



ANNUAL REPORT 2023



The home of building

“With a long and proud history, and as experts in our field, we’re the trusted source of knowledge in the industry.”

Contents

President’s welcome	4
CEO’s review	6
Deputy CEO’s review	8
2023 highlights	10
What we do	12
Member snapshot	13
Advocacy focus	14
Leaders & governance	16
Financial statements	16





Welcome.

BUILDING FOUNDATIONS FOR A SOLID FUTURE

In 2022 Master Builders welcomed a new Board, with a mix of experience and fresh faces that will continue the outgoing Board's vision of creating a better association and industry.



Master Builders leadership team is dedicated to ensuring the association's success, with the organisational structure comprising a Board, Master Builders Electoral College (MBEC), Housing & Construction Committees and a Senior Management team. With a variety of experience from all sectors of the industry, our leadership team is firmly focused on Master Builders, the industry and its future. Master Builders role as industry advocate is made possible because of the willingness and hard work from those members who choose to put up their hand to get involved. We call on all eligible members who can nominate for a position whether they are commercial builders to subcontractors and trade professionals; or on the tools or behind the desk – everyone who is elected has a role to play and contributes to us being representative of the entire industry.

2022 was an election year, part of our three yearly constitutional governance cycle where our office bearers and committees are elected. During this process, members who are passionate about the industry and looking to have an impact and a voice are encouraged to get involved at a grass roots level. They can nominate for a range of positions, including the MBEC, which incorporates a Divisional Representative for each Division, or one of our numerous

committees, subcommittees or local Committees of Management. The MBEC play a crucial role in appointing the Board (Master Builders office bearers). Our goal this year was to increase the number of participants new to our governing bodies and to encourage diversity in those that represent us. The level of engagement and the varied pool of talent this election was remarkable – there is no doubt the association is in good hands.

The new-look Board is a combination of commercial and residential builders representing South-East Queensland but also a strong regional presence, with five of the eight members representing regional Queensland from Townsville to the Gold Coast.

These roles are vital in driving positive change and improvements for all sectors and segments of our industry. I'm proud to be part of this group who will lead you into the future with a nod to the good work of previous Boards, but with the intention to inject new skills and different perspectives that will help us move forward even further.

Board priorities and strategy

Elected by the MBEC every three years, the Board's role is to oversee the governance and strategic direction of the association.

The new Board intends to continue their work of maintaining our regional presence and investing back into the right products and services for members – it's these actions that have set us up for success.

Our goals are to strengthen the organisation by improving the value delivered to members, industry and consumers; enhance our reputation as 'the home of building' and a key influencer in Queensland; future-proofing the business and ensuring our long-term sustainability and developing an open and positive internal culture that supports the provision of services and products to members, customers and business partners, and rewarding performance whilst maintaining work life balance.

We will continue to monitor progress against Master Builders strategic objectives, which are underpinned by our core company values of 'accountability, value and growth' and four key strategic priority areas of customer, brand, revenue and people.

Brett Johnston, President



SUPPORTING MEMBERS

As Queensland's leading building industry voice, our role of supporting and adding value for members has never been more important as we faced one of the most unprecedented economic periods in history.



In addition to our efforts of reinvesting back into products and services, our gaze was firmly as ever on our role as advocate and industry voice.

During the 2022/23 financial year we continued our work of supporting members in a post-pandemic world, as materials and labour shortages continued to bite and the introduction of regulation that will disrupt the industry and impact affordability continued despite our best efforts.

In 2023, building a home in Queensland becoming even more challenging as the reality of interest rate hikes, soaring costs and regulatory changes set in. The crippling shortage of tradies and building materials and rising building costs continued to hamper the delivery of construction projects and prevented new projects from getting underway.

The short-term jump in new home construction during the pandemic stimulus period quickly giving way to a drop in demand, heightened by an increase to construction costs that is the worst seen in decades. The Australian Bureau of Statistics reported a 42 per cent increase over three years to the end of June 2022.

While our advocacy efforts spanned many issues and sectors (see our Advocacy

focus on page 14 for all the details on the topics we covered and our wins), the key topic on the agenda was on the National Construction Code (NCC) 2022. In particular, the livable housing and energy efficiency provisions, which the Queensland Government was pushing through without addressing the very real concerns for homebuyers and the residential building industry.

Our concerns related to the practical implementation of the regulations, but also the costs the changes would impose – particularly as Queensland homeowners stared down the barrel of a housing crisis.

We executed two above-the-line advertising campaigns targeting the Queensland Government. Measure twice. Cut once ran in October 2022 and was closely followed by On the level in February 2023.

Both campaigns were designed to call out the government on their decisions and allow more time for the industry to transition, while always ensuring the door for negotiations and discussions was left open. We spent countless hours in discussions with government and various stakeholders, where Master Builders supported inclusive, sustainable, and affordable housing – however, our goal

has always been to achieve sensible and practical outcomes for the industry and homeowners.

By the end of the 2022/23 financial year, it became apparent that Queensland was the lone state moving ahead with implementation of the changes – a move we very much oppose. We urged the Queensland to follow suit and acknowledge the significant global economic challenges by giving the industry more time to prepare for the changes and a reprieve for homeowners from more rising costs.

During the financial year, we also set our sights on our annual consumer campaign, with planning underway for an awareness and advocacy campaign that has the dual purpose of calling out the government on their decision to implement changes that will increase the cost of building during a housing crisis, but at the same time, painting the industry in a positive light.

Acting as a springboard into the 2024 election campaign, our advocacy efforts in this space will continue well beyond the 2022/23 financial year.

Paul Bidwell

Paul Bidwell, CEO



IDENTIFYING OPPORTUNITY

Following on from our work in 2021/22, where we reviewed our membership subscription fee structure in response to significant member feedback, we commenced the implementation of a significant change to our fee structure and how we calculate membership fees.



Introduction of the simplified structure, which offers a fairer and more transparent environment, sees fees for licensed builder and trade contractors now linked to their MR category, was completed during the financial year.

The new structure addresses inequity between residential and commercial builders and trade contractors and goes a long way to addressing concerns raised by members in the past.

At the same time, we also cemented the significant commercial decision to hard-bundle eDocs into eligible members' subscriptions – making our contracts and other select products available as part of the overall membership fee, rather than pay-as-you-go products.

Signs of success

Our financial results following the implementation of these changes tell the success story and achieve our goal of creating sustainable and diverse revenue streams that underpin our future.

Positive member retention softened the financial loss of the decision to make eDocs free and combined with a \$400,000 year-on-year growth for our training department following the expansion of our training course options, Holding Account interest and additional unbudgeted revenue from

the sale of investments, our (unexpected but welcome) \$2.7 million surplus cements our 'profit for purpose' status and will allow us to continue our strategy of reinvesting back into members products and services in the coming years.

Our strong financial position throughout the financial year also gave us the confidence to move ahead during the year with programs and services such as our mental health initiative, new display villages, our regional office refurbishment program which saw work completed on our Gold Coast, Sunshine Coast and Far North Queensland offices completed and commenced in Mackay & Whitsunday, general improvements to our systems and customer service processes, and a number of comprehensive advocacy and advertising campaigns.

Investing in our people

With one of our core strategic objectives being the long-term investment in our team of talented staff, our financial success allowed us to have a key focus during the financial year of investing in our workforce.

Following our bi-annual staff survey, which saw us achieve a massive 90 per cent of staff seeing Master Builders as 'a truly great place to work' we set about reviewing and cementing a new set of staff values.

Engaging a range of staff in the process, our efforts culminated in a new framework that encourages staff to be Authentic, Courageous and Together in all facets of their work. We anticipate these values to support our ongoing positive staff turnover results, which saw turnover decrease by 13 per cent in 2022/23.

Our efforts realising our strategic objectives across our four key strategic priority areas of customer, brand, revenue and people, put us in an incredibly strong position to continue our leading role as Queensland's peak industry voice. Beyond 2023, we'll continue our efforts to wow our customers, be a positive influence for the industry, create sustainable and diverse revenue streams and boast a capable and agile workforce that is committed to supporting members.

Sue-Ann Fresneda, Deputy CEO

2023 Highlights

We've had another fantastic year of delivering on our strategic objectives and supporting members towards better businesses.



Membership

1%
Increase to membership numbers

1,655
New Members

+44
Highest net promoter score

91%
agree Master Builders is a proactive advocate for the industry and lobbies government on important issues

94%
said our staff are friendly and approachable



Members Legal

3,498
Cases



Advisory Services

Advisory services assisted members with more than **15,296** enquires

3,352
Contractual

246
Disputes & without prejudice

2,521
eDocs

3,381
Employment, Wages & Industrial relations

776
Health, Safety & Environment

1,618
Licensing

3,177
Technical Building, Planning & Regulations

192
Other



Insurance

5,184
Clients provided with insurance brokerage services

\$13.4M
Claims paid



eDocs

4,689
Members used eDocs

5,301
Active users

96,295
Documents purchased in eDocs



Digital & Media

\$16M+
Media coverage

2,600+
Mentions in the media

1,382,343
Total website page views

444,043
Unique website users

52,152
Find a Master Builders searches



Events

152
Events held throughout the year

819
Housing & Construction Awards entries from across Queensland



Training

2,879
Enrolled

2,550
Short courses

329
Long courses



People

90%
of staff said Master Builders is a truly great place to work

67%
of staff identify as women

13%
Decrease on staff turnover



Regional Refurb Program

Completed
- Gold Coast
- Sunshine Coast
- Far North Queensland

Underway
- Mackay & Whitsunday



Advocacy

29 formal submissions/letters
to government on matters impacting members.



