



Australian Government
Australian Industrial Registry

Level 5
11 Exhibition Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Mr. C. Atkins
Executive Director
The Master Builders' Association of Tasmania
PO Box 992
HOBART TAS 7000

Dear Mr. Atkins

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2006 - FR 2006/227**

Reference is made to the financial reports of The Master Builders' Association of Tasmania for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 23 August 2006.

The financial documents have been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1. Please note that these matters are advised for assistance in the future preparation of financial reports; no further action is required in respect of the subject documents.

1. Operating Report

(a) Review of principal activities:

The report must contain a review of the reporting unit's principal activities during the financial year, the results of those activities and any significant changes in the nature of those activities during the year – refer s254(2)(a) of Schedule 1.

(b) Significant changes in financial affairs:

The report must give details of any significant changes in the reporting unit's financial affairs during the year – refer s254(2)(b) of Schedule 1. I note that the Treasurer's Report appears to contain information which could be used to address this matter.

2. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements.

From the information available, the reports were provided to members on 26 July 2006 and presented to the Annual General Meeting of members on 10 August 2006. It is not possible the reports were provided to members at least 21 days before the meeting - refer s265(5)(a) of Schedule 1.

3. References to Schedule 1B

I note the financial documents contain references to Schedule 1B of the Workplace Relations Act 1996. Such references should now be to Schedule 1.

4. **Outstanding matter**

Reference is made to our letter of 22 November 2005 requesting that the financial reports for the year ended 30 June 2005 be presented to a general meeting of members of the organisation.

Would you please advise this office as soon as possible whether the financial reports have been presented to a general meeting of members, and if so, provide details of such.

Please note that the financial documents for 30 June 2005 will not be filed until the above information has been lodged in the Industrial Registry.

It should be noted that the Industrial Registrar attaches importance to reporting units both fully satisfying the obligations under Schedule 1 and to those obligations being discharged within the requisite timeframes. Your reporting unit should therefore ensure that future financial returns fully satisfy the above obligations.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@air.gov.au.

Electronic Lodgment

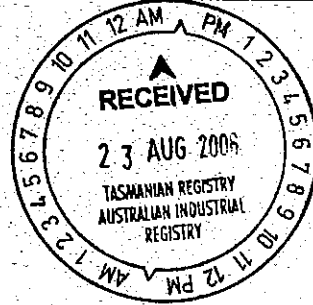
I encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell', with a large, stylized flourish at the bottom.

Larry Powell
Statutory Services Branch

12 October 2006



C:\msoc\l\COMMITTEES\State Council\FINANCIAL\5WR in report letter 2006.doc 1.56.154

22 August 2006

Deputy Industrial Registrar
GPO Box 1232M
HOBART TAS 7001

Dear Sir

FINANCIAL REPORTS – MBAT INC.

Please find enclosed a copy of the Association's audited financial reports for the year ended 30 June 2005.

The subject reports were tabled at the Association's Annual General Meeting held on the 10th of August 2006.

Yours faithfully

C. Atkins.
Executive Director.

HEAD OFFICE: Construction House, 85-89 Brisbane Street, HOBART TAS 7000. GPO Box 992, HOBART TAS 7001.
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"Building Tasmania Since 1891"

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I John ROSEVEAR being the President of the Master Builders' Association of Tasmania certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report, was provided to members on or before 26 July 2006; and
- that the full report was presented to the members at the Annual General Meeting of the Association on 10 August 2006; in accordance with section 266 of the RAO Schedule.

Signature.....

Date: 22 August 2006

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2005 TO 2006

It is with pleasure that I present this report in this, the last year of my Presidency and at the end of, what I deem, a successful MBA year.

The workload this year has possibly been greater than some previous years and I take this opportunity to praise the Executive Director Chris Atkins, for his perseverance, diligence and the number of hours that he has undertaken to achieve the tasks set before him. His guidance and input are invaluable to our successes.

The issues emanating from the Building Act 2000 implementation (including Accreditation, etc.), have successfully been achieved, however as you know, a review of the Act is now underway which gives us an opportunity to comment with a view to changing the weaker points of the Act.

The Owner/Builder issue looms large and our MBA National Policy will assist in legitimising the genuine Owner/Builder and tightening of the compliance.

Defects Liability Insurance for the commercial Sector also is an important subject which is actively being addressed to put in place a cost effective alternative to the unwelcome imposts on construction cost implications of the current requirement.

We have seen the beginning of the Federal Governments "Workchoices" legislation together with the National Code of compliance and the welcome opening of the office of the Australian Building and Construction Commission (ABCC) in Tasmania.

Training, of course, has been an outstanding success in various ways, with large thanks to Manager Training Services, Ottmar Helm.

The launch of the MBAT History publication was a milestone in the Associations existence and will be a useful record of the first 100 or so years. It coincided with the re-publishing of the Tasmanian Master Builder Journal and the opening of new premises in Launceston.

Also, our State Conference "BUILDING TOMORROW II", held a second time was a great success.

