer

## STATEMENT BY MEMBERS OF THE COUNCIL OF MANAGEMENT

In the opinion of the Council Members, the Financial Report is set out on pages from 33 to 50:


- presents a true and fair view of the financial position of The Master Builders Association of South Australia Incorporated as at 30th June, 2004, and its performance for the year then ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.
- The Master Builders Association of South Australia Incorporated does not have any subsidiaries within the meaning of Section 46 of the Corporations Law, nor is the Association a trustee of any trust.

That during the year to 30th June, 2004,

- no officer of the Association;
- no firm of which an officer is a member; or;
- no body corporate in which any officer has a substantial financial interest,"

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association or has received directly or indirectly from the Association any payment or other benefit of a pecuniary value other than the remuneration paid to officers as full time employees.

This statement is made in accordance with a resolution of the council of management and is signed for and behalf of the council of management by:



**P Kennedy**  
President



**P Eden**  
Deputy President

Dated this 11th day of October 2004

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## REPORT BY THE COUNCIL OF MANAGEMENT

Your Council members submit the financial accounts of The Master Builders Association of South Australia Incorporated for the financial year ended 30th June, 2004.

### COMMITTEE MEMBERS

The names of committee members at the date of this report are:

D Camporeale, A Candetti, A Catinari, P Coutts, T Covino, L Drusian, P Eden, P Kennedy, J Kennett, P Liedeg, D McMahon, G Meyers, S Minuzzo, M O'Connor, M Rundell, S Salisbury, C Siciliano, T Tagliaferri.

### PRINCIPLE ACTIVITIES

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

Provide members with products and services which enable them to operate their business effectively:

Industrial Relations advice and representation before the various Industrial Relations tribunals;

Industrial Award advice;

Occupational Health and Safety;

Technical Advice;

Planning and Environmental Information;

Documentation;

Insurance products;

Contractual arbitration and conciliation services;

Legal advice;

Advice on contractual matters;

Workers rehabilitation and compensation advice;

Marketing promotions; and

Industry training

Electronic Commerce.

### OPERATING RESULTS

The surplus amounted to \$531,309

Signed in accordance with a resolution of the Members of the Council.



**P Kennedy**  
President

**P Eden**  
Deputy President

Dated this 11th day of October 2004

4.6x5.2 Garage

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Revenues from ordinary activities	3	3,674,377	3,414,448
Employee expenses		(1,263,775)	(1,084,310)
Depreciation and amortisation expenses	10	(132,008)	(124,373)
Other expenses from ordinary activities	4	(1,747,286)	(1,794,322)
<b>Net profit from ordinary activities attributable to the association</b>		<b>531,309</b>	<b>411,443</b>
 <b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>			
BIRST Training reserve	4,13	-	18,030
		-	(18,030)
<b>Total change in equity of the association</b>		<b>531,309</b>	<b>393,413</b>

The accompanying notes form part of this financial report.

4.6x5.2

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

<b>CURRENT ASSETS</b>	<b>Note</b>	<b>2004 \$</b>	<b>2003 \$</b>
Cash assets	5	3,602,269	2,686,725
Receivables	6	1,218,816	1,007,543
Inventories	7	16,664	15,122
Other	8	172,903	170,407
<b>TOTAL CURRENT ASSETS</b>		<b>5,010,652</b>	<b>3,879,797</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	9	204,708	220,401
Property, plant and equipment	10	2,843,779	2,854,381
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,048,486</b>	<b>3,074,782</b>
<b>TOTAL ASSETS</b>		<b>8,059,139</b>	<b>6,954,579</b>
<b>CURRENT LIABILITIES</b>			
Payables	11	1,413,402	1,258,349
Provisions	12	135,735	88,421
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,549,137</b>	<b>1,346,771</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	79,452	69,055
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>79,452</b>	<b>69,055</b>
<b>TOTAL LIABILITIES</b>		<b>1,628,589</b>	<b>1,415,825</b>
<b>NET ASSETS</b>		<b>6,430,550</b>	<b>5,538,755</b>
<b>EQUITY</b>			
Reserves	13	1,528,936	1,168,451
Retained profits	14	4,901,614	4,370,304
<b>TOTAL EQUITY</b>		<b>6,430,550</b>	<b>5,538,755</b>

The accompanying notes form part of this financial report.

