MASTER BUILDERS QUEENSLAND

The home of building

ANNUAL REPORT **2018**

Delivering value, accountability and growth

Contents

Queensland Master Builders Association
Industrial Organisation of Employers
ABN 96 641 989 386 RTO 30097

2017 Housing & Construction Awards winning projects are featured throughout this report.

About Master Builders

As an association that exists to serve its members, Master Builders is the voice of the building and construction industry in Queensland.

Founded in 1882, Master Builders is proud to be the peak industry body, the home of building and the trusted go-to by members and consumers alike.

Offering endless support and advice, innovative business solutions and industry-tailored training, a membership with Master Builders is viewed as the key to success in an ever-changing industry.

With around 8,500 members across the state, and nine offices throughout Queensland, our regional footprint is unmatched by any other industry organisation.

The umbrella of membership with Master Builders is broad and varied, including builders, subcontractors, manufacturers, suppliers, consultants, students and apprentices.

Members can access professional training courses and insurance policies specifically tailored for the building and construction industry. They can seek advice from subject-matter experts on technical, legal and contractual matters, industrial relations and human resource support, workplace health and safety advice, and a dispute resolution service.

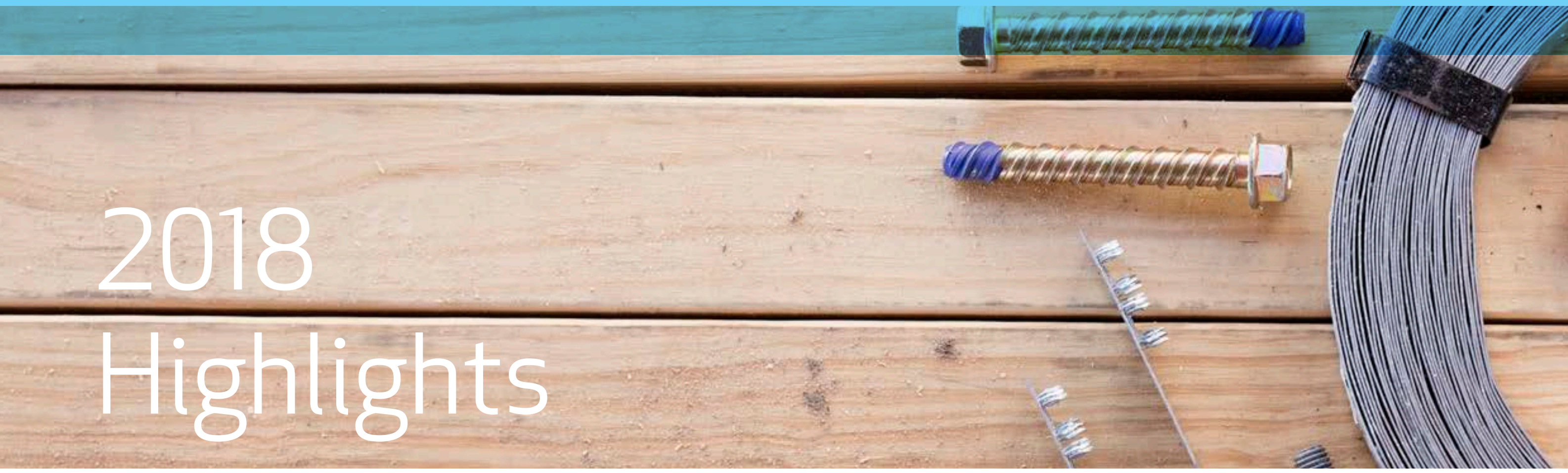
With regular electronic and telecommunication, members are kept up-to-date with relevant and practical updates on changes to legislation and building codes, industrial relations, workplace health and safety, industrial relations, and other vital and timely industry issues for their business.

We save our members time and money, through cross-industry networking opportunities, exclusive member discounts, the opportunity to be part of the online *Find a Master Builder* search, the Housing & Construction Awards program, and our unique display village concept.

Our members find strength in association with the opportunity to utilise the proud member logo, forge industry connections at some of our 175 events each year and be part of the ever-growing Master Builders family network.

We maintain an unwavering focus on representing the interests of our members and advocating for best outcomes for the broader building and construction industry in Queensland. We achieve this through comprehensive research and assessment of industry issues, active lobbying across all levels of government and strong representation on key industry bodies and committees.

Master Builders has the ear of government and other key decision-makers. We're in a strong position to influence decisions and lobby for or against issues that affect our members.



2018 Highlights

CUSTOMERS

Enhance the strength of the organisation through improving the value delivered to members – ensure members view Master Builders as one of their priority partners essential to their business.

Highlights

- Received *Association of the Year 2018* award from the Associations Forum
- Membership base grew by 2% to 8,480 members
- Member churn decreased by 4%
- Answered 1,889 contractual & BCIPA, 1,766 disputes & without prejudice, 3,511 workplace relations, 971 WHS and 2,722 technical queries
- New Members Legal service managed 1,982 new cases since launch in October 2017
- Received 755 Housing & Construction Awards entries
- Trained 3,329 industry participants across our diploma, certificate and short course programs
- Successfully launched HR Toolkit.
- Responded to numerous regulatory contract changes, including Safe Harbour and Building Industry Fairness (BIF) legislation
- eDocs system – provision of technology to improve contracting and safety management outcomes
- Average 25% increase in monthly website page views
- Website page per sessions increased to 6 from average of 2
- Website bounce rate dropped to 2.57% from over 50% average
- Average website sessions increased to 4.24 minutes (from under 1 minute)

REVENUE

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

Highlights

- Membership and Insurance revenue continued to strengthen above budgeted expectations
- Launched new and enhanced eDocs system, doubling revenue via 4,000 new registrationsExperienced demand for additional Members Legal services
- Launched new Master Builders Telstra discounts for members
- Implementation of new membership subscription system
- Membership revenue has increased by 9%
- Delivered first regional Advanced Diploma courses in Cairns and Townsville, and Project Management course in Cairns
- Delivered two commercial, publicly-offered waterproofing courses
- Maintained average member penetration of 60%, with up to 80% in some regions within Insurance business
- Launched two new insurance policies, specialised professional indemnity cover and cyber risk insurance for members.

