



FAIR WORK  
AUSTRALIA

11 November 2010

Sheena Bass  
Master Builders' Association of Tasmania Inc.  
GPO Box 992K Hobart TAS 7001

Dear Ms Bass

**Re: Lodgement of Financial Statements and Accounts - Master Builders' Association of Tasmania Inc. - for year ending 30 June 2010 (FR2010/2685)**

I acknowledge the receipt of the financial documents of the Master Builders' Association of Tasmania Inc. for the year ended 30 June 2010. The documents were lodged with Fair Work Australia on 6 September 2010.

The documents have been filed.

In addition to the matters already remedied, I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Disclosure of employee benefits to office holders and other employees

The Reporting Guidelines require reporting units to separately disclose in the income statement or in the notes to the financial statements employee benefits and the liability for employee benefits to holders of office (item 11(g)) and to other employees (item 11(h)). I note that the income statement and its notes (note 9) do not distinguish between employee benefits, nor the liability for those benefits, for office holders and other employees.

Missing statement of changes in equity

Section 253(2)(a) of the R O A ct requires that a general purpose financial report consist of a balance sheet, income statement, statement of cash flows and any other statements required by the Australian Accounting Standards. A ASB 1 01(10) requires that a financial report include a statement of changes in equity. There is no statement of changes in equity included in the report provided to Fair Work Australia. Please ensure that future financial reports contain a statement of changes in equity.

References to legislation

In future years please ensure that all financial documents refer to the relevant provisions of the current legislation:

Fair Work (Registered Organisations) Act 2009

Fair Work (Registered Organisations) Regulations 2009.

The Reporting Guidelines previously issued by the Industrial Registrar continue to apply under the above legislation.

If you should require any further information on the financial reporting requirements of the Act, I can be contacted on (03) 8661 7926 or by email at [matthew.jordon@fwa.gov.au](mailto:matthew.jordon@fwa.gov.au).

Yours sincerely

Matt Jordon  
Tribunal Services and Organisations  
Fair Work Australia

### **Designated Officer's Certificate**

s268 *Fair Work (Registered Organisations) Act 2009*

I *Graham Keating* being the *Treasurer* of the *Master Builders Association of Tasmanian Inc* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report*, was provided to members on 5<sup>th</sup> August 2010 and
- that the full report was presented to *meeting of the committee of management* of the reporting unit on 20<sup>th</sup> August 2010; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*

Signature



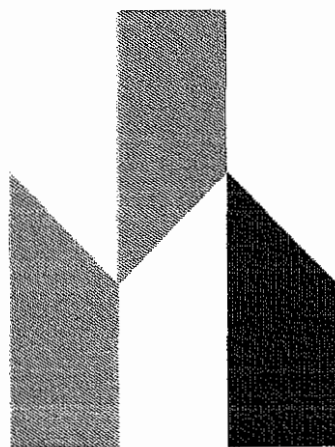
Date:

3/9/10.

*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.*

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

*"Building Tasmania Since 1891"*

**PRESIDENT'S REPORT**

**FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2010**

**Presented at the Annual General Meeting of the  
Master Builders' Association Inc. on  
Friday 20<sup>th</sup> August 2010**

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It is with great pleasure I am able to submit my second Annual Report as President of the Master Builders Tasmania.

We have seen an immense amount of activity within the 2009-2010 period. The Federal Government's stimulus packages curbed the potentially catastrophic decline of our Nation. The initial stimulus monies, coupled with Building the Education Revolution bonuses for our industry resulted in us avoiding a recession. These packages were rolled out and our members have successfully tendered and procured the majority of the works to date. Stringent tender processes were observed for all concerned, including, Architects, Engineers, Builders, Councils and the Government. The flow on effect through to the domestic sector is evident and many builders successfully tendered on Social Housing projects.

Generally our members throughout the state in both domestic and commercial sectors enjoyed an abundance of work and with the flexibility allowed in the procurement of BER projects, many members benefited from an increase of their pre-qualification limits entering into new markets.

Although Tasmania is a small state, in comparison to other states on the national scene, we are constantly regarded at the cutting edge of quality and professionalism. With concerns from the media and opposing political parties, regarding the handling of the BER projects, we are able to hold our heads high. On behalf of our members we have sent press releases to media that would welcome any investigation into the processes, transparency and handling of the stimulus packages. With the Government's stimulus package cooling down we have evidence that the residential and non-residential sectors are faltering and a period of interest rate stability from the Reserve Bank is critical. I am confident as a resilient state we can overcome the economic challenges that may be ahead and look to the future through innovation and commitment.

Master Builders Tasmania successfully hosted the National Board and Executive Directors meetings in May, coupled, with an exclusive tour of the Moorilla Museum and Art Gallery, still under construction by Hansen Yuncken Pty Ltd.

The Federation's agenda items include Federal Government liaison updates and achievements, policy and subscription reviews and formulas, financial reports and controls, Henry Tax Review, Federal Budget submissions and outcomes. These items are governed by the various committees. With the changing of the Federal Government we continue to have direct contact at the highest level to discuss, amongst other things, Industrial Relations, BER Taskforce status and Security of Payment, which remain high on our agenda.

On behalf of our members and our ongoing commitment to the financial well-being of Master Builders Tasmania, we successfully purchased the property at 116 Bathurst Street. It is currently partly tenanted and all signs indicate full tenancy in the near future.

Our membership remains strong and the quality of our builders is evident with winners of National Awards being Fairbrother Pty Ltd, for:

1. National Civil/ Infrastructure Award - Under \$25 Million  
*Grange Resources - Pit Maintenance Facility, Savage River.*
2. National Public Buildings Award - Under \$5 Million  
*Parliament House, House of Assembly, Hobart.*

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I would like to commend Ty Turner, Turner Building Contractors Pty Ltd, State Councillor and newly appointed Chairman of the Membership and Marketing Committee, for winning the State and National Award for Forestry and Wood Products, "Carpenter of the Year".

With our on going commitment to the green environment, we have the new look website at our fingertips and I encourage all members to utilize this facility.

Attached are the individual committee reports and regional reports for your perusal and I would like to thank all the committees for their dedication and commitment. These reports give an acute insight into the workings and achievements of the staff and members that donate their time for the increased value of our industry.

A special commendation goes to Michael Kerschbaum and the team for their professionalism, joint effort and support, not only for the members and committees, but also for each other over the past twelve months.

I would also like to thank the membership for the opportunity and honor of serving the Master Builders of Tasmania over the past two years.

Unfortunately my term as President of the Master Builders has come to an end and I wish the best for our new President and to all a healthy and prosperous year.

A handwritten signature in black ink, appearing to read 'David A. Moody', with a large, sweeping loop at the end.

David A. Moody  
President.

30<sup>th</sup> July 2010

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## **COMMERCIAL SECTOR COMMITTEE**

The Commercial Sector Committee, functioning for six years as a working committee, continues to be pro-active with industry matters. The Committee's objectives are strongly supported by its members who continue to provide input on all matters concerning Commercial Contractors.

Mr Michael Kerschbaum, Executive Director, is the Committee's Convener.

The Committee continuing with its decision to implement improvements to documentation has held further talks with Mr Richard Crawford, President of AIA Tasmanian Division. Mr Crawford recognizes that there is a problem, both here and on the mainland, and the AIA is looking at current training practices. We do have recognition that there are problems with documentation.

The National Code of Practice for Induction for Construction Work and the move towards a uniform approach to occupational health and safety will be mandatory in Tasmania by August 2011. Tasmania's legislated Code of Practice allowed for a phase-in period to give appropriate time to the estimated 16,000 workers in the industry to successfully complete training for their White Card – Training Unit called "Work Safety in the Construction Industry".

The Association applauds the State Government's continued negotiations for lower premium rates for contract works and legal liability insurance with a further reduction in premiums for the 2010-2011 financial year. The rate negotiated represents an approximate 17 per cent reduction on the previous year.

The Committee expressed its dissatisfaction in regard to compliance and policing of the Tasmanian Government Building and Construction Training Policy which resulted in a review being undertaken by Skills Tasmania. Despite the Skills Tasmania Board recommending the policy be suspended, or left open and to be reintroduced at a later date, the Minister determined that the policy was to be left in place but with very little monitoring by Government. The Association has again asked the Government to commit to full compliance and policing of the policy. We are awaiting a response to that correspondence.

National Code of Practice – The Australian Government Building and Construction OH&S Accreditation Scheme - The long and difficult and costly process of OH&S Accreditation affects a number of our Tasmanian members. Compliance and auditing are now an extra workload and to ensure continuity with the process the Association will request a preferred single audit contractor for Tasmania.

Special Training identified for the Commercial Sector - two courses identified previously were repeated again in 2010 with Contract Management and Obligations and Project Management for Building and Construction being facilitated for our Commercial members. Members were also provided with information sessions on Security of Payments Act 2009, the Fair Work Act, and updates on other new Legislation. Mr Michael Kerschbaum also delivered a special workshop on BCA Section J requirements for commercial.

**New Legislation:** There were a number of new legislation bills introduced and passed by the Parliament in 2009, which had a major effect on the Building and Construction Industry. The Tasmanian Government introduced and forced the passage of several Bills, which were of major significance to Master Builders Tasmania.

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The Bills dealt with were:

- Union Right of Entry for OH&S
- Security of Payments
- Workers Compensation
- Referral of IR to the Federal Government

Master Builders Tasmania held concerns with these Bills and gave written submissions on the matters.

Federal Government Stimulus Package – Committee members worked with Government on the delivery of the school projects in Tasmania with the roll out going as smoothly as possible given the very short timeframes that were imposed upon industry by the Federal Government. Our members were responsible for approximately 90% of the school projects in Tasmania.

Mr M Kerschbaum was able to work with the Department of Education to reduce the standard bank guarantee requirements for BER Rounds 2 and 3 and is seeking to have this reduced percentage apply to all Department of Education work into the future.

The Committee raised concerns with the new Certificate III Carpentry & Joinery Qualification introduced into Tasmania in 2009 by the Skills Institute. With the reduction in the number of competency units members felt that Tasmania will head in the same direction as the mainland states and end up with trades people competent in selected areas only. The Association is moving to address this at a National level.

Tasbuild – Employee Entitlements – Mr Michael Kerschbaum, in discussions with Commercial Members and TasBuild is working towards an outcome on Long Service Leave entitlements for non-relevant employees. The Association's efforts are about employees who take a promotion within the same Company to a position that is not "relevant employment" under the Construction Industry (Long Service) Act 1997 and consequently lose their entitlements under the CI Act.

The Committee dealt with a whole range of issues over the last 12 months, including the increase in TasBuild Long Service Leave contributions, the imminent introduction of new bushfire provisions which will have an effect on commercial projects, review of CPD Scheme for Tasmanian Building Practitioners – Builder Category; new Code of Practice for Prevention of Falls in General Construction; National Licensing, Apprentice Training and early sign off; TBCITB Training Levy increase and the BER Implementation Taskforce

**The Committee** held three meetings in Hobart during the year — all very successful.

## **EDUCATION AND TRAINING COMMITTEE**

- A total of 84 courses delivered in 2009/2010
- More than 1100 participants attended our courses and 14,000 hours of training were delivered
- Four Builder Accreditation course are currently running which will result in almost 80 people being able to apply for their accreditation by the end of the year. Bookings for next year's

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course are coming in steadily. More than 59% of enrolments are non-members, so there is a potential for new membership, once they have completed the course.

- Strategic partnerships have been maintained with local providers such as Learning Partners in Launceston, The Australian Technical College, Tasmanian Skills Institute, and interstate providers including MBA ACT and TN Construction Services to offer a wider variety of courses, including:
  - Certificate IV in Building & Construction delivered through a self-paced program as alternative to the already existing face-to-face delivery
  - Diploma in Building & Construction through a self-paced tutor supported program
  - Certificate IV through a recognition process
  - Construction Supervisor
  - Project Management
  - Commercial Contract management

Some additional funding has been sourced through one of the federal government initiatives, but the rollout is still in the planning stage due to numerous hold-ups in the contract administration at a federal level.

The white card training and assessment has created some additional business for the training department with about 300+ deliveries in various modes to members and non-members.

The committee itself has a new chairman (Mr Tim Mead) and a number of new members, so a good cross section of our industry is represented. The meeting schedules have been altered to be quarterly and in conjunction with other MBT meetings, thus maximising the travel time of its members and reducing time lost to attend meetings.

