



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

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7764  
Fax: (03) 9655 0410  
Email: [kevin.donnellan@airc.gov.au](mailto:kevin.donnellan@airc.gov.au)

Mr Michael O'Connor  
President  
Master Builders Association of South Australia Incorporated

email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr O'Connor

**Re: Financial Report for the Master Builders Association of South Australia  
Incorporated for year ended 30 June 2007 – FR2007/383**

I acknowledge receipt of the designated officer's certificate for the Master Builders Association of South Australia Incorporated lodged with the Registry on 29 October 2008.

The financial report has now been filed.

I note that the 2008 financial report was lodged on 30 October 2008. I make the following comments to assist you in the preparation of future reports. You are not required to take any further action in respect of the report lodged.

***Operating Report***

*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. This 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 32 of the organisation's Rules is applicable.

I note that the information provided does not meet either of the above requirements. Future financial reports should provide the required information.

*Schedule 1*

Reference to Schedule 1B of the Act, should properly refer to Schedule 1.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal stroke extending to the right.

Kevin Donnellan

Statutory Services Branch  
11 November 2008

29-10-2008

AUSTRALIAN INDUSTRIAL REGISTRY  
GPO Box 1994  
Melbourne VIC 3001

To whom it may concern

**Certificate of the Authorised Officer**

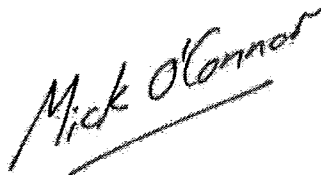
S268 of Schedule 1 Workplace Relations Act 1996

I, Michael O'Connor, being the President of the Master Builders Association SA Inc certify:

- that the document lodged herewith is the copy of full report, referred to in s268 of the RAO Schedule; and
- that the 2006/2007 General Purpose Financial report, the Auditor's Report and the Operating Report were provided to members of the Association on the 22<sup>nd</sup> of September 2008; and
- that the full report was presented to the Annual General Meeting of members on the 21<sup>st</sup> of October 2008 in accordance with s266 of the RAO Schedule

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

Yours sincerely

A handwritten signature in black ink that reads "Mick O'Connor". The signature is written in a cursive style and is underlined with a single horizontal stroke.

**Michael O'Connor  
President  
Master Builders Association SA Inc**

## COMMITTEE OF MANAGEMENT STATEMENT



In the opinion of the Committee of Management:

- a) the Financial Statements and Notes comply with 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, changes in equity, cash flows and state of affairs of the Association and controlled entity for the year ended 30th June 2007;
- d) at the date of this statement, for the year ended there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
  - (i) meetings of the council of management were held in accordance with the rules of the organisation;
  - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation;
  - (iii) the financial records of the Association and controlled entity have been kept and maintained in accordance with the Workplace Relations Act 1996, schedule 1B Regulations and Accountability of Organisations (RAO) and the RAO Regulations;
  - (iv) the information sought in any request of a member of the Association and controlled entity or a Registrar duly made under section 272 of the RAO schedule has been furnished to the member or Registrar;
  - (v) there has been no order for inspection of financial records made by the Commission under section 273 of the Schedule 1B of the Workplace Relations Act 1996.
- f) During the financial year to 30th June, 2007,
  - (i) no officer of the Association;
  - (ii) no firm of which an officer is a member; or
  - (iii) 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, not inclusive of remuneration under employment contract.

This statement is made in accordance with a resolution of the Committee of Management passed on 17th of September and is signed for and behalf of the Committee of Management by:

**Peter Eden**  
PRESIDENT

*Dated this 18th of September 2007*

**Michael O'Connor**  
DEPUTY PRESIDENT

*Dated this 18th of September 2007*

## TREASURER'S REPORT

2006 / 2007



<b>Net Income</b>	<b>2006/2007</b>	<b>2005/2006</b>
<b>Operations</b>	631,028	429,671
<b>Property</b>	233,461	222,750

The operating surplus for 2006/2007 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 trend of improvement experienced in 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. Profit is applied to maintain operations of the Association for provision of services to members.

**Alex Candetti**  
TREASURER

*Dated this 18th of September 2007*



# OPERATING REPORT

In accordance with section 254 of Schedule 1B of the Workplace Relations Act 1996, the Council of Management presents the operating report for the year ended 30 June 2007.

## Principal Activities

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

## Financial Results

The consolidated surplus from operating activities for the year 2007 for Master Builders Association SA Inc and for Master Builders Training Foundation Pty Ltd was \$864,489.

## Review of Operations

The result represents a favourable variance of \$212,067 in comparison to the last year. The result for the year was considered satisfactory and was due primarily to the growth of membership and excellent results in operations of the Training Department.

## Significant Changes

There were no significant changes over financial year 2006-2007 in the operations of the Association.

## Rights of members to resign

- 1 A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
- 2 A notice of resignation from membership of an organisation 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 two weeks, 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.
- 3 Any dues payable but not paid by a former member of an organisation, in relation to a period before the

member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

- 4 A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.
- 5 A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).
- 6 A resignation from membership of an organisation 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 organisation that the resignation has been accepted.

## To the best of our knowledge and belief:

The past president of the Association, Peter Kennedy is a trustee of CBUS superannuation entity.

## Prescribed Information

Number of members of the organization at 30/06/2007 - 2026 (30/06/2006 - 1803)

Employees of the reporting unit as at 30/06/2007 - 24 staff (30/06/2006 - 21 staff)

Members of the Council of Management during the financial year ended 30/06/2007:

R Bianco, A Candetti, A Catinari, R D'Angelo, P Eden, G Green, D Hough, W Irwin, S Janssen, P Kennedy, J Kennett, D McMahon, G Meyers, M O'Connor, M Rundell, S Salisbury, C Siciliano, T Tagliaferri

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



**Peter Eden**

President of Master Builders Association SA Inc.

*Dated this 18th of September 2007*

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED AS AT 30 JUNE 2007



	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenues	3	4,670,876	4,122,733	4,526,958	3,997,687
Employee benefits to holders of office	1(m)	(870,127)	(818,821)	(870,127)	(818,821)
Employee benefits employees		(744,789)	(568,889)	(744,789)	(568,889)
Depreciation expense	10 (b)	(196,710)	(203,108)	(196,710)	(203,108)
Supplies and services		(1,994,761)	(1,881,501)	(1,889,830)	(1,758,815)
<b>Profit from operations</b>		<b>864,489</b>	<b>652,422</b>	<b>825,501</b>	<b>650,062</b>

The above income statement is to be read in conjunction with the accompanying notes



**CONSOLIDATED BALANCE SHEET AS AT**  
30 JUNE 2007



		Consolidated Entity		Master Builders Association SA Inc	
	Note	2007	2006	2007	2006
<b>CURRENT ASSETS</b>		\$	\$	\$	\$
<i>Cash and cash equivalents</i>	5	5,114,124	3,429,137	3,440,153	2,759,207
<i>Trade and other receivables</i>	6	1,224,894	1,921,147	2,900,927	2,625,431
<i>Inventories</i>	7	13,154	15,729	13,154	15,729
<i>Other current assets</i>	8	212,808	158,079	212,808	158,079
<b>TOTAL CURRENT ASSETS</b>		<b>6,564,980</b>	<b>5,524,093</b>	<b>6,567,042</b>	<b>5,558,446</b>
<b>NON-CURRENT ASSETS</b>					
<i>Financial assets</i>	9	977,498	623,013	977,498	623,013
<i>Property, plant and equipment</i>	10	4,279,239	4,338,512	4,279,239	4,338,512
<i>Intangibles</i>		410		410	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,257,148</b>	<b>4,961,525</b>	<b>5,257,148</b>	<b>4,961,525</b>
<b>TOTAL ASSETS</b>		<b>11,822,128</b>	<b>10,485,618</b>	<b>11,824,190</b>	<b>10,519,971</b>
<b>CURRENT LIABILITIES</b>					
<i>Trade and other payables</i>	11	1,126,005	1,014,180	1,132,876	1,014,354
<i>Short-term and long-term employee benefits</i>	12	225,633	199,831	225,633	199,831
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,351,638</b>	<b>1,214,011</b>	<b>1,358,509</b>	<b>1,214,185</b>
<b>TOTAL LIABILITIES</b>		<b>1,351,638</b>	<b>1,214,011</b>	<b>1,358,509</b>	<b>1,214,185</b>
<b>NET ASSETS</b>		<b>10,470,489</b>	<b>9,271,607</b>	<b>10,465,680</b>	<b>9,305,786</b>
<b>EQUITY</b>					
<i>Reserves</i>		3,452,787	3,118,394	3,452,787	3,118,394
<i>Retained earnings</i>		7,017,702	6,153,214	7,012,893	6,187,393
<b>TOTAL EQUITY</b>		<b>10,470,489</b>	<b>9,271,608</b>	<b>10,465,680</b>	<b>9,305,787</b>

The above balance sheet is to be read in conjunction with the accompanying notes



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2007



## Reserves

	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Asset Revaluation Reserve</b>					
Balance at start of period		981,004	185,185	981,004	185,185
Revaluation increment and other		-	795,819	-	795,819
Balance at end of period		981,004	981,004	981,004	981,004
<b>Training Foundation Reserve</b>					
Balance at start of period		707,306	-	707,306	-
Movement to the reserve		950,000	-	950,000	-
Balance at end of period		1,657,306	707,306	1,657,306	707,306
<b>BIRST Training Reserve</b>					
Balance at start of period		1,430,084	1,092,116	1,430,084	1,092,116
Payments by SA Building Industry Redundancy Scheme Trust in prior year to:					
Construction Industry Drug & Alcohol Program		(24,000)	-	(24,000)	-
Master Builders Association Distribution	1(i)	(950,000)	(61,840)	(950,000)	(61,840)
BIRST distributions for the year unexpended transferred to reserve	1(i)	358,393	399,808	358,393	399,808
Balance at end of period		814,477	1,430,084	814,477	1,430,084
<b>Total Reserves</b>		<b>3,452,787</b>	<b>3,118,394</b>	<b>3,452,787</b>	<b>3,118,394</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT  
30 JUNE 2007**



Retained Earnings

	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
<i>Retained earnings at start of period</i>		6,153,213	5,500,792	6,187,392	5,537,331
<i>Profit attributable to the association</i>		864,489	652,421	825,501	650,061
<i>Retained earnings at end of period</i>		7,017,702	6,153,213	7,012,893	6,187,392
<b>Total Equity</b>		<b>10,470,489</b>	<b>9,271,607</b>	<b>10,465,680</b>	<b>9,305,786</b>

The above statement of changes in equity is to be read in conjunction with the accompanying notes



# CONSOLIDATED CASH FLOW STATEMENT AS AT 30 JUNE 2007



		Consolidated Entity		Master Builders Association SA Inc	
	Note	2007	2006	2007	2006
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from members, trade and other debtors		5,060,289	3,424,747	4,035,290	3,415,113
Payments to suppliers and employees		(3,315,260)	(2,726,826)	(3,203,633)	(2,608,465)
Dividends received		38,350	18,468	38,350	18,468
Interest received		260,801	176,315	170,132	136,414
Net cash provided by operating activities	15b	<u>2,044,181</u>	<u>892,704</u>	<u>1,040,141</u>	<u>961,530</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for property plant and equipment		(165,125)	(832,529)	(165,125)	(832,529)
Payments for trademark registration		(410)		(410)	
Proceeds from sales of property, plant and equipment		(2,521)	(4,591)	(2,521)	(4,591)
Proceeds from sales of shares		95,031	5,246	95,031	5,246
Redemption of property, plant and equipment		27,688		27,688	
Payments for portfolio	15	(1,071,844)	(502,117)	(1,071,844)	(502,117)
Proceeds from sales in portfolio	15	<u>757,986</u>	<u>138,174</u>	<u>757,986</u>	<u>138,174</u>
Net cash provided (used) by investing activities		<u>(359,195)</u>	<u>(1,195,816)</u>	<u>(359,195)</u>	<u>(1,195,816)</u>
Net increase/decrease in cash held		1,684,987	(303,112)	680,946	(234,286)
Cash at the beginning of the financial year		<u>3,429,137</u>	<u>3,732,249</u>	<u>2,759,207</u>	<u>2,993,494</u>
Cash at the end of the financial year	5	<u>5,114,124</u>	<u>3,429,137</u>	<u>3,440,153</u>	<u>2,759,207</u>

The above cash flow statement is to be read in conjunction with the accompanying notes

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



## Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Associations Incorporation Act 1985 (SA), Schedule 1B - Regulations and Accountability of Organisations, Workplace Relations Act 1996 and Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

### Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of the accounting has been applied.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

### Accounting Policies

#### (a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Master Builders Association SA Inc and its controlled entity as at 30th of June 2007. A controlled entity is any entity controlled by Master Builders Association SA Inc. Control exists where Master Builders Association SA Inc has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Master Builders Association SA Inc to achieve the objectives of Master Builders Association SA Inc. A list of controlled entities is contained in Note 13 b to the financial statements.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

#### (b) 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. Member income is excluded from tax under the principle of mutuality.

#### (c) Property, Plant and Equipment

Land and buildings class of assets is stated at independent valuation.

Plant and equipment are measured on the cost basis.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

## (d) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the commencing from the time the asset is held ready to use.

The depreciation rates for each class of depreciable assets are:

Buildings	2.5%
Building Improvements	2.5%
Computer Software	40%
Computer Hardware	25%
Furniture & Equipment	13% to 30%
Plant & Equipment	13% to 40%
Motor Vehicles	15%

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. Any revaluation decrease is recognised in profit or loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset. Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance sheet date.

## (e) Provision for Doubtful Debts

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



**(f) Cash and Cash Equivalents**

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

**(g) 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 present value of the probability of expected future payments in respect of the services provided.

**(h) 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.

**(i) 2. Other Revenue**

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

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.

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.

**(j) 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

**(k) Comparative Figures**

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

**(l) Market Value of Managed Investment Portfolio**

After their initial recognition, Association measures financial assets at fair value, without deduction for transaction costs it may incur on sale.





**(m) Holders of office**

Holders of the Office are Employees of the Association that fulfil the function of the management of the affairs of the organisation, determine policies for the organisation, are responsible for the making, alteration or rescission of rules of the organisation or enforce the rules of the organisation or branch, or the performance of functions in relation to the enforcement of such rules.

**Note 2: Information to be provided to Members or Registrar**

In accordance with the requirements of Schedule 1B Registration and Accountability of Organisations, Australian Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sections 272 (1), (2) and (3), which details are set out below:

- 272
1. A member of Association, or a Registrar, may apply to the Association for specified prescribed information in relation to the Association to be made available to the person making the application.
  2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Association.
  3. Association must comply with an application made under subsection (1).
- 265
1. Association must provide free of charge to its members either:
    - (a) a full report consisting of: copy of the report of the auditor in relation to the inspection and audit of the financial records of the Association in relation to a financial year; and  
a copy of the general purpose financial report to which the report relates; and 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).
  2. A concise report may only be provided if, under the rules of the Association, the committee of management of the Association resolves that a concise report is to be provided.
  3. A concise report for a financial year consists of:
    - (a) a concise financial report for the year drawn up in accordance with the regulations; and
    - (b) the operating report for the year; and
    - (c) a statement by the auditor:
      - (i) that the concise financial report has been audited; and
      - (ii) whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and
    - (d) a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and
    - (e) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007**



4. If a member requests a copy of the full report and auditor's report, as mentioned in paragraph (3)(e), the Association must send those reports to the person within 28 days of the request being made.
5. The copies referred to in subsection (1) must be provided within:
  - (a) if a general meeting of members of the Association to consider the reports is held within 6 months after the end of the financial year—the period starting at the end of the financial year and ending 21 days before that meeting; or
  - (b) in any other case—the period of 5 months starting at the end of the financial year.

A Registrar may, upon application by the Association, extend the period during which the meeting referred to in paragraph (a) may be held, or the period set out in paragraph (b), by no more than one month.
6. Where Association publishes a journal that is available to the members of the Association free of charge, Association may comply with subsection (1):
  - (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.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Note 3: Revenue</b>					
<i>Members Subscriptions</i>		1,602,117	1,547,709	1,602,117	1,547,709
<i>Training</i>		1,176,306	867,508	1,176,306	867,508
<i>Insurance Commissions</i>		163,458	203,785	163,458	203,785
<i>Document Sales</i>		174,836	104,013	174,836	104,013
<i>TV Programme - Building Ideas</i>	1(h)	195,746	188,913	195,746	188,913
<i>Building Awards</i>		277,417	267,781	277,417	267,781
<i>Buildex</i>		23,276	13,713	23,276	13,713
<i>BIRST Workchoices Seminars Distribution</i>		-	61,840	-	61,840
<i>Training Foundation Initiatives</i>		53,250	85,146	-	-
<i>Other</i>		242,660	313,561	242,660	313,561
<i>Interest received Master Builders Association SA Inc</i>					
<i>Association SA Inc</i>	1(i)	260,801	176,315	170,132	136,414
<i>Dividends received</i>	1(i)	38,350	18,468	38,350	18,468
<i>Property</i>		329,522	281,493	329,522	281,493
<i>Proceeds on disposal of vehicles and equipment</i>		92,510	(4,591)	92,510	(4,591)
<i>Proceeds on Share Portfolio</i>		40,628	21,834	40,628	21,834
<i>Proceeds on Shares of Subsidiary Company</i>		-	(24,754)	-	(24,754)
<b>Total Revenue</b>		<b>4,670,876</b>	<b>4,122,733</b>	<b>4,526,958</b>	<b>3,997,687</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007**



	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Note 4: Supplies and services</b>					
<i>TV Programme - Building Ideas</i>	1(h)	137,420	146,793	137,420	146,793
<i>Building Awards</i>		188,162	175,777	188,162	175,777
<i>Buidex</i>		432	2,064	432	2,064
<i>Training</i>		482,459	357,378	462,459	357,378
<i>Youth Employment Program</i>		83,709	75,000	-	-
<i>Remuneration of Auditor for auditing financial report</i>		23,500	16,105	22,500	16,105
<i>Power</i>		63,205	62,424	63,205	62,424
<i>Rates and taxes</i>		45,858	43,517	45,858	43,517
<i>Maintenance</i>		66,785	44,305	66,785	44,305
<i>Other property expenses</i>		18,903	29,662	18,903	29,662
<i>Subscriptions</i>		16,951	7,602	16,951	7,602
<i>Subscriptions National Association</i>		126,706	117,573	126,706	117,573
<i>Legal Expenses</i>		34,166	36,400	34,166	36,400
<i>Insurance</i>		41,924	37,811	41,924	37,811
<i>Meeting Expenses</i>		8,858	8,494	8,858	8,494
<i>Communication Expenses</i>		80,866	77,342	80,866	77,342
<i>Travel and Accomodation</i>		8,672	15,155	8,672	15,155
<i>Consultants</i>		205,002	193,216	205,002	193,216
<i>Consultants Training Foundation</i>		-	47,603	-	-
<i>Other</i>		361,184	387,280	360,962	387,197
<b>Total supplies and services</b>		<b>1,994,761</b>	<b>1,881,501</b>	<b>1,889,830</b>	<b>1,758,815</b>



## HOUSING

During the period, the residential sector of the industry experienced a slight increase in building commencements from 10,600 to 11,000. In addition, the Australian Bureau of Statistics has increased the population figures for South Australia from data collected from the last census. The increase in population will increase the underlying demand from 8,000 to over 10,000. However the issue for South Australia is that the supply exceeds demand due to shortage of trades and labour. Homes under construction total approximately 7,000 with 2,500 approved yet to be commenced. The drivers for the housing market are continued low interest rates, low unemployment, the resource boom and the private other sector of the market which accounts for the building of retirement villages, student accommodation and apartments.

The resource mining boom continued to show growth in regional areas.

Housing affordability continued to decline in South Australia as the supply of housing for low to moderate income earners was restricted due to the limited release of affordable land. The Association continued to lobby the State Government for the release of more affordable land by the Land Management Corporation and whilst the review of the Urban Growth Boundary was welcomed there is still a demonstrable need for more land.

The Alterations/Additions and home improvement markets softened slightly due to interest-rate increases yet remain the preferred option as a result of limited availability of land and housing affordability.

The Association continued to utilize the unique mediums of the Building Ideas television programme, Building Excellence Awards, Building Ideas magazine, exposure in the "New Homes and Land" section of the Sunday Mail combined and the Building and Home Improvement Show at Wayville Showgrounds to promote housing members and increase their profile.

The Housing Committee was again well attended with Committee Chair, Charlie Siciliano and Scott Salisbury as Vice Chairman. The proactive Agenda included a series of meetings and briefings with Ministers for Planning, Housing and the Commissioner for Consumer Affairs.

The Committee continued to develop and set objectives as well as compose technical editorials and member alerts that were disseminated to the greater residential sector for their comments and feedback.

