FairWork Commission

18 October 2013

Mr Tom Earls
Master Builders Association of South Australia Incorporated
PO Box 100144
Adelaide BC SA 5000
via email - tearls@mbasa.com.au

Dear Mr Earls,

Master Builders Association of South Australia Incorporated
Financial Report for the year ended 30 June 2012 - [FR2012/385]

I acknowledge receipt of the financial report of the Master Builders Association of South Australia Incorporated (the reporting unit). The documents were lodged with Fair Work Australia (now the Fair Work Commission) on 22 October 2012.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

This financial report was filed based on a preliminary review. Please note that the reporting unit financial report for the year ending 30 June 2013 may be subject to a full compliance audit.

Changes to the legislation and reporting guidelines

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. The Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:
http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance

As stated previously, this financial report was filed based on a preliminary review. The financial report for the year ending 30 June 2013 may be subject to a full compliance audit.

If you have any queries regarding this letter, please contact me on (03) 8661 7026 or via email at sarah.wilkin@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Sarah Wilkin
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

MASTER BUILDERS
SOUTH AUSTRALIA
ABN 61 183 783 305

Designated Officer's Certificate

S268 Fair Work (Registered Organisations) Act 2009

I, John Kennett being the President of the Master Builders Association of South Australia Inc. certify:

- that the documents lodged herewith are copies of the full report, referred to in S268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 24th September 2012; and
- that the full report was presented to the Annual General Meeting of the reporting unit on 16th October 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: .....

Date: 16 . 10 . 2012 .....

47 South Terrace Adelaide SA 5000 **Telephone 08 8211 7466** Facsimile 08 8231 5240
PO Box 10014 Adelaide BC SA 5000 Email: buildsa@mbasa.com.au
Internet: www.mbasa.com.au Free Call 1800 067 466

Master Builders
Annual Report 2012

BUILDING SOUTH AUSTRALIA
SINCE 1884

COMMERCIAL
INDUSTRIAL
RESIDENTIAL
CIVIL
SUB CONTRACTORS

MASTER BUILDERS
SOUTH AUSTRALIA

Master Builders
Annual Report 2012

BUILDING SOUTH AUSTRALIA
SINCE 1884

COMMERCIAL
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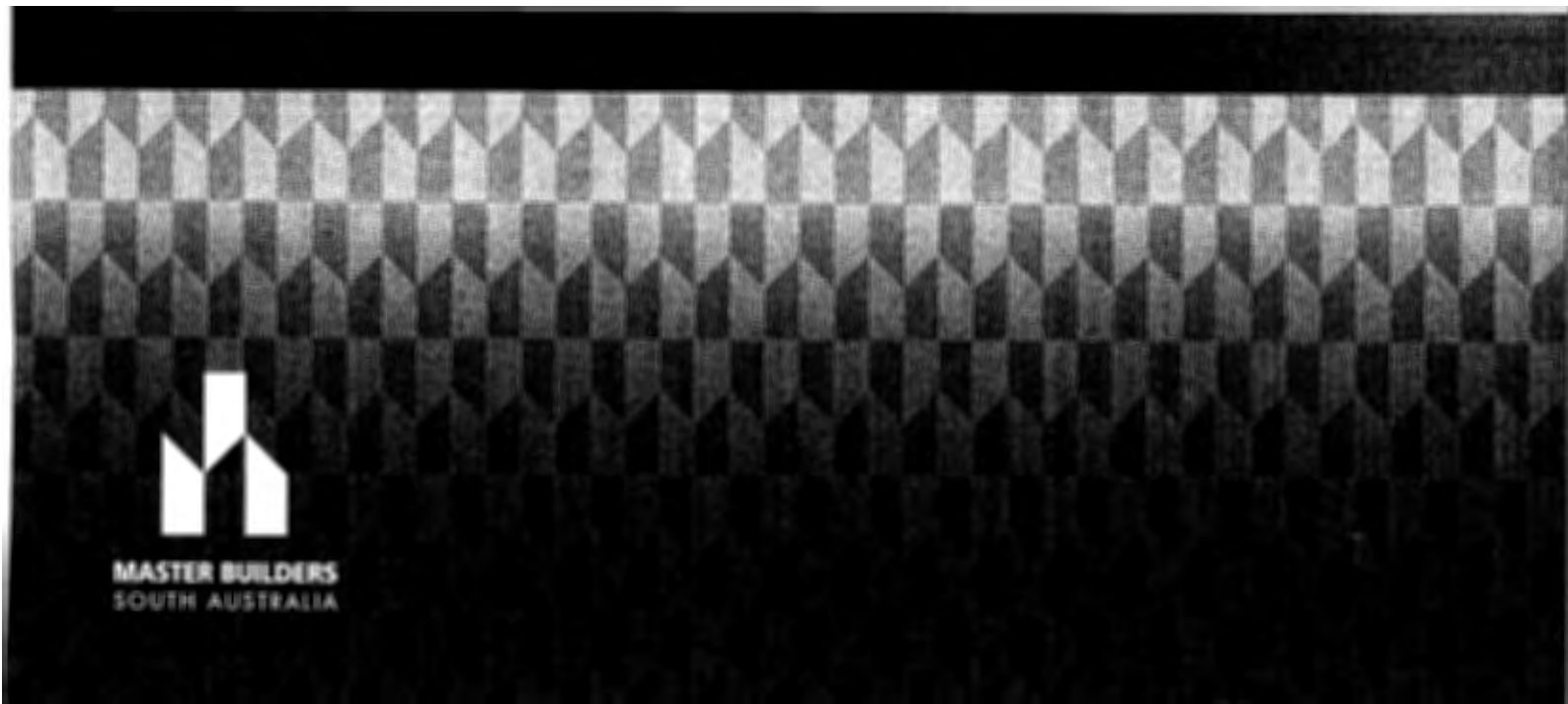
RESIDENTIAL
CIVIL
SUB CONTRACTORS

MASTER BUILDERS
SOUTH AUSTRALIA

MASTER BUILDERS ASSOCIATION

ANNUAL REPORT

2012



OFFICE BEARERS
2011 / 2012

PRESIDENT	**J Kennett** Managing Director, Kennett Pty Ltd
DEPUTY PRESIDENT	**T Tagliaferri** Managing Director, Tagara Pty Ltd
PAST PRESIDENT	**DJ McMahon** Managing Director, McMahon Services Pty Ltd
VICE PRESIDENT	**R Bryant** General Manager, Metricon Homes Pty Ltd
VICE PRESIDENT	**M Romaldi** Managing Director, Romaldi Constructions Pty Ltd
TREASURER	**P Salveson** State Manager - SA, Hansen Yuncken Pty Ltd

COUNCIL OF MANAGEMENT
2011 / 2012

N Abley
State Manager SA, Badge Constructions Pty Ltd

M Beatton
Managing Director, Seasonair Pty Ltd

R Bianco
Managing Director, Bianco Precast Pty Ltd

G Dann
Chief Executive Officer, Weeks Building Group

S Janssen
Partner, J & S Janssen Bricklayers

C Leopold
Manager Building SA, Baulderstone Pty Ltd

I Markos
National SQE Manager, John Hindmarsh (SA) Pty Ltd

N O'Neill
Managing Director, Unique Urban Built Pty Ltd

S Penhall
Managing Director, Built Environs Pty Ltd

C Schutze
General Manager, Scott Salisbury Homes

M Smeaton
Construction Director, Ahrens Group Pty Ltd

E Zito
Director, Zee Constructions Pty Ltd**LIFE MEMBERS**

RJ Emmett
J Marshall
PH Kennedy
GJ Meyers

HONORARY MEMBER

KC West

AFFILIATE MEMBERS

Property Council of Australia (SA Division)
Urban Development Institute of Australia

STAFF
2011 / 2012

CHIEF EXECUTIVE OFFICER	Robert Stewart
DIRECTOR OF OPERATIONS	David Callan
LEGAL & WORKPLACE SERVICES MANAGER	Tom Earls
FINANCE & ADMINISTRATION MANAGER	Brad King
OHS MANAGER	Jacqui Quarton
TRAINING MANAGER	David Thompson
DEVELOPMENT & TECHNICAL MANAGER	Brendon Corby
EXECUTIVE ASSISTANT	Helen Voigt
SYSTEMS & PROCEDURES ADMINISTRATOR	Adam Mitchell
FINANCE & ADMINISTRATION OFFICER	Jolanta Bigaj
ADMINISTRATION OFFICER	Linda Liu
ADMINISTRATION ASSISTANT P/T	Fiona Pawson
MEMBER COUNSEL	David Putland
REHABILITATION & RETURN TO WORK COORDINATOR / WORKPLACE ADVISOR	Houda Peters (nee Kayal)
WORPLACE RELATIONS RESEARCH OFFICER (P/T)	Kallie Stewart (fr Feb 2012)
INSURANCE SERVICES OFFICER	Sofie Latsonis
INSURANCE ADMINISTRATOR (P/T)	Alison Duke
INSURANCE ADMINISTRATION	Kelly Fisher
MARKETING ASSISTANT	Coby Costi
DIRECT MARKETER	Kristian Bowman
OHS OFFICER (P/T)	Kelly Sydenham
TRAINING COORDINATOR	Shane Wright
TRAINING COMPLIANCE & FUNDING	Jemma Krasowski
TRAINING ASSISTANT	Jennifer Pretty
TRAINING STUDENT AMENITIES OFFICER	Scott Grant
TRAINING ADMINISTRATION ASSISTANT	Fatemeh Daryani
RECEPTIONIST	Voula Kalkanas
MEMBERSHIP COORDINATOR	John Jamieson
MEMBER SERVICES OFFICER	Fritz Tambe
MEMBER SERVICES OFFICER	Cathy Hill
A/Cs PAYABLE/RECEIVABLE OFFICER	Rui Xue
CURRICULUM DEVELOPMENT / CONSULTANT	Peter Both
MARKETING CONSULTANT	Ilona Tamm