Member snapshot



9,830

Queensland members 1% growth

MEMBERSHIP BREAKDOWN BY REGION AS OF 30 JUNE 2023

Brisbane / West Moreton	3,870
Gold Coast	1,292
Sunshine Coast	1,188
Downs & Western	802
Far North Queensland	798
Wide Bay Burnett	513
North Queensland	494
Central Queensland	441
Mackay & Whitsunday	432

What we do

We're the industry's voice, its supporter and its mentor and we exist to serve and drive success for members. Our 9,800+ members are spread across the state and our nine offices and staff are there to support them as a reliable, trusted association for members and consumers.

Throughout the year, we continued to support members with backing and support from our experts, timely industry updates, easy access to ready-made, member-exclusive contracts, industry-tailored training courses and a legal team who has their back when they need it.

Our members cover a broad range of the building and construction industry. Builders and tradies form a big part of our membership, but we cater to apprentices and small business, right through to the big end of town.

We're the peak industry body for building and construction in Queensland. We've been around since 1882 and we're proud of our long, rich history of serving and advocating for our ever-growing membership family.

We're also not-for-profit; everything we do goes back into serving you. That's because we place our members at the forefront of everything we do.

We nurture our members, supporting their business needs and working with them to grow prosperous, profitable and successful businesses. We keep our members in the loop on our latest exclusive member discounts and services for things like contracts and disputes, WHS, laws and regulations, HR, insurance, training and important industry changes.

Most importantly though, being a Master Builders member is far more than just another membership. You become part of a family who value the hard work you do and support you every step of the way.



1,655

New members welcomed

MEMBERSHIP BY CATEGORY

Builders	5,353
Trade Contractors	3,326
Manufacturers	273
Associates	833
Students	45

Advocacy focus

Our commitment to being the voice of our members and industry has never been stronger. We have the ear of government and other key decision-makers and 2022/23 saw us in a strong position to influence decisions and lobby for or against issues that affect our members.

2022-23 was another challenging year for the construction industry. Building product supply chains and labour availability continued to face disruption, while rising interest rates and construction costs put the brakes on demand. Too frequently we saw headlines of construction-sector insolvencies.

Changes to the National Construction Code (NCC) commenced on 1 May 2023, impacting many aspects of construction including waterproofing and falls to floorwastes. Further changes are slated for 1 October 2023 on livable housing and energy efficiency, which Queensland stands alone in implementing this year.

The Queensland government continued its onslaught of regulatory change. Master Builders contributed to industry consultations on:

- Home warranty scheme review
- Project management definition and guidance
- Fairness in contracting
- Developer review
- Compulsory continuing professional development
- Project trust accounts
- QBCC licensing qualifications
- Boilermakers and non-structural steelfixing licensing
- Roofing licensing
- Queensland Development Code variations to the NCC.

Master Builders also participated in the following Queensland government industry advisory groups:

- Ministerial Construction Council

- Building Construction and Maintenance Industry Reference Group
- QBCC Industry Advisory Committee
- Infrastructure Industry Steering Committee
- Procurement Industry Advisory Group.

Advocacy wins

- Delay of project trust account rollout to 2025
- Government publication of a comprehensive forward procurement pipeline
- Redrafted Livable Housing provisions to achieve some clarity in the deemed to satisfy requirements and government agreement to Queensland variations
- NCC transition published by DEPW (Section 37 Guideline)
- Updated processes for QBCC issuing directions to rectify to subcontractors including joint directions and directing subcontractors first
- Commitment to amend the MFR Regulation to allow special purpose financial statements as they were before the accounting standard changed
- Suspended MFR report requests as part of QBCC audits
- QBCC suspended issuing conditions of no new work for late lodgement of annual reporting
- QBCC internal review processes improved and automatic deeming of decisions not occurring as frequently
- Government contract subcontractor

- payment adjustment clause amended
- Acceptance of majority of recommendations on QBCC Governance review (including separation of the Home Warranty Scheme from the regulator and wider regulatory reform)
- Support for collaborative workshops for major projects
- Comprehensive Queensland Forward Procurement Pipeline published for building infrastructure
- Government has simplified the prequalification process for subcontractors on 'Best Practice Principles' projects
- Commitment from government to prepare industry guidance on best practice project management.

Advocacy Agenda

We continued to pursue our Advocacy Agenda and made the following progress:

Sustainable businesses

1. Increasing the deposit received for domestic building projects to support contractors' ability to properly fund construction work up front and manage their cashflow. We are advocating strongly as part of the Home Warranty Scheme review to separate the insurance premium from the maximum deposit receivable – which would result in a greater amount being received by the builder as the contract deposit.
2. Improving tendering processes and contractual risk allocations in government building contracts and

provide Master Builders contracts with better price adjustment mechanisms. We are making progress on government building contract processes, assisted by the results of our member survey on government contracts. We have published a Master Builders cost plus with capped price contract.

3. Support compliance of the Psychosocial Code of Practice and the mental health of workers. We have provided training and materials are available on our website.
4. Raise the profile of career opportunities in the sector. We have industry champions appointed in 4 regions who are working with our regional managers promoting our industry as a career of choice. We are also promoting the work of Women Building Australia, an initiative of Master Builders Australia.
5. We continue to advocate for free access to Australian Standards.

Better building practices

1. Guidance supporting the NCC 2022 energy efficiency and accessible housing requirements that brings clarity to the provisions. We have provided a downloadable consumer guide and builder guide (document checklist) as well as a wealth of information on our website. We also participated in the ABCB Livable Housing Implementation Advisory

Committee and achieved some further clarity of provisions in the updated Code published in April 2023 and supporting guidelines.

2. Advocating for a single, mandatory, state-wide Housing Code for greater certainty and efficiency in housing development.
3. A Master Builders voluntary CPD program as part of the Future Builders Program.
4. Advocating for industry-wide mandatory Compulsory CDP.
5. Advocating for Government guidance on what constitutes best practice for client-appointed project manager/contract administrator (superintendent).
6. Starting work on understanding proposals for NCC 2025.
7. Working with manufacturers and suppliers through the Building Products Coalition on product information requirements and a Proposal for Change to the NCC.
8. Advocating for government assistance to the industry to adapt to Modern Methods of Construction, including a Future Builders Centre with a focus on residential builders.

Fair and reasonable regulation

1. Further delay the introduction of Project Trust Accounts into private sector projects over \$3 million and over \$1 million to 2025.

2. Advocating for reform of the Queensland Home Warranty Scheme to ensure that payment of claim decisions are fair to all parties.
3. Advocating for reform of the rectification of defective building work process to ensure decisions are fair, proportionate and targeted at all relevant parties. We have achieved a change in process by the regulator to incorporate directions to subcontractors.
4. Advocating for QBCC to reinstate the process of providing guidance on which licence is required for particular scopes of work.
5. Simplification of the Minimum Financial Requirements. Government has agreed to reinstate special purpose financial statements for smaller contractors.
6. Advocating for regulatory reform to ensure transparency, accountability, integrity and reasonableness in decisions.
7. Advocating for simplified payment dispute framework to include residential work.
8. Advocating for security of payment measures and unfair contract provision requirements to start at the top of the supply chain with developers and owners. The latter was a recommendation of the Developer Review Panel.

Leading change – Future Builders Program

In 2023 Master Builders commenced the Future Builders Program. A program of positive actions to directly contribute to the outcomes we are working to achieve in the policy agenda.

This program has 4 main areas of activity:

Master Builders voluntary Continuous Professional Development (CPD)

Our voluntary CPD scheme is live and the online CPD diary is available under the 'member only' section of the website. Members who complete 6 CPD points in the 2023 calendar year will be eligible for an electronic 'CPD completed' badge.

Industry champions

Members in four of our regions nominated

for these voluntary positions, to champion our industry as a career of choice. Nominations for 2024 will open at the end of 2023.

Renovating to better buildings

Regulatory changes are coming thick and fast for new homes. We believe this change should slow down for new builds and focus in the short term on bringing older buildings up to standard. Working with existing bodies to utilise existing resources, we are working towards providing guidance for owners and builders on how existing homes can be more energy efficient, accessible and resilient. We are also investigating how a Green Living program can be implemented in Queensland.

Building products coalition

Manufacturers, importers and suppliers have responsibility for compliant, safe and energy efficient products used in building and must provide the information needed so their products can be used appropriately. Master Builders established a national Building Products Coalition with key industry partners and submitted a 'Proposal for Change' to the Australian Building Codes Board to improve the evidence of suitability requirements in the National Construction Code. This is the first step towards achieving consistent information and product traceability in Australia, building on the work already done by industry in the National Building Products Assurance Framework.

Leaders & governance

Our corporate governance systems and processes guide how we manage our business, minimise risk and ensure appropriate member representation and deliver on our commitment to fairness, accountability and transparency.

Leaders

Our governance framework is made up of our governing bodies and committees who drive improvement and change for both Master Builders and the broader industry. This framework ensures members and key industry stakeholders have access to a capable, hardworking team that understands the challenges and fights for better outcomes for Queensland's building industry.

Master Builders organisational structure comprises a Board, Master Builders Electoral College (MBEC), committees, Divisions & Branches responsible for our strategic direction, and a Senior Management Team and talented and experienced operational staff who drive the association's operations.