The ongoing financing of the Association has moved its reliance from subscriptions only, with prudent management, other income streams have assisted in a healthy "bottom line". This, in no small way has been achieved with the dedicated efforts of the investment committee, Executive, Councillors and staff. Particular thanks goes to our Treasurer, Dick Bloomfield for his Chairmanship, insight and guidance.

Dick has deemed it appropriate to retire from State Council after a lengthy continuous period of 30 years. I pay special tribute to Dick for his tenure and dedication to the MBAT.

Our involvement with Master Builder's Australia is important to the Australia wide movement and has this year been enhanced by Paul Ibbott's national Presidency. Congratulations to Paul on his leadership.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2005 TO 2006

The committee structure is the backbone of our Association and it is pleasing to see the involvement at "grass roots" level of the Members in the arena.

My thanks to Staff, office bearers, Councillors and fellow members for their support of my Presidency, which has been an enjoyable experience.

In closing, I believe the strength of the Association is the networking opportunities between members and staff for the betterment of our industry. The future of the Association is secured by the close member involvement.

HOUSING COMMITTEE

Housing Committee has achieved the following outcomes over the last twelve months:

A Defects Rectification Policy was finalised. Investigation of the proposed 5 star energy efficiency requirements for homes was investigated by the Committee. The committee decided that the proposal overstated the benefits and understated the costs. The Committee successfully lobbied Government against the introduction of 5 star requirements for Tasmania until further work was done in this area and the benefits and right method of implementation could be clearly demonstrated.

A technical circular was sent to all members from the Housing Committee to establish member's thoughts on issues such as Council delays, apprentice numbers, implementation of the Building Act etc. This survey will be used as the basis of evidence to the new Minister with regard to lobbying for change.

Various technical flyers were initiated by the Housing Committee to deal with topical issues. Suggested improvements for future Excellence Awards were made. Initiated the wet area waterproofing courses, which were held by members in March 2006.

The Housing Committee is working on the following items as ongoing issues:

Housing Committee have made representations to the Government regarding the review of the Housing Indemnity Act 1992. Government is yet to make further decisions in this regard and lobbying will continue;

The Housing Committee is also seeking to raise the Construction Notification requirement under the Workplace health and Safety Act 1995 from \$200,000 from \$350,000 due to the escalation of building costs in this period;

The issue of authority to be able to undertake roof plumbing work was discussed and this matter will be lobbied prior to the Regulations for the Occupational Licensing Bill being introduced;

Development of a standard toolkit for carpenters and apprentices. This list will then be distributed to industry so that tool requirements become standard amongst employers.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2005 TO 2006

COMMERCIAL SECTOR COMMITTEE

The Commercial Sector Committee, operating since 2004, deals with a variety of issues on a regular and on-going basis focusing on tendering procedures and practices, industrial relations, legislative reform, unions, industrial awards, contractual and commercial services.

The Association recommended that the Department of Treasury and Finance include **Insurance Excesses** in the tender price as a provisional sum or prime cost item and although not successful in that area the Department, in its negotiations with its insurance broker, Marsh Pty Ltd, was successful in achieving significant reductions in both the overall premium and importantly for MBA members, the level of deductibles (excesses). There has been a further reduction in the overall premium again, just announced, but no further changes to excesses.

After some research and input from members of the Committee an Architect Brief was prepared and submitted for the preparation of a **'best practice' set of tender documents**.

This project is one of the Committee's strategic issues and will reflect what the industry expects as a set of tender documents on government and private projects.

Changes to **TasBuild Long Service leave** were finalised and although there was no 'win' on payments coming back to the Employer where an employee left the industry before accumulation of long service leave, the rates in Tasmania are now the lowest in Australia for employer contributions to a Long Service Leave Fund.

Structural Defects remains on the Committee's Agenda and despite promises from the Government to review the requirement for Structural Defects it still remains a requirement for builders undertaking commercial work.

Renewal of Structural Defects insurance for 2005/2006 saw an increase of 40% on premiums a further impost on the Commercial Sector.

There was an understanding that the Government would look at removing the requirement for this insurance if an appropriate argument for its withdrawal were submitted to Government.

MBAT are of the belief that the research into the insurance and the advice provided to Government should have been enough to convince them that it was not a necessary insurance and remove it.

However, so far, the arguments have not been acknowledged as the Government have an objective of ensuring each accredited practitioner has some form of insurance backing.

The Occupational Licensing Act 2005 was passed by Parliament in 2005/2006 and Workplace Standards Tasmania is now proceeding with the development of the regulations - MBAT has been invited to participate in this process.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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MBAT has already made a submission but will re-state its position with the suggestion the builders will continue to perform work as previous at roof level, but plumbers be responsible for the downpipes. This position was generally accepted by Commercial Sector Committee members

The Committee carried out some research on *Procurement of Tenders* – to convince Government that the focus from the lowest price tender being the accepted tender – not always best value for money. Commercial contractors support the weighted tender system and for this reason, and until further information can support a submission to Government on "average tender" being best value for money there will be no further action by the Committee at this stage.