Issues addressed included:

- Planning
- Land availability
- Licensing
- Housing Affordability
- Quality of Building Work
- Trade Shortages and new entrants into the industry.

### National Housing Advisory Committee

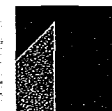
South Australia was host to the face-to-face meeting of State representatives and their Builder/ Housing Representative meeting to discuss and continue to strategically lobby and further develop the following Action Items:

1. Local Government Planning – National Policy to drive consistency and a better working model throughout the States.
2. Progress Payments
3. Common Defects
  - Plasterboard
4. National Licensing
5. Housing Affordability
6. Australian Standards reviews
7. Remodellers (Alteration, Addition & Refurbishment) sector

Key Outcomes:

- Technical Bulletins from the National Technical Director.
- National Licensing – National Training Blueprint.
- Housing the Nation – Draft Policy

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



Note	Consolidated Entity		Master Builders Association SA Inc	
	2007	2006	2007	2006

Note 7: Inventories

CURRENT

Stock of publications, at cost	13,154	15,729	13,154	15,729
--------------------------------	--------	--------	--------	--------

Note 8: Other Current Assets

Prepayments	112,808	38,079	112,808	38,079
Revenue Accruals	100,000	120,000	100,000	120,000
Total Other Current Assets	212,808	158,079	212,808	158,079

Note 9: Financial Assets

Financial Assets at Fair Value through  
Profit or Loss

Market Value of Managed Investments in listed corporations	1(i)	977,498	623,013	977,498	623,013
Total Financial Assets		977,498	623,013	977,498	623,013



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$

**Note 10: Property, Plant and Equipment**

(a) Details of Property Plant and Equipment

Land and Buildings at Fair Value	10(c)	3,900,000	3,900,000	3,900,000	3,900,000
less Accumulated Depreciation		(52,500)	-	(52,500)	-
		<u>3,847,500</u>	<u>3,900,000</u>	<u>3,847,500</u>	<u>3,900,000</u>
Computer Software at Cost		269,326	259,541	269,326	259,541
less Accumulated Depreciation		(156,483)	(117,340)	(156,483)	(117,340)
		<u>112,843</u>	<u>142,201</u>	<u>112,843</u>	<u>142,201</u>
Computer Hardware at Cost		317,728	288,209	317,728	288,209
less Accumulated Depreciation		(272,801)	(245,044)	(272,801)	(245,044)
		<u>44,926</u>	<u>43,165</u>	<u>44,926</u>	<u>43,165</u>
Furniture & Equipment at Cost		276,679	260,072	276,679	260,072
less Accumulated Depreciation		(212,172)	(195,990)	(212,172)	(195,990)
		<u>64,507</u>	<u>64,082</u>	<u>64,507</u>	<u>64,082</u>
Plant & Equipment at Cost		191,379	179,533	191,379	179,533
less Accumulated Depreciation		(123,287)	(104,385)	(123,287)	(104,385)
		<u>68,092</u>	<u>75,148</u>	<u>68,092</u>	<u>75,148</u>
Motor Vehicles at Cost		146,715	207,090	146,715	207,090
less Accumulated Depreciation		(97,917)	(93,174)	(97,917)	(93,174)
		<u>48,798</u>	<u>113,916</u>	<u>48,798</u>	<u>113,916</u>
Building Improvements at Cost		96,606	207,090	96,606	207,090
less Accumulated Depreciation		(4,033)	(93,174)	(4,033)	(93,174)
		<u>92,573</u>	<u>113,916</u>	<u>92,573</u>	<u>113,916</u>
<b>Total Property, Plant and Equipment</b>		<u><b>4,279,239</b></u>	<u><b>4,338,512</b></u>	<u><b>4,279,239</b></u>	<u><b>4,338,512</b></u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



## (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*

2007	Land and Buildings	Building Improvements	Software	Hardware	Furniture & Equipment	Plant	Motor Vehicles	TOTAL
Balance at the beginning of year	3,900,000	-	142,201	43,165	64,082	75,148	113,916	4,338,512
Additions	-	96,606	9,785	29,518	16,608	12,608	-	165,125
Disposals	-	-	-	-	-	(561)	(27,128)	(27,688)
Depreciation Expense	(52,500)	(4,033)	(39,144)	(27,757)	(16,182)	(19,105)	(37,990)	(196,710)
Carrying amount at the end of the year	3,847,500	92,573	112,843	44,926	64,508	68,091	48,798	4,279,239
2006	Land and Buildings	Building Improvements	Software	Hardware	Furniture & Equipment	Plant	Motor Vehicles	TOTAL
Balance at the beginning of year	2,439,082	-	164,172	62,730	41,367	55,319	151,414	2,914,085
Additions	742,330	-	15,912	4,800	34,289	35,197	-	832,529
Revaluation Increment	795,007	-	-	-	-	-	-	795,007
Depreciation Expense	(76,420)	-	(37,883)	(24,364)	(11,575)	(15,368)	(37,498)	(203,108)
Carrying amount at the end of the year	3,900,000	-	142,201	43,165	64,082	75,148	113,916	4,338,512

## (c) Valuation of Land & Building by Independent Valuer - Details

Valuation \$3,900,000

Amount:

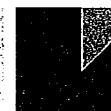
Basis of Valuation: Market Value of the property as defined by The International Assets Valuations Standards Committee

Valuation Date: Basis of valuation adopted by Executive Council and brought to account on 30 June 2006

Date:

Date of Valuation Report on which majority of valuation in financial report has been based: 21 st day of March 2006

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007**



**Note 11: Trade and Other Payables**

	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
Trade Creditors		507,097	274,128	507,097	271,378
Arbitration Accounts		22,325	39,552	22,325	39,552
Income received in advance		578,009	566,382	578,009	566,382
GST Net liability	1(j)	18,574	134,117	25,445	137,042
<b>Total Payables</b>		<b>1,126,005</b>	<b>1,014,180</b>	<b>1,132,876</b>	<b>1,014,354</b>

**Note 12: Short-term and long-term employee benefits**

	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Current</b>					
Annual Leave - Office Holders	1(m)	54,017	73,867	54,017	73,867
Annual Leave - Other		21,770	17,468	21,770	17,468
<b>Total Short-term Employee Benefits</b>		<b>75,787</b>	<b>91,335</b>	<b>75,787</b>	<b>91,335</b>
<b>Long Service Leave</b>					
Long Service Leave - Office Holders	1(m)	124,322	100,902	124,322	100,902
Long Service Leave - Other		25,524	7,593	25,524	7,593
<b>Total Long-term Employee Benefits</b>		<b>149,846</b>	<b>108,496</b>	<b>149,846</b>	<b>108,496</b>
<b>Total Employee Benefits</b>		<b>225,633</b>	<b>199,831</b>	<b>225,633</b>	<b>199,831</b>
<i>Number of employees at year end</i>		24	21	24	21

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



## NOTE 13: RELATED PARTIES

### (a) Council Members

The Council members who each held office as a Council member of the association during the year ended 30 June 2007 were as follows: R Bianco, A Candetti, A Catinari, R D'Angelo, P Eden, G Green, D Hough, W Irvine, S Janssen, P Kennedy, J Kennett, D McMahon, G Meyers, M O'Connor, M Rundell, S Salisbury, C Siciliano, T Tagliaferri

**Chief Executive:** Robert Stewart

### (b) Other related party - entity controlled by the Master Builders Association SA Inc

Master Builders Training Foundation Pty Ltd

### (c) Related Party Transactions

#### (1) Service Charge

The amount charged by the Master Builders Association SA Inc to the Master Builders Group Training Scheme for the provision of reception, administration, financial, industrial relations, OH&S, legal, training and secretarial support for the year ended 30 June 2007 was as follows:

	2007	2006
	\$	\$
	<u>75,140</u>	<u>73,219</u>
	<u>75,140</u>	<u>73,219</u>

#### (2) Rent charge

Amount charged by the Master Builders Association SA Inc to the Master Builders Group Training Scheme for rent, security recharge, common cleaning, parking and electricity for the period of July 2006 - June 2007 is \$31,154.92 exclusive of GST charges. Previous period charge - \$31,595.60, exclusive of GST charges.

#### (3) Master Builders Training Foundation Pty Ltd

The Master Builders Training Foundation Pty Ltd, registered in Australia, established as an initiative of the Master Builders Association SA Inc to meet continuous training demand of the industry. The Association exercises substantial financial control over this entity by way of common directorship and has funded the establishment of the Foundation by means of a loan. Above conditions resulted in consolidation of the financial result of the Foundation with that of the Master Builders Association SA Inc.

## Note 14: 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



Note 15: Cash Flow Information

	Note	Consolidated Entity		Master Builders Association SA Inc	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>(a) Reconciliation of Cash</b>					
Cash and Cash Equivalents	5	5,114,124	3,429,137	3,440,153	2,759,207
<b>(b) Reconciliation of net cash provided by operating activities</b>					
Profit from operations		864,489	652,421	825,501	650,061
<b>Non-cash flows in profit from operations</b>					
Depreciation		196,710	203,108	196,710	203,108
Loss on disposal of vehicles		2,521	4,591	2,521	4,591
(Loss)Profit on disposal/settlement of shares		(95,031)	24,754	(95,031)	24,754
Realisation of Market Value of Share Portfolio		(40,628)	(21,834)	(40,628)	(21,834)
Increase/Decrease in revenue accrual		20,000	(19,387)	20,000	(19,387)





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



Note 15: Cash Flow Information - Continued

(b) Reconciliation of net cash provided by operating activities

		Consolidated Entity		Master Builders Association SA Inc	
	Note	2007	2006	2007	2006
Changes in Assets		\$	\$	\$	\$
Increase/(Decrease) in receivables		696,253	(483,816)	(275,496)	(408,305)
Decrease in inventories		2,574	1,795	2,574	1,795
(Increase) in prepayments		(74,729)	(20,730)	(74,729)	(20,730)
Changes in Liabilities					
Increase in trade and other payables		111,826	21,958	118,522	17,633
Increase in employee entitlements		25,802	38,612	25,802	38,612
Changes in Reserves		334,393	338,781	334,393	338,781
Net cash provided by operating activities		2,044,181	892,704	1,040,141	961,530
(c) Total Shares and Managed Funds Sold		757,986	138,174	757,986	138,174
(d) Realisation of Market Value of the Share Portfolio		40,628	21,834	40,628	21,834
(e) Total Shares Acquired		1,046,873	434,117	1,046,873	434,117
(f) Total Managed Funds Acquired		24,971	68,000	24,971	68,000
Total Acquisitions		1,071,844	502,117	1,071,844	502,117



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



## Note 16: Financial Instruments

### (a) Financial Risk Management

The Association's financial instruments consist of deposits with banks, short-term investments, local money markets, accounts receivable and payable.

The Association's main financial risk is through its financial instruments exposure to interest rates fluctuation. Interest rate risk is managed with a mixture of fixed and floating rate debt. The Association is not exposed to fluctuations in foreign currencies. The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained. 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 balance sheet 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.

### (b) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

### Consolidated Entity

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non-Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>										
Cash at Bank			736,119	880,940	-	-	-	-	-	-
Cash on Hand			-	-	-	-	-	-	1,847	2,604
Receivables			-	-	-	-	-	-	1,229,894	1,926,147
Short-term deposits	6.25%	6.20%	4,376,158	2,545,593	-	-	-	-	-	-
Investment in listed Corporations			977,498	623,013	-	-	-	-	-	-
<b>Total Financial Assets:</b>			<b>6,089,776</b>	<b>4,049,547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,231,741</b>	<b>1,928,751</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



Consolidated Entity

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non-Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Financial Liabilities:</b>	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Creditors			-	-	-	-	-	-	525,671	408,246
Employee Benefits			-	-	-	-	-	-	225,633	199,831
Arbitration Trust Funds			-	-	-	-	-	-	22,325	39,552
<b>Total Financial Liabilities:</b>			-	-	-	-	-	-	<b>773,629</b>	<b>647,629</b>

Master Builders Association SA Inc

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non-Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Financial Assets:</b>	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Cash at Bank			727,463	837,599	-	-	-	-	-	-
Cash on Hand			-	-	-	-	-	-	1,847	2,604
Receivables			-	-	-	-	-	-	2,905,927	2,630,431
Short-term deposits	6.25%	6.20%	2,710,843	1,919,004	-	-	-	-	-	-
Investment in listed Corporations			977,498	623,013	-	-	-	-	-	-
<b>Total Financial Assets:</b>			<b>4,415,805</b>	<b>3,379,615</b>	-	-	-	-	<b>2,907,774</b>	<b>2,633,035</b>

Master Builders Association SA Inc

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non-Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Financial Liabilities:</b>	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Creditors			-	-	-	-	-	-	532,542	408,420
Employee Benefits			-	-	-	-	-	-	225,633	199,831
Arbitration Trust Funds			-	-	-	-	-	-	22,325	39,552
<b>Total Financial Liabilities:</b>			-	-	-	-	-	-	<b>780,500</b>	<b>647,803</b>



## **Note 16: Financial Instruments - Continued**

### **(c) Net Fair Values**

After initial recognition, the Association measures financial assets at their fair values, without deduction for transaction costs it may incur on sale. No financial assets are readily traded on organized markets in standardized form other than listed investments.

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

## **Note 17: Association Details**

The principal place of business and registered office of the Association is:

**Master Builders Association, Level 1/47 South Terrace, Adelaide SA 5000**



# INDEPENDENT AUDITOR'S REPORT



To the members of Master Builders Association SA Inc:

We have audited the accompanying financial report of Master Builders Association SA Inc ("the Association"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management statement for both the association and the consolidated entity ("the consolidated entity"). The consolidated entity comprises the association and the entity it controlled at the year's end or from time to time during the financial year.

## The Responsibility of the Committee for the Financial Report

The committee of the entity is responsible for the preparation and true and fair presentation of the financial report in accordance with Associations Incorporations Act 1985 (SA) Schedule 1B – Regulations and Accountability of Organisations, Workplace Relations Act 1996 and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those

risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the committee or management.

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

## Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Master Builders Association SA Inc and the consolidated entity as at 30 June 2007, and of their performance and their cash flows for the year ended on that date in accordance with Associations Incorporations Act 1985 (SA) Schedule 1B – Regulations and Accountability of Organisations, Workplace Relations Act 1996 and Australian Accounting Standards (including the Australian Accounting Interpretations).

HLB Mann Judd  
(SA PARTNERSHIP)  
CHARTERED  
ACCOUNTANTS

Phil Plummer  
PARTNER  
CHARTERED ACCOUNTANT  
(MEMBERSHIP NO. 72801)  
REGISTERED COMPANY  
AUDITOR (NO. 5496)

Dated this 18th of September 2007 Dated this 18th of September 2007

**DONNELLAN, Kevin**

---

**From:** Helen Voigt [hvoigt@mbasa.com.au]  
**Sent:** Wednesday, 29 October 2008 4:27 PM  
**To:** DONNELLAN, Kevin  
**Subject:** Master Builders Certificate of Authorised Officer  
**Attachments:** AIR Lodgement of Financial Report 07.pdf; 2006 2007 Annual Report Financials.pdf; AIR Lodgement of Financial Report 08.pdf; 2007 2008 Annual Report Financials.pdf

Dear Kevin

Attached documentation regarding the Master Builders Association of South Australia Inc Certificate of Authorised Officer – 2268 of Schedule 1 Workplace Relations Act 1996 for 2006/2007 and 2007/2008.

Please advise if there is any further information required.

Kind regards

**Helen Voigt**  
Personal Assistant to CEO

**Master Builders Association of SA Inc**  
1st Floor, Master Builders House, 47 South Tce  
GPO Box 10014, Gouger Street  
Adelaide SA 5000

p... +61 8 8211 7466  
f... +61 8 8231 5240  
e... [hvoigt@mbasa.com.au](mailto:hvoigt@mbasa.com.au)  
w... [www.mbasa.com.au](http://www.mbasa.com.au)

---

**Master Builders Products and Services**

**2008 Master Builders Race Day**

Location: Allan Scott Park Morphettville, Tapestry Pavilion  
Date: Saturday, 25th October 2008  
Time: 11.30 to 4.30pm  
Price:\$120 per person inc GST  
**[Click here for more details](#)**

~~~~~ Confidentiality / Limited Liability Statement ~~~~~

This message contains privileged and confidential information intended only for the use of the addressee named above. If you are not the intended recipient of this message, you must not disseminate, copy or take any action in reliance on it. If you have received this message in error, please notify Master Builders Association of SA Inc immediately. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of Master Builders Association of SA Inc.

The sender cannot guarantee that this email or any attachment to it is free of computer viruses or other conditions which may damage or interfere with data, hardware or software with which it might be used. It is sent on the strict condition that the user carries out and relies on its own procedures for ensuring that its use will not interfere with the recipients systems and the recipient assumes all risk of use and absolves the sender of any responsibility for any consequence of its use.

**DONNELLAN, Kevin**

---

**From:** DONNELLAN, Kevin  
**Sent:** Tuesday, 28 October 2008 5:16 PM  
**To:** 'Tom Earls'  
**Subject:** FR2007/383 - Financial year ended 30 June 2007 - Master Builders Association of South Australia Incorporated

Tom, further to your previous advice that a general meeting was to be held on 21 October 2008, could you provide the required designated officer's certificate.

Regards

KEVIN DONNELLAN  
Statutory Services Branch

Australian Industrial Relations Commission  
11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

Telephone: (03) 8661 7764  
International: (613) 86617 764  
Facsimile: (03) 9655 0410  
Email: [kevin.donnellan@airc.gov.au](mailto:kevin.donnellan@airc.gov.au)

**DONNELLAN, Kevin**

---

**From:** Tom Earls [tearls@mbasa.com.au]  
**Sent:** Thursday, 11 September 2008 12:31 PM  
**To:** DONNELLAN, Kevin  
**Cc:** Helen Voigt; Oksana Tkachenko  
**Subject:** RE: FR2007/383 - Financial year ended 30 June 2007 - Master Builders Association of South Australia Incorporated[Scanned]

Hi Kevin,

The meeting will be held on 21 October 2008.

Regards,

Tom Earls

---

**From:** DONNELLAN, Kevin [mailto:Kevin.Donnellan@airc.gov.au]  
**Sent:** Thursday, 11 September 2008 11:50 AM  
**To:** Tom Earls  
**Subject:** FW: FR2007/383 - Financial year ended 30 June 2007 - Master Builders Association of South Australia Incorporated[Scanned]

Tom Earls, could you tell me the date of the meeting when the report is to be presented.

Regards

KEVIN DONNELLAN  
Statutory Services Branch

Australian Industrial Relations Commission  
11 Exhibition St, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

Telephone: (03) 8661 7764  
International: (613) 86617 764  
Facsimile: (03) 9655 0410  
Email: [kevin.donnellan@airc.gov.au](mailto:kevin.donnellan@airc.gov.au)

---

**From:** DONNELLAN, Kevin  
**Sent:** Tuesday, 29 July 2008 3:32 PM  
**To:** 'buildsa@mbasa.com.au'  
**Cc:** 'tearls@mbasa.com.au'  
**Subject:** FR2007/383 - Financial year ended 30 June 2007 - Master Builders Association of South Australia Incorporated

Rob Stewart, attached is correspondence in relation to the above report.

Regards

Kevin Donnellan  
Statutory Services Officer, Team 3  
Statutory Services Branch  
Australian Industrial Registry

(03) 8661 7764  
[kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

10/11/2008



Please consider the impact to the environment and your responsibility before printing this email.

.....  
This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the sender.

This footnote also confirms that this email message has been swept for the presence of computer viruses.  
.....