REPRESENTATION
2011 / 2012

CHURP
D Callan
BIRST Board of Management
R Stewart, M Howard, J Kennett, M Romaldi
Builders Architects Liaison Committee
R Stewart, G Meyers, J Kennett, T Tagliaferri, G Minuzzo, B Lunn, E Alarcon, M Romaldi, N Abley
Building Advisory Commission (BAC)
B Corby
Building Work Contractors Act Assessor
R James
Business SA Employers Working Group
J Quarton, T Earls
Cbus Superannuation Board
P Kennedy
CITB Board
R Stewart
CITB – Commercial Sector
D Thompson
CITB – Entry Level Training Reference Committee
R Stewart, A Turnbull, T Tagliaferri
CITB – Housing Sector
K Jasper
CITB – ISB
R Stewart
CITB – Joint Sector Advisory Committee
D Thompson
CITB Training Policy Committee
R Stewart
Construction Industry Forum
R Stewart, P Salveson
Construction Industry Long Service Leave Board
J Whiting, S Minuzzo
Construction Industry OHS Committee
D Callan, J Quarton, K Sydenham
Foundations for Safety – South Australia
R Stewart
Housing Industry Prospects Forum
D Callan, R Bryant
Industry Panel-Assessor (BWC Act 1995)
R James
Industrial Relations Advisory Committee
T Earls
Industry Training Providers Association
D Thompson
Kesab
B Corby
Master Builders Australia National Board
P Kennedy, J Kennett
Master Builders Australia National Contracts Committee
T Earls
Master Builders Australia National Executive Directors Committee
R Stewart
Master Builders Australia National Housing Advisory Committee
C Schutze
Master Builders Australia National Industrial Relations Committee
J Kennett, T Earls
Master Builders Australia National Marketing Committee
I Tamm
Master Builders Australia National OHS Committee
J Quarton
Master Builders Australia National Training Committee
D Thompson
Master Builders Group Training Scheme Board
R Stewart, D Callan, D Thompson, B King, J Marshall, T Tagliaferri, P Liedig, S Janssen, K Jasper
Master Builders Training Foundation
J Kennett, D McMahon, R Stewart, D Thompson, P Eden, P Kennedy, G Meyers, T Tagliaferri
Planning SA – Inner Regional Reference Group
B Corby
SafeWork SA Advisory Panel – OHS&W
J Quarton
SafeWork SA Asbestos Advisory Committee
J Quarton
SafeWork SA OHS Committee
J Quarton
TAFE – Council of Adelaide South
D Callan
Urban Development Institute of Australia (UDIA)
D Callan
WorkCover Appeal Tribunal
N Sarah
WorkCover CEO Forum
J Quarton
WorkCover Employer Strategic Meeting
T Earls
Workers Rehabilitation Compensation Advisory Committee
T Earls
WorkCover Strategic Stakeholders Forum
J Quarton, K Sydenham
World Skills
J Marshall

SECTOR COMMITTEES
2011 / 2012

BUILDING CONSULTANTS GROUP	Chairperson N Rose		
	G Erbsland	B Corby	
	K van der Horst		
COMMERCIAL CONTRACTORS	Chairperson P Salveson		
	N Nicholls	G Meyers	J Goetz
	R Pike	T Tagliaferri	J Pesce
	M Smeaton	E Alarcon	C Leopold
	N Abley	A Carr	F Pascale
	G Penley	B Bunting	S Allen
	M Romaldi	R Stewart	G Minuzzo
	A MacDonald	S Kennett	
CONTRACTS / DOCUMENTATION	Chairperson B Lunn		
	B Liteplo	M Johnson	G Gill
	D Elsden	T Tagliaferri	R Cattonar
	J Elliott	B Nottage	R McDonald
	N Vickery	W Irvine	D Egars
	T Earls	C Howard	J Kennett
	C Keighran	D Putland	P Duguid
	T Luck	J Balan	
HOUSING	Chairperson C Schutze		
	D Gleeson	E Zito	R Zito
	R McMillan	R Bryant	D Callan
	D Sibly	A Davis	
INDUSTRIAL RELATIONS	Chairperson J Whiting		
	E Alarcon	T Tagliaferri	M Rosenboom
	M Kovacic	M Loterzo	C Bate
	C Leopold	T Caretti	T Earls
	J Kennett	D Putland	
SUBCONTRACTORS	Chairperson M Beatton		
	J Bricher	D Pawelski	S Janssen
	C Latham	G Lancaster	S Ryan
	T Gow	M Slattery	D Thompson
	P Innes	A Haynes	M Barnes
	R Bianco	W Irvine	
TECHNICAL	Chairperson T Tagliaferri		
	K Ouban	J Pinyon	K Christ
	G Riches	R Beard	V Kumar
	P Van Loggem	P Winkley	B Dorniak
	M Boffa	T Wilson	C Nagel
	P Benuzzi	B Corby	M Weeks
OCCUPATIONAL HEALTH SAFETY & WELFARE	Chairperson I Markos		
	F Dal Santo	T Hackett	K McLeavey
	L Foreman	J Cicchiello	R Bransdon
	J Carter	N Perepelicia	N Markovic
	M Beatton	J Phillips	M Palmer
	T Curtis	M Wallace	S Harris
	M Evans	A Marshall	D Forbes
	R Sweeney	A Haynes	M Wilson
	M Hudson	K Kaesler	M Hall Grange

PRESIDENT'S REPORT

John Kennett
President Master
Builders Association

The built form is a gauge of our cultural and social wellbeing, and a record of our civilisation. It has been the members of the Master Builders who for 129 years have built our iconic residential, commercial and industrial building in South Australia and it is a proud heritage that continues through our current builders and sub contractors.

It will not be news to the industry that there are dark storm clouds on the horizon where many of our members will face the challenge of a significant downturn across all sectors of the industry. There is a consistency in the economic and construction forecasts that casts a pall across business activity and confidence for the coming year. 2011-12 was a year of diminishing return, lack of resolution and falling business confidence for most members.

However, retrospectively the Master Builders reported a sustained healthy membership growth and delivered a robust surplus that maintained and augmented member services. I am very aware that for our Association to remain a viable, vigorous agent for our members we must present a value for money portfolio of services and products. It is to this end that our increased membership numbers provide evidence, approximately 2,500 members, that the Master Builders remains the peak body and premier lobby agent for not only our members but for the whole of the building and construction industry.

It is reassuring that it is the work of our members who are constructing 8 Star Energy Efficient homes, and redeveloping Adelaide with the Torrens River Precinct including the new Royal Adelaide Hospital, the South Australian Health & Medical Research Institute, the additions to the Convention Centre and the upgrade of the Adelaide Oval. It is our members' energies, skills and knowledge that continue to support the development and progress of South Australia.

It is also an important lesson to understand that the wellbeing of many of our fellow South Australians is dependent on homeownership. South Australians will enjoy longer lives, better health, higher standard of education and increased employment opportunities if housing is more affordable. However, it is alarming that residential commencements have decreased over 35% during the last two reporting periods placing builders and sub contractors under duress with reported increases in business failures. The industry is not supported by risk adverse banks and lending institutions that continue to limit the number of commencements and prevent many young South Australians from achieving the dream of home ownership.

The Master Builders has lobbied the State Government tirelessly for the cutting of red tape and changes to legislation to make doing business in South Australia more productive, flexible and profitable.
The harmonisation of the National WHS Act continues to be a focus of the Association to improved safety whilst ensuring the rule of law is observed by all parties entering building sites, equitable responsibility for liability and to limit unnecessary increasing costs that make construction less affordable. The lobby process continued all year with dialogue and submissions between the Government, Opposition, the Independents in the Legislative Council and members and staff of the Association – currently without resolution.

Legislative changes that the industry had to absorb during the year included the enacting of Security of Payment, eighteen pieces of Federal Legislation that is commonly called the Carbon Tax and the Personal Properties Securities Act. All changes that do not make doing business easier or more productive.

In support of these changes, the Master Builders Association has a series of bespoke solutions to assist members negotiate their businesses through the current market challenges. We are working to provide exceptional

value for membership to ensure members can best comply with these requirements made more immediate in a softening market. Now is the time to be more reliant on your Association and to ensure that your membership allows you to tap into these services and products.

I am delighted to announce the development of a new initiative between QHSE, a South Australian company, and the Master Builders Association in developing a new software platform to enable members to meet their safety, quality and environmental compliance requirements.

Many of you will also be aware of the acquisition and development of 50- 55 South Terrace where we are undertaking a new development to expand our training facilities to support the Skills for All programme where we will be presenting three Diploma and four Certificate IV courses in building and construction and Occupational Health and Safety. The Association's training program continues to expand and we are preparing in 2013 to accept local school leavers and international students into our Diploma courses.

The new development on South Terrace will also house our Group Training Scheme, which is showing resilience and sustainability in spite of the market downturn. We can all be proud of the Master Builders diligence and commitment to securing the industry's future through the thirty year history of training of quality trades people. To augment apprentice training the Master Builders has established the Construction Apprentice Mentoring Scheme (CAMS) to inform prospective apprentices of opportunities and to support and mentor current apprentices through the transition period of training to work. The majority of apprentices in the industry are aged from seventeen to twenty five, predominantly male and identified as a group most at risk and CAMS is a proactive response to provide services to assist in recruiting and supporting apprentices negotiate through the pre-training and post-training period.

We are all aware of the market conditions that are currently challenging all sectors of our industry. I acknowledge the work of our National Director, Wilhelm Harnisch and National President, Peter Kennedy for the lobbying and response to the review of Fair Work Australia, The Modern Awards, the replacement of the Australian Building and Construction Commission and the implementation of the Carbon Tax. The results of those reviews and any Legislative changes will have a significant effect on our Industry.

Whilst the market conditions are not conducive to growth and expansion the quality of building work remains world class in South Australia as seen in the 2011 Building Excellence Awards. I thank the panel of independent judges, lead by Chair Judith Carr, who were highly impressed with the standard of entries. It is very special to be recognized by the judging panel who are industry experts and I congratulate all of the entrants for submitting their projects to be judged by their peers.

The Association continued its marketing program with the 17th season of Building Ideas presented on Channel 9, the Building Excellence Awards, the Master Builders Building and Home Improvement Show, continued print publication of the SA Builder, Award Winning Homes and Commercial Construction Awards magazines. The Association hosted several breakfast seminars, the Master Builders Race Day and Golf Day during the busy marketing calendar. The SA Display Village was a major initiative to assist builders market their products and services. On behalf of the Council of Management I thank our corporate partners, who are listed below, in supporting our annual events and look forward to their continual commitment to the Association.