4.6x5.2

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## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

<b>CASH FLOWS FROM OPERATED ACTIVITIES</b>	<b>Note</b>	<b>2004 \$</b>	<b>2003 \$</b>
Receipts from members, trade and other debtors		3,305,263	3,911,429
Payments to suppliers and employees		(2,480,200)	(2,914,128)
Dividends received		15,984	9,167
Interest received		153,489	87,019
<b>Net cash provided by operating activities</b>	<b>17</b>	<b>994,536</b>	<b>1,093,487</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property plant and equipment		(145,246)	(270,951)
Proceeds on sales of fixed assets		4,174	83,182
Proceeds on sales of shares		38,240	-
Redemption of shares		23,841	-
Redemption of managed funds		-	74,258
Purchase of shares, managed funds		-	(74,227)
<b>Net cash provided (used) by investing activities</b>		<b>(78,992)</b>	<b>(187,738)</b>
Net increase in cash held		915,544	905,749
Cash at the beginning of the financial year		2,686,725	1,780,976
<b>Cash at the end of the financial year</b>	<b>5</b>	<b>3,602,269</b>	<b>2,686,725</b>

The accompanying notes form part of this financial report.

4.6x5.2 Garage

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Associations Incorporation Act (SA) 1985, including the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account, changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (A) INCOME TAX

No provision for income tax is necessary as the Association is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

#### (B) FIXED ASSETS

Freehold land and buildings are stated either at independent or Executive Council's valuation.

Plant and equipment are measured on the cost basis.

The carrying amounts of building, plant and equipment are reviewed annually by the Association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts."

The depreciable amount of all fixed assets, excluding land are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Buildings	2.5%
Computer Software	40%
Computer Hardware	13% to 27%
Furniture & Equipment	13% to 30%
Plant & Equipment	13% to 40%
Motor Vehicles	15%

#### (C) PROVISION FOR DOUBTFUL DEBTS

The collectability of debts is assessed annually and a provision is made for any doubtful debts.

#### (D) CASH FLOWS

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks or financial institutions, and investment in money market instruments net of bank overdrafts.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

### **(E) EMPLOYEE BENEFITS**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from long service leave which will be settled after one year, have been measured at their nominal amount.

Contributions made by the association to an employee superannuation fund are charged as an expense when incurred.

### **(F) REVENUE**

#### **1. TV Programme Building Ideas**

Income from the Television Programme "Building Ideas" is recognised using the percentage of completion method. Expenses incurred are prorated according to the number of episodes which have been completed during the financial year.

#### **2. Other Revenue**

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Dividend revenue is recognised when the association has established that it has the right to receive a dividend.

### **(G) BIRST - TRAINING DISTRIBUTIONS**

The association is entitled to distributions from South Australian Building Industry Redundancy Scheme Trust (BIRST) which are for the purposes of undertaking programs solely for the training of persons engaged in the industry. Distributions are recognised on an accruals basis. Distributions received for the year which are unexpended are transferred to a training reserve.

### **(H) GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

### **(I) COMPARATIVE FIGURES**

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

### **(J) ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Introduction of International Reporting Standards (IFRS) effective for financial year commencing 1 January 2005 will require the production of accounting data for future comparative purposes at the end of the current financial year. The impact on the Association accounting policies will be as follows:

#### **Impairment of Assets**

The recoverable amount of asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change will lead to impairments being recognised more often than under the existing policy.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004

**Non-current investments**

Under the pending AASB 139 Financial Instruments: Recognition and measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains and losses may be recognised either in income or directly to equity.

**(K) REALISATION OF MARKET VALUE OF SHARE PORTFOLIO**

As of 2003-2004 Financial year Share Portfolio investments are stated at fair value and not at cost.