BRAND

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

Highlights

- Unprecedented grassroots lobbying campaign featuring above-the-line marketing and traditional lobbying tactics to fight Project Bank Accounts
- Lobbying campaign achieving increased engagement levels and event attendance, social media engagement, above average email open rates, website page views, government engagement and media coverage in excess of $100K
- Increased government consultation and involvement in parliamentary working groups
- Increased government representation at Master Builders events
- Brand campaign resulted in visits to *Find a Master Builder* search facility increasing by 500% over one month and by 1,000% during the same period in 2017
- Members with a *Find a Master Builder* search profile increased by 150%
- Television commercial viewed on social media more than 20,000 times
- Increased customer contact – (phone calls, email contact, website enquires) from potential members, consumers and members
- Submitted more than 10 significant policy submissions on behalf of members, including extensive submissions on the Building Industry Fairness (BIF) legislation and Non-conforming Building Products.

PEOPLE

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

Highlights

- Commenced the redevelopment of Master Builders' head office to accommodate future staffing needs
- Staff satisfaction survey revealed staff satisfaction remains at 80%+
- Staff numbers increased in line with members' service needs.

President's Report

Our relevance as an industry body remains strong, as building contractors seek expert help and advice to face the complex landscape that is the building and construction industry.

As Queensland's largest body representing the industry, I'm incredibly proud that we are at the forefront of organisations that exist solely to serve customers.

During 2017/18, we have further developed our strategic priorities which have placed us in a solid financial position, with strong membership numbers and high customer satisfaction.

We've continued to listen to what members want, continued to deliver the services and products they need and lobbied on the important issues they face.

LOBBYING AND ADVOCACY

In this report you'll read more about our unprecedented lobbying campaign against Project Bank Accounts and other elements of the Building Industry Fairness legislation. We believe this kind of campaign is a vital part of our service to members and are incredibly proud of the inroads we have made.

Despite those important inroads, we remain disappointed that the new legislation still won't ensure workers are paid "every time, on time", with sub-subcontractors left incredibly exposed. The promised solutions have been slow to appear; but we remain committed to working with government on workable solutions that benefit the entire contractual chain. Our focus will be firmly on Chapter 3 and ensuring builders and subcontractors are not tied up in red tape just to avoid massive fines.

Being a strong advocate for our members has never been more important than now, particularly as we start to see the fallout of other elements of the BIF legislation over the next few years. Looking ahead, we will consider how to continue the momentum of this campaign, as well as other measures that will assist all workers in the building chain to be paid.

BRISBANE HEADQUARTERS REFURBISHMENT

A highlight of 2017/18 and a key part of our strategic plan was the much needed refurbishment of our head office in Brisbane. Following a comprehensive tender process, Master Builders' member, Apollo Constructions, were appointed as the successful builder for the project. In true Master Builders' style, they completed the refurbishment ahead of time and on budget.

During the renovation, the building was closed to all members with a core group of staff continuing work in the building. This added a layer of complexity for Apollo Constructions who worked mindfully

to minimise disturbance. The majority of staff and services were relocated to our training facility at Murarrie. The short-term disruption was well received by staff and members alike with the resulting transformation of the building a delight to all.

Master Builders' head office is now well-equipped to service members and staff well into the future. The move to an open plan layout of all levels has allowed us to offer a more collaborative work environment and additional meeting rooms. We've now got all of our stakeholders covered with a meeting space to suit, accompanied by the latest technology. The revamped building features state-of-the-art training facilities too and the inclusion of onsite, adaptable event spaces, allowing us to once again serve our members through an enhanced, easy-to-access and central location.

REGIONAL FOOTPRINT

We will consider the facilities of each of our nine regional offices, as part of our broader strategy to focus on our regional footprint.

This year, we continued to invest significant time in ensuring our regional representation is strong, with regular Board visits to regional Queensland and a renewed focus on regional connections. From our local committees of management, to local government and media connections, our goal remains to be the first port of call for building and construction industry issues.

NATIONAL NEWS

Our national body, Master Builders Australia has a new and invigorated board, which has developed an improved governance structure and is currently modifying the Constitution to suit. This refreshment aims to better align us with other states and provide members better advocacy solutions at a national level.

I look forward to serving as your President into 2019 and am excited to commence delivery of our plans into the new financial year.

Ralf Dutton
President, Master Builders Queensland

CEO's Statement

As the go-to association for building and construction in Queensland, Master Builders' tagline 'The home of building' represents the increasingly broad role we play within the industry. As rules, regulations and legislation become increasingly complex and economic times uncertain; remaining a relevant Association has never been more important.

In 2017/18 we've gone from strength to strength, stepping up our game and changing from a not-for-profit with modest budgets, to a robust and modern association that boasts strong membership revenue, which in turn is reinvested in the development of additional products and services.

We view the reinvestment process as an essential cycle, with the key to growth being the investment in new products and services. This new direction was delivered via a multipronged strategy developed by our Senior Leadership Team (SLT).

Our strategy during the year has included clearly defined strategic and business plans, new feature products and services, new membership engagement strategies, unprecedented lobbying activities and a new brand campaign.

Underpinned by our strategic attributes – accountability, value and growth – our strategic plan and all new projects are measured against these attributes and together, have translated into strong financial results, improved membership numbers and positive member feedback.

FEATURE PRODUCTS & SERVICES

Using revenue surplus, we have invested heavily in new products and services for members, including:

- A brand new eDocs system (online contracts)
- New corporate website, and
- New Members Legal service.

EDOCS

Since launching in early 2018, our new online contracts system, eDocs, has received significant positive feedback from members and more than 4,000 new registrations.

Revenue generated through this new system has doubled in the past 12 months and provided a new platform to engage members. These members have embraced technology for the purpose of contracting and management of safety on work sites.

With the original eDocs system long overdue for a revamp, and new technologies available, it was time to rebuild the system. We did this from the ground up and delivered a responsive system, with new functionality, such as electronic signatures.

The new and improved version of eDocs is revolutionising how members complete their documents and is a one-stop-shop for all members' contract management needs.

WEBSITE

Our new corporate website has significantly improved the overall customer experience (CX) and received positive feedback from users.

The improved and new functionality, revised information architecture, responsive and mobile-friendly design, personalisation elements, contemporary look and feel along with a focus on strong call to action, have together delivered a site that is performing strongly.

Since launch of the site, our Google Analytics statistics have improved, along with SEO and Google search results rankings.

The site features member-only areas that deliver the information members need, with top level personalisation introduced (and plans to develop further in the future across the site).

The success already being measured against these new products and services reinforces our overarching strategic plan and reinvestment strategy.

MEMBERS LEGAL

Members Legal is our new wholly owned legal practice offering legal and contractual advice exclusively to members at no cost. The service is tailored to the building and construction industry.

Since our inception in 1882, contractual advice has been at the core of our member offering.

Members Legal delivers on our vision to offer service and advice excellence to members, with a fresh approach to legal and contractual advice.

It also allows us to better manage association risk and provide the best level of protection for Master Builders and its staff.