## **HOUSING COMMITTEE**

The Housing Committee objectives are to lobby for positive change to the issues of concern to the Housing Sector and identify areas for future development and promotion of the Housing Sector and its members.

Mr Michael Kerschbaum, Executive Director, is the Committee's Convener.

The Committee looked at a wide range of issues over the past twelve months and has developed appropriate documentation and taken issues forward where required.

- Mr Shane Davidson continued as Chairman of this Committee in 2009/2010.
- Mr J Beswick is the Association's representative on the National Residential Housing Council
- Aurora representatives attended the August 2009 Committee meeting to discuss the current systems and processes – this meeting was followed by representatives attending monthly general meetings in Devonport and Launceston to address members on new connections, appropriate timelines etc.
- Special Annexure developed to accompany the BO4 Contract on disk – update to current requirements



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- Mr M Kerschbaum delivered industry discussions statewide on 5 Star Energy Efficiency requirements in October 2009, followed up by energy efficiency workshops statewide in January 2010. Mr Wayne Gorman (accredited NABERS assessor) also conducted statewide information sessions on 5 star energy efficiency assessments for residential buildings.
- A Flyer was developed for members' sub-contractors on legislative requirements and compliance for White Card Training
- Following a query from a member Workplace Standards provided information to members regarding installation of bench top electric hot plates and the strict requirement for the units to be installed as per manufacturer's instructions
- Mr M Kerschbaum advised that the Regulatory Impact Statement for 6 Star Energy Efficiency for Tasmania did not stack up and industry would not support a move to 6 star that was not cost effective for Tasmania. MBT will be asking the political parties not to move to 6 star due to the affordability implications.
- Code of Practice – Prevention of Falls in General Construction posed some concerns for the Housing Sector – Mr M Kerschbaum has written to the Minister for Workplace Relations re the unsuitability of the code as a model code for Housing requirements
- Construction Notification – the Association requested an increase in the \$200K limit to \$500K and an increase in the limit also for submission of Safety Management Plans, however the Minister did not support either request.
- MBT's Subdivision Assessment document – put on hold because of the State elections and settling in period for the Government
- All MBT Contacts are currently under review by a sub-committee set up for this purpose
- MBT is looking at a proposal to provide secretariat services to its members
- Planning Directive – Residential Code – a document where the Committee members provided input to Government – the Code will apply to all municipalities and will allow the permit as of right uses.

The Committee will face challenges with the long awaited Consumer Framework model still to be finalised, State Bushfire provisions, the Federal Government's focus on OH & S, the National Licensing System, the National Broadband Network, a revision of the Standard - Residential Slabs and Footings – AS 2870, and Universal Housing Standards

## **MEMBERSHIP AND MARKETING COMMITTEE**

Membership and Marketing Committee has continued to work very successfully for the Association throughout the last year. Meetings have been well attended and the input from both staff and committee members has been valuable and considered.

The Excellence Awards night held last August at Wrest Point was again a memorable event with over four hundred people in attendance. Due to a booking clash at the venue this year's event will be held for the first time at The Hotel Grand Chancellor on Saturday, August 21<sup>st</sup>. Having the awards on a Saturday night instead of the traditional Friday night, will provide an opportunity for more northern and north western members to attend the function without the need to take time off work. This year the awards will include special presentations to winners who have entered the competition for their work completed under the Federal Government's Building the Education Revolution programme.

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The Annual Conference was again held at the Launceston Country Club in late May. This year we had a record number of delegates at the Conference, with many first time attendees also participating. The theme this year was the Three I's, Information, Innovation and Imagination. Keynote speakers who attended the Conference included Graeme Joy and Glenn Simpkin from Boral. The dinner on the Friday night attracted another full house attendance with the highlights being an auction of sporting and music memorabilia and a comedian performing live.

Our Committee has achieved one further success of late with State Council approving our recommendation to have all members receive a benefits card. This not only will give everyone a quality membership card, but will also entitle members to discounts at restaurants, hotels, attractions and car hire. We are quite sure that everyone will see the value of this new member benefit and will wish to renew their subscription to the card in years to come.

Our Committee has a full agenda planned for the coming year with the emphasis directed at further improving and developing new member benefits.

Thanks to the staff of Master Builders Tasmania, David, Matt, Judy and Michael for their input and hard work over the last year with the Membership and Marketing Committee. Also a very special vote of thanks to Vonette Mead, Andrew Kilpatrick, Ty Turner and John Harris for all your input, support and hard work.

Congratulations to Mr Ty Turner and all the best as he takes over the Chairmanship of the Membership and Marketing Committee. A special thank you to Mr Phillip Watts for his dedication and hard work over the last few years as the Chairman of the Membership and Marketing Committee and we are glad that he will continue his support as an ongoing member of the Committee.

## **STRATEGIC PLANNING**

The current Strategic Plan is due to expire this year and the Committee reviewed the previous plan with a view of creating a more user-friendly document. The Strategic Plan was re-drafted to properly reflect the organizational and economic changes and challenges that have presented during the year. The plan was then circulated to all committees for feedback and comment with a request for any new ideas to be forwarded to the Strategic Planning Committee. This plan will be forwarded to the new State Council for approval.

## **NORTH WEST REGION**

Ten meetings held over the last 12 months in the region – including 1 in Wynyard, 1 in Smithton and 1 meeting at the then Australian Technical College in Burnie.

Members continue to be supportive of the Monthly General Meetings – with the average attendance for the current year - 20.9. The meetings were also supported by the immediate past President, Mr David Moody and our Executive Director, Mr Michael Kerschbaum. Mr Dicky Post from CBus was also a regular attendee.

Industry Discussion items continue to offer our members information on a diverse range of subjects relevant to industry.

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Two events stand out regarding meeting industry items. The visit to the former Australian Technical College in October 2009 certainly highlighted to members the benefits of the colleges which offered a range of trade and academic options for students. A trip to Smithton in April 2010 in support of our members there included a tour of Britton Timbers Sawmill. Members from Smithton also brought along a number of their employees. The Tour was thoroughly enjoyable and all those who took part gained a wonderful insight into the processing of timbers, both in the green mill and the dry mill.

Other industry discussions covered a range of issues including a presentation by the new water authority, Cradle Mountain Water, MBAIS Insurance representative Mr Malcom Grimes, Mr Mark Butler from the Skills Institute on the new apprentice qualification, Mr Wayne Gorman on Energy Efficiency Assessment, representatives from Aurora on new connection procedures, Mr Kim Blackberry on the new legislation Security of Payments Act 2009.

Recruitment was quite strong with 10 new memberships for 2009-2010. Unfortunately 6 members were lost, due to retirement.

The meetings throughout the year provide an update from the other Association Committees and members are kept fully informed on industry matters. Members also get a real benefit from the "after meeting discussions" and the opportunity to network and discuss problems other members with new members receiving some mentoring from the more experienced members.

Items of interest North West:

- Honorary Membership Awarded to Mr David Stubbs of Stubbs Constructions Pty Ltd
- Success at the 2009 Excellence Awards - winners were Fairbrother Pty Ltd, Chugg Construction, Craftsman Homes North West (John and Trudy Beswick), David Gates Design Unlimited Pty Ltd and Meadcon. Ben Dodd from Stubbs Constructions Pty Ltd was named Apprentice of the Year.
- Successful 2010 Annual Dinner at Bayviews Restaurant in Burnie – 105 attended –another record attendance. The North West Management Committee's initiative to invite other industry participants was again successful and a number of invitees providing sponsorship as well.
- Membership Certificates presented: *10 years of membership*: PJ Greene Builder, Meadcon. *15 years*: David Gates Design Unlimited Pty Ltd, SJ & I Davidson Pty Ltd.
- Mr Tim Mead finished his term as Chairman of the North West Region in June 2010 though he has been elected and will continue as a member of the Regional Management Committee. Mr Shane Davidson was elected as the new Chairman, with Mr Grant Barnes as Vice Chairman and Mr Wayne Licht as the North West Regional Representative.

Devonport office continues to service the needs of its members of the North West as well as provide quality training facilities for the running of our training courses.

**The North West Management Committee** held 9 meetings for the year, all supported by the Committee members. A special thanks to Mr Leigh Glover who took over a vacant position on the Committee due to a resignation. Chairman, Mr Tim Mead, led the Committee for his third term and congratulations to Tim for his enthusiasm and commitment to his role as Chairman. All Committee members support the concept of this Committee as a stepping stone to future roles at different levels within the Association. Mr Robert Rimmelzwaan is the newest member of the Committee.

As at 30<sup>th</sup> June, 2010 the North West Region membership totalled 142.

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## **SOUTHERN REGION**

The past 12 months has seen 10 Regional Meetings with various industry discussions as follows:

- Barbara Wakefield from Building Practitioner Accreditation (BPA) addressed the members on CPD issues.
- Southern Water representatives addressed the members on their organisation and new approval processes.
- Tasmanian Skills Institute addressed the members; giving them a brief overview of the Institute and changes with the training package qualifications including the impacts the changes would have on employers and apprentices alike.
- Mr Michael Kerschbaum provided a presentation to the members on 5\* Energy Efficiency covering the rating assessment and methods for achieving the rating.
- John Chrispin and Kaylene Allen presented on the Derwent Estuary Program and provided the members with alternative solutions in pollution prevention and maintenance on construction sites.
- Mr Andrew Walker and K&D staff hosted the CPD session and provided members with an overview of the K&D Trade's new store in Kingston as well as the introduction of the Trade Magazine and online facilities now available for management of accounts. Also provided was an up to date detail of industry products and events including the soon to be provided K&D Section Guide for residential projects.
- Messrs Carlo Zagni and Brad Rizzolo invited members on a tour of Heritage Stone worksite and workshop.
- Mr Wayne Gorman, Accredited NABERS assessor delivered a presentation to members on energy assessment for residential buildings.
- Mr Kim Blackberry gave a detailed outline of the Security of Payment Act 2009.
- State Representative and State Technical Representative for Fletcher Installations presented information pertaining to the BCA requirements for domestic and commercial construction.

Though the meetings of 2009/2010 have endeavored to provide the members with up to date information session as well as provide them with relevant CPD opportunities the attendance at the meetings has dropped slightly. Average attendance to meetings for 2009/2010 meeting period is approximately 19.

The region recruited three (3) new members this year, but unfortunately had eight (8) members resign as a result of retirement, leaving the industry, or moving interstate. There are also a number of members who have suspended their membership as they are taking a temporary break from the industry. As at 30<sup>th</sup> June 2010 there were 189 members registered in the Southern Region.

### **Regional Items of interest:**

The following items were 2009/2010 items of interest for the Southern Region:

- August 2009 saw another successful year at the Excellence Awards with the following southern members taking out awards:  
Mansfield Builders, Felcon Construction, Alwin Management, Scenport Constructions, Construction 3, Wyatt Constructions, Craig Doran, Hazell Bros, with Vos Construction and Fairbrother also winning awards for southern projects.

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- Southern Regional Dinner was held in late November 2009 with approximately 100 attendees. The dinner was held at Moorilla Winery and sponsorship from K&D Trade helped to make the evening a great success and was enjoyed by all.
- December 2009 saw some major changes in the Association's structure. Ms Megan Breen from Hobart was made redundant which made way for the Association to employ a more experienced team member in Ms Carolyn Shaw who started in February 2010.
- September 2009 the Association purchased a property at 116 Bathurst Street, Hobart. The building secured one tenant at the end of 2009 and marketing is ongoing to lease the remaining 4 floors.
- Mr Andrew Bennett finished his term as Chairman of the Southern Region in June 2010 though he has been elected and will continue as a member of the Regional Management Committee. Mr Lyndon Fenton was voted as the new Chairman with Mr Mark Schmidt Vice Chairman and Mr Denis Reid Southern Regional Representative.

**Southern Management Committee:**

A total of 8 meetings were held between July 2009 and June 2010. The Management Committee has finalised and set up the Southern Region Mentor Program and will be available to members on request.

In 2010 the Southern Region embarked on a regional marketing campaign endeavoring to attract new members especially from the Trade Contractor Sector.

June 2010 saw the voting in of a new Southern Regional Chairman, Mr Lyndon Fenton and Mr Mark Schmidt as Southern Regional Vice Chairman and Mr Denis Reid as Southern Regional Representative.

Committee thanked Mr Andrew Bennett for his dedication and devotion to the Association and the members in the Southern Region in his term as Southern Regional Chairman.

The new Committee is looking forward to the future with an emphasis on increasing numbers in the Southern Region.

## **NORTHERN REGION**

During the 2009-10 period, nine monthly general meetings were held at Industry House and one meeting was held at the Australian Technical College in Launceston.

