

Master Builders ANNUAL REPORT 2016

*Delivering value
accountability
and growth*



The home of building

“Our brand is not just about the logo – it is our essence, our identity and we believe the time has come to take some bold steps into the future.”

Nick Herron
President, Master Builders Queensland

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About us

Master Builders is the peak go-to industry association representing building and construction in Queensland since 1882. With more than 8,000 members, we are the voice of the industry. Our services support members to operate professional and profitable businesses that deliver superior quality outcomes to customers.

Master Builders is the number-one source of practical and relevant information regarding the Queensland building and construction industry. We keep our members informed with regular updates on important changes to building codes and legislation, industrial relations, workplace health and safety, and general industry issues.

Membership with Master Builders is regarded as the key to success in Queensland's construction industry. Membership offers access to the best-quality training courses and insurance policies developed specifically for the building and construction industry. It also comes

with essential and expert advice on technical, legal and contractual matters, industrial relations and human resource support, workplace health and safety advice, and a dispute resolution service.

We also save our members time and money, helping them to operate a profitable business through cross-industry networking opportunities, exclusive member discounts, the *Find a Master Builder* service, Master Builders' Housing & Construction Awards program and our unique display village concept.

Master Builders is committed to representing the interests of members and the broader building and construction industry in Queensland. We achieve this with comprehensive research and assessment of industry issues, active lobbying across all levels of government, and strong representation on key industry bodies.

We regard ourselves as the conduit for the building industry, linking members with business partners, consumers, the government and important industry stakeholders. In today's demanding work environment, where change is a constant, complexity is the norm and new issues arise daily, having Master Builders to turn to is a distinct advantage to our members.

President's report



During the past two years we have invested considerable time in developing a robust and forward-thinking strategic plan – one that evolves with the industry and leads us into the future.

As part of this process, we identified the need to invest in our brand. This involved a change to the Master Builders' logo so that it is in line with the Master Builders Australia logo. This change has brought further uniformity to Master Builders across the country and takes steps to unify and strengthen our voice even further.

As my term as President comes to a close I'd like to reflect on a few of the more significant changes in the governance of the association that have occurred during my time in the role.

When I first took office I set out to build on cultural changes to Master Builders, and I think this has largely been achieved. The cultural changes involved encouraging more membership participation in the governance of the association. This was initiated internally mainly via CEO Grant Galvin's appointment.

We have initiated a comprehensive overhaul of the Association's Constitution. The purpose of this was to bring it into line with contemporary rules of Corporate Governance which necessitated the abolition of our State Council and Executive structure. These were replaced with an Electoral College and contemporary Board structure.

The Electoral College in effect replaces the State Council. But the sole purpose of the Electoral College is to elect the President, and Chairs of the Housing and Construction Sector Committees.

The other major change is that the Board will elect the members of the Housing and Construction Sector Committees, as well as appointing the Industrial Relations, Contracts, Health and Safety, Environment, Renovation and Technical Committees. In electing the Housing and Construction Sector Committees, the Board will

have regard to the members of the Electoral College.

It's my belief that these changes will provide a clearer pathway to members' involvement in the management of the Association.

I'd like to acknowledge the goodwill shown by the all previous State Councillors who recognised and acknowledged the need for change, and in particular the immediate past-President, Derek Pingel, State Councillor Don Close, and Board members Ralf Dutton and Geoff Baguley who (along with myself) drove this reform.

The effectiveness of this change is yet to be seen in practice. However, early signs are encouraging.

I am proud to have been part of a cohesive team at Master Builders that is focussed on how to most efficiently interact with our membership and improve our work for the industry.

Nick Herron
*President,
Master Builders Queensland*



L-R (front) – Adrian Gabrielli, Peter Schriek, Kathy Seaman, Geoff Baguley, Nick Herron
L-R (back) – Drew Brockhurst, Rod McDonald, Ralph Dutton

CEO's statement



Master Builders exists because of its members. We are here to help thousands of builders and trade contractors grow professional and profitable businesses. And as we enter uncertain times, our role has become even more important.

This 2015-16 financial year has seen our members and finances grow from strength to strength as part of the successful ongoing Strategic Plan which focuses on three core areas – value for members, staff and industry; accountability to measure progress against targets; and growth of the organisation in areas of influence, membership and finances.

With these core values in mind, we have been able to enhance the strength of the association by improving the value delivered to members; enhancing the brand reputation in the eyes of members, government, industry

and consumers; ensuring Master Builders is recognised as the industry leader in supporting economic growth and promoting building industry innovation; launching new products and resources for members; and encouraging an open and positive internal culture that is actively engaged in the service of members, business partners and consumers.

The financial results included in this report are a reflection of the hard work of staff who have transformed this organisation so that its financial position continues to remain very strong. Our good operating and investment results for the year mean we can continue investing in new products and services for the benefit of all members.

Strategic investment in new products and services

Membership numbers have maintained a steady growth profile, while our finances have strengthened – allowing us to invest in new long-term projects across new technology platforms, upskilling within the industry and services for members, ranging from new display villages through to insurance products.

Master Builders has made a significant investment towards making it easier for consumers

to find members. Our revitalised online search function has been designed to connect home owners or renovators with the most suitable builder or tradie for the job. The *Find a Master Builder* search is as simple as typing in the job needed and area postcode. The search results provide a list of Master Builders members in the area who are qualified to undertake the work.

The building and construction industry is inherently risky which is why Master Builders recently introduced the new Master Builder Platinum Protection Construction Works and Liability Insurance. These policies have been specifically built by Master Builders to provide members with an extensive scope of insurance protection – well beyond that offered by other construction policies.

Additionally, Queensland Building and Construction Commission (QBCC) legislative updates saw a number of Master Builders' contracts change significantly. These changes affected contract names, technical content and prices. Impacted contracts included; Residential Building Contract, Residential Cost Plus Contract, Residential Renovation Contract, Minor Works Contract, Trade Contract and the Pool Building Contract.

And as part of our aim to offer more for members, we have broadened our events calendar to include a greater range of member information nights and new member welcome evenings, as well as a number of exclusive member-only benefits from well-known brands.

Confidence stabilises

Much has happened during the 2015-16 financial year. Our *Survey of Industry Conditions* for the June 2016 quarter showed business confidence in the Queensland economy and building industry has slumped – with nearly 30 per cent of respondents pessimistic for the future. On the upside, most respondents think the outlook will remain stable.

Conditions in the residential and commercial sectors softened, with the residential sector returning to negative territory for the first time in two years, while the commercial sector weakened further.

Responding to demand

Master Builders has opened seven new display villages across south-east Queensland this year in response to the demand for new-build homes tailored to meet our tropical lifestyle. Each new display village has been opened in a major growth corridor, making it a

drawcard for families, couples and singles looking to build their dream home and settle in Queensland's south-east corner.