I thank my fellow Councillors and my Executive team for their committed support to ensure that the oldest, longest serving, employer association in South Australia remains the most relevant peak body representing all sectors of the building and construction industry. I am satisfied that our robust and diligent governance and stewardship of the Master Builders continues to sustain and grow the Association.

I congratulate and thank Robert Stewart, our CEO, and his team, for the service they provide to our members and to the building industry in South Australia. I greatly appreciate the guidance, help and support I have received from Rob, his Managers and the staff at Master Builders.

LIST OF SPONSORS

Austral Bricks
Bianco Building Supplies
Bluescope Steel – Colorbond
Bluescope Steel - Truecore
Boral
CBUS
Construction Industry Training Board
Copy Cat Printing
Crowther-Blayne & Associates
CSR
Employers Mutual Limited
Greenstar Concrete
Kingspan Insulation
Love Energy
Marsh
Master Builders – Group Training Scheme
MasterSure
ME Bank
Mitsubishi
Openbook Howden
Origin
PolyTech
Red Appointments
ResourceCo
SA Government
Sunday Mail
Vodafone 3

John Kennett
President of Master Builders Association SA Inc.

CONTRACTS COMMITTEE

The 2011/12 year saw the Contracts Committee move from strength to strength, with record attendance by committee members highlighting the importance of the forum to industry policy debate. With a downturn in work, the Committee worked closely with the Department of Planning, Transport and Infrastructure to look at ways to streamline DPTI processes.

Security of payment

Without doubt one of the biggest reforms this year was the commencement of the Building and Construction Industry Security of Payment Act 2009. Master Builders was actively involved in lobbying and providing information sessions to members to assist them in understanding and applying this legislation.

Master Builders teamed up with law firm Fenwick, Elliott Grace to develop a comprehensive training session, held over two days, which was attended by 479 people. As part of the course materials, Master Builders published two editions of an annotated copy of the Act.

In addition, Master Builders was actively involved in lobbying efforts, with its submissions on the Building and Construction Industry Security of Payment Regulations 2011 instrumental in ensuring that South Australia requires the most stringently qualified adjudicators in the country.

Master Builders has also been approved as an Authorised Nominating Authority and will commence operating in the next year.

Plain English Contracts

Given the breadth of legislative reform in the contracting sector, Master Builders undertook a comprehensive review of its suite of plain English contracts. This was partly due to some success Master Builders had in lobbying the government to amend antiquated rules limiting deposits. The review has seen the suite contracts overhauled and made clearer in light of legislative reforms and judicial interpretations.

Information campaigns

In addition to security of payment laws, a number of significant legislative reforms were undertaken during the year and Master Builders was involved in providing advice and assistance to members in relation to them. This included running a suite of successful sessions looking at the impact of the Personal Property Security Act 2009 and the carbon tax.

Finally, Master Builders Australia has recommenced publishing practice notes, with the first in the suite of notes looking at contractual responses to the carbon tax and the second looking at practices relating to calling bank guarantees. These have been made available to members free of charge.

Looking forward, the industry faces considerable challenges with a downturn in the market placing ever increasing pressure on members to accept inappropriate or unfair risk allocations in the search for more work. The Contracts Committee will continue to provide a forum for members to raise and address these concerns.

MARKETING

In light of the downturn in the industry during 2011/12, the Marketing department continued to increase brand awareness to consumers and the industry alike. The usual suite of promotional and marketing activities was undertaken and several new initiatives were also introduced.

Significant projects – other than standard annual events and products included the introduction of a consolidated weekly electronic member communication called "What's on at the Master Builders" the development and production of departmental promotional DVD's, the launch of the Environmental Pack compiled by the Development & Technical department and the production of membership milestone certificates.

Membership

Despite testing times, membership of the Association continued to increase with 492 new members joining. The most significant number of new members constituted specialist contractors with residential builders making up the other major portion.
15 new Associate / Affiliate members also joined.
The Membership Services team continues to work exceptionally well in maintaining regular contact with a great cross section of the membership base.

The following membership benefits were available throughout the year:

- Licensing & industry training
- Free referral service
- Workcover representation
- Access to Legal, Work Health Safety and Technical advice
- Industry training
- Insurance, public liability, contract works, indemnity and income protection insurance etc
- Master Builders contracts & documents
- Environmental & planning advice
- Master Builders Group Training Scheme (apprentice hire)
- Weekly tender field list
- Master Builders public referral service
- Vehicle fleet deals
- Marketing & business advice
- Mediation / arbitration services
- Building Ideas television series
- SA Builder Magazine
- Web site
- Building & Home Improvement Show
- Corporate DVD production, television commercial production
- Telecommunication offers
- Site signs
- Special member discounts, petrol deals, car hire
- Telephone advice
- Industry updates, seminars, forums, Media releases

OVERVIEW OF MARKETING ACTIVITIES / EVENTS

Building Ideas

Building Ideas once again proved popular with viewers and participants alike. The ratings of the series were higher than last year and the feedback from public and members was very positive. It remains one of the most cost effective ways in which to promote display homes and industry related products and services.
Several members who participated this year, have already indicated their interest to secure segments in next year's series.

DVD Production

As well as several corporate DVD's being produced for members throughout the year, the Marketing department produced departmental promotional DVD's outlining all of the products and services available to members. These will be distributed next financial year.

Web Site

The web site continues to be a hub of information and has become a valuable tool for many members who access it regularly.

SA Builder Magazine

During the year, publishing of the magazine was transferred to Crowther Blayne & Associates who also publish the two annual awards publications. The "new look" magazine has been positively received by members, Associates and independent subscription holders as well as advertisers. It continues to be produced on a bi-monthly basis and remains widely read by industry representatives.

Award Winning Homes Magazine

In line with the Building Excellence Awards, once again two award specific magazines were produced and published. One focused on the residential winners and the other on the commercial award recipients and was distributed to all Commercial Contractors, Architects, Designers and Specifiers.

Sunday Mail

Cross promotion of the industry and Association members occurred on a regular basis via the Sunday Mail. There was a special Building Excellence Awards lift out and a regular editorial contribution called "From the Ground up" promoting Master Builders and their vast array of products and services.

Building Excellence Awards

The theme for the 2011 Building Excellence Awards was "Carnival in Rio" and a record number of guests and industry representatives attended the event. The MC was Anh Do. Comedy act Jan van de Stool entertained guests and local party band Acoustic Juice topped off the evening. Once again the event was telecast as the final program of the Building Ideas series.

Master Builders Golf Day

The annual golf day was held at Flagstaff Hill Golf Club and proved to be a successful event. Attendance was positive – especially given the state of the industry at the time. A good spread of Corporate partners sponsored the event and a good day was had by all in attendance.

Master Builders Building & Home Improvement Show

The Building & Home Improvement show was held over three days in July and was visited by around 20,000 people. The strong promotion of the event provides excellent Master Builders market recognition and is an excellent means of building and further enhancing brand awareness. All members were provided with complimentary tickets to attend the event.

Members Christmas Celebration

The annual members Christmas celebration was held at Master Builders House with close to 250 members in attendance. Industry suppliers and manufacturers were also in attendance.

Industry Seminars and Forums

Several industry specific seminars and breakfast forums were held throughout the year. They were popular among corporate partners and well supported by members. They included the Environmental Pack launch, The Carbon Tax Seminar, several Return to Work seminars, Security of Payment seminars as well as an Economic Briefing.

Master Builders Annual Corporate Race Day

The Master Builders Race day has become one of the most popular events on the calendar and was once again well attended with a capacity crowd gathering at Morphettville Race course to enjoy the festivities associated around the Spring Racing Carnival.

TRAINING

Master Builders has trained 7,200 students during the financial period. This figure is down slightly from the previous year due to the continued slowing of the industry. While the numbers have trended down slightly, the shift in reliance from shorter, lower value courses to a greater focus on qualification outcomes has ensured a healthy financial position for the department.

Funding

During the 2011/12 period over two million dollars in funding was secured from the State and Federal Government and the CITB to specifically support a range of industry qualifications. 485 qualification places under the Productivity Places Program were secured for our members who are all underway with their studies.

Master Builders Association SA through its national office has secured additional funding to support apprentice mentoring and other support services and Master Builders Australia Ltd has been instrumental in negotiating this funding with the Federal Government to deliver a multi-jurisdictional response to improving completion rates of apprentices.

Staffing

A cohesive team has been formed and is working well to deliver a professional service to our members. Several new trainers have commenced with Master Builders during this period and are delivering quality education services to our students.

Facilities
Current training facilities are being stretched to cope with the number of students undertaking longer duration courses such as full qualifications. The fit out of additional training rooms and administration areas on level 2 of Master Builders House are due to be completed late 2012 and will be greatly welcomed by staff and students alike.

New qualifications
The following qualifications have been added to Master Builders' scope of registration and are now being delivered:
Diploma of Building & Construction (Building)
Diploma of Building & Construction (Management)
Diploma of Management
Certificate IV in Project Management
Certificate IV in Training & Assessment

CAMS
Work has commenced on a national project to provide apprentices with mentoring and other support opportunities. The project is known as the Construction Apprentice Mentoring Scheme (CAMS) which will officially commence during July 2012. Funding for the program is initially for 12 months; however it may extend to 3 years.

Industry practitioners or those who are now retired will be sought to become volunteer mentors to construction apprentices to assist in keeping apprentices engaged in the industry and offer referrals to professional services should the apprentices require these support networks.

Construction Industry Training Board (CITB)
The Board has had considerable issues during this period due to a continued high demand for course funding which has not been underwritten with a matching high level of industry activity and resulting levy collections. The outcome has been a fiscal tightening that has been subsequently handed on to training providers in the form of a reduced number of available funded places and a reduction in the amount of funding for given courses. The board is also investigating several options for modifying eligibility requirements for CITB ID card holders. Despite these changes, Master Builders was able to support our members by absorbing the reduced funding and reallocating unused places in other courses to meet demand of the day.