Members were kept informed of the effect on builders following the introduction of the Australian Government's **Implementation Guidelines for the *National Code of Practice*** and the **Building & Construction Industry Improvement Act 2005 (BCII Act)**.

Department of Employment and Workplace Relations (DEWR) and Mr Richard Calver, National Director, Industrial Relations and Legal Counsel – Master Builders Australia Inc presented seminars to members in December 2005 and Richard Calver returned again in March 2006 with a further update.

Induction Training that is recognised across the board - that employees and sub-contractors must undertake before they are allowed entry to building sites around the State - is one of the Committee's priorities.

The Committee is looking at a State Safety launch – to co-incide with Safety Award Week – the message: that the Building and Construction industry shall ensure as a minimum standard that all sub-contractors have attended a Safety Induction course

The Committee supported **Transition of Builder Domestic (ABP1) to Builder Commercial Limited 1 (ABP1)** where the applicant already had completed 5 years experience in the type of work as well as AQF Level 4 qualification.

Master Builders Australia won the tender to deliver **Workchoices** Seminars and these were delivered State-wide to members and the general public during May and June 2006. The Seminars provided building and construction industry employers with the necessary information and tools to enable them to take advantage of the new forms of agreement and the streamlined procedures brought about by the introduction of the Australian Government's Workchoices Reforms.

EDUCATION AND TRAINING COMMITTEE

Our successful implementation of the Builders' Accreditation Course, modelled on the MBAV model has led to a considerable increase in training activities. The first unit out of nine was delivered in Hobart in September 2005 and following demand in the North and Northwest regions, delivery for those regions commenced in March 2006. So far, seven of the nine units were delivered in Hobart. Launceston and Devonport

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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are currently delivering the forth unit. In the Northwest, demand for the course is so high that two session are being delivered. The majority of the participants are completing all nine units, supplemented by a small number of members completing just single units, mainly in estimating and financial management. To date the courses have attracted 160 participants, totalling over 2400 hours of training being delivered. The other two most requested courses were B & C site induction, being delivered in 19 courses to almost 350 participants, totalling over 1300 delivery hours and scaffolding, which was delivered 10 times, totalling 1500 delivery hours. All together, 70 courses were delivered to our members in 2005/2006 attracting over 1000 participants.

Other training events taken place over the last twelve months included:

- An improved Site Induction course which now includes an assessment in form of a risk assessment to be completed by participants, which demonstrates that they can apply the information they have gained in the course.
- Industry reform seminars delivered by MBA Inc. to raise awareness of the Building and Construction Industry Improvement Act and requirements of Code compliance for Commonwealth Government Contracts.
- Sixteen WorkChoices information session (incl. Smithton, King Island & Ulverstone) to make members aware of the changes in industrial relations.
- A number of dogging courses in response to member requests
- Another round of wet area waterproofing sessions conducted following members positive response in the previous year
- Remote area training for our members in Smithton and on King Island.

We also facilitated the process of an "Accelerated Learning Program" for potential C&J apprentices. During this program, twelve individuals attended a course consisting of three blocks of TAFE training interspersed with three three-week work placements. The aim was to get a group of young people "work-ready" for the C & J trade while giving workplaces the opportunity to check out the attitude and ability of likely apprentices, before offering them an apprenticeship. The program was supported by the TBCITB and the CFMEU and by the end of the program more than 75% of the participants had found an employer offering them an apprenticeship.

The committees' strategic objectives for the next year are:

- The delivery of the "pathways project" –a process of presenting career-path options in our industry to students at high schools and colleges around the state. This project which is supported by the TBCITB has been planned for quite some time and will commence within the next two weeks. It aims to attract more young people into the industry by showcasing the positive aspects of the industry and the potential income and lifestyle options available.
- Introduction of the "Master Builder Green Living" – a program exclusively developed by MBA Australia for it's members, designed to equip them with the skills and knowledge to successfully market themselves to another niche-market, offering environmentally sustainable building options.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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2005 TO 2006

- Expand the delivery options for the Builder Accreditation courses to allow more members to participate, especially those in remote areas
- To form strategic alliances to offer the delivery of a diploma for those members who wish to continue their training past Certificate IV and/or gain the required academic requirement for a commercial builders license.

MEMBERSHIP & MARKETING COMMITTEE

The Membership and Marketing Committee under the Chairmanship of Mr Ian Dent continued its mission of enhancement and retention of existing accredited Members, recruitment of new Members to the Association and general.

So as to provide continued professional service to its Members the committee continued with its focus on the following motivational factors;

- Ensure the Association continues to provide services relevant to the needs of its membership.
- Ensure membership subscriptions remains competitive and relevant to services provided.
- Ensure that strategies are in place to grow our membership base to sustainable levels as well as retaining existing Members.

In order to achieve the motivating those factors the committee focused on;

1. Retention of Members

- a. Encouragement of membership attendance at monthly meetings by variety of speakers providing relevant industry discussion subjects.
- b. Presentation of Service Recognition Certificates was expanded to also include individuals in the industry as well as Members.
- c. Provide additional membership benefits and maintain services in telecommunications, work wear, CPD compliance, website links, training courses and conferences.