Policy and advocacy

Considerable work across many pillars of our organisation went into the development of our six-point policy plan. This plan and a summary of what the organisation achieved on behalf of members and the industry more broadly is in the Policy and advocacy section of this report.

Developing industry's future leaders

During the year we have also been busy with the launch of our new waterproofing certificate course – the first of its kind in Queensland. The course equips licensed tradies with the skills and knowledge to ensure building projects are waterproofed correctly and reduce the risk of defects. Waterproofing issues are among the top 10 most common defects identified by QBCC building inspectors. Fixing waterproofing problems is expensive and generally falls to the builder to rectify. This course allows trade contractors to diversify their revenue streams – increasing their longevity in the industry.

Updated Constitution

Earlier this year we made a number of changes to our Constitution to ensure a more progressive and contemporary governance framework is in place for the future.

The main changes included the introduction of two classes of membership – voting and non-voting members and the creation of the Master Builders' Electoral College (replacing State Council) comprising 25-45 builder and trade contractor members from across the state.

These changes do not impact the advice, products and services we offer members on a daily basis, but they do change the way our governing body is elected and structured and make it easier for members to get involved.

On behalf of the organisation's Senior Leadership Team and members, I would like to thank the Board for their support to continue building on the strong governance foundations of this critically important industry organisation.

Grant Galvin

CEO, Master Builders Queensland

Strategic priorities and highlights



Membership

Enhance the strength of the organisation through improving the value delivered to members and ensure members view Master Builders as a priority partner essential to their business.

Highlights

- Continued our focus on vigorous recruitment and retention strategies ensuring our membership base remained steady at 8,247 members
- Answered an increased number of technical, legal, contractual and dispute queries – 6,394 in total
- Responded to 4,258 workplace relations queries
- Invested in significant long-term projects across new technology platforms, including commencement of the development of an online job management tool designed to help members run their businesses more efficiently
- Ensured Master Builders' contracts were available to members only.



Brand

Build and enhance our brand reputation in the eyes of our members, government, industry and consumers to reinforce our position of being the number-one industry association in Queensland.

Highlights

- Further raised our profile among media and industry stakeholders, ensuring we remained the first port of call for media and government on building industry issues
- The Master Builders Foundation once again supported worthy causes, including MATES in Construction and the Youngcare Woolloowin Sharehouse project
- Launched seven new display villages.



Excellence

Recognised as the industry leader in supporting economic growth and promoting innovation and quality within the building and construction sector.

Highlights

- Developed new training courses that respond to industry demand and provided a solid foundation for new industry participants, including the new waterproofing course
- Trained **1,945** industry participants across our diploma, certificate and short course programs
- Overhauled Master Builders' suite of residential building contracts in line with new QBCC legislation, ensuring Master Builders' contracts remained the most fair contracts on the market for building contractors.

In 2015, Master Builders continued the implementation of the Strategic Plan that broadly focuses on three core areas – value for members, staff and the industry; accountability for growth against targets; and growth that will take the organisation onwards and upwards.



Revenue

Maximise current and develop new products and resources to underpin the platforms of policy, advocacy, lobbying and advice for members.

Highlights

- Improved the bottom line from a budgeted profit of \$507,049 to a surplus of \$554,955.



People

Develop an open and positive internal culture that is actively engaged in the service of our members, customers and business partners. Reward performance and service delivery while maintaining work-life balance.

Highlights

- Continued an internal feedback program designed to improve staff performance and customer service for members and promote a positive internal culture.

Members and stakeholders

Master Builders' membership base remained stable during the 2015-16 financial year, reflective of our continued focus on recruitment and retention strategies, and investment in new and improved member products and services, as well as the stable outlook in industry confidence.

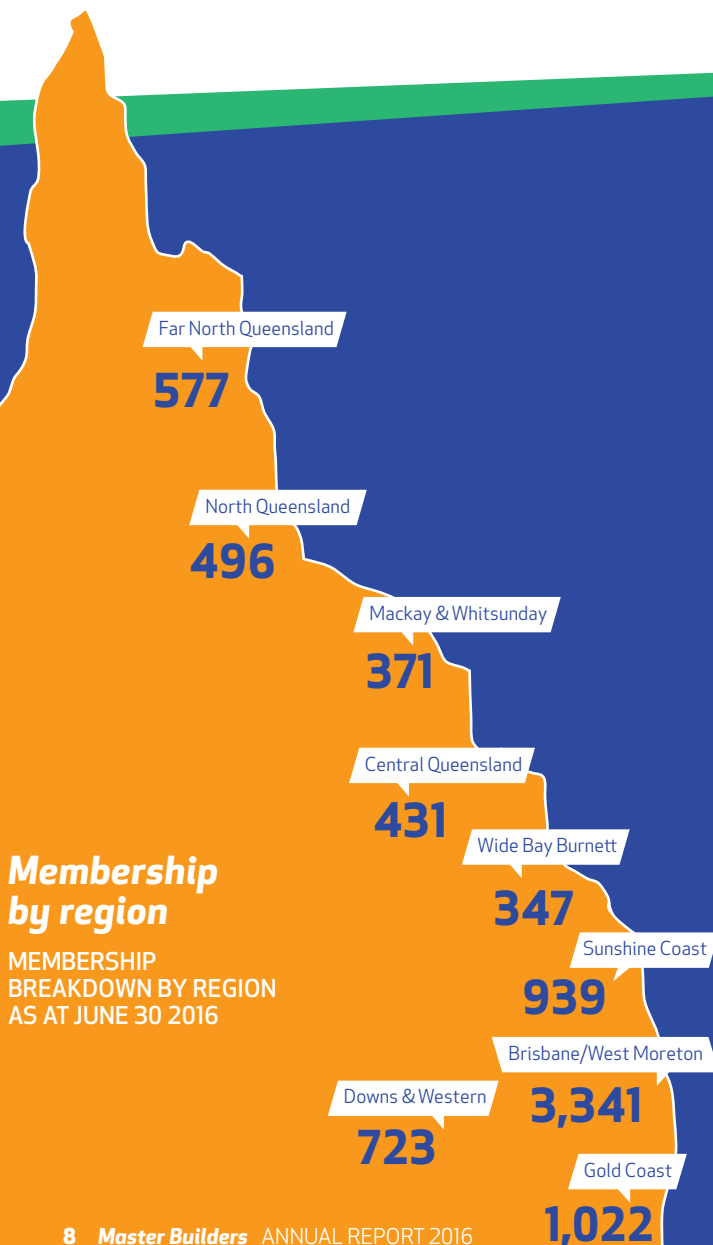
Master Builders relies on strength in numbers to represent the interests of our industry. The stronger our membership base, the louder our voice. During the financial year, Master Builders' dedicated recruitment workforce recruited 1,438 new members.

Master Builders' current membership base stands at 8,247 members, spread across residential

and commercial builders, trade contractors, manufacturers and suppliers, consultants, students, and apprentices.