**2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sections 272 and 265 which read as follows:

- 272 (1) A member of an organization, or a Registrar, may apply to the organization for specified prescribed information in relation to the organization.
- 272 (3) A reporting unit must comply with an application made under subsection (1).
- 272 (4) A Registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar must provide to a member information received because of an application made at the request of the member.
- 265 (1) An organization shall provide free of charge to its members:
- (a) full report consisting of:
    - (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting organization in relation to a financial year; and
    - (ii) a copy of the general purpose financial report to which the report relates; and
    - (iii) a copy of the operating report to which the report relates; or
  - (b) a concise report for the financial year that complies with subsection (3)
- 265 (2) A concise report may only be provided if, under the rules of the organization, the committee of management of the organisation resolves that concise report is to be provided.
- 265 (7) Where a branch of an organisation publishes a journal of the branch that is available to the members of the branch free of charge, the organisation may comply with subsection (1) in relation to those members:
- (a) by publishing in the journal the full report; or
  - (b) by preparing a concise report as described in subsection (3) and publishing the concise report in the journal.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

<b>NOTE 3: REVENUE</b>	<b>Note</b>	<b>2004</b>	<b>2003</b>
		<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>			
Members subscriptions		1,251,627	1,253,821
Training		553,355	464,182
Insurance commissions		305,642	253,684
Document Sales		107,668	96,934
TV Programme - Building Ideas	1(f)	264,738	245,347
Building Awards		227,229	264,666
Buildex		-	92,889
Other		158,017	104,163
		<b>2,868,276</b>	<b>2,775,686</b>
<b>NON-OPERATING ACTIVITIES</b>			
Interest received	1(f)	153,489	87,019
Dividends received	1(f)	15,984	9,167
Property		251,080	181,674
Proceeds on disposal of vehicles and equipment		4,174	83,182
Proceeds on SHARE PORTFOLIO		20,889	
BIRST distribution relating to prior years		326,066	-
BIRST Distribution	1(g)	34,419	277,720
		<b>806,101</b>	<b>638,762</b>
<b>Total Revenue</b>		<b>3,674,377</b>	<b>3,414,448</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

### NOTE 4: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

	Note	2004 \$	2003 \$
<b>(A) EXPENSES:</b>			
TV Programme - Building Ideas	1(f)	144,508	214,359
Building Awards		147,186	170,210
Buildex			61,308
Training		296,926	251,247
Net Loss on Redemption of Investments in Managed Funds		-	25,742
Remuneration of auditor		16,500	13,922
<b>Total</b>		<b>605,120</b>	<b>736,787</b>
<b>PROPERTY EXPENSES</b>			
Power		58,861	54,679
Rates and Taxes		35,575	31,652
Maintenance		36,925	25,296
Other		16,244	30,789
<b>Total</b>		<b>147,605</b>	<b>142,416</b>
<b>(B) SIGNIFICANT REVENUES AND EXPENSES:</b>			
<b>The following revenue and expense items are relevant in explaining the financial performance</b>			
Subscriptions		135,244	88,765
Legal Expenditure		36,496	28,416
Insurance		44,260	63,005
Meeting Expenses		5,612	4,621
Communication Expenses		67,842	92,648
Travel and Accommodation		24,870	18,165
Consultants		20,534	11,650
<b>Payments by SA Building Industry Redundancy Scheme Trust to:</b>			
- Construction Industry Drug & Alcohol Program		-	22,500
- Master Plumbers Association		-	54,150
- Master Painters Association		-	61,000
		-	<b>137,650</b>
<b>BIRST distributions for the year unexpended</b>			
transferred to reserve	1(g)	360,485	140,070
Other		299,218	330,129
<b>Total</b>		<b>994,560</b>	<b>915,119</b>
<b>Grand Total</b>		<b>1,747,286</b>	<b>1,794,322</b>

4.6x5.2 15 Garage

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

	Note	2004 \$	2003 \$
<b>NOTE 5: CASH ASSETS</b>			
Cash on hand		2,751	10,459
Cash at bank		732,815	493,148
Cash on Deposit		2,073,793	1,419,383
Cash on Deposit		749,942	713,669
Cash on Investment		27,849	-
Arbitration Trust Fund		15,119	50,066
<b>Total</b>		<b>3,602,269</b>	<b>2,686,725</b>
<b>NOTE 6: RECEIVABLES</b>			
Trade debtors		199,954	196,394
less provision for doubtful debts		(5,000)	(5,000)
Subscriptions		385,657	538,429
BIRST - Trust Distributions Receivable	1(h)	638,205	277,720
<b>Total</b>		<b>1,218,816</b>	<b>1,007,543</b>
<b>NOTE 7: INVENTORIES</b>			
<b>CURRENT</b>			
Stock of publications, at cost		16,664	15,122
<b>NOTE 8: OTHER ASSETS</b>			
Prepayments		80,775	42,807
Revenue Accruals		92,128	127,600
<b>Total</b>		<b>172,903</b>	<b>170,407</b>
<b>NOTE 9: OTHER FINANCIAL ASSETS</b>			
<b>NON-CURRENT</b>			
Investments in listed corporations		204,708	220,401
		<b>204,708</b>	<b>220,401</b>
(a) Market value of investments in listed corporations		204,708	227,698
		<b>204,708</b>	<b>227,698</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