MEMBERSHIP ENGAGEMENT

As part of this review, we ensured appropriate member communication touch points are in place, as well as introducing a raft of onboarding strategies and processes.

These new strategies have paid dividends, with our latest member research generating positive feedback and an overall five-year shift in revenue and improvement of churn rates.

UNPRECEDENTED LOBBYING

In 2017 we launched an unprecedented grassroots campaign that combined above-the-line marketing and traditional lobbying tactics to fight Project Bank Accounts and other elements of the Building Industry Fairness Bill announced by the Queensland Government.

We knew that if introduced, many elements of the legislation would negatively impact our industry and not have the desired positive outcomes.

While not successfully achieving all of our goals, common sense did prevail and the government listened to our advice on key areas and took action. We're currently working to implement our proposed solutions.

BRAND CAMPAIGN 2018

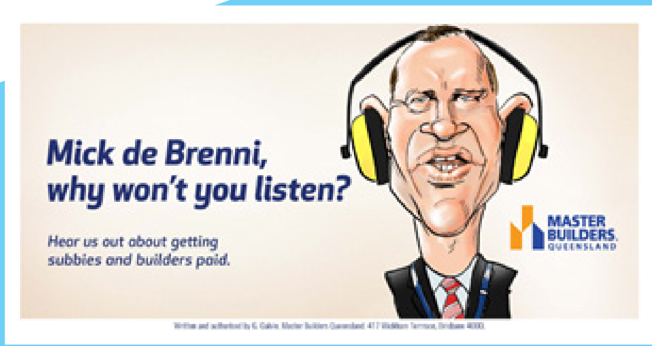
"Finding out your builder is a Master Builder sure beats finding out they're not" was the theme of our recent consumer brand campaign, affectionately known as 'Campaign Orange Juice'. The campaign included a creative execution for digital, TV, print and radio advertising mediums.

Our intention was to build on the success of previous campaigns and really get consumers thinking and questioning who they use for building or renovation work.

Our strategic approach was recognised, with Master Builders receiving the *2018 Association of the Year* award from the Association's Forum.

Grant Galvin
CEO, Master Builders Queensland

Policy & Advocacy



Master Builders relies on strength in numbers to represent the interests of our industry. The stronger our membership base, the louder our voice. Our unified approach and commitment to comprehensive research and assessment of industry issues give us significant influence.

We use this influence to lobby all levels of government. Master Builders is heavily represented on key industry bodies and actively involved in developing policy. Our voice carries through regular and topical industry reports.

Our policy platform identifies many critical areas of reform, and we produce regular policy submissions and commentary on issues that affect the industry.

While statistics report that building work has been at a record high, the industry is experiencing many challenges. Work has been concentrated, leaving large parts of the industry out in the cold. Areas such as the resource regions have seen little or no up lift from the record lows. The lack of affordability has restricted demand and new onerous building legislation has imposed still more costs. As costs have continued to rise, contract prices have been contained, creating a 'profitless boom'.

In 2017/18, Master Builders asked the government to commit to continuing the work already started and consider additional measures necessary to keep new buildings affordable, further strengthen our industry, and ensure it is well positioned to deliver the buildings Queenslanders need.

Our annual *Policy & Advocacy Agenda*, which was launched in January 2018, focused on nine key areas, including: stimulating demand, managing payments and disputes, using the right products, affordable and sensible regulation, quality documentation, liability and risk, stronger workforces, safer workplaces and fairer workplaces.

CAMPAIGN PROJECT BANK ACCOUNTS

In 2017 we launched one of the most unprecedented grassroots campaign in Master Builders history. The campaign combined above-the-line marketing and traditional lobbying tactics to fight Project Bank Accounts (PBAs) and other elements of the Building Industry Fairness Bill announced by the Queensland Government.

We knew that if introduced, many elements of the legislation would negatively impact our industry and not have the desired positive outcomes.

PHASE 1: Above the line campaign – shock and awe

PHASE 2: Below the line campaign – grass roots education and lobbying

PHASE 3: Boots on ground – last ditch lobbying efforts

CAMPAIGN OBJECTIVES INCLUDED:

- Achieving high visibility of our opposition to PBAs amongst all key audiences – particularly state government, opposition parties and members
- Influencing state government and opposition and achieve primary and/or secondary objectives
- Educating and informing members on our policy position and recommended solutions about the myths surrounding PBAs
- Partnering with like-minded industry groups to lend weight to campaign.

CAMPAIGN ELEMENTS

The campaign married together traditional lobbying activities with above-the-line advertising tactics:

- Digital, TVC and radio advertising
- Print campaign
- Billboard advertising
- Social media, traditional media and editorial opportunities
- Government lobbying and stakeholder engagement – MP letters, templates for members
- Program of member events.

PROJECT BANK ACCOUNTS WON'T WORK ON ANY LEVEL CAMPAIGN

The campaign commenced with the Project Bank Accounts won't work on any level phase – targeting industry and government with our views on why PBAs won't work. The tagline was a deliberate play on words and referenced the Queensland Government's Getting Queensland Construction Industry Back on the Level campaign.

This phase saw us seek out support from like-minded organisations, Property Council of Australia, Queensland Major Contractors Association and the Civil Contractors Federation.

LAST-DITCH CAMPAIGN

After using all of the "right" channels in Phase 1 to get our message across, it was clear our advice was not being listened to.

We stepped the campaign to another level, launching our high visibility billboard campaign, "Mick de Brenni, why won't you listen?" designed to get the government's attention.

It was our last-ditch lobbying attempt against legislation that would have spelled disaster for our industry.

CAMPAIGN RESULTS

Common sense did prevail and the government finally listened to our advice on key areas and took action.

While not successfully achieving all of our goals, we're currently working to implement our proposed solutions.

The government committed to:

- A review of the entire piece of legislation, in particular Project Bank Accounts (review to be led by independent panel with industry experience and expertise)
- Demerit points – the government adjusted demerit point provisions to ensure they are not applied at the time that a Direction to Rectify (DTR) is issued
- Payment schedules – we continue to work closely with the government to achieve a sensible outcome regarding payment schedule requirements, which to date have not been introduced.

The highly visible campaign, which spanned many months, resulted in increased engagement levels across all channels and attracted significant attention from members and industry.

Our Customers

Master Builders' membership revenue and numbers grew during the 2017/18 financial year. This is reflective of our continued focus on recruitment and retention strategies, and investment in new and improved member products and services, as well as the stable outlook in industry confidence.