With nine offices throughout Queensland, our regional footprint remains unmatched by any other industry organisation, and allows us to maximise our reach to members, ensuring we can help them wherever they are working.

Master Builders also recognises that while members are like the spinal cord of our business, we have a broad range of incredibly important customers who form the backbone. These include industry stakeholders, government, consumers and the media. Each of these important stakeholders plays a vital role in helping us support the building industry.



Membership by category

8,247 MEMBERSHIP BREAKDOWN BY CATEGORY AS AT 30 JUNE 2016



New subscribers

1,438 NEW SUBSCRIBERS TO MASTER BUILDERS 2015/2016



Our people

Master Builders takes great pride in ensuring members and key industry stakeholders have access to a capable, hardworking team that understands the challenges of Queensland's building industry.

Committees

Master Builders has two main committees, the Housing Sector Committee and the Construction Sector Committee. These committees are responsible for providing recommendations on policy and industry-wide issues, such as proposed or recommended changes to laws, codes and regulations.

These committees provide valuable input from the coalface of the building and construction industry and are supported by a number of sub-committees, as outlined in the organisational chart.

Division and branch structure

In addition to the Brisbane region, Master Builders is defined by eight regional divisions, each of which is supported by a regional office, and the Institute of Building Consultants. Each division has a Committee of Management that is comprised of a Chairman, Vice Chairman, and up to five additional members.

Elected biennially, each committee is responsible for identifying, discussing and recommending courses of action in relation to local and industry issues.

Strategic Leadership Team

The day-to-day operations of Master Builders are overseen by the Strategic Leadership Team, comprising Grant Galvin, Executive Director; Paul Bidwell, Deputy Executive Director; John Crittall, Director – Construction Policy (to December 2015) Corlia Roos, Director – Construction Policy (from 1 January 2016); Fiona Ashmore, Director – Corporate Services; Sue-Ann Fresneda, Director – Business Development & Membership; Ken Bowen, General Manager – Insurance and Simon Spencer – Director – Business Systems.

Operational staff

Master Builders employs a team of talented, experienced and dedicated staff, who provide exceptional services, benefits and products to Master Builders members. Expert staff are based in the Brisbane head office and in each of the major regional centres across Queensland.

See the Corporate Governance pages for a detailed list of Executive and State Council.



L-R (front) Kathy Seaman, Peter Schriek, Nick Herron, Sue-Ann Fresneda, Adrian Gabrielli, Simon Spencer

L-R (back) Fiona Ashmore, Ralph Dutton, John Crittall, Geoff Baguley, Drew Brockhurst, Rod McDonald, Grant Galvin, Paul Bidwell, Ken Bowen

Policy and advocacy

Master Builders is committed to being the number one organisation representing the interests of members and the broader building and construction industry in Queensland.

With well-established networks, strong staff representation on a broad range of industry bodies, the ear of government and other key decision-makers, and comprehensive research and assessment of industry issues, we are in a strong position to influence the outcomes of issues that affect our members.

Master Builders produces regular policy submissions and commentaries on issues that affect the industry. As well as regularly reporting on our wins for the industry, we also produce a number of building industry reports and release regular media statements that receive consistent coverage.

Context

The demand for new housing continues to grow in 2016. In some parts of the industry, namely large multi-unit projects and in the south-east corner of the state, building approvals are up by 20 per cent on the previous year. It is here that we are seeing pressure on labour costs and land availability.

For much of the industry, however, the lack of demand is still keenly felt and a lacklustre level of demand has continued as a major constraint. The non-residential sector remains flat and is struggling to recover in any meaningful way. Central Queensland and Mackay struggle with little or no demand. Townsville and Wide Bay have seen little growth, while Toowoomba and Cairns are beginning to record modest gains.

Employment in the industry has begun to recover following job losses in the resource sector. The industry has returned to its original position as the state's largest provider of full-time work. While there remains a high level of flexibility in the employment market, reports of increased difficulty in finding key qualified staff are beginning to emerge. At the same time, while apprenticeship uptake has increased, large numbers are still failing to complete their training.

A number of high-profile construction product failures highlight the ever-present challenges in our industry. We must find ways to better manage risk, while not losing the opportunity for innovation. This will become increasingly important as globalisation continues its growing impact on our industry.

The cost to deliver new construction is rising but the lack of demand means that builders cannot increase their contract prices. This situation cannot be sustained. We must find a way to drive down or at least contain construction costs.

2016 Policy & Advocacy Agenda

A stable, widespread increase in demand for new construction is important for the industry and to meet the needs of a growing Queensland population. In order to deliver the construction on which Queensland communities depend, policies that foster a stable and robust industry are essential.

This requires doing more to stimulate the demand for new construction, particularly in regional Queensland and non-residential construction. It includes investing in infrastructure and building confidence in an industry that has a reputation for quality and value.

The construction industry requires a regulatory environment that is fair and predictable, where all are held to account. It will mean supporting the industry in being able to evolve and respond to an ever-changing environment. These efforts will develop a skilled workforce that is ready and able to tackle the next set of challenges.

Master Builders' Policy Agenda for 2016 has therefore been one that supports industry growth: advocating measures that target demand for new construction; strengthening and rebuilding capacity to deliver within a fair and predictable regulatory environment; improving productivity measures; managing risk and training to build a skilled and well-prepared workforce.

The six point plan outlined a number of goals



Stimulate broad-based demand for new construction



Improve the affordability and quality of new construction



Better manage construction risk



Build a collaborative approach to industrial relations



Promote workplace health and safety leadership



Modernise the training and apprenticeship system.

What has been achieved

Master Builders helped to shape positive change throughout the year to improve the efficiency and confidence of the building and construction industry.

When it comes to the regulation of our industry there is now a more practical approach to dispute resolution with the *Guide to Standards and Tolerances* and an early dispute resolution process.

Changes to the National Construction Code around slip resistance were delayed to allow the industry to prepare a practical and workable implementation timetable.

Long-fought improvements to the development assessment and planning systems were achieved with the new *Planning Act* passed by parliament. The legislation limits the extent that building work can be regulated in the planning system and provides a quick and inexpensive means for assessing minor, low-risk alternatives to acceptable solutions. This work continues in the detail of the regulations and other supporting instruments.

Master Builders successfully transitioned to a new directorship of the industry's largest worker entitlement fund Building Employees Redundancy Trust (BERT) to best advance the interests of fund members and contributing employers.

Inadequacies in workplace health and safety Codes of Practice were identified and work begun to bring them up-to-date with modern construction methods.

The Parliamentary Committee's examination of WorkCover legislation has recommended that the scheme be extended to include principal contractors and host employers.

We helped shape future private sector involvement in the redevelopment of public housing assets and helped members access the government's public housing development opportunities program.

