



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
Master Builders' Association of Tasmania Inc.
PO Box 992
HOBART TAS 7000

Dear Mr. Atkins

Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial reports for year ended 30 June 2007 - FR 2007/276

Thank you for forwarding further information in relation to the financial reports of the Master Builders' Association of Tasmania Inc. for the year ended 30 June 2007: this has been placed with the documents previously lodged.

The financial documents have now been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996. 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 section 254(2)(a) of Schedule 1. I note that notes 16 and 17 of the notes to the accounts contain information which could be used to address this matter.

(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 section 254(2)(b) of Schedule 1, I note that the Treasurer's Report appears to contain information which could be used to address this matter.

(c) Right of members to resign

Subsection 254(2)(c) of Schedule 1 requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that not all of the resignation rule was reproduced.

2. Committee of Management Statement

Paragraph 25 of the Industrial Registrar's Reporting guidelines, as made under section 255 of Schedule 1 states:

"The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management:

.....

(a) the financial statements and notes comply with the Australian Accounting Standards;

*(b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar,
....."*

The Committee of Management Statement provided makes no reference to the notes. Future statements should fully address all required declarations.

3. References to Schedule 1B

I note the financial documents contain references to Schedule 1B of the Workplace Relations Act 1966. Such references should now be to Schedule 1.

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

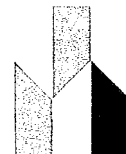
I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents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

Yours sincerely,



Larry Powell
Statutory Services Branch

20 November 2007



MASTER BUILDERS
T A S M A N I A

G:\association\COMMITTEES\State Council\FINANCIALS\SR response to issues letter 2007.11.13.doc

13 November 2007

Mr. L Powell
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

SCHEDULE 1 OF THE WORKPLACE RELATIONS ACT 1996 (SCHEDULE 1)
FINANCIAL REPORTS FOR YEAR ENDED 30 JUNE 2007 – FR 2007/276

I write in response to your letter dated 29 October 2007 re the above matter.

I wish to advise the following:

- The date the Committee of Management Statement was signed is correct. Once signed the Statement was provided to the auditor;
- I asked the auditor to review the date their report was signed; they have confirmed in writing that the report was dated incorrectly. The report date should have been 25 July 2007. The auditor has provide written advice as to this matter, the original copy of their advice is attached;
- I have reviewed the "Certificate of Secretary or other Authorised Officer". I advise that this certificate contained a typographically error. The second dot point should have reported the following:

"that the full report, was provided to members on or after 26 July 2007;"

I have arranged for a new certificate to be executed, a copy is attached. The full report was in fact dispatched on or around the 26th of July 2007;

- The full report was tabled for information at the Association's AGM on 9 August 2007; and
- The Committee of Management, as provided for in our Constitution, accepted the full report on 12 October 2007.

Master Builders' Association of Tasmania Inc. ABN 70 540 112 530
www.mbatas.org.au

HEAD OFFICE

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"Building Tasmania Since 1891"

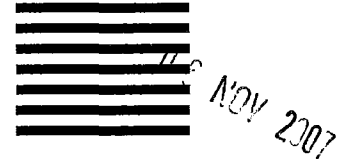
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Considering the foregoing and the attached information, I believe that compliance with the Act has been achieved; I look forward to your confirmation.

Yours faithfully

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

C. Atkins.
Executive Director.



Wise Lord & Ferguson

5 November 2007

advice to advantage



Chartered Accountants

Mr C Atkins
The Master Builders Association of Tasmania
81-89 Brisbane Street
HOBART TAS 7000

Dear Sir,

RE: DATE OF SIGNING AUDIT REPORT

As auditors of The Master Builders Association of Tasmania we wish to formally advise that the date noted as the date the audit report was signed is incorrect. The date the audit report was actually signed was 25 July 2007.

H J GIBSON
PARTNER
WISE LORD & FERGUSON



1st Floor 160 Collins Street Hobart TAS 7000 GPO Box 1083 Hobart TAS 7001
Tel: (03) 6223 6155 Fax: (03) 6223 8993 Email: email@wlf.com.au Internet: www.wlf.com.au

Partners: Peter Beven, Robert Whitehouse, Harvey Gibson,
Danny McCarthy, Douglas Thomson, Joanne Doyle, Stuart Clutterbuck, Ian Wheeler
Managers: Shenna Hurd, Marg Marshall, Sharon Breen,
Dean Johnson, Alicia Leis, Melanie Richardson, Tracy Easter, Nick Carter, Paul Lyons
Consultants: Brent Palfreyman, Duncan McDougall

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 Inc. 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 after 26 July 2007; and
- that the full report was presented to the Committee of Management at a meeting of that Committee on 12 October 2007; in accordance with section 266 of the RAO Schedule.

Signature.....



Date: ¹³ November 2007



Australian Government
Australian Industrial Registry

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11 Exhibition Street, Melbourne, VIC 3000
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Mr. C. Atkins
Executive Director
Master Builders' Association of Tasmania Inc.
PO Box 992
HOBART TAS 7000

Dear Mr. Atkins

Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial reports for year ended 30 June 2007 - FR 2007/276

Reference is made to the financial reports of the Master Builders' Association of Tasmania Inc. for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 19 October 2007.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1.

1. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements. For your assistance I have enclosed a Diagrammatic summary of the reporting process.

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

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

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

From the information available, the full report which includes the Committee of management Statement dated 25 July 2007, Operating Report dated 26 July 2007 and Auditor's Report dated 24 July 2007 was supplied to members on 23 July 2007. If the dates on the documents are correct, it would appear that such documents supplied to members were unsigned and undated. Further, it would appear that the Auditor could not have taken into account the Committee of Management Statement in forming their opinion. Section 253(2)(c) of Schedule 1 and the Industrial Registrar's Reporting Guidelines require the General Purpose Financial Report to include a Committee of Management Statement. If the document lodged is correctly dated then this could not have happened.

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

Specifically, the organisation is required to do the following:

- Arrange for the preparation of a fresh Auditor's Report that takes into account the Committee of Management Statement. Since the auditor will be required to prepare a fresh opinion you are requested to draw to your auditor's attention the need for his/her opinion to reflect the current legislative requirements – see item 2.
- The organisation should then supply the full report, including the revised Auditor's Report to members.
- Present the full report to a general meeting of members at least 21 days after the provision of the full report to members or to a committee of management meeting.
- Lodge the full report in the Registry within 14 days of the relevant meeting accompanied by a Designated Officer's Certificate (s.268).