~~~~~  
**Master Builders Products and Services**

**MasterSure - Products & Liability Insurance**  
Exclusively designed for trades to cover your day to day  
business activities within the commercial and residential sector

**[Click here for more information](#)**

~~~~~ Confidentiality / Limited Liability Statement ~~~~~

This message contains privileged and confidential information intended only for the use of the addressee named above. If you are not the intended recipient of this message, you must not disseminate, copy or take any action in reliance on it. If you have received this message in error, please notify Master Builders Association of SA Inc immediately. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of Master Builders Association of SA Inc.

The sender cannot guarantee that this email or any attachment to it is free of computer viruses or other conditions which may damage or interfere with data, hardware or software with which it might be used. It is sent on the strict condition that the user carries out and relies on its own procedures for ensuring that its use will not interfere with the recipients systems and the recipient assumes all risk of use and absolves the sender of any responsibility for any consequence of its use.



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

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7764  
Fax: (03) 9655 0410  
Email: [kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

Mr Rob Stewart  
Chief Executive Officer  
Master Builders Association of South Australia Incorporated

email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Re: Financial Report for the Master Builders Association of South Australia  
Incorporated for year ended 30 June 2007 – FR2007/383**

I acknowledge receipt of the further correspondence of the Master Builders Association of South Australia Incorporated lodged with the Registry on 24 July 2008.

The comments contained in the above correspondence are noted. Once the documentation is presented, a revised Designated Officer's certificate (signed by a designated officer) should be lodged. I have attached a template document you may wish to use.

I would be pleased if the Branch could confirm when the financial report was sent to members. I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch  
29 July 2008

## **Certificate of Secretary or other Authorised Officer<sup>1</sup>**

s268 of Schedule 1 *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]<sup>2</sup>*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]<sup>3</sup>*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]<sup>3</sup>* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*

24 July 2008

Kevin Donnellan  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Kevin,

**Reference: FR2007/383**

Following on from your discussions with Tom Earls earlier today, I write to confirm the timeline for Master Builders' 2006/7 financial reports.

The report was presented to a Committee of management on 14 September 2007, and was signed off by the auditors on 18 September 2007. The report was then presented to members at the AGM, held on 17 October 2007. There were no objections to the report. The report, as presented, was then distributed to all members in November 2007.

I confirm that the Association will re-present this report at its annual general meeting to be held in October 2008.

Could you please confirm that this arrangement is acceptable to the Registrar.

Should you require any further information, please contact me to discuss.

Yours sincerely



**ROB STEWART**  
CHIEF EXECUTIVE OFFICER

**DONNELLAN, Kevin**

---

**From:** DONNELLAN, Kevin  
**Sent:** Wednesday, 2 July 2008 4:49 PM  
**To:** 'buildsa@mbasa.com.au'  
**Subject:** FW: FR2007/383 - Financial Report for year ended 30 June 2007 - Master Builders Association of South Australia Incorporated  
**Attachments:** FR2007-383-1.pdf

Michael O'Connor, President, an email was sent on 13 June 2008 requesting that you advise of the current status of the above matter. Could you provide a response.

Regards Kevin Donnellan

---

**From:** DONNELLAN, Kevin  
**Sent:** Friday, 13 June 2008 12:34 PM  
**To:** 'buildsa@mbasa.com.au'  
**Subject:** FR2007/383 - Financial Report for year ended 30 June 2007 - Master Builders Association of South Australia Incorporated

Michael O'Connor, President, further to the attached correspondence sent on 9 May 2008, could you advise of the current status of the above matter.

Regards

Kevin Donnellan  
Statutory Services Officer, Team 3  
Statutory Services Branch  
Australian Industrial Registry

(03) 8661 7764  
[kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)



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

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7764  
Fax: (03) 9655 0410  
Email: [kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

Mr Michael O'Connor  
President  
Master Builders Association of South Australia Incorporated

email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr O'Connor

**Re: Financial Report for the Master Builders Association of South Australia  
Incorporated for year ended 30 June 2007 – FR2007/383**

I acknowledge receipt of the financial report of the Master Builders Association of South Australia Incorporated for the year ended 30 June 2007. The documents were lodged with the Registry on 22 October 2007. I also refer to various correspondence of 23 November 2007, 24 January, 25 March, 16 April 2008 and in particular your correspondence of 28 April 2008.

The financial report is not filed.

The following matters require your attention before any action can be taken to file the above report.

***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. For your assistance I have attached a diagrammatic summary of the financial reporting process and time-limits contained in fact sheet 9 [http://www.airc.gov.au/legislation/fact\\_sheets/09\\_fact\\_sheet.pdf](http://www.airc.gov.au/legislation/fact_sheets/09_fact_sheet.pdf).

As you will note from the enclosed diagram the reporting process begins with a meeting of the committee of management. At that meeting a resolution is passed authorising the making of a statement by the committee in which it makes certain declarations with respect to the reporting unit's compliance with various aspects of Schedule 1 and the Industrial Registrar's Guidelines. This Committee of Management Statement and the General Purpose Financial Report are then audited.

The General Purpose Financial Report, including the Committee of Management Statement and the Operating Report, and the Auditor's Report – known as the full report – are then provided to members. Depending on the rules of the reporting unit, a copy of the full report must be provided to members at least 21 days before they are presented to a general meeting, or, if the rules allow for the full report to be presented to the committee of management, then the documents must be provided within 5 months of the end of the financial year.

The full report, accompanied by a Designated Officer's Certificate, must be lodged with the Registry within 14 days of its presentation to an appropriate meeting.

From the information available, the full report which includes the Committee of Management Statement dated 18 September 2007, Operating Report dated 18 September 2007 and Auditor's Report dated 18 September 2007 was supplied to members on 14 September 2007.

If the dates on the documents are correct, it would appear that the full report could not have been supplied to members on 14 September 2007, unless the date provided on the designated officer's certificate is incorrect and documentation was supplied to members after 18 September 2007.

Under these circumstances, the Registry cannot file the report. Moreover, if the dates on the documents are accurate, I advise the organisation will need to repeat certain steps in the reporting process.

I would be pleased if the Branch could confirm when the financial report was sent to members. I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch  
9 May 2008

18-10-2007

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

To whom it may concern

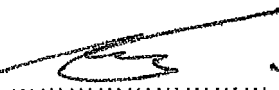
**Certificate of the Authorised Officer**  
S268 of Schedule 1 Workplace Relations Act 1996

I, Michael O'Connor, being the President of the Master Builders Association SA Inc certify:

- that the document lodged herewith is the copy of full report, referred to in s268 of the RAO Schedule; and
- that the full report was provided to members of the Association on the 14<sup>th</sup> of September 2007; and
- that the full report was presented to the Annual General Meeting of members on the 17<sup>th</sup> of October 2007 in accordance with s266 of the RAO Schedule

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

Yours sincerely



Michael O'Connor  
President  
Master Builders Association SA Inc

BUILDING SOUTH AUSTRALIA SINCE 1884



## DONNELLAN, Kevin

---

**From:** DONNELLAN, Kevin  
**Sent:** Wednesday, 16 April 2008 2:32 PM  
**To:** 'Oksana Tkachenko'  
**Subject:** RE: Certificate MBA SA INC - FR2007/383

Oksana Tkachenko, when can you supply a copy of the designated officer's certificate signed by a designated officer of the organisation. Regards Kevin Donnellan

---

**From:** DONNELLAN, Kevin  
**Sent:** Wednesday, 26 March 2008 4:51 PM  
**To:** 'Oksana Tkachenko'  
**Subject:** RE: Certificate MBA SA INC

Oksana Tkachenko, the definition contained in section 9 of the RAO Schedule [[http://www.airc.gov.au/legislation/wr\\_act/wrwc2.htm#P1131\\_68416](http://www.airc.gov.au/legislation/wr_act/wrwc2.htm#P1131_68416)] and mentioned by Margaret Williams in her correspondence of 23 November 2007 differ from those mentioned in relation to the Chief Executive Officer. If the Chief Executive Officer wishes to forward a submission satisfying section 9 of the RAO Schedule it will be considered, but on a reading of the rules the Chief Executive Officer does not fit the definition. Also, could the s268 certificate be dated as the revised date of signature. My number is 03 8661 7764 if you wish to discuss these matters. Regards Kevin Donnellan

---

**From:** Oksana Tkachenko [mailto:[otkachenko@mbasa.com.au](mailto:otkachenko@mbasa.com.au)]  
**Sent:** Tuesday, 25 March 2008 5:19 PM  
**To:** DONNELLAN, Kevin  
**Cc:** Rob Stewart  
**Subject:** Certificate MBA SA INC

Kevin, hi

Attached is the requested Certificate.

Rob Stewart, a Chief Executive Officer of the Association, is elected every 4 years and acts entirely under the direction of the President of the Association. He is a Public Officer of the Association for all such purposes as may be required under the rulings of the Association. Thus, he is entitled to sign the Certificate.

Regards

**Oksana Tkachenko**  
**Finance & Administration Manager, M.Appl.Fin, CFTP**  
**Master Builders Association of SA Inc**  
1st Floor, Master Builders House, 47 South Tce  
GPO Box 10014, Gouger Street  
Adelaide SA 5000

*p...* +61 8 8211 7466  
*f...* +61 8 8231 5240  
*m...* 0408 843 690  
*e...* [oksana@mbasa.com.au](mailto:oksana@mbasa.com.au)

w... [www.mbasa.com.au](http://www.mbasa.com.au)

---

**Master Builders Products and Services**

**Renovating/Remodelling Workshop  
Monday 7th April 2008**

The Master Builders is proud to present Paul and Nina Winans,  
leader's in the US remodelling industry

**[Click here for more information](#)**

---

~~~~~ Confidentiality / Limited Liability Statement ~~~~~

This message contains privileged and confidential information intended only for the use of the addressee named above. If you are not the intended recipient of this message, you must not disseminate, copy or take any action in reliance on it. If you have received this message in error, please notify Master Builders Association of SA Inc immediately. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of Master Builders Association of SA Inc.

The sender cannot guarantee that this email or any attachment to it is free of computer viruses or other conditions which may damage or interfere with data, hardware or software with which it might be used. It is sent on the strict condition that the user carries out and relies on its own procedures for ensuring that its use will not interfere with the recipients systems and the recipient assumes all risk of use and absolves the sender of any responsibility for any consequence of its use.

---



MASTER BUILDERS  
SOUTH AUSTRALIA  
ABN 61 183 783 305

18-10-2007

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

To whom it may concern

**Certificate of the Authorised Officer**

S268 of Schedule 1 Workplace Relations Act 1996

I, Rob Stewart, being the Officer of the Master Builders Association SA Inc certify:

- that the document lodged herewith is the copy of full report, referred to in s268 of the RAO Schedule; and
- that the full report was provided to members of the Association on the 14<sup>th</sup> of September 2007; and
- that the full report was presented to the Annual General Meeting of members on the 17<sup>th</sup> of October 2007 in accordance with s266 of the RAO Schedule

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

Yours sincerely

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

BUILDING SOUTH AUSTRALIA SINCE 1884

**DONNELLAN, Kevin**

---

**From:** DONNELLAN, Kevin  
**Sent:** Tuesday, 25 March 2008 11:07 AM  
**To:** 'Oksana Tkachenko'  
**Subject:** RE:  
**Attachments:** 20080325\_113540.pdf; s268.pdf

Oksana Tkachenko, attached is a copy of correspondence sent to your Organisation and the original cover letter referred to. I have also provided a draft s268 certificate. Could you provide a new s268 designated officer's certificate signed by a designated officer of the Organisation.

Regards

Kevin Donnellan  
Statutory Services Officer, Team 3

Statutory Services Branch

Australian Industrial Registry

(03) 8661 7764

[kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

---

**From:** Oksana Tkachenko [mailto:otkachenko@mbasa.com.au]  
**Sent:** Thursday, 20 March 2008 5:48 PM  
**To:** WILLIAMS, Margaret  
**Cc:** DONNELLAN, Kevin  
**Subject:**

Margaret,

would you please provide us with the Original copy of the certificate that has been sent to you.

Kind regards,

**Oksana Tkachenko**  
**Finance & Administration Manager, M.Appl.Fin, CFTP**  
**Master Builders Association of SA Inc**  
1st Floor, Master Builders House, 47 South Tce  
GPO Box 10014, Gouger Street  
Adelaide SA 5000

*p...* +61 8 8211 7466

*f...* +61 8 8231 5240

*m...* 0408 843 690

e... [oksana@mbasa.com.au](mailto:oksana@mbasa.com.au)  
w... [www.mbasa.com.au](http://www.mbasa.com.au)

---

**Master Builders Products and Services**

**Renovating/Remodelling Workshop**

**Monday 7th April 2008**

The Master Builders is proud to present Paul and Nina Winans,  
leader's in the US remodelling industry

**[Click here for more information](#)**

---

~~~~~ Confidentiality / Limited Liability Statement ~~~~~

This message contains privileged and confidential information intended only for the use of the addressee named above. If you are not the intended recipient of this message, you must not disseminate, copy or take any action in reliance on it. If you have received this message in error, please notify Master Builders Association of SA Inc immediately. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of Master Builders Association of SA Inc.

The sender cannot guarantee that this email or any attachment to it is free of computer viruses or other conditions which may damage or interfere with data, hardware or software with which it might be used. It is sent on the strict condition that the user carries out and relies on its own procedures for ensuring that its use will not interfere with the recipients systems and the recipient assumes all risk of use and absolves the sender of any responsibility for any consequence of its use.



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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
margaret.williams@air.gov.au

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

Email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Financial Report for Year Ended 30<sup>th</sup> June 2007 – FR2007/383**  
**Schedule 1 to the Workplace Relations Act 1996 (RAO Schedule)**

I refer to my letters to you of 23 November 2007 and 24 January 2008 and note that I have not received a new Designated Officer's Certificate as requested.

I would be pleased to receive a fresh certificate as soon as possible.

Please do not hesitate to contact me after 8 April 2008 by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

If, however, you wish to discuss this matter prior to 8 April 2008 please email either [kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au) or ring him on (03) 8661 7764.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

20 March 2008



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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
margaret.williams@air.gov.au

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

Email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Financial Report for Year Ended 30<sup>th</sup> June 2007 – FR2007/383**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I refer to my letter to you of 23 November 2007 and note that I have not received a new Designated Officer's Certificate as requested.

I would be pleased to receiving a fresh certificate as soon as possible.

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

24 January 2008



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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
margaret.williams@air.gov.au

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

Email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Financial Report for Year Ended 30<sup>th</sup> June 2007 – FR2007/383**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Master Builders Association of South Australia Incorporated for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 22 October 2007.

Having regard to the requirements of section 268(c) of the RAO Schedule and regulation 162 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003, your attention to the following matter is requested.

**Designated Officer's Certificate**

The covering letter signed by Robert Stewart dated 18 October 2007 should have been made by an (authorised) officer of the organisation, as defined under the RAO Schedule.

The information provided in that letter is what the RAO Schedule refers to as the 'Designated Officer Certificate' and must be made by an elected officer of the organisation - either the Secretary, President or another officer who is authorised by the rules to sign the certificate.

The meaning of 'office' is set out in section 9 of the RAO Schedule. The Finance and Administration Manager does not appear, under the rules of the organisation, to meet the description of office; the functions of which include the participation of the officer as a voting member of a collective body that has power in relation to the implementation and functions set out in section 9. I note this matter was raised by our office last year in our letter to you of 22 November 2005. You are requested to provide to the Industrial Registry a fresh certificate signed by an authorised officer.

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

I look forward to receiving a fresh certificate at your earliest convenience.

Yours sincerely

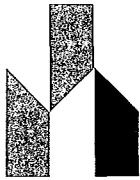
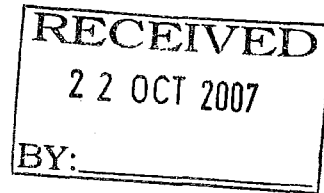
A handwritten signature in black ink, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

23 November 2007



FR2007/383



**MASTER BUILDERS** 18-10-07  
SOUTH AUSTRALIA

ABN 61 183 783 305

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

To whom it may concern

**Lodgement of Annual Report 2007**

Attached is a published copy of Annual report that has been presented at the Annual General Meeting on the 17<sup>th</sup> of October 2007. The copy of the report has been circulated among members on 14<sup>th</sup> of September 2007.

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

A handwritten signature in black ink, appearing to read "R Stewart". The signature is written over a dotted line.

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

BUILDING SOUTH AUSTRALIA SINCE 1884

**DONNELLAN, Kevin**

---

**From:** DONNELLAN, Kevin  
**Sent:** Wednesday, 2 July 2008 4:49 PM  
**To:** 'buildsa@mbasa.com.au'  
**Subject:** FW: FR2007/383 - Financial Report for year ended 30 June 2007 - Master Builders Association of South Australia Incorporated  
**Attachments:** FR2007-383-1.pdf

Michael O'Connor, President, an email was sent on 13 June 2008 requesting that you advise of the current status of the above matter. Could you provide a response.

Regards Kevin Donnellan

---

**From:** DONNELLAN, Kevin  
**Sent:** Friday, 13 June 2008 12:34 PM  
**To:** 'buildsa@mbasa.com.au'  
**Subject:** FR2007/383 - Financial Report for year ended 30 June 2007 - Master Builders Association of South Australia Incorporated

Michael O'Connor, President, further to the attached correspondence sent on 9 May 2008, could you advise of the current status of the above matter.

Regards

Kevin Donnellan  
Statutory Services Officer, Team 3  
Statutory Services Branch  
Australian Industrial Registry

(03) 8661 7764  
[kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)



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

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7764  
Fax: (03) 9655 0410  
Email: [kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

Mr Michael O'Connor  
President  
Master Builders Association of South Australia Incorporated

email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr O'Connor

**Re: Financial Report for the Master Builders Association of South Australia  
Incorporated for year ended 30 June 2007 – FR2007/383**

I acknowledge receipt of the financial report of the Master Builders Association of South Australia Incorporated for the year ended 30 June 2007. The documents were lodged with the Registry on 22 October 2007. I also refer to various correspondence of 23 November 2007, 24 January, 25 March, 16 April 2008 and in particular your correspondence of 28 April 2008.

The financial report is not filed.

The following matters require your attention before any action can be taken to file the above report.

***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. For your assistance I have attached a diagrammatic summary of the financial reporting process and time-limits contained in fact sheet 9 [http://www.airc.gov.au/legislation/fact\\_sheets/09\\_fact\\_sheet.pdf](http://www.airc.gov.au/legislation/fact_sheets/09_fact_sheet.pdf).

As you will note from the enclosed diagram the reporting process begins with a meeting of the committee of management. At that meeting a resolution is passed authorising the making of a statement by the committee in which it makes certain declarations with respect to the reporting unit's compliance with various aspects of Schedule 1 and the Industrial Registrar's Guidelines. This Committee of Management Statement and the General Purpose Financial Report are then audited.

The General Purpose Financial Report, including the Committee of Management Statement and the Operating Report, and the Auditor's Report – known as the full report – are then provided to members. Depending on the rules of the reporting unit, a copy of the full report must be provided to members at least 21 days before they are presented to a general meeting, or, if the rules allow for the full report to be presented to the committee of management, then the documents must be provided within 5 months of the end of the financial year.

The full report, accompanied by a Designated Officer's Certificate, must be lodged with the Registry within 14 days of its presentation to an appropriate meeting.

From the information available, the full report which includes the Committee of Management Statement dated 18 September 2007, Operating Report dated 18 September 2007 and Auditor's Report dated 18 September 2007 was supplied to members on 14 September 2007.

If the dates on the documents are correct, it would appear that the full report could not have been supplied to members on 14 September 2007, unless the date provided on the designated officer's certificate is incorrect and documentation was supplied to members after 18 September 2007.

Under these circumstances, the Registry cannot file the report. Moreover, if the dates on the documents are accurate, I advise the organisation will need to repeat certain steps in the reporting process.

I would be pleased if the Branch could confirm when the financial report was sent to members. I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch  
9 May 2008

## DONNELLAN, Kevin

---

**From:** DONNELLAN, Kevin  
**Sent:** Wednesday, 16 April 2008 2:32 PM  
**To:** 'Oksana Tkachenko'  
**Subject:** RE: Certificate MBA SA INC - FR2007/383

Oksana Tkachenko, when can you supply a copy of the designated officer's certificate signed by a designated officer of the organisation. Regards Kevin Donnellan

---

**From:** DONNELLAN, Kevin  
**Sent:** Wednesday, 26 March 2008 4:51 PM  
**To:** 'Oksana Tkachenko'  
**Subject:** RE: Certificate MBA SA INC

Oksana Tkachenko, the definition contained in section 9 of the RAO Schedule [[http://www.airc.gov.au/legislation/wr\\_act/wrwc2.htm#P1131\\_68416](http://www.airc.gov.au/legislation/wr_act/wrwc2.htm#P1131_68416)] and mentioned by Margaret Williams in her correspondence of 23 November 2007 differ from those mentioned in relation to the Chief Executive Officer. If the Chief Executive Officer wishes to forward a submission satisfying section 9 of the RAO Schedule it will be considered, but on a reading of the rules the Chief Executive Officer does not fit the definition. Also, could the s268 certificate be dated as the revised date of signature. My number is 03 8661 7764 if you wish to discuss these matters. Regards Kevin Donnellan

---

**From:** Oksana Tkachenko [mailto:[otkachenko@mbasa.com.au](mailto:otkachenko@mbasa.com.au)]  
**Sent:** Tuesday, 25 March 2008 5:19 PM  
**To:** DONNELLAN, Kevin  
**Cc:** Rob Stewart  
**Subject:** Certificate MBA SA INC

Kevin, hi

Attached is the requested Certificate.

Rob Stewart, a Chief Executive Officer of the Association, is elected every 4 years and acts entirely under the direction of the President of the Association. He is a Public Officer of the Association for all such purposes as may be required under the rulings of the Association. Thus, he is entitled to sign the Certificate.

Regards

**Oksana Tkachenko**  
**Finance & Administration Manager, M.Appl.Fin, CFTP**  
**Master Builders Association of SA Inc**  
1st Floor, Master Builders House, 47 South Tce  
GPO Box 10014, Gouger Street  
Adelaide SA 5000

*p...* +61 8 8211 7466  
*f...* +61 8 8231 5240  
*m...* 0408 843 690  
*e...* [oksana@mbasa.com.au](mailto:oksana@mbasa.com.au)

w... [www.mbasa.com.au](http://www.mbasa.com.au)

---

**Master Builders Products and Services**

**Renovating/Remodelling Workshop  
Monday 7th April 2008**

The Master Builders is proud to present Paul and Nina Winans,  
leader's in the US remodelling industry

**[Click here for more Information](#)**

---

~~~~~ Confidentiality / Limited Liability Statement ~~~~~

This message contains privileged and confidential information intended only for the use of the addressee named above. If you are not the intended recipient of this message, you must not disseminate, copy or take any action in reliance on it. If you have received this message in error, please notify Master Builders Association of SA Inc immediately. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of Master Builders Association of SA Inc.