2. Recruitment of new Members

- a. Identify through current accredited Members, potential new Members.
- b. Examine existing membership categories, looking for opportunities for growth.

3. Marketing the Association

- a. Promotion of sponsorship opportunities for monthly general meetings.
- b. Development of Yearly Events Calendar.
- c. Utilise the Excellence Awards to promote National logo/brand and 'Winning Homes/Construction' Excellence magazines.
- d. Support National Membership and Marketing Committee so as to develop National strategies on branding, membership categories, Excellence Awards and conferences.

The committee is aware of the importance of focusing on skill shortages and the aging workforce, as well as developing a Young Builder strategy, to maintain the relevance of "Master Builders", Master of our Industry.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2005 TO 2006

REGIONAL COMMITTEES

Over the past twelve months each Region has hosted *Monthly General Meetings* at various locations and venues within the respective Regions.

The increasing number of members attending these meetings has again increased this year with an average meeting attendance of 28 members attending each meeting across the three Regions.

All meetings, except for June (which was the AGM) included Industry Discussion items – providing members with information on a range of products and subjects.

Certificates of Membership have been handed out to members on a regular basis at the meetings.

During the year members (in attendance at the MGM's) were involved in discussions re Constitutional amendments, informed of progress of issues including structural defects, builder accreditation, CPD (electronic recording), training, CGU Indemnity Insurance.

Regional Meetings continue to prove relevant to Members and provide an important conduit between Regional membership and the operations and decisions of State Council. I urge every member to take the opportunity to have their say in influencing Association decisions by attending Regional Monthly Meetings and having their say.

Denis Reid
President
31/07/06

TREASURER'S REPORT – 2006

Members, it is my pleasure to present the Master Builders' Association of Tasmania Inc. one hundredth and fifteenth report of its accounts and my last Report as the Treasurer of the Association.

The 2006 report of accounts also includes the 2006 Auditor's report as to the Association's financial operations for the '2005 – 2006' fiscal year. In difficult and trying circumstances a modest surplus of \$42,437.00 has been achieved.

The Association's strategic objective of "decreasing the reliance on membership subscriptions by developing alternative income streams" has resulted in subscription income dropping by another 2 percent of total income during the period. Conversely non-operational income streams are now generating around 28.3 percent of total income, an increase of 4.9 percent. Property investments made during the year will further enhance the returns of non-operational income into the future for the benefit of members.

Income from property investments continues to grow and now represents 20 percent of the Association's gross income. As you are all aware the Government's decision that the MBA-Housing Indemnity Scheme was to cease operations at 30 June 2005, the consequences of this decision has resulted in a net decrease in revenue from this area of \$167,157.00. Despite this the Association was able to increase its revenue for the year by \$103,801.00. The impact of the Government's decision on our financial performance are obvious.

The promises made last year to increase member's service in the training arena is reflected in this year's figures albeit that the income generated has been offset by an increase in training expenses. "Fee for Services" income was boosted this year due to the introduction of the WorkChoices legislation and the Association being awarded a Federal Government contract to deliver training seminars for the industry.

Unlike last year total expenses for the period have increased by \$215,596.00, or 23.6 percent over the previous year. Whilst Training income increased this year, the cost to generate this income, and provide this important member service, also increased by \$64,423.00. There was also an increase of \$52,965.00 recorded against the Documents expense. This was as a result of the uptake of the MBA History publication, printed last year being taken up in Stock. Due to claims being lodged against MBA-HIS net expenses of \$37,110.00 were recorded. Salary and Employment Expenses were also higher than the previous year for a number of reasons. Major impacts to this figure were the recruitment of a new Training Manager, Mr Ottmar Helm, the changed Accounting Standards requiring accrued leave to be calculated on an employees gross wage, not their hourly paid rate and of lesser impact was the staff wage increase.

As identified in last year's Report the biggest challenge for the Association going forward is the ability to continue to meet the overheads inherent in delivering high-level relevant member service within a restricted budgetary regime.

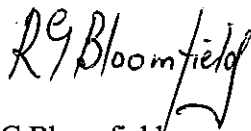
Future financial decisions will need to be made in acknowledgement of the changed environment in which we are operating. This years results reflect a significant change in the Association's operations, that is, operating without the benefits to members and the Association of MBA-HIS.

I am sure 2006 – 2007 will present further changes and challenges to the Association and its financial viability. The Association has been operating since 16 March 1891, it has been faced with significant challenges during that period and in 2006 we are still here, still strong and you our members are still shaping the skyline of Tasmanian cities towns and suburbs.

During my tenure as Treasurer, with the support of Council, the Strategic Planning Committee, Investment Committee and staff I have overseen a changed financial focus for the Association. This focus supported by the Association's Strategic Plan has a financial base that will ensure the Association can meet future challenges and also provide the foundation for future growth.

In closing I would like to wish the incoming Treasurer Mr. Graham Keating all the best for the future in what is a challenging and important Executive role within the Association.