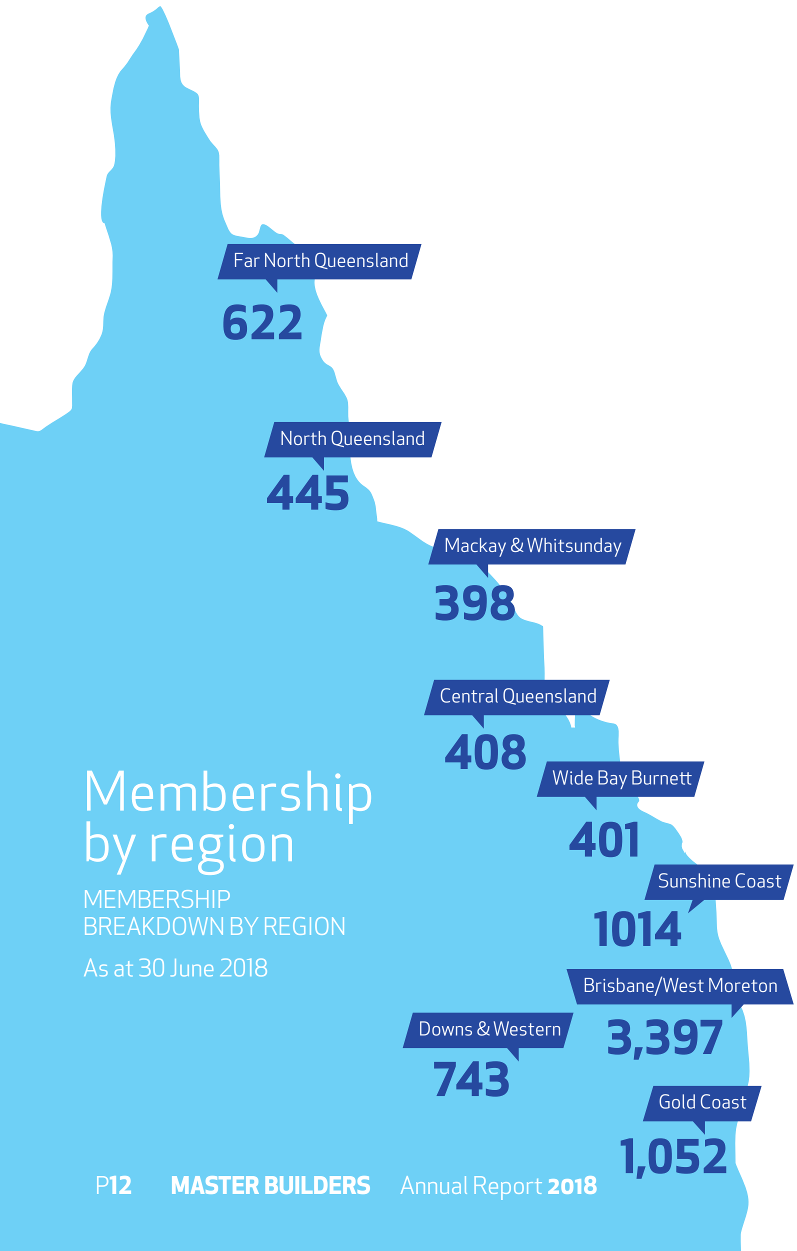
Master Builders relies on strength in numbers to represent the interests of our industry. The stronger our membership base, the louder our voice. During the financial year, Master Builders dedicated recruitment workforce recruited 1,426 new members.

Master Builders' current membership base stands at 8,480 members, spread across residential and commercial builders, trade contractors, manufacturers and suppliers, consultants, students, and apprentices.

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

Master Builders recognises that while members are our core customer, we have a broad range of incredibly important stakeholders, including government, consumers and the media, who we also consider our customers.

Each of these groups plays a vital role in helping us support the building and construction industry.



Membership by region

MEMBERSHIP BREAKDOWN BY REGION

As at 30 June 2018

Membership by category

8,480 MEMBERSHIP BREAKDOWN BY CATEGORY AS AT 30 JUNE 2018

4,302 BUILDERS

2,882 TRADE CONTRACTORS

368 MANUFACTURERS & SUPPLIERS

885 CONSULTANTS/ ASSOCIATES / SUPERVISORS

16 STUDENTS

27 APPRENTICES

New subscribers

1,426 NEW SUBSCRIBERS TO MASTER BUILDERS 2017/2018

555 BUILDERS

649 TRADE CONTRACTORS

46 MANUFACTURERS & SUPPLIERS

156 CONSULTANTS/ ASSOCIATES / SUPERVISORS

2 STUDENTS

18 APPRENTICES

Our People

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

Master Builders' leadership team is dedicated to ensuring the association's success. Our organisational structure comprises a Board, Master Builders Electoral College (MBEC), committees and a Senior Leadership 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.

BOARD

In line with Master Builders' Constitution, the management and control of the association is vested in the Board, which is elected by the Master Builders Electoral College (MBEC) every three years. The Board is responsible for the governance and strategic direction of Master Builders.

ELECTORAL COLLEGE

The Master Builders Electoral College (MBEC) is elected by members and is responsible for electing the President, Housing and Construction Sector Committee Chairs, and other Board members. The group is made up of 25-45 Master Builders members, including nine Divisional Representatives, up to 50 per cent from Greater Brisbane and up to 50 per cent subcontractors.

COMMITTEES

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

These committees provide valuable input from the coalface of the building and construction industry and are supported by a number of sub-committees – Industrial Relations, Contracts, Health & Safety, Environment, and Renovation & Technical.

DIVISIONS AND BRANCHES

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

Elected every three years, each committee is responsible for identifying, discussing and recommending action, in relation to local and industry issues.

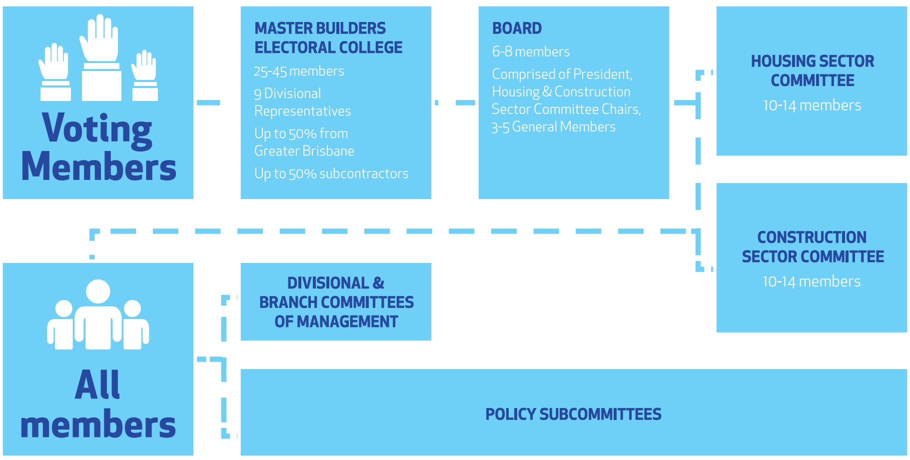
STRATEGIC LEADERSHIP TEAM

The day-to-day operations of Master Builders are overseen by the Strategic Leadership Team, comprising Grant Galvin, CEO; Paul Bidwell, Deputy CEO; Sue-Ann Fresneda, Director – Business Development & Membership; Simon Spencer, Director – Business Systems; Adrian O'Grady, Director – Finance and Ian Parkinson, Director – Insurance.