2. Auditor's Report

The opinion expressed by the auditor in their report has not fully met the requirements of the Act. Section 257(5) of Schedule 1 now sets out the matters on which an auditor is required to state an opinion. An acceptable wording would be as follows:

"In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of Schedule 1."

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 lodgment service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgment 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

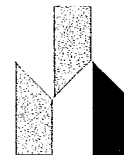
Yours sincerely,



Larry Powell
Statutory Services Branch

29 October 2007

FR20051/2:16



MASTER BUILDERS
TASMANIA



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16 October 2007

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 2006.

The subject reports were tabled at the Association's Annual General Meeting held on the 10th of August 2006 and adopted at a meeting of the Association's Committee of Management held on 12 October 2007.

Yours faithfully

C. Atkins.
Executive Director.

Master Builders' Association of Tasmania Inc. ABN 70 540 112 530
www.mbatas.org.au

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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 23 July 2007; and
- that the full report was presented to the Committee of Management at a meeting of that Committee on 12 October 2007; in accordance with section 266 of the RAO Schedule.

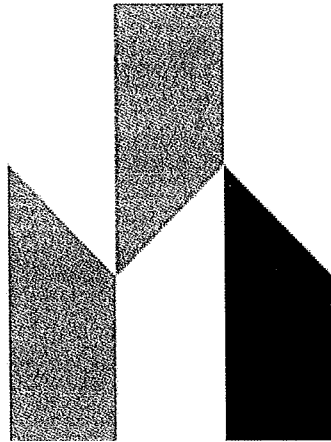
Signature.....



Date: October 2007

**MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007**

**THE MASTER BUILDERS' ASSOCIATION
OF
TASMANIA INC.**



**MASTER BUILDERS
TASMANIA**

"Building Tasmania Since 1891"

PRESIDENT'S REPORT

**FOR THE YEAR ENDED 30 JUNE 2007
Presented at the Annual General Meeting of the
Master Builders' Association Inc. on
Thursday 09th August 2007**

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007

It is with great pleasure that I present this, my first Annual Report as your President. My report provides details of the significant highlights of the Association's performance and achievements for the period 2006 to 2007.

This year, like the previous year has been dominated by industry issues and concerns which have had a destabilising impact on the operations of our members and the industry generally. The workload of members and staff has continued at extremely high levels and in reflection the achievements of each of us demonstrates the industry's ability to accommodate change and to meet the exacting demands of our respective clients.

Despite the Building Act 2000 now being three years old significant issues still dog its operations. The Tasmanian Compliance Corporation (TCC) fiasco resulted in a much needed overhaul of the administration of the Act and accreditation generally, however the demise of the TCC has stalled the legitimate reform of the Building Act, which is required.

The Association has been successful in obtaining compliance reform for owner builders. Prior to 01 July 2007 owner builders accounted for approximately 30 percent of all building activity in Tasmania, this contrasts significantly with the national average of 7 to 8 percent.

Owner builders now need to be registered with the Director of Building Control, the registration process requires that owner builders demonstrate their building knowledge, provide evidence of requisite insurance and own the land upon which they build. Their registration is only for the subject project and they must produce evidence of their registration before they can obtain a Certificate of Likely Compliance.

Whilst no system is perfect, the Government will review the impact of the new owner builder registration system and continue to fine-tune it until the percentage of owner builder built work in Tasmania more closely reflects to national average.

The Association has achieved reform in the area of mandatory insurances, which has resulted in Defects Liability Insurance becoming an optional insurance for accreditation purposes, not mandatory. A further win, of sorts has also been achieved in the area of the insurance tender conditions for State Government projects. Lobbying by the Association, whilst not seeing the removal of the requirement, I believe our pressure has been the catalyst for the reducing premiums and excesses. The commercial insurance sector may not be happy with these results, but I am sure they have been well received by our Members.

"Workchoices" and the associated industrial reform, the National Code of Practice for federal government projects and the doubling of the on ground presence of the Australian Building and Construction Commission (ABCC) in Tasmania has provided everyone with the confidence to engage with their employees freely without third party intervention.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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2006 TO 2007

These reforms have ensured that the efficiency of the industry has improved, the workplace is a place of safety and security, wages are appropriate and lost time has almost been eliminated.

The Association's financial position continues to improve despite this years result; we are well placed for the future. You will recall we recently constructed new offices in Launceston, we will shortly be extending the Devonport Offices. Pleasingly the extension is in response to the number of members attending Regional Meetings and training courses. The extension will add significantly to the comfort of members and trainees.

This year we hosted our third State Conference, "BUILDING ABILITY". Apart from the significant improvement in content, relevance, exhibitors and quality of the speakers there was one other significant issues that must be mentioned, this year's conference was managed in-house. This years conference clearly demonstrated the benefit of having people that understand their audience, knows the industry and has their members at the centre of their focus can achieve. Irrespective of the benchmark you choose to measure the outcomes of the Conference, we exceeded every one of them.

The Conference Committee deserve special recognition, they were ably lead by Chairman Phillip Watts supported by members Vonette Mead, Andrew Kilpatrick, Ty Turner, associate John Harris and staff members Ellen French, Judy partridge and Chris Atkins. Claire Doran, Ottmar Helm, Sheena Bass and Michael Kerschbaum assisted them during the conference.

The ongoing financing of the Association has moved its reliance from subscriptions only, due to prudent management with other income streams contributing to the "bottom line". This, in no small way has been achieved with the dedicated efforts of the Investment Committee, Executive, Councillors and staff. The Treasurer; Graham Keating, has continued on from where our immediate past Treasurer left off and I am particularly confident with the Association's financial direction and strategy.

The Association and its members have faced and dealt with numerous challenges during the past twelve months. The Association has been at the forefront of ensuring the interest of members have been served, or at the very least the outcomes and adverse consequences for members have been minimised. The Association will continue to represent the best interest of its members, without fear or favour whilst maintaining deliver of highly valued and relevant services to our members.