Attendance levels at monthly meetings have continued to average approximately 27 people per month throughout the past year. The monthly meetings play a vital role in communicating information to our members and were supported by the senior staff and senior elected representatives from the organisation including our President, Mr. David Moody.

Industry discussion topics presented this year have included:

- Occupational Health and Safety delivered by Workplace Standards
- Training updates from The Skills Institute
- Hearing Testing delivered by Hearing link
- Water delivery by Ben Lomond Water
- Electricity delivery by Aurora Energy

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- Building technical updates delivered by Protek
- Security of Payment Legislation updates delivered by MBT
- 5 Star Energy Efficiency & Assessment delivered by MBT and Mr. Wayne Gorman

Our Honorary members Messrs Alan Orr, Reg Walley, Tom Vimpany, Ian Dent and Max Seymour continue to be actively involved in the Association. Alan, Reg and Tom in particular attend virtually every monthly meeting and most other functions organised by MBT. Our Honorary members continue to serve as mentors for all our younger members by passing on freely the knowledge and experiences they have gained over a life time of involvement within the building industry.

Furthermore, our only Northern Life Member of the Association, **Don Dickenson**, added an Order of Australia Medal for services to the building industry to his long list of lifetime achievements in the recent Queen's Birthday Honours list. Congratulations Don.

Once again this year our region was well represented at the Annual Excellence Awards presented at the Association's gala night at Wrest Point last August. We had several individual winners, covering both the domestic and commercial building categories, including Fairbrother, Bruce Crerar, CBM Designer Homes and Vos Construction and Joinery. Congratulations also to Ty Turner for winning the National Carpenter of the year award announced earlier this year.

Additionally, it is pleasing to report that the region secured a highly successful Certificate IV group during the year and the region should secure some fantastic new young members from this training initiative. Training is an opportunity for members to improve their skills base and develop their business abilities. It is also an interesting and worthwhile way to acquire the CPD points required annually to retain one's accreditation with the Department of Justice.

Throughout the past year the Northern Region has been well represented on State Council by its elected members, Ken Lawson, Andrew Kilpatrick, David Murray, Ty Turner and Phillip Watts. All these members have tried to represent the interests of the North and the Association as a whole, to the best of their abilities. In addition to these State Council representatives, Andrew Anstie, Phil Connors and Craig Burleigh have comprised the Northern Regional Management Committee. Thank you to all of you for the contributions you have made throughout 2009-10.

On a more somber note, the Northern Region would like to commemorate the passing last year of our long standing northern member, Mr Peter Burt on July 16, 2009. Peter and his wife Val through their business P and V Burt have been members of MBT for some twenty years. It is pleasing to note that Glen and Grant have seen fit to retain membership of the Association going forward. We acknowledge also the passing of Max Hill, another of our local builder members on May 7, 2010 and recognise the tragic death of Dr Stan Siejka in a skiing accident in New Zealand last September. Although not a member of the Association, his parents Jan and Maria Siejka are foundation members of the Northern region and are possibly best known for sponsoring the Continental Golf Cup. Our thoughts go out to the surviving members of each of these person's families and their friends.

The Northern Region thanks Mr Phillip Watts for his outstanding efforts over the past four years and welcomes the incoming Chairman, Mr Ken Lawson and new Vice Chairman, Mr Andrew Kilpatrick.

The office continues to service the needs of its Northern members as well as provide the ongoing Marketing, Services & Events initiatives for the State.

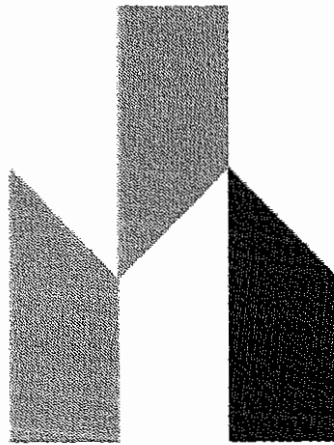
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Thank you to all Northern members for your ongoing support.

As at 30<sup>th</sup> June there were **129** members registered in the Northern region.

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**MASTER BUILDERS  
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*"Building Tasmania Since 1891"*

**TREASURER'S REPORT**

And

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2010**

Presented at the Annual General Meeting of the  
Master Builders' Association Inc. on  
Friday 20<sup>th</sup> August 2010



**MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.**  
**TREASURER'S REPORT**  
**2009-2010**

Members, it is my pleasure to present my fourth report as Treasurer of the Association as to the financial operations of the Association for the 2009 – 2010 financial year. The report of accounts also includes the 2010 Auditor's report for the fiscal year. This report is the 119<sup>th</sup> report issued by the Master Builders' Association of Tasmania Inc.

The report I presented for the last financial year, presented a Nett profit of \$978,387.00, however this profit was solely a result of the sale of property assets (Construction House & the adjoining Annexe Building – a nett result of \$1,063,747.00) & therefore an operating loss of \$85,359.00.

Whilst the audited accounts this year reveal a loss of \$92,266.00, our base operating deficit was somewhat less than this figure.

As mentioned we commenced the year aiming for a nominal balanced budget with a deficit of \$13,611.00 and the budget was re-cast in December 09 to take into account

- The purchase of 116 Bathurst Street and an expected surplus from the sale of Highfield House (\$145,000.00)
- Income from 116 Bathurst St - \$41,000.00
- A reduction in expected income from Training & associated activities.
- A reduction/re-evaluation of expected income from marketing/sponsorship arrangements with our commercial partners.
- Expenses of \$145,000.00 on 116 Bathurst St

These adjustments resulted in a revised budget deficit of \$128,650.00

Final budget variations (rounded) of significance are:

**Income**

- Membership down- \$10,000.00
- Fee for service down -\$13,000.00
- Membership & Marketing down - \$20,000.00
- Sale of Highfield House -\$145,000.00 (suggested by Auditors not to be taken up)
- Interest received up - \$22,000.00
- Training services up -\$50,000.00

**Expenses**

- Housing Guarantee Scheme down - \$36,000.00
- Membership & Marketing down - \$44,000.00
- 116 Bathurst Street – Outgoings down - \$98,000.00 (Total Expenditure of \$180,000.00 incl. capital expenditure)
- Amortisation Expenses up \$30,000.00
- Depreciation up - \$20,000.00

**Other items of significance in the audited accounts include**

- Amortisation of office fit out costs at 34 Patrick St - \$29,548.00
- Increase in employee entitlements \$24,000.00 (Note 9)

**Operational**

I would like to compliment the Executive Director & all staff for their continuing efforts to contain operating costs & this has been reflected in the final budget outcome.

**MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.**  
**TREASURER'S REPORT**  
**2009-2010**

Marketing & sponsorship opportunities continue to be influenced by the global financial crisis, and our staff in this area has a major challenge to achieve increased outcomes.

Our annual conference in May 10 was very successful and I am pleased to report a significant turn around from the 2009 result. Congratulations to all staff involved.

Training services continue to be a major source of income & have again significantly exceeded budget & again I would like to compliment Ottmar Helm for his work in this area.

Membership growth remains stagnant and has again had an affect on our results, albeit minor. The long term outlook for membership renewal & growth will have to be an on-going task for future Management & Council.

Claims against our own Housing Indemnity Scheme have continued to erode our assets (at least only by \$3,380.00 this year); however we expect further claims during 2010-2011

Our balance sheet remains strong with property assets increasing significantly due to the purchase of 116 Bathurst St and our Investment Committee chairman Mr Bloomfield & his committee deserves special mention for their untiring efforts on behalf of Master Builders Tasmania.

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 30<sup>th</sup> June 2010.

  
Graham F. Keating  
Treasurer.

5<sup>th</sup> August 2010





## Wise Lord & Ferguson

*advice to advantage*



Chartered Accountants

### **Independent auditor's report to the members of The Master Builders Association of Tasmania**

We have audited the accompanying financial report of The Master Builders Association of Tasmania (the Association), which comprises the balance sheet as at 30 June 2010, and the income statement and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management's statement.

#### *The Committee of Management's Responsibility for the Financial Report*

The Association's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the *Associations Incorporation Act [TAS]*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.



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Partners: Peter Beven, Harvey Gibson, Danny McCarthy, Douglas Thomson,  
Joanne Doyle, Stuart Clutterbuck, Ian Wheeler, Dean Johnson, Marg Marshall  
Managers: Alicia Leis, Melanie Richardson Nick Carter,  
Paul Lyons Simon Jones Shaun Evans

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

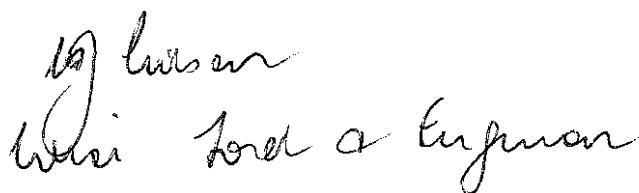
### *Independence*

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

### *Auditor's Opinion*

In our opinion the financial report of The Master Builders Association of Tasmania is in accordance with:

- (a) the *Associations Incorporation Act [TAS]*, including:
  - (i) giving a true and fair view of the financial position of The Master Builders Association of Tasmania at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) other mandatory financial reporting requirements in Australia.

A handwritten signature in black ink, appearing to read 'Harvey J Gibson', written over the printed name.

**HARVEY J GIBSON**  
PARTNER  
WISE LORD & FERGUSON

Date: 4 August 2010

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	<b>2010</b> \$	<b>2009</b> \$
<b>REVENUE</b>	3	1,634,914	1,549,181
Other Income	3	-	1,097,081
<b>TOTAL INCOME</b>		<b>1,634,914</b>	<b>2,646,262</b>
<b>EXPENSES</b>			
Depreciation expense	4	75,705	84,732
Employee Benefits Expense		587,340	592,414
Other Expenses	4	1,064,135	990,727
<b>TOTAL EXPENSES</b>		<b>1,727,180</b>	<b>1,667,875</b>
<b>NET PROFIT / (LOSS)</b>		<b>(92,266)</b>	<b>978,387</b>

The accompanying notes form part of these financial statements.

# THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

## BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash	5	1,071,694	2,913,412
Prepayments		1,408	13,336
Stock		33,630	43,632
Trade Receivables	6	128,971	174,945
Interest Receivable		381	6,658
Other Receivable		1,100,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,336,084</b>	<b>3,151,983</b>
<b>NON-CURRENT ASSETS</b>			
Investment in MBAIS	19	120,000	30,000
Property, Plant & Equipment	7	3,775,297	2,025,163
Other Non-Current Assets		-	34,210
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,895,297</b>	<b>2,089,373</b>
<b>TOTAL ASSETS</b>		<b>6,231,381</b>	<b>5,241,356</b>
<b>CURRENT LIABILITIES</b>			
Creditors	8(a)	51,346	91,360
Income Received in Advance		61,307	73,652
Employee Entitlements	9	73,098	49,619
HIS Claim Liability	14, 1(k)	66,733	133,333
Other Liabilities	8(b)	1,177,771	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,430,255</b>	<b>347,964</b>
<b>TOTAL LIABILITIES</b>		<b>1,430,255</b>	<b>347,964</b>
<b>NET ASSETS</b>		<b>4,801,126</b>	<b>4,893,392</b>
<b>ACCUMULATED FUNDS &amp; RESERVES</b>			
Accumulated Funds & Reserves	10	4,801,126	4,893,392

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 2010**

	Notes	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Trading		396,871	1,524,577
Interest Received		125,294	40,995
Payments to Suppliers & Employees		(416,828)	(1,601,627)
<b>Net Cash provided by (used in) Operating Activities</b>	<b>12(b)</b>	<b>105,337</b>	<b>(36,055)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant & Equipment		10,909	2,739,362
Acquisition of Property, Plant and Equipment		(1,867,964)	(151,738)
Acquisition of Share Capital		(90,000)	-
<b>Net Cash provided by (used in) Investing Activities</b>		<b>(1,947,055)</b>	<b>2,587,624</b>
Net Increase (Decrease) in Cash Held		(1,841,718)	2,551,569
Cash at the Beginning of the Year		2,913,412	361,843
<b>CASH AT THE END OF THE YEAR</b>	<b>12(a)</b>	<b>1,071,694</b>	<b>2,913,412</b>

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 2010**

**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) 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.

**(d) 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 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(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:

	<b>2010</b>	<b>2009</b>
Motor vehicles	4 - 5 years	4 - 5 years
Plant and Equipment	2.5 - 11 years	2.5 - 11 years
Buildings	50 years	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.