OPERATIONAL STAFF

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

See the Corporate Governance pages for a detailed list of Board and Electoral College members.



Corporate Governance

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

STRATEGIC PLANNING

The three-year Strategic Plan was updated during the financial year and approved by the Board. It retains four key strategic priorities including Customers, Brand, Revenue and People, and remains underpinned by the three principles of value, accountability and growth.

To ensure delivery of outcomes that are in the best interest of all members and that can be monitored by the Board, the annual business plan was updated in line with the strategic plan with very specific actions and measures. The ongoing growth of the organisation across every pillar of its operation over the last three years is testament to the fact that planned outcomes are being achieved, which is ultimately the true test for the planning process.

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

AQTF/VET QUALITY FRAMEWORK AUDIT INFORMATION

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

BOARD MEETINGS

During the year, Master Builders held 11 Board meetings.

Name	Position	Meetings attended	Meetings eligible to attend
Ralf Dutton	President	10	11
Ross Hogno	Board Member	9	11
Mark Spry	Board Member	8	11
Geoff Baguley	Board Member	10	11
Drew Brockhurst	Board Member	9	11
Adrian Gabrielli	Board Member	9	11
Peter Schriek	Board Member	11	11
Rod McDonald	Board Member	11	11
Nick Herron	Board Member	11	11

FINANCIAL DISCLOSURE

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

- 2018 year-end financial disclosure statement for the period 1 July 2017to 30 June 2018
- 2017 year-end financial disclosure statement for the period 1 July 2016 to 30 June 2017
- 2017 mid-year financial disclosure statement for the period 1 July 2016 to 31 December 2016.

Information covered under current *Industrial Relations Bill 2016* includes:

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

COMPLAINTS

Master Builders is committed to resolving complaints quickly and fairly, and we empower our people to resolve issues as they arise. All complaints and grievances are recorded in the complaints register and reported to the CEO on a quarterly basis.

Complaints can be submitted in writing to:

Master Builders,
417 Wickham Terrace, Brisbane,
Queensland, 4000

PRIVACY POLICY

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

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

Master Builders adopted the Australian Privacy Principles (APP) published by the Office of the Australian Information Commissioner and operates in accordance with those principles.

A copy of Master Builders' privacy policy 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

BOARD, MASTER BUILDERS ELECTORAL COLLEGE AND HOUSING AND CONSTRUCTION SECTOR COMMITTEE MEMBERS AS AT 30 JUNE 2018

BOARD

Ralf Dutton (President), Ross Hogno (Chairman Housing), Mark Spry (Chairman Construction), Board members: Geoff Baguley, Drew Brockhurst, Adrian Gabrielli, Nick Herron, Peter Schriek, Rod McDonald

MASTER BUILDERS ELECTORAL COLLEGE

Drew Brockhurst, William Cover, Donald Dixon, Tony Froio, Nick Herron, Brett Johnston, John Kirkwood, Colin Matthews, Rod McDonald, Lev Mizikovsky, Glenn Rashleigh, Lewis Saragossi, Mark Spry, Lawrie Turner, Ronald Veraa, Wayne Cavallaro, Donald Close, Steve Coates, Ralf Dutton, Adrian Gabrielli, Barry Green, Rody Harder, Ben Hilder, Ross Hogno, Michael Johnson, Wayne Kleidon, John Mahlouzarides, Andrew Murchie, John Ogilvie, Ken Ogilvie, Yvonne Pengilly, Bede Roebuck, Shane Summers, Christopher Taylor, Jesse Zielke

DIVISIONAL REPRESENTATIVES

- Gold Coast – Glenn Raine
- Downs & Western – Peter Schriek
- Sunshine Coast – Patrick (Rick) Burns
- Wide Bay Burnett – Desmond Bowes
- Central Queensland – Matthew Day
- Mackay & Whitsunday – Geoff Baguley
- North Queensland – John Wilkinson
- Far North Queensland – Kim Grossman
- Institute of Building Consultants– Michael Decman

CONSTRUCTION COMMITTEE

M. Spry (Chair), D. Brockhurst, R. McDonald, G. Dunnett, G. Quinn, J. Bedsor, M. Norris, S. Hawkins, T. Orazio, A. Murchie, B. Johnston, C. Matthews, G. Rashleigh, T. Froio, Y. Pengilly, P. Barrie, S. Marais, Convenor: P. Bidwell

HOUSING COMMITTEE

R. Hogno (Chair), A. Williams, B. Garland, C. Sawford, P. Barton, S. Havas, S. Cedergren, B. Green, D. Dixon, J. Zielke, J. Wilkinson, L. Mizikovsky, R. Burns, S. Summers, G. Raine, J. Mahlouzarides, K. Ogilvie. Convenor: P. Bidwell

Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDING 30 JUNE 2018

	NOTE	CONSOLIDATED GROUP		ASSOCIATION	
		2018 $	2017 $	2018 $	2017 $
Revenue from continuing operations	2(I)	21,035,240	19,082,674	20,995,602	19,082,674
Other income	2(II)	1,159,791	1,137,870	1,159,723	1,137,870
Employee expenses	3(I)	(12,238,876)	(12,079,579)	(11,792,700)	(12,079,579)
Depreciation and amortisation expense		(515,288)	(607,734)	(512,983)	(607,734)
Interest Expense		-	-	-	-
Commissions Paid		(480,276)	-	(480,276)	-
Printing, Stationery and Postage expenses		(242,740)	(289,691)	(238,188)	(289,691)
Occupancy Expenses		(755,533)	(621,007)	(755,533)	(621,007)
Other expenses	3(II)	(6,757,887)	(6,053,957)	(7,118,711)	(6,053,957)
Building Refurbishment Expenses	3(III)	(1,761,659)	-	(1,761,659)	-
Share of joint ventures profits		380,857	491,398	380,857	491,398
Surplus/(loss) before income tax		(176,371)	1,059,973	(123,868)	1,059,973
Income tax (expense)/revenue	5	14,438	-	-	-
Surplus/(loss) for the year	24	(161,933)	1,059,973	(123,868)	1,059,973
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Net gain / (loss) on revaluation of land and buildings		-	-	-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:					
Net gain / (loss) on revaluation of investment portfolio		23,917	154,141	23,917	154,141
Total other comprehensive income for the year		23,917	154,141	23,917	154,141
Total comprehensive income for the year		(138,016)	1,214,114	(99,951)	1,214,114