There has also been much work on far-reaching policy issues that will continue into the next year and bring significant benefits to our industry once resolved. These include issues around security of payment, erosion and sediment control, drug and alcohol policies, training and licensing requirements and a new Housing Code.

Master Builders has also kept up rigorous lobbying to bring about the return of the Australian Building and Construction Commission (ABCC). The Australian Parliament's failure to pass the government's Bill was the trigger for a double dissolution election. We remain confident that the new parliament will be more supportive of the Bill.

For a full copy of the agenda, visit www.mbqld.com.au/policyagenda

Corporate governance

Master Builders' corporate governance systems guide the way we manage our business, minimise risk and ensure integrity. Our systems are based on a commitment to fairness, accountability and transparency.

Governance changes

Master Builders made a number of changes to our Constitution in May 2016 to ensure a more progressive and contemporary governance framework is in place for the future.

The main changes included the introduction of two classes of membership, voting and non-voting members, and the creation of the Master Builders Electoral College (which has replaced State Council), comprising between 25 and 45 builder and trade contractor members from across the state.

The primary function of the Electoral College is to elect a Board which is more representative of the organisation's membership base.

The management and control of the association is now vested in the Board (which has replaced the eight-person Executive team). The Board will meet monthly to oversee the governance of the association.

The changes do not impact the advice, products and services we offer members on a daily basis, but they do change the way our governing body is elected. The changes also provide a better framework that is more representative of our membership base and makes it easier for members to get involved.

Executive attendance register

Name	Position	Meetings attended	Meetings eligible to attend
Nick Herron	President	11	11
Peter Schriek	Vice President	11	11
Kathy Seaman	Treasurer	9	11
Rod McDonald	Chairman Construction	9	11
Ralf Dutton	Chairman Housing	8	11
Geoff Baguley	Executive Member	11	11
Drew Brockhurst	Executive Member	10	11
Adrian Gabrielli	Executive Member	10	11

Executive meetings

As of the next 2016-17 annual report, the governance structure will change. However, for the purposes of this report, Master Builders was governed by an elected Executive team, which was chartered with the responsibility of conducting the business of Master Builders within the policies and budget of the organisation.

During the year, Master Builders held 11 Executive meetings.

Strategic planning

The 2014-2017 Strategic Plan, which was approved by State Council, retains its relevance and applicability by the development of an annual business plan supporting the progress of the three-year plan.

Mandatory reporting requirements

Master Builders is subject to a range of mandatory reporting requirements covered by various legislation. Details of these requirements are outlined on our website at www.mbqld.com.au

AQTF/VET Quality Framework audit information

The Registered Training Organisation User Choice Prequalified Supplier program requires Master Builders to publish a summary of our latest AQTF/VET Quality Framework audit information.

Financial disclosure

Under the obligations outlined in the *Industrial Relations (Transparency and Accountability) Bill 2013*, Master Builders makes the following information available:

- 2016 year-end financial disclosure statement for the period 1 July 2015 to 30 June 2016
- 2016 mid-year financial disclosure statement for the period 1 July 2015 to 31 December 2015
- 2015 year-end financial disclosure statement for the period 1 July 2014 to 30 June 2015
- 2015 mid-year financial disclosure statement for the period 1 July 2014 to 31 December 2014.

Information covered includes:

- Remuneration and benefits for highest paid officers
- Register of gifts, hospitality and other benefits given and received for the year
- Register of grants loans and donations for the year
- Register of political spending for the year
- Political party affiliation fees
- Details of financial policies required to be maintained
- Details pertaining to officers financial management training.

Workplace Gender Equality

Master Builders also complies with the *Workplace Gender Equality Act 2012*, and has submitted a workplace profile to the Workplace Gender Equality Agency.

Complaints

Master Builders is committed to resolving complaints quickly and fairly, and we empower our people to resolve issues as they arise. All

complaints and grievances are recorded in the complaints register and reported to the Executive Director on a quarterly basis.

Complaints can be submitted in writing to: Master Builders Association of Queensland, 417 Wickham Terrace, Brisbane Queensland 4000.

Privacy policy

The privacy and confidentiality of the personal information of our members, stakeholders and other parties is of the highest importance.

Master Builders is committed to protecting privacy through responsible collection, use, storage and disclosure of personal and sensitive information. We seek to effectively comply at all times with the provisions of the *Privacy Act 1988* and other laws regulating the collection, storage, quality, use and disclosure of personal and sensitive information.

Master Builders has adopted the Australian Privacy Principles (APP) published by the Office of the Australian Information Commissioner and operates in accordance with those principles. A copy of Master Builders' privacy policy can be found on our website at www.mbqld.com.au/privacy

Code of conduct

As an industry leader, Master Builders encourages members to abide by high ethical standards. Members are responsible for conducting their business in a professional, fair and honest manner and abide by the Master Builders Code of Conduct.

A full copy of the Code of conduct can be found at www.mbqld.com.au

Executive, State Council and Housing Sector Committee members as at 30 June 2016

Executive

Nick Herron (President), Peter Schriek (Vice President), Kathy Seaman (Treasurer), Rod McDonald (Chairman Construction), Ralf Dutton (Chairman Housing), Geoff Baguley (Executive Member), Drew Brockhurst (Executive Member), Adrian Gabrielli (Executive Member)

State Council

General Councillors: M. Brooke, K. Seaman, G. Muir, R. McDonald, D. Close, N. Herron, J. Gaskin, D. Brockhurst, D. Pingel, L. Dore, J. Kirkwood, T. Prendergast, M.I Casablanca (contractor), L. Sarragossi (contractor)

Divisional Councillors: B. Louttit (Central Qld), R. Burns (Sunshine Coast), R. Dutton (Far North Qld), S. Summers (Gold Coast), P. Schriek (Downs & Western), A. Gabrielli (North Qld), G. Baguley (Mackay & Whitsunday), D. Bowes (Burnett Wide Bay), R. Sternberg (IBC)

Committees

Construction: R. McDonald (Chair) C. Matthews, D. Grehan, D. Brockhurst, C. Masci, T. Orazio G. Dunnett, G. Quinn, J. Bedsor, S. Hawkins, S. Cole. **Convenor:** C. Roos

Housing: R. Dutton (Chair), R. Burns, S. Cedergren, L. Doré, D. Haigh, B. Hilder, R. Hogno, C. Hughes, B. Louttit, M. Settree, A. Williams, B. Garland. **Convenor:** P. Bidwell

A full list of current committee members is available at www.mbqld.com.au

Financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue from continuing operations	2(i)	19,071,356	17,613,109
Other income	2(ii)	881,593	772,845
Employee expenses		(11,900,321)	(11,283,449)
Depreciation and amortisation expense		(565,927)	(543,127)
Printing stationery and postage expenses		(339,601)	(284,836)
Occupancy expenses		(599,352)	(528,415)
Other expenses	3	(5,992,793)	(5,301,471)
Surplus / (Loss) before income tax expense		554,955	444,656
Income tax expense		-	-
Surplus/(loss) for the year	15	554,955	444,656
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net gain/(loss) on revaluation of land and buildings		309,437	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Net gain/(loss) on revaluation of investment portfolio		(329,641)	51,693
Total other comprehensive income/(loss) for the year		(20,204)	51,693
Total comprehensive income/(loss) for the year		534,751	496,349