The sender cannot guarantee that this email or any attachment to it is free of computer viruses or other conditions which may damage or interfere with data, hardware or software with which it might be used. It is sent on the strict condition that the user carries out and relies on its own procedures for ensuring that its use will not interfere with the recipients systems and the recipient assumes all risk of use and absolves the sender of any responsibility for any consequence of its use.

---

**DONNELLAN, Kevin**

---

**From:** DONNELLAN, Kevin  
**Sent:** Tuesday, 25 March 2008 11:07 AM  
**To:** 'Oksana Tkachenko'  
**Subject:** RE:  
**Attachments:** 20080325\_113540.pdf; s268.pdf

Oksana Tkachenko, attached is a copy of correspondence sent to your Organisation and the original cover letter referred to. I have also provided a draft s268 certificate. Could you provide a new s268 designated officer's certificate signed by a designated officer of the Organisation.

Regards

Kevin Donnellan  
Statutory Services Officer, Team 3

Statutory Services Branch

Australian Industrial Registry

(03) 8661 7764

[kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

---

**From:** Oksana Tkachenko [mailto:otkachenko@mbasa.com.au]  
**Sent:** Thursday, 20 March 2008 5:48 PM  
**To:** WILLIAMS, Margaret  
**Cc:** DONNELLAN, Kevin  
**Subject:**

Margaret,

would you please provide us with the Original copy of the certificate that has been sent to you.

Kind regards,

**Oksana Tkachenko**  
**Finance & Administration Manager, M.Appl.Fin, CFTP**  
**Master Builders Association of SA Inc**  
1st Floor, Master Builders House, 47 South Tce  
GPO Box 10014, Gouger Street  
Adelaide SA 5000

*p...* +61 8 8211 7466

*f...* +61 8 8231 5240

*m...* 0408 843 690

e... [oksana@mbasa.com.au](mailto:oksana@mbasa.com.au)  
w... [www.mbasa.com.au](http://www.mbasa.com.au)

---

**Master Builders Products and Services**

**Renovating/Remodelling Workshop**

**Monday 7th April 2008**

The Master Builders is proud to present Paul and Nina Winans,  
leader's in the US remodelling industry