As you are aware the Association maintains open communication and dialogue with its membership through the operations of a broad range of sector committees. The individual committee reports follow:

HOUSING COMMITTEE

Over the last twelve months, the Housing Committee has been refining and finalising a number of issues. The items that have been completed by the Committee include:

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007

- The development of a standard toolkit for carpenters and apprentices. It is hoped that eventually all employees will possess the tools in the standard toolkit and that it will form the base level for carpenters statewide. The adherence to this list will ensure that all employers will know what tools their employees should be providing as part of their tool allowance.
- The Association has maintained pressure on the Government to retain the Building Code of Australia requirements for Energy Efficiency at the current levels. The Association is still waiting on scientific data from the University of Tasmania to establish the real effects of the Tasmanian climate on potential energy usage.
- Owner/Builder requirements were tightened up on the 1st July 2007 to stem the number of illegitimate owner/builder projects occurring in Tasmania. The Committee has had concerns about this matter since the implementation of the Building Act 3 years ago and the moves by the Government to act on this matter are very welcomed.

In addition to the above matters, the Committee is still considering a number of other issues including:

- Lobbying Government to increase the Construction Notification limit to \$350,000 from its current \$200,00 limit. The Committee has been liaising with the Government on this matter who are looking at imposing a Construction Notification limit based on number of people on-site, in line with current practices in other states. The Committee has responded that it would prefer to retain a dollar limit, as the numbers of workers on-site requirement would be too restrictive.
- The State Government's proposal to develop Regional Planning Schemes to replace the existing 40 odd Schemes currently in use. The recent State Government Budget has made provision to resource the development of Regional Schemes and this welcome move should provide builders and developers with a greater level of certainty into the future. The Committee is very keen to be involved in this exciting project and it is hoped that the potential of this project is realised.
- The refunding of Crossover Bonds is still an ongoing issue with the Local Government Association of Tasmania, who are very slow in acting on this matter.

The Committee has also been instrumental in the issuing of a few technical

COMMERCIAL SECTOR COMMITTEE

The Commercial Sector Committee, operating since 2004, continues to be pro-active with various issues including tendering procedures and practices, industrial relations, legislative reform, unions, industrial awards, contractual and commercial services.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
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During the year the Committee arranged a number of informative meetings with the Australian Technical College Northern Tasmania – Mr Nigel Hill (CEO) and Ms Maree Patterson (Head of Industry Programs), Mr Don Challen (Department of Treasury and Finance) – both with considerable outcomes for the industry.

On request from members training was facilitated on the Australian Building Industry Contracts –the ABIC Suite of Contracts.

Workshops were also conducted on Agreement Making under Workchoices and made available to industry participants, including sub-contractors.

Following a report from Workplace Standards on sub-standard practices on building site a course supervisor/accountable person was facilitated for members and their employees – an immediate response to address these issues.

The Committee continues with its strategic items – “Best practice set of documents” and mandatory Code of Practice for induction training in the Construction Industry.

The best practice set of documents project will reflect what the industry expects as an appropriate set of tender documents on government and private projects. One set of drawings has been received and reported on, with encouraging feedback from Committee members. Another live project is being prepared and will be tendered on by selected members – with the opportunity to review the documents and compare tender pricing.

The Code of Practice for Induction Training in the Construction industry was drafted and forwarded to the Unions and Workplace Standards for support. This code to be mandatory and include the housing sector. However, a National Code of Practice has also been drafted and Government would be supportive of the National Code – which is not mandatory. The Committee members will recommend to State Council that we support the National Code and that it be mandatory.

Structural Defects has remained on the Committee's Agenda since the introduction of the Building Act 2000 and finally, after a number of lengthy submissions to the Government and a number of media releases on why it should not be mandatory for Commercial projects, the Government's New Ministerial Insurance Order, effective from 28 July 2007 now offers a choice of purchasing either Contract Works Insurance or Structural Defects Insurance.

The on-going efforts of the Committee in researching the requirement for structural defects and the advice provided to Government has convinced them that it was not a necessary insurance when most commercial contractors already had Contract Works Insurance in place.

Contract Works and Legal Liability Insurance - A direct result of the meeting with Mr Don Challen in regard to excesses the Department of Treasury and Finance advised that its negotiations with Marsh Pty Ltd were successful in achieving a further reduction in the overall premium for the Principal arranged Contract Works

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007

and Legal Liability Insurance for 2007-2008. Excesses have also been reduced considerably – reflective of market value.

Government has also requested members, to provide information to enable a comparison against current arrangements for Contract Works and Legal Liability Insurance and what can be offered by other insurance providers.

Right of Entry – Workplace Health & Safety Act 1995 - Workplace Standards advised industry that authorisations had been issued to AWU and CFMEU union officials to enter workplaces involved in mining and construction work. Master Builders Tasmania issued a guide to its members to make sure the union officials were coming on for safety issues only. The six-month trial period ended with not a lot of issues, and the Association submitted a report based on members' comments. It is likely that this ROE for union officials will be introduced – possibly in the next 12-month period.

Legislative Council Select Committee – The Association submitted a response to an invitation from KPMG on terms of reference for the Tasmanian Compliance Corporation and also submitted a substantial response to the Legislative Council Select Committee on Accreditation and Building Practitioners and administration of the Building Act 2000.

Review of Workplace Health and Safety in Tasmania 2006 - Mr C Atkins compiled a response to the discussion paper with assistance from members of the Committee

National Owner Builder Policy – MBAust produced a policy on Owner-Builders, supported by industry – in addition to this policy the Executive Director issued press releases on the disturbing figures on owner-builder projects. A blueprint for the Tasmanian Building Industry was submitted to the Department of Justice by industry bodies promoting a unified policy position on a number of fairly complex issues in regard to the Tasmanian Building Industry. A direct outcome was a new policy on Owner-Builders, which will address the increasing number of owner builder projects in this State.

Government Education and Training Policy Review – A Reference Group has been set up the Government re non-compliance of the policy. Mr. C Atkins had some input into the review of the policy – how to take control of the requirements of the policy. Performance of the Reference Group will be monitored.

Government Procurement – Changed Practices – Following the demise of the Public Works Tender Board and the appointment of individual departments to manage the tender process on government projects the Commercial Sector Committee made this an agenda item – members to report any concerns on the tender selection process. To date there have been a number of issues which have been addressed by the Committee.

Tasmanian B & CI Council – Security of Payments - Mr C Atkins made a submission re Security of Payments on behalf of the Association. The Association

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007

will not support any model that does not preserve the rights of all parties in the contractual chain to secured payment.