	Note	2004 \$	2003 \$
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>(A) DETAILS OF PROPERTY PLANT AND EQUIPMENT</b>			
Land at Independent Valuation	1(b), 10(c)	630,000	630,000
Building at Directors valuation	1(b), 10(c)	2,013,744	1,985,597
less Accumulated Depreciation		(149,392)	(96,390)
		<b>2,494,352</b>	<b>2,519,207</b>
Computer Software at Cost	1(b)	83,630	79,526
less Accumulated Depreciation		(73,214)	(64,202)
		<b>10,416</b>	<b>15,324</b>
Computer Hardware at Cost	1(b)	266,763	238,566
less Accumulated Depreciation		(209,666)	(194,588)
		<b>57,097</b>	<b>43,978</b>
Furniture & Equipment at Cost	1(b)	225,341	222,691
less Accumulated Depreciation		(173,514)	(162,824)
		<b>51,827</b>	<b>59,867</b>
Plant & Equipment at Cost	1(b)	130,122	100,781
less Accumulated Depreciation		(76,705)	(66,036)
		<b>53,417</b>	<b>34,745</b>
Motor Vehicles at Cost	1(b)	231,959	237,072
less Accumulated Depreciation		(55,289)	(55,813)
		<b>176,670</b>	<b>181,259</b>
Total Property, Plant and Equipment		<b>2,843,778</b>	<b>2,854,381</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

**(B) MOVEMENTS IN CARRYING AMOUNTS**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

<b>2004</b>	<b>Land</b>	<b>Buildings</b>	<b>Software</b>	<b>Hardware</b>	<b>Furniture &amp; Equip</b>	<b>Plant</b>	<b>Motor Vehicles</b>	<b>TOTAL</b>
Balance at the beginning of year	630,000	1,889,207	15,324	43,978	59,867	34,745	181,260	<b>2,854,381</b>
Additions	-	28,146	4,103	28,197	2,650	29,341	52,808	<b>145,246</b>
Disposals	-	-	-	-	-	-	(23,841)	<b>(23,841)</b>
Depreciation Expense	-	(53,002)	(9,012)	(15,078)	(10,690)	(10,669)	(33,557)	<b>(132,008)</b>
Carrying amount at the end of the year	<b>630,000</b>	<b>1,864,351</b>	<b>10,415</b>	<b>57,097</b>	<b>51,827</b>	<b>53,417</b>	<b>176,671</b>	<b>2,843,778</b>

<b>2003</b>	<b>Land</b>	<b>Buildings</b>	<b>Software</b>	<b>Hardware</b>	<b>Furniture &amp; Equip</b>	<b>Plant</b>	<b>Motor Vehicles</b>	<b>TOTAL</b>
Balance at the beginning of year	630,000	1,938,847	9,165	34,595	20,757	7,882	150,150	<b>2,791,396</b>
Additions	-	-	13,044	24,911	48,651	33,342	151,003	<b>270,951</b>
Disposals	-	-	-	-	-	-	(83,592)	<b>(83,592)</b>
Depreciation Expense	-	(49,640)	(6,884)	(15,528)	(9,541)	(6,479)	(36,301)	<b>(124,373)</b>
Carrying amount at the end of the year	<b>630,000</b>	<b>1,889,207</b>	<b>15,324</b>	<b>43,978</b>	<b>59,867</b>	<b>34,745</b>	<b>181,260</b>	<b>2,854,381</b>