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	4	9,241,744	4,103,674
Inventories		95,591	71,129
Trade and other receivables	5	1,933,232	1,801,043
Other current assets	6	196,099	207,279
		11,466,666	6,183,125
Non-current assets			
Investment portfolio (Available-for-sale financial assets)		11,317,135	11,090,051
Property, plant and equipment	7	19,307,725	19,108,437
		30,624,860	30,198,488
		42,091,526	36,381,613
Current liabilities			
Trade and other payables	8	13,602,059	8,407,994
Short-term provisions	9 (i)	19,695	25,375
		13,621,754	8,433,369
Non-current liabilities			
Long-term provisions	9 (ii)	230,144	243,367
		13,851,898	8,676,736
Net assets		28,239,628	27,704,877
Equity			
Reserves		6,828,067	6,848,271
Retained profits		21,411,561	20,856,606
Total equity		28,239,628	27,704,877

The accompanying notes form an integral part of these financial statements.

Financial statements

STATEMENT OF CHANGES IN EQUITY Year ended 30 June 2016

	RETAINED PROFITS	ASSET REVALUATION <i>Land and buildings</i>	ASSET REVALUATION <i>Investments</i>	TOTAL
	\$	\$	\$	\$
Balance at 1 July 2014	20,178,629	6,747,153	282,746	27,208,528
Net surplus for the year	444,656	-	-	444,656
Transfer from Asset Revaluation Reserve to Retained Earnings	233,321	(233,321)		
Other comprehensive income	-	-	51,693	51,693
Balance at 30 June 2015	20,856,606	6,513,832	334,439	27,704,877
Net surplus for the year	554,955	-	-	554,955
Transfer from Asset Revaluation Reserve to Retained Earnings				-
Other comprehensive income	-	309,437	(329,641)	(20,204)
Balance at 30 June 2016	21,411,561	6,823,269	4,798	28,239,628

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities inclusive of GST			
User charges		23,129,019	19,850,808
Interest and dividends received		686,366	680,706
Payments to suppliers and employees		(17,601,322)	(18,481,160)
Net cash inflow/(outflow) from operating activities	15	6,214,063	2,050,354
Cash flows from investing activities			
Proceeds from disposal of assets		13,247	404,826
Payments for property, plant and equipment		(532,515)	(505,723)
Payments for purchase of listed investments		(556,725)	(4,389,155)
Net cash inflow/(outflow) from investing activities		(1,075,993)	(4,490,052)
Net increase/(decrease) in cash held		5,138,070	(2,439,698)
Cash and deposits at beginning of financial period		4,103,674	6,543,372
Cash and deposits at end of financial period	4	9,241,744	4,103,674

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

Year ended 30 June 2016

Note 1: Summary of Significant Accounting Policies

The financial report is a special purpose financial statement that has been prepared for distribution to the Members to fulfil the Executive Committee's financial reporting requirement under the Association's constitution. The report has been prepared in accordance with the requirements of the *Industrial Relations Act 1999 (Qld)* and the recognition and measurement requirements of the Australian Equivalents to the International Financial Reporting Standards (AIFRS), and the disclosure requirements of the following Australian Accounting Standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the Balance Sheet Date
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures.

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board (AASB) have been applied. The financial report covers QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS as an individual entity. QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS is an association incorporated in Queensland under the *Industrial Relations Act 1999 (Qld)*.

The organisation is a not-for profit entity. The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the revaluation of selected non-current assets and financial assets for which the fair value basis of accounting has been applied. The financial statements are presented in Australian dollars, which is QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS functional and presentation currency.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies

have been consistently applied, unless otherwise stated.

Income Tax

The activities of the Association are exempt from income tax pursuant to s50.15 of the *Income Tax Assessment Act 1997*.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Revenue

Revenue of the Association includes membership subscriptions, commissions from insurance premiums and third party telecommunications services, course fees for the provision of training courses and proceeds from the sale of documents, signs and advertising.

Subscription revenue is recognised progressively over the subscription period. Course revenue is recognised at the time of raising the invoice, which is within 30 days of course commencement. Other income is recognised when the service is provided.

Available-for-sale financial assets

Available-for-sale financial assets comprise of managed funds operated by professional fund managers and includes this year seed capital (\$43,000) for research and development into a start-up company in conjunction with other associations. Both of these financial assets are classified as non-derivatives that are not classified in any of the other investment categories. Purchases and sales of available-for-sale financial assets are recognised on trade-date – the date on which the Association commits to purchase or sell the asset. The asset is initially recognised at cost and subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity in the asset revaluation reserve. When securities are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as realised gains and losses.

Fair value estimation

The fair values of available-for-sale financial assets are based on unit prices at the time of valuation provided by the professional fund managers.

Impairment

At the end of each reporting period, the Association assesses whether there

is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Held-to-Maturity

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

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

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Any accumulated amortisation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

All other property, plant and equipment are measured on a cost basis.

Property, plant and equipment, other than freehold land, are depreciated over their expected useful lives. Assets are depreciated using the straight line method. Where an asset's life is not expected to greatly exceed 12 months, or expenditure is of a minor capital nature (less than \$1,000), it is written off and not capitalised. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Other Operations

The Association administers the following bank accounts not included in the financial reports for the year:

- a) QMBA Insurance Agency. The account was established to hold insurance premiums received, pending disbursement to insurers in accordance with agreements with insurers. The balance at 30 June 2016 was \$3,752,155 (2015: \$3,509,844).
- b) Master Builders Foundation. The account holds, separately to Master Builders operations, voluntary contributions made by members, which are used to provide support to Queensland based community projects and programs, particularly programs and projects that align with the building and construction industry. Voluntary contributions of \$198,339 (2015: \$234,757) were collected from members. Grants of \$447,069 (2015: \$271,000) were made to approved Queensland causes. The balance of the account at 30 June 2016 was \$235,736 (2015: \$490,921).

The Association administers various building display villages. As at 30 June 2016, net funds of \$1,595,283 (2015: \$476,312) were held on behalf of display village builders, pending expenditure on promotion and administration costs. This is recognised as a current liability.

The Association also administers funds regarding NatCo. As at 30 June 2016, net funds of \$150,672 remain which will be used for the feasibility study and business case into the start-up of NatCo with other participating associations. This is recognised as a current liability.