*Investment Property*

The property purchased during the year, 116 Bathurst Street Hobart, is considered an investment property and is governed by AASB140. Within AASB140, the cost model has been adopted. Under the cost model, the asset is valued at cost and is not depreciated. Details regarding the fair value of the asset at balance sheet date are disclosed in the notes to the financial statements. Refer note 20.

**(h) 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 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(i) 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 Balance Sheet.

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.

**(j) 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.

**(k) 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 the Association 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 being 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 2010**

**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**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Associate Specialist Contractor	61,392	59,936
Associate Supplier Exchange	16,296	17,820
Documents	16,312	19,390
Fee for Service	24,338	27,501
Housing Indemnity Guarantee Commission	72,527	67,121
Insurance Rebates	4,010	14,638
Interest Received	119,017	40,995
Conference	97,558	59,222
Subscriptions	419,138	431,786
Training	383,150	308,477
Property Income	160,408	251,693
Sponsorship	31,532	90,176
Pathways Program Income	43,970	42,063
Housing Awards/Annual Dinner Income	103,407	76,144
Sensis Advertising Income	37,884	-
Marketing Income	19,790	-
Sundry Revenue	24,185	42,219
<b>Total Revenue</b>	<b>1,634,914</b>	<b>1,549,181</b>
<b>Other Income</b>		
Profit on Sale of Fixed Assets	-	1,063,746
Reimbursement Income	-	33,335
<b>Total Other Income</b>	<b>-</b>	<b>1,097,081</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**4. EXPENSES**

	2010 \$	2009 \$
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	16,738	29,466
Buildings	29,387	29,425
Motor Vehicles	29,580	25,841
<b>Total Depreciation of Non-Current Assets</b>	<b>75,705</b>	<b>84,732</b>
<i>Other Expenses</i>		
Accounting & Audit	4,465	6,945
Advertising	3,464	40,061
Amortisation Expense	29,548	4,238
Annual Dinner Expenses	22,368	18,384
Bad Debts	28	6,968
Bank Charges	1,686	1,121
Building Journal Expenses	10,093	11,932
Catering & Meeting Costs	23,478	21,811
Commission	10,402	-
Consultancies	14,618	26,763
Cost of Goods Sold	10,002	14,093
Documents	9,591	12,741
Federal Subscriptions	73,176	65,414
Housing Awards/Annual Dinner Expense	77,379	88,318
Housing Guarantee Scheme	3,380	19,893
Insurances	28,418	22,002
Interest Expense	43,806	-
Light & Power	23,464	7,983
Loss on Sale of Fixed Asset	1,669	808
Conference	52,117	55,617
Office Rental	73,632	38,024
Pathways Program Expenditure	16,022	-
Postage & Stamps	10,446	15,184
Printing and Photocopying	15,396	21,168
Property Expenses- Rates	28,475	46,839
Property Maintenance	38,333	52,877
Sensis Expenses	35,883	-
Sponsorship	-	1,119
Telephone	28,860	33,099
Training	270,600	235,916
Travel Meals & Accommodation	15,255	27,188
Vehicle Running	20,876	24,335
Sundry Expenses	67,205	69,886
<b>Total Other Expenses</b>	<b>1,064,135</b>	<b>990,727</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>5. CASH</b>			
Cash on Hand		1,500	1,500
Commonwealth Trading Bank		114,494	15,532
Cash Investment		852,595	246,318
Commonwealth At Call		103,105	2,650,062
<b>TOTAL CASH</b>		<b>1,071,694</b>	<b>2,913,412</b>
<b>6. TRADE RECEIVABLES</b>			
Trade Receivables	(a)	135,780	187,205
Provision for Doubtful Debts		(6,809)	(12,260)
<b>TOTAL TRADE RECEIVABLES</b>		<b>128,971</b>	<b>174,945</b>
(a) <b>Terms and Conditions</b>			
Terms and conditions relating to the above financial instruments:			
(i) Trade debtors are non-interest bearing and generally on 30 day terms.			
<b>7. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Land		362,000	362,000
Buildings		3,263,657	1,469,358
Less: Accumulated Depreciation		(88,011)	(58,624)
		3,175,646	1,410,734
Plant & Equipment		411,404	388,232
Less: Accumulated Depreciation		(348,281)	(331,543)
		63,123	56,689
Motor Vehicles		180,300	154,664
Less: Accumulated Depreciation		(60,630)	(43,330)
		119,670	111,334
Leasehold Improvements		88,644	88,644
Less: Accumulated Amortisation		(33,786)	(4,238)
		54,858	84,406
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>3,775,297</b>	<b>2,025,163</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

2010	2009
\$	\$

**PROPERTY PLANT & EQUIPMENT - CONTINUED**

**(a) Reconciliations**

*Buildings*

Opening Written Down Value	1,410,734	2,720,827
Less Depreciation	(29,387)	(29,425)
Less Disposals	-	(1,285,386)
Add Purchases	1,794,299	4,718
Closing Written Down Value	3,175,646	1,410,734

*Plant & Equipment*

Opening Written Down Value	56,689	92,417
Add Purchases	23,172	24,605
Less Disposals	-	(30,867)
Less Depreciation	(16,738)	(29,466)
Closing Written Down Value	63,123	56,689

*Motor Vehicles*

Opening Written Down Value	111,334	114,201
Add Purchases	50,494	33,774
Less Disposals	(12,578)	(10,800)
Less Depreciation	(29,580)	(25,841)
Closing Balance	119,670	111,334

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>8. (a) CREDITORS</b>			
Trade Creditors	(c)	51,398	91,816
GSI Liability		(52)	(456)
<b>TOTAL CREDITORS</b>		<b>51,346</b>	<b>91,360</b>
<b>(b) OTHER LIABILITIES</b>			
Mortgage Loan		1,100,000	-
MBAIS Shareholdings Loan		76,573	-
Sundries		1,198	-
<b>TOTAL CREDITORS</b>		<b>1,177,771</b>	<b>-</b>

**(c) 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.

**9. EMPLOYEE ENTITLEMENTS**

The aggregate employee entitlement liability is comprised of:

Provision for Annual Leave	47,243	34,760
Provision for Long Service Leave	25,855	14,859
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>73,098</b>	<b>49,619</b>

**10. ACCUMULATED FUNDS**

Accumulated Funds

Balance at Beginning of year	4,893,392	3,915,005
Add Profit / (Loss) for the year	(92,266)	978,387
<b>TOTAL ACCUMULATED FUNDS</b>	<b>4,801,126</b>	<b>4,893,392</b>

**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

4,800	4,600
<b>4,800</b>	<b>4,600</b>



# THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

## NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>12. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
(a) <b>Reconciliation of Cash</b>		
Cash on Hand	1,500	1,500
Cash at Bank	114,494	15,532
Cash Investment Account	852,595	246,318
Commonwealth At Call	103,105	2,650,062
	<b>1,071,694</b>	<b>2,913,412</b>
(b) <b>Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit:</b>		
Net Profit / (Loss)	(92,266)	978,387
Depreciation and Amortisation	105,252	88,970
(Profit)/Loss on Sale of Non- Current Assets	1,669	(1,062,938)
Amortisation of HIS Claim Liability	(66,600)	(66,666)
Increase/(Decrease) in Provisions	23,479	(21,894)
Increase/(Decrease) in Creditors/Accruals	1,137,757	(9,225)
Increase/(Decrease) in Income in Advance	(12,345)	23,149
(Increase)/Decrease in Prepayments	11,928	1,424
(Increase)/Decrease in Inventories	10,002	14,093
(Increase)/Decrease in Receivables	(1,013,539)	18,645
Net Cash provided by (used in) Operating Activities	<b>105,337</b>	<b>(36,055)</b>

## 13. RELATED PARTY DISCLOSURES

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

President	Mr D Moody	Councillor	Mr A Kilpatrick
Senior Vice President	Mr P Watts	Councillor	Mr K Lawson
Vice President	Mr W Licht	Councillor	Mr J Rosevear
Treasurer	Mr G Keating	Councillor	Mr T Mead
Councillor	Mr A Bennett	Councillor	Mr D Murray
Councillor	Mr S Davidson	Councillor	Mr D Reid
Councillor	Mr T Turner	Councillor	Mr S Glanville
Councillor	Mr PR Ibbott	Councillor	Mr G Barnes

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 2010**

**14. HOUSING GUARANTEE SCHEME**

The Master Builders' Association of Tasmania managed 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 2010, 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 2010**

**19. INVESTMENT IN MBAIS**

At the 30<sup>th</sup> June 2010, The Master Builders' Association of Tasmania has monies invested in MBA Insurance Services Pty Ltd (MBAIS). This is specifically a share holding in MBAIS of \$120,000 (2009: \$30,000). MBAIS have faced consistent challenges since the inception of the business to ensure the timely payment of commissions to State MBA's and to ensure the business is sufficiently capitalised. A third party review of the financial status of MBAIS was performed during the 2009 financial year which found that challenges remain and that without change to the capitalisation of MBAIS, the severity of the solvency risk and risk of not being able to pay monies owing to MBA's will increase. A proposal was accepted by the State MBA's regarding injecting further capital into MBAIS to help reduce solvency risk and increase the likelihood of receiving monies owed from MBAIS. Each state was issued three additional shares at a value of \$30,000 each, therefore the Master Builders' Association of Tasmania has increased its investment in MBAIS by \$90,000 during the 2010 financial year.

**20. INVESTMENT PROPERTY (116 BATHURST STREET HOBART)**

During the financial year The Master Builders Association of Tasmania purchased a new investment property at 116 Bathurst Street, Hobart. It has been recorded in the accounts under the cost model of AASB140 as per policy in note 1(g).

The recorded cost of the property in the balance sheet is \$1,794,299. A valuation was performed at 30 June 2010 by Brothers & Newton – Opteon property valuers, and two valuations were advised based on occupancy levels. When fully occupied the fair value of the 116 Bathurst St property is \$2,700,000, while at its current occupancy the fair value is \$2,000,000.

**21. REGISTERED OFFICE**

34 Patrick Street  
Hobart Tasmania 7000

**22. 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.

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**23. 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 2010

### Note 23. FINANCIAL INSTRUMENTS - Continued

	Non-interest bearing	Floating interest rate	Fixed interest rate	Carrying amount per balance sheet	Aggregate net fair value	Weighted average effective interest rate
<b>2010</b>						
<b>Financial Assets</b>						
Cash at Bank	115,994	-	-	115,994	115,994	Non-interest bearing
Cash Investment	-	852,595	-	852,595	852,595	5.00%
At Call Investment	-	103,105	-	103,105	103,105	4.50%
Other assets (interest bearing)	-	1,100,000	-	1,100,000	1,100,000	8.42%
Other assets (non-interest bearing)	129,352	-	-	1,229,352	1,229,352	Non-interest bearing
Total financial assets	245,346	2,055,700	-	2,301,046	2,301,046	
<b>Financial Liabilities</b>						
Accounts payable	51,346	-	-	51,346	51,346	Non-interest bearing
Mortgage Loan		1,100,000		1,100,000	1,100,000	8.42%
Total Financial Liabilities	51,346	1,100,000		1,151,346	1,151,346	
<b>2009</b>						
<b>Financial Assets</b>						
Cash at Bank	17,032	-	-	17,032	17,032	Non-interest bearing
Cash Investment	-	246,318	-	246,318	246,318	4.25%
At Call Investments	-	2,650,062	-	2,650,062	2,650,062	3.00%
Other assets	215,466	-	-	215,466	215,466	Non-interest bearing
Total financial assets	232,498	2,896,380	-	3,128,878	3,128,878	
<b>Financial Liabilities</b>						
Accounts payable	91,360	-	-	91,360	91,360	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.

## 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 20<sup>th</sup> of August 2010 that the following declarations, passed by the Committee, in relation to the financial report of the Association for the year ended 30 June 2010 be included in the financial report.

In the opinion of the Committee of Management:

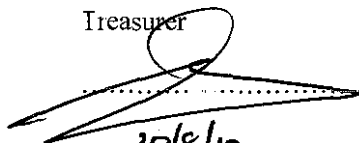
- (a) the financial report complies with the Australian Accounting Standards;
- (b) the financial report complies with the reporting guidelines of the Industrial Registrar;
- (c) the financial report gives a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2010;
- (d) the financial statements and notes comply with the Australian Accounting Standards;
- (e) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (f) 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
- (g) during the financial year ended 30 June 2010 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 1 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 1 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 to the Workplace Relations Act 1996

For the Committee of Management:      Graham Keating

Title of Office Held:

Treasurer

Signature:



20/8/10

Date:

The Commissioner  
Corporate Affairs  
GPO Box 249C  
HOBART TAS 7001

I advise that, as at the 30<sup>th</sup> June 2010 the following persons were Committee Members of the Master Builders' Association of Tasmania Inc. for the purposes of the Association's Incorporations Act 1964.