Members, I commend the financial statements and auditors' reports to you as being the financial position of the Master Builders' Association of Tasmania for the period ended 30th June 2006.



R G Bloomfield
TREASURER

28th July 2006

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

COMMITTEE OF MANAGEMENT'S STATEMENT

I, Richard G Bloomfield being a designated officer of the Master Builders' Association of Tasmania, report that the Committee of Management of the Association resolved on the 26th of July 2006 that the following declarations, passed by the Committee, in relation to the financial report of the Association for the year ended 30 June 2006 be included in the financial report.

In the opinion of the Committee of Management:

- (a) the financial report complies with the Australian Accounting Standards;
- (b) the financial report complies with the reporting guidelines of the Industrial Registrar;
- (c) the financial report gives a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2006;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2006 and since the end of the financial year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the Association; and
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association; and
 - (iii) the financial records of the Association have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iv) the financial records of the Association have been kept, as far as practicable, in a consistent manner ; and
 - (v) the information sought in any request of a member of the Association or a Registrar duly made under Section 272 of Schedule 1B to the Workplace Relations Act 1996 has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of Schedule 1 B to the Workplace Relations Act 1996.

For the Committee of Management: Richard Gary Bloomfield

Title of Office held: Treasurer

Signature:

.....*R.G. Bloomfield*.....

Date:

26 July 2006

OPERATING REPORT

The Master Builders' Association of Tasmania, since establishment in 1891, has been active in seeking to improve the conditions under which the building industry operates.

It is a non-political and non-profit making organisation set up to safeguard and promote the interests of its members in their business of building and construction contracting, to assist them in the execution of their work and to encourage and promote a high standard of workmanship and integrity in the building industry.

As at 30 June 2006 the Association employed nine staff supporting a total membership of 477. Rule 9 of the Association's Constitution provides that "Any member may resign from membership by written notice addressed and delivered to the Executive Director."

No officer or member of the reporting unit is a trustee of superannuation entity.

Current State Council Members are:

President & State Councillor Number 2

Mr DJ Reid

Elected: 12.08.2004 Tenure expires: 10.08.2006 Resigned: n/a

Senior Vice President & Southern Regional Chairman

Mr IC Mansfield

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

Vice President & State Councillor Number 5

Mr David Moody

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

Treasurer & State Councillor Number 7

Mr RG Bloomfield

Elected: 12.08.2004 Tenure expires: 10.08.2006 Resigned: n/a

State Councillor Number 1

Mr A Bennett

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

North West Regional Representative

Mr J Beswick

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

North West Regional Chairman

Mr P Matthews

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

Northern Regional Chairman

Mr C Burliegh

Elected: 12.08.2004 Tenure expires: 10.08.2006 Resigned: n/a

State Councillor Number 4

Mr IG Dent

Elected: 12.08.2004 Tenure expires: 10.08.2006 Resigned: n/a

State Councillor Number 8

Mr PR Ibbott

Elected: 12.08.2004 Tenure expires: 10.08.2006 Resigned: n/a

Southern Regional Representative

Mr GF Keating

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

State Councillor Number 6

Mr JA Rosevear

Elected: 11.08.2005 Tenure expires: 10.08.2006 Resigned: n/a

State Councillor Number 9

Mr R Treloar

Elected: 11.08.2005 Tenure expires: 10.08.2006

Resigned: n/a

Northern Regional Representative

Mr P Watts

Elected: 11.08.2005 Tenure expires: 29 June 2006 Resigned: 29 June 2006

State Councillor Number 3

Mr T Mead

Elected: 11.08.2005 Tenure expires: 09.08.2007 Resigned: n/a

Signed:

Denis James Reid

Dated this 3rd day of August 2006

Signed:

Richard Gary Bloomfield

Dated this 3rd day of August 2006



**The Master Builders'
Association of
Tasmania**

Financial Statements

**For the year
ended 30 June 2006**

Wise Lord & Ferguson
Chartered Accountants



THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue	3	1,171,194	1,067,393
Other Income	3	826	(2,350)
Less Expenses			
Depreciation expense	4	61,099	67,396
Employee Benefits Expense		462,553	397,804
Other Expenses	4	605,931	446,437
TOTAL EXPENSES		1,129,583	913,987
NET PROFIT		42,437	153,406

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

BALANCE SHEET

AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash	5	678,095	605,768
Prepayments		16,605	10,241
Stock		57,983	68,745
Trade Receivables	6	150,304	105,429
Accrued Income		10,275	2,639
TOTAL CURRENT ASSETS		913,262	792,822
NON-CURRENT ASSETS			
Investment in MBAIS	14	30,000	-
Property, Plant & Equipment	7	3,436,689	2,061,398
TOTAL NON-CURRENT ASSETS		3,466,689	2,061,398
TOTAL ASSETS		4,379,951	2,854,220
CURRENT LIABILITIES			
Creditors	8	65,910	103,651
Income Received in Advance		59,000	21,575
Employee Entitlements	9	77,692	62,808
HIS Claim Liability	14, 1(m)	333,333	-
TOTAL CURRENT LIABILITIES		535,935	188,034
TOTAL LIABILITIES		535,935	188,034
NET ASSETS		3,844,016	2,666,186
ACCUMULATED FUNDS & RESERVES			
Accumulated Funds & Reserves	10	3,844,016	2,666,186