**[Click here for more information](#)**

---

~~~~~ Confidentiality / Limited Liability Statement ~~~~~

This message contains privileged and confidential information intended only for the use of the addressee named above. If you are not the intended recipient of this message, you must not disseminate, copy or take any action in reliance on it. If you have received this message in error, please notify Master Builders Association of SA Inc immediately. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of Master Builders Association of SA Inc.

The sender cannot guarantee that this email or any attachment to it is free of computer viruses or other conditions which may damage or interfere with data, hardware or software with which it might be used. It is sent on the strict condition that the user carries out and relies on its own procedures for ensuring that its use will not interfere with the recipients systems and the recipient assumes all risk of use and absolves the sender of any responsibility for any consequence of its use.

---





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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
margaret.williams@air.gov.au

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

Email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Financial Report for Year Ended 30<sup>th</sup> June 2007 – FR2007/383**  
**Schedule 1 to the Workplace Relations Act 1996 (RAO Schedule)**

I refer to my letters to you of 23 November 2007 and 24 January 2008 and note that I have not received a new Designated Officer's Certificate as requested.

I would be pleased to receive a fresh certificate as soon as possible.

Please do not hesitate to contact me after 8 April 2008 by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

If, however, you wish to discuss this matter prior to 8 April 2008 please email either [kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au) or ring him on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

20 March 2008



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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
margaret.williams@air.gov.au

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

Email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Financial Report for Year Ended 30<sup>th</sup> June 2007 – FR2007/383**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I refer to my letter to you of 23 November 2007 and note that I have not received a new Designated Officer's Certificate as requested.

I would be pleased to receiving a fresh certificate as soon as possible.

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

24 January 2008



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

11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9655 0410  
margaret.williams@air.gov.au

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

Email: [buildsa@mbasa.com.au](mailto:buildsa@mbasa.com.au)

Dear Mr Stewart

**Financial Report for Year Ended 30<sup>th</sup> June 2007 – FR2007/383**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Master Builders Association of South Australia Incorporated for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 22 October 2007.

Having regard to the requirements of section 268(c) of the RAO Schedule and regulation 162 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003, your attention to the following matter is requested.

**Designated Officer's Certificate**

The covering letter signed by Robert Stewart dated 18 October 2007 should have been made by an (authorised) officer of the organisation, as defined under the RAO Schedule.

The information provided in that letter is what the RAO Schedule refers to as the 'Designated Officer Certificate' and must be made by an elected officer of the organisation - either the Secretary, President or another officer who is authorised by the rules to sign the certificate.

The meaning of 'office' is set out in section 9 of the RAO Schedule. The Finance and Administration Manager does not appear, under the rules of the organisation, to meet the description of office; the functions of which include the participation of the officer as a voting member of a collective body that has power in relation to the implementation and functions set out in section 9. I note this matter was raised by our office last year in our letter to you of 22 November 2005. You are requested to provide to the Industrial Registry a fresh certificate signed by an authorised officer.

Please do not hesitate to contact me by email at [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au) or on (03) 8661 7822 if you wish to discuss this matter.

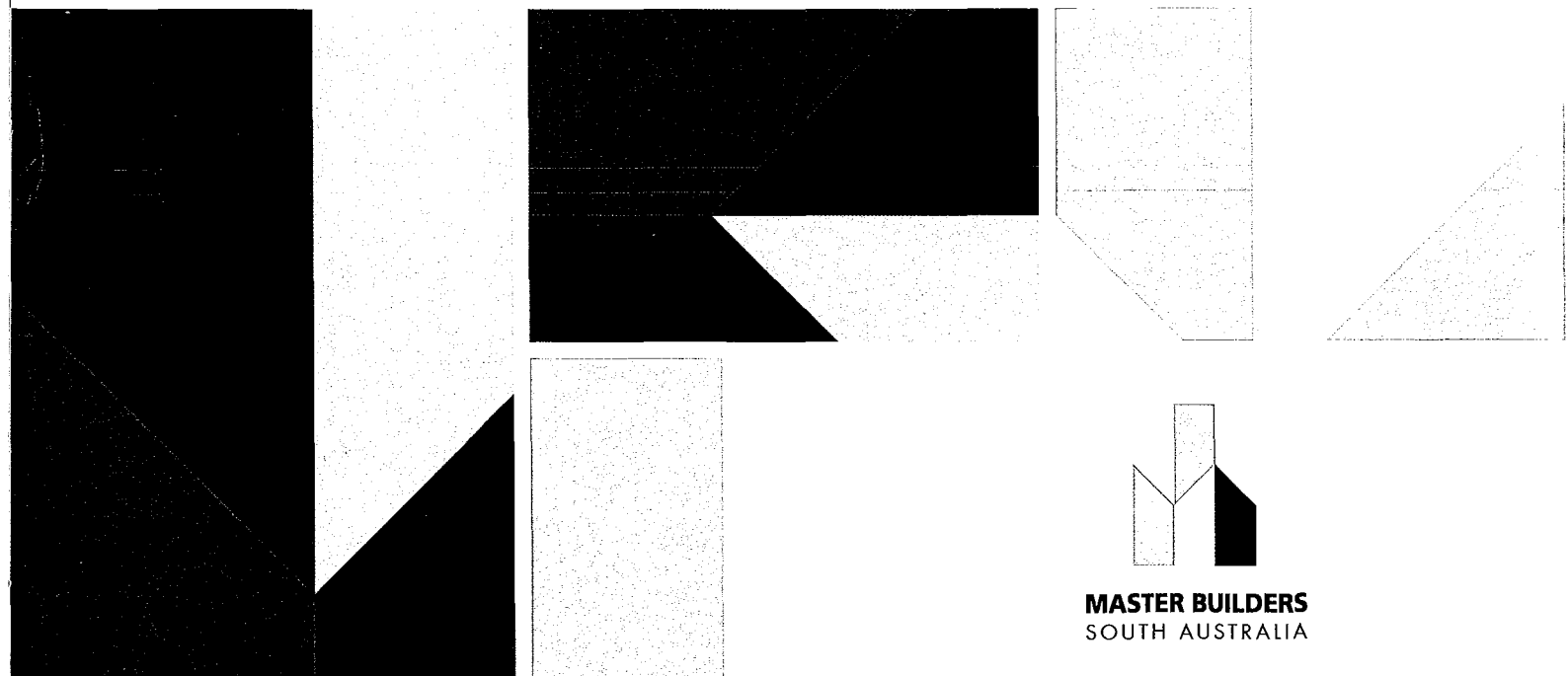
I look forward to receiving a fresh certificate at your earliest convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Margaret Williams'.

Margaret Williams  
Statutory Services Branch

23 November 2007



**MASTER BUILDERS**  
SOUTH AUSTRALIA

COMMERCIAL

INDUSTRIAL

RESIDENTIAL

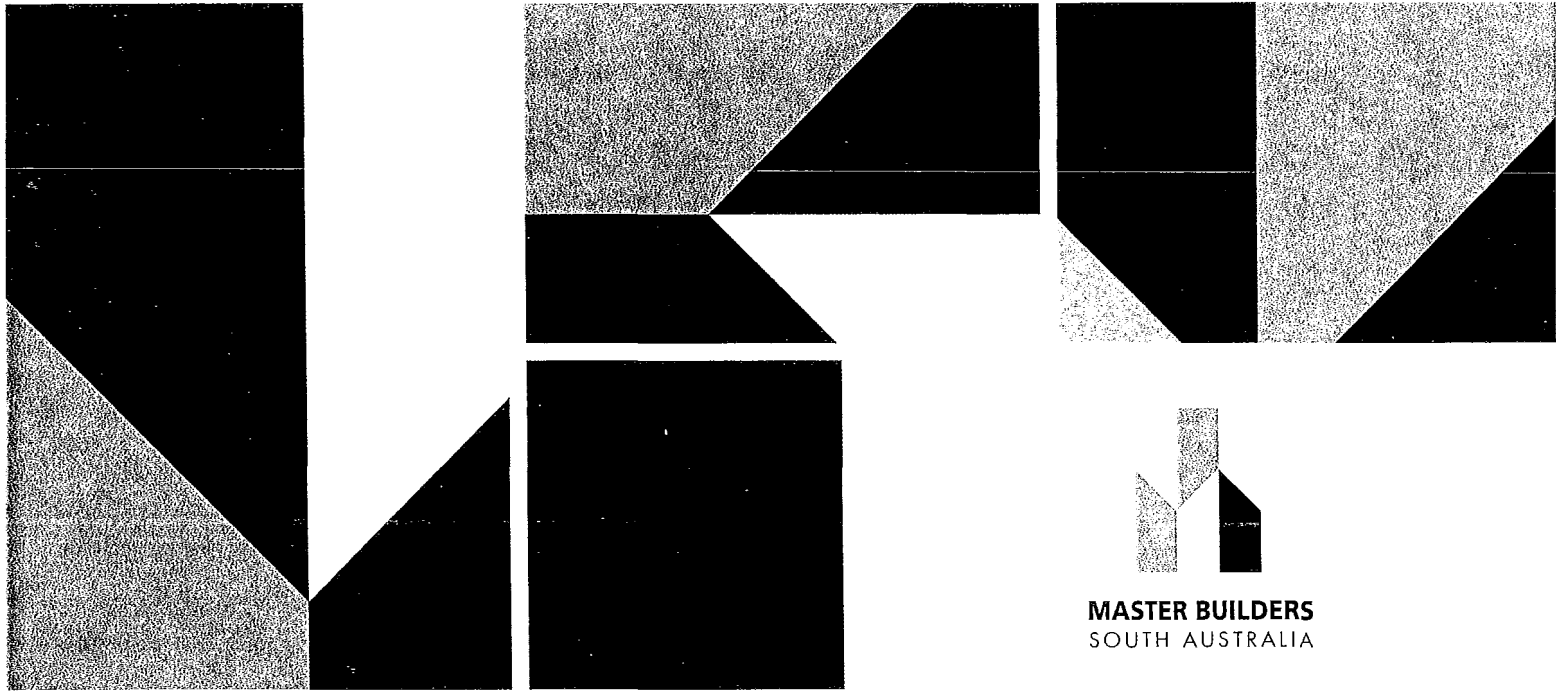
CIVIL

SUB CONTRACTORS

BUILDING SOUTH AUSTRALIA

SINCE 1884

MASTER BUILDERS  
2007 ANNUAL REPORT



**MASTER BUILDERS**  
SOUTH AUSTRALIA



# STAFF

2006 / 2007



|                                        |                                                  |
|----------------------------------------|--------------------------------------------------|
| CHIEF EXECUTIVE OFFICER                | Robert Stewart                                   |
| DIRECTOR OF OPERATIONS                 | David Callan                                     |
| LEGAL & WORKPLACE SERVICES MANAGER     | Tom Earls                                        |
| FINANCE & ADMINISTRATION MANAGER       | Oksana Tkachenko                                 |
| MARKETING MANAGER                      | Ilona Tamm                                       |
| OHS MANAGER                            | Gordon Colquhoun                                 |
| CONTRACTS / INSURANCE MANAGER          | Sari Flynn                                       |
| TRAINING MANAGER                       | David Thompson                                   |
| DEVELOPMENT & TECHNICAL MANAGER        | Brendon Corby                                    |
| EXECUTIVE ASSISTANT                    | Helen Voigt                                      |
| SYSTEMS & PROCEDURES ADMINISTRATOR     | Craig Bayetto                                    |
| FINANCE & ADMINISTRATION OFFICER       | Jolanta Bigaj                                    |
| ADMINISTRATION ASSISTANT               | Michelle Spratt                                  |
| LEGAL & IR ASSISTANT GRADUATE          | Jed Odermatt (fr Feb 2007)                       |
| WORPLACE RELATIONS OFFICER (P/T)       | Tricia Lawrie                                    |
| INSURANCE OFFICER                      | Steve Cannon / Robyn Mayfield                    |
| INSURANCE ADMINISTRATOR (P/T)          | Alison Duke                                      |
| MARKETING ASSISTANT                    | Fritz Tambe / Tim Sydenham                       |
| DIRECT MARKETER                        | Kristian Bowman (fr March 2007)                  |
| TRAINING COORDINATOR                   | Helena Jansen                                    |
| TRAINING ASSISTANT                     | Kay McCulloch / Ross Baraka / Nikki Protopsaltis |
| COMPLIANCE & PROJECTS OFFICER          | Anne Marlow                                      |
| DEVELOPMENT TECHNICAL ASSISTANT        | Katherine Kleeman / Lauren Whelan                |
| RECEPTIONIST                           | Chantal de Kuyper / Voula Kalkanas               |
| MEMBERSHIP COORDINATOR                 | John Jamieson                                    |
| MEMBER SERVICES OFFICER                | Fritz Tambe (fr Feb 2007)                        |
| INDUSTRIAL RELATIONS CONSULTANT        | Maurie Howard                                    |
| DISPUTE RESOLUTION OFFICER /CONSULTANT | Robin James                                      |

# OFFICE BEARERS

2006 / 2007



|                  |                                                                        |
|------------------|------------------------------------------------------------------------|
| PRESIDENT        | <b>PAG Eden</b><br>Managing Director, Eden Living Pty Ltd              |
| DEPUTY PRESIDENT | <b>M O'Connor</b><br>Director, Built Environs Pty Ltd                  |
| PAST PRESIDENT   | <b>PH Kennedy</b><br>Chief Executive, Hansen Yuncken Pty Ltd           |
| VICE PRESIDENT   | <b>GJ Meyers</b><br>Managing Director, Collaroy Developments Pty Ltd   |
| VICE PRESIDENT   | <b>DJ McMahon</b><br>Managing Director, McMahon Services Pty Ltd       |
| TREASURER        | <b>A Candetti</b><br>Managing Director, Candetti Constructions Pty Ltd |





**R Bianco**

Managing Director, Bianco Walling Pty Ltd

**A Catinari**

Managing Director, Commercial & General Group Pty Ltd

**R D'Angelo**

Managing Director, Uniq Homes Pty Ltd

**G Green**

Managing Director, Partek Industries Pty Ltd

**D Hough**

General Manager, Boulderstone Hornibrook Pty Ltd

**S Janssen**

Manager, J & S Janssen Bricklayers

**J Kennett**

Managing Director, Kennett Pty Ltd

**M Rundell**

Managing Director, Brimblecombe 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

**W Irvine**

Co-Director, Westside Mechanical Contracting Pty Ltd

**LIFE MEMBERS**

RJ Emmett

J Marshall

**HONORARY MEMBER**

KC West

**AFFILIATE MEMBERS**

Property Council of Australia (SA Division)

Urban Development Institute of Australia



# REPRESENTATION

2006 / 2007



## AHURI

D Callan

## Asbestos Advisory Committee

M Howard

## BIRST Board of Management

R Stewart, M Howard, J Kennett

## Builders Architects Liaison Committee

R Stewart, G Meyers, J Kennett, M Rundell, G Minuzzo,

D Black, D O'Loughlin

## Building Surveyors & Allied Professions

### Accreditation Board Inc

S Flynn

## Building Advisory Committee

B Corby

## Building Work Contractors Act Assessor

R James

## Cbus Superannuation Board

P Kennedy

## CITB Board

R Stewart, D Callan

## CITB – Commercial Sector

D Thompson

## CITB – Entry Level Training Reference Committee

R Stewart, M Rundell, A Turnbull

## CITB – Housing Sector

D Thompson, T Gladwin

## CITB – ISB

R Stewart

## CITB – Joint Sector Advisory Committee

D Thompson

## CITB Training Policy Committee

R Stewart

## Construction Industry Advisory Council

J Whiting, J Wilson

## Construction Industry Forum

R Stewart, T Swan

## Construction Industry Long Service Leave Board

J Whiting, S Minuzzo

## Construction Industry OHS Committee

D Callan, G Colquhoun

## Foundations for Safety – South Australia

R Stewart

## Housing Industry Prospects Forum

D Callan

## Housing Urban Development Advisory Committee (HUDAC)

R Stewart

## Industrial Relations Advisory Committee

M Howard

## Industry Panel-Assessor (BWC Act 1995)

R James

## Master Builders Australia National Board

P Eden

## Master Builders Australia National Contracts Committee

A Candetti

## Master Builders Australia National Executive

### Directors Committee

R Stewart

## Master Builders Australia National Housing

### Advisory Committee

C Siciliano, S Flynn

## Master Builders Australia National Industrial

### Relations Committee

M Howard / T Earls

## Master Builders Australia National Marketing Committee

I Tamm

## Master Builders Australia National Training Committee

D Thompson

## Master Builders Group Training Scheme

R Stewart, D Thompson, O Tkachenko, J Marshall,

C Parletta, T Tagliaferri, J Twelftree, N Colls

## Master Builders Training Foundation

M O'Connor, R Stewart, D Thompson, P Eden, P Kennedy,

G Meyers, C Siciliano, T Covino, T Tagliaferri

## Planning SA – Inner Regional Reference Group

S Flynn

## Review TAFE Services to the Building & Construction

### Industry

D Callan

## SafeWork SA Advisory Committee

M Howard

## TAFE – Council of Adelaide South

D Callan

## Urban Development Institute of Australia (UDIA)

D Callan, S Flynn

## WorkCover Appeal Tribunal

N Sarah

## WorkCover Employer Strategic Meeting

M Howard

## Workers Compensation Advisory Committee

T Earls

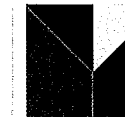
## World Skills

J Marshall



# SECTOR COMMITTEES

2006 / 2007



## BUILDING CONSULTANTS GROUP

Chairperson N Rose  
W Reeves  
K van der Horst

G Erbsland  
B Corby

## COMMERCIAL CONTRACTORS

Chairperson J Kennett  
H Johnson  
N Nicholls  
P Caretti  
N Mossop  
R Pike  
F Pascale  
G Penley

G Meyers  
T Tagliaferri  
E Alarcon  
D O'Loughlin  
B Lunn  
T Swann  
S Contouris

A Andreou  
P Serdar  
A McDonald  
R Stewart  
P Tymukas  
M Wyatt  
R Weir

## CONTRACTS / DOCUMENTATION

Chairperson A Candetti  
R Stewart  
D Elsdon  
B Liteplo  
D Egarr (Retired)  
J Elliott  
T Covino (Retired)

M Johnson  
T Tagliaferri  
D Black  
R Zanchetta  
A Salvatore  
S Flynn

G Gill  
R Cattonar  
D Pietrobon  
G Green  
T Shuttleworth

## HOUSING

Chairperson C Siciliano  
S Salisbury  
T O'Connell  
D Palumbo  
G Heynen (Retired)  
R D'Angelo  
R Bryant

S Flynn  
E Zito  
J Totani  
A DiBacco  
M Hall  
G Minuzzo

R Zito  
S Quigley  
D Scinto  
G Dann  
V Luppino

## INDUSTRIAL RELATIONS

Chairperson J Whiting  
D Hough  
E Alarcon  
M Rosenboom  
R Bianco  
W Irvine

T Tagliaferri  
M Kovacic  
P Liedig  
S Pavan  
T Earls

N Nicholls  
J Kennett  
P Hicks  
C Leopold  
T Swann

## SUBCONTRACTORS

Chairperson S Janssen  
J Bricher  
C Lush  
W Irvine

D Pawelski  
A Degabriele

S Dickson  
D Callan

## TECHNICAL

Chairperson T Tagliaferri  
S Janssen  
G Riches  
P Van Loggem  
B Dorniak  
P LaForgia  
A Degabriele

J Pinyon  
W Irvine  
M Hall  
G Erbsland  
J Clark  
B Corby

M Pipe  
V Kumar  
W Tate  
B Jarrod  
M Agars

## OCCUPATIONAL HEALTH SAFETY & WELFARE

Chairperson K McLeavey  
P Berrington  
A Marshall  
J Carter  
R Sweeny

G Upton  
L Foreman  
N Perepelicia  
J Phillips

R Thompson  
R Bransdon  
N Markovic  
G Colquhoun



**Peter Eden**  
President Master  
Builders Association

## STRONG SUSTAINED GROWTH

The Master Builders Association achieved a very strong result for the financial year 2006 – 07 by generating sustainable growth from our activities as the peak body representing all sectors of the building and construction Industry. All sectors of the Industry continued to prosper due to the robust National and State economies that delivered stable inflation, low unemployment, restrained wage growth and a low variable interest rate.

To support the strong activity during the reporting period the construction Industry made significant gains in productivity due to the Federal Government's industrial relations reform package that included WorkChoices, the Building and Construction Industry Improvement Bill, the investigative powers of the Australian Building and Construction Commission and the National Code of Practice.

Through articulating reasoned and consistent opinions based on sound Industry policy the Master Builders has earned the reputation as the most respected and influential lobby agent and advocacy body for all sectors of the Industry including Housing, Civil, Commercial, Sub and Specialist Contractors, Manufacturers and Suppliers. The relevance of the Association is supported in the continued record growth with again close to 500 new members being added for the financial year.

To consolidate and expand the Association's professional services available to members we have augmented our human resources by:

- Establishing an Occupational Health and Safety Department staffed by an experienced OHS Manager

assisted by a legal practitioner. It is anticipated the resources of the Department will grow as the OHS needs of our membership grow.

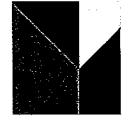
- The addition of another Lawyer to assist our Legal and Workplace Relations Manager.
- The appointment of a Market Analyst to the Marketing Department to better utilise the capabilities of our business software solutions package Coresoft.
- The employment of another Membership Services Officer to augment our existing capacity.
- The employment of additional Insurance and Training Department staff to support these rapidly growing services.
- The formal appointment of a Dispute Resolution consultant to ensure the Association's compliance to our Australian Competition and Consumer Commission endorsed National Code of Practice.

The additional human resource capacity of the Association has resulted in the development, reviewing and improvement of both new and existing products and services including:

- The release of the Employment Pack.
- Development of version 2 of Contracts on Disk.
- Publishing email newsletter "Trade Talk" especially for the Trade and Specialist Contractors sector of the membership.
- Release of version 2 of the Subby Pack.
- The development of training courses including the Contracts Management Courses funded through the Master Builders Training Foundation.

2006 – 07 has been a period of unprecedented Federal legislative change to employment law and a significant period of State legislative and regulation review where the Master Builders have had to prepare submissions in response to the proposed changes to the statutory and regulatory regimes affecting our Industry. On behalf of our Members and the Industry we have responded to reviews of The Building Work Contractors Act, The Workers Compensation and Rehabilitation Act, Security of Payment etc., and made technical submissions on many issues including the Minister's Truss Taskforce.





The Legal and Workplace Services Department have been extremely busy delivering a series of metropolitan and regional seminars on the Federal Government reform packages that includes compliance to the National Code of Practice, changes to employment conditions delivered through WorkChoices and reforms delivered through the Building and Construction Improvement Act.

I am confident that the Association is strategically well positioned to assist Members to respond to the challenges of the future that include:

- A national OHS system delivered through the Australian Safety and Compensation Commission and its investigative arm the Federal Safety Commissioner.
- The growing problem of housing affordability, which is inextricably linked to supply issues and the availability of affordable land.
- The compelling need to build more environmentally sustainable developments and to be more energy efficient in the building process.
- The continued capitalisation and activity of the Training Foundation to assist in supporting training entry level and up skilling existing Industry participants to alleviate Industry skill shortages.

The Master Builders has a vision for the future and as my term as President draws to an end I am delighted with the sustainable growth the Association has achieved. The Council of Management of the Association has maintained astute governance, security and risk management through adherence to well-defined systems and procedures to preserve our unique position as the peak employer body representing the Building and Construction Industry.

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, which is reflected in the performance and financial results of the Association. I acknowledge the role of our Corporate Partners for assisting in supporting the Association's activities and look forward to their ongoing commitment to the Master Builders.

Acquired Home Loans  
Australian Home Warranty  
Air-Cell Insulation  
Austral Bricks  
Bianco  
Bluescope Steel Colorbond  
Bluescope Steel TrueCore  
Boral Construction Materials  
Boral Masonry  
Cbus  
Construction Industry Training Board  
Crowther-Blayne Associates  
CSR Building Products  
Fielders  
Fletcher Insulation  
SA Government  
Harvey Norman Commercial  
Sunday Mail Home  
Howden Printing  
Marsh  
Mitsubishi  
Natural Gas delivered by Envestra  
One Steel Reinforcing  
Optus  
Origin Energy  
Poly-tech Industrial Services  
Readymix  
Unitex  
Westside Mechanical Contracting

The Master Builders Association also acknowledges and congratulates the following Members on achieving 50 years of continuous membership:

- Kennett Pty Ltd
- Smorgan Steel Reinforcing
- Ramset Fasteners (Aust) Pty Ltd
- McMillan Contracting Pty Ltd
- Steven Horn Pty Ltd

The Master Builders is uniquely placed with a whole of Industry vision and a focus that remains fundamentally South Australian but with a national and global outlook that ensures members receive the best advice and opportunities. I am delighted to report our successful financial results and I am confident our governance and administrative structure will ensure our future success.



### INSURANCE & CONTRACTS – MASTERSURE

The *MasterSure* suite of insurance products continued to endure a competitive insurance market.

*MasterSure*'s profile continued to develop over the last twelve months and can largely be attributed to the Association's marketing campaigns that highlighted the necessity of knowing "who looks after your insurance needs is relevant to the building and construction industry".

The seminars have continued covering the various Master Builders Plain English contracts, ABIC Contracts (Master Builders/ RAlA) through to the Master Builders National contracts used within the industry. The Panel of presenters were practitioners highly regarded within their legal and insurance fields. The seminars combining insurance and contracts were tailored to suit various sectors of the membership and were well supported. The main objective was to provide members with assistance and a better understanding to members of the domestic and commercial range of contracts and how to manage their risk so they might gain a greater understanding of the importance of obtaining the appropriate insurance cover.

*MasterSure* specifically designed insurance packs for sub contractors, residential and commercial/industrial builders that offer a complete range of products and include:

- Building Indemnity Insurance underwritten by Australian Home Warranty, CGU, QBE, Lumleys and Vero.
- Construction Insurance
  - Contract Works
  - Public & Product Liability
  - Tools of Trade
  - Plant & Equipment
- Business insurance
  - Professional Indemnity
  - Property
  - Directors and Officers
  - Income Protection
  - Asset/Earning Protection
- General Insurance
- Vehicle
- Domestic
- Travel

*MasterSure* is a quality brand delivering quality insurance at competitive rates whilst ensuring adequate cover for your business and day to day activities.

The team at *MasterSure* continued to expand their team of insurance professionals to cater for growing demand together with the experience and expertise of Marsh to ensure accurate, timely quotes for members' insurance requirements.

*MasterSure*'s experienced Claims Management Team attended to all claims personally and negotiated the best outcomes for members through their appointed panel of loss adjusters when the need arose.

#### Building Indemnity Insurance

The South Australian residential sector continued to experience changes to building indemnity insurance providing more choices of insurers including new- comer QBE.

As a result other providers reviewed their position in the market place, which made the final decision of which facility to pursue a difficult one for the builder.

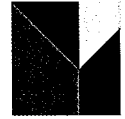
The Association provided three submissions to the State Government for legislative amendments to review the Builder Indemnity Insurance provisions, licensing and "owner builders" within the Building Work Contractors Act 1995. Highlighting tighter controls through legislative requirements on occupational, health and safety, statutory warranties and penalties on the building activity undertaken by owner/ builders.

The insurance sector is regulated by the Australian Security & Investment Commission (ASIC) and the Master Builders insurance department continued to maintain its excellent credit rating with insurers as well as compliance with random external and internal audits undertaken throughout the year.



# ACTIVITIES AND AFFAIRS

2006 / 2007



## Australian Home Warranty Pty Ltd

Australian Home Warranty (AHW) continued to experience ownership changes with the amalgamation with Lumleys in June 2007, the underwriting insurer being Lumleys General Insurance Pty Ltd (LGI). Master Builders welcomed these changes as LGI has a far greater capacity of underwriting scope and streamlined procedures.

The underwriting criteria of LGI is such that it will consider Trusts and accept director's guarantees. A recent review of their underwriting guidelines has enabled an efficient and streamlined automatic renewal process for its current clients. The eligibility process also underwent changes to enable efficient turnover times and accessibility for new builders and trade contractors.

## VERO

Vero formerly Royal & Sun Alliance continued to offer building indemnity insurance to members of Master Builders. Its underwriting criteria 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.

## CGU

CGU established their market share of the building indemnity insurance portfolio. The underwriting criteria required all assets to support the applicant's insurance facility to be held in the name of the trading entity.

CGU required trusts to be established for more than 3 years and require a Related Parties Undertaking and/or provide a bank guarantee to enable access to indemnity insurance.

## LUMLEYS

Lumleys' underwriting criteria requires all assets to support the insurance facility to be held in the name of the trading entity. Turnover to be greater than \$5M.

## QBE

New to the South Australian market place and focused on a percentage of the portfolio's potential has seen a strong pick up rate due to the minimal paperwork for eligibility assessment.

The underwriting criteria requires all assets to support the applicant's insurance facility to be held in the name of the trading entity.

QBE require trusts to provide a Deed of Indemnity to enable access to indemnity insurance.

## 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.

### 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

The introduction of the WorkChoices Legislation has provided challenges in the formulation of Star Rates between DTEI (formerly DAIS) and the Master Builders Association to finalise the average increases in labour rates paid under Enterprise Bargaining Agreements and the phasing out of National and State Awards.



### Australian Building Industry Contract Suite (ABIC).

Nationally Master Builders and the Royal Australian Institute of Architects (RAIA) continued to review the ABIC suite of contracts. 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, it is encouraging that 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 re-drafting of Major Works Contract (ABIC MW-1 2003), Simple Works Contract (ABIC SW-1 2003) and the pending release of the 2007 version.

The National Committee is currently reviewing the sub-contract agreements that compliment the 'Head' contract.

### New and Revised Contracts

The State Contracts Committee continue to review the Plain English Suite of Contracts. During the year the Contracts Committee revised the following contract documents:

- Plain English Housing Specification
- Plain English Sub Contract (SC1)
- Plain English Minor Sub Contract (MSC/1)
- Sub Contractors Variation Template/ Intention to Vary Contract.

### Contracts on Disk

During the last half of the year, "Contracts on Disk" was released. The Disk contains the Plain English suite of contracts written by Master Builders South Australia to ensure efficiency of producing contracts.

- New Home Contract
- Alterations/ Additions Contract
- Minor Works
- Cost Plus
- Commercial Lump Sum

- Sub Contract Agreement
- Housing Specification
- Building Schedule
- Contract Essentials range.

The software was piloted to the Master Builders Council of Management, various committees and in particular at the Insurance and contracts seminars. Interest in the software is growing.

The next release of the software will enable networking between users and sharing of documentation within a company. A customised training program with the software programmer, Bridgehead Australia Pty Ltd is being developed to cover topics such as short cuts, networking and security.

## MARKETING

2006/07 proved to be a successful year for the Marketing Department. The usual suite of marketing activities and events were staged as well as several new initiatives. Combined, these continued to increase the profile of Master Builders throughout South Australia both on an industry level as well as a public level.

The kudos associated with being recognized as a "*Master Builder*" and similarly, for members to be able to promote themselves as a "*Master Builder*" has without doubt become a much sought after business benefit and brings with it many competitive business advantages. Subsequently the Marketing Department through its many events and activities continued to promote the following Association "catch phrases":  
*"You can trust a Master Builder"* and *"Master Builders have been building our State since 1884"*

With the further implementation of "Coresoft" the Association's Customer Relationship Management Program and the ability to segment the Association's database to greater levels, all departmental marketing campaigns became more strategically planned and precisely implemented. As such, the Association was able to provide an even higher level of service to members.



## MEMBERSHIP

Membership for the financial year 2006/07 continued to grow at a healthy rate and the Association continued to represent members across all sectors of the building and construction industry. As such, the Association maintained its unique standing among employer based associations.

Member retention also remained high on the Association agenda and various member retention strategies were implemented and further developed. These strategies coupled with Coresoft's capabilities ensured a strategic approach to addressing issues associated with the usual "attrition" rate. It is anticipated that these types of membership strategies will continue to further develop over the next financial year.

Membership benefits continued to include the following:

- Legal and Workplace Services advice
- MasterSure Insurance, Public Liability, Contract Works, Indemnity and Income Protection Insurance etc