<b>President</b>	Mr David Moody
<b>Senior Vice President</b>	Mr Phillip Watts
<b>Vice President</b>	Mr Wayne Licht
<b>Treasurer</b>	Mr Graham Keating

<b>Councillors</b>	Mr Andrew Bennett
	Mr Shane Davidson
	Mr Paul Ibbott
	Mr Andrew Kilpatrick
	Mr Ken Lawson
	Mr Ty Turner
	Mr Tim Mead
	Mr David Murray
	Mr Denis Reid
	Mr Scott Glanville
	Mr John Rosevear
	Mr Grant Barnes

**H J GIBSON**  
PARTNER  
WISE LORD & FERGUSON

*H Gibson*  
*Wise Lord & Ferguson*

1/160 Collins Street  
HOBART TAS 7000

Dated: 4 August 2010

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

## OPERATING REPORT

The Master Builders' Association of Tasmania Inc., 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.

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

As at 30 June 2009 the Association employed ten staff supporting a total membership of 468. Rule 9 of the Association's Constitution provides that:

### **"9 - RESIGNATION OF MEMBERS**

- (a) *Any Member may resign from membership by written notice addressed and delivered to the Executive Director.*
- (b) *A notice of resignation from membership of the Association takes effect:*
  - (i) *where the member ceases to be eligible to become a member of the Association;*
    - (a) *on the day on which the notice is received by the Association; or*
    - (b) *on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,*
  - whichever is later, or*
  - (ii) *In any other case:*
    - (a) *at the end of 2 weeks after the notice is received by the Association; or*
    - (b) *on the day specified in the notice;*
  - whichever is later.*
- (c) *Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.*
- (d) *A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.*
- (e) *A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-section (a)*

*A notice of resignation from membership of the Association is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted "*

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

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



Current State Council Members are:

**President & Southern Region Representative**

Mr David Moody

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Senior Vice President & Northern Region Chairman**

Mr P Watts

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Vice President**

Mr W Licht

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Treasurer**

Mr GF Keating

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Southern Region Chairman**

Mr A Bennett

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**North West Region Representative**

Mr S Davidson

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Northern Region Representative**

Mr Ty Turner

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr S Glanville

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr PR Ibbott

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr A Kilpatrick

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr K Lawson

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**North West Region Chairman**

Mr T Mead

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr D Murray

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr D Reid

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr G Barnes

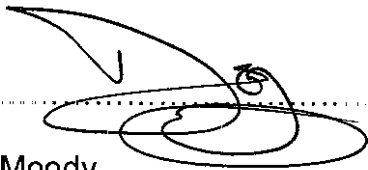
**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor (Immediate Past President)**

Mr J Rosevear

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

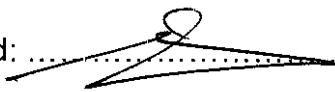
Signed: .....



David A Moody

Dated this 16<sup>th</sup> day of August 2010

Signed: .....



Graham F Keating

Dated this 5<sup>th</sup> day of August 2010



FAIR WORK  
AUSTRALIA

30 September 2010

Ms. Sheena Bass  
Master Builders' Association of Tasmania Inc  
GPO Box 992K  
HOBART TAS 7001

Dear Ms Bass,

**Re: Financial Report for the Master Builders' Association of Tasmania Inc for the year ended 30 June 2010 (FR2010/2685)**

I acknowledge receipt of the financial report of the Master Builders' Association of Tasmania Inc for the year ended 30 June 2010. The documents were lodged with Fair Work Australia (FWA) on 6 September 2010.

Further to our conversation on Monday 27 September, I advise that the financial report has not been filed.

I have examined the financial report. Following that examination I have identified two matters in relation to the Audit Report, the details of which are set out below, that I require the organisation to attend to before the report can be filed.

**Audit report expressed in terms of the *Associations Incorporation Act 1964 (Tas)***

The audit report would appear to be prepared to satisfy the requirements of the *Associations Incorporation Act 1964 (Tas)*. On the face of the document, it would appear to be prepared to conform to the financial requirements of the state legislation rather than the requisite federal legislation.

The financial reporting scheme for federally registered organisations is set out in the *Fair Work (Registered Organisations) Act 2009* (the Act), the Regulations and the financial Reporting Guidelines of the General Manager of FWA. In order to comply with the federal financial reporting requirements, the audit report must state an opinion as to whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the Act. The audit report submitted does not conform to these requirements. The following wording of the auditors opinion would satisfy the requirements of subsection 257 (5) of the Act;

*In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.*

**Audit Report signed before Committee of Management Resolution and Statement**

The preparation of the Committee of Management Statement is mandated by the Reporting Guidelines, and forms part of the general purpose financial report. As such, an audit of the general purpose financial report must include the Committee of Management Statement.

The audit report submitted states that the auditor has audited the financial report of the Master Builders' Association of Tasmania Inc, which includes the Committee of Management Statement. The Audit Report is dated 4 August 2010. The Committee of Management Statement indicates

11 Exhibition Street	Telephone: (03) 8661 7777
Melbourne VIC 3000	International: (613) 8661 7777
GPO Box 1994	Facsimile: (03) 9655 0401
Melbourne VIC 3001	Email: melbourne@fwa.gov.au

that the Committee of Management resolution was passed on the 20th August 2010, and the Statement is also dated the 20 August 2010.

As discussed above, the Auditors opinion must be made after the Committee of Management Resolution has been passed and Statement made. It is apparent from the date of the Committee of Management Statement that the auditor could not have taken into account the Committee of Management resolution or Statement.

### **Recommendation**

I understand from our conversation, that the audit report submitted for lodgement is a copy of the audit report submitted to members. The audit report submitted to members does not comply with the requirements of the Act.

For the matter to be filed, a new audit report, which complies with the requirements of the Act, must be produced by the auditors. The new auditor's report, existing Committee of Management Statement and the existing Operating Report must be distributed to members, and presented before the Committee of Management. The full financial report together with an appropriate designated officer's certificate should then be lodged.

I have attached to this correspondence a copy of the Reporting Guidelines of the General Manager of FWA, as well as a diagrammatic summary of financial reporting guidelines for your information.

A copy of this correspondence has not been forwarded to your auditor. Should you wish this correspondence to be forwarded to your auditor, or if you require further information on the financial reporting requirements of the Act, I can be contacted on (03) 8661 7926 or by email at [erin.bulluss@fwa.gov.au](mailto:erin.bulluss@fwa.gov.au).

Yours sincerely,



Erin Bulluss  
Tribunal Services and Organisations  
Fair Work Australia  
Email: [erin.bulluss@fwa.gov.au](mailto:erin.bulluss@fwa.gov.au)



## Wise Lord & Ferguson

*advice to advantage*



Chartered Accountants

### **Independent auditor's report to the members of The Master Builders Association of Tasmania**

We have audited the accompanying general purpose financial report of The Master Builders Association of Tasmania (the Association), which comprises the balance sheet as at 30 June 2010, and the income statement and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management's statement.

#### *The Committee of Management's Responsibility for the Financial Report*

The Association's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.



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](mailto:email@wlf.com.au) Internet: [www.wlf.com.au](http://www.wlf.com.au)

**Partners:** Peter Beven, Harvey Gibson, Danny McCarthy, Douglas Thomson,  
Joanne Doyle, Stuart Clutterbuck, Ian Wheeler, Dean Johnson, Marg Marshall  
**Managers:** Alicia Leis, Melanie Richardson, Nick Carter, Paul Lyons,  
Simon Jones, Shaun Evans, Trent Queen

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

*Independence*

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

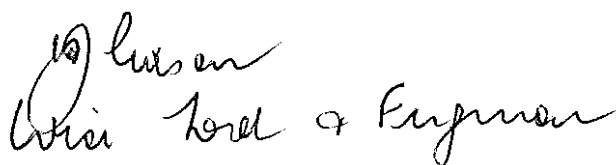
*Auditor's Opinion*

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

(a) the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*, including:

- (i) giving a true and fair view of the financial position of The Master Builders Association of Tasmania at 30 June 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

(b) other mandatory financial reporting requirements in Australia.

A handwritten signature in black ink, appearing to read 'H Gibson' followed by 'Wise Lord & Ferguson'.

**HARVEY J GIBSON**  
PARTNER  
WISE LORD & FERGUSON

Date: 5 October 2010

### **Designated Officer's Certificate**

s268 *Fair Work (Registered Organisations) Act 2009*

I *Graham Keating* being the *Treasurer* of the *Master Builders Association of Tasmanian Inc* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report*, was provided to members on 5<sup>th</sup> August 2010 and
- that the full report was presented to *meeting of the committee of management* of the reporting unit on 20<sup>th</sup> August 2010; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature



Date:

3/9/10.

*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.*

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	<b>2010</b> \$	<b>2009</b> \$
<b>REVENUE</b>	3	1,634,914	1,549,181
Other Income	3	-	1,097,081
<b>TOTAL INCOME</b>		<b>1,634,914</b>	<b>2,646,262</b>
<b>EXPENSES</b>			
Depreciation expense	4	75,705	84,732
Employee Benefits Expense		587,340	592,414
Other Expenses	4	1,064,135	990,727
<b>TOTAL EXPENSES</b>		<b>1,727,180</b>	<b>1,667,875</b>
<b>NET PROFIT / (LOSS)</b>		<b>(92,266)</b>	<b>978,387</b>

The accompanying notes form part of these financial statements.



# THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

## BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash	5	1,071,694	2,913,412
Prepayments		1,408	13,336
Stock		33,630	43,632
Trade Receivables	6	128,971	174,945
Interest Receivable		381	6,658
Other Receivable		1,100,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,336,084</b>	<b>3,151,983</b>
<b>NON-CURRENT ASSETS</b>			
Investment in MBAIS	19	120,000	30,000
Property, Plant & Equipment	7	3,775,297	2,025,163
Other Non-Current Assets		-	34,210
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,895,297</b>	<b>2,089,373</b>
<b>TOTAL ASSETS</b>		<b>6,231,381</b>	<b>5,241,356</b>
<b>CURRENT LIABILITIES</b>			
Creditors	8(a)	51,346	91,360
Income Received in Advance		61,307	73,652
Employee Entitlements	9	73,098	49,619
HIS Claim Liability	14, 1(k)	66,733	133,333
Other Liabilities	8(b)	1,177,771	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,430,255</b>	<b>347,964</b>
<b>TOTAL LIABILITIES</b>		<b>1,430,255</b>	<b>347,964</b>
<b>NET ASSETS</b>		<b>4,801,126</b>	<b>4,893,392</b>
<b>ACCUMULATED FUNDS &amp; RESERVES</b>			
Accumulated Funds & Reserves	10	4,801,126	4,893,392

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 2010**

	Notes	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Trading		396,871	1,524,577
Interest Received		125,294	40,995
Payments to Suppliers & Employees		(416,828)	(1,601,627)
<b>Net Cash provided by (used in) Operating Activities</b>	<b>12(b)</b>	<b>105,337</b>	<b>(36,055)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant & Equipment		10,909	2,739,362
Acquisition of Property, Plant and Equipment		(1,867,964)	(151,738)
Acquisition of Share Capital		(90,000)	-
<b>Net Cash provided by (used in) Investing Activities</b>		<b>(1,947,055)</b>	<b>2,587,624</b>
Net Increase (Decrease) in Cash Held		(1,841,718)	2,551,569
Cash at the Beginning of the Year		2,913,412	361,843
<b>CASH AT THE END OF THE YEAR</b>	<b>12(a)</b>	<b>1,071,694</b>	<b>2,913,412</b>

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 2010**

**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) 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.

**(d) 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 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(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:

	<b>2010</b>	<b>2009</b>
Motor vehicles	4 - 5 years	4 - 5 years
Plant and Equipment	2.5 - 11 years	2.5 - 11 years
Buildings	50 years	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.

*Investment Property*

The property purchased during the year, 116 Bathurst Street Hobart, is considered an investment property and is governed by AASB140. Within AASB140, the cost model has been adopted. Under the cost model, the asset is valued at cost and is not depreciated. Details regarding the fair value of the asset at balance sheet date are disclosed in the notes to the financial statements. Refer note 20.