BOARD, MASTER BUILDERS ELECTORAL COLLEGE MEMBERS AND DIVISIONAL REPRESENTATIVES AS AT 30 JUNE 2023

BOARD

Brett Johnston (President), Stephen Havas (Chairman Housing), Chris Taylor (Chairman Construction). Board members: Geoff Baguley, Don Dixon, Ben Garland, Angela Scott, Justin Stainton

MASTER BUILDERS ELECTORAL COLLEGE

GENERAL COLLEGE

GREATER BRISBANE

Anthony Allen, Clive Armstrong, Simon Betteridge, Drew Brockhurst, David Dakin, Donald Dixon, James Dunstan, Michael Emanuelle, Stephen Havas, Russell Fryer, Nick Herron, Kent Jenner, Brett Johnston, Chris McClure, Jeremy McKenzie, Jay Perham, Mark Spry, Daniel Stevens

REGIONS

Ben Garland, Ralf Dutton, Rody Harder, Ben Hilder, Kane Keefe, Brett Kleidon, Wayne Kleidon, Nicole McMillan, Andrew Murchie, Justin Stainton, Chris Taylor, Jesse Zielke,

DIVISIONAL REPRESENTATIVES

- ~ Glenn Raine - Gold Coast
- ~ Ross Hogno - Downs & Western
- ~ Jy-Leigh Wilson - Sunshine Coast
- ~ Angela Scott - Wide Bay Burnett
- ~ Matthew Day - Central Qld
- ~ Geoff Baguley - Mackay & Whitsunday
- ~ Adrian Gabrielli - North Qld
- ~ Pelham Collins - Far North Qld
- ~ Michael Decman - Institute of Building Consultants

A FULL LIST OF CURRENT COMMITTEE MEMBERS IS AVAILABLE AT MBQLD.COM.AU.

DIRECTOR	ATTEND	ELIBIGLE
Brett Jonston	13	13
Ralf Dutton	4	4
Geoff Baguley	12	13
Drew Brockhurst	3	4
Donald Dixon	9	9
Ben Garland	9	9
Steve Havas	12	13
Angela Scott	9	9
Mark Spy	4	4
Justin Stainton	9	9
Chris Taylor	13	13

The 2022-2025 Board were elected on 18 October 2022, with their first Board meeting held in November 2022.

CONSTITUTION

In 2022, the Board took the opportunity to make some minor Constitutional amendments, designed to ensure our governance framework remains reflective of the representative nature of the association, to make it more efficient, as well as satisfying the requirements for ongoing registration under the state's Industrial Relations Act.

The changes, which were passed by Special General Meeting on 18 October 2022, allow for uncapped terms for MBEC and committee members and to increase the maximum number of members on the Construction and Housing Sector Committees from 14 to 16.

Governance

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 mbqld.com.au

TRAINING AUDIT REPORTS

As a Registered Training Organisation (RTO), Master Builders (RTO: 30097) regularly participates in internal audits, industry engagement and stakeholder audits to ensure our continuing compliance requirements and to meet our required RTO standards (2015), governed by the Australian Skills Quality Authority (ASQA). Master Builders receives state funding from the Department of Youth Justice, Employment, Small Business and Training. Read more on our website at mbqld.com.au/training.

FINANCIAL DISCLOSURE

Under the obligations outlined in the Industrial Relations Bill 2016, Master Builders makes the following information available:

- ~ 2023 year-end financial disclosure statement for the period 1 July 2022 to 30 June 2023
- ~ 2022 year-end financial disclosure statement for the period 1 July 2021 to 30 June 2022

Information covered includes:

- ~ General Purpose Financial Report
- ~ Committee of Management Statement
- ~ Operating Report
- ~ Remuneration and benefits for highest paid officers

EXPENDITURE OF MEMBERS FUNDS FINANCIAL YEAR 2023



Employee Expenses	\$15,684,145	69%
Occupancy Expenses	\$677,722	3%
Affiliation Fees	\$543,048	2%
Consultancy	\$356,111	2%
Training Courses	\$898,566	4%
Sponsorship & Events	\$1,495,871	7%
Documents & Signs	\$23,405	0.1%
Communications & Marketing	\$779,403	3%
Administration	\$1,741,410	7.8%
Donations	\$22,000	0.1%
ICT	\$625,207	3%

Register of grants, loans and donations for the year 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.

FEEDBACK

We take great pride in providing all customers with exceptional service and are committed to dealing with feedback in a timely and effective manner. All complaints and grievances are recorded in the complaints register and reviewed where relevant against our Code of Conduct. Feedback can be submitted via our website: mbqld.com.au/contact/feedback

PRIVACY POLICY

The privacy and confidentiality of the personal information of our members, stakeholders and other parties is of the highest importance. A copy of Master Builders' privacy policy is available at 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 abiding by the Master Builders Code of Conduct.

A full copy of the Code of Conduct is available at mbqld.com.au/about/code-of-conduct

FINANCIALS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2023

	Note	CONSOLIDATED GROUP		ASSOCIATION	
		2023	2022	2023	2022
		\$	\$	\$	\$
Revenue from continuing operations	2(i)	24,334,677	24,042,842	24,333,177	24,039,842
Other income	2(ii)	2,065,029	(530,672)	2,063,590	(530,706)
Employee expenses	3(i)	(15,956,821)	(14,768,018)	(15,144,015)	(14,040,555)
Depreciation and amortisation expense		(934,402)	(832,339)	(934,402)	(832,339)
Printing, Stationery and Postage expenses		(100,791)	(91,130)	(98,864)	(89,309)
Occupancy Expenses		(677,722)	(620,676)	(676,617)	(619,835)
Other expenses	3(ii)	(6,071,701)	(7,183,739)	(6,851,193)	(7,967,870)
Interest expense for leasing arrangements		(39,853)	(20,159)	(39,853)	(20,159)
Share of joint ventures profits		253,432	126,990	253,432	126,990
Surplus/(loss) before income tax		2,871,848	123,099	2,905,255	66,060
Income tax (expense)/revenue	5	8,933	(14,494)	-	-
Surplus/(loss) for the year	25	2,880,781	108,605	2,905,255	66,060
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
- Net gain / (loss) on revaluation of land and buildings		9,062,652	-	9,062,652	-
Total other comprehensive income for the year		9,062,652	-	9,062,652	-
Total comprehensive income for the year		11,943,433	108,605	11,967,907	66,060

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	CONSOLIDATED GROUP		ASSOCIATION	
		2023	2022	2023	2022
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	8	42,996,657	44,807,160	42,860,083	44,701,297
Trade and other receivables	9	864,131	1,215,360	864,131	1,215,360
Inventories	10	34,902	31,527	34,902	31,527
Other current assets	11	538,388	731,674	574,783	731,674
		44,434,078	46,785,721	44,333,899	46,679,858
Non-Current Assets					
Investments accounted for using the equity method	12	1,179,993	926,562	1,179,993	926,562
Financial assets	13	14,996,782	14,086,559	14,996,782	14,086,559
Investments in Subsidiaries	14	-	-	1	1
Property, plant and equipment	15	32,948,642	21,399,245	32,948,642	21,399,245
Right of Use Asset	16	538,736	657,811	538,736	657,811
Deferred tax assets	18	21,414	13,096	-	-
		49,685,567	37,083,273	49,664,154	37,070,178
Total Assets		94,119,645	83,868,994	93,998,053	83,750,036
Current Liabilities					
Trade and other payables	17	41,570,171	43,482,916	41,588,737	43,535,909
Lease Liabilities	16	610,106	700,469	610,106	700,469
Current tax liabilities	18	(3,000)	15,405	-	-
Short-term provisions	19	1,586,461	1,355,369	1,537,720	1,314,964
		43,763,738	45,554,159	43,736,563	45,551,342
Non-Current Liabilities					
Long-term provisions	19	407,926	310,287	399,198	304,309
Total Liabilities		44,171,664	45,864,446	44,135,761	45,855,651
Net Assets		49,947,981	38,004,548	49,862,292	37,894,385
Equity					
Reserves	20	16,493,669	7,431,017	16,493,669	7,431,017
Retained profits		33,454,312	30,573,531	33,368,623	30,463,368
Total Equity		49,947,981	38,004,548	49,862,292	37,894,385

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2023

	RETAINED PROFITS	ASSET REVALUATION LAND AND BUILDINGS	TOTAL
	\$	\$	\$
Consolidated			
Balance at 1 July 2021	30,464,926	7,431,017	37,895,943
Comprehensive income			
Profit for the year	108,605	-	108,605
Other Comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the parent entity	108,605	-	108,605
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Balance at 30 June 2022	30,573,531	7,431,017	38,004,548
Balance as at 1 July 2022	30,573,531	7,431,017	38,004,548
Comprehensive income			
Profit for the year	2,880,781	-	2,880,781
Other Comprehensive income for the year	-	9,062,652	9,062,652
Total comprehensive income for the year attributable to members of the parent entity	2,880,781	9,062,652	11,943,433
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Balance at 30 June 2023	33,454,312	16,493,669	49,947,981

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2023

	RETAINED PROFITS	ASSET REVALUATION	TOTAL
		LAND AND BUILDINGS	
Association	\$	\$	\$
Balance at 1 July 2021	30,397,308	7,431,017	37,828,325
Comprehensive income			
Profit for the year	66,060	-	66,060
Other Comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the parent entity	66,060	-	66,060
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Balance at 30 June 2022	30,463,368	7,431,017	37,894,385
Balance as at 1 July 2022	30,463,368	7,431,017	37,894,385
Comprehensive income			
Profit for the year	2,905,255	-	2,905,255
Other Comprehensive income for the year	-	9,062,652	9,062,652
Total comprehensive income for the year attributable to members of the parent entity	2,905,255	9,062,652	11,967,907
Transactions with owners, in their capacity as owners, and other transfers	-	-	-
Balance at 30 June 2023	33,368,623	16,493,669	49,862,292