**(C) VALUATION OF LAND & BUILDING  
BY INDEPENDENT VALUER - DETAILS**

Valuation Amount: **\$2,615,597**  
 Basis of Valuation: Capitalisation of net income approach equates to \$2,500,000.  
 Valuation Date: Basis of valuation adopted by Executive Council and brought to account on 30 June 2002.  
 Date of Valuation Report on which majority of valuation in financial report has been based: **27th July, 2001.**

**NOTE 11: PAYABLES**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade Creditors	366,148	229,889
Arbitration Accounts	10,291	48,790
Income received in advance	885,470	845,638
GST Net liability	151,492	134,032
	<b>1,413,402</b>	<b>1,258,349</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

	Note	2004 \$	2003 \$
<b>NOTE 12: PROVISIONS</b>			
<b>Provision for employee entitlements</b>			
<b>CURRENT</b>			
Annual Leave		135,735	88,421
<b>NON CURRENT</b>			
Long Service Leave		79,452	69,055
		<b>215,187</b>	<b>157,476</b>
Number of employees at year end		<b>20</b>	<b>16</b>

### NOTE 13: RESERVES

Asset Revaluation Reserve			
Opening Balance		185,185	185,185
BIRST Training reserve			
Opening Balance		983,266	1,001,296
Payments by SA Building Industry Redundancy Scheme Trust in prior year to:			
Construction Industry Drug & Alcohol Program		-	(27,500)
Master Painters Association		-	(69,000)
Master Plumbers Association		-	(61,600)
BIRST distributions for the year unexpended transferred to reserve		360,485	140,070
<b>Closing Balance</b>		<b>1,343,751</b>	<b>983,266</b>
<b>Total</b>		<b>1,528,936</b>	<b>1,168,451</b>

### NOTE 14: RETAINED PROFITS

Retained profits at the beginning of the financial year	4,370,304	3,958,861
Net profit attributable to the association	531,309	411,443
<b>Retained profits at the end of the financial year</b>	<b>4,901,614</b>	<b>4,370,304</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

### NOTE 15: RELATED PARTIES

#### (A) COUNCIL MEMBERS

The Council members who each held office as a Council member of the association during the year ended June 30, 2004 were as follows: D Camporeale, A Candetti, A Catrinari, P Coutts, T Covino, L Drusian, P Eden, P Kennedy, J Kennett, P Liedeg, D McMahon, G Meyers, S Minuzzo, M O'Connor, M Rundell, S Salisbury, C Sciliano, T Tagliaferri.

**Chief Executive:** Robert Stewart

#### (B) OTHER RELATED PARTY - ENTITY SUBJECT TO SIGNIFICANT INFLUENCE BY THE MASTER BUILDERS ASSOCIATION

Master Builders Group Training Scheme Inc.

#### (C) RELATED PARTY TRANSACTIONS

##### 1. Service Charge

The amount charged by the Master Builders Association to the MBGTS for the provision of reception, administration, industrial relations, OH&S, legal and secretarial support for the year ended 30 June 2004 was as follows:

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
	70,124	70,000
	<b>70,124</b>	<b>70,000</b>

##### 2. Rent charge

Amount charged by the Master Builders Association to the MBGTS for rent, security recharge, common cleaning, parking and electricity for the period of July 2003 - June 2004 is \$22,135.19 exclusive of GST charges, for the financial year 2002 - 2003 - \$22,529 exclusive of GST charges.

### NOTE 16: SEGMENT REPORTING

The Association operates in the building and construction industry providing advice, support and benefits to members and operates within the state of South Australia.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