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Trading		1,147,536	1,069,144
Interest Received		62,534	21,342
Payments to Suppliers & Employees		(1,152,342)	(1,072,279)
Net Cash Provided by Operating Activities	12(b)	57,728	18,207
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		10,153	6,075
Acquisition of Property, Plant and Equipment		(1,445,667)	(144,382)
Cash Recognised on consolidation of Housing Guarantee Scheme	14	1,450,113	-
Net Cash provided by (used in) Investing Activities		14,599	(138,307)
Net Increase (Decrease) in Cash Held		72,327	(120,100)
Cash at the Beginning of the Year		605,768	725,868
CASH AT THE END OF THE YEAR	12(a)	678,095	605,768

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006	2005
Accumulated Funds and Reserves			
Opening Balance		2,666,186	2,512,780
Add Consolidation of the Housing Guarantee Scheme	14	1,135,393	-
Add profit for the year		42,437	153,406
Closing Balance		3,844,016	2,666,186

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the Associations Incorporation Act Tasmania, the Workplace Relations Act 1996 and applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared on an accruals basis and is based on historical costs. Cost is based on fair values of the consideration given in exchange for assets. The financial report is presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Transition to AIFRS

The association previously prepared its financial statements in accordance with Australian generally accepted accounting practice (AGAAP). The financial statements for the year ended 30 June 2006 are the first prepared in accordance with AIFRS. In accordance with *AASB 1 First-time Adoption of AIFRS* the Association has prepared an opening balance sheet as at 1 July 2004, the Associations date of transition to AIFRS, by identifying all changes required to accounting policies due to the transition to AIFRS. These adjustments were considered immaterial at both 1 July 2004 and 30 June 2005 and as such no adjustment to the comparative figures have been made. No reconciliation note is therefore presented.

(d) Housing Guarantee Scheme

The Housing Guarantee scheme operated by the Association between May 2002 and 30 June 2005 has historically been reported as a separate entity. The scheme has now been accounted for in the Associations accounts by consolidating the 1 July 2005 scheme balances into the Associations accounts with all transactions related to the scheme recognised in the Association. Refer to Note 14 for further discussion and a list of account balances consolidated.

(e) Receivables

Receivables include amounts where settlement has not yet occurred. Receivables are recognised and carried at original invoice amount less a provision for uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that collection of the debt is no longer probable. Bad debts are written off as incurred.

(f) Inventories

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

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(g) Cash and Cash Equivalentents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks including deposits held with a bank or financial institution.

(h) Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

(i) Property, Plant and Equipment

Valuation

All classes of property, plant and equipment are valued at cost.

Depreciation

Land and Buildings are not depreciated. Depreciation of all other items of Plant and Equipment is calculated on the reducing balance method in order to write the assets off over their useful life.

Major Depreciation periods are:

	2006	2005
Motor vehicles	4 - 5 years	4 - 5 years
Plant and Equipment	2.5 - 11 years	2.5 - 11 years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. An impairment exists when the carrying value of an asset exceeds its recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the income statement.

(j) Revenue recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Subscriptions

Control of the right to receive the subscription has been received.

Interest

Interest income is recognised as it accrues.

Sale of Goods

Control of the goods has passed to the buyer.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(k) Taxes

The provision for income tax is not necessary as "Employers' Associations" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

Goods and Services Tax (GST)

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

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(l) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, long service leave and annual leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The amounts expected to be paid to employees for their pro-rata entitlements for long service leave are accrued annually at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The pro-rata liability for long service leave is recognised after completion of seven years service. The provision for long service leave has not been calculated in accordance with AASB 119 "Employee Benefits" due to the small number of staff members and the consequent impracticality of applying the discounting methodology. The method applied is consistent with prior years.

(m) HIS Claim Liability

As discussed in further detail in note 14 the Association managed a Housing Guarantee Scheme which was open until 30 June 2005. The scheme is now closed but remains liable to make payouts for claims which pass the approval process for the subsequent 6 years. The scheme when closed on 30 June 2005 was valued by an independent actuarial assessment. The balance of this actuarial liability will be amortised over the remaining life of the scheme. As such on 1 July 2005 the actuarial assessed liability for claims was entered into the Associations accounts for \$400,000. This amount is amortised over the 6 years commencing 1 July 2005.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirement of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of sub-sections (1), (2), (3) and (4) of section 272 of that Act, which reads as follows:

(1) A member of a reporting unit, or a Registrar, 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).

(4) A Registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar must provide to a member information received because of an application made at the request of the member.