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	CONSOLIDATED GROUP 2018 $	2017 $	1 July 2016 $
Current Assets				
Cash and cash equivalents	8	11,308,668	9,155,966	9,241,744
Trade and other receivables	9	2,098,612	1,838,673	1,933,232
Inventories	10	38,489	57,288	95,591
Other current assets	11	498,279	199,034	196,099
		13,944,048	**11,250,961**	**11,466,666**
Non-Current Assets				
Investments accounted for using the equity method	12	1,483,123	2,102,266	1,610,869
Financial assets	13	11,651,718	13,666,961	11,317,135
Property, plant and equipment	15	20,690,176	18,933,466	19,307,725
Deferred tax assets	17	14,438	-	-
		33,839,455	34,702,693	32,235,729
Total Assets		**47,783,503**	**45,953,654**	**43,702,395**
Current Liabilities				
Trade and other payables	16	15,508,016	13,641,954	12,497,621
Current tax liabilities	17	-	-	-
Short-term provisions	18	1,104,101	1,023,301	1,124,133
		16,612,117	**14,665,255**	**13,621,754**
Non-Current Liabilities				
Deferred tax liabilities	17	-	-	-
Long-term provisions	18	244,791	223,788	230,144
Total Liabilities		**16,856,908**	**14,889,043**	**13,851,898**
Net Assets		**30,926,595**	**31,064,611**	**29,850,497**
Equity				
Reserves	19	6,990,529	6,966,612	6,828,065
Retained profits		23,936,066	24,097,999	23,022,432
Total Equity		**30,926,595**	**31,064,611**	**29,850,497**

The accompanying notes form part of these financial statements.

ASSOCIATION STATEMENT OF FINANCIAL POSITION

	NOTE	ASSOCIATION 2018 $	2017 $	1 JULY 2016 $
Current Assets				
Cash and cash equivalents	8	11,293,516	9,155,966	9,241,744
Trade and other receivables	9	2,208,569	1,838,673	1,933,232
Inventories	10	38,489	57,288	95,591
Other current assets	11	490,184	199,034	196,099
		14,030,758	**11,250,961**	**11,466,666**
Non-Current Assets				
Investments accounted for using the equity method	12	1,483,123	2,102,266	1,610,869
Financial assets	13	11,651,718	13,666,961	11,317,135
Investments in Subsidaries	14	1	-	-
Property, plant and equipment	15	20,679,083	18,933,466	19,307,725
		33,813,925	34,702,693	32,235,729
Total Assets		**47,844,683**	**45,953,654**	**43,702,395**
Current Liabilities				
Trade and other payables	16	15,542,757	13,641,954	12,497,621
Short-term provisions	18	1,092,714	1,023,301	1,124,133
		16,635,471	**14,665,255**	**13,621,754**
Non-Current Liabilities				
Long-term provisions	18	244,552	223,788	230,144
Total Liabilities		**16,880,023**	**14,889,043**	**13,851,898**
Net Assets		**30,964,660**	**31,064,611**	**29,850,497**
Equity				
Reserves	19	6,990,529	6,966,612	6,828,065
Retained profits		23,974,131	24,097,999	23,022,432
Total Equity		**30,964,660**	**31,064,611**	**29,850,497**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDING 30 JUNE 2018

Consolidated	RETAINED PROFITS	ASSET REVALUATION LAND AND BUILDINGS	ASSET REVALUATION INVESTMENTS	TOTAL
	$	$	$	$
Balance at 1 July 2016	23,022,432	6,823,267	4,798	29,850,497
Comprehensive income				
Profit for the year	1,059,973	-	-	1,059,973
Other Comprehensive income for the year	-	-	154,141	154,141
Total comprehensive income for the year attributable to members of the parent entity	1,059,973	-	154,141	1,214,114
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-
Transfer from Asset Revaluation Reserve to Retained Earnings	15,594	(15,594)	-	-
Total transactions with owners and other transfers	15,594	(15,594)	-	-
Balance at 30 June 2017	24,097,999	6,807,673	158,939	31,064,611
Comprehensive income				
Profit for the year	(161,933)	-	-	(161,933)
Other Comprehensive income for the year	-	-	23,917	23,917
Total comprehensive income for the year attributable to members of the parent entity	(161,933)	-	23,917	(138,016)
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-
Transfer from Asset Revaluation Reserve to Retained Earnings	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-
Balance at 30 June 2018	23,936,066	6,807,673	182,856	30,926,595

The accompanying notes form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY YEAR ENDING 30 JUNE 2018

Company	RETAINED PROFITS	ASSET REVALUATION LAND AND BUILDINGS	ASSET REVALUATION INVESTMENTS	TOTAL
	$	$	$	$
Balance at 1 July 2016	23,022,432	6,823,267	4,798	29,850,497
Comprehensive income				
Profit for the year	1,059,973	-	-	1,059,973
Other Comprehensive income for the year	-	-	154,141	154,141
Total comprehensive income for the year attributable to members of the parent entity	1,059,973	-	154,141	1,214,114
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-
Transfer from Asset Revaluation Reserve to Retained Earnings	15,594	(15,594)	-	-
Total transactions with owners and other transfers	15,594	(15,594)	-	-
Balance at 30 June 2017	24,097,999	6,807,673	158,939	31,064,611
Comprehensive income				
Profit for the year	(123,868)	-	-	(123,868)
Other Comprehensive income for the year	-	-	23,917	23,917
Total comprehensive income for the year attributable to members of the parent entity	(123,868)	-	23,917	(99,951)
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-
Transfer from Asset Revaluation Reserve to Retained Earnings	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-
Balance at 30 June 2018	23,974,131	6,807,673	182,856	30,964,660