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2023

	Note	CONSOLIDATED GROUP		ASSOCIATION	
		2023	2022	2023	2022
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from membership subscriptions		10,093,766	9,764,829	10,093,766	9,764,829
Receipts from customers		19,370,262	17,147,406	19,272,808	17,064,253
Interest received		795,779	261,200	794,532	261,166
Payments to suppliers and employees		(27,898,566)	(25,015,507)	(27,830,576)	(25,000,444)
Restricted Accounts - net movement		(1,054,573)	16,786,288	(1,054,573)	16,786,288
Income tax paid		-	-	-	-
Net cash inflow/(outflow) from operating activities	25	1,306,668	18,944,216	1,275,957	18,876,092
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		-	26,182	-	26,182
Payments for property, plant and equipment		(3,281,720)	(809,518)	(3,281,720)	(809,518)
Proceeds from sale of investments		15,445,886	-	15,445,886	-
Payments for purchase of investments		(15,190,974)	(2,026,837)	(15,190,974)	(2,026,837)
Dividends from associates		-	1,000,000	-	1,000,000
Net cash inflow/(outflow) from investing activities		(3,026,808)	(1,810,173)	(3,026,808)	(1,810,173)
Cash flows from financing activities					
Repayment of lease liabilities		(90,363)	(47,953)	(90,363)	(47,953)
Net cash inflow/(outflow) from financing activities		(90,363)	(47,953)	(90,363)	(47,953)
Net increase/(decrease) in cash held		(1,810,503)	17,086,090	(1,841,214)	17,017,966
Cash and deposits at beginning of financial year		44,807,160	27,721,070	44,701,297	27,683,331
Cash and deposits at end of financial year	8	42,996,657	44,807,160	42,860,083	44,701,297

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The consolidated financial statements and notes represent those of Queensland Master Builders' Association Industrial Organisation of Employers and Controlled Entity (the "consolidated group" or "group"). Queensland Master Builders' Association Industrial Organisation of Employers is an organisation incorporated under the Industrial Relations Act 2016 (Qld) and domiciled in Queensland, Australia.

The separate financial statements of the parent entity, Queensland Master Builders' Association Industrial Organisation of Employers ("the Association" or "parent"), have been presented within this financial report.

The financial statements were authorised for issue on 20 September 2023 by the Members of the Board.

Note 1: Summary of Significant Accounting Policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Industrial Relations Act 2016 (Qld), the Association's constitution and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

a) Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent (Queensland Master Builders' Association Industrial Organisation of Employers) and all the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b) Income Tax

The activities of the Association are exempt from the income tax pursuant to section 50.15 of the *Income Tax Assessment Act 1997*. However, the controlled entity is taxable.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets

and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

d) Inventories

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

e) Property, Plant and Equipment

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least every 3 years, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are

Class of Fixed Asset	Depreciation Rate
Buildings – at Valuation	1.5%-4%
Building Improvements – at Cost	5%-15%
Plant & Equipment – at cost	10%-50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Where an asset's life is not expected to greatly exceed 12 months, or expenditure is of a minor capital nature (less than \$5,000), 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 Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves the assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Group has the right to obtain substantially all the economic benefits from the use of the asset throughout out the period of use.
- The Group has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

i) Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension period where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined, then the Group's incremental borrowing rate is determined from Reserve Bank of Australia indicator rates.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lessee accounting

The Group has elected to apply the exceptions to lessee accounting for short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases for low-value items. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

g) Financial Instruments Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is based on two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial asset that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment’s revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

h) Other Operations

The Group and Association administer 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 2023 was \$5,818,048 (2022: \$4,781,326) plus an additional term deposit of \$2,000,000 in 2023 (2022: \$2,000,000).

The Group and Association administer various building display villages. As at 30 June 2023, net funds of \$295,369 (2022: \$694,653) were held on behalf of display village builders, pending expenditure on promotion and administration costs. This is recognised as a current liability.

There are three 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 \$35,968,712 (2022: \$36,450,485) representing funds administered by the Association on behalf of parties involved in arbitration
- b) An amount of \$445,000 (2022: \$1,017,800) representing holding deposits made by display village builders against failures to complete contracts.
- c) An amount of \$72,916 (2022: \$73,916) representing 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 were ceased end at the end of June 2016 however there remains some carryover of funds from prior years. There were no grants approved for Queensland causes during the year.

i) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs of disposal and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 9: Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

k) Employee Benefits

Short-term employee provisions

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Group's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

Defined contribution superannuation benefits

All employees of the Group other than those who receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 10.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

l) Provisions

Provisions are recognised when the Group 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.

m) 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 Group does not have a bank overdraft.

n) Revenue

Operating revenue of the Group 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, display villages, and legal services.

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for these goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

The revenue line greatly impacted by AASB 15 is training revenue and specifically training funding. Previously training was recognised when it was received. Now it is recognised when the performance obligation for funding has been met. The point being when the student has completed the relevant modules of a course and the Association is entitled to the funding component for the student's module completions.

All other revenue lines were considered, and appropriate recognition procedures are in line with AASB 15 and no other material adjustments required to financial statements.

o) Trade and Other Receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

p) Trade and Other Payables

Trade payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group 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.

q) 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 receipts from customers or payments to suppliers and employees.

r) Comparative Figures

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

When the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

s) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates and Judgements

Impairment and Fair Value

The freehold land and buildings were independently valued at 30 June 2023 by Herron Todd White Pty Ltd. The highest and best use of the properties was deemed their current use for valuation purposes, except for the property in Wickham Terrace at Spring Hill. The highest and best use of this property continued to be deemed for development. 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 valuation resulted in a revaluation increment of \$9,062,652 being recognised for the year ended 30 June 2023.

The directors have also considered the carrying value of the associates and joint venture which have been accounted for on the equity accounting basis and concluded that impairments are not required. For further details on the joint venture and associates, see Note 12.

Provision for doubtful debts

Included in trade and other receivables at the end of the reporting period is a separate allowance account used to reduce the carrying amount of trade and other receivables impaired by credit losses. The current financial year this allowance amounted to \$96,791 (2022: \$54,064). Management utilises historical data to estimate lifetime credit losses using a provision matrix based on debtor aging. For further details on trade and other receivables, see Note 9.

Employee benefits

A number of estimates and judgements are involved in calculating long-term employee benefits. For further details on employee benefits, see Note 1(k).

t) Adoption of New and Revised Accounting Standards

There was no new or revised accounting standards applicable to the organisation this financial year.

u) Reserves

The asset revaluation reserve records revaluations of land and buildings.

v) Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its products and services to members and that returns from investments are maximised within tolerable risk parameters. The Board ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Board. Policies and risk reviews are approved and reviewed by the Board on a regular basis. This includes future cash flow requirements.

There are no externally imposed capital requirements.

w) Members Access to Financial Records

In accordance with Section 787 of the *Industrial Relations Act 2016*;

- (1) a member of a reporting unit, or the registrar, may apply to the reporting unit for stated information, prescribed by regulation, about the reporting unit to be made available to the person making the application.
- (2) The application must—
 - (a) be in writing; and
 - (b) state the period, which must be at least 14 days after the application is made, within which the information must be made available; and
 - (c) state the way in which the information must be made available.
- (3) The reporting unit's organisation must ensure the reporting unit complies with the application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

Note 2. Revenue	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
i) Revenue from continuing operations	\$	\$	\$	\$
Membership subscriptions	10,093,766	9,764,829	10,093,766	9,764,829
Commissions income	9,002,979	8,854,324	9,002,979	8,854,324
Course and training income	2,605,132	2,178,822	2,605,132	2,178,522
Sponsorship functions and events	2,115,390	2,067,338	2,115,390	2,067,338
Publications income	25,382	46,226	25,382	46,226
Display village income	156,181	231,960	156,181	231,960
Document sales income	73,730	645,792	73,730	645,792
Other operational revenue	260,617	250,851	260,617	250,851
Legal services	1,500	2,700	-	-
	24,334,677	24,042,842	24,333,177	24,039,842
ii) Other Income				
Interest and dividends received	795,971	261,200	794,532	261,166
Gain/(Loss) on disposal of plant and equipment	(12,413)	(11,283)	(12,413)	(11,283)
Rent received	116,335	136,447	116,335	136,447
Gain/(Loss) on revaluation of investments	(26,971)	(963,236)	(26,971)	(963,236)
Gain/(Loss) on sale of investments	1,192,107	-	1,192,107	-
Asset Contribution Income	-	46,200	-	46,200
	2,065,029	(530,672)	2,063,590	(530,706)

The association has not received capitation fees, compulsory levies, donations, grants or income from another reporting unit of the Association.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6: Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Short-term employee benefits	3,227,455	3,048,296	2,932,002	2,781,272
Post-employment benefits	367,932	303,979	334,810	268,648
Other long-term benefits	165,076	36,923	160,804	40,497
Total KMP compensation	3,760,463	3,389,198	3,427,616	3,090,417

Other KMP transactions

For details of other transactions with KMP, refer to Note 24.