Further unhelpful demands were placed on the Board's funds by DFEEST who sought to direct the allocation of a significant sum of CITB funds. An outcome of sorts has been negotiated and the industry looks forward to a return to business as normal in the next financial period.

CITB continues to support many of the general training courses delivered by the Training Department and assists our members to access discounted training fees for a range of industry courses.

OCCUPATIONAL HEALTH & SAFETY

The OH&S Department continued to provide a high level of service for members whilst increasing activities during the period. Maintaining quality of service to members remained a priority; particularly during such challenging times. The predicted change to the harmonised Work Health Safety Legislation did not eventuate this year. However, the increased awareness as a result of debate in the media kept the department busy with queries. Members also made use of the free Safe Work Method Statements, with the database averaging between 250 – 700 hits per week.

Policy – Legislative, Regulatory and Codes of Practice
High risk licensing changes became operational in South Australia and nationally there have been significant changes to workplace safety legislation. NSW, Queensland, ACT, Northern Territory and the Commonwealth adopted the Harmonised Work Health Safety Act and Regulations. Tasmania's start date was delayed until January 2013. Victoria, Western Australia and South Australia have not adopted the Work Health Safety legislation, with debate stalling in the South Australian Parliament.

The department continues to be busy with both state and national submissions on further codes of practice and the emerging unintended consequences of the Work Health Safety legislation. This process will continue,

with the department remaining alert for court decisions, or changes to the legislation, as new concepts are legally tested. In addition, the department participated in SafeWork Australia's workshops to develop a new National Strategic Plan 2012 – 2022.

State Workers Compensation legislation underwent changes, with the introduction of a new employer payments scheme for medium and large businesses. The department continues to be actively involved in further expected changes, through informal consultation, written submissions, as well as Work Cover CEO forums. The department also appeared before a Parliamentary Committee Inquiry, calling for improved outcomes in case management.

Finally, another Parliamentary Committee submission was prepared on the effectiveness of SafeWork SA and whether the agency should be combined with WorkCover.

Rehabilitation and Return to Work

The Return to Work Scheme is designed for members that are required to appoint a Return to Work Coordinator under Workers Compensation legislation and the department received 100% in the WorkCover renewal audit with the scheme now being made permanent. Our priority is to ensure that injured workers remain at work wherever possible and WorkCover has advised that we are able to include additional members over the original quota. With three Return to Work Coordinators, we are in a strong position to adequately manage members' injured workers claims.

A number of seminars and workshops on injury management and the experience rating scheme, to help members navigate their way through the changes.

OHS & W Committee

The Committee plays an active role in the improvement and promotion of safety in the industry and the Chair this year was Ian Markos. The Committee expressed appreciation to Ken McLeavey, for his many years of involvement as Chair and Ken continues as the subcommittee coordinator. The Committee undertook important initiatives, including review of state injury data to prioritise areas for prevention strategies , providing commentary on the National Codes of Practice, input into the proposed state Structural Steel Code of Practice, participation with SafeWork SA and Office of the Technical Regulator to develop electrical hazards training for non electricians, as well as sharing the lessons learned from incidents and near misses to improve industry safety.

Other Activities

The department developed the "OD Survival Kit", management plans specifically for Olympic Dam works, as well as integrated systems and plans to reduce the amount of time and effort members spend in managing their HSEQ requirements. Although there is still uncertainty around BHP Billiton's expansion, the plans are useful for tenders to other resources, petroleum and gas majors, as they also use the major hazard standards approach.

Our team continued to assist the Training department in the provision of training and updating of training materials for Master Builders.

In line with member requests, the department now has the ability to create a repository of all the common chemicals and hazardous substances used in building and construction, which will increase the timeliness of Chemwatch updates to those substances.

HOUSING

The Housing Sector Committee presented an extensive program of industry specific seminars and workshops to alternate with meetings that focused on current industry issues. The seminar program included the following topics:

- Sustainability House – Energy Efficient Development – Jim Woolcock
- Residential Contract Seminar – Tom Grace of Fenwick Elliott Grace
- Market Forecasting and Industry Cycles Housing Industry Prospects Forum – Ted Manka
- New Products BlueScope Steel & Boral Windows
- SafeWork SA – National Harmonization WHS Act, Codes of Practice & Inspectorate

The Committee's proactive approach to programming seminars on industry specific issues presented by industry experts proved to be relevant and informative to members. However, there is a frustration in drawing greater attendance from the membership sector. Change in our industry comes slowly and at times incrementally and whilst members have to focus their attention on the wellbeing of their own business it is vital to be involved in the dialogue with contemporaries. The Sector Committees refer policy suggestions to the Council of Management who ratify policy so when vital issues like the harmonization of the National Model WHS Act is on the agenda its progress can be influenced by members contributing their views and opinions through the Sector Committees.

The Housing Sector has been galvanized by the proposed WHS Act and the significant costs and increased exposure to risk through an Act that cannot promise or deliver any improvement in on-site safety. Reform of the Planning regime will require similar consistent and intense lobbying to gain changes that will support greater efficiencies, productivity and decreased costs of development.

The housing sector continues to soften with commencements trending down for the last sixteen months. Total dwelling units approved in South Australia fell from 11,387 in 2010-11 to 8,454 in 2011-12 which represents an approximate 32% drop from 2009-10 to 2011-12 in dwelling approvals. The result has been financial stress and an increase in business failure in the sector. Reasons for the downturn include the soft market as the result of the pulling forward of demand by the First Home Owners Grant, adverse lending criteria from banks and collapse in confidence due to the global financial crisis.

The discretionary second and third home buyer market was negatively influenced as consumer's wealth and equity were eroded reducing buyer confidence and access to finance. Many builders reported that contract negotiation became extended as clients had problems accessing finance. Work under construction and work in the pipeline continued to decline as the number of projects approved and waiting commencement reduced, eroding the builders buffer zone and making future business planning difficult.

Problems with industry capacity eased as the number of projects declined placing pressure on trades to win work and for builders to retain their trades. Whilst unemployment is at low levels and minimal net increase in population in South Australia, land affordability and access to finance are all constants on the demand for housing. The continuing historically low variable interest rates have not stimulated the market. The Master Builders has lobbied the State Government for the greater investment in public housing activity to support the ailing market.

The Master Builders has actively endorsed the State Government's program to reform the planning regime as we have supported the 30 Year Plan for Greater Adelaide and the New Residential Development Code. Unfortunately many local government's development plans do not embrace these initiatives to increase densities but rather actively seek to obstruct the reform program. The Association will continue to lobby for private certification of planning approval, reductions in Stamp Duty and Land Tax that increase costs and limit development.

The SA Display Village an initiative of the Housing Committee and the Membership Department continued to grow attracting builders and with builders increasing their exposure on the site. The SA Display Village has growing numbers of visitors and presents an ideal venue for members to display their homes, renovations, house and land packages and products and services specifically for residential building. The Association continued its traditional marketing program for the Housing Sector with Building Ideas television program, 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 Show Grounds to promote housing members and increase their profile.

During the period the Master Builders joined with other associations and the Sunday Mail to run a high profile advertising campaign to stimulate the housing market that included print, television and radio mediums.

The Committee continued to address and develop objectives, views and policy recommendations as well as compose technical editorials and member alerts that were distributed to the greater residential sector for their comments and feedback.

Issues addressed included:

- Planning
- Housing affordability
- Contracts and Documents
- Energy Efficiency & sustainability
- OHS&W
- Land availability
- Developer levies
- Licensing
- Security of Payment
- ETSA connections
- Technical – Trusses, timber standards, waterproofing
- Quality of Building Work
- Trade Shortages and new entrants into the industry.

National Housing Council

The National Housing Council recommends and develops national policy and lobbying on the following issues:

- Planning – National policy on planning to reform the complex and difficult planning regime all jurisdictions
- OHS&W-National Residential Safety Code
- Building Indemnity Insurance
- National Licensing
- Housing Affordability
- Australian Standards reviews
- Building Code of Australia

LEGAL & WORKPLACE SERVICES

The 2011-12 year has seen considerable changes at both the Federal and State level, with the abolition of the Australian Building and Construction Commission and its replacement by a new agency, Fair Work Building and Construction, one of the key features of the industrial relations landscape in the industry in recent times.

The new regulator's powers have been considerably reduced and initial indications interstate are that the new regulator does not have the same powers and effect as the former regulator. Combined with ongoing debate about the introduction of right of entry laws under model work health safety legislation, industrial relations in the industry is at a crossroad. The risks faced by the industry are reflected in statistics showing a marked increase in industrial action.

Given the significance of these developments to the industry, Master Builders has committed substantial resources in lobbying on these two issues and has achieved some earlier successes, although much more needs to be done to limit the risks faced with safety legislation being open to abuse.

At the same time, the two yearly reviews of the Fair Work Act 2009 and modern awards have commenced, providing Master Builders with an opportunity to review laws and award entitlements with a view to ensuring that unintended consequences of the legislation are minimised where possible.

INFORMATION CAMPAIGNS

Given the breadth of changes in the regulatory framework, the department worked overtime to provide members with succinct information. During the financial year, the department released 15 member updates and prepared 50 Toolbox rate summaries; both of which are record numbers.

The department also streamlined its information sessions and for the first time a dedicated section of Master Builders' Training Calendar devoted to Legal and Workplace Services offerings was implemented.

Regularly scheduled courses include:

- Discipline and termination of employment
- Understanding modern awards
- Equal opportunity, bullying and harassment

In addition, the department expanded its offering of member focused trainings, with a series of bespoke mentoring solutions now offered.

During the year, Master Builders also commenced the "WorkMATE" project, funded by the Return to Work Fund. This pilot project aims to investigate return to work culture within the industry and to assist members in improving return to work rates.

WORKPLACE BARGAINING

Master Builders continued in its position as the market leader within the industry, preparing and lodging more agreements in the sector than any other body.
The 2011/12 year is traditionally quieter than other years as it is the year before the next major round of negotiations commences. During the year, Master Builders had over 30 agreements approved.

The 2012 round of negotiations commenced shortly prior to the end of the year, with Master Builders providing detailed advice and assistance to members involved in or around the negotiations. With the industry facing tough times, ensuring that wage and conditions in enterprise agreements are reasonable and sustainable is of critical importance to the industry.