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDING 30 JUNE 2018

	NOTE	CONSOLIDATED GROUP 2018 $	CONSOLIDATED GROUP 2017 $	ASSOCIATION 2018 $	ASSOCIATION 2017 $
Cash flows from operating activities					
Receipts from membership subscriptions		7,583,468	7,004,799	7,583,468	7,004,799
Receipts from customers		17,071,813	15,313,826	16,603,969	15,313,826
Interest received		644,702	839,355	644,634	839,355
Payments to suppliers and employees		(23,728,784)	(20,844,195)	(23,176,469)	(20,844,195)
Interest paid		-	-	-	-
Net cash inflow/(outflow) from operating activities	24	1,571,199	2,313,785	1,655,602	2,313,785
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		54,455	323,408	54,455	323,408
Payments for property, plant and equipment		(2,469,112)	(527,286)	(2,455,714)	(527,286)
Proceeds for available-for-sale investments		4,000,000	-	4,000,000	-
Payments for available-for-sale investments		(2,003,840)	(2,195,685)	(2,003,840)	Z(2,195,685)
Payment for investment in subsidary		-	-	(1)	-
Loan to subsidiary		-	-	(112,952)	-
Dividends from associates		1,000,000	-	1,000,000	-
Net cash inflow/(outflow) from investing activities		581,503	(2,399,563)	481,948	(2,399,563)
Cash flows from financing activities					
Proceeds from borrowing		-	-	-	-
Repayment of borrowings		-	-	-	-
Net cash inflow/(outflow) from financing activities		-	-	-	-
Net increase/(decrease) in cash held		2,152,702	(85,778)	2,137,550	(85,778)
Cash and deposits at beginning of financial period		9,155,966	9,241,744	9,155,966	9,241,744
Cash and deposits at end of financial period	8	11,308,668	9,155,966	11,293,516	9,155,966

The accompanying notes form part of these financial statements.

Notes to the financial statements

YEAR ENDING 30 JUNE 2018

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 18 September 2018 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) First Time Adoption of Australian Accounting Standards

In previous years the Association has prepared a special purpose financial report, and therefore only complied with certain Australian Accounting Standards. With the introduction of the Industrial Relations Act 2016, the Association is now required to prepare a general purpose financial report and therefore comply with all Australian Accounting Standards. This has required the Association to prepare a consolidated financial report for the first time.

As required by AASB 1 First Time Adoption of Australian Accounting Standards, all comparative amounts presented have been restated and an opening balance sheet (1 July 2016) has been presented.

The recognition of the investments accounted for using the equity method in the statement of financial position, and the associated share of joint ventures profits in the statement of the profit or loss and other comprehensive income, is the only change to the results and position previously reported. This has increased the net assets previously reported by $2,102,266 as at 30 June 2017 and increased the surplus and total comprehensive income for the 2017 year by $491,398.

b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Queensland Master Builders' Association Industrial Organisation of Employers) and all of 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.

c) 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 manner in which 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.

d) 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.

e) Inventories

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

f) 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 triennial, 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(j) 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 $1,000), it is written off and not capitalised.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

h) 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 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments. Accordingly, such interests are accounted for on a cost basis.

Financial assets at fair value through profit or loss

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains or losses) recognised in profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*Held-to-maturity investments*Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

i) 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 2018 was $4,406,194 (2017: $3,248,574) plus an additional term deposit of $2,000,000 in 2018 (2017: $2,000,000).

b) Master Builders Foundation. The account holds, separately to Master Builders operations, voluntary contributions made by members, which are used to provide support to Queensland based community projects and programs, particularly programs and projects that align with the building and construction industry. Voluntary contributions were ceased end at the end of June 2016 however there was some carryover for transfer of funds during the year. Grants of $12,060 (2017: $27,963) were made to approved Queensland causes. The balance of the account at 30 June 2017 was $221,915 (2017: $234,025).

The Group and Association administer various building display villages. As at 30 June 2018, net funds of $1,318,124 (2017: $1,136,041) were held on behalf of display village builders, pending expenditure on promotion and administration costs. This is recognised as a current liability.

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

a) An amount of $ 7,270,981 (2017: $4,432,313) representing funds administered by the Association on behalf of parties involved in arbitration

b) An amount of $ 1,178,000 (2017: $959,000) representing holding deposits made by display village builders against failures to complete contracts.

j) 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.

k) 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 139: Financial Instruments: Recognition and Measurement 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.

l) 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 company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company 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 9.5% 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.

m) 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.

n) 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.

o) Revenue

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, and legal services.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting. The carrying amount of the investment in the associate must be decreased by the amount of dividends received or receivable from the associate.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Finance income is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax.

Membership subscription revenue is recognised on an accrual basis over the subscription period. Short course revenue is recognised at the time of raising the invoice, which is within 30 days of course commencement. Long course revenue is recognised over the course expected duration. Other income is recognised when the service is provided.

p) 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.

q) 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.

r) 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.

s) 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 company 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.

t) 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

The freehold land and buildings were independently valued at 30 June 2016 by Herron Todd White Pty Ltd. The highest and best use of the properties was deemed to be their current use for valuation purposes, 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. 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 $309,437 being recognised for the year ended 30 June 2016.

At 30 June 2018, the directors reviewed the key assumptions made by the valuers at 30 June 2016. They have concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2018.

The directors have 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 $152,421. After having taken all measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, the written amounts charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment was previously recognised. For further details on trade and other receivables, see Note 9.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements. For further details on employee benefits, see Note 1 l).

u) Adoption of New and Revised Accounting Standards

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

As noted at Note 1(a) the Group has applied all Australian Accounting Standards for the first time.

v) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are alsoenhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019) When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related amount being contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the entity satisfies its obligations under the transfer.

A private sector not-for-profit entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: Contributions.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2016-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities.

AASB 2016-8 (issued December 2016) inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9: Financial Instruments and AASB 15: Revenue from Contracts with Customers as a consequence of AASB 1058: Income of Not-for-Profit Entities.

AASB 2016-8 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 1058 is applied for the same period.

w) Reserves

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

x) 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.

y) 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 ENDING 30 JUNE 2018

Note 2. Revenue

	CONSOLIDATED GROUP		ASSOCIATION	
	2018 $	2017 $	2018 $	2017 $
i) Revenue from continuing operations				
Membership subscriptions	7,583,468	7,004,799	7,583,468	7,004,799
Commissions income	7,305,789	6,918,157	7,305,789	6,918,157
Course and training income	3,089,477	2,373,009	3,081,877	2,373,009
Sponsorship functions and events	1,843,382	1,805,295	1,843,382	1,805,295
Publications income	80,221	64,721	80,221	64,721
Display village income	273,845	321,000	273,845	321,000
Document sales income	396,822	344,593	396,822	344,593
Other income	430,198	251,100	430,198	251,100
Legal services	32,038	-	-	-
	21,035,240	19,082,674	20,995,602	19,082,674
ii) Other Income				
Interest and dividends received	644,702	839,355	644,634	839,355
Gain/(Loss) on disposal of plant and equipment	(142,659)	29,597	(142,659)	29,597
Rent received	267,862	268,918	267,862	268,918
Asset Contribution Income	389,886	-	389,886	-
	1,159,791	1,137,870	1,159,723	1,137,870