- Technical and Occupational Health, Safety & Welfare Advice and Information
- Master Builders Contracts & Documents
- Environmental and Planning Advice
- Master Builders Group Training Scheme / Apprentice Hire
- Weekly Tenderfield List
- Builders Licensing
- Industry Training, Seminars and Advice
- Master Builders Public Referral Service
- Employment Manual
- Subby Pack
- Vehicle Fleet deals
- Marketing and Business Advice
- Mediation / Arbitration services
- "Building Ideas" television series
- SA Builder Magazine
- Web Site
- Master Builders Building and Home Improvement Show
- Corporate DVD production, Television commercial production
- Telecommunication offers
- Site Signs
- Chemwatch Access

## MARKETING PRODUCTS, ACTIVITIES & SERVICES

The following marketing products, services and events occurred throughout 2006/07.

### Electronic Media

#### "Building Ideas"™

2006/07 resulted in a new co-host – "Master Builder" Clayton Lush working with resident host Nicole Willis. Once again a diverse variety of Master Builders was promoted throughout the series and the "lifestyle" format continued to appeal to a large audience. Building Ideas now ranks among one of Channel 9's most long-standing locally produced series and is eagerly anticipated among Master Builder members and the public alike.

### DVD Production

Once again several corporate and promotional DVD's were produced. The DVD's included a national publicity DVD that was screened both across Australia and internationally, in a bid to attract potential delegates to the National Master Builders Conference and Exhibition to be held on the Gold Coast in late 2007.

### Web Site

The Web Site continued to be upgraded and amended in line with the technical parameters of Coresoft. This also resulted in a "new look" home page and refined navigation system. It is anticipated that the web site will continue to be further developed over the next year. Future enhancements will include the ability for members to book training courses and events on line as well as purchase products on line.

## Publications

### SA Builder Magazine

The SA Builder Magazine continued to increase in popularity among members, suppliers, manufacturers and independent advertisers. It remains South Australia's only regular industry specific publication and continues to increase its profile on a bi-monthly basis.

### Building Ideas Award Winning Homes Magazine

The 2006 coffee table publication again featured all of the Building Excellence Award entrants and winners.



# ACTIVITIES AND AFFAIRS

2006 / 2007



The publication was sold throughout news agencies in South Australia and proved to be popular among consumers with the magazine remaining in store for an extended period of time. The cover of the publication featured Kym Clarke Constructions as Master Builder of the Year 2006 – Contract Home Builder. As a direct result of the popularity of the magazine, it is anticipated that two separate publications will be produced for the next financial year. One will be aimed specifically at end consumers and one will be produced in order to promote the commercial sector of the industry and commercial award entrants / recipients.

## Sunday Mail

The Association continued its cross promotional agreement with the Sunday Mail throughout 2006. The most significant component of this agreement was the Building Excellence Awards feature that was published as a special inclusion in the "Home Lift out".

## Annual Events

### Building Excellence Awards

As has become customary, the Building Excellence Awards ceremony was held at the Adelaide Convention Centre with close to 1,300 guests attending. A record number of entries was received resulting in a close competition for the coveted awards. The evening's theme was built around that of "Masquerade" and the entertainment featured several opera singers performing Phantom of the Opera ensembles. James Reyne provided the after awards party entertainment.

### Master Builders Golf Day

The 2007 Golf day was held at Tea Tree Gully Golf Club. Around 150 players attended the day and the event proved to be a popular and successful networking opportunity for members and industry suppliers / manufacturers. 14 corporate partners supported the event.

### Southern Vales – Spring Celebration

Longview Vineyards provided the picturesque backdrop for the 2006 Spring Celebration. The function was held in order to thank corporate partners and celebrate the Building Excellence Award Winners. The day was enjoyed by all those who attended and has become an eagerly anticipated annual event on the Master Builders calendar.

### Master Builders Building & Home Improvement Show

The Building & Home Improvement Show was held at Wayville Showgrounds with approximately 25,000 people attending the three-day event. A "Master Builders Display Village" provided the opportunity for members to promote their businesses and gain direct access to prospective clients. Information seminars were also held over the three days and proved popular with the public. The Master Builders stand was well visited and hundreds of referrals were made on behalf of members.

### Members Christmas Celebration

The 2006 members Christmas celebration was held at Master Builders House. 200 members, suppliers, manufacturers and invited guests attended the event, which proved to be an excellent networking opportunity.

## DEVELOPMENT & TECHNICAL

Throughout 2006/07, the Development & Technical Department separated its operations from the Occupational Health and Safety Department.

The Development & Technical Department's focus and function included three main areas: Technical, Planning and Environmental.

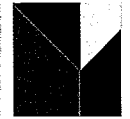
Member services was a major objective for the department with workshops held on the following:

- Water and the Development Process
- Planning Systems for approvals
- Building system for approvals
- KESAB and the EPA
- Building Fire Safety
- Port Augusta Regional Trade Show
- Slab Edge Dampness
- Housing Trust maintenance coordinators training day on Plumbing and Trusses
- Truss course

Articles for the SA Builder included

- Plasterboard linings (issues debated among members)
- No warning on increase in planning and building fees
- Don't turn your scaffolding into an electrical death trap
- Alert warnings on quality of products
- Development and Technical updates





- Act to reduce the cost of theft from building sites
- Amended legislation on site contaminate controls
- Roof trusses update and anticipated changes
- OHS in a state of Flux
- New processes apply to powerline set back space
- Water question mark on building and constructions
- Implications of water restrictions on building under intense study
- Sustainable water recycling and re-use on building sites
- Truss taskforce considering draft of 23 recommendations
- Energy efficiency in new and existing commercial buildings

### Committee Involvement

The Development & Technical Department acted as secretariat for three committees during the 2006-2007 period, namely the Technical Committee, OH&S Committee and the Precast and Concrete Association submission sub committee on concrete elements as part of the Association's public comment to the ASCC.

The Development & Technical Department further represented members interest as participants in the Building Advisory Committee, the Ministers Taskforce on Roof Trusses, Building Consultants, Dial Before You Dig Board, Business Watch (Building Watch) and actively participating in other Master Builders Association committee meetings.

New growth areas identified include a Green Living Program (that includes a charity home built for the Australian Cranio-Maxillo Facial Foundation), remodelling, tilt up and precast.

Notable impacts during the year by the Development & Technical department occurred in areas of –

- Water restrictions and impacts on footings through the Building Advisory Committee
- 23 recommendations likely to change the Truss industry
- Introduction of the Building Watch Program and reporting process

### TRAINING

The 2006/07 financial year was consistently busy for the training department. 5,500 participants accessed Master Builders courses, which was an increase of 1,500 on the previous year.

#### New courses

The training department invested in the redevelopment of a number of courses to ensure currency and relevance to the industry and also added new courses based on member feedback.

#### CITB

The year saw a major change to the way the Association accesses Construction Industry Training Board (CITB) funds for eligible workers and required significant processing modifications for both the Association and workers accessing training courses.

#### Industry qualifications

There has been a plethora of changes and reviews to Nationally Recognised Qualifications from the Building and Construction Training Package (BCG03) which have presented challenges and opportunities for the industry. The BCG03 Training Package was implemented in South Australia late in 2005 and has already been the subject of a major review. The Construction Property Services Industry Skills Council (CPSISC) is undertaking the review and has been consulting with industry stakeholders to determine modifications and additions. Of major interest has been the addition of a range of qualifications at Australian Qualification Framework (AQF) levels 4 to 6. These additional higher level qualifications will provide suitable training pathways for a range of higher level occupations within the Building and Construction Industry. Work is already underway to begin delivering training for these qualifications next year.

#### Master Builders Training Foundation

The issue of skills and labour shortages has existed for some years and continued to provide challenges for the Industry. Additional problems of labour shortages are being fueled by the implementation of major projects in other industries including mining and defence.

# ACTIVITIES AND AFFAIRS

2006 / 2007



In February of 2005, the Association created the Master Builders Training Foundation Pty Ltd. Its mission as a not for profit organisation is to meet continuing training demands of the building and construction industry, typically in areas of need that are currently under or un-serviced by other funding mechanisms. It seeks to attract and train people wanting to establish and further develop a career within the building and construction industry as well as maintaining a development process for existing workers within the industry.

One of the Foundation's significant projects was the upskilling of existing workers at Kingswood Aluminium. Participants continue to be trained in the Certificate III in Offsite Construction, which not only incorporates an excellent training program but also provides retention and attraction benefits to participating organisations.

Another project which was part funded by the Foundation this year was the third of a series of Youth Employment Programs (YEP). These very successful programs have focused on specific industry sectors with the most recent concentrating on the concrete industry. These programs have produced great results with around 50% of all the participants entering employment as a result of their involvement in the programs.

A range of other projects are being supported by the Foundation with more in the pipeline.

## Licensing

The Office of Consumer and Business Affairs is undertaking a review of the Building Work Contractors ACT and the Association has provided responses to a range of issues requested in the review. The Training Department is modifying current courses to more closely align to licensing requirements.

## OCCUPATIONAL HEALTH & SAFETY

The OHS department commenced as a separate department in March of 2007.

It is involved in several different areas.

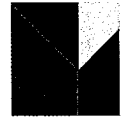
- Development of safety systems to assist members to meet their legal compliance
- Assist Client companies with achievement of AS 4801 compliance, and Federal Safety Commissioner accreditation (FSC).
- Undertake audits against legislation
- Undertake audits against AS 4801
- Represent Master Builders SA on working groups such as; Safework SA, Employers OHS action group, Workcover working group.
- Develop and upgrade the Subby Pack for sub contractors
- Assist the Training Department in the development of Safety training courses
- Maintain Chemwatch program for client access
- Assist members with Inspector notices
- Assist members with Workers Compensation matters including attending the tribunal on their behalf.

The OHS Manager was appointed in March 2007 and was supported at that time with one OHS assistant. It is anticipated that a new position will be created for an OHS Officer.

The further development of the OHS department will continue with expansion in the areas of safety auditing and site inspections as requested by members. A further upgrade of the Subby Pack in line with FSC accreditation is planned for later in the year.

New legislation and a possible change of Federal Government will have the effect of increasing the activities of the unit and possible expansion of staffing requirements.





## HOUSING

During the period, the residential sector of the industry experienced a slight increase in building commencements from 10,600 to 11,000. In addition, the Australian Bureau of Statistics has increased the population figures for South Australia from data collected from the last census. The increase in population will increase the underlying demand from 8,000 to over 10,000. However the issue for South Australia is that the supply exceeds demand due to shortage of trades and labour. Homes under construction total approximately 7,000 with 2,500 approved yet to be commenced. The drivers for the housing market are continued low interest rates, low unemployment, the resource boom and the private other sector of the market which accounts for the building of retirement villages, student accommodation and apartments.

The resource mining boom continued to show growth in regional areas.

Housing affordability continued to decline in South Australia as the supply of housing for low to moderate income earners was restricted due to the limited release of affordable land. The Association continued to lobby the State Government for the release of more affordable land by the Land Management Corporation and whilst the review of the Urban Growth Boundary was welcomed there is still a demonstrable need for more land.

The Alterations/Additions and home improvement markets softened slightly due to interest rate increases yet remain the preferred option as a result of limited availability of land and housing affordability.

The Association continued to utilize the unique mediums of the Building Ideas television programme, Building Excellence Awards, Building Ideas magazine, exposure in the "New Homes and Land" section of the Sunday Mail combined and the Building and Home Improvement Show at Wayville Showgrounds to promote housing members and increase their profile.

The Housing Committee was again well attended with Committee Chair, Charlie Siciliano and Scott Salisbury as Vice Chairman. The proactive Agenda included a series of meetings and briefings with Ministers for Planning, Housing and the Commissioner for Consumer Affairs.

The Committee continued to develop and set objectives as well as compose technical editorials and member alerts that were disseminated to the greater residential sector for their comments and feedback.

Issues addressed included:

- Planning
- Land availability
- Licensing
- Housing Affordability
- Quality of Building Work
- Trade Shortages and new entrants into the industry.

### National Housing Advisory Committee

South Australia was host to the face-to-face meeting of State representatives and their Builder/ Housing Representative meeting to discuss and continue to strategically lobby and further develop the following Action Items:

1. Local Government Planning – National Policy to drive consistency and a better working model throughout the States.
2. Progress Payments
3. Common Defects
  - Plasterboard
4. National Licensing
5. Housing Affordability
6. Australian Standards reviews
7. Remodellers (Alteration, Addition & Refurbishment) sector

Key Outcomes:

- Technical Bulletins from the National Technical Director.
- National Licensing – National Training Blueprint.
- Housing the Nation – Draft Policy



### **Reform of the Residential Building Industry**

The Master Builders continued to lobby for the reform of the current licensing, technical and indemnity insurance systems for consumer protection that operate in South Australia. The Building Work Contractors Act 1995 Draft submissions to the Office of Consumer & Business Affairs was an opportunity to highlight the necessity to consolidate these various functions into one government department the current system.

The system is currently as follows: The Office of Consumer & Business Affairs regulates the assessment and issue of licensing whilst Planning SA is responsible for the 'technical skills' side of the process and the private insurance industry provides consumer protection.

### **Licensing and Continuous Professional Development**

The Housing Committee continued to endorse more stringent licensing conditions and supported continuous professional development delivered through professional standards legislation. This was promoted through a series of meetings and submissions to the Government.

The Housing Committee continued to lobby the State Government and the Office of Consumer & Business affairs to curtail the activity of unlicensed "owner-builders" who pose risks to the industry and to consumers.

### **Housing Industry Prospects Forum (HIPF)**

The HIPF has successfully completed its fourth year of operation and its core objective of providing forecasting reports, building trends and activity within the South Australian market to government and industry stakeholders.

Quarterly Committee meetings resulted in HIPF becoming recognised as the authoritative body in providing a State based forecasting service on commencements in the residential Industry.

Reports are available from the members section of the Association's website or from the HIPF website. The forecasts have proven to be very accurate and an important planning tool for builders, manufacturers and suppliers.

### **Housing Urban Development Advisory Committee**

The Master Builders Association has a seat on HUDAC.

This enabled the Association to have valuable input on all regional and urban development issues.

The Association's Chief Executive Officer, Robert Stewart is the representative on HUDAC.

## **LEGAL & WORKPLACE SERVICES**

2006/07 proved to be one of the most peaceful and prosperous times the Industry has ever seen. With the Construction Industry booming and industrial disputation at record lows, the industry, particularly the commercial/ industrial and civil sectors have flourished, to the great benefit of all participants. Recently released Australian Bureau of Statistics figures show that workers in the construction sector have enjoyed wage increases of around 40% over the last five years, outstripping almost all other occupations. An independent study by EconTech released this year found that the economy as a whole is about \$15 billion better off as a result of these reforms, suggesting that not only members and their workers benefitted from these reforms, but also the entire economy has seen substantial benefit.

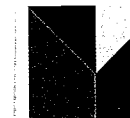
These benefits are largely due to the introduction of positive policy reform such as the Building & Construction Industry Improvement Act 2005 and the National Code of Practice for the Building & Construction Industry. Master Builders has continued in its support of positive reforms in the Industry.

### **Information Campaigns**

Although the pace of workplace reform slowed in the 2006/07 financial year, the activities of the Legal & Workplace Services department were focused around providing members with information to better their understandings of how the reforms affected their businesses. To assist in providing members with timely and high quality information, the Department took on an additional legally trained staff member.

The Department held a series of seminars and workshops and tailored one-on-one consultations across Adelaide and in regional areas such as Clare and Mount Gambier, Victor Harbour, Murray Bridge and the Barossa Valley covering issues such as workplace relations reform, independent contractors, the National Code of Practice and workplace agreement making.





The introduction of the Independent Contractors Act 2006 led to an increased focus on the use of independent contractors in the industry, with the Department supplementing its information campaign with a series of fact sheets available for members to download.

### **Workplace Agreement Making**

Master Builders have led the way in making flexible, fair and efficient work practices through workplace bargaining in the industry. Overall, Master Builders accounted for around 70% of all published agreements in the building and construction industry in South Australia. Demonstrating our commitment to workplace agreement making, Master Builders became an industry partner with the Workplace Authority.

To consolidate its position as the Industry leader over the 2006/07 year Master Builders IR Committee developed a plain-English pro forma agreement that proved to be popular among the membership. This provided both employees and employers a greater understanding of their workplace arrangements and helped to achieve a more harmonious working environment.

### **National Code of Practice for the Construction Industry**

The National Code of Practice for the construction industry has proved to be a major driver of change in the industry. In addition to mounting a substantial information campaign to assist our membership, Master Builders introduced a National Code of Practice auditing service. This service proved to be an immediate success with members in the commercial/industrial and civil sectors, providing members with ready access to high level advice and assistance in this area.

### **Other Matters**

While reform dominated the Legal & Workplace Services department's times, the Department continued to represent members' interests in a number of other matters:

#### **Federal**

- Adjustment of expense related allowances in the National Building & Construction Industry Award 2000
- Australian Fair Pay Commission review of wages
- Master Builders' Group Training Scheme's successful defence in the Federal Court of the application by the CFMEU
- Development of Master Builders' workplace relations blueprint Working Together

#### **State**

- Child Labour award
- State Wage Case and Section 90 reviews
- Daylight savings review

# TREASURER'S REPORT

## 2006 / 2007



| Net Income | 2006/2007 | 2005/2006 |
|------------|-----------|-----------|
| Operations | 631,028   | 429,671   |
| Property   | 233,461   | 222,750   |

The operating surplus for 2006/2007 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 trend of improvement experienced in 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. Profit is applied to maintain operations of the Association for provision of services to members.

**Alex Candetti**  
TREASURER

*Dated this 18th of September 2007*



# COMMITTEE OF MANAGEMENT STATEMENT



In the opinion of the Committee of Management:

- a) the Financial Statements and Notes comply with 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, changes in equity, cash flows and state of affairs of the Association and controlled entity for the year ended 30th June 2007;
- d) at the date of this statement, for the year ended there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
  - (i) meetings of the council of management were held in accordance with the rules of the organisation;
  - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation;
  - (iii) the financial records of the Association and controlled entity have been kept and maintained in accordance with the Workplace Relations Act 1996, schedule 1B Regulations and Accountability of Organisations (RAO) and the RAO Regulations;
  - (iv) the information sought in any request of a member of the Association and controlled entity or a Registrar duly made under section 272 of the RAO schedule has been furnished to the member or Registrar;
  - (v) there has been no order for inspection of financial records made by the Commission under section 273 of the Schedule 1B of the Workplace Relations Act 1996.
- f) During the financial year to 30th June, 2007,
  - (i) no officer of the Association;
  - (ii) no firm of which an officer is a member; or
  - (iii) 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, not inclusive of remuneration under employment contract.

This statement is made in accordance with a resolution of the Committee of Management passed on 17th of September and is signed for and behalf of the Committee of Management by:

**Peter Eden**  
PRESIDENT

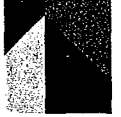
*Dated this 18th of September 2007*

**Michael O'Connor**  
DEPUTY PRESIDENT

*Dated this 18th of September 2007*



# OPERATING REPORT



In accordance with section 254 of Schedule 1B of the Workplace Relations Act 1996, the Council of Management presents the operating report for the year ended 30 June 2007.

## Principal Activities

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

## Financial Results

The consolidated surplus from operating activities for the year 2007 for Master Builders Association SA Inc and for Master Builders Training Foundation Pty Ltd was \$864,489.

## Review of Operations

The result represents a favourable variance of \$212,067 in comparison to the last year. The result for the year was considered satisfactory and was due primarily to the growth of membership and excellent results in operations of the Training Department.

## Significant Changes

There were no significant changes over financial year 2006-2007 in the operations of the Association.

## Rights of members to resign

- 1 A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
- 2 A notice of resignation from membership of an organisation 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 two weeks, 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.
- 3 Any dues payable but not paid by a former member of an organisation, in relation to a period before the

member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

- 4 A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.
- 5 A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).
- 6 A resignation from membership of an organisation 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 organisation that the resignation has been accepted.

## To the best of our knowledge and belief:

The past president of the Association, Peter Kennedy is a trustee of CBUS superannuation entity.

## Prescribed Information

Number of members of the organization at 30/06/2007 - 2026 (30/06/2006 - 1803)

Employees of the reporting unit as at 30/06/2007 - 24 staff (30/06/2006 - 21 staff)

Members of the Council of Management during the financial year ended 30/06/2007:

R Bianco, A Candetti, A Catinari, R D'Angelo, P Eden, G Green, D Hough, W Irwin, S Janssen, P Kennedy, J Kennett, D McMahon, G Meyers, M O'Connor, M Rundell, S Salisbury, C Siciliano, T Tagliaferri

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

**Peter Eden**

President of Master Builders Association SA Inc.

*Dated this 18th of September 2007*

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED AS AT 30 JUNE 2007



|                                        | Note   | Consolidated Entity |                | Master Builders Association SA Inc |                |
|----------------------------------------|--------|---------------------|----------------|------------------------------------|----------------|
|                                        |        | 2007                | 2006           | 2007                               | 2006           |
|                                        |        | \$                  | \$             | \$                                 | \$             |
| Revenues                               | 3      | 4,670,876           | 4,122,733      | 4,526,958                          | 3,997,687      |
| Employee benefits to holders of office | 1(m)   | (870,127)           | (818,821)      | (870,127)                          | (818,821)      |
| Employee benefits employees            |        | (744,789)           | (568,889)      | (744,789)                          | (568,889)      |
| Depreciation expense                   | 10 (b) | (196,710)           | (203,108)      | (196,710)                          | (203,108)      |
| Supplies and services                  | 4      | (1,994,761)         | (1,881,501)    | (1,889,830)                        | (1,758,815)    |
| <b>Profit from operations</b>          |        | <b>864,489</b>      | <b>652,422</b> | <b>825,501</b>                     | <b>650,062</b> |

The above income statement is to be read in conjunction with the accompanying notes

CONSOLIDATED BALANCE SHEET AS AT  
30 JUNE 2007



|                                                   |      | Consolidated Entity |                   | Master Builders Association SA Inc |                   |
|---------------------------------------------------|------|---------------------|-------------------|------------------------------------|-------------------|
|                                                   | Note | 2007                | 2006              | 2007                               | 2006              |
| <b>CURRENT ASSETS</b>                             |      |                     |                   |                                    |                   |
|                                                   |      | \$                  | \$                | \$                                 | \$                |
| <i>Cash and cash equivalents</i>                  | 5    | 5,114,124           | 3,429,137         | 3,440,153                          | 2,759,207         |
| <i>Trade and other receivables</i>                | 6    | 1,224,894           | 1,921,147         | 2,900,927                          | 2,625,431         |