There are two items on the Statement of Financial Position that are included in both 'Cash at Bank – Restricted' and 'Other Payables and Accruals.' These items are:

- a) An amount of \$2,969,298 (2015: \$1,327,737) representing funds administered by the Association on behalf of parties involved in arbitration
- b) An amount of \$1,004,000 (2015: \$365,000) representing holding deposits made by display village builders against failures to complete contracts.

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one

year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long service leave is accrued in respect of all employees with more than six years' service.

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. The Association does not have a bank overdraft.

Accounts Receivable and Other Debtors

Receivables expected to be collected within twelve months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or other payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in user charges or payments to suppliers and employees.

Accounts Payable and Other Payables

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

Critical Accounting Estimates and Judgements

Other than accruals and provisions, there are no critical accounting estimates used by management.

Adoption of New and Revised Accounting Standards

During the current year the Association has not needed to adopt any new or revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these standards. These amendments are not expected to significantly impact on the Association.

Reserves

The asset revaluation reserve records revaluations of land and buildings and unrealised gains and losses on available-for-sale investments.

Capital Management

Management controls the capital of the association in order to maintain a good debt to equity ratio and to ensure that the organisation can fund its operations and continue as a going concern. There are no externally imposed capital requirements.

Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

New Industry Shareholdings

During the 2016 year, the association became a joint owner of new industry organisations BERT Fund Ltd, BEWT Fund Ltd and QCTF Fund Ltd. The association holds 100% of all the A class Memberships in each of the funds.

There was no financial effect on the association with respect to its ownership interests in these funds during the 2016 year.

Notes to the financial statements

Year ended 30 June 2016

	2016	2015
	\$	\$
2. REVENUE		
i) Revenue from continuing operations		
Membership subscriptions	6,673,418	5,961,331
Commissions income	6,956,528	6,565,896
Course and training income	2,579,963	2,590,076
Sponsorship functions and events	1,791,722	1,630,522
Publications income	81,675	115,214
Display village income	110,408	55,056
Document sales income	418,356	423,219
Other income	459,286	271,795
	19,071,356	17,613,109
ii) Other income		
Interest and dividends received	686,366	680,706
Gain/(Loss) on disposal of plant and equipment	(63,490)	(159,308)
Rent received	258,717	251,447
	881,593	772,845
3. OTHER EXPENSES		
National levy and affiliation costs	540,096	527,952
Consultancy costs	515,195	192,576
Travel and accommodation	308,784	317,509
Telecommunications	302,325	283,974
Other expenses of operating activities	1,795,573	1,464,834
Training expenses	1,142,809	1,237,480
Sponsorship & events expenses	1,261,688	1,147,151
Documents costs	126,323	129,995
	5,992,793	5,301,471

	2016	2015
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash on hand	3,500	3,500
Cash at bank	5,252,541	2,395,370
Cash at bank – term deposits	12,405	12,067
	5,268,446	2,410,937
Cash at bank – restricted	3,973,298	1,692,737
Total cash and cash equivalents	9,241,744	4,103,674
5. TRADE AND OTHER RECEIVABLES		
Trade debtors	2,163,622	2,027,112
Less provision for doubtful debts	(230,390)	(226,069)
	1,933,232	1,801,043
6. OTHER CURRENT ASSETS		
Tenancy security deposits	5,738	5,738
Prepayments	190,361	201,541
	196,099	207,279
7. PROPERTY, PLANT AND EQUIPMENT		
Land – at valuation		
Freehold land at independent 2016 valuation	14,340,000	11,125,000
Buildings – at valuation		
Buildings at independent 2016 valuation	3,800,000	6,980,000
Provision for depreciation	–	(299,206)
	3,800,000	6,680,794
Building improvements – at cost		
Building improvements	–	131,548
Provision for depreciation	–	(5,413)
	–	126,135
Total land and buildings	18,140,000	17,931,929
Plant and equipment at cost		
Plant and equipment	2,644,023	3,409,729
Provision for depreciation	(1,476,298)	(2,233,221)
Total plant and equipment	1,167,725	1,176,508
Total written down value	19,307,725	19,108,437

The land and buildings were revalued as at 30 June 2016 based on independent valuations completed by Herron Todd White in May and June 2016. The valuations were completed by determining the fair value of the land and buildings based on the highest and best use of the assets.

The valuations were completed using both a market-based approach (the direct comparison approach) as well as an income-based approach (capitalisation of net income approach). The highest and best use of the properties was deemed to be their current use, with the exception of a property in Wickham Terrace at Spring Hill. The highest and best use of this property was deemed to be for development. This means that the entire value of the property is in its land value, and therefore there is no portion of this valuation allocated to buildings.

Notes to the financial statements

Year ended 30 June 2015

7. PROPERTY, PLANT AND EQUIPMENT CONTINUED			
	Land & buildings at valuation	Land & buildings at cost	Plant & equipment at cost
	\$	\$	\$
Net book value as at 1 July 2014	18,375,279	128,014	1,206,682
Assets acquired during the year	-	-	505,723
Assets disposed during the year	(470,000)	-	(94,134)
Amortisation/Depreciation charged during the year	(99,485)	(1,879)	(441,763)
Net book value as at 30 June 2015	17,805,794	126,135	1,176,508
Net book value as at 1 July 2015	17,805,794	126,135	1,176,508
Assets acquired during the year	-	-	532,515
Assets disposed during the year	-	-	(76,736)
Revaluations	433,692	(124,256)	-
Amortisation/Depreciation charged during the year	(99,486)	(1,879)	(464,562)
Net book value as at 30 June 2016	18,140,000	-	1,167,725

8. TRADE AND OTHER PAYABLES		
	2016	2015
	\$	\$
Trade payables	719,640	648,240
GST payable	246,804	246,579
Advance billings	5,240,449	3,547,133
Other payables and accruals	336,938	535,121
Administered Funds	4,123,971	1,692,737
Display village creditors	1,595,283	476,312
Short-term employee benefits	1,104,437	1,078,769
Income in advance	234,537	183,103
	13,602,059	8,407,994

Trade creditors are generally settled within 30 days. The Executive Committee members consider that the carrying amounts of trade and other accounts payable approximate their net fair values.

9. PROVISIONS		
i) Short-term provisions		
Qld Construction Industry Forum	19,695	25,375
ii) Long-term provisions		
Employee benefits and related on-costs liabilities	230,144	243,367

10. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2016 (2015: Nil).

11. COMMITMENTS FOR EXPENDITURE	2016	2015
	\$	\$
i) Capital commitments		
Not later than one year	-	-
ii) Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	136,231	131,066
Later than one year but not later than five years	64,738	191,163
	200,969	322,229

12. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Financial Statements were authorised for issue as dated in the Statement by Executive Committee of Management. There were no subsequent events which require adjustments or disclosures in the financial report.

13. REMUNERATION AND RETIREMENT BENEFITS

Executive Committee member fees

Meeting fees totalling \$32,546 (2015: \$39,410) were paid to Executive and Councillor members during the year.

14. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor

Audit and review of financial reports – Bentleys	30,646	27,560
Audit and review of Financial Services Licence – Bentleys	3,273	3,440
	33,919	31,000

15. RECONCILIATION OF SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

Net surplus/(loss) for the year	554,955	444,656
Depreciation and amortisation	565,927	543,127
(Gain)/loss on disposal of non-current assets	63,490	159,308
(Increase)/decrease in trade and other debtors	(-121,009)	(-327,154)
Increase/(decrease) in provisions	6,765	61,767
(Increase)/decrease in inventories	(-24,462)	132,923
Increase/(decrease) in trade and other creditors	5,168,397	1,035,727
Net cash inflows from operating activities	6,214,063	2,050,354

16. ENTITY DETAILS

The registered office of the Association is 417 Wickham Terrace, Brisbane Queensland 4000.

The principal place of business is 417 Wickham Terrace, Brisbane Queensland 4000.

Statement by Executive Committee

The Executive Committee of the QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS has determined that the Association is not a reporting entity and that this special purpose financial statement should be prepared in accordance with the accounting policies described in Note 1 to the financial statements. They are also of the opinion that the financial statements:

1. Give a true and fair view of the financial position of QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date.
2. The organisation was solvent for the full year. At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.
3. The meetings of the Executive during the year were held in accordance with the constitution of the Association.
4. During the financial year, there have been no instances where records of the Association or other documents, or copies of records or documents, or copies of the constitution of the Association, have not been furnished or made available to members in accordance with the *Industrial Relations Act 1999 (Qld)*, or the constitution of the Association.
5. The Association has complied with *Section 566* of the *Industrial Relations Act 1999 (Qld)* in relation to the provision of copies of the accounts and statements to members, and to the presentation of the accounts and statements to a general meeting of members as required by *Section 565* of the Act.
6. The accounts and statements for the financial year have been prepared in accordance with *Section 555* of the Act and with applicable Australian Accounting Standards as detailed in Note 1: Summary of Significant Accounting Policies.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:



Nick Herron, President

13 September 2016

Statement by Accounting Officer

In relation to the attached accounts of the Association, I hereby certify that the Association had 7,010 (2015: 7,344) members and 1,237 (2015: 1,290) registrants all of whom are financial as at 30 June 2016 and that in my opinion:

1. The accounts prepared in accordance with s555 of the *Industrial Relations Act 1999 (Qld)* show a true and fair view of transactions for the financial year and the financial position of the Association as at the end of the financial year.
2. A record has been kept of all moneys paid by, or collected from, members of the Association and all moneys so paid or collected have been credited to the bank account or accounts to which those moneys are to be credited, in accordance with the rules of the Association.
3. Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association.
4. No payment was made out of a fund referred to in *Schedule 5* of the *Industrial Relations Regulations 2011(Qld)* (*section 45*). No such fund was operated.
5. No loans or other financial benefits were granted to employees or persons holding office in the Association.
6. The register of members of the Association was maintained in accordance with the *Industrial Relations Act*.



Adrian O'Grady, Finance Director

13 September 2016

Certificate in Relation to Documents

In accordance with *Section 570* of the *Industrial Relations Act 1999 (Qld)* I hereby certify that the foregoing documents, being accounts and notes thereto, and statements and reports in relation to the financial year ended 30 June 2016, are copies of the documents which have been presented to the Annual General Meeting of the Association for 2016.



Nick Herron, President

15 September 2016

Certificate in Relation to Documents

Attention of the members is drawn to the following provisions of *Part 12 Division 2 Section 556* of the *Industrial Relations Act* in relation to 'prescribed information' - as listed in Division 2.

1. A member of an organisation may apply to the organisation for information that it must, under a regulation, give its members.
2. An application may be made by the Registrar for a member.
3. The organisation must give the member or, if the Registrar applied for the member, the Registrar, the information applied for in the way prescribed under a regulation.
4. If the information is given to the Registrar, the Registrar must give the information to the member for whom the Registrar made the application.



Nick Herron, President

13 September 2016

2016 Annual Financial Disclosure Statement

In accordance with sec 557O of the *Industrial Relations Act 1999* QUEENSLAND MASTER BUILDERS ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS provides the following financial disclosures in compliance with sections 557P to 557V of the Act

- 2016 financial year accounts s 555 – attached
- Remuneration and benefits for highest paid officers sec 557Q
- Register of gifts, hospitality and other benefits given and received for the year sec 557R
- Register of grants loans and donations for the year sec 557R
- Register of political spending for the year sec 557S
- Political party affiliation fees sec 557T
- Details of financial polices required to be maintained sec 557U
- Details pertaining to officers financial management training sec 557V

The following registers and information is published on the website:

www.mbqld.com.au/about-us/mandatory-reporting/financial-disclosure

Register of gifts

Register of grants, loans and donations

Register of political spending

Political Party Affiliation fees

Master Builders was not affiliated with any political party during the year ended 30 June 2016.

Register of Master Builders' Officers Financial Training

OFFICERS NAME	OFFICERS ROLE	DATE OF TRAINING	PROVIDER OF TRAINING
Drew Brockhurst	Executive Member	23/03/2015	DWS Hospitality Specialists
Rod MacDonald	Executive Member	23/03/2015	DWS Hospitality Specialists
Adrian Gabrielli	Executive Member	23/03/2015	DWS Hospitality Specialists
Geoff Baguley	Executive Member	23/03/2015	DWS Hospitality Specialists
Kathy Seaman	Treasurer	29/01/2014	Safe Work College
Ralf Dutton	Executive Member	29/01/2014	Safe Work College
Peter Schriek	Executive Member	29/01/2014	Safe Work College
Nick Herron	Executive Member	29/01/2014	Safe Work College

Remuneration of officers

This table details remuneration of Master Builders elected officers for the period from 1 July 2015 to 30 June 2016, and is provided in accordance with Section 557Q(c) Remuneration and Benefits for highest paid officers.