**(h) 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 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(i) 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 Balance Sheet.

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.

**(j) 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.

**(k) 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 the Association 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 being 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 2010**

**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**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Associate Specialist Contractor	61,392	59,936
Associate Supplier Exchange	16,296	17,820
Documents	16,312	19,390
Fee for Service	24,338	27,501
Housing Indemnity Guarantee Commission	72,527	67,121
Insurance Rebates	4,010	14,638
Interest Received	119,017	40,995
Conference	97,558	59,222
Subscriptions	419,138	431,786
Training	383,150	308,477
Property Income	160,408	251,693
Sponsorship	31,532	90,176
Pathways Program Income	43,970	42,063
Housing Awards/Annual Dinner Income	103,407	76,144
Sensis Advertising Income	37,884	-
Marketing Income	19,790	-
Sundry Revenue	24,185	42,219
<b>Total Revenue</b>	<b>1,634,914</b>	<b>1,549,181</b>
<b>Other Income</b>		
Profit on Sale of Fixed Assets	-	1,063,746
Reimbursement Income	-	33,335
<b>Total Other Income</b>	<b>-</b>	<b>1,097,081</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**4. EXPENSES**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	16,738	29,466
Buildings	29,387	29,425
Motor Vehicles	29,580	25,841
<b>Total Depreciation of Non-Current Assets</b>	<b>75,705</b>	<b>84,732</b>
<i>Other Expenses</i>		
Accounting & Audit	4,465	6,945
Advertising	3,464	40,061
Amortisation Expense	29,548	4,238
Annual Dinner Expenses	22,368	18,384
Bad Debts	28	6,968
Bank Charges	1,686	1,121
Building Journal Expenses	10,093	11,932
Catering & Meeting Costs	23,478	21,811
Commission	10,402	-
Consultancies	14,618	26,763
Cost of Goods Sold	10,002	14,093
Documents	9,591	12,741
Federal Subscriptions	73,176	65,414
Housing Awards/Annual Dinner Expense	77,379	88,318
Housing Guarantee Scheme	3,380	19,893
Insurances	28,418	22,002
Interest Expense	43,806	-
Light & Power	23,464	7,983
Loss on Sale of Fixed Asset	1,669	808
Conference	52,117	55,617
Office Rental	73,632	38,024
Pathways Program Expenditure	16,022	-
Postage & Stamps	10,446	15,184
Printing and Photocopying	15,396	21,168
Property Expenses- Rates	28,475	46,839
Property Maintenance	38,333	52,877
Sensis Expenses	35,883	-
Sponsorship	-	1,119
Telephone	28,860	33,099
Training	270,600	235,916
Travel Meals & Accommodation	15,255	27,188
Vehicle Running	20,876	24,335
Sundry Expenses	67,205	69,886
<b>Total Other Expenses</b>	<b>1,064,135</b>	<b>990,727</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>5. CASH</b>			
Cash on Hand		1,500	1,500
Commonwealth Trading Bank		114,494	15,532
Cash Investment		852,595	246,318
Commonwealth At Call		103,105	2,650,062
<b>TOTAL CASH</b>		<b>1,071,694</b>	<b>2,913,412</b>
<b>6. TRADE RECEIVABLES</b>			
Trade Receivables	(a)	135,780	187,205
Provision for Doubtful Debts		(6,809)	(12,260)
<b>TOTAL TRADE RECEIVABLES</b>		<b>128,971</b>	<b>174,945</b>
(a) <b>Terms and Conditions</b>			
Terms and conditions relating to the above financial instruments:			
(i) Trade debtors are non-interest bearing and generally on 30 day terms.			
<b>7. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Land		362,000	362,000
Buildings		3,263,657	1,469,358
Less: Accumulated Depreciation		(88,011)	(58,624)
		3,175,646	1,410,734
Plant & Equipment		411,404	388,232
Less: Accumulated Depreciation		(348,281)	(331,543)
		63,123	56,689
Motor Vehicles		180,300	154,664
Less: Accumulated Depreciation		(60,630)	(43,330)
		119,670	111,334
Leasehold Improvements		88,644	88,644
Less: Accumulated Amortisation		(33,786)	(4,238)
		54,858	84,406
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>3,775,297</b>	<b>2,025,163</b>



**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

2010	2009
\$	\$

**PROPERTY PLANT & EQUIPMENT - CONTINUED**

**(a) Reconciliations**

*Buildings*

Opening Written Down Value	1,410,734	2,720,827
Less Depreciation	(29,387)	(29,425)
Less Disposals	-	(1,285,386)
Add Purchases	1,794,299	4,718
Closing Written Down Value	3,175,646	1,410,734

*Plant & Equipment*

Opening Written Down Value	56,689	92,417
Add Purchases	23,172	24,605
Less Disposals	-	(30,867)
Less Depreciation	(16,738)	(29,466)
Closing Written Down Value	63,123	56,689

*Motor Vehicles*

Opening Written Down Value	111,334	114,201
Add Purchases	50,494	33,774
Less Disposals	(12,578)	(10,800)
Less Depreciation	(29,580)	(25,841)
Closing Balance	119,670	111,334

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>8. (a) CREDITORS</b>			
Trade Creditors	(c)	51,398	91,816
GST Liability		(52)	(456)
<b>TOTAL CREDITORS</b>		<b>51,346</b>	<b>91,360</b>
<b>(b) OTHER LIABILITIES</b>			
Mortgage Loan		1,100,000	-
MBAIS Shareholdings Loan		76,573	-
Sundries		1,198	-
<b>TOTAL CREDITORS</b>		<b>1,177,771</b>	<b>-</b>
<b>(c) Terms and Conditions</b>			
Terms and conditions relating to the above financial instruments:			
(i) Trade creditors are non-interest bearing and normally settled on 30 day terms.			
<b>9. EMPLOYEE ENTITLEMENTS</b>			
The aggregate employee entitlement liability is comprised of:			
Provision for Annual Leave		47,243	34,760
Provision for Long Service Leave		25,855	14,859
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>		<b>73,098</b>	<b>49,619</b>
<b>10. ACCUMULATED FUNDS</b>			
Accumulated Funds			
Balance at Beginning of year		4,893,392	3,915,005
Add Profit / (Loss) for the year		(92,266)	978,387
<b>TOTAL ACCUMULATED FUNDS</b>		<b>4,801,126</b>	<b>4,893,392</b>
<b>11. AUDITORS REMUNERATION</b>			
Amounts received or due and receivable by Wise Lord & Ferguson for:			
- an audit or review of the financial report of the Association		4,800	4,600
		<b>4,800</b>	<b>4,600</b>

# THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

## NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>12. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of Cash</b>		
Cash on Hand	1,500	1,500
Cash at Bank	114,494	15,532
Cash Investment Account	852,595	246,318
Commonwealth At Call	103,105	2,650,062
	<b>1,071,694</b>	<b>2,913,412</b>
<b>(b) Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit:</b>		
Net Profit / (Loss)	(92,266)	978,387
Depreciation and Amortisation	105,252	88,970
(Profit)/Loss on Sale of Non- Current Assets	1,669	(1,062,938)
Amortisation of HIS Claim Liability	(66,600)	(66,666)
Increase/(Decrease) in Provisions	23,479	(21,894)
Increase/(Decrease) in Creditors/Accruals	1,137,757	(9,225)
Increase/(Decrease) in Income in Advance	(12,345)	23,149
(Increase)/Decrease in Prepayments	11,928	1,424
(Increase)/Decrease in Inventories	10,002	14,093
(Increase)/Decrease in Receivables	(1,013,539)	18,645
Net Cash provided by (used in) Operating Activities	<b>105,337</b>	<b>(36,055)</b>

### 13. RELATED PARTY DISCLOSURES

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

President	Mr D Moody	Councillor	Mr A Kilpatrick
Senior Vice President	Mr P Watts	Councillor	Mr K Lawson
Vice President	Mr W Licht	Councillor	Mr J Rosevear
Treasurer	Mr G Keating	Councillor	Mr T Mead
Councillor	Mr A Bennett	Councillor	Mr D Murray
Councillor	Mr S Davidson	Councillor	Mr D Reid
Councillor	Mr T Turner	Councillor	Mr S Glanville
Councillor	Mr PR Ibbott	Councillor	Mr G Barnes

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 2010**

**14. HOUSING GUARANTEE SCHEME**

The Master Builders' Association of Tasmania managed 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 2010, 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 2010**

**19. INVESTMENT IN MBAIS**

At the 30<sup>th</sup> June 2010, The Master Builders' Association of Tasmania has monies invested in MBA Insurance Services Pty Ltd (MBAIS). This is specifically a share holding in MBAIS of \$120,000 (2009: \$30,000). MBAIS have faced consistent challenges since the inception of the business to ensure the timely payment of commissions to State MBA's and to ensure the business is sufficiently capitalised. A third party review of the financial status of MBAIS was performed during the 2009 financial year which found that challenges remain and that without change to the capitalisation of MBAIS, the severity of the solvency risk and risk of not being able to pay monies owing to MBA's will increase. A proposal was accepted by the State MBA's regarding injecting further capital into MBAIS to help reduce solvency risk and increase the likelihood of receiving monies owed from MBAIS. Each state was issued three additional shares at a value of \$30,000 each, therefore the Master Builders' Association of Tasmania has increased its investment in MBAIS by \$90,000 during the 2010 financial year.

**20. INVESTMENT PROPERTY (116 BATHURST STREET HOBART)**

During the financial year The Master Builders Association of Tasmania purchased a new investment property at 116 Bathurst Street, Hobart. It has been recorded in the accounts under the cost model of AASB140 as per policy in note 1(g).

The recorded cost of the property in the balance sheet is \$1,794,299. A valuation was performed at 30 June 2010 by Brothers & Newton – Opteon property valuers, and two valuations were advised based on occupancy levels. When fully occupied the fair value of the 116 Bathurst St property is \$2,700,000, while at its current occupancy the fair value is \$2,000,000.

**21. REGISTERED OFFICE**

34 Patrick Street  
Hobart Tasmania 7000

**22. 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.

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**23. 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 2010

### Note 23. FINANCIAL INSTRUMENTS - Continued

	Non-interest bearing	Floating interest rate	Fixed interest rate	Carrying amount per balance sheet	Aggregate net fair value	Weighted average effective interest rate
<b>2010</b>						
<b>Financial Assets</b>						
Cash at Bank	115,994	-	-	115,994	115,994	Non-interest bearing
Cash Investment	-	852,595	-	852,595	852,595	5.00%
At Call Investment	-	103,105	-	103,105	103,105	4.50%
Other assets (interest bearing)	-	1,100,000	-	1,100,000	1,100,000	8.42%
Other assets (non-interest bearing)	129,352	-	-	1,229,352	1,229,352	Non-interest bearing
<b>Total financial assets</b>	<b>245,346</b>	<b>2,055,700</b>	<b>-</b>	<b>2,301,046</b>	<b>2,301,046</b>	
<b>Financial Liabilities</b>						
Accounts payable	51,346	-	-	51,346	51,346	Non-interest bearing
Mortgage Loan		1,100,000		1,100,000	1,100,000	8.42%
<b>Total Financial Liabilities</b>	<b>51,346</b>	<b>1,100,000</b>		<b>1,151,346</b>	<b>1,151,346</b>	
<b>2009</b>						
<b>Financial Assets</b>						
Cash at Bank	17,032	-	-	17,032	17,032	Non-interest bearing
Cash Investment	-	246,318	-	246,318	246,318	4.25%
At Call Investments	-	2,650,062	-	2,650,062	2,650,062	3.00%
Other assets	215,466	-	-	215,466	215,466	Non-interest bearing
<b>Total financial assets</b>	<b>232,498</b>	<b>2,896,380</b>	<b>-</b>	<b>3,128,878</b>	<b>3,128,878</b>	
<b>Financial Liabilities</b>						
Accounts payable	91,360	-	-	91,360	91,360	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.

## 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 20<sup>th</sup> of August 2010 that the following declarations, passed by the Committee, in relation to the financial report of the Association for the year ended 30 June 2010 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 2010;
- (d) the financial statements and notes comply with the Australian Accounting Standards;
- (e) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (f) 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
- (g) during the financial year ended 30 June 2010 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 1 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 1 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 to the Workplace Relations Act 1996.