| <i>Inventories</i>                                | 7    | 13,154              | 15,729            | 13,154                             | 15,729            |
| <i>Other current assets</i>                       | 8    | 212,808             | 158,079           | 212,808                            | 158,079           |
| <b>TOTAL CURRENT ASSETS</b>                       |      | <b>6,564,980</b>    | <b>5,524,093</b>  | <b>6,567,042</b>                   | <b>5,558,446</b>  |
| <b>NON-CURRENT ASSETS</b>                         |      |                     |                   |                                    |                   |
| <i>Financial assets</i>                           | 9    | 977,498             | 623,013           | 977,498                            | 623,013           |
| <i>Property, plant and equipment</i>              | 10   | 4,279,239           | 4,338,512         | 4,279,239                          | 4,338,512         |
| <i>Intangibles</i>                                |      | 410                 |                   | 410                                |                   |
| <b>TOTAL NON-CURRENT ASSETS</b>                   |      | <b>5,257,148</b>    | <b>4,961,525</b>  | <b>5,257,148</b>                   | <b>4,961,525</b>  |
| <b>TOTAL ASSETS</b>                               |      | <b>11,822,128</b>   | <b>10,485,618</b> | <b>11,824,190</b>                  | <b>10,519,971</b> |
| <b>CURRENT LIABILITIES</b>                        |      |                     |                   |                                    |                   |
| <i>Trade and other payables</i>                   | 11   | 1,126,005           | 1,014,180         | 1,132,876                          | 1,014,354         |
| <i>Short-term and long-term employee benefits</i> | 12   | 225,633             | 199,831           | 225,633                            | 199,831           |
| <b>TOTAL CURRENT LIABILITIES</b>                  |      | <b>1,351,638</b>    | <b>1,214,011</b>  | <b>1,358,509</b>                   | <b>1,214,185</b>  |
| <b>TOTAL LIABILITIES</b>                          |      | <b>1,351,638</b>    | <b>1,214,011</b>  | <b>1,358,509</b>                   | <b>1,214,185</b>  |
| <b>NET ASSETS</b>                                 |      | <b>10,470,489</b>   | <b>9,271,607</b>  | <b>10,465,680</b>                  | <b>9,305,786</b>  |
| <b>EQUITY</b>                                     |      |                     |                   |                                    |                   |
| <i>Reserves</i>                                   |      | 3,452,787           | 3,118,394         | 3,452,787                          | 3,118,394         |
| <i>Retained earnings</i>                          |      | 7,017,702           | 6,153,214         | 7,012,893                          | 6,187,393         |
| <b>TOTAL EQUITY</b>                               |      | <b>10,470,489</b>   | <b>9,271,608</b>  | <b>10,465,680</b>                  | <b>9,305,787</b>  |

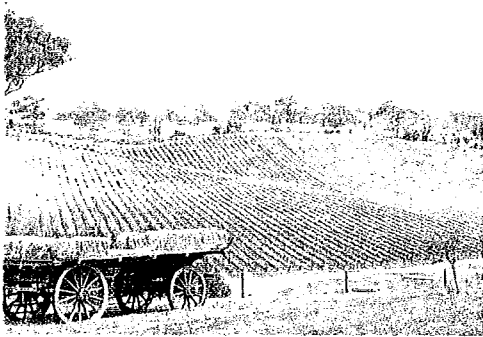
The above balance sheet is to be read in conjunction with the accompanying notes

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2007



## Reserves

|                                                                            | Note | Consolidated Entity |                  | Master Builders Association SA Inc |                  |
|----------------------------------------------------------------------------|------|---------------------|------------------|------------------------------------|------------------|
|                                                                            |      | 2007                | 2006             | 2007                               | 2006             |
|                                                                            |      | \$                  | \$               | \$                                 | \$               |
| <b>Asset Revaluation Reserve</b>                                           |      |                     |                  |                                    |                  |
| Balance at start of period                                                 |      | 981,004             | 185,185          | 981,004                            | 185,185          |
| Revaluation increment and other                                            |      | -                   | 795,819          | -                                  | 795,819          |
| Balance at end of period                                                   |      | 981,004             | 981,004          | 981,004                            | 981,004          |
| <b>Training Foundation Reserve</b>                                         |      |                     |                  |                                    |                  |
| Balance at start of period                                                 |      | 707,306             | -                | 707,306                            | -                |
| Movement to the reserve                                                    |      | 950,000             | -                | 950,000                            | -                |
| Balance at end of period                                                   |      | 1,657,306           | 707,306          | 1,657,306                          | 707,306          |
| <b>BIRST Training Reserve</b>                                              |      |                     |                  |                                    |                  |
| Balance at start of period                                                 |      | 1,430,084           | 1,092,116        | 1,430,084                          | 1,092,116        |
| Payments by SA Building Industry Redundancy Scheme Trust in prior year to: |      |                     |                  |                                    |                  |
| Construction Industry Drug & Alcohol Program                               |      | (24,000)            | -                | (24,000)                           | -                |
| Master Builders Association Distribution                                   | 1(i) | (950,000)           | (61,840)         | (950,000)                          | (61,840)         |
| BIRST distributions for the year unexpended transferred to reserve         | 1(i) | 358,393             | 399,808          | 358,393                            | 399,808          |
| Balance at end of period                                                   |      | 814,477             | 1,430,084        | 814,477                            | 1,430,084        |
| <b>Total Reserves</b>                                                      |      | <b>3,452,787</b>    | <b>3,118,394</b> | <b>3,452,787</b>                   | <b>3,118,394</b> |

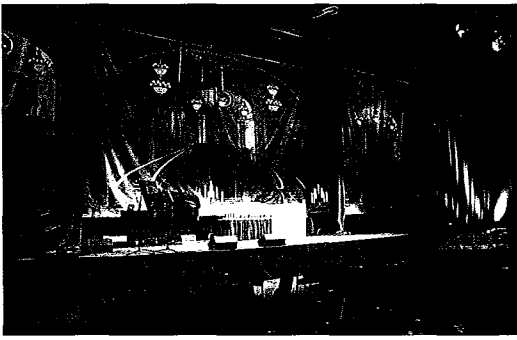
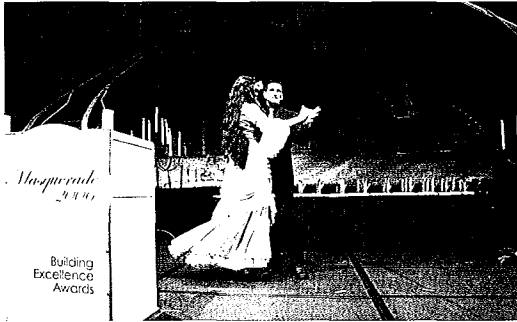
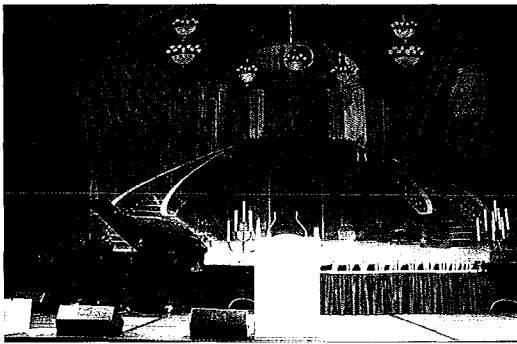


Association guests enjoying the Annual Spring Celebration to celebrate Excellence Award winners and thank Corporate Partners.

**MASTER BUILDERS**  
SOUTH AUSTRALIA

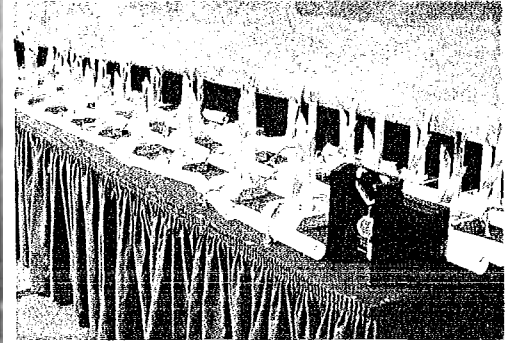
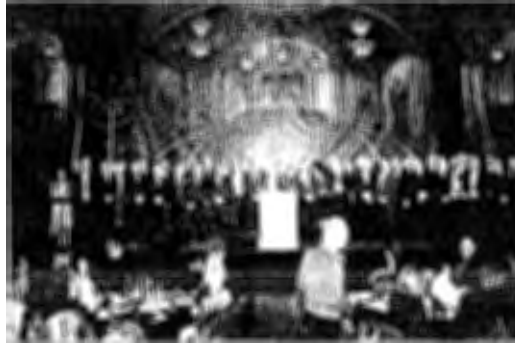


2006 BUILDING  
EXCELLENCE AWARDS



**MASTER BUILDERS**  
SOUTH AUSTRALIA

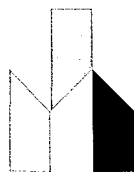
2006 BUILDING  
EXCELLENCE AWARDS



Masquerade was the theme for the Building Excellence Awards. The James Peire Band provided the after-awards entertainment.



# MASTER BUILDERS GOLF DAY



**MASTER BUILDERS**  
SOUTH AUSTRALIA

The Annual Golf Day was held at Tea Tree Gully Golf Course and enjoyed by 150 players.





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT  
30 JUNE 2007



Retained Earnings

|                                               | <i>Note</i> | Consolidated Entity |                  | Master Builders Association SA Inc |                  |
|-----------------------------------------------|-------------|---------------------|------------------|------------------------------------|------------------|
|                                               |             | 2007                | 2006             | 2007                               | 2006             |
|                                               |             | \$                  | \$               | \$                                 | \$               |
| <i>Retained earnings at start of period</i>   |             | 6,153,213           | 5,500,792        | 6,187,392                          | 5,537,331        |
| <i>Profit attributable to the association</i> |             | 864,489             | 652,421          | 825,501                            | 650,061          |
| <i>Retained earnings at end of period</i>     |             | 7,017,702           | 6,153,213        | 7,012,893                          | 6,187,392        |
| <b>Total Equity</b>                           |             | <b>10,470,489</b>   | <b>9,271,607</b> | <b>10,465,680</b>                  | <b>9,305,786</b> |

The above statement of changes in equity is to be read in conjunction with the accompanying notes



# CONSOLIDATED CASH FLOW STATEMENT AS AT 30 JUNE 2007



|                                                      |      | Consolidated Entity |             | Master Builders Association SA Inc |             |
|------------------------------------------------------|------|---------------------|-------------|------------------------------------|-------------|
|                                                      | Note | 2007                | 2006        | 2007                               | 2006        |
|                                                      |      | \$                  | \$          | \$                                 | \$          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |      |                     |             |                                    |             |
| Receipts from members, trade and other debtors       |      | 5,060,289           | 3,424,747   | 4,035,290                          | 3,415,113   |
| Payments to suppliers and employees                  |      | (3,315,260)         | (2,726,826) | (3,203,633)                        | (2,608,465) |
| Dividends received                                   |      | 38,350              | 18,468      | 38,350                             | 18,468      |
| Interest received                                    |      | 260,801             | 176,315     | 170,132                            | 136,414     |
| Net cash provided by operating activities            | 15b  | 2,044,181           | 892,704     | 1,040,141                          | 961,530     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |      |                     |             |                                    |             |
| Payments for property plant and equipment            |      | (165,125)           | (832,529)   | (165,125)                          | (832,529)   |
| Payments for trademark registration                  |      | (410)               |             | (410)                              |             |
| Proceeds from sales of property, plant and equipment |      | (2,521)             | (4,591)     | (2,521)                            | (4,591)     |
| Proceeds from sales of shares                        |      | 95,031              | 5,246       | 95,031                             | 5,246       |
| Redemption of property, plant and equipment          |      | 27,688              |             | 27,688                             |             |
| Payments for portfolio                               | 15   | (1,071,844)         | (502,117)   | (1,071,844)                        | (502,117)   |
| Proceeds from sales in portfolio                     | 15   | 757,986             | 138,174     | 757,986                            | 138,174     |
| Net cash provided (used) by investing activities     |      | (359,195)           | (1,195,816) | (359,195)                          | (1,195,816) |
| Net increase/decrease in cash held                   |      | 1,684,987           | (303,112)   | 680,946                            | (234,286)   |
| Cash at the beginning of the financial year          |      | 3,429,137           | 3,732,249   | 2,759,207                          | 2,993,494   |
| Cash at the end of the financial year                | 5    | 5,114,124           | 3,429,137   | 3,440,153                          | 2,759,207   |

The above cash flow statement is to be read in conjunction with the accompanying notes



**Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Associations Incorporation Act 1985 (SA), Schedule 1B - Regulations and Accountability of Organisations, Workplace Relations Act 1996 and Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

**Reporting Basis and Conventions**

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of the accounting has been applied.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

**Accounting Policies**

**(a) Principles of Consolidation**

The consolidated financial statements comprise the financial statements of Master Builders Association SA Inc and its controlled entity as at 30th of June 2007. A controlled entity is any entity controlled by Master Builders Association SA Inc. Control exists where Master Builders Association SA Inc has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Master Builders Association SA Inc to achieve the objectives of Master Builders Association SA Inc. A list of controlled entities is contained in Note 13 b to the financial statements.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

**(b) 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. Member income is excluded from tax under the principle of mutuality.

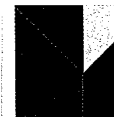
**(c) Property, Plant and Equipment**

Land and buildings class of assets is stated at independent valuation.

Plant and equipment are measured on the cost basis.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.





The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

**(d) Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the commencing from the time the asset is held ready to use.

The depreciation rates for each class of depreciable assets are:

|                       |            |
|-----------------------|------------|
| Buildings             | 2.5%       |
| Building Improvements | 2.5%       |
| Computer Software     | 40%        |
| Computer Hardware     | 25%        |
| Furniture & Equipment | 13% to 30% |
| Plant & Equipment     | 13% to 40% |
| Motor Vehicles        | 15%        |

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. Any revaluation decrease is recognised in profit or loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset. Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance sheet date.

**(e) Provision for Doubtful Debts**

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



**(f) Cash and Cash Equivalents**

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

**(g) 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 present value of the probability of expected future payments in respect of the services provided.

**(h) 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.

**(i) 2. Other Revenue**

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

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.

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.

**(j) 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

**(k) Comparative Figures**

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

**(l) Market Value of Managed Investment Portfolio**

After their initial recognition, Association measures financial assets at fair value, without deduction for transaction costs it may incur on sale.





**(m) Holders of office**

Holders of the Office are Employees of the Association that fulfil the function of the management of the affairs of the organisation, determine policies for the organisation, are responsible for the making, alteration or rescission of rules of the organisation or enforce the rules of the organisation or branch, or the performance of functions in relation to the enforcement of such rules.

**Note 2: Information to be provided to Members or Registrar**

In accordance with the requirements of Schedule 1B Registration and Accountability of Organisations, Australian Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sections 272 (1), (2) and (3), which details are set out below:

- 272
1. A member of Association, or a Registrar, may apply to the Association for specified prescribed information in relation to the Association to be made available to the person making the application.
  2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Association.
  3. Association must comply with an application made under subsection (1).
- 265
1. Association must provide free of charge to its members either:
    - (a) a full report consisting of: copy of the report of the auditor in relation to the inspection and audit of the financial records of the Association in relation to a financial year; and  
a copy of the general purpose financial report to which the report relates; and 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).
  2. A concise report may only be provided if, under the rules of the Association, the committee of management of the Association resolves that a concise report is to be provided.
  3. A concise report for a financial year consists of:
    - (a) a concise financial report for the year drawn up in accordance with the regulations; and
    - (b) the operating report for the year; and
    - (c) a statement by the auditor:
      - (i) that the concise financial report has been audited; and
      - (ii) whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and
    - (d) a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and
    - (e) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



4. If a member requests a copy of the full report and auditor's report, as mentioned in paragraph (3)(e), the Association must send those reports to the person within 28 days of the request being made.
5. The copies referred to in subsection (1) must be provided within:
  - (a) if a general meeting of members of the Association to consider the reports is held within 6 months after the end of the financial year—the period starting at the end of the financial year and ending 21 days before that meeting; or
  - (b) in any other case—the period of 5 months starting at the end of the financial year.

A Registrar may, upon application by the Association, extend the period during which the meeting referred to in paragraph (a) may be held, or the period set out in paragraph (b), by no more than one month.
6. Where Association publishes a journal that is available to the members of the Association free of charge, Association may comply with subsection (1):
  - (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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



|                                                             | Note | Consolidated Entity |                  | Master Builders Association SA Inc |                  |
|-------------------------------------------------------------|------|---------------------|------------------|------------------------------------|------------------|
|                                                             |      | 2007                | 2006             | 2007                               | 2006             |
|                                                             |      | \$                  | \$               | \$                                 | \$               |
| <b>Note 3: Revenue</b>                                      |      |                     |                  |                                    |                  |
| <i>Members Subscriptions</i>                                |      | 1,602,117           | 1,547,709        | 1,602,117                          | 1,547,709        |
| <i>Training</i>                                             |      | 1,176,306           | 867,508          | 1,176,306                          | 867,508          |
| <i>Insurance Commissions</i>                                |      | 163,458             | 203,785          | 163,458                            | 203,785          |
| <i>Document Sales</i>                                       |      | 174,836             | 104,013          | 174,836                            | 104,013          |
| <i>TV Programme - Building Ideas</i>                        | 1(h) | 195,746             | 188,913          | 195,746                            | 188,913          |
| <i>Building Awards</i>                                      |      | 277,417             | 267,781          | 277,417                            | 267,781          |
| <i>Buildex</i>                                              |      | 23,276              | 13,713           | 23,276                             | 13,713           |
| <i>BIRST Workchoices Seminars Distribution</i>              |      | -                   | 61,840           | -                                  | 61,840           |
| <i>Training Foundation Initiatives</i>                      |      | 53,250              | 85,146           | -                                  | -                |
| <i>Other</i>                                                |      | 242,660             | 313,561          | 242,660                            | 313,561          |
| <i>Interest received Master Builders Association SA Inc</i> |      |                     |                  |                                    |                  |
| <i>Dividends received</i>                                   | 1(i) | 38,350              | 18,468           | 38,350                             | 18,468           |
| <i>Property</i>                                             |      | 329,522             | 281,493          | 329,522                            | 281,493          |
| <i>Proceeds on disposal of vehicles and equipment</i>       |      | 92,510              | (4,591)          | 92,510                             | (4,591)          |
| <i>Proceeds on Share Portfolio</i>                          |      | 40,628              | 21,834           | 40,628                             | 21,834           |
| <i>Proceeds on Shares of Subsidiary Company</i>             |      | -                   | (24,754)         | -                                  | (24,754)         |
| <b>Total Revenue</b>                                        |      | <b>4,670,876</b>    | <b>4,122,733</b> | <b>4,526,958</b>                   | <b>3,997,687</b> |



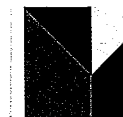
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



|                                                              | Note | Consolidated Entity |           | Master Builders Association SA Inc |           |
|--------------------------------------------------------------|------|---------------------|-----------|------------------------------------|-----------|
|                                                              |      | 2007                | 2006      | 2007                               | 2006      |
|                                                              |      | \$                  | \$        | \$                                 | \$        |
| <b>Note 4: Supplies and services</b>                         |      |                     |           |                                    |           |
| <i>TV Programme - Building Ideas</i>                         | 1(h) | 137,420             | 146,793   | 137,420                            | 146,793   |
| <i>Building Awards</i>                                       |      | 188,162             | 175,777   | 188,162                            | 175,777   |
| <i>Buildex</i>                                               |      | 432                 | 2,064     | 432                                | 2,064     |
| <i>Training</i>                                              |      | 482,459             | 357,378   | 462,459                            | 357,378   |
| <i>Youth Employment Program</i>                              |      | 83,709              | 75,000    | -                                  | -         |
| <i>Remuneration of Auditor for auditing financial report</i> |      | 23,500              | 16,105    | 22,500                             | 16,105    |
| <i>Power</i>                                                 |      | 63,205              | 62,424    | 63,205                             | 62,424    |
| <i>Rates and taxes</i>                                       |      | 45,858              | 43,517    | 45,858                             | 43,517    |
| <i>Maintenance</i>                                           |      | 66,785              | 44,305    | 66,785                             | 44,305    |
| <i>Other property expenses</i>                               |      | 18,903              | 29,662    | 18,903                             | 29,662    |
| <i>Subscriptions</i>                                         |      | 16,951              | 7,602     | 16,951                             | 7,602     |
| <i>Subscriptions National Association</i>                    |      | 126,706             | 117,573   | 126,706                            | 117,573   |
| <i>Legal Expenses</i>                                        |      | 34,166              | 36,400    | 34,166                             | 36,400    |
| <i>Insurance</i>                                             |      | 41,924              | 37,811    | 41,924                             | 37,811    |
| <i>Meeting Expenses</i>                                      |      | 8,858               | 8,494     | 8,858                              | 8,494     |
| <i>Communication Expenses</i>                                |      | 80,866              | 77,342    | 80,866                             | 77,342    |
| <i>Travel and Accomodation</i>                               |      | 8,672               | 15,155    | 8,672                              | 15,155    |
| <i>Consultants</i>                                           |      | 205,002             | 193,216   | 205,002                            | 193,216   |
| <i>Consultants Training Foundation</i>                       |      | -                   | 47,603    | -                                  | -         |
| <i>Other</i>                                                 |      | 361,184             | 387,280   | 360,962                            | 387,197   |
| <i>Total supplies and services</i>                           |      | 1,994,761           | 1,881,501 | 1,889,830                          | 1,758,815 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



|                                          |      | Consolidated Entity |                  | Master Builders Association<br>SA Inc |                  |
|------------------------------------------|------|---------------------|------------------|---------------------------------------|------------------|
|                                          | Note | 2007                | 2006             | 2007                                  | 2006             |
|                                          |      | \$                  | \$               | \$                                    | \$               |
| <b>Note 5: Cash and Cash Equivalents</b> |      |                     |                  |                                       |                  |
| Cash on hand                             |      | 1,847               | 2,604            | 1,847                                 | 2,604            |
| Cash at bank                             |      | 629,576             | 761,943          | 620,920                               | 718,602          |
| Cash on Deposit                          |      | 4,376,158           | 2,545,593        | 2,710,843                             | 1,919,004        |
| Cash with Funds Manager                  |      | 78,987              | 76,583           | 78,987                                | 76,583           |
| Arbitration Trust Fund                   |      | 27,556              | 42,414           | 27,556                                | 42,414           |
| <b>Total Cash and Cash Equivalents</b>   |      | <b>5,114,124</b>    | <b>3,429,137</b> | <b>3,440,153</b>                      | <b>2,759,207</b> |

**Note 6: Trade and Other Receivables**

|                                          |      |                  |                  |                  |                  |
|------------------------------------------|------|------------------|------------------|------------------|------------------|
| Trade debtors                            |      | 408,121          | 430,525          | 354,358          | 355,014          |
| less provision for doubtful debts        | 1(e) | (5,000)          | (5,000)          | (5,000)          | (5,000)          |
| Portfolio Receivable                     |      | 7,296            | 65,538           | 7,296            | 65,538           |
| BIRST/Trust Distributions Receivable     |      | 814,477          | 1,430,084        | 814,477          | 1,430,084        |
| Amount receivable from controlled entity |      | -                | -                | 1,729,796        | 779,796          |
| <b>Total Trade and Other Receivables</b> |      | <b>1,224,894</b> | <b>1,921,147</b> | <b>2,900,927</b> | <b>2,625,431</b> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



| Note | Consolidated Entity |      | Master Builders Association SA Inc |      |
|------|---------------------|------|------------------------------------|------|
|      | 2007                | 2006 | 2007                               | 2006 |
|      | \$                  | \$   | \$                                 | \$   |

Note 7: Inventories

CURRENT

|                                |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|
| Stock of publications, at cost | 13,154 | 15,729 | 13,154 | 15,729 |
|--------------------------------|--------|--------|--------|--------|

Note 8: Other Current Assets

|                            |         |         |         |         |