EDUCATION AND TRAINING COMMITTEE

- Total of 88 courses delivered (up 25% on 05/06)
- Total of 1222 participants) up 21% on 05/06)
- Completed Builder Registration courses in Hobart & Devonport, first group of graduates presented with their Certificates by the Minister
- Updated the Builder registration course to meet the requirements of the certificate IV in Building & Construction, which became available late 2006, in preference to a Certificate IV in Small Business Management
- Second round of courses currently running with increase numbers& a high number of non-members (potentially new members)
- Formed more strategic partnerships with providers to offer a wider variety of courses, including:
 - Rigging
 - MBA Green living
 - Time management
- Negotiated with MBAV to allow our induction course to be converted to a Victorian "Red Card", which in turn is recognised in NSW and Qld.
- Reached agreement with TAFE to have the Building & Construction induction course content recognised as equivalent to general industry/ mining industry.
- Conducted another round of seminars to raise awareness of the Building and Construction Industry Improvement Act and requirements of Code compliance to members & contractors
- Negotiated with various providers to have a number of new courses available for the 07/08 financial year, including:
 - Conduct basic site surveys
 - Running a company, what you need to know
 - Drug & alcohol awareness
 - Marketing my business
 - Advanced driving skills

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007

MEMBERSHIP & MARKETING COMMITTEE

The Membership & Marketing Committee steered by chairman Mr P Watts has achieved strong results over the past 12 months.

Members of this committee include, Vonette Mead, John Harris, Andrew Kilpatrick, Ty Turner, Judy Partridge, Ellen French, David Marshall, and Chris Atkins. All have made a tremendous contribution throughout the year.

Undoubtedly the greatest achievement has been the annual MBT conference - Building Tomorrow III, held at the Launceston Country Club Casino in May. The entire event was organised in house by this committee, which secured over 100 paying delegates. This was partly due to a number of quality international, interstate and local guest speakers addressing the conference on a range of topics, including affordability, sustainability and accountability. A strong framework has been designed and executed by this committee ensuring the success of this event in the future.

In conjunction with the conference saw the introduction of the inaugural Try A Trade Day. This event, aimed at year 9 and 10 students in Northern Tasmanian high schools was primarily intended to give perspective young builders an insight into a career in the building and construction industry. On the day, three cubby houses were constructed with materials donated by sponsoring companies and with the work being completed by apprentices from Vos Construction and Joinery Pty Ltd, the Technical College and TAFE. Approximately 200 students attended the Day, securing positive media for MBT.

Throughout the year, members of the committee have also worked in sub groups to produce documents covering a range of topics critical to the ongoing success of the membership and marketing function. Chris Atkins developed a mentoring document, which has been progressed to State Council. Phil Watts and Vonette Mead have analysed membership services and benefits and Andrew Kilpatrick and Ty Turner both investigated reasons why someone would want to become and remain a member of MBT. All documents will be further developed in the future as the association investigates effective ways of achieving increased membership services and benefits, including partnership alliances and trading loyalty benefit schemes.

David Marshall, Manager – Membership, Services & Marketing recently joined MBT from leading FMCG companies and other industry associations to assist the committee in achieving its goals and objectives. David has already developed sponsorship packages for the association and is quickly developing comprehensive marketing plans for the next five years to build and consolidate the association's revenue well into the future.

In late 2006, the Membership & Marketing Committee also endorsed a major survey of Australian professional bodies commissioned by Beaton Consulting. After analysing the results, MBT rated extremely high across most criteria surveyed. The average satisfaction rating by our members on any criterion was ninety one percent when benchmarked against similar professional bodies in Australia. A truly fantastic result!

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006 TO 2007

Under the leadership of Phil Watts, this committee is dedicated to further develop and increase initiatives to drive revenue and member loyalty well into the future. Goals for 2007-08 include:

- Organisation of an interstate study/social tour for members to broaden insights into the industry and enjoy some fellowship.
- Review the entire operation of the MBT Excellence Awards to ensure that the program is transparent.
- Establish the new MBT logo in the community by developing specific branding initiatives within differentiated mediums.
- Identify ways in which to make the 2008 MBT conference more successful.
- Ensuring all current members promote the association utilising quality vehicle signage/stickers.
- Establish relevant social events for members and their families to enjoy.
- Identify and provide new membership services and discounts.
- Continue to identify partnership alliances for sponsorship development.
- Ensure membership recruitment focuses on attracting the right members.
- Ensure all external and internal communications (MBT Journal, newsletters, memos, awards publications, media releases) remains consistent and is viewed by stakeholders as a 'premium' industry organisation.
- Develop a new user friendly, relevant and effective website for the association.
- Ensure relevant national marketing initiatives are streamlined into state operations.

Sharing a common aim and producing relevant and timely projects have been critical to the success of this committee to date. All participants have the commitment, energy, enthusiasm and drive to ensure all objectives are achieved over the next 12 months and we look forward to presenting our results next year.

Conference Committee Report

The Conference Committee, with Mr Philip Watts as Chairman, was inaugurated late October 2006 to oversee the in-house organisation of our Annual Conference with the appointment of Mrs Ellen French to manage the event. The conference titled 'Building Ability' focused on three vitally important and demanding issues for our industry today – Sustainability, Affordability and Accountability. It was held at the

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PRESIDENTS REPORT
2006 TO 2007

Country Club Resort, Launceston in May 2007 and deemed a great success by attending members, non- members and guest speakers.

A Sponsorship Prospectus was developed resulting in significantly increased sponsorship participation. Speakers from around Australia and New Zealand presented vitally important, and at times challenging and contentious information to 130 delegates from around the state. The Tables of Knowledge concept was introduced for the first time and proved an important part of the programme for delegates as well as sponsors.

Eligible participants were able to gain up to 10 (Group 1) Continued Professional Development (CPD) points providing in excess of one year's accreditation requirements. Funding was sought and obtained from TBCITB to assist delegates.

The committee recognised the importance of encouraging our youth to embark on a career in the Building and Construction Industry. With this in mind the Try-A-Trade day was developed and run in conjunction with the conference at The Door of Hope facility at Glen Dhu. Career information, career pathways and training opportunities were presented with a view to encouraging that first step.

Working closely with our schools from the north of the state, training organisations and industry sectors, groups of students followed a 'Trail of Knowledge' incorporating all aspects of construction to completion of a project. Over 180 students from 15 schools interacted directly with current apprentices providing them with the opportunity to relate to those of a comparable age with similar interests. At the end of the event the three completed cubby houses were donated to charity.

Media interest was high with coverage from three television stations, ABC Radio and included significant newspaper and magazine exposure. Comments from our Sponsorship partners and Trade Exhibitors from both events have been extremely encouraging. The Committee are now looking to 2008 with planning already underway.