Name	Position	Remuneration for year ended June 2016	Description of remuneration	Non-cash benefits provided for the ended June 2016	In the officers capacity as a board member other than costs of travel and accommodation
Nick Herron	President	\$5,246.32	Meeting fees	\$12,502.73	Nil
Peter Schriek	Vice President	\$7,100.00	Meeting fees	Nil	Nil
Drew Brockhurst	Executive Member	\$6,500.00	Meeting fees	Nil	Nil
Kathy Seaman	Treasurer	\$6,150.00	Meeting fees	Nil	Nil
Ralf Dutton	Executive Member	\$5,550.00	Meeting fees	Nil	Nil
Martin Brooke	General State Councillor	\$750.00	Meeting fees	Nil	Nil
Rick Burns	Divisional State Councillor	\$750.00	Meeting fees	Nil	Nil
Geoff Baguley	Executive Member	Nil	Meeting fees	\$652.73	Nil
Des Bowes	Divisional State Councillor	\$500.00	Meeting fees	Nil	Nil

Master Builders Financial Policies

Name of policy	Brief description	Date adopted by organisation	Last reviewed
Constitution	Decision-making about, and reporting of, the organisation's financial matters	4 July 1957	14 July 2016
Purchasing Policy	<ul style="list-style-type: none"> Spending authorisations and delegations policy setting out the approvals and authorisations processes to spend funds, make payments or make a purchase; Credit cards policy to determine who is issued with a credit card, outlining the user's responsibilities including the terms for using the credit card and cancelling a credit card; Contracting activities policy setting out the tender and selection process, reviewing significant contracts and disclosing the identify of, and arrangements with key service providers 	4 July 2004	March 2014
Travel Expenses Policy Purchasing Policy	Travel and accommodation policy to cover spending by the organisation and receipt of sponsored hospitality benefits by its officers or employees from other entities	July 2004	March 2014
Hospitality and Entertainment	Entertainment and hospitality (given and received) to identify and limit potential conflicts of interest	October 2013	July 2016
Gifts and Gratuities Constitution Foundation	Gifts (given and received);	October 2013	May 2016
Complaints	Complaints handling process dealing with financial matters	October 2013	January 2016
Master Builders Representation on Industry Funds and Bodies	Employment or holding an office outside the organisation to assist decision-makers and provide consistency.	March 2005	October 2013



Nick Herron, President

13 September 2016

Independent Auditor's Report

To The Members of Queensland Master Builders' Association Industrial Organisation of Employers

We have audited the accompanying financial report of Queensland Master Builders' Association Industrial Organisation of Employers, being a special purpose financial report, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by the Executive Committee, the Statement by Members of the Committee, the Certificate in relation to Documents and the 2016 Annual Financial Disclosure Statement.

Executive Committees' Responsibility for the Financial Report

The Executive Committee is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Industrial Relations Act 1999 (Qld.)* and is appropriate to meet the needs of the members. The Executive Committee are also responsible for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial report.

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 ethical pronouncements.

Opinion

In our opinion:

- (a) Queensland Master Builders' Association Industrial Organisation of Employers has kept satisfactory accounting records for the financial year, including records of –
 - (i) the sources and nature of the organisation's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the organisation's expenditure; and
- (b) The financial report of Queensland Master Builders' Association Industrial Organisation of Employers has been prepared in accordance with the *Industrial Relations Act 1999 (Qld.)* and has been properly drawn up to:
 - (i) give a true and fair view of its financial affairs as at 30 June 2016 and of its income and expenditure and surplus for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1; and
- (c) The Annual Financial Disclosure Statement and Mid-year Financial Disclosure Statement for the year were prepared under this Act; and
- (d) Queensland Master Builders' Association Industrial Organisation of Employers has the policies required under section 553A(1) of the *Industrial Relations Act 1999 (Qld.)*.
- (e) No material deficiencies, failure or shortcoming in respect of the matters referred to in (a) and (d) above were noted during our work; and
- (f) We obtained all the information and explanations required to conduct our audit from the organisation's officers or employees.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Executive Committees' financial reporting responsibilities under the *Industrial Relations Act 1999 (Qld.)*. As a result, the financial report may not be suitable for another purpose.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

P M Power, Director

Dated in Brisbane on this
13th day of September 2016



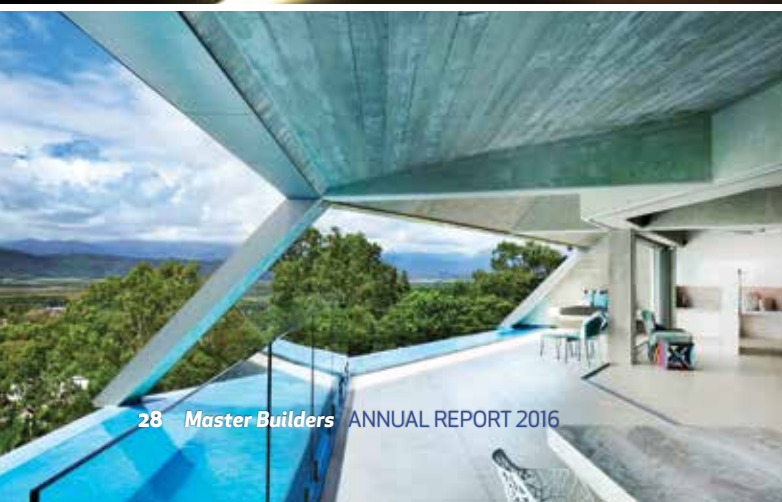
2015 winners



House of the Year

La Spina Homes - The Edge - Far North Queensland

This awe-inspiring home is set in the stunning surrounds of Port Douglas. Constructed on a steep slope overlooking Four Mile Beach and surrounded by tropical rainforest, it is an oasis constructed entirely of concrete and steel that pushes the boundaries of modern construction. Structural elements within the home have been used to create focal points of interest and to maximise ventilation. Internal walls have been constructed so that they don't quite reach the ceiling, which allows light and air to flow freely.





Project of the Year

Lendlease Building Pty Ltd - Lady Cilento Children's Hospital - Brisbane

The Lady Cilento Children's Hospital brings together highly specialised paediatric and children's health services and comprises more than 74 specialist clinical departments. The facility has been designed from the outset to be welcoming, safe and environmentally sustainable, combining innovations in architecture, engineering and construction that have ensured the best possible health outcomes for patients. With the project presenting such an extensive scope, it was an intricate and lengthy process for Lendlease and their team of consultants and subcontractors. The project team established strong relationships with all external stakeholders, which were instrumental to the success of the project.



Master Builders

OFFICE LOCATIONS

With nine offices throughout Queensland, Master Builders regional footprint is unmatched by any other industry organisation in Queensland.

Master Builders Registered Office

417 Wickham Terrace
Brisbane Queensland 4000

Master Builders Gold Coast

Master Builders House
18 Central Park Avenue
Ashmore Queensland 4214

Master Builders Downs & Western

166 Hume Street
Toowoomba Queensland 4350

Master Builders Sunshine Coast

Level 1, 91 King Street
(PO Box 1458)
Buderim Queensland 4556

Master Builders Wide Bay Burnett

162 Boat Harbour Drive
(PO Box 358)
Hervey Bay Queensland 4655

Master Builders Central Queensland

35 Derby Street
(PO Box 631)
Rockhampton Queensland 4700

Master Builders Mackay & Whitsunday

Suite 2, 40 Evans Avenue
(PO Box 3188)
North Mackay Queensland 4740

Master Builders North Queensland

Master Builders House
Unit 1, 316 Sturt Street
(PO Box 5801)
Townsville Queensland 4810

Master Builders Far North Queensland

310-314 Gatton Street,
Manunda Queensland 4870
PO Box 806
Earlville Queensland 4870

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