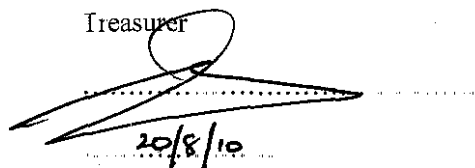
For the Committee of Management:      Graham Keating

Title of Office Held:

Treasurer

Signature:

Date:



20/8/10



The Commissioner  
Corporate Affairs  
GPO Box 249C  
HOBART TAS 7001



I advise that, as at the 30<sup>th</sup> June 2010 the following persons were Committee Members of the Master Builders' Association of Tasmania Inc. for the purposes of the Association's Incorporations Act 1964.

<b>President</b>	Mr David Moody
<b>Senior Vice President</b>	Mr Phillip Watts
<b>Vice President</b>	Mr Wayne Licht
<b>Treasurer</b>	Mr Graham Keating

Councillors

Mr Andrew Bennett
Mr Shane Davidson
Mr Paul Ibbott
Mr Andrew Kilpatrick
Mr Ken Lawson
Mr Ty Turner
Mr Tim Mead
Mr David Murray
Mr Denis Reid
Mr Scott Glanville
Mr John Rosevear
Mr Grant Barnes

**H J GIBSON**  
PARTNER  
WISE LORD & FERGUSON

1/160 Collins Street  
HOBART TAS 7000

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

Dated: 4 August 2010

## OPERATING REPORT

The Master Builders' Association of Tasmania Inc., 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.

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

As at 30 June 2009 the Association employed ten staff supporting a total membership of 468. Rule 9 of the Association's Constitution provides that:

**"9 - RESIGNATION OF MEMBERS**

(a) *Any Member may resign from membership by written notice addressed and delivered to the Executive Director.*

(b) *A notice of resignation from membership of the Association takes effect:*

(i) *where the member ceases to be eligible to become a member of the Association;*

(a) *on the day on which the notice is received by the Association; or*

(b) *on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,*

*whichever is later; or*

(ii) *In any other case:*

(a) *at the end of 2 weeks after the notice is received by the Association; or*

(b) *on the day specified in the notice;*

*whichever is later.*

(c) *Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.*

(d) *A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.*

(e) *A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-section (a)*

*A notice of resignation from membership of the Association is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted."*

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

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

Current State Council Members are:

**President & Southern Region Representative**

Mr David Moody

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Senior Vice President & Northern Region Chairman**

Mr P Watts

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Vice President**

Mr W Licht

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Treasurer**

Mr GF Keating

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Southern Region Chairman**

Mr A Bennett

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**North West Region Representative**

Mr S Davidson

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Northern Region Representative**

Mr Ty Turner

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr S Glanville

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr PR Ibbott

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr A Kilpatrick

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr K Lawson

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**North West Region Chairman**

Mr T Mead

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr D Murray

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr D Reid

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr G Barnes

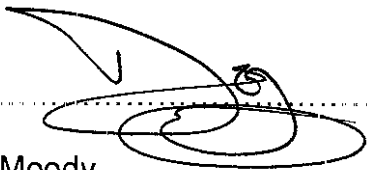
**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor (Immediate Past President)**

Mr J Rosevear

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

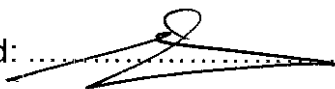
Signed: .....



David A Moody

Dated this 16<sup>th</sup> day of August 2010

Signed: .....



Graham F Keating

Dated this 5<sup>th</sup> day of August 2010

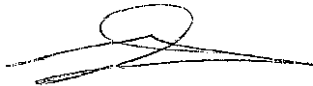
### **Designated Officer's Certificate**

s268 *Fair Work (Registered Organisations) Act 2009*

I *Graham Keating* being the *Treasurer* of the *Master Builders Association of Tasmanian Inc* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* , was provided to members on 5<sup>th</sup> October 2010 and
- that the full report was presented to *meeting of the committee of management* of the reporting unit on 8<sup>th</sup> October 2010 ; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*

Signature



Date:

18/10/10

*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph*



## Wise Lord & Ferguson

*advice to advantage*



Chartered Accountants

### **Independent auditor's report to the members of The Master Builders Association of Tasmania**

We have audited the accompanying general purpose financial report of The Master Builders Association of Tasmania (the Association), which comprises the balance sheet as at 30 June 2010, and the income statement and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management's statement

#### *The Committee of Management's Responsibility for the Financial Report*

The Association's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report



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](mailto:email@wlf.com.au) Internet: [www.wlf.com.au](http://www.wlf.com.au)

Partners: Peter Beven, Harvey Gibson, Danny McCarthy, Douglas Thomson,  
Joanne Doyle, Stuart Clutterbuck, Ian Wheeler, Dean Johnson, Marg Marshall  
Managers: Alicia Leis, Melanie Richardson, Nick Carter, Paul Lyons,  
Simon Jones, Shaun Evans, Trent Queen

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

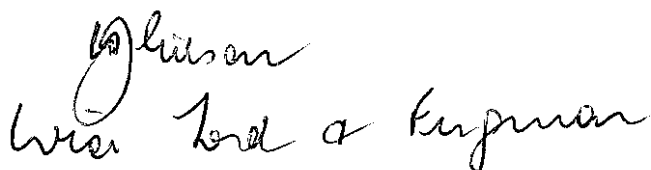
#### *Independence*

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

#### *Auditor's Opinion*

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

- (a) the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*, including:
  - (i) giving a true and fair view of the financial position of The Master Builders Association of Tasmania at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) other mandatory financial reporting requirements in Australia



Harvey J Gibson  
Wise Lord & Ferguson

**HARVEY J GIBSON**  
PARTNER  
WISE LORD & FERGUSON

Date: 5 October 2010

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	<b>2010</b> \$	<b>2009</b> \$
<b>REVENUE</b>	3	1,634,914	1,549,181
Other Income	3	-	1,097,081
<b>TOTAL INCOME</b>		<b>1,634,914</b>	<b>2,646,262</b>
<b>EXPENSES</b>			
Depreciation expense	4	75,705	84,732
Employee Benefits Expense		587,340	592,414
Other Expenses	4	1,064,135	990,727
<b>TOTAL EXPENSES</b>		<b>1,727,180</b>	<b>1,667,875</b>
<b>NET PROFIT / (LOSS)</b>		<b>(92,266)</b>	<b>978,387</b>

The accompanying notes form part of these financial statements.



# THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

## BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash	5	1,071,694	2,913,412
Prepayments		1,408	13,336
Stock		33,630	43,632
Trade Receivables	6	128,971	174,945
Interest Receivable		381	6,658
Other Receivable		1,100,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,336,084</b>	<b>3,151,983</b>
<b>NON-CURRENT ASSETS</b>			
Investment in MBAIS	19	120,000	30,000
Property, Plant & Equipment	7	3,775,297	2,025,163
Other Non-Current Assets		-	34,210
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,895,297</b>	<b>2,089,373</b>
<b>TOTAL ASSETS</b>		<b>6,231,381</b>	<b>5,241,356</b>
<b>CURRENT LIABILITIES</b>			
Creditors	8(a)	51,346	91,360
Income Received in Advance		61,307	73,652
Employee Entitlements	9	73,098	49,619
HIS Claim Liability	14, 1(k)	66,733	133,333
Other Liabilities	8(b)	1,177,771	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,430,255</b>	<b>347,964</b>
<b>TOTAL LIABILITIES</b>		<b>1,430,255</b>	<b>347,964</b>
<b>NET ASSETS</b>		<b>4,801,126</b>	<b>4,893,392</b>
<b>ACCUMULATED FUNDS &amp; RESERVES</b>			
Accumulated Funds & Reserves	10	4,801,126	4,893,392

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 2010

	Notes	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Trading		396,871	1,524,577
Interest Received		125,294	40,995
Payments to Suppliers & Employees		(416,828)	(1,601,627)
<b>Net Cash provided by (used in) Operating Activities</b>	<b>12(b)</b>	<b>105,337</b>	<b>(36,055)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant & Equipment		10,909	2,739,362
Acquisition of Property, Plant and Equipment		(1,867,964)	(151,738)
Acquisition of Share Capital		(90,000)	-
<b>Net Cash provided by (used in) Investing Activities</b>		<b>(1,947,055)</b>	<b>2,587,624</b>
Net Increase (Decrease) in Cash Held		(1,841,718)	2,551,569
Cash at the Beginning of the Year		2,913,412	361,843
<b>CASH AT THE END OF THE YEAR</b>	<b>12(a)</b>	<b>1,071,694</b>	<b>2,913,412</b>

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 2010**

**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) 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.

**(d) 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 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(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:

	<b>2010</b>	<b>2009</b>
Motor vehicles	4 - 5 years	4 - 5 years
Plant and Equipment	2.5 - 11 years	2.5 - 11 years
Buildings	50 years	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.

*Investment Property*

The property purchased during the year, 116 Bathurst Street Hobart, is considered an investment property and is governed by AASB140. Within AASB140, the cost model has been adopted. Under the cost model, the asset is valued at cost and is not depreciated. Details regarding the fair value of the asset at balance sheet date are disclosed in the notes to the financial statements. Refer note 20.

**(h) 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 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(i) 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 Balance Sheet.

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.

**(j) 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.

**(k) 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 the Association 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 being 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 2010**

**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**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Associate Specialist Contractor	61,392	59,936
Associate Supplier Exchange	16,296	17,820
Documents	16,312	19,390
Fee for Service	24,338	27,501
Housing Indemnity Guarantee Commission	72,527	67,121
Insurance Rebates	4,010	14,638
Interest Received	119,017	40,995
Conference	97,558	59,222
Subscriptions	419,138	431,786
Training	383,150	308,477
Property Income	160,408	251,693
Sponsorship	31,532	90,176
Pathways Program Income	43,970	42,063
Housing Awards/Annual Dinner Income	103,407	76,144
Sensis Advertising Income	37,884	-
Marketing Income	19,790	-
Sundry Revenue	24,185	42,219
<b>Total Revenue</b>	<b>1,634,914</b>	<b>1,549,181</b>
<b>Other Income</b>		
Profit on Sale of Fixed Assets	-	1,063,746
Reimbursement Income	-	33,335
<b>Total Other Income</b>	<b>-</b>	<b>1,097,081</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**4. EXPENSES**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	16,738	29,466
Buildings	29,387	29,425
Motor Vehicles	29,580	25,841
<b>Total Depreciation of Non-Current Assets</b>	<b>75,705</b>	<b>84,732</b>
<i>Other Expenses</i>		
Accounting & Audit	4,465	6,945
Advertising	3,464	40,061
Amortisation Expense	29,548	4,238
Annual Dinner Expenses	22,368	18,384
Bad Debts	28	6,968
Bank Charges	1,686	1,121
Building Journal Expenses	10,093	11,932
Catering & Meeting Costs	23,478	21,811
Commission	10,402	-
Consultancies	14,618	26,763
Cost of Goods Sold	10,002	14,093
Documents	9,591	12,741
Federal Subscriptions	73,176	65,414
Housing Awards/Annual Dinner Expense	77,379	88,318
Housing Guarantee Scheme	3,380	19,893
Insurances	28,418	22,002
Interest Expense	43,806	-
Light & Power	23,464	7,983
Loss on Sale of Fixed Asset	1,669	808
Conference	52,117	55,617
Office Rental	73,632	38,024
Pathways Program Expenditure	16,022	-
Postage & Stamps	10,446	15,184
Printing and Photocopying	15,396	21,168
Property Expenses- Rates	28,475	46,839
Property Maintenance	38,333	52,877
Sensis Expenses	35,883	-
Sponsorship	-	1,119
Telephone	28,860	33,099
Training	270,600	235,916
Travel Meals & Accommodation	15,255	27,188
Vehicle Running	20,876	24,335
Sundry Expenses	67,205	69,886
<b>Total Other Expenses</b>	<b>1,064,135</b>	<b>990,727</b>

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>5. CASH</b>			
Cash on Hand		1,500	1,500
Commonwealth Trading Bank		114,494	15,532
Cash Investment		852,595	246,318
Commonwealth At Call		103,105	2,650,062
<b>TOTAL CASH</b>		<b>1,071,694</b>	<b>2,913,412</b>
<b>6. TRADE RECEIVABLES</b>			
Trade Receivables	(a)	135,780	187,205
Provision for Doubtful Debts		(6,809)	(12,260)
<b>TOTAL TRADE RECEIVABLES</b>		<b>128,971</b>	<b>174,945</b>
(a) <b>Terms and Conditions</b>			
Terms and conditions relating to the above financial instruments:			
(i) Trade debtors are non-interest bearing and generally on 30 day terms.			
<b>7. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Land		362,000	362,000
Buildings		3,263,657	1,469,358
Less: Accumulated Depreciation		(88,011)	(58,624)
		3,175,646	1,410,734
Plant & Equipment		411,404	388,232
Less: Accumulated Depreciation		(348,281)	(331,543)
		63,123	56,689
Motor Vehicles		180,300	154,664
Less: Accumulated Depreciation		(60,630)	(43,330)
		119,670	111,334
Leasehold Improvements		88,644	88,644
Less: Accumulated Amortisation		(33,786)	(4,238)
		54,858	84,406
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>3,775,297</b>	<b>2,025,163</b>