### NOTE 17: CASH FLOW INFORMATION

(A) RECONCILIATION OF CASH	Note	2004 \$	2003 \$
Cash on hand	5	2,751	10,459
Cash at bank	5	732,815	493,148
Cash on deposit	5	749,942	713,669
Cash on deposit	5	2,073,793	1,419,383
Cash on investment		27,849	
Arbitration Trust Fund		15,119	50,066
		<b>3,602,269</b>	<b>2,686,725</b>
<b>(B) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT FROM ORDINARY ACTIVITIES (INDIRECT)</b>			
Profit from ordinary activities		531,309	411,443
<b>Non-cash flows in profit from ordinary activities</b>			
Depreciation		132,008	124,373
Loss on disposal of plant and vehicles		(4,174)	411
Loss on redemption of Investment		(522)	25,742
Realisation of Market Value of Share Portfolio		(21,993)	
Increase in revenue accrual		35,472	(84,290)
Increase/decrease in provision of doubtful debts		-	3,264
<b>Changes in Assets</b>			
Increase/Decrease in receivables		(211,273)	760,639
Increase/Decrease in inventories		(1,542)	(5,533)
Increase/Decrease in prepayments		(37,969)	(23,107)
<b>Changes in Liabilities</b>			
Increase/Decrease in creditors		115,220	(243,208)
Increase/Decrease in employee entitlements		57,711	20,454
Increase/Decrease in income received in advance		39,832	121,328
<b>BIRST</b>		360,485	(18,030)
<b>Net cash provided by operating activities</b>		<b>994,536</b>	<b>1,093,487</b>
<b>(C) THE ASSOCIATION HAS NO CREDIT STAND-BY OR FINANCING FACILITIES IN PLACE</b>			
<b>(D) DURING JULY 2002 - JUNE 2003 THE ASSOCIATION INVESTED IN THE FOLLOWING SHARES</b>			
Telstra Corporation Limited		7,310	-
Fosters Group Limited		6,750	-
ANZ Banking Group Limited		9,968	-
Commonwealth Bank of Australia		5,904	-
John Fairfax Holdings		7,753	-
		<b>37,686</b>	<b>-</b>
<b>(E) REALISATION OF MARKET VALUE OF THE SHARE PORTFOLIO JULY 2003 - JUNE 2004</b>			
		<b>21,993</b>	



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

**NOTE 18: FINANCIAL INSTRUMENTS**

**(A) INTEREST RATE RISK**

The Association is not exposed to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates.

	<b>Interest Rate</b>	<b>2004 \$</b>	<b>Interest Rate</b>	<b>2003 \$</b>
<b>Financial Assets</b>				
<b>Interest bearing financial instruments</b>				
Cash at Bank	<i>Floating rate</i>	732,815	<i>Floating rate</i>	493,148
Interest bearing deposits	<b>5.25%</b>	2,073,793	<b>4.50%</b>	1,419,383
Interest bearing deposits	<b>5.20%</b>	749,942	<b>4.60%</b>	713,669
Arbitration trust fund	<i>Floating rate</i>	15,119	<i>Floating rate</i>	50,066
Cash at Investment Bank	-	27,849	-	-
Investment in managed funds	-	-	-	-
Investment in listed corporations	-	204,708	-	220,401
<b>Non interest bearing financial instruments</b>				
Cash on hand	-	2,751	-	10,459
Receivables	-	1,223,816	-	1,012,543
	-	<b>5,030,792</b>	-	<b>3,919,669</b>
<b>Financial liabilities:</b>				
<b>Non interest bearing financial instruments</b>				
Creditors	-	517,640	-	363,921
Employee entitlements	-	215,187	-	157,476
Arbitration trust funds	-	10,291	-	48,790
	-	<b>743,119</b>	-	<b>570,188</b>
<b>Total</b>	-	<b>4,287,674</b>	-	<b>3,349,481</b>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

### (B) CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

### (C) NET FAIR VALUES

Methods and assumptions used in determining net fair value

Investments are valued at cost. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

### NOTE 19: ASSOCIATION DETAILS

The principal place of business of the association is:

**MASTER BUILDERS ASSOCIATION,  
LEVEL 1/47 SOUTH TERRACE,  
ADELAIDE SA 5000**

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## ACCOUNTING OFFICER'S REPORT 2003 - 2004

I, Alex Candetti, being the Officer responsible for keeping the accounting records of the Master Builders Association of South Australia Incorporated, certify that as at 30 June 2004, the number of members was 1628 and the number of Associates was 128.

1. The attached accounts show a true and fair view of the financial affairs of the Association as at 30/06/2004.
2. A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited in accordance with the Rules of the Association.
3. Before any expenditure was incurred approval of the incurring expenditure was obtained in accordance with the Rules of the Association.

4. With regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the Rules of the Association, no payments were made out of any such fund for purposes other than those for which the fund was operated.

5. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the Rules of the Association.