MEMBER SERVICES

The department continues to be actively involved in assisting members across a wide variety of employment and industrial relations issues. Two highlights include successfully appealing an occupational health and safety conviction and setting some useful precedents for members wishing to negotiate variations to workplace agreements arising from changed circumstances.

In addition to this, the department continued to provide strong support to members across the industrial relations framework. Master Builders assisted with 39 unfair dismissal claims, with the department working hard to minimize the impacts on members of an industry downturn, combined with increased compliance costs under the Fair Work Act 2009. At the same time, the department actively increased its offerings with workers compensation matters, assisting members to ameliorate premiums payable under the new experience rating scheme occasioned by dubious workers compensation claims or other decisions relating to claims.

PUBLICATIONS

During the year, the department also greatly increased the publications available for members. A highlight of the year was the re-launch of a greatly updated Modern Award Manual, which has been critically acclaimed by a leading construction industry journal.

Other publications developed and provided to members this year included:

- The 2012 Master Builders – Red Appointments Salary Survey
- Building and Construction Industry Security of Payment Act 2009: Annotated Edition
- The Employment Pack and the accompanying online service.

OTHER MATTERS

While the department continued to increase its offerings to members, at the same time considerable work was undertaken to lobby on behalf of members. This included.

Federal

- Ongoing submissions and appearances before Fair Work Australia in relation to the review of modern awards
- Submissions in relation to the review of the Fair Work Act 2009
- Providing submissions to the ABCC's sham contracting round table and on the replacement body for the ABCC
- Representing the Association on the National Industrial Relations Advisory Committee

State

- Submissions to the State Government on the review of the Annual Holidays Act 1910
- Six separate submissions regarding model Work Health and Safety Laws
- Commenced work on the "WorkMATE" project funded by the Return to Work Fund
- Representing the industry on the Industrial Relations Advisory Committee and the Workers Rehabilitation and Compensation Advisory Committee

DEVELOPMENT AND TECHNICAL

Historically and for the benefit of members, Technical, Environmental and Planning matters have been the main focus for the Development and Technical Department. This remained a primary focus and the department continued to assist members with enquiries, workshops, articles, research, committee reports and consultation with Government and various other bodies including Plasterboard Recycling with Innovate SA.

The Manager of Development and Technical continued to develop skills by undertaking Government funded Environmental training called the 6 P Program.

The Department successfully held 6 free State Government funded Energy Efficiency workshops for members and industry.

The delivery of in-house training also continued to play a significant part of the department's income stream and regional Truss training courses were held in Coober Pedy and Roxby Downs. A special off-site Truss course was also held for the Australian Institute of Building Surveyors which included a special on-site demonstration to building surveyors regarding Inspection issues.

The Technical Committee continued to be a vibrant and productive committee for the Association especially in the evolving area of environmental issues. In line with this, the committee held a pivotal role in the delivery of the Environmental Pack, which was developed and successfully launched. This document will ensure members are well placed to take advantage of the next growth period within the industry.

The Department was involved in assisting Consumer and Business Affairs regarding the development of advisory information for Roof Trusses and also continues to be involved on the Kesab Board with direct linkages and benefits for the Environmental Pack. Other committee's the department was active on were the Building Advisory Committee where direct involvement regarding South Australian Building Regulations advice to the Minister occurred and linkages with the State Government for better and more cost effective Planning Delivery by a round table process also occurred.

INSURANCE DEPARTMENT

During the year the department offered a range of construction insurances to members with a focus on contract works, public liability and professional indemnity, under the 'MasterSure' label. Car, boat, household, income protection and trade tools insurance was also popular.

These policies are developed to specifically address cover required by members undertaking work in the industry, so offer extensive cover.

In addition, the department processed an increasing number of building indemnity policies for members, establishing new limits and dealing with administrative queries.

The department also handles the sale of the Association's large range of plain English contracts plus the suite of ABIC contracts for commercial work. Sales of our electronic 'Contracts on Disk' proved popular throughout the year with residential members.

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 General Manager, Fairwork Australia;

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 2012;

d) at the date of this statement, for the year ended 30th June 2012 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 Fair Work (Registered Organisations) Act 2009 (the RO 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 Fair Work (Registered Organisations) Act 2009 (the RO Regulations), 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 Fair Work (Registered Organisations) Act 2009 (The RO Regulations).

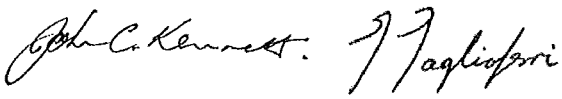
f) during the financial year to 30th June, 2012,

(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 11th of September 2012 and is signed for and behalf of the Committee of Management by:



John Kennett
PRESIDENT
Dated 11th September 2012

Tullio Tagliaferri
VICE PRESIDENT
Dated 11th September 2012

TREASURER'S REPORT
2011 / 2012

Net Income	2011/2012	2010/2011
Operations	868,541	1,104,060
Property	371,454	318,416

The operating surplus for 2011/2012 is the reported surplus after rent deductions for the area occupied by the Association. The Association has recorded an operating surplus for the period, which continues the trend of strong result experienced in previous years especially given the current economic conditions. This result was due to strong growth in training related income and emphasis on associated services of the Association in all areas of its operations.

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.

Peter Salveson
TREASURER
Dated 11th September 2012

OPERATING REPORT

In accordance with Fair Work (Registered Organisations) Act 2009 , the Council of Management presents the operating report for the year ended 30 June 2012.

Principal Activities

The principal activity of the Association was to provide a range of services to members. The members are from the building and construction industry within South Australia. The result of providing these services was to further enhance the reputation of the members in providing quality services to their customers.
There was no impairment to the Association in providing these services during the year.

Financial Results

The consolidated surplus from operating activities for the year 2012 for the Master Builders Association SA Inc and for the Master Builders Training Foundation Pty Ltd was $1,239,995

Review of Operations

The financial results represents an unfavourable variance of $182,481 in comparison to the last year. The result for the year was considered good in the economic circumstances. The Associations ability to provide a range of services to the members was not affected during the year.

Significant Changes

There were no significant changes over the financial year 2011-2012 in the operations of the Association. The Association was able to fulfil its principal activities and as a result generated a strong financial performance.

Rights of members to resign

In accordance Subsection 254 (2) of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the right to resign in accordance to section 174 of the Act rule 9. Details of which are set out below:

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
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.

OPERATING REPORT

Prescribed Information

Number of members of the organisation at 30 June 2012 - 2,393 (30 June 2011 - 2,400) Employees of the reporting unit as at 30 June 2012 - 37 full time or equivalent staff (30 June 2011 - 36 staff)

Members of the Council of Management during the financial year ended 30 June 2012 and period for which they held the position:
N Abley (8 months), M Beatton (8 months), R Bianco (12 months), R Bryant (12 months), G Dann (12 months), S Janssen (12 months), J Kennett (8 months), C Leopold (12 months), I Markos (8 months), D McMahon (8 months), N O'Neill (8 months), S Penhall (8 months), M Romaldi (8 months), P Salveson (8 months), C Schutze (12 months), M Smeaton (12 months), T Tagliaferri (8 months), E Zito (3 months)

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

John Kennett
President of Master Builders Association SA Inc.
Dated 11th September 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2012

		Consolidated Entity		Master Builders Association SA Inc	
	Note	2012	2011	2012	2011
		$	$	$	$
Revenues	*3*	7,725,214	7,717,244	7,571,485	7,414,452
Employee benefits to holders of office	*1(m)*	(1,077,212)	(1,176,498)	(1,077,212)	(1,176,498)
Employee benefits to employees		(1,857,970)	(1,557,479)	(1,857,970)	(1,557,479)
Depreciation expense	*10 (b)*	(185,129)	(213,119)	(185,129)	(200,812)
Supplies and services	*4*	(3,338,203)	(3,345,381)	(3,273,491)	(3,062,530)
Profit from operations before Income Tax		1,266,700	1,424,767	1,177,683	1,417,133
Income Tax	*1(b)*	26,705	2,291	-	-
Net Profit		1,239,995	1,422,476	1,177,683	1,417,133

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 JUNE 2012

	2012	2011	2012	2011
	$	$	$	$
Profit for the year	1,361,640	1,358,662	1,299,328	1,353,319
Other comprehensive income for the year:				
Net (loss)/ gain on revaluation of financial assets	(121,645)	63,814	(121,645)	63,814
Total comprehensive income for the year	1,239,995	1,422,476	1,177,683	1,417,133
Total comprehensive income attributable to members of Master Builders Assoc (SA) Inc	1,239,995	1,422,476	1,177,683	1,417,133

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT
30 JUNE 2012

		Consolidated Entity		Master Builders Association SA Inc	
	Note	2012	2011	2012	2011
CURRENT ASSETS		$	$	$	$
Cash and cash equivalents	*5*	**8,171,961**	7,768,066	**5,343,787**	5,008,401
Trade and other receivables	*6*	**1,362,911**	1,137,059	**4,090,469**	3,866,841
Inventories	*7*	**13,889**	14,705	**13,889**	14,705
Other current assets	*8*	**205,443**	269,657	**168,054**	233,714
TOTAL CURRENT ASSETS		**9,754,204**	9,189,487	**9,616,199**	9,123,661
NON-CURRENT ASSETS					
Financial assets	*9*	**2,371,272**	1,185,994	**2,371,272**	1,185,994
Property, plant and equipment	*10*	**9,592,263**	9,667,959	**9,592,263**	9,667,959
Investment in Joint Venture	*11*	**2,000**	-	**2,000**	-
Intangibles	*12*	**35,283**	12,841	**35,283**	12,841
TOTAL NON-CURRENT ASSETS		**12,000,818**	10,866,794	**12,000,818**	10,866,794
TOTAL ASSETS		**21,755,022**	20,056,281	**21,617,017**	19,990,455
CURRENT LIABILITIES					
Trade and other payables	*13*	**1,122,367**	924,432	**1,074,990**	886,922
Short-term and long-term employee benefits	*14*	**502,562**	400,145	**502,562**	400,145
TOTAL CURRENT LIABILITIES		**1,624,929**	1,324,577	**1,577,552**	1,287,067
TOTAL LIABILITIES		**1,624,929**	1,324,577	**1,577,552**	1,287,067
NET ASSETS		**20,130,093**	18,731,704	**20,039,465**	18,703,388
EQUITY					
Reserves		**6,722,582**	6,564,188	**6,722,582**	6,564,188
Retained earnings		**13,407,511**	12,167,516	**13,316,883**	12,139,200
TOTAL EQUITY		**20,130,093**	18,731,704	**20,039,465**	18,703,388