Note 7. Auditor's Fees	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Remuneration of the auditor of the association for:				
- auditing or reviewing the financial statements	50,546	44,331	45,046	35,931
- taxation services	1,100	2,100	-	-
- other services	-	-	-	-
	51,646	46,431	45,046	35,931

Note 8. Cash and cash equivalents

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Cash at bank	6,510,030	7,264,959	6,373,456	7,159,096
	6,510,030	7,264,959	6,373,456	7,159,096
Cash at bank - restricted	36,486,627	37,542,201	36,486,627	37,542,201
	42,996,657	44,807,160	42,860,083	44,701,297

There are three cash at bank restricted accounts as per Note 1(h). One represents funds administered by the Association on behalf of parties involved in arbitration. There is an offset to this amount sitting in Note 17 Liabilities - Trade and other payables. One represents holding deposits made by display village builders against failures to complete contracts. And the third one represents voluntary contributions by members, which are used to provide support to Queensland based community projects and programs, particularly program and projects that align with the building and construction industry. Voluntary contributions were ceased at the end of June 2016 however there remains some carryover of funds from prior years. There is corresponding amounts for these cash at bank restricted accounts sitting in Liabilities Note 17 - Trade and other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Trade and other receivables

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Accounts receivable	717,648	1,146,625	717,648	1,146,625
Other debtors	6,342	2,531	6,342	2,531
Term deposits	53,396	52,854	53,396	52,854
Accrued Revenue	183,536	67,414	183,536	67,414
Intercompany Loan	-	-	-	-
Less provision for expected credit losses	(96,791)	(54,064)	(96,791)	(54,064)
	864,131	1,215,360	864,131	1,215,360

Provision for impairment of receivables

Movement in the provision for impairment of receivables is as follows:

Group

	Opening Balance 1 July 2021	Charge for the Year	Adjustments to Provision	Closing Balance 30 June 2022
	\$	\$	\$	\$
Current trade receivables	48,157	-	5,907	54,064
	Opening Balance 1 July 2022	Charge for the Year	Adjustments to Provision	Closing Balance 30 June 2023
	\$	\$	\$	\$
Current trade receivables	54,064	-	42,727	96,791

Association

	Opening Balance 1 July 2021	Charge for the Year	Adjustments to Provision	Closing Balance 30 June 2022
	\$	\$	\$	\$
Current trade receivables	48,157	-	5,907	54,064
	Opening Balance 1 July 2022	Charge for the Year	Adjustments to Provision	Closing Balance 30 June 2023
	\$	\$	\$	\$
Current trade receivables	54,064	-	42,727	96,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 9. The main source of credit risk to the Group is considered to relate to the class of assets described as "Accounts receivable".

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are aged as follows:

Trade receivables are aged as follows:

	CONSOLIDATED GROUP			ASSOCIATION		
	ACCOUNTS RECEIVABLE	OTHER DEBTORS	TOTAL	ACCOUNTS RECEIVABLE	OTHER DEBTORS	TOTAL
2023	\$	\$		\$	\$	
Gross amount	717,648	6,342	723,990	717,648	6,342	723,990
Impaired	96,791	-	96,791	96,791	-	96,791
<i>Days overdue:</i>						
<30	222,393	-	222,393	222,393	-	222,393
31-60	31,156	-	31,156	31,156	-	31,156
61-90	-	-	-	-	-	-
>90	-	-	-	-	-	-
Within initial trade terms	367,308	6,342	373,650	367,308	6,342	373,650
	717,648	6,342	723,990	717,648	6,342	723,990
2022	\$	\$		\$	\$	
Gross amount	1,146,625	2,531	1,149,156	1,146,625	2,531	1,149,156
Impaired	54,064	-	54,064	54,064	-	54,064
<i>Days overdue:</i>						
<30	443,036	-	443,036	443,036	-	443,036
31-60	53,149	-	53,149	53,149	-	53,149
61-90	-	-	-	-	-	-
>90	-	-	-	-	-	-
Within initial trade terms	596,376	2,531	598,907	596,376	2,531	598,907
	1,146,625	2,531	1,149,156	1,146,625	2,531	1,149,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets classified at amortised cost

Accounts receivable and other debtors:

- total current

Total financial assets classified at amortised cost

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Accounts receivable and other debtors:				
- total current	864,131	1,215,360	864,131	1,215,360
Total financial assets classified at amortised cost	864,131	1,215,360	864,131	1,215,360

Collateral held as security

No collateral is held as security for any of the accounts receivable or other debtor balances.

Note 10. Inventories

CURRENT

Documents

Signs & Safety

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Documents	23,341	21,050	23,341	21,050
Signs & Safety	11,561	10,477	11,561	10,477
	34,902	31,527	34,902	31,527

Note 11. Other current assets

Tenancy security deposits

Prepayments

Intercompany Loan

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Tenancy security deposits	-	28,920	-	28,920
Prepayments	538,388	702,754	520,385	702,754
Intercompany Loan	-	-	54,398	-
	538,388	731,674	574,783	731,674

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12: Associates and Joint Arrangements

Information about Principal Associates and Joint Ventures

Set out below are the material associates and joint ventures of the Group. All of the entities listed below are limited by guarantee. The Group has more than 20% of the voting rights held for each entity but does not have control. Each entity's place of incorporation is its principal place of business.

Name	Classification	Place of Incorporation/ Business	Proportion of Interests	Measurement Method	Carrying amount	
					2023 \$	2022 \$
BERT Fund Limited	Associate	Brisbane, Australia	50%	Equity method	1	1
BERT Welfare Limited	Associate	Brisbane, Australia	50%	Equity method	-	-
BEWT Fund Limited	Associate	Brisbane, Australia	50%	Equity method	1	1
BUSS (Queensland) Pty Limited	Associate	Brisbane, Australia	50%	Equity method	2	2
QCTF	Associate	Brisbane, Australia	50%	Equity method	1	1
Construction Income Protection Limited	Joint Venture	Brisbane, Australia	50%	Equity method	1,179,988	926,557
					1,179,993	926,562

BERT Fund Limited is a company limited by guarantee acting as a trustee for both BERT Fund No 2 and Bert Fund.

BERT Welfare Limited is a company limited by guarantee. The company's purpose is to become a participating employer to make contributions to BERT Fund No 2 on behalf of its Employees and to promote the welfare and benefit of the Construction Industry.

BEWT Fund Limited is a company limited by guarantee acting as a trustee of the BEWT Fund.

BUSS (Queensland) Pty Limited is a company limited by guarantee setup to act as a trustee for a complying super fund.

QCTF is a company limited by guarantee setup to act as a trustee of the BERT training fund.

The following associates are not considered material to the group and their financial information has therefore not been disclosed in these financials statements:

- BERT Fund Limited
- BEWT Fund Limited
- QCTF

The group has not disclosed the financial information, as it is not entitled to variable returns and therefore is not affected by the financial performance or position, of the following associates:

- BERT Welfare Limited
- BUSS (Queensland) Pty Limited

Construction Income Protection Limited is a joint arrangement that is structured as an incorporated entity (company) with two principal shareholders, one of which is the parent. The primary purpose of the company is to provide an insurance program to the members of both shareholders.

All of the associates and joint ventures are unlisted public or private companies and therefore no quoted market prices are available for its shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Commitments and Contingent Liabilities in Respect of Joint Ventures

The Group has the following capital commitments relating to its interest in Construction Income Protection Limited:

- Commitment to provide equity contributions per joint venture agreement - Nil
- Share of capital commitments contracted for – plant and equipment - Nil

The Group is liable for a share of the following contingent liabilities arising from its interest in Construction Income Protection Limited if and when they arise:

Nil

Summarised Financial Information for Joint Ventures

Set out below is the summarised financial information for Construction Income Protection Limited. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of Construction Income Protection Limited. The following summarised financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the joint venture.

Construction Income Protection Limited has the same financial year-end as Queensland Master Builders' Association Industrial Organisation of Employers.

Summarised Financial Position

Total current assets	7,166,288	5,439,432
Total non-current assets	-	-
Current financial liabilities (excluding trade and other payables, and provisions)	-	-
Total current liabilities	(4,806,312)	(3,586,320)
Non-current financial liabilities (excluding trade and other payables, and provisions)	-	-
Total non-current liabilities	-	-
NET ASSETS	2,359,976	1,853,112
Group's share (%)	1,179,988	926,556
Group's share of joint venture's net assets	1,179,988	926,556

CONSTRUCTION INCOME PROTECTION LIMITED

	2023 \$	2022 \$
Total current assets	7,166,288	5,439,432
Total non-current assets	-	-
Current financial liabilities (excluding trade and other payables, and provisions)	-	-
Total current liabilities	(4,806,312)	(3,586,320)
Non-current financial liabilities (excluding trade and other payables, and provisions)	-	-
Total non-current liabilities	-	-
NET ASSETS	2,359,976	1,853,112
Group's share (%)	1,179,988	926,556
Group's share of joint venture's net assets	1,179,988	926,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Summarised Financial Performance

	2023	2022
	\$	\$
Revenue	1,747,256	1,470,569
Interest income	127,415	5,369
Depreciation and amortisation	-	-
Interest expense	-	-
Other expenses	1,156,144	1,133,873
Profit or loss from continuing operations	718,527	342,065
Income tax expense	207,332	94,862
Profit after tax from continuing operations	511,195	247,203
Profit after tax from discontinued operations	511,195	247,203
Other comprehensive income	-	-
Total comprehensive income	511,195	247,203
Dividends paid	-	2,000,000
Group's share of joint venture's total comprehensive income	255,598	123,602
Group's share of dividends paid	-	1,000,000
Reconciliation to Carrying Amounts		
Group's share of joint venture's opening net assets	926,557	1,799,567
Adjustment to balance prior year audited accounts	(2,166)	3,389
Investments during the period	-	-
Group's share of joint venture's total comprehensive income	255,598	123,602
Group's share of dividends paid by joint venture	-	(1,000,000)
Disposals during the period	-	-
Group's share of joint venture's closing net assets (closing carrying amount of investment)	1,179,988	926,557

Note 13. Financial Assets

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial assets initially designated at fair value through profit or loss				
Listed investments at fair value				
- managed funds	14,966,782	14,086,559	14,996,782	14,086,559
Total financial assets at fair value through profit or loss	14,996,782	14,086,559	14,996,782	14,086,559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		\$ Amount of Ownership	
		2023	2022	2023	2022
		%	%	%	%
Master Builders Members Legal Pty Ltd*	Australia	100	100	1	1