3. Revenue

	2006	2005
	\$	\$
Associate Specialist Contractor	57,961	60,478
Associate Supplier Exchange	15,249	15,015
Building Journal Income	-	10,331
Documents	31,328	34,707
Fee for Service	54,835	21,713
Housing Indemnity Guarantee Commission	4,204	236,828
Housing Indemnity	65,467	-
Insurance Rebates	15,057	13,654
Interest Received	63,506	21,342
Subscriptions	404,725	369,539
Training	205,266	75,803
Property Income	236,118	180,870
Sundry	17,478	27,113
Total Revenue	1,171,194	1,067,393
Other Income		
Profit on Sale of Fixed Assets	826	(2,350)
Total Other Income	826	(2,350)

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

4. EXPENSES AND LOSSES / (GAINS)

(a) Expenses	2006	2005
	\$	\$
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	42,109	52,108
Motor Vehicles	18,990	15,288
Total Depreciation of Non-Current Assets	61,099	67,396
<i>Other Expenses</i>		
Accounting & Audit	5,056	5,465
Advertising	3,632	13,844
Annual Dinner Expenses	11,095	9,615
Bad Debts	1,921	-
Bank Charges	1,379	1,185
Building Journal Expenses	6,220	16,095
Catering & Meeting Costs	27,699	24,436
Documents	31,736	(21,229)
Federal Subscriptions	51,581	53,282
Housing Awards	2,585	8,959
Housing Indemnity	37,110	-
Insurances	19,297	17,677
Light & Power	15,469	11,312
MBA History	-	18,423
Northern Office Rental	14,800	14,800
Postage & Stamps	21,342	18,023
Printing and Photocopying	24,610	19,427
Property Expenses- Rates	40,172	39,095
Property Maintenance	17,170	22,069
Telephone	29,175	29,406
Training	111,714	47,291
Travel Meals & Accommodation	26,823	17,584
Vehicle Running	21,071	26,552
Sundry Expenses	84,274	53,126
Total Other Expenses	605,931	446,437

5. CASH

Cash on Hand	1,500	1,500
Commonwealth Trading Bank	228,613	151,132
Cash Investment	447,982	453,136
TOTAL CASH	678,095	605,768

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

6. TRADE RECEIVABLES

	Notes	2006	2005
		\$	\$
Trade Receivables	(a)	154,376	107,581
Provision for Doubtful Debts		(4,072)	(2,152)
TOTAL TRADE RECEIVABLES		150,304	105,429

(a) Terms and Conditions

Terms and conditions relating to the above financial instruments:

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

7. PROPERTY, PLANT & EQUIPMENT

Land and Buildings	3,200,374	1,837,063
Plant & Equipment	601,006	571,548
Less: Accumulated Depreciation	(459,242)	(417,480)
	141,764	154,068
Motor Vehicles	132,335	115,389
Less: Accumulated Depreciation	(37,784)	(45,122)
	94,551	70,267
TOTAL PROPERTY, PLANT & EQUIPMENT	3,436,689	2,061,398

(a) Reconciliations

Land & Buildings

Opening Written Down Value
 Add Purchases
 Add Transfer from Plant and Equipment
 Closing Written Down Value

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

9. EMPLOYEE ENTITLEMENTS

	Notes	2006 \$	2005 \$
The aggregate employee entitlement liability is comprised of:			
Provision for Annual Leave		29,893	25,032
Provision for Long Service Leave		47,799	37,776
TOTAL EMPLOYEE ENTITLEMENTS		77,692	62,808

10. ACCUMULATED FUNDS

Accumulated Funds

Balance at Beginning of year		2,666,186	2,512,780
Add Consolidation of the Housing Guarantee Scheme	14	1,135,393	-
Add Profit for the year		42,437	153,406
TOTAL ACCUMULATED FUNDS		3,844,016	2,666,186

11. AUDITORS REMUNERATION

Amounts received or due and receivable by Wise Lord & Ferguson for:

- an audit or review of the financial report of the Association		3,200
- other services provided		-

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash	2006 \$	2005 \$
Cash on Hand	1,500	1,500
Cash at Bank	228,613	151,132
Cash Investment Account	447,982	453,136
	678,095	605,678
(b) Reconciliation of Net Cash Provided by Operating Activities to Net Profit:		
Net Profit	42,437	153,406
Depreciation	61,099	67,396
(Profit)/Loss on Sale of Non- Current Assets	(826)	2,350
Amortisation of HIS Claim Liability	(66,666)	-
Increase/(Decrease) in Provisions	14,884	646
Increase/(Decrease) in Creditors	(37,793)	(171,791)
Increase/(Decrease) in Income in Advance	37,425	1,475
(Increase)/Decrease in Prepayments	(6,364)	(1,388)
(Increase)/Decrease in Inventories	10,762	(52,511)
(Increase)/Decrease in Debtors	2,770	18,624
Net Cash Provided from Operating Activities	57,728	18,207