The above statement of financial position is to be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT
30 JUNE 2012

Reserves		Consolidated Entity		Master Builders Association SA Inc	
	Note	2012	2011 ~~restated~~	2012	2011 ~~restated~~
		$	$	$	$
Asset Revaluation Reserve					
Balance at start of period		3,181,005	981,005	3,181,005	981,005
Balance at end of period		3,181,005	3,181,005	3,181,005	3,181,005
Training Foundation Reserve					
Balance at start of period		2,657,306	2,657,306	2,657,306	2,657,306
Balance at end of period	*1(k)*	2,657,306	2,657,306	2,657,306	2,657,306
BIRST Training Reserve					
Balance at start of period		725,877	565,047	725,877	565,047
BIRST distributions for the year unexpended transferred to reserve	*1(i)*	158,394	160,830	158,394	160,830
Balance at end of period	*1(k)*	884,271	725,877	884,271	725,877
Total Reserves		6,722,582	6,564,188	6,722,582	6,564,188

Retained Earnings		Consolidated Entity		Master Builders Association SA Inc	
	Note	2012	2011	2012	2011
		$	$	$	$
Retained earnings at start of period		12,167,516	10,745,040	12,139,200	10,722,067
Profit attributable to the association		1,239,995	1,422,476	1,177,683	1,417,133
Retained earnings at end of period		13,407,511	12,167,516	13,316,883	12,139,200
Total Equity		20,130,093	18,731,704	20,039,465	18,703,388

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 2012

	Note	Consolidated Entity		Master Builders Association SA Inc	
		2012	2011	2012	2011
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from members, trade and other debtors		7,069,162	6,969,802	7,072,832	7,004,7 10
Payments to suppliers and employees		(5,673,949)	(3,794,761)	(5,592,399)	(3,691,839)
Dividends received		67,976	42,599	67,976	42,599
Interest received		408,668	418,790	254,939	274,331
Net cash provided by operating activities	*17b*	1,871,857	3,636,430	1,803,348	3,629,802
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property plant and equipment		(109,433)	(5,769,604)	(109,433)	(5,769,604)
Proceeds from sales of property, plant and equipment		-	173,636	-	-
Proceeds from sales of shares		(27,164)	8,812	(27,164)	8,812
Redemption of property, plant and equipment		-	-	-	-
Movement in Joint Venture		(2,000)	-	(2,000)	-
Movement in intangible assets		(22,442)	(12,431)	(22,442)	(12,431)
Payments for portfolio	*17*	(1,708,750)	(719,390)	(1,708,750)	(719,390)
Proceeds from sales in portfolio	*17*	401,827	519,572	401,827	519,572
Net cash provided (used) by investing activities		(1,467,962)	(5,799,406)	(1,467,962)	(5,973,041)
Net increase/decrease in cash held		403,895	(2,162,976)	335,386	(2,343,240)
Cash at the beginning of the financial year		7,768,066	9,931,042	5,008,401	7,351,641
Cash at the end of the financial year	*5*	8,171,961	7,768,066	5,343,787	5,008,401

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 1985 (SA). The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Reporting Basis and Conventions

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 11th September 2012 by the members of the committee.

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 2012. 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 15 (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**

Master Builders Association SA Inc activities are 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.
Master Builders Training Foundation pty Ltd under current conditions can not be considered as a tax exempt entity, thus submits an income tax return.

(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 commencing from the time the asset is held ready to use.

The depreciation rates for each class of depreciable assets are:

Buildings	2.50%
Building Improvements	2.50%
Computer Software	33% - 40%
Computer Hardware	25% - 33%
Furniture & Equipment	13% - 30%
Plant & Equipment	13% - 40%
Motor Vehicles	25%

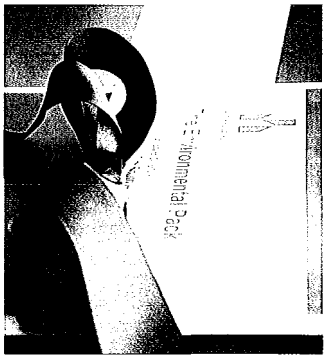
Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

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.

MASTER BUILDERS
THE ENVIRONMENTAL PACK SEMINAR



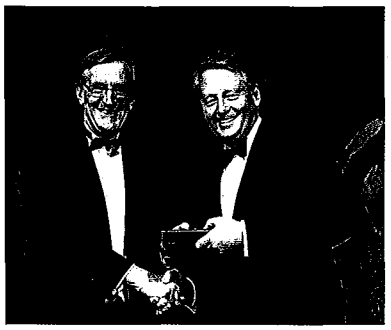



MASTER BUILDERS
ANNUAL GOLF DAY 2012

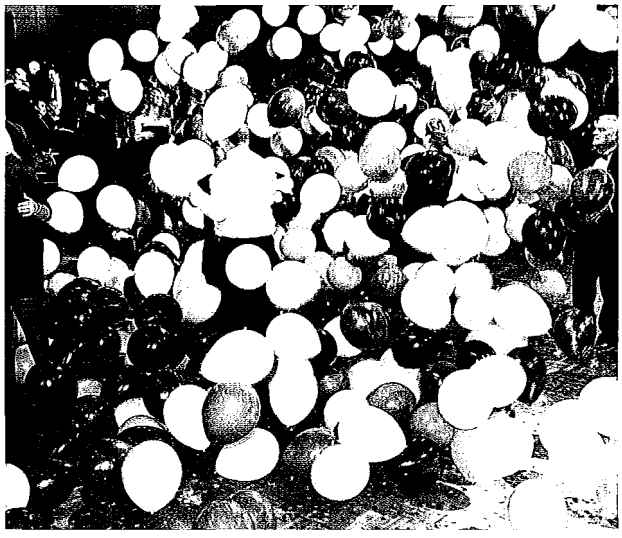


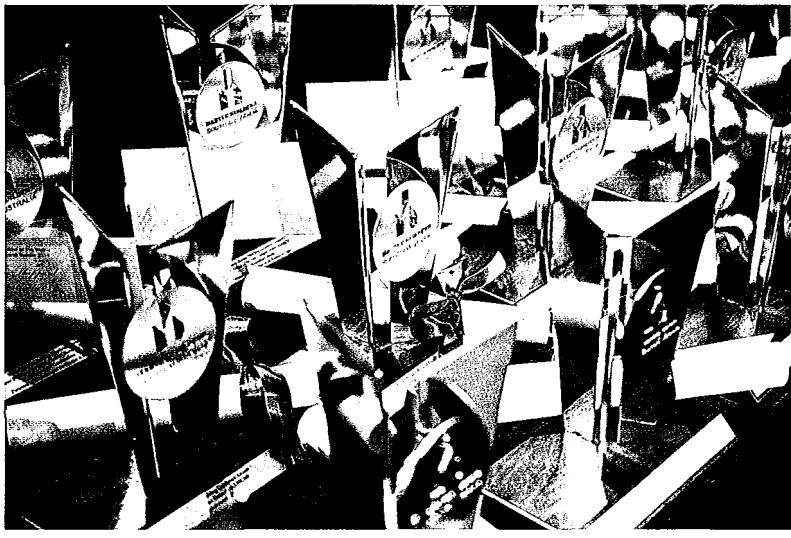



MASTER BUILDERS
BUILDING EXCELLENCE AWARDS 2011



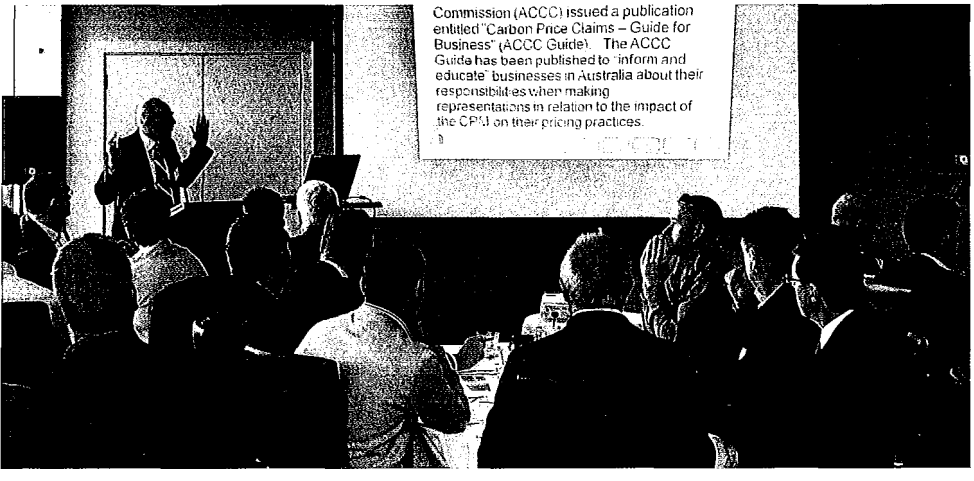
MASTER BUILDERS
BUILDING EXCELLENCE AWARDS 2011





MASTER BUILDERS
RACE DAY 2011

MASTER BUILDERS
CARBON TAX SEMINAR 2012



(e) **Provision for Doubtful Debts**

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

Current trade receivables are non-interest bearing loans and are generally receivable within 60 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2012 (2011: Nil).

(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, are stated at their current value in respect of the services provided.

Revenue

(h) **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 investinq and financinq activities which are disclosed as operatinq cash flows.

(k) **Comparative Figures**

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

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

After their initial recognition, the 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.

(n) **Inventory**

Inventories are measured at the lower of cost and net realisable value.

(o) **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) **Financial instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sel l the asset (ie. trade date accounting is adopted).