REGIONAL COMMITTEES

NORTH WEST REGION - Monthly General Meeting Report

Over the past twelve months 10 Regional Meetings were held where hosted in the Devonport Office and 3 of in Wynyard. On average 26 members attended each meeting.

All meetings, included Industry Discussion items – providing members with information on a range of products, services and subjects, including:

- Gunns Limited, Gunnsbeam and products manufactured at the Smithton Mill
- Business and Employment – services offered by Apprentice Centre; incentives
- Meadcon – Civil Services
- TAFE – training and assessment options for apprentices
- Work and Training – Group Training organisation – benefits and training offered
- Masterwall Products

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2006 TO 2007

- EcoAsh – FEA Timber Pty Ltd
- Waste Management (Burnie City Council project)
- TAFE – COAG and competency based apprentices
- Australian Technical Colleges

A total of ten (10) Certificates of Membership (including one Recognition of Service Certificate) have been presented to members on a regular basis at the meetings.

Those who are involved in other Committees reported on all other Association Committee meetings at each meeting –. This keeps members up to date on a wide range of relevant issues.

During the year members (in attendance at the MGM's) were kept informed and discussed the Association's involvement with the Legislative Select Committee process, the demise of the Tasmanian Compliance Corporation – taken over by the Director of Building Control and now referred to as Building Practitioner Accreditation; likely review of the Housing Indemnity Act, Retention in BO4 contracts, introduction to a new member benefit – Paraplegic Benefit Fund - A direct result of our involvement with PBF saw Charlie Rimmer (former member who became a quadriplegic following a workplace fall) receiving a laptop (valued at \$4000); the re-badging of the Association; State Planning Authority looking at a common planning scheme for all Councils; Workplace Standards – Infringement Notices (on the spot fines); certificates of currency for scaffolding, work at heights etc. changes to the Building Act 2000 and a review of Owner Builders.

North West Management Committee also held 10 meetings for the year, all supported by the Committee members.

An important issue from the Committee has been the endorsement by Investment Committee of the proposed extensions/alternations to the North West office. Plans well under way with work to commence late August/early September. The Committee also discussed succession plan for members and committee representation; induction for new committee members taking up positions on Executive and State Council; profile of nominees for State Council positions.

NORTHERN REGION - Monthly General Meeting Report

Ten Regional Meeting shave been hosted by the Region during the last year at various venues. High membership attendance is a feature of our meetings as on average 35 members and guests have been at each meeting.

Industry discussion and presentations have been coordinated with each meeting providing members with ready access to regular CPD activities. The range of industry discussion topics included, the following:

Business finance and capital acquisition presented by Capital Corp Finances; working at heights and safe use of scaffolding presented by Boral's Ian Weller; employers responsibility regarding long service leave presented by Michael Munday of TasBuild; TAFE training and training models presented by TAFE's Mr Terry Powell; CPD Recording & Certificate IV presented by Ottmar Helm and Phil Watts;

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2006 TO 2007

presentation re MasterWall Systems presented by Mark Cunningham of Choice Solution; a further presentation by Terry Powell & Barry Triffett from TAFE regarding COAG's requirements and competency-based completion of apprenticeships & Launch of the Construction Information and Record Folder; a presentation regarding the Australian Technical College and how they can assist industry in placing apprentices in members' business presented by Maree Paterson and finally a presentation by Julia Gaynor-Brown from Clark Windows regarding energy efficient use of glazing.

SOUTHERN REGION - Monthly General Meeting Report

The Southern Region Monthly General meetings were well attended with an average attendance of around 25 people.

We have had a number of interesting CPD topics this year including site visits to K&D Warehouse, Hanson Building Products presentation at the Mercure, Access Solutions and a 5 star Energy Efficient home in Kingston. A number of guest presenters visited the MBA Offices and topics covered included two TAFE briefings on apprentices, a new range of uPVC windows from Germany and an update to the changes to the glazing standard AS 1288.

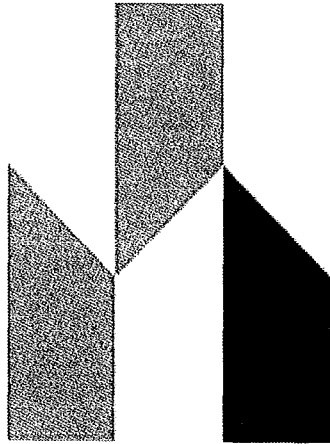
Last years' Southern Region Dinner was held at Moorilla and over a hundred people enjoyed a wonderful evening on the water and at the venue.

Industry activity remained very buoyant during the course of the year with members reporting long waiting lists.

John A Rosevear
President

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENTS REPORT
2006-2007

**THE MASTER BUILDERS'
ASSOCIATION OF
TASMANIA INC.**



**MASTER BUILDERS
T A S M A N I A**

"Building Tasmania Since 1891"

TREASURER'S REPORT

And

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

**Presented at the Annual General Meeting of the
Master Builders' Association Inc. on
Thursday 9th August 2007**

TREASURER'S REPORT – 2007

Members, it is my pleasure to present my first Report as Treasurer of the Association as to the financial operations of the Association for the 2006 – 2007 financial year. The report of accounts also includes the 2007 Auditor's report for the fiscal year. Interestingly this report is the 116th report issued by the Master Builders' Association of Tasmania Inc.

Despite the strategic financial objectives of the Association being on track and the year being positive from a trading position, the audited figures identify that we recorded a net loss of \$10,286.00 for the '2006 – 2007' fiscal year. Whilst a loss is not the desired outcome, it can be simply explained. An unbudgeted expense was incurred due to a requirement this year to depreciate the buildings owned by the Association. This requirement was due to changed accounting methodologies and standards. This single change increased our operational expenses for depreciation by over \$50,000.00, without which a profit of \$39,714.00 would have been recorded.

In accordance with the Association's strategic objectives membership subscriptions as a percentage of total income fell from 40 percent in 2006 to 35 percent in 2007. Whilst actual income from subscriptions increased by around 2 percent during the period, the fall in subscriptions as a percentage of total income was achieved through the increase in income from other sources.

Operational income in 2007 represented 34.4 percent of our total income and non-operational income represented around 24.5 percent. Income from property investments grew by 24.7 percent over the previous year and now represents 21.2 percent of the Association's gross income.

It is now two years since the cessation of the MBA- Housing Indemnity Scheme, however the Scheme's replacement appears to be operating successfully with the Scheme's insurer CGU advising that 2007 will see the application approval process simplified which should provide significant savings, particularly in time for members.