* Incorporated 5 September 2017

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements

Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

Note 15. Property, plant and equipment

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Land - at valuation				
Freehold land	21,490,000	14,160,000	21,490,000	14,160,000
Buildings - at valuation				
Buildings	5,650,000	4,220,000	5,650,000	4,220,000
Provision for depreciation	-	(201,768)	-	(201,768)
	5,650,000	4,018,232	5,650,000	4,018,232
Total land and buildings	27,140,000	18,178,232	27,140,000	18,178,232
Plant and equipment at cost				
Plant and equipment	7,930,363	5,130,880	7,930,363	5,130,880
Provision for depreciation	(2,845,217)	(2,298,266)	(2,845,217)	(2,298,266)
Total plant and equipment	5,085,146	2,832,614	5,085,146	2,832,614
Assets under construction at cost				
Asset under construction	723,496	388,399	723,496	388,399
Total assets under construction	723,496	388,399	723,496	388,399
Total written down value	32,948,642	21,399,245	32,948,642	21,399,245

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group	LAND & BUILDINGS AT VALUATION	LAND & BUILDINGS AT COST	PLANT & EQUIPMENT AT COST	ASSETS UNDER CONSTRUCTION
	\$	\$	\$	\$
Net book value as at 1 July 2021	18,279,116	-	3,092,657	1,000
Assets acquired during the year	-	-	422,119	387,399
Assets disposed during the year	-	-	(37,463)	-
Revaluations	-	-	-	-
Amortisation/Depreciation charged during the year	(100,884)	-	(644,698)	-
Net book value as at 30 June 2022	18,178,232	-	2,832,615	388,399
Net book value as at 1 July 2022	18,178,232	-	2,832,615	388,399
Assets acquired during the year	-	-	2,946,623	335,097
Assets disposed during the year	-	-	(12,413)	-
Revaluations	9,062,652	-	-	-
Amortisation/Depreciation charged during the year	(100,884)	-	(681,677)	-
Net book value as at 30 June 2023	27,140,00	-	5,085,148	723,496
Association	LAND & BUILDINGS AT VALUATION	LAND & BUILDINGS AT COST	PLANT & EQUIPMENT AT COST	ASSETS UNDER CONSTRUCTION
	\$	\$	\$	\$
Net book value as at 1 July 2021	18,279,116	-	3,092,657	1,000
Assets acquired during the year	-	-	422,119	387,399
Assets disposed during the year	-	-	(37,463)	-
Revaluations	-	-	-	-
Amortisation/Depreciation charged during the year	(100,884)	-	(644,698)	-
Net book value as at 30 June 2022	18,178,232	-	2,832,615	388,399
Net book value as at 1 July 2022	18,178,232	-	2,832,615	388,399
Assets acquired during the year	-	-	2,946,623	335,097
Assets disposed during the year	-	-	(12,413)	-
Revaluations	9,062,652	-	-	-
Amortisation/Depreciation charged during the year	(100,884)	-	(681,677)	-
Net book value as at 30 June 2023	27,140,000	-	5,085,148	723,496

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment losses

The total impairment loss recognised in profit or loss during the period amounted to \$0 (2022: \$0). The impairment loss is separately presented in the statement of profit or loss as impairment of property, plant and equipment.

Asset revaluations

Buildings

The land and buildings were revalued as at 30 June 2023 based on independent valuations completed by Herron Todd White in June 2023. 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.

As a result of the revaluations there was an increase of \$1,732,652 recorded to the revaluation reserve for Buildings at 30 June 2023.

Freehold land

Freehold Land held by the Group were valued by an independent valuer at 30 June 2023.

As a result of revaluations, an increase of \$7,330,000 to the revaluation reserve for land was recorded at 30 June 2023.

Refer to Note 27 for detailed disclosures regarding the fair value measurement of the Group's freehold land and buildings.

Note 16. Leases

Right of Use Assets

Property - Townsville
Less Accumulated Depreciation

CONSOLIDATED GROUP		ASSOCIATION	
2023	2022	2023	2022
\$	\$	\$	\$
314,472	314,472	314,472	314,472
(172,959)	(110,065)	(172,959)	(110,065)
141,513	204,407	141,513	204,407

Property - Sunshine Coast
Less Accumulated Depreciation

510,032	477,267	510,032	477,267
(112,809)	(23,863)	(112,809)	(23,863)
397,223	453,404	397,223	453,404

Lease Liabilities

CURRENT
Lease Liabilities

CONSOLIDATED GROUP		ASSOCIATION	
2023	2022	2023	2022
\$	\$	\$	\$
610,106	700,469	610,106	700,469
610,106	700,469	610,106	700,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17. Trade and other payables

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities:				
Trade payables	392,306	722,041	435,571	799,316
GST payable	323,729	390,159	306,484	370,997
Advance billings	3,308,142	3,850,494	3,308,142	3,850,494
Other payables and accruals	419,269	269,769	411,815	263,768
Intercompany Loan	-	-	-	881
Administered Funds	36,486,628	37,542,201	36,486,628	37,542,201
Display village creditors	295,369	694,653	295,369	694,653
Income in advance	344,728	13,599	344,728	13,599
	41,570,171	43,482,916	41,588,737	43,535,909

Note 18. Tax

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Income tax payable	(3,000)	15,405	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NON-CURRENT

Group	Opening balance	(Charged)/ credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Change in Tax Rates	Exchange Differences	Closing balance
2022						
Deferred tax asset on:						
Employee provisions	9,989	1,607	-	-	-	11,596
Accruals	125	1,375	-	-	-	1,500
Change in Tax rate	469	(469)	-	-	-	-
Blackholed expenses	1,603	(1,603)	-	-	-	-
Carried forward losses	-	-	-	-	-	-
	12,186	911	-	-	-	13,096
Deferred tax liability on:						
Other	-	-	-	-	-	-
	-	-	-	-	-	-
Net amount	12,186	911	-	-	-	13,096
2023						
Deferred tax asset on:						
Employee provisions	11,596	2,771	-	-	-	14,367
Accruals	1,500	364	-	-	-	1,864
Prepayments	-	(4,501)	-	-	-	(4,501)
Change in Tax rate	-	-	-	-	-	-
Carried forward losses	-	9,684	-	-	-	9,684
	13,096	8,318	-	-	-	21,414
Deferred tax liability on:						
Other	-	-	-	-	-	-
	-	-	-	-	-	-
Net amount	13,096	8,318	-	-	-	21,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Provisions

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
CURRENT	\$	\$	\$	\$
Employee provisions - annual leave entitlement	797,231	655,081	748,490	614,676
Employee provisions - long service leave	789,230	700,288	789,230	700,288
	1,586,461	1,355,369	1,537,720	1,314,964

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
NON CURRENT	\$	\$	\$	\$
Employee provisions - long service leave	407,926	310,287	399,198	304,309

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
Analysis of employee provisions - annual leave entitlements	\$	\$	\$	\$
Opening balance at 1 July 2022	655,081	582,698	614,676	545,633
Adjustments to provision	142,150	72,383	133,814	69,043
Balance at 30 June 2023	797,231	655,081	748,490	614,676

Employee provisions - annual leave entitlements

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the association does not expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
Analysis of employee provisions - long service leave entitlements	\$	\$	\$	\$
Opening balance at 1 July 2022	1,010,575	972,692	1,004,597	969,804
Adjustments to provision	186,580	37,883	183,831	34,793
Balance at 30 June 2023	1,197,155	1,010,575	1,188,428	1,004,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Breakdown by employee type	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$

Employee provisions in respect of holders of offices include:

Annual Leave	257,725	151,135	225,198	131,757
Long Service Leave	450,696	250,797	432,851	240,421
Separation and Redundancies	-	-	-	-
Other Employee Provisions	-	-	-	-

Employee provisions in respect of general employees include:

Annual Leave	539,506	443,672	523,292	418,916
Long Service Leave	746,459	669,059	755,576	678,603
Separation and Redundancies	-	-	-	-
Other Employee Provisions	-	-	-	-

Note 20: Reserves

a. Retained profits

The retained profits reserves is the cumulative surplus and deficits brought forward from previous reporting periods.

b. Asset revaluation - land and buildings

The asset revaluation - land and buildings reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the land and buildings in property, plant and equipment.

c. Asset revaluation - investments

Prior financial years, the asset revaluation - investments reserve represented the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the investments in available-for-sale listed shares. With the introduction of AASB 9 Financial Instruments as at 1 July 2018 these investments are now required to be recorded at fair value through profit or loss. Therefore there is an adjustment as at 1 July 2018 to transfer this reserve to retained earnings, as if the investment portfolio had always been accounted for at fair value through profit or loss.

Note 21. Commitments for expenditure

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
i) Capital commitments				
Not later than one year	2,692,195	1,170,762	2,692,195	1,170,762

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22. Contingent liabilities

There were no contingent liabilities at 30 June 2023 (2022: Nil).

Note 23. Events subsequent to the end of the reporting period

The Financial Statements were authorised for issue as dated in the Statement by Members of the Board.

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

Note 24. Related party transactions and balances

The Group's main related parties are as follows:

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.

b. Entities subject to significant influence by the Group

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

BERT Fund Limited is an entity over which the Group exercises significant influence by holding 20% or more of the voting rights however the group does not have control.

BERT Welfare Limited is an entity over which the Group exercises significant influence by holding 20% or more of the voting rights however the group does not have control.

BEWT Fund Limited is an entity over which the Group exercises significant influence by holding 20% or more of the voting rights however the group does not have control.

BUSS (Queensland) Pty Limited is an entity over which the Group exercises significant influence by holding 20% or more of the voting rights however the group does not have control.