6. The Register of Members of the Association was maintained in accordance with the Workplace Relations Act 1996.



**A Candetti**  
Treasurer

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## COUNCIL OF MANAGEMENT'S CERTIFICATE

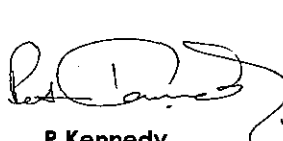
We, Peter Kennedy and Peter Eden, being two members of the Council of the Master Builders Association of South Australia Incorporated, do state on behalf of the Council and in accordance with a resolution passed by the Council that:

1. In the opinion of the Council the attached accounts show a true and fair view of the financial affairs of the association as at 30 June 2004;
2. In the opinion of the Council, meetings of the Council were held during the year ended 30 June 2004, in accordance with the Rules of the Association;
3. To the knowledge of any Member of the Council, there have been no instances during the financial year to which the accounts relate, where records of the Association or other documents (not being documents containing information made available to a

member of the Association under Section 274(2) of the Workplace Relations Act 1996), or copies of those records or other documents, or copies of the Rules of the Association, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1966, the Regulations thereto, or the Rules of the Association;

4. the Association has complied with Section 279 of the Workplace Relations Act 1996 in relation to the financial accounts in respect of the year ended 30 June 2004.

Signed in accordance with a resolution of the Members of the Council.



**P Kennedy**  
President



**P Eden**  
Deputy President

Dated this 11th day of October 2004

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## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MASTER BUILDERS ASSOCIATION OF SA INC.

### SCOPE

We have audited the financial report of Master Builders Association of South Australia Incorporated for the year ended 30th June 2004 comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, Notes to The Financial Statements, Statement By Members of The Council. The Board is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Associations Incorporation Act 1985, the Workplace Relations Act 1966 and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Master Builders Association of South Australia Incorporated's financial position and performance as represented by the results of its operations and its cash flows. The Audit opinion expressed in this report has been formed on the above basis.

### AUDIT OPINION

In our opinion:-

- (a) there were kept by the association in relation to the year ended 30th June 2004 satisfactory accounting records, including: records of the source and nature of the income of the association including income from members; and records of the nature and purposes of the expenditure of the association; and
- (b) the financial report presents fairly in accordance with Australian Accounting Standards, the Associations Incorporation Act 1985, the Workplace Relations Act 1996 and other mandatory professional reporting requirements, the financial position of the Master Builders Association of South Australia Incorporated as at 30th June 2004 and the results of its operations and cash flows for the year then ended.
- (c) all the information and explanations that officers or employees of the association are required to provide have been provided.

**HLB MANN JUDD STEPHENS**  
Chartered Accountants



**Philip Plummer**  
Partner  
Registered Company Auditor

Dated this 11th day of October 2004



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7817  
Fax: (03) 9654 6672

Mr Robert Stewart  
Chief Executive Officer  
Master Builders Association of South Australia Incorporated  
PO Box 10014  
ADELAIDE BC SA 5000

Dear Mr Stewart,

**Re: Financial reports for year ended 30 June 2004 - FR2004/270  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the additional information received in this office on 2 May 2005 covering the organisation's Operating Report for year ended 30 June 2004. The information has been filed. No further action in relation to the organisation's financial reporting for the said year is requested.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Pfeiffer'.

Robert Pfeiffer  
Statutory Services Branch, Melbourne

2 May 2005



MASTER BUILDERS ASSOCIATION  
SOUTH AUSTRALIA INCORPORATED

ABN 61 183 783 305

26/04/05

Rec'd 2/5/05  
\$5

AUSTRALIAN INDUSTRIAL REGISTRY  
Level 35 Nauru House  
80 Collins Street  
Melbourne VIC 3000

To whom it may concern

**Lodgement of Operating report**

**Registration and Accountability of Organisation**

Attached are the following:

- a copy of Operating report in addition to the provided Annual report FR 2004/270 as requested in your letter dated 04/11/04. A copy of the report is available to members on Master Builders Association SA Inc web site in the member's section
- declaration as per reference AR2005/110 – (006S)

Please contact me if additional information is required on (08) 82117466.