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

Note 3. Expenses

i) Employee Expenses	CONSOLIDATED GROUP 2018 $	CONSOLIDATED GROUP 2017 $	ASSOCIATION 2018 $	ASSOCIATION 2017 $
Employee Expenses relating to office holders are:				
Wages and Salaries	1,784,670	1,660,809	1,606,857	1,660,809
Superannuation	171,719	184,251	154,827	184,251
Leave and other entitlements	22,415	41,649	19,563	41,649
Separation and Redundancies	63,800	126,991	63,800	126,991
Other employee expenses	155,282	113,776	490,417	113,776
Employee expenses relation to non-office holding employees are:				
Wages and Salaries	8,136,139	8,064,263	7,976,201	8,064,263
Superannuation	936,836	933,600	922,722	933,600
Leave and other entitlements	73,388	28,424	76,001	28,424
Separation and Redundancies	102,173	187,107	102,173	187,107
Other employee expenses	792,454	738,709	380,139	738,709
	12,238,876	12,079,579	11,792,700	12,079,579

ii) Other Expenses	CONSOLIDATED GROUP 2018 $	CONSOLIDATED GROUP 2017 $	ASSOCIATION 2018 $	ASSOCIATION 2017 $
National levy and affiliation costs				
paid by Master Builders Australia	690,924	680,712	690,924	680,712
Subscriptions				
paid by Master Builders Australia	86,394	60,002	83,891	60,002
Donations				
total donations less than $1,000	1,100	736	1,100	736
total donations exceeding $1,000				-
Legal expenses	89,924	40,972	57,822	40,972
Consultancy costs	292,838	377,819	285,412	377,819
Travel and accommodation	350,457	341,686	348,360	341,686
Telecommunications	320,909	301,567	315,997	301,567
Other expenses of operating activities	1,913,388	1,731,078	2,323,760	1,731,078
Training expenses	1,657,469	1,092,389	1,656,961	1,092,389
Sponsorship & events expenses	1,256,184	1,307,863	1,256,184	1,307,863
Document costs	55,300	119,133	55,300	119,133
Investments written off	43,000	-	43,000	-
Impairment of assets	-	-	-	-
	6,757,887	6,053,957	7,118,711	6,053,957

The association has not paid penalties or capitation fees during the year.

iii) Building Refurbishment Expenses

During the 2018 financial year refurbishment works commenced on the property at 417 Wickham Terrace with a value of $3.26 million spent to date at 30 June 2018. The $3.26 million is made up of $1.76 million for actual building refurbishment costs while the remaining $1.5 million consists of purchases that fall into either of the asset classes, Furniture and Fittings, or Plant and Equipment.

This building is currently recorded at fair value, using the highest and best use methodology. When the valuation was completed in 2016, the valuer determined the best use of the land was for development. On this basis, there was a significant uplift in the value of the land, however in turn this resulted in the fair value of the building being nil as any development would require the building to be demolished.

If it weren't for the valuation methodology adopted when completing the valuations, the $1.76 million for the building refurbishment works would normally be capitalised. However as the valuation methodology has the buildings at a nil value, this $1.76 million was expensed.

In addition for the period ending 30 June 2019, we anticipate there will be approximately another $600,000 to expense with building refurbishment works continuing until completion of the building in August 2018. The $1.5 million for Furniture and Fittings and Plant and Equipment will be capitalised as per accounting standards once the work is complete and it currently sits as assets under construction as per Note 15.

Note 4: Profit before income tax

Profit before income tax from continuing operations includes the following specific expenses:

	CONSOLIDATED GROUP		ASSOCIATION	
	2018 $	2017 $	2018 $	2017 $
Expenses				
Employee benefits expense:				
contributions to defined contribution superannuation funds	1,108,555	1,117,851	1,077,549	1,117,851
Other expenses:				
Bad and doubtful debts:				
trade receivables	-	3,870	-	3,870
wholly owned subsidiaries	-	-	-	-

Note 5: Tax Expense

a. The components of tax (expense) income comprise:

	CONSOLIDATED GROUP		ASSOCIATION	
	2018 $	2017 $	2018 $	2017 $
Current tax	-	-	-	-
Deferred tax	14,438	-	-	-
	14,438	-	-	-

	CONSOLIDATED GROUP		ASSOCIATION	
	2018 $	2017 $	2018 $	2017 $
'The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows: b. 'Prima facie tax (payable)/receivable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%):	48,502	(291,493)	34,064	(291,493)
consolidated group				
ADD:				
Tax effect of:				
under-provision for income tax in prior years	-	-	-	-
other non-allowable items	-	-	-	-
LESS:				
Tax effect of:				
non taxable entities within group	(34,064)	291,493	(34,064)	291,493
Income tax attributable to entity	14,438	-	-	-

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	
	2018 $	2017 $	2018 $	2017 $
Short-term employee benefits	2,062,537	2,021,843	1,866,628	2,021,843
Post-employment benefits	-	-	-	-
Other long-term benefits	45,620	96,357	42,628	96,357
Total KMP compensation	2,108,157	2,118,200	1,909,256	2,118,200

Other KMP transactions

For details of other transactions with KMP, refer to Note 23 .

Note 7. Auditor's Fees

Remuneration of the auditor of the association for:

	CONSOLIDATED GROUP		ASSOCIATION	
	2018 $	2017 $	2018 $	2017 $
auditing or reviewing the financial statements	35,108	30,745	35,108	30,745
taxation services	-	-	-	-
other services	3,700	3,600	3,700	3,600
	38,808	34,345	38,808	34,345

Note 8. Cash and cash equivalents

	CONSOLIDATED GROUP			ASSOCIATION		
	2018 $	2017 $	2016 $	2018 $	2017 $	2016 $
Cash on hand	1,900	2,000	3,500	1,900	2,000	3,500
Cash at bank	2,800,381	3,243,131	5,252,541	2,785,229	3,243,131	5,252,541
Short term bank deposits	57,406	519,522	12,405	57,406	519,522	12,405
	2,859,687	3,764,653	5,268,446	2,844,535	3,764,653	5,268,446
Cash at bank - restricted	8,448,981	5,391,313	3,973,298	8,448,981	5,391,313	3,973,298
	11,308,668	9,155,966	9,241,744	11,293,516	9,155,966	9,241,744

There are two cash at bank restricted accounts as per