QCTF is an entity over which the Group exercises significant influence by holding 20% or more of the voting rights however the group does not have control.

For details of interest held in associates, refer to Note 12.

c. Joint ventures accounted for under the equity method

The group has a 50% interest in the joint venture Construction Income Protection Ltd. The interest in the joint venture is accounted for in these consolidated financial statements of the Group, using the equity method of accounting.

For details of interest held in joint ventures, refer to Note 12.

d. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

The following transactions occurred with related parties:

	CONSOLIDATED GROUP		ASSOCIATION COMPANY	
	2023	2022	2023	2022
	\$	\$	\$	\$
Purchases of goods and services				
- During the year staff contributions for Income protection were paid to Construction Income Protection Ltd on behalf of Master Builders employees.	1,638	1,607	1,638	1,607
- Reimbursement of BUSS (Queensland) Pty Ltd legal costs for federal court proceedings	-	18,275	-	18,275
Sales of goods and services				
- Director fees were paid by BUSS (Queensland) Pty Ltd for Master Builders employees fulfilling their duties as key management personnel of the trustee company.	546	46,453	546	46,453
- Sponsorship for events was received from Building Unions Superannuation Scheme (Queensland) which BUSS (Queensland) Pty Ltd acts as the trustee for.	119,600	119,200	119,600	119,200
- Director fees were paid by CIPL for a Master Builders employee fulfilling their duties as a key management personnel of the entity.	26,618	26,070	26,618	26,070
- Training programs covered by BERT Training Fund (which QCTF acts a trustee) on behalf of its own members.	78,342	252,105	78,342	252,105
Other Receipts				
- Dividend received from CIPL	-	1,000,000	-	1,000,000
Master Builders Members Legal				
- Service Level Agreement for the provision of legal services to Queensland Master Builders Association members.	-	-	833,750	870,000
- Training course facilitation services provided to and run by Queensland Master Builders Association	-	-	300	300
- Company Secretariat services provided to and run by Queensland Master Builders Association	-	-	44,405	14,657
- Intercompany Loan to/(from) Members Legal which consists of share of monthly office expenses.	-	-	54,398	(881)
- Purchase of second-hand photocopier from Queensland Master Builders Association	-	-	-	9,315
- Current Payables to Master Builders Members Legal	-	-	35,042	79,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25. Reconciliation of cash flows from operating activities surplus / (loss) for the year

	CONSOLIDATED GROUP		ASSOCIATION	COMPANY
	2023	2022	2023	2022
	\$	\$	\$	\$
Net Surplus/(loss) for the year	2,880,781	108,605	2,905,255	66,060
Non-cash flows in current year surplus:				
- depreciation expense	934,402	832,339	934,402	832,339
- net (gain)/loss on disposal of property, plant and equipment	12,413	11,283	12,413	11,283
- share of profit of associate	(253,432)	(126,990)	(253,432)	(126,990)
- net (gain)/loss on revaluation of investments	26,971	963,236	26,971	963,236
- net (gain)/loss on disposal of investments	(1,192,107)	-	(1,192,107)	-
Changes in assets, liabilities & equity:				
- (increase)/decrease in accounts receivable and other debtors	318,465	288,306	263,185	289,187
- (increase)/decrease in other current assets	193,285	(166,684)	211,289	(185,822)
- (increase)/decrease in inventories on hand	(3,374)	11,543	(3,374)	11,543
- (Increase)/decrease in deferred tax assets	(8,318)	(911)	-	-
- increase/(decrease) in accounts payable and other payables	(1,931,149)	16,913,223	(1,946,290)	16,911,420
- increase/(decrease) in employee provisions	328,731	110,266	317,645	103,836
- increase/(decrease) in other provisions	-	-	-	-
- increase/(decrease) in current tax liabilities	-	-	-	-
	1,306,668	18,944,216	1,275,957	18,876,092

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, investments in listed shares, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 Financial Instruments, as detailed in the accounting policies to these financial statements, are as follows:

	CONSOLIDATED GROUP		ASSOCIATION	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	42,996,657	44,807,160	42,860,083	44,701,297
Trade and other receivables	864,131	1,215,360	864,131	1,215,360
Financial assets				
- investments in listed shares	14,996,782	14,086,559	14,996,782	14,086,559
Total financial assets	58,857,570	60,109,079	58,720,996	60,003,216
Financial liabilities				
Financial liabilities at amortised cost:				
- trade and other payables	37,917,301	39,618,823	37,935,867	39,671,816
Lease Liability	610,106	700,469	610,106	700,469
Total financial liabilities	38,527,407	40,319,292	38,545,973	40,372,285

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial Risk Management Policies

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

The Board overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

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

Credit Risk

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

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

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

Credit risk exposures

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

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 9.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 9.

Liquidity Risk

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

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

The table following reflects an undiscounted contractual maturity analysis for financial liabilities.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Group	WITHIN 1 YEAR		1 TO 5 YEARS	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial liabilities due for payment				
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	37,917,301	39,618,823	-	-
Total contractual outflows	2,692,195	1,170,762	-	-
Lease liability	211,764	164,010	398,342	536,459
Total expected outflows	40,821,260	40,953,595	398,342	536,459
Financial assets - cash flows realisable				
Cash on hand	42,996,657	44,807,160	-	-
Accounts receivable and other debtors	864,131	1,215,360	-	-
Financial assets of fair value	-	-	-	-
Total anticipated inflows	43,860,788	46,022,520	-	-
Net (outflow)/inflow on financial instruments	3,039,528	5,068,925	(398,342)	(536,459)

Consolidated Group	OVER 5 YEARS		TOTAL	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial liabilities due for payment				
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	-	-	37,917,301	39,618,823
Total contractual outflows	-	-	2,692,195	1,170,762
Lease liability	-	-	610,106	700,469
Total expected outflows	-	-	41,219,602	41,490,054
Financial assets - cash flows realisable				
Cash on hand	-	-	42,996,657	44,807,160
Accounts receivable and other debtors	-	-	864,131	1,215,360
Financial Assets of fair value	14,996,782	14,086,559	14,996,782	14,086,559
Total anticipated inflows	14,996,782	14,086,559	58,857,570	60,109,079
Net (outflow)/inflow on financial instruments	14,996,782	14,086,559	17,637,968	18,619,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Association	WITHIN 1 YEAR		1 TO 5 YEARS	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial liabilities due for payment				
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	37,935,867	39,671,816	-	-
Total contractual outflows	2,692,195	1,170,762	-	-
Lease liability	211,764	164,010	398,342	536,459
Total expected outflows	40,839,826	41,006,588	398,342	536,459
Financial assets - cash flows realisable				
Cash on hand	42,860,083	44,701,297	-	-
Accounts receivable and other debtors	864,131	1,215,360	-	-
Financial assets of fair value	-	-	-	-
Total anticipated inflows	43,724,214	45,916,657	-	-
Net (outflow)/inflow on financial instruments	2,884,388	4,910,069	(398,342)	(536,459)

Association	OVER 5 YEARS		TOTAL	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial liabilities due for payment				
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	-	-	37,935,867	39,671,816
Total contractual outflows	-	-	2,692,195	1,170,762
Lease liability	-	-	610,106	700,469
Total expected outflows	-	-	41,238,168	41,543,047
Financial assets - cash flows realisable				
Cash on hand	-	-	42,860,083	44,701,297
Accounts receivable and other debtors	-	-	864,131	1,215,360
Financial assets of fair value	14,996,782	14,086,559	14,996,782	14,086,559
Total anticipated inflows	14,996,782	14,086,559	58,720,996	60,003,216
Net (outflow)/inflow on financial instruments	14,996,782	14,086,559	17,482,828	18,460,169

Financial assets pledged as collateral

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Market risk

Interest rate risk

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

The association does not consider the interest rate risk to be significant.

Other price risk

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

The association is exposed to other price risk on available-for-sale investments however such risk is limited through our investment into managed funds. The funds range across three broad asset groups, being Growth (typically shares and property securities), Diversifying (typically higher yielding debt and some alternatives) and Defensive assets (typically investment grade debt securities and cash), providing the flexibility required to allocate effectively and efficiently to those assets that in combination are most closely aligned with the delivery of the funds objective.

The Group's investments in Blackrock Diversified ESG Stable fund are held in the following asset groups at the end of the reporting period:

	CONSOLIDATED GROUP & ASSOCIATION	
	2023	%
Growth	26.15	
Defensive	73.86	

Previously the Group's investments in the Schrodgers Real Return fund were held in the following asset groups at the end of the reporting period:

	CONSOLIDATED GROUP & ASSOCIATION	
	2022	%
Growth	19.1	
Diversifying	20.2	
Defensive	60.7	

Previously the Group's investments in the Schrodgers Sustainable Global Core fund were held in the following asset allocations at the end of the reporting period:

	CONSOLIDATED GROUP & ASSOCIATION	
	2022	%
International Equities (Growth)	98.6	
Cash (Defensive)	1.4	

Sensitivity Analysis

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 30 June 2023

- +/- 2% in interest rates
- +/- 10% in available-for-sale investments

CURRENT SURPLUS	EQUITY
\$	\$
+/- 859,933	+/- 859,933
+/- 1,499,678	+/- 1,499,678

Year ended 30 June 2022

- +/- 2% in interest rates
- +/- 10% in available-for-sale investments

CURRENT SURPLUS	EQUITY
\$	\$
+/- 896,143	+/- 896,143
+/- 1,408,656	+/- 1,408,656

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

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

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 27 for detailed disclosures regarding the fair value measurement of the association's financial assets.