13. RELATED PARTY DISCLOSURES

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

President	Mr DJ Reid	Councillor	Mr C Burliegh
Senior Vice President	Mr IC Mansfield	Councillor	Mr IG Dent
Vice President	Mr D Moody	Councillor	Mr PR Ibbott
Treasurer	Mr RG Bloomfield	Councillor	Mr GF Keating
Councillor	Mr A Bennett	Councillor	Mr P Matthews
Councillor	Mr J Beswick	Councillor	Mr JA Rosevear
Councillor	Mr R Treloar	Councillor	Mr T Mead
Councillor	Mr P Watts (Resigned 29/6/06)		

Details of loans to officers is Nil

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

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

14. HOUSING GUARANTEE SCHEME

The Master Builders' Association of Tasmania Inc. manages the operation of a Housing Guarantee Scheme, through an agreement with the State Government, which began operation in May 2002 and was closed to new premiums on 30 June 2005. The Housing Guarantee Scheme was valued by an actuary as at 30 June 2005 and the outstanding claims were assessed at \$400,000. Wise Lord & Ferguson audited this scheme and as at 30 June 2005 the scheme had a net asset position of \$1,135,393.

The Housing Guarantee scheme has historically been reported as a separate entity. The scheme has now been accounted for in the Associations accounts by consolidating the 1 July 2005 scheme balances into the Associations accounts. All transactions related to the scheme subsequent to this date have been recognised in the Associations accounts. The following account balances, as audited by Wise lord and Ferguson, were therefore taken up in the Associations accounts at 1 July 2005.

	\$
Cash and Cash Investments	1,450,113
Receivables	55,280
Investment in MBAIS	30,000
Accrued Claims Liability	(400,000)
Accumulated Funds	(1,135,393)

15. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2006, The Master Builders' Association of Tasmania Inc. has a contingent liability in relation to the Housing Guarantee Scheme. The Association is liable for all funds that were available to the scheme as at 30 June 2005, in settlement of both the administration of the scheme and any claims made to the scheme which satisfy the approval process, up to this value

16. DESCRIPTION OF OPERATIONS

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

17. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs.

18. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

19. REGISTERED OFFICE

Construction House
85 – 89 Brisbane Street
Hobart Tasmania 7000

20. SEGMENT REPORTING

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

21. FINANCIAL INSTRUMENTS

(a) Credit risk

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

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

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

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Association will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount.

(c) Interest Rate Risk

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

(d) Net fair values

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



Wise Lord & Ferguson

advice to advantage



Chartered Accountants

INDEPENDENT AUDIT REPORT

To the members of The Master Builders' Association of Tasmania Inc.

Scope

The Financial Report and the Committee of Management's Responsibility

The general purpose financial report comprises the income statement, balance sheet, statement of cash flows, statement of changes in equity, the accompanying notes to the financial statements and the committee of management's statement for The Master Builders' Association Tasmania Inc., for the year ended 30 June 2006.

The committee of management are responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporation Act and Workplace Relations Act 1996 including applicable accounting standards. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the Association. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporation Act and Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of the Association's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

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Partners: Peter Beven, Robert Whitehouse, Harvey Gibson,
Danny McCarthy, Douglas Thomson, Joanne Doyle, Stuart Clutterbuck, Ian Wheeler
Managers: Joanne Moran, Shenna Hurd, Marg Marshall, Sharon Breen,
Dean Johnson, Alicia Leis, Melanie Richardson, Tracy Easterher
Consultant: Brent Palfreyman

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

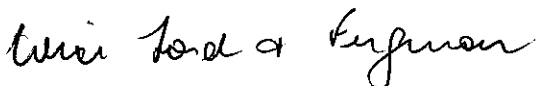
Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

AUDIT OPINION

In our opinion the general purpose financial report of The Master Builders' Association Tasmania Inc. is in accordance with:

- (a) the Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
 - (iii) complying with any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) other mandatory professional reporting requirements in Australia.



Wise Lord & Ferguson
Chartered Accountants



H J GIBSON

PARTNER
Wise Lord & Ferguson

Approved Auditor under the Workplace Relations Act 1996

Date 26 July 2006

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006**

Note 21 Financial Instruments Cont'd

	Non-interest bearing	Floating interest rate	Fixed interest rate	Carrying amount per balance sheet	Aggregate net fair value	Weighted average effective interest rate
2006						
Financial Assets						
Cash at Bank	230,113	-	-	230,113	230,113	Non-interest bearing
Cash Investment	-	447,982	-	447,982	447,982	5.10%
Other assets	150,304	-	-	150,304	150,304	Non-interest bearing
Total financial assets	380,417	447,982	-	828,399	828,399	
Financial Liabilities						
Accounts payable	65,782	-	-	65,782	65,782	Non-interest bearing
2005						
Financial Assets						
Cash at Bank	152,632	-	-	152,632	152,632	Non-interest bearing
Cash Investment	-	453,136	-	453,136	453,136	5.04%
Other assets	105,429	-	-	105,429	105,429	Non-interest bearing
Total financial assets	258,061	453,136	-	711,197	711,197	
Financial Liabilities						
Accounts payable	103,651	-	-	103,651	103,651	Non-interest bearing

The Company's financial assets and liabilities included in the Balance Sheet are carried at cost. Refer to note 21(d) for the methods and assumptions adopted in determining net fair values.