|----------------------------|---------|---------|---------|---------|
| Prepayments                | 112,808 | 38,079  | 112,808 | 38,079  |
| Revenue Accruals           | 100,000 | 120,000 | 100,000 | 120,000 |
| Total Other Current Assets | 212,808 | 158,079 | 212,808 | 158,079 |

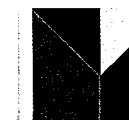
Note 9: Financial Assets

Financial Assets at Fair Value through  
Profit or Loss

|                                                               |      |         |         |         |         |
|---------------------------------------------------------------|------|---------|---------|---------|---------|
| Market Value of Managed Investments<br>in listed corporations | 1(i) | 977,498 | 623,013 | 977,498 | 623,013 |
| Total Financial Assets                                        |      | 977,498 | 623,013 | 977,498 | 623,013 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



|  |      | Consolidated Entity |      | Master Builders Association SA Inc |      |
|--|------|---------------------|------|------------------------------------|------|
|  | Note | 2007                | 2006 | 2007                               | 2006 |
|  |      | \$                  | \$   | \$                                 | \$   |

**Note 10: Property, Plant and Equipment**

(a) Details of Property Plant and Equipment

|                                            |       |                         |                         |                         |                         |
|--------------------------------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| Land and Buildings at Fair Value           | 10(c) | 3,900,000               | 3,900,000               | 3,900,000               | 3,900,000               |
| <i>less Accumulated Depreciation</i>       |       | (52,500)                | -                       | (52,500)                | -                       |
|                                            |       | <u>3,847,500</u>        | <u>3,900,000</u>        | <u>3,847,500</u>        | <u>3,900,000</u>        |
| Computer Software at Cost                  |       | 269,326                 | 259,541                 | 269,326                 | 259,541                 |
| <i>less Accumulated Depreciation</i>       |       | (156,483)               | (117,340)               | (156,483)               | (117,340)               |
|                                            |       | <u>112,843</u>          | <u>142,201</u>          | <u>112,843</u>          | <u>142,201</u>          |
| Computer Hardware at Cost                  |       | 317,728                 | 288,209                 | 317,728                 | 288,209                 |
| <i>less Accumulated Depreciation</i>       |       | (272,801)               | (245,044)               | (272,801)               | (245,044)               |
|                                            |       | <u>44,926</u>           | <u>43,165</u>           | <u>44,926</u>           | <u>43,165</u>           |
| Furniture & Equipment at Cost              |       | 276,679                 | 260,072                 | 276,679                 | 260,072                 |
| <i>less Accumulated Depreciation</i>       |       | (212,172)               | (195,990)               | (212,172)               | (195,990)               |
|                                            |       | <u>64,507</u>           | <u>64,082</u>           | <u>64,507</u>           | <u>64,082</u>           |
| Plant & Equipment at Cost                  |       | 191,379                 | 179,533                 | 191,379                 | 179,533                 |
| <i>less Accumulated Depreciation</i>       |       | (123,287)               | (104,385)               | (123,287)               | (104,385)               |
|                                            |       | <u>68,092</u>           | <u>75,148</u>           | <u>68,092</u>           | <u>75,148</u>           |
| Motor Vehicles at Cost                     |       | 146,715                 | 207,090                 | 146,715                 | 207,090                 |
| <i>less Accumulated Depreciation</i>       |       | (97,917)                | (93,174)                | (97,917)                | (93,174)                |
|                                            |       | <u>48,798</u>           | <u>113,916</u>          | <u>48,798</u>           | <u>113,916</u>          |
| Building Improvements at Cost              |       | 96,606                  | 207,090                 | 96,606                  | 207,090                 |
| <i>less Accumulated Depreciation</i>       |       | (4,033)                 | (93,174)                | (4,033)                 | (93,174)                |
|                                            |       | <u>92,573</u>           | <u>113,916</u>          | <u>92,573</u>           | <u>113,916</u>          |
| <b>Total Property, Plant and Equipment</b> |       | <u><b>4,279,239</b></u> | <u><b>4,338,512</b></u> | <u><b>4,279,239</b></u> | <u><b>4,338,512</b></u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



(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*

| 2007                                   | Land and Buildings | Building Improvements | Software | Hardware | Furniture & Equipment | Plant    | Motor Vehicles | TOTAL     |
|----------------------------------------|--------------------|-----------------------|----------|----------|-----------------------|----------|----------------|-----------|
| Balance at the beginning of year       | 3,900,000          | -                     | 142,201  | 43,165   | 64,082                | 75,148   | 113,916        | 4,338,512 |
| Additions                              | -                  | 96,606                | 9,785    | 29,518   | 16,608                | 12,608   | -              | 165,125   |
| Disposals                              | -                  | -                     | -        | -        | -                     | (561)    | (27,128)       | (27,688)  |
| Depreciation Expense                   | (52,500)           | (4,033)               | (39,144) | (27,757) | (16,182)              | (19,105) | (37,990)       | (196,710) |
| Carrying amount at the end of the year | 3,847,500          | 92,573                | 112,843  | 44,926   | 64,508                | 68,091   | 48,798         | 4,279,239 |
| 2006                                   | Land and Buildings | Building Improvements | Software | Hardware | Furniture & Equipment | Plant    | Motor Vehicles | TOTAL     |
| Balance at the beginning of year       | 2,439,082          | -                     | 164,172  | 62,730   | 41,367                | 55,319   | 151,414        | 2,914,085 |
| Additions                              | 742,330            | -                     | 15,912   | 4,800    | 34,289                | 35,197   | -              | 832,529   |
| Revaluation Increment                  | 795,007            | -                     | -        | -        | -                     | -        | -              | 795,007   |
| Depreciation Expense                   | (76,420)           | -                     | (37,883) | (24,364) | (11,575)              | (15,368) | (37,498)       | (203,108) |
| Carrying amount at the end of the year | 3,900,000          | -                     | 142,201  | 43,165   | 64,082                | 75,148   | 113,916        | 4,338,512 |

(c) Valuation of Land & Building by Independent Valuer - Details

Valuation Amount: \$3,900,000

Amount:

Basis of Valuation: Market Value of the property as defined by The International Assets Valuations Standards Committee

Valuation Date: Basis of valuation adopted by Executive Council and brought to account on 30 June 2006

Date:

Date of Valuation Report on which majority of valuation in financial report has been based: 21 st day of March 2006



**Note 11: Trade and Other Payables**

|                            | Note | Consolidated Entity |                  | Master Builders Association SA Inc |                  |
|----------------------------|------|---------------------|------------------|------------------------------------|------------------|
|                            |      | 2007                | 2006             | 2007                               | 2006             |
|                            |      | \$                  | \$               | \$                                 | \$               |
| Trade Creditors            |      | 507,097             | 274,128          | 507,097                            | 271,378          |
| Arbitration Accounts       |      | 22,325              | 39,552           | 22,325                             | 39,552           |
| Income received in advance |      | 578,009             | 566,382          | 578,009                            | 566,382          |
| GST Net liability          | 1(j) | 18,574              | 134,117          | 25,445                             | 137,042          |
| <b>Total Payables</b>      |      | <b>1,126,005</b>    | <b>1,014,180</b> | <b>1,132,876</b>                   | <b>1,014,354</b> |

**Note 12: Short-term and long-term employee benefits**

|                                           | Note | Consolidated Entity |                | Master Builders Association SA Inc |                |
|-------------------------------------------|------|---------------------|----------------|------------------------------------|----------------|
|                                           |      | 2007                | 2006           | 2007                               | 2006           |
|                                           |      | \$                  | \$             | \$                                 | \$             |
| <b>Current</b>                            |      |                     |                |                                    |                |
| Annual Leave - Office Holders             | 1(m) | 54,017              | 73,867         | 54,017                             | 73,867         |
| Annual Leave - Other                      |      | 21,770              | 17,468         | 21,770                             | 17,468         |
| <b>Total Short-term Employee Benefits</b> |      | <b>75,787</b>       | <b>91,335</b>  | <b>75,787</b>                      | <b>91,335</b>  |
| <b>Long Service Leave</b>                 |      |                     |                |                                    |                |
| Long Service Leave - Office Holders       | 1(m) | 124,322             | 100,902        | 124,322                            | 100,902        |
| Long Service Leave - Other                |      | 25,524              | 7,593          | 25,524                             | 7,593          |
| <b>Total Long-term Employee Benefits</b>  |      | <b>149,846</b>      | <b>108,496</b> | <b>149,846</b>                     | <b>108,496</b> |
| <b>Total Employee Benefits</b>            |      | <b>225,633</b>      | <b>199,831</b> | <b>225,633</b>                     | <b>199,831</b> |
| <i>Number of employees at year end</i>    |      | 24                  | 21             | 24                                 | 21             |



**NOTE 13: RELATED PARTIES**

**(a) Council Members**

The Council members who each held office as a Council member of the association during the year ended 30 June 2007 were as follows: R Bianco, A Candetti, A Catinari, R D'Angelo, P Eden, G Green, D Hough, W Irvine, S Janssen, P Kennedy, J Kennett, D McMahon, G Meyers, M O'Connor, M Rundell, S Salisbury, C Siciliano, T Tagliaferri

Chief Executive: Robert Stewart

**(b) Other related party - entity controlled by the Master Builders Association SA Inc**

Master Builders Training Foundation Pty Ltd

**(c) Related Party Transactions**

**(1) Service Charge**

The amount charged by the Master Builders Association SA Inc to the Master Builders Group Training Scheme for the provision of reception, administration, financial, industrial relations, OH&S, legal, training and secretarial support for the year ended 30 June 2007 was as follows:

| 2007          | 2006          |
|---------------|---------------|
| \$            | \$            |
| <u>75,140</u> | <u>73,219</u> |
| <u>75,140</u> | <u>73,219</u> |

**(2) Rent charge**

Amount charged by the Master Builders Association SA Inc to the Master Builders Group Training Scheme for rent, security recharge, common cleaning, parking and electricity for the period of July 2006 - June 2007 is \$31,154.92 exclusive of GST charges. Previous period charge - \$31,595.60, exclusive of GST charges.

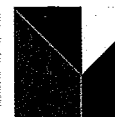
**(3) Master Builders Training Foundation Pty Ltd**

The Master Builders Training Foundation Pty Ltd, registered in Australia, established as an initiative of the Master Builders Association SA Inc to meet continuous training demand of the industry. The Association exercises substantial financial control over this entity by way of common directorship and has funded the establishment of the Foundation by means of a loan. Above conditions resulted in consolidation of the financial result of the Foundation with that of the Master Builders Association SA Inc.

**Note 14: 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.





Note 15: Cash Flow Information

|                                                                        |      | Consolidated Entity |           | Master Builders Association<br>SA Inc |           |
|------------------------------------------------------------------------|------|---------------------|-----------|---------------------------------------|-----------|
|                                                                        | Note | 2007                | 2006      | 2007                                  | 2006      |
|                                                                        |      | \$                  | \$        | \$                                    | \$        |
| <b>(a) Reconciliation of Cash</b>                                      |      |                     |           |                                       |           |
| Cash and Cash Equivalents                                              | 5    | 5,114,124           | 3,429,137 | 3,440,153                             | 2,759,207 |
| <b>(b) Reconciliation of net cash provided by operating activities</b> |      |                     |           |                                       |           |
| Profit from operations                                                 |      | 864,489             | 652,421   | 825,501                               | 650,061   |
| <b>Non-cash flows in profit from operations</b>                        |      |                     |           |                                       |           |
| Depreciation                                                           |      | 196,710             | 203,108   | 196,710                               | 203,108   |
| Loss on disposal of vehicles                                           |      | 2,521               | 4,591     | 2,521                                 | 4,591     |
| (Loss)Profit on disposal/settlement of shares                          |      | (95,031)            | 24,754    | (95,031)                              | 24,754    |
| Realisation of Market Value of Share Portfolio                         |      | (40,628)            | (21,834)  | (40,628)                              | (21,834)  |
| Increase/Decrease in revenue accrual                                   |      | 20,000              | (19,387)  | 20,000                                | (19,387)  |

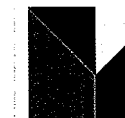




Note 15: Cash Flow Information - Continued

(b) Reconciliation of net cash provided by operating activities

|                                                        | <i>Note</i> | Consolidated Entity |                | Master Builders Association SA Inc |                |
|--------------------------------------------------------|-------------|---------------------|----------------|------------------------------------|----------------|
|                                                        |             | 2007                | 2006           | 2007                               | 2006           |
| Changes in Assets                                      |             | \$                  | \$             | \$                                 | \$             |
| Increase/(Decrease) in receivables                     |             | 696,253             | (483,816)      | (275,496)                          | (408,305)      |
| Decrease in inventories                                |             | 2,574               | 1,795          | 2,574                              | 1,795          |
| (Increase) in prepayments                              |             | (74,729)            | (20,730)       | (74,729)                           | (20,730)       |
| Changes in Liabilities                                 |             |                     |                |                                    |                |
| Increase in trade and other payables                   |             | 111,826             | 21,958         | 118,522                            | 17,633         |
| Increase in employee entitlements                      |             | 25,802              | 38,612         | 25,802                             | 38,612         |
| Changes in Reserves                                    |             | 334,393             | 338,781        | 334,393                            | 338,781        |
| Net cash provided by operating activities              |             | <u>2,044,181</u>    | <u>892,704</u> | <u>1,040,141</u>                   | <u>961,530</u> |
| (c) Total Shares and Managed Funds Sold                |             | <u>757,986</u>      | <u>138,174</u> | <u>757,986</u>                     | <u>138,174</u> |
| (d) Realisation of Market Value of the Share Portfolio |             | <u>40,628</u>       | <u>21,834</u>  | <u>40,628</u>                      | <u>21,834</u>  |
| (e) Total Shares Acquired                              |             | <u>1,046,873</u>    | <u>434,117</u> | <u>1,046,873</u>                   | <u>434,117</u> |
| (f) Total Managed Funds Acquired                       |             | <u>24,971</u>       | <u>68,000</u>  | <u>24,971</u>                      | <u>68,000</u>  |
| Total Acquisitions                                     |             | <u>1,071,844</u>    | <u>502,117</u> | <u>1,071,844</u>                   | <u>502,117</u> |



## Note 16: Financial Instruments

### (a) Financial Risk Management

The Association's financial instruments consist of deposits with banks, short-term investments, local money markets, accounts receivable and payable.

The Association's main financial risk is through its financial instruments exposure to interest rates fluctuation. Interest rate risk is managed with a mixture of fixed and floating rate debt. The Association is not exposed to fluctuations in foreign currencies. The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained. 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 balance sheet 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.

### (b) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

### Consolidated Entity

|                                   | Weighted Average Effective Interest Rate |       | Floating Interest Rate |                  | Within 1 Year |          | 1 to 5 Years |          | Non-Interest Bearing |                  |
|-----------------------------------|------------------------------------------|-------|------------------------|------------------|---------------|----------|--------------|----------|----------------------|------------------|
|                                   | 2007                                     | 2006  | 2007                   | 2006             | 2007          | 2006     | 2007         | 2006     | 2007                 | 2006             |
| Financial Assets:                 | %                                        | %     | \$                     | \$               | \$            | \$       | \$           | \$       | \$                   | \$               |
| Cash at Bank                      |                                          |       | 736,119                | 880,940          | -             | -        | -            | -        | -                    | -                |
| Cash on Hand                      |                                          |       | -                      | -                | -             | -        | -            | -        | 1,847                | 2,604            |
| Receivables                       |                                          |       | -                      | -                | -             | -        | -            | -        | 1,229,894            | 1,926,147        |
| Short-term deposits               | 6.25%                                    | 6.20% | 4,376,158              | 2,545,593        | -             | -        | -            | -        | -                    | -                |
| Investment in listed Corporations |                                          |       | 977,498                | 623,013          | -             | -        | -            | -        | -                    | -                |
| <b>Total Financial Assets:</b>    |                                          |       | <b>6,089,776</b>       | <b>4,049,547</b> | <b>-</b>      | <b>-</b> | <b>-</b>     | <b>-</b> | <b>1,231,741</b>     | <b>1,928,751</b> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2007



Consolidated Entity

|                                     | Weighted Average Effective Interest Rate |      | Floating Interest Rate |      | Within 1 Year |      | 1 to 5 Years |      | Non-Interest Bearing |                |
|-------------------------------------|------------------------------------------|------|------------------------|------|---------------|------|--------------|------|----------------------|----------------|
|                                     | 2007                                     | 2006 | 2007                   | 2006 | 2007          | 2006 | 2007         | 2006 | 2007                 | 2006           |
|                                     | %                                        | %    | \$                     | \$   | \$            | \$   | \$           | \$   | \$                   | \$             |
| Financial Liabilities:              |                                          |      |                        |      |               |      |              |      |                      |                |
| Creditors                           |                                          |      | -                      | -    | -             | -    | -            | -    | 525,671              | 408,246        |
| Employee Benefits                   |                                          |      | -                      | -    | -             | -    | -            | -    | 225,633              | 199,831        |
| Arbitration Trust Funds             |                                          |      | -                      | -    | -             | -    | -            | -    | 22,325               | 39,552         |
| <b>Total Financial Liabilities:</b> |                                          |      | -                      | -    | -             | -    | -            | -    | <b>773,629</b>       | <b>647,629</b> |

Master Builders Association SA Inc

|                                   | Weighted Average Effective Interest Rate |       | Floating Interest Rate |                  | Within 1 Year |          | 1 to 5 Years |          | Non-Interest Bearing |                  |
|-----------------------------------|------------------------------------------|-------|------------------------|------------------|---------------|----------|--------------|----------|----------------------|------------------|
|                                   | 2007                                     | 2006  | 2007                   | 2006             | 2007          | 2006     | 2007         | 2006     | 2007                 | 2006             |
|                                   | %                                        | %     | \$                     | \$               | \$            | \$       | \$           | \$       | \$                   | \$               |
| Financial Assets:                 |                                          |       |                        |                  |               |          |              |          |                      |                  |
| Cash at Bank                      |                                          |       | 727,463                | 837,599          | -             | -        | -            | -        | -                    | -                |
| Cash on Hand                      |                                          |       | -                      | -                | -             | -        | -            | -        | 1,847                | 2,604            |
| Receivables                       |                                          |       | -                      | -                | -             | -        | -            | -        | 2,905,927            | 2,630,431        |
| Short-term deposits               | 6.25%                                    | 6.20% | 2,710,843              | 1,919,004        | -             | -        | -            | -        | -                    | -                |
| Investment in listed Corporations |                                          |       | 977,498                | 623,013          | -             | -        | -            | -        | -                    | -                |
| <b>Total Financial Assets:</b>    |                                          |       | <b>4,415,805</b>       | <b>3,379,615</b> | <b>-</b>      | <b>-</b> | <b>-</b>     | <b>-</b> | <b>2,907,774</b>     | <b>2,633,035</b> |

Master Builders Association SA Inc

|                                     | Weighted Average Effective Interest Rate |      | Floating Interest Rate |          | Within 1 Year |          | 1 to 5 Years |          | Non-Interest Bearing |                |
|-------------------------------------|------------------------------------------|------|------------------------|----------|---------------|----------|--------------|----------|----------------------|----------------|
|                                     | 2007                                     | 2006 | 2007                   | 2006     | 2007          | 2006     | 2007         | 2006     | 2007                 | 2006           |
|                                     | %                                        | %    | \$                     | \$       | \$            | \$       | \$           | \$       | \$                   | \$             |
| Financial Liabilities:              |                                          |      |                        |          |               |          |              |          |                      |                |
| Creditors                           |                                          |      | -                      | -        | -             | -        | -            | -        | 532,542              | 408,420        |
| Employee Benefits                   |                                          |      | -                      | -        | -             | -        | -            | -        | 225,633              | 199,831        |
| Arbitration Trust Funds             |                                          |      | -                      | -        | -             | -        | -            | -        | 22,325               | 39,552         |
| <b>Total Financial Liabilities:</b> |                                          |      | <b>-</b>               | <b>-</b> | <b>-</b>      | <b>-</b> | <b>-</b>     | <b>-</b> | <b>780,500</b>       | <b>647,803</b> |



## **Note 16: Financial Instruments - Continued**

### **(c) Net Fair Values**

After initial recognition, the Association measures financial assets at their fair values, without deduction for transaction costs it may incur on sale. No financial assets are readily traded on organized markets in standardized form other than listed investments.

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

## **Note 17: Association Details**

The principal place of business and registered office of the Association is:

**Master Builders Association, Level 1/47 South Terrace, Adelaide SA 5000**

# INDEPENDENT AUDITOR'S REPORT



To the members of Master Builders Association SA Inc:

We have audited the accompanying financial report of Master Builders Association SA Inc ("the Association"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management statement for both the association and the consolidated entity ("the consolidated entity"). The consolidated entity comprises the association and the entity it controlled at the year's end or from time to time during the financial year.

## The Responsibility of the Committee for the Financial Report

The committee of the entity is responsible for the preparation and true and fair presentation of the financial report in accordance with Associations Incorporations Act 1985 (SA) Schedule 1B – Regulations and Accountability of Organisations, Workplace Relations Act 1996 and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those

risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the committee or management.

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

## Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Master Builders Association SA Inc and the consolidated entity as at 30 June 2007, and of their performance and their cash flows for the year ended on that date in accordance with Associations Incorporations Act 1985 (SA) Schedule 1B – Regulations and Accountability of Organisations, Workplace Relations Act 1996 and Australian Accounting Standards (including the Australian Accounting Interpretations).

HLB Mann Judd  
(SA PARTNERSHIP)  
CHARTERED  
ACCOUNTANTS

Phil Plummer  
PARTNER  
CHARTERED ACCOUNTANT  
(MEMBERSHIP NO. 72801)  
REGISTERED COMPANY  
AUDITOR (NO. 5496)

Dated this 18th of September 2007

Dated this 18th of September 2007