Financial instruments are initially measured at fair va lue plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other Circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recoonised and the maturity amount calculated using the effective interest method;
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset

or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The Association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*
Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking , derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Association sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-far-sale.

(iv) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(v) *Available-for-sale financial assets*
Available-far-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-far-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-far-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

(q) Adoption of New and Revised Accounting Standards

During the current year, the Group has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions, The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the Master Builders Association of South Australia

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The Association has decided not to early adopt any of the new and amended pronouncements. The Association's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Association has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131,133,134,136,137,138,140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Management believes that the Association qualifies for the reduced disclosure requirements for Tier 2 entities. However, it is yet to decide whether to adopt the reduced disclosure requirements.

AASB 2010-6: Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the Association.

AASB 2010-8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Association.

AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (applicable for annual reporting periods commencing on or after 1 July 2011).

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

These Standards are not expected to significantly impact the Association.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and JOint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Association has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Association.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Association.

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Association.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013),

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Association does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recoanise an oblioation for such benefits at the earlier of:

(i) for an offer that may be withdrawn - when the employee accepts;
(ii) for an offer that cannot be withdrawn - when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions - when the related restructuring costs are recognised.

The Association has not yet been able to reasonably estimate the impact of these changes to AASB 119.

NOTE 2:

272 Information to be provided to Members or General Manager

In accordance with the requirements ~~of RAO Schedule~~ of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sections 272 (1), (2) and (3) regarding the reporting unit (the Association) requirements, which details are set out below:

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

Note: This subsection is a civil penalty provision (see section 305)

265 Copies of full report or concise report to be provided to members

1. The 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.
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.

NOTE 3: REVENUE

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
Members Subscriptions		1,985,441	2,028,166	1,985,441	2,028,166
Training		3,237,949	2,943,213	3,237,949	2,943,213
Insurance Commissions		155,158	178,325	155,158	178,325
Document Sales		131,585	158,120	131,585	158,120
TV Programme - Building Ideas	*1(h)*	156,205	130,607	156,205	130,607
Building Awards		271,361	358,794	271,361	358,794
Audits (Code & OHS)		14,090	29,989	14,090	29,989
Other		903,647	725,813	903,647	725,813
Interest received	*1(i)*	408,668	418,790	254,939	274,331
Dividends received	*1(i)*	67,976	42,599	67,976	42,599
Property		541,943	471,869	541,943	471,869
Gain/(Loss) on disposal of assets/ investments		(27,164)	167,145	(27,164)	8,812
Realised Gain/(Loss) on Share Portfolio		(121,645)	63,814	(121,645)	63,814
Total Revenue		7,725,214	7,717,244	7,571,485	7,414,452

NOTE 4: SUPPLIES AND SERVICES

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
TV Programme - Building Ideas	*1(h)*	**132,688**	166,414	**132,688**	166,414
Building Awards		**215,375**	160,303	**215,375**	160,303
Building Home & Improvements		**863**	-	**863**	-
Training		**1,509,065**	1,280,855	**1,464,810**	1,240,504
Remuneration of Auditor for auditing financial report		**33,400**	22,827	**29,400**	20,404
Electricity		**113,028**	101,225	**113,028**	101,225
Rates and taxes		**69,568**	62,623	**69,568**	62,623
Maintenance		**56,382**	58,297	**56,382**	58,297
Other property expenses		**15,268**	18,280	**15,268**	18,280
Subscriptions		**24,391**	28,482	**24,391**	28,482
Subscriptions National Association		**225,780**	220,704	**225,780**	220,704
Legal Expenses		**72,615**	37,969	**72,615**	37,969
Insurance		**58,158**	53,165	**58,158**	53,165
Meeting Expenses		**6,374**	6,139	**6,374**	6,139
Communication Expenses		**102,965**	91,996	**102,965**	91,996
Travel and Accommodation		**12,773**	14,253	**12,773**	14,253
Consultants		**22,772**	109,374	**6,722**	83,465
Other		**666,738**	912,475	**666,331**	698,307
Total supplies and services		**3,338,203**	3,345,381	**3,273,491**	3,062,530

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
NOTE 5: CASH AND CASH EQUIVALENTS					
Cash on hand		1,671	2,084	1,671	2,084
Cash at bank		1,038,329	1,173,696	972,958	1,026,115
Cash on Deposit		7,068,647	6,534,324	4,305,844	3,922,240
Cash with Funds Manager		27,283	30,148	27,283	30,148
Arbitration Trust Fund		36,031	27,814	36,031	27,814
Total Cash and Cash Equivalents		8,171,961	7,768,066	5,343,787	5,008,401

The effective interest rate on short-term bank deposits was ~~5.52%~~ 5.59% (2011: ~~4.38%~~ 5.52%); these deposits have an average maturity of 90 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		8,171,961	7,768,066	5,343,787	5,008,401
NOTE 6: TRADE AND OTHER RECEIVABLES					
Trade debtors	*1(e)*	478,640	411,182	476,402	411,168
BIRST Trust Distributions Receivable	*1(i)*	884,271	725,877	884,271	725,877
Amount receivable from controlled entity		-	-	2,729,796	2,729,796
Total Trade and Other Receivables		1,362,911	1,137,059	4,090,469	3,866,841

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
NOTE 7: INVENTORIES					
CURRENT					
Stock of publications, at cost	*1(n)*	13,889	14,705	13,889	14,705
NOTE 8: OTHER CURRENT ASSETS					
Prepayments		145,142	162,912	145,142	162,912
Revenue Accruals		60,301	106,745	22,912	70,802
Total Other Current Assets		205,443	269,657	168,054	233,714
NOTE 9: FINANCIAL ASSETS					
Financial Assets at Fair Value through Profit or Loss					
Market Value of Managed Investments in listed corporations	*1(l)*	2,371,272	1,185,994	2,371,272	1,185,994
Total Financial Assets		2,371,272	1,185,994	2,371,272	1,185,994

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
NOTE 10: PROPERTY, PLANT AND EQUIPMENT					
(a) Details of Property Plant and Equipment					
Land and Buildings at Fair Value	*10(c)*	9,499,830	9,499,830	9,499,830	9,499,830
less Accumulated Depreciation		(312,500)	(262,500)	(312,500)	(262,500)
		9,187,330	9,237,330	9,187,330	9,237,330
Computer Software at Cost		369,329	364,813	347,874	343,358
less Accumulated Depreciation		(351,433)	(340,012)	(329,978)	(318,557)
		17,896	24,801	17,896	24,801
Computer Hardware at Cost		549,023	509,888	524,526	485,391
less Accumulated Depreciation		(414,614)	(392,010)	(390,117)	(367,513)
		134,409	117,878	134,409	117,878
Furniture & Equipment at Cost		346,286	336,783	346,286	336,783
less Accumulated Depreciation		(304,949)	(293,029)	(304,949)	(293,029)
		41,337	43,754	41,337	43,754
Plant & Equipment at Cost		418,086	361,807	418,086	361,807
less Accumulated Depreciation		(308,920)	(255,372)	(308,920)	(255,372)
		109,166	106,435	109,166	106,435
Motor Vehicles at Cost		87,648	87,648	87,648	87,648
less Accumulated Depreciation		(55,425)	(33,513)	(55,425)	(33,513)
		32,223	54,135	32,223	54,135
Building Improvements at Cost		137,236	137,236	137,236	137,236
less Accumulated Depreciation		(67,334)	(53,610)	(67,334)	(53,610)
		69,902	83,626	69,902	83,626
Total Property, Plant and Equipment		9,592,263	9,667,959	9,592,263	9,667,959

(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

2012 Consolidated Entity	Land and Buildings	Building Improvements	Software	Hardware	Furniture & Equipment	Plant	Motor Vehicles	TOTAL
Balance at the beginning of year	9,237,330	83,626	24,801	117,878	43,754	106,435	54,135	**9,667,959**
Additions (inc Revaluation)	-	-	4,516	39,135	9,502	56,280	-	**109,433**
Disposals	-	-	-	-	-	-	-	**-**
Depreciation written back							-	**-**
Depreciation Expense	(50,000)	(13,724)	(11,421)	(22,604)	(11,919)	(53,549)	(21,912)	**(185,129)**
Carrying amount at the end of the year	9,187,330	69,902	17,896	134,409	41,337	109,166	32,223	**9,592,263**

2011 Consolidated Entity	Land and Buildings	Building Improvements	Software	Hardware	Furniture & Equipment	Plant	Motor Vehicles	TOTAL
Balance at the beginning of year	3,863,635	97,349	37,678	56,101	43,085	108,253	79,003	**4,285,104**
Additions (inc Revaluation)	5,599,830	-	13,656	96,480	13,429	46,214	-	**5,769,609**
Disposals	(173,635)	-	-	-	-	-	-	**(173,635)**
Depreciation written back							-	**-**
Depreciation Expense	(52,500)	(13,723)	(26,533)	(34,703)	(12,760)	(48,032)	(24,868)	**(213,119)**
Carrying amount at the end of the year	9,237,330	83,626	24,801	117,878	43,754	106,435	54,135	**9,667,959**

2012 Master Builders Association SA Inc	Land and Buildings	Building Improvements	Software	Hardware	Furniture & Equipment	Plant	Motor Vehicles	TOTAL
Balance at the beginning of year	9,237,330	83,626	24,801	117,878	43,754	106,435	54,135	**9,667,959**
Additions (inc Revaluation)		-	4,516	39,135	9,502	56,280	-	**109,433**
Disposals	-	-	-	-	-		-	**-**
Depreciation written back							-	**-**
Depreciation Expense	(50,000)	(13,724)	(11,421)	(22,604)	(11,919)	(53,549)	(21,912)	**(185,129)**
Carrying amount at the end of the year	9,187,330	69,902	17,896	134,409	41,337	109,166	32,223	**9,592,263**

2011 Master Builders Association SA Inc	Land and Buildings	Building Improvements	Software	Hardware	Furniture & Equipment	Plant	Motor Vehicles	TOTAL
Balance at the beginning of year	3,690,000	97,349	31,128	50,344	43,085	108,253	79,003	**4,099,162**
Additions (inc Revaluation)	5,599,830	-	13,656	96,480	13,429	46,214	-	**5,769,609**
Disposals	-	-	-	-	-		-	**-**
Revaluation Increment							-	**-**
Depreciation Expense	(52,500)	(13,723)	(19,983)	(28,946)	(12,760)	(48,032)	(24,868)	**(200,812)**
Carrying amount at the end of the year	9,237,330	83,626	24,801	117,878	43,754	106,435	54,135	**9,667,959**