Training continues to make a significant contribution to the Association's overall income, as does the income from "Fee for Services". The later figure was boosted again this year as the Association was again contracted by the Federal Government to deliver training and seminars regarding the industrial reforms impacting on the industry.

Expenses increased by \$270,593.00, or by 23.9 percent of the previous year. As previously mentioned, building depreciation accounted for \$50,000.00 of this increase. The Association's 2007 Annual Conference was managed in-house, as such an additional \$64,570.00 was incurred, albeit off-set by a corresponding increase in income. These two single issues account for \$114,570.00 of the recorded increase.

In line with the directions of State Council the television advertising campaign resulted in an increase of the advertising expense of \$22,193.00. The construction of the new Launceston premises and the purchase of Canning Street resulted in a net increase of \$24,709.00 in property related expenses. In line with the increased revenue from Training expenses also increased by \$57,732.000, Printing and photocopying expenses increased by \$16,931.00 (an unbudgeted cost of producing our Handbooks contributed to this). Salary and Employment Expenses were also higher than the previous year for a number of reasons. Staff turnover, retirements and wage increases all contributed to the increased cost of employment.

The changed accounting standard and methodologies will need to be managed going forward to mitigate another significant expense being imposed at a time where it could not be appropriately managed. A review of property valuations will have a mitigating impact in this area.

Having now had the opportunity to review the Association's operations as the Treasurer, I am confident that, despite numerous financial challenges a modest net profit will be recorded into the future. The Association is well positioned to take advantage of its many assets both physical and intellectual to continue to provide a high level and needed services to its members whilst generating the income necessary to sustain such services.

The Association by its very nature of being a service-based organization relies heavily on its Staff, the consequences of this being, approximately 36% of our direct costs are directly related to employment. Our newly constituted Remuneration Committee will continue to monitor and have significant input in recommendations to State Council to allow management of this cost.

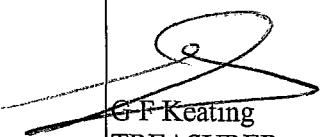
Strategic investment has allowed the association to prosper; the full realisation of these benefits is yet to be achieved. Our asset base continues to be a significant strength; we should acknowledge those members who had the foresight and financial management knowledge to secure the Association's future.

I am optimistic that the Association will continue to prosper during 2007 – 2008. The strategic direction contained within our current strategic plan, "Tomorrow's Future Today – Building the Future", has been the cornerstone of our recent success and will continue into the future.

The Association has been operating since 16 March 1891, it has been faced with significant challenges during that period and in 2007 we are still here. Still strong and you our members are still shaping the skyline of Tasmanian cities towns and suburbs.

The experience of being the Association's Treasurer has been challenging at times, frustrating, but above all of this it has been extremely rewarding. I would like to express my thanks for the support of my fellow Councillors, Members and the Association's staff.

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 2007.



G F Keating
TREASURER

26th July 2007



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 2007.

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: Shenna Hurd, Marg Marshall, Sharon Breen,
Dean Johnson, Alicia Leis, Melanie Richardson, Tracy Easter, Nick Carter
Consultants: Brent Palfreyman, Duncan McDougall

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.

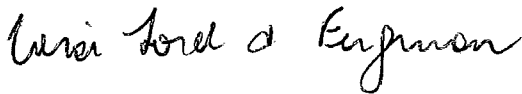
Independence

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 2007 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

Dated: 24 July 2007

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Revenue	3	1,389,890	1,171,194
Other Income	3		826
Less Expenses			
Depreciation expense	4	113,950	61,099
Employee Benefits Expense		491,194	462,553
Other Expenses	4	790,032	605,931
TOTAL EXPENSES		1,400,176	1,129,583
NET PROFIT (LOSS)		(10,286)	42,437

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

BALANCE SHEET

AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash	5	547,855	678,095
Prepayments		10,872	16,605
Stock		52,702	57,983
Trade Receivables	6	242,708	150,304
Accrued Income			10,275
TOTAL CURRENT ASSETS		854,137	913,262
NON-CURRENT ASSETS			
Investment in MBAIS	14	30,000	30,000
Property, Plant & Equipment	7	3,436,119	3,436,689
TOTAL NON-CURRENT ASSETS		3,466,119	3,466,689
TOTAL ASSETS		4,260,256	4,379,951
CURRENT LIABILITIES			
Creditors	8	60,415	65,910
Accrued Expenses		2,298	-
Income Received in Advance		36,073	59,000
Employee Entitlements	9	61,074	77,692
HIS Claim Liability	14, 1(m)	266,666	333,333
TOTAL CURRENT LIABILITIES		426,526	535,935
TOTAL LIABILITIES		426,526	535,935
NET ASSETS		3,833,730	3,844,016
ACCUMULATED FUNDS & RESERVES			
Accumulated Funds & Reserves	10	3,833,730	3,844,016

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 2007

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Trading		1,164,810	1,147,536
Interest Received		27,259	62,534
Payments to Suppliers & Employees		(1,124,092)	(1,152,342)
Net Cash provided by (used in) Operating Activities	12(b)	(53,767)	57,728
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment			10,153
Acquisition of Property, Plant and Equipment		(76,473)	(1,445,667)
Cash Recognised on consolidation of Housing Guarantee Scheme	14		1,450,113
Net Cash provided by (used in) Investing Activities		(76,473)	14,599
Net Increase (Decrease) in Cash Held		(130,240)	72,327
Cash at the Beginning of the Year		678,095	605,768
CASH AT THE END OF THE YEAR	12(a)	547,855	678,095

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 2007

	Notes	2007	2006
Accumulated Funds and Reserves			
Opening Balance		3,844,016	2,666,186
Add Consolidation of the Housing Guarantee Scheme	14		1,135,393
Add profit (loss) for the year		(10,236)	42,437
Closing Balance		3,833,730	3,844,016

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 2007

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) 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.

(d) 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.

(e) Inventories

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

(e) Cash and Cash Equivalents

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.

(f) 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.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(g) Property, Plant and Equipment

Valuation

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

Depreciation

Land is not depreciated. Depreciation of items of Equipment and Motor Vehicles is calculated on the reducing balance method in order to write the assets off over their useful life. Depreciation on Buildings is calculated on a Straight Line basis at 2%.