**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>PROPERTY PLANT &amp; EQUIPMENT - CONTINUED</b>		
<b>(a) Reconciliations</b>		
<i>Buildings</i>		
Opening Written Down Value	1,410,734	2,720,827
Less Depreciation	(29,387)	(29,425)
Less Disposals	-	(1,285,386)
Add Purchases	1,794,299	4,718
Closing Written Down Value	3,175,646	1,410,734
<i>Plant &amp; Equipment</i>		
Opening Written Down Value	56,689	92,417
Add Purchases	23,172	24,605
Less Disposals	-	(30,867)
Less Depreciation	(16,738)	(29,466)
Closing Written Down Value	63,123	56,689
<i>Motor Vehicles</i>		
Opening Written Down Value	111,334	114,201
Add Purchases	50,494	33,774
Less Disposals	(12,578)	(10,800)
Less Depreciation	(29,580)	(25,841)
Closing Balance	119,670	111,334

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>8. (a) CREDITORS</b>			
Trade Creditors	(c)	51,398	91,816
GSI Liability		(52)	(456)
<b>TOTAL CREDITORS</b>		<b>51,346</b>	<b>91,360</b>
<b>(b) OTHER LIABILITIES</b>			
Mortgage Loan		1,100,000	-
MBAIS Shareholdings Loan		76,573	-
Sundries		1,198	-
<b>TOTAL CREDITORS</b>		<b>1,177,771</b>	<b>-</b>
<b>(c) Terms and Conditions</b>			
Terms and conditions relating to the above financial instruments:			
(i) Trade creditors are non-interest bearing and normally settled on 30 day terms.			
<b>9. EMPLOYEE ENTITLEMENTS</b>			
The aggregate employee entitlement liability is comprised of:			
Provision for Annual Leave		47,243	34,760
Provision for Long Service Leave		25,855	14,859
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>		<b>73,098</b>	<b>49,619</b>
<b>10. ACCUMULATED FUNDS</b>			
Accumulated Funds			
Balance at Beginning of year		4,893,392	3,915,005
Add Profit / (Loss) for the year		(92,266)	978,387
<b>TOTAL ACCUMULATED FUNDS</b>		<b>4,801,126</b>	<b>4,893,392</b>
<b>11. AUDITORS REMUNERATION</b>			
Amounts received or due and receivable by Wise Lord & Ferguson for:			
- an audit or review of the financial report of the Association		4,800	4,600
		<b>4,800</b>	<b>4,600</b>

# THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

## NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>12. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
(a) <b>Reconciliation of Cash</b>		
Cash on Hand	1,500	1,500
Cash at Bank	114,494	15,532
Cash Investment Account	852,595	246,318
Commonwealth At Call	103,105	2,650,062
	<b>1,071,694</b>	<b>2,913,412</b>
(b) <b>Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit:</b>		
Net Profit / (Loss)	(92,266)	978,387
Depreciation and Amortisation	105,252	88,970
(Profit)/Loss on Sale of Non- Current Assets	1,669	(1,062,938)
Amortisation of HIS Claim Liability	(66,600)	(66,666)
Increase/(Decrease) in Provisions	23,479	(21,894)
Increase/(Decrease) in Creditors/Accruals	1,137,757	(9,225)
Increase/(Decrease) in Income in Advance	(12,345)	23,149
(Increase)/Decrease in Prepayments	11,928	1,424
(Increase)/Decrease in Inventories	10,002	14,093
(Increase)/Decrease in Receivables	(1,013,539)	18,645
Net Cash provided by (used in) Operating Activities	<b>105,337</b>	<b>(36,055)</b>

### 13. RELATED PARTY DISCLOSURES

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

President	Mr D Moody	Councillor	Mr A Kilpatrick
Senior Vice President	Mr P Watts	Councillor	Mr K Lawson
Vice President	Mr W Licht	Councillor	Mr J Rosevear
Treasurer	Mr G Keating	Councillor	Mr T Mead
Councillor	Mr A Bennett	Councillor	Mr D Murray
Councillor	Mr S Davidson	Councillor	Mr D Reid
Councillor	Mr T Turner	Councillor	Mr S Glanville
Councillor	Mr PR Ibbott	Councillor	Mr G Barnes

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 2010**

**14. HOUSING GUARANTEE SCHEME**

The Master Builders' Association of Tasmania managed 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 2010, 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 2010**

**19. INVESTMENT IN MBAIS**

At the 30<sup>th</sup> June 2010, The Master Builders' Association of Tasmania has monies invested in MBA Insurance Services Pty Ltd (MBAIS). This is specifically a share holding in MBAIS of \$120,000 (2009: \$30,000). MBAIS have faced consistent challenges since the inception of the business to ensure the timely payment of commissions to State MBA's and to ensure the business is sufficiently capitalised. A third party review of the financial status of MBAIS was performed during the 2009 financial year which found that challenges remain and that without change to the capitalisation of MBAIS, the severity of the solvency risk and risk of not being able to pay monies owing to MBA's will increase. A proposal was accepted by the State MBA's regarding injecting further capital into MBAIS to help reduce solvency risk and increase the likelihood of receiving monies owed from MBAIS. Each state was issued three additional shares at a value of \$30,000 each, therefore the Master Builders' Association of Tasmania has increased its investment in MBAIS by \$90,000 during the 2010 financial year.

**20. INVESTMENT PROPERTY (116 BATHURST STREET HOBART)**

During the financial year The Master Builders Association of Tasmania purchased a new investment property at 116 Bathurst Street, Hobart. It has been recorded in the accounts under the cost model of AASB140 as per policy in note 1(g).

The recorded cost of the property in the balance sheet is \$1,794,299. A valuation was performed at 30 June 2010 by Brothers & Newton – Opteon property valuers, and two valuations were advised based on occupancy levels. When fully occupied the fair value of the 116 Bathurst St property is \$2,700,000, while at its current occupancy the fair value is \$2,000,000.

**21. REGISTERED OFFICE**

34 Patrick Street  
Hobart Tasmania 7000

**22. 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.

**THE MASTER BUILDERS' ASSOCIATION OF TASMANIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**23. 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 2010

### Note 23. FINANCIAL INSTRUMENTS - Continued

	Non-interest bearing	Floating interest rate	Fixed interest rate	Carrying amount per balance sheet	Aggregate net fair value	Weighted average effective interest rate
<b>2010</b>						
<b>Financial Assets</b>						
Cash at Bank	115,994	-	-	115,994	115,994	Non-interest bearing
Cash Investment	-	852,595	-	852,595	852,595	5.00%
At Call Investment	-	103,105	-	103,105	103,105	4.50%
Other assets (interest bearing)	-	1,100,000	-	1,100,000	1,100,000	8.42%
Other assets (non-interest bearing)	129,352	-	-	1,229,352	1,229,352	Non-interest bearing
Total financial assets	245,346	2,055,700	-	2,301,046	2,301,046	
<b>Financial Liabilities</b>						
Accounts payable	51,346	-	-	51,346	51,346	Non-interest bearing
Mortgage Loan		1,100,000		1,100,000	1,100,000	8.42%
Total Financial Liabilities	51,346	1,100,000		1,151,346	1,151,346	
<b>2009</b>						
<b>Financial Assets</b>						
Cash at Bank	17,032	-	-	17,032	17,032	Non-interest bearing
Cash Investment	-	246,318	-	246,318	246,318	4.25%
At Call Investments	-	2,650,062	-	2,650,062	2,650,062	3.00%
Other assets	215,466	-	-	215,466	215,466	Non-interest bearing
Total financial assets	232,498	2,896,380	-	3,128,878	3,128,878	
<b>Financial Liabilities</b>						
Accounts payable	91,360	-	-	91,360	91,360	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.

### 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 20<sup>th</sup> of August 2010 that the following declarations, passed by the Committee, in relation to the financial report of the Association for the year ended 30 June 2010 be included in the financial report

In the opinion of the Committee of Management:

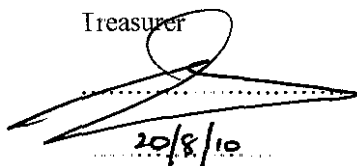
- (a) the financial report complies with the Australian Accounting Standards;
- (b) the financial report complies with the reporting guidelines of the Industrial Registrar;
- (c) the financial report gives a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2010;
- (d) the financial statements and notes comply with the Australian Accounting Standards;
- (e) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (f) 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
- (g) during the financial year ended 30 June 2010 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 1 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 1 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 to the Workplace Relations Act 1996.

For the Committee of Management:      Graham Keating

Title of Office Held:

Treasurer

Signature:



Date:

20/8/10



The Commissioner  
Corporate Affairs  
GPO Box 249C  
HOBART TAS 7001

I advise that, as at the 30<sup>th</sup> June 2010 the following persons were Committee Members of the Master Builders' Association of Tasmania Inc. for the purposes of the Association's Incorporations Act 1964.

<b>President</b>	Mr David Moody
<b>Senior Vice President</b>	Mr Phillip Watts
<b>Vice President</b>	Mr Wayne Licht
<b>Treasurer</b>	Mr Graham Keating

Councillors

Mr Andrew Bennett
Mr Shane Davidson
Mr Paul Ibbott
Mr Andrew Kilpatrick
Mr Ken Lawson
Mr Ty Turner
Mr Tim Mead
Mr David Murray
Mr Denis Reid
Mr Scott Glanville
Mr John Rosevear
Mr Grant Barnes

**H J GIBSON**  
PARTNER  
WISE LORD & FERGUSON

*H. J. Gibson*  
*For Lord & Ferguson*

1/160 Collins Street  
HOBART TAS 7000

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

Dated: 4 August 2010

## OPERATING REPORT

The Master Builders' Association of Tasmania Inc., 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.

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

As at 30 June 2009 the Association employed ten staff supporting a total membership of 468. Rule 9 of the Association's Constitution provides that:

**"9 - RESIGNATION OF MEMBERS**

- (a) *Any Member may resign from membership by written notice addressed and delivered to the Executive Director.*
- (b) *A notice of resignation from membership of the Association takes effect:*
  - (i) *where the member ceases to be eligible to become a member of the Association,*
    - (a) *on the day on which the notice is received by the Association; or*
    - (b) *on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,*
  - whichever is later, or*
  - (ii) *In any other case:*
    - (a) *at the end of 2 weeks after the notice is received by the Association, or*
    - (b) *on the day specified in the notice,*
  - whichever is later.*
- (c) *Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.*
- (d) *A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered*
- (e) *A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-section (a).*

*A notice of resignation from membership of the Association is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted "*

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

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

Current State Council Members are:

**President & Southern Region Representative**

Mr David Moody

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Senior Vice President & Northern Region Chairman**

Mr P Watts

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Vice President**

Mr W Licht

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Treasurer**

Mr GF Keating

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Southern Region Chairman**

Mr A Bennett

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**North West Region Representative**

Mr S Davidson

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**Northern Region Representative**

Mr Ty Turner

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr S Glanville

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr PR Ibbott

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr A Kilpatrick

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr K Lawson

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**North West Region Chairman**

Mr T Mead

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr D Murray

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr D Reid

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor**

Mr G Barnes

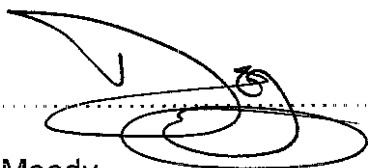
**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

**State Councillor (Immediate Past President)**

Mr J Rosevear

**Elected:** 08.08.2008      **Tenure expires:** 19.08.2010      **Resigned:** n/a

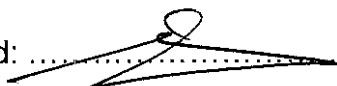
Signed: .....



David A Moody

Dated this 16<sup>th</sup> day of August 2010

Signed: .....



Graham F Keating

Dated this 5<sup>th</sup> day of August 2010