Yours sincerely  
Master Builders Association

**Rob Stewart**  
**Chief Executive Officer**  
**Master Builders Association SA Inc**

SOUTH AUSTRALIA SINCE 1884

# MASTER BUILDERS ASSOCIATION OF SOUTH AUSTRALIA Incorporated

(A.C.N. 183783305)

## OPERATING REPORT

YEAR ENDED 30 JUNE 2004

In accordance with section 254 of the Workplace Relations Act 1996, the Committee of Management present the operating report for the year ended 30 June 2004.

### Principal Activities

The principal activity of the Association was to provide a range of services to members.

### Financial Results

The surplus from operating activities for the year 2004 was \$531,309 (2003 surplus \$411,443). The company is exempt from paying income tax.

### Review of Operations

The result represents a favorable variance of \$119,866 in comparison to last year. The result for the year was considered satisfactory and was due primarily to the favorable results in Building Indemnity Insurance services as well. The high level of building activity, which continued during the year, impacted favorably on most areas of operation.

### Significant Changes

No significant changes in the state of affairs of the Association have occurred during the financial year.

### Rights of members to resign

(1)

A "MEMBER" may resign his Membership in the "ASSOCIATION" by giving notice in writing addressed and delivered to the "CHIEF ADMINISTRATIVE OFFICER" and such notice shall be taken to have been received when it was delivered.

(2)

All Membership dues, annual subscriptions, fees and levies remain payable to the date on which the resignation is to take effect and any amounts outstanding are to be remitted with the notice of resignation or they may be sued for and recovered in the name of the "ASSOCIATION" in a court of competent jurisdiction, as a debt due to the "ASSOCIATION".

(3)

A notice of resignation takes effect:

(a)

where the "MEMBER" ceases to be eligible to become a member:

(i)

on the day on which the notice is received by the "ASSOCIATION"; or

(ii)

on the day specified in the notice, which is a day not earlier than the day when the "MEMBER" ceases to be eligible to become a member; whichever is later; or

(b)

in any other case:

(i)

at the end of three months, or upon earlier acceptance by a meeting of "COUNCIL", after the notice is received; or

(ii)

on the day specified in the notice;

whichever is later.

(4)

A notice of resignation that has been received is not invalid because it was not addressed and delivered in accordance with sub-clause 9(1) of the Master Builders Association SA Inc. Constitution.

(5)

A resignation from membership is valid even if it is not effected in accordance with this section if the "MEMBER" is informed in writing by or on behalf of the "ASSOCIATION" that the resignation has been accepted.

(6)

On and from the day on which resignation takes effect the former "MEMBER" must not use or display any site boards, membership certificate, stationery, advertising materials or other items which bear the name or emblem of the "ASSOCIATION" which may tend to lead persons to believe that the former "MEMBER" remains a "MEMBER" of the "ASSOCIATION".

**MASTER BUILDERS ASSOCIATION OF SOUTH AUSTRALIA Incorporated**  
(A.C.N. 004 255 654)  
**COUNCIL OF MANAGEMENT**  
**OPERATING REPORT**  
**YEAR ENDED 30 JUNE 2004**

**To the best of our knowledge and belief:**

No officer or member of the organization, by virtue of their office or membership of the Master Builders Association of South Australia is;

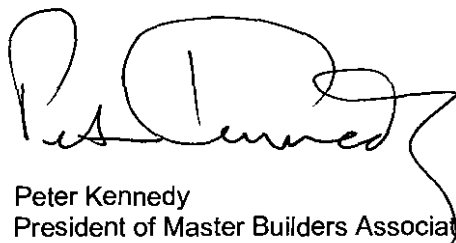
- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organization.

**Prescribed Information**

- (1) Number of members of the organization at 30/06/2004 -1756 (2003 - 1685)
- (2) Employees of the reporting unit as at 30/06/2004 -18 equivalent full time staff (2003 - 17)
- (3) Members of the Council of Management during the financial year ended 30/06/2004:

D Camporeale, A Candetti, A Catinari, P Coutts, T Covino, L Drusian, P Eden, P Kennedy, J Kennett, P Liedeg,  
D McMahon, G Meyers, S Minuzzo, M O'Connor, M Rundell, S Salisbury, C Siciliano, T Tagliaferri

For and on behalf of Council of Management



Peter Kennedy  
President of Master Builders Association SA Inc.

26/04/05