Major Depreciation periods are:

	2007	2006
Motor vehicles	4 - 5 years	4 - 5 years
Plant and Equipment	2.5 - 11 years	2.5 - 11 years
Buildings	50 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.

(h) Change in Accounting Policy

Buildings are depreciated this year on a straight line basis at 2% per annum. Buildings have not been depreciated in prior years.

(i) 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 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(j) 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.

(k) 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.

(l) 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 2007

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

	2007	2006
	\$	\$
Associate Specialist Contractor	60,348	57,961
Associate Supplier Exchange	15,698	15,249
Documents	25,121	31,328
Fee for Service	84,829	54,835
Housing Indemnity Guarantee Commission	(1,092)	4,204
Housing Indemnity	75,954	65,467
Insurance Rebates	19,117	15,057
Interest Received	27,259	63,506
MBA Conference	85,170	9,160
Subscriptions	410,447	404,725
Training	253,810	205,266
Property Income	294,609	236,118
Sundry	38,650	8,318
Total Revenue	1,389,890	1,171,194
Other Income		
Profit on Sale of Fixed Assets		826
Total Other Income		826

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

4. EXPENSES AND LOSSES

(a) Expenses	2007 \$	2006 \$
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	47,418	42,109
Buildings	50,112	-
Motor Vehicles	21,420	18,990
Total Depreciation of Non-Current Assets	118,950	61,099
<i>Other Expenses</i>		
Accounting & Audit	4,279	5,056
Advertising	25,825	3,632
Annual Dinner Expenses	(378)	11,095
Bad Debts	12,663	1,921
Bank Charges	694	1,379
Building Journal Expenses	9,142	6,220
Catering & Meeting Costs	27,266	27,699
Documents	20,400	31,736
Federal Subscriptions	52,632	51,581
Housing Awards	14,305	2,585
Housing Indemnity	7,965	37,110
Insurances	26,947	19,297
Light & Power	12,733	15,469
Loss on Sale of Fixed Asset	2,731	-
MBA Conference	64,570	-
Northern Office Rental	3,400	14,800
Postage & Stamps	18,332	21,342
Printing and Photocopying	41,541	24,610
Property Expenses- Rates	53,593	40,172
Property Maintenance	28,453	17,170
Telephone	33,067	29,175
Training	169,446	111,714
Travel Meals & Accommodation	21,471	26,823
Vehicle Running	21,985	21,071
Sundry Expenses	116,808	84,274
Total Other Expenses	790,032	605,931

5. CASH

Cash on Hand	2,000	1,500
Commonwealth Trading Bank	70,614	228,613
Cash Investment	475,241	447,982
TOTAL CASH	547,855	678,095

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

6. TRADE RECEIVABLES

	Notes	2007	2006
		\$	\$
Trade Receivables	(a)	246,367	154,376
Provision for Doubtful Debts		(3,659)	(4,072)
TOTAL TRADE RECEIVABLES		242,708	150,304

(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	712,000	712,000
Buildings	2,305,576	2,488,374
Less: Accumulated Depreciation	(50,412)	-
	<u>2,455,464</u>	<u>3,200,374</u>
Plant & Equipment	600,207	601,006
Less: Accumulated Depreciation	(494,613)	(459,242)
	<u>105,589</u>	<u>141,764</u>
Motor Vehicles	132,292	132,335
Less: Accumulated Depreciation	(29,226)	(37,784)
	<u>103,066</u>	<u>94,551</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	3,376,119	3,436,689

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

7. PROPERTY PLANT & EQUIPMENT (CONTINUED)

(a) Reconciliations

Buildings

Opening Written Down Value
Less Depreciation
Add Extensions
Closing Written Down Value

Plant & Equipment

Opening Written Down Value
Add Purchases
Less Depreciation
Closing Written Down Value

Motor Vehicles

Opening Written Down Value
Add purchases
Less disposals
Less Depreciation
Closing Balance

2007	\$
65,820	
(5,650)	
60,170	
245	
60,415	
2006	\$
65,782	
128	
65,910	

8. CREDITORS

	Notes	2007	2006
		\$	\$
Trade Creditors	(a)	60,170	65,782
GST Liability		245	128
TOTAL CREDITORS		60,415	65,910

(a) Terms and Conditions

Terms and conditions relating to the above financial instruments:

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

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

9. EMPLOYEE ENTITLEMENTS

	Notes	2007 \$	2006 \$
The aggregate employee entitlement liability is comprised of:			
Provision for Annual Leave		23,583	29,893
Provision for Long Service Leave		37,491	47,799
TOTAL EMPLOYEE ENTITLEMENTS		61,074	77,692

10. ACCUMULATED FUNDS

Accumulated Funds

Balance at Beginning of year		3,844,016	2,666,186
Add Consolidation of the Housing Guarantee Scheme	14		1,135,393
Add Profit (loss) for the year		(10,236)	42,437
TOTAL ACCUMULATED FUNDS		3,833,730	3,844,016

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		4,279	3,600
- other services provided			500
		4,279	4,100

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash	2007	2006
	\$	\$
Cash on Hand	2,000	1,500
Cash at Bank	70,614	228,613
Cash Investment Account	473,241	447,982
	547,855	678,095
(b) Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit (Loss):		
Net Profit (Loss)	(10,236)	42,437
Depreciation	113,950	61,099
(Profit)/Loss on Sale of Non- Current Assets	13,094	(826)
Amortisation of HIS Claim Liability	(66,666)	(66,666)
Increase/(Decrease) in Provisions	(16,613)	14,884
Increase/(Decrease) in Creditors	(3,197)	(37,793)
Increase/(Decrease) in Income in Advance	(22,927)	37,425
(Increase)/Decrease in Prepayments	5,733	(6,364)
(Increase)/Decrease in Inventories	5,231	10,762
(Increase)/Decrease in Debtors	(82,131)	2,770
Net Cash provided by (used in) Operating Activities	(53,767)	57,728

13. RELATED PARTY DISCLOSURES

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

President	Mr J Rosevear	Councillor	Mr A Kilpatrick
Senior Vice President	Mr IC Mansfield	Councillor	Mr K Lawson
Vice President	Mr D Moody	Councillor	Mr P Matthews
Treasurer	Mr GF Keating	Councillor	Mr T Mead
Councillor	Mr A Bennett	Councillor	Mr D Murray
Councillor	Mr J Beswick	Councillor	Mr D Reid
Councillor	Mr J Dickenson	Councillor	Mr P Watts
Councillor	Mr PR Ibbott		