NOTE	2023		2022		
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	
	\$	\$	\$	\$	
Financial assets					
Cash on hand ⁽ⁱ⁾	8	42,996,657	42,996,657	44,807,160	44,807,160
Accounts receivable and other debtors ⁽ⁱ⁾	9	864,131	864,131	1,215,360	1,215,360
Financial assets at fair value:					
- investment in managed funds	13	14,996,782	14,996,782	14,086,559	14,086,559
Total financial assets		58,857,570	58,857,570	60,109,079	60,109,079
Financial liabilities					
Accounts payable and other payables ⁽ⁱ⁾	17	41,570,171	41,570,171	43,482,916	43,482,916
Lease liabilities	16	610,106	610,106	700,469	700,469
Total financial liabilities		42,180,277	42,180,277	44,183,385	44,183,385

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27: Fair Value Measurements

The association measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets
- land and buildings

The association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Group and Association	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2023		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
Available-for-sale financial assets:					
- managed funds	13	14,996,782	-	-	14,996,782
- land and buildings	15	-	-	27,140,000	27,140,000
Total financial assets recognised at fair value					
	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2022		\$	\$	\$	\$
Recurring fair value measurements					
<i>Financial assets</i>					
Available-for-sale financial assets:					
- managed funds	13	14,086,559	-	-	14,086,559
- land and buildings	15	-	-	18,178,232	18,178,232
Total financial assets recognised at fair value					

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2022: no transfers).

Note 28: 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 Members of the Board

The Board of the Queensland Master Builders' Association Industrial Organisation of Employers are of the opinion that:

- a) the financial statements and notes comply with Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i. meetings of the Board were held in accordance with the Constitution of the Association; and
 - ii. the financial affairs of the Association have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the Association have been kept and maintained in accordance with the Industrial Relations Act 2016 (Qld); and
 - iv. where information has been sought in any request by a member of the Association or Registrar duly made under section 787 of the Act, that information has been provided to the member or Registrar; and
 - v. where any order for inspection of financial records has been made by the Queensland Industrial Relations Commission under section 788 of the Act, there has been compliance.

This statement is made in accordance with a resolution dated 20 September 2023 of the Board and is signed for and on behalf of the Board by:



Brett Johnston, President
20 September 2023

2023 Operating Report

In accordance with sec 764 of the *Industrial Relations Act 2016*, QUEENSLAND MASTER BUILDERS ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS provides the following Operating Report.

Review of Principal Activities

The overall financial result for the year ending 30 June 2023 was a profit of \$2,880,781. This was primarily achieved through the following principal activities of Master Builders:

Membership - Subscriptions finished with revenue of \$10,093,766, a 3% increase on last year's results. A new membership fee structure was implemented this financial year to reduce the number of member tiers as well as align commercial and residential membership fees. The Association had 8,679 (2022: 8,647) members and 1,151 (2022: 1,123) registrants all of whom are financial as at 30 June 2023.

Insurance – Master Builders designs and builds special insurance products provided predominately by Vero and QBE. These include market leading construction works, public and products liability, home warranty, tradies pack and other general insurance plans which deliver exceptional levels of insurance protection. Net result of insurance activities for this financial year was \$5,564,573, which decreased 3% year on year. Client numbers declined 1.4% year on year with the home warranty business in retraction following interest rates rises and associated reduction in building approvals.

Courses and Licensing - Consists of offerings to our members designed to support Builders with the technical, business management and leadership skills and knowledge they will need throughout their career. Courses include non-accredited workshops through to nationally recognised qualifications and statements of attainment from Certificate III to Diploma and Advanced Diploma level. Net result of Courses and Licensing activities for the financial year was \$534,824, which was a \$321k improvement on last year's net result. With the available funding provided throughout the year, there was an uptick in Cert IV & small business courses that ran.

Events – Master Builders organises various events for its members throughout Queensland all year round. One of our largest events Roadshow, is a free major event that travels across Queensland, connecting builders and tradespeople with industry experts to hear first-hand about the important changes happening in the building and construction sector. The other significant event is the Housing and Construction awards held in each region and culminated in the state awards. Regular minor events held included Industry Information Sessions, Maximise events and Golf days amongst several others. Net result for the year of these activities including sponsorship was a profit of \$624,487.

Display Villages – At 30th June 2023 there were four active Display Villages in Queensland managed by Master Builders. This is a decrease of one village from last year. Display Villages are an opportunity for Builders to show off their designed homes and for consumers to explore and engage with Master Builder Members. Net result of this activity was a loss of \$46,258 for this financial year.

Master Builders Members Legal is Master Builders' wholly owned subsidiary legal practice. Members Legal offers legal and contractual advice exclusively to members, tailored to their business or specific circumstances. Net result of this subsidiary was a loss of \$25,212. Master Builders Members Legal is continually supported by Master Builders through a Service Level Agreement and as a going concern.

Document Sales – Master Builders produces a suite of residential and commercial contracts and signs available for sale by either over the counter or through online offerings. Edocs was made available for free for members in conjunction with the membership fee review starting this financial year. Net result for this activity was a profit of \$50,326. This declined by \$549,739 compared to last year as a result of this change.

Changes in Financial Affairs During Year

In accordance with section 764 (2)(b) of the *Industrial Relations Act 2016*, Queensland Master Builders Association Industrial Organisation of Employers decided to transfer from one investment fund to another. As a result, a gain on sale of investments of \$1.19 million was realised.

Valuation of Master Builders property were also carried during the year which saw our total property values increase by over \$9 million.

There were no other significant changes in the financial affairs during the year.

Right of Members to Resign

Under Section 726 of the *Industrial Relations Act 2016*, a member of Queensland Master Builders Association Industrial Organisation of Employers an organisation may resign from membership of this organisation under this section or the organisation's rules.

The person's membership ends if the person gives the organisation written notice stating the person resigns from the organisation. The person's membership ends if -

(a) the written notice states a day or time after the notice is given when the resignation takes effect—on the day or time; or

(b) otherwise when the written notice is given.

Positions held by Officers or Member of Registered Organisation with Superannuation entities

In accordance with section 764 (3) and section 764 (2)(d) of the *Industrial Relations Act 2016* there were two officers of the association, Geoff Baguley and Chris Taylor, who are directors of BUSS (Queensland) Pty Ltd, which acts as a Trustee to the Building Unions Superannuation Scheme (Queensland) and BUSS(Q) Pooled Superannuation Trust.

Remuneration of officers

This table details remuneration of Master Builders paid elected officers for the period from 1 July 2022 to 30 June 2023 and provided in accordance with Sections 745 and 746 of *Industrial Relations Act 2016*.

Name	Position	Remuneration paid to 30 June 2023	Description of remuneration	Non-Cash benefits provided to 30 June 2023	Any amount paid to the officer in the officer's capacity as a board member other than travel and accommodation
Brett Johnston	President (Oct 22 onwards)	\$19,428	Meeting fees	Nil	Nil
Ralf Dutton	President (Oct 22 term ended)	\$7,686	Meeting fees	Nil	Nil
Chris Taylor	Board	\$11,468	Meeting fees	Nil	Nil
Geoff Baguley	Board	\$10,702	Meeting fees	Nil	Nil
Steve Havas	Board	\$13,741	Meeting fees	Nil	Nil
Angela Scott	Board	\$6,130	Meeting fees	Nil	Nil
Ben Garland	Board	\$6,130	Meeting fees	Nil	Nil
Don Dixon	Board	\$6,896	Meeting fees	Nil	Nil
Justin Stainton	Board	\$6,130	Meeting fees	Nil	Nil
Mark Spry	Board	\$4,572	Meeting fees	Nil	Nil

Loans, Grants and Donations register

As per Section 748 of *Industrial Relations Act 2016*, below is a copy of the loans, grants and donations register for the period from 1 July 2022 to 30 June 2023.

Date given	Value \$ (excl. any GST)	Loan, Grant or Donation	Reason for providing	Name and address of entity receiving	If a loan, terms of repayment
16/08/2022	\$1,000	Donation	Sponsor Variety Bash	Variety Bash, Sports Lane, Bunya, QLD, 4055	
01/02/2023	\$1,000	Donation	Sponsorship CIP Charity Golf Day	Construction Income Protection Ltd, Level 1, 35 Astor Terrace, Spring Hill	
13/06/2023	\$10,000	Donation	LCP Solutions Network Membership	Liberal National Party, 281 Sandgate Rd, Albion, Qld, 410	
13/06/2023	\$10,000	Donation	Business Round Table Business Program	Australian Labor Party, 16 Peel St, Sth Brisbane, Qld, 4101	

Other Relevant Information

This report was prepared by the Committee of Management and is signed for and on behalf of the Committee of Management by:



Brett Johnston, President

20 September 2023



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INDEPENDENT AUDITOR'S REPORT

To the members of Queensland Master Builders' Association Industrial Organisation of Employers

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Master Builders' Association Industrial Organisation of Employers, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Queensland Master Builders' Association Industrial Organisation of Employers presents fairly, in all material respects the reporting unit's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with Tier 1 reporting requirements of the Australian Accounting standards and any other requirements imposed by these Reporting Guidelines or Part 11 of Chapter 12 of the *Industrial Relations Act 2016*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Members of the Board are responsible for the other information. The other information comprises the information contained in the reporting Units operating report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to use after that date.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Members of the Board and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Members of the Board for the Financial Report

The members of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Industrial Relations Act 2016*, and for such internal control as the Members of the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members of the Board are responsible for assessing the ability of the entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Board either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



L G Mylonas
Director

Brisbane, 20 September 2023

**Being a Master
Builders member is
far more than just
another membership.
You become part of a
family who value the
hard work you do and
support you every
step of the way**

The home of building.

• • • • •



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