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

	$6,100,000
Valuation Amount:	Market Value of the property as defined by The International Assets Valuations Standards Committee
Basis of Valuation:	Basis of valuation adopted by Executive Council and brought to account on 30 June 2011
Valuation Date:	30th day of June 2010

Date of Valuation Report on which majority of valuation in financial report has been based:

		Consolidated Entity		Master Builders Association SA Inc	
	Note	2012	2011	2012	2011
		$	$	$	$

NOTE 11: INVESTMENT IN JOINT VENTURE

The Association has a 16.67% interest in the Master Builders Training Services Joint Venture	2,000	-	2,000	-
	2,000	-	2,000	-

NOTE 12: INTANGIBLES

Trademarks	410	410	410	410
Website formation	16,691	12,431	16,691	12,431
Work in Progress	18,182	-	18,182	-
	35,283	12,841	35,283	12,841

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
NOTE 13: TRADE AND OTHER PAYABLES					
Trade Creditors	*1(o)*	333,297	365,687	285,920	328,177
Arbitration Accounts		20,894	21,190	20,894	21,190
Income received in advance		699,480	513,162	699,480	513,162
GST Net liability	*1(j)*	68,696	24,393	68,696	24,393
Total Payables		1,122,367	924,432	1,074,990	886,922
NOTE 14: SHORT-TERM AND LONG-TERM EMPLOYEE BENEFITS					
Current					
Annual Leave - Office Holders	*1(m)*	59,312	59,047	59,312	59,047
Annual Leave - Other		80,157	57,932	80,157	57,932
Employee entitlements (payroll)		77,405	83,774	77,405	83,774
Total Short-term Employee Benefits		216,874	200,753	216,874	200,753
Long Service Leave - Office Holders	*1(m)*	201,141	164,728	201,141	164,728
Long Service Leave - Other		84,547	34,664	84,547	34,664
Total Long-term Employee Benefits		285,688	199,392	285,688	199,392
Total Employee Benefits		502,562	400,145	502,562	400,145
Number of employees at year end		37	36	37	36

NOTE 15: RELATED PARTIES

(a) Council Members

The Council members who each held office as a Council member of the association during the year ended 30 June 2012 were as follows: N Abley I M Beatton, R Bianco, R Bryant, G Dann, S Janssen, J Kennett, C Leopold, I Markos, D McMahon, N O'Neill, S Penhall, M Romaldi, P Salveson, C Schutze, M Smeaton, T Tagliaferri, E Zito

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	**2012**	**2011**
	$	**$**
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 2012 was as follows:	**119,629**	85,748
	119,629	85,748

(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 2011 - June 2012 is $33,756 exclusive of GST charges. Previous period charge - $33,748 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 16: SEGMENT REPORTING

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

NOTE 17: CASH FLOW INFORMATION

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $	Master Builders Association SA Inc 2012 $	Master Builders Association SA Inc 2011 $
(a) Reconciliation of Cash					
Cash and Cash Equivalents	5	**8,171,961**	7,768,066	**5,343,787**	5,008,401
(b) Reconciliation of net cash provided by operating activities					
Profit from operations		**1,239,995**	1,422,476	**1,177,683**	1,417,133
Non-cash flows in profit from operations					
Depreciation		**185,129**	213,119	**185,129**	200,812
(Gain) / Loss on disposal of vehicles		**-**	-	**-**	-
Loss / (Profit) on disposal/settlement of shares		**27,164**	(8,812)	**27,164**	(8,812)
Realisation of Market Value of Share Portfolio		**121,645**	(63,814)	**121,645**	(63,814)
(Increase) / Decrease in revenue accrual		**46,444**	55,582	**47,890**	75,176
Increase / (Decrease) in receivables		**(225,852)**	(168,001)	**(223,628)**	(167,986)
(Increase) / Decrease in inventories		**816**	(1,158)	**816**	(1,158)
(Increase) / Decrease in prepayments		**17,770**	(112,072)	**17,770**	(112,070)
(Increase) / Decrease in other assets		**-**	100,000	**-**	100,000
Changes in Liabilities					
Increase / (decrease) in trade and other payables		**197,935**	(308,236)	**188,068**	(316,825)
Increase / (decrease) in employee entitlements		**102,417**	146,516	**102,417**	146,516
Changes in Reserves		**158,394**	2,360,830	**158,394**	2,360,830
Net cash provided by operating activities		**1,871,857**	3,636,430	**1,803,348**	3,629,802

		Consolidated Entity		Master Builders Association SA Inc	
	Note	2012	2011	2012	2011
		$	$	$	$
NOTE 17: CASH FLOW INFORMATION - CONTINUED					
(c) Total Shares and Managed Funds Sold		401,827	519,572	401,827	519,572
(d) Realisation of Market Value of the Share Portfolio		(121,645)	63,814	(121,645)	63,814
(e) Total Shares Acquired		1,708,750	719,390	1,708,750	719,390
(f) Total Managed Funds Acquired		-	-	-	-
Total Acquisitions		1,708,750	719,390	1,708,750	719,390

NOTE 18: FINANCIAL INSTRUMENTS

Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Entity		Master Builders Association SA Inc	
	Note	2011	2010	2011	2010
		$	$	$	$
Financial assets					
Cash and cash equivalents	*5*	8,171,961	7,768,066	5,343,787	5,008,401
Loans and receivables	*6*	1,362,911	1,137,059	4,090,469	3,866,841
Investments in listed Corporations:	*9*	2,371,272	1,185,994	2,371,272	1,185,994
Total financial assets		11,906,144	10,091,119	11,805,528	10,061,236
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	*13*	401,993	390,080	354,616	352,570
Employee benefits	*14*	502,562	400,145	502,562	400,145
Arbitration Trust Funds	*15*	20,894	21,190	20,894	21,190
Total financial liabilities		925,449	811,415	878,072	773,905

Financial Risk Management Policies

The Association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The Treasurer monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the committee of management.

The Treasurer's overall risk management strategy seeks to ensure that the Association meets its financial targets while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

A. Credit risk

Exposure to credit risk relating to financial assets arises from potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial instruments that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent tot he carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the Association securing trade or other receivables.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Notes 6 and 8.

The Association has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6 and 8.

B. Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Association does not hold directly any derivative financial liabilities.

Cash flows from financia l assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed . The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

		Within 1 Year		1 to 5 Years	
	Note	2012	2011	2012	2011
		$	$	$	$
Consolidated Entity Financial liabilities due for payment					
Accounts payable and other payables (excluding annual leave and subscriptions received in advance)		422,887	411,270	-	-
Total contractual outflows		422,887	411,270	-	-
Total expected outflows		422,887	411,270	-	-

	Over 5 Years		Total	
Consolidated Entity Financial liabilities due for payment				
Accounts payable and other payables (excluding annual leave and subscriptions received in advance)	-	-	422,887	411,270
Total contractual outflows	-	-	422,887	411,270
Total expected outflows	-	-	422,887	411,270

		Within 1 Year		1 to 5 Years	
	Note	2012	2011	2012	2011
		$	$	$	$
Consolidated Entity Financial assets - cash flows realisable					
Cash and cash equivalents		**8,171,961**	7,768,066		
Accounts receivable and other debtors		**478,640**	411,182		
Available-for-sale investments		**2,371,272**	1,185,994		
Total anticipated inflows		**11 ,021,873**	9,365,242	-	-
Net (outflows) / inflows on financial instruments		**10,598,986**	8,953,972	-	-

	Over 5 Years		Total	
Consolidated Entity Financial assets - cash flows realisable				
Cash and cash equivalents	**884,271**	725,877	**8,171,961**	7,768,066
Accounts receivable and other debtors			**1,362,911**	1,137,059
Available-for-sale investments			**2,371,272**	1,185,994
Total anticipated inflows	**884,271**	725,877	**11,906,144**	10,091,119
Net (outflows) / inflows on financial instruments	**884,271**	725,877	**11,483,257**	9,679,849

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

C. Material risk

i. Interest rate risk

Exposure to interest risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Association to interest rate risk that are limited to lease liabilities, listed shares, cash and cash equivalents.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2012, approximately 100% of the Association's debt is fixed. It is the policy of the Association to keep between 65% and 100% of debt on fixed interest rates.

ii. Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The Association is exposed to other price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographical locations.

The Association's investments are held in a diversified management fund portfolio.

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposure to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2012	Profit	Equity
	$	$
+/- 2% in interest rates	+/- 163,439	+/- 163,439
+/- 10% in available-for-sale investments	+/- nil	+/- 237,127
Year ended 30 June 2011		
+/- 2% in interest rates	+/- 155,361	+/- 155,361
+/- 10% in available-for-sale investments	+/- nil	+/- 118,599

No sensitivity analysis has been performed on foreign exchange risk as the Association has no significant exposure to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

The committee is not aware of any significant events since the end of the reporting period.

NOTE 20: 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 the Master Builders Association SA Inc:

We have audited the accompanying general purpose financial report of the Master Builders Association SA Inc ("the Association"), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of Significant accounting policies and other explanatory information for both the Association and the consolidated entity and the Committee of Management Statement. 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 Council of Management's Responsibility for the Financial Report

The Council of Management of the Association are responsible for the preparation of the general purpose financial report that presents fairly in accordance with the Associations Incorporation Act 1985 (SA), Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards and for such internal control as the Council of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the general purpose financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council of Management 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 Council of 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 general purpose financial report presents fairly, in all material respects the financial position of the Master Builders Association SA Inc and the consolidated entity as at 30 June 2012, and of their performance and their cash flows for the year then ended in accordance with the Associations Incorporation Act 1985 (SA), Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards.

HLB Mann Judd C. McGowan

HLB Mann Judd
Chartered Accountants
Dated 11th September 2012

Corey McGowan
Partner
Dated 11th September 2012

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