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 2007

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 & 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 2007, 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 2007

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.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

Note 21. Financial Instruments Cont'd

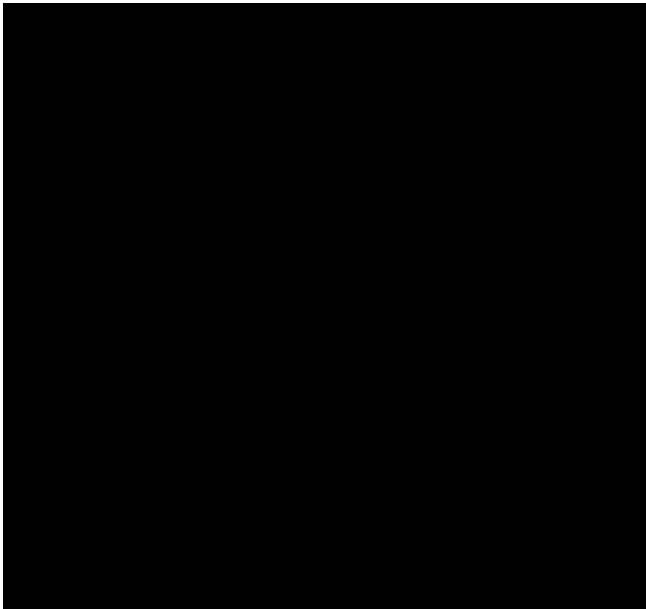
	Non-interest bearing	Floating interest rate	Fixed interest rate	Carrying amount per balance sheet	Aggregate net fair value	Weighted average effective interest rate
2007						
Financial Assets						
Cash at Bank	72,614	-	-	72,614	72,614	Non-interest bearing
Cash Investment	-	475,241	-	475,241	475,241	5.10%
Other assets	242,708	-	-	242,708	242,708	Non-interest bearing
Total financial assets	315,322	475,241	-	790,563	790,563	
Financial Liabilities						
Accounts payable	60,170	-	-	60,170	60,170	Non-interest bearing
2006						
Financial Assets						
Cash at Bank	230,113	-	-	230,113	230,113	Non-interest bearing
Cash Investment	-	447,982	-	447,982	447,982	5.04%
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



The Associations 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.

The Commissioner
Corporate Affairs
GPO Box 249C
HOBART TAS 7001

I advise that, as at the 30th June 2007 the following persons were Committee Members of the Master builders' Association of Tasmania Inc. for the purposes of the Association's Incorporations Act 1964.

President	Mr John Rosevear
Senior Vice President	Mr Ian Mansfield
Vice President	Mr David Moody
Treasurer	Mr Graham Keating
Councillors	Mr Andrew Bennett
	Mr John Beswick
	Mr Phillip Matthews
	Mr Jim Dickenson
	Mr Paul Ibbott
	Mr Andrew Kilpatrick
	Mr Ken Lawson
	Mr Tim Mead
	Mr David Murray
	Mr Denis Reid
	Mr Phillip Watts





H J GIBSON
Partner
WISE LORD & FERGUSON

160 Collins Street
HOBART TAS 7000

Registered Company Auditor
Under the Corporations Law
Section 1280 (2)

Dated: 24 July 2007

COMMITTEE OF MANAGEMENT'S STATEMENT

I, Graham Keating being a designated officer of the Master Builders' Association of Tasmania Inc., report that the Committee of Management of the Association resolved on the 25th of July 2007 that the following declarations, passed by the Committee, in relation to the financial report of the Association for the year ended 30 June 2007 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 2007;
- (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 2007 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 an 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 1B to the Workplace Relations Act 1996.

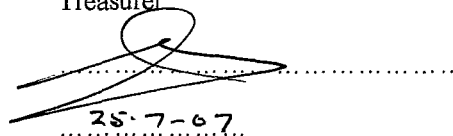
For the Committee of Management:

Graham Keating

Title of Office Held:

Treasurer

Signature:



25.7.07

Date:

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 2007 the Association employed ten staff supporting a total membership of 455. 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 4

Mr JA Rosevear [REDACTED]
Elected: 10.08.2006 **Tenure expires:** 14.08.2008 **Resigned:** n/a

Senior Vice President & Southern Regional Chairman

Mr IC Mansfield [REDACTED]
Elected: 11.08.2005 **Tenure expires:** 09.08.2007 **Resigned:** n/a

Vice President & State Councillor Number 5

Mr David Moody [REDACTED]
Elected: 11.08.2005 **Tenure expires:** 09.08.2007 **Resigned:** n/a

Treasurer & State Councillor Number 7

Mr GF Keating [REDACTED]
Elected: 11.08.2005 **Tenure expires:** 09.08.2007 **Resigned:** n/a

State Councillor Number 1

Mr A Bennett [REDACTED]
Elected: 11.08.2005 **Tenure expires:** 09.08.2007 **Resigned:** n/a

North West Regional Representative

Mr J Beswick [REDACTED]
Elected: 11.08.2005 **Tenure expires:** 09.08.2007 **Resigned:** n/a

State Councillor Number 9

Mr J Dickenson [REDACTED]
Elected: 10.08.2006 **Tenure expires:** 14.08.2008 **Resigned:** n/a

State Councillor Number 7

Mr PR Ibbott

Elected: 10.08.2006

Tenure expires: 14.08.2008

Resigned: n/a

State Councillor Number 9

Mr A Kilpatrick

Elected: 10.08.2006

Tenure expires: 14.08.2008

Resigned: n/a

State Councillor Number 6

Mr K Lawson

Elected: 10.08.2006

Tenure expires: 14.08.2008

Resigned: n/a

North West Regional Chairman

Mr P Matthews

Elected: 11.08.2005

Tenure expires: 09.08.2007

Resigned: n/a

State Councillor Number 3

Mr T Mead

Elected: 11.08.2005

Tenure expires: 09.08.2007

Resigned: n/a

Northern Regional Representative

Mr D Murray

Elected: 10.08.2006

Tenure expires: 09.08.2007

Resigned: n/a

State Councillor Number 2

Mr D Reid

Elected: 10.08.2006

Tenure expires: 14.08.2008

Resigned: n/a

Northern Regional Chairman

Mr P Watts

Elected: 10.08.2006

Tenure expires: 14.08.2008

Resigned: n/a

Signed: 

John A Rosevear

Dated this 26 day of July 2007

Signed: 

Graham F Keating

Dated this 26 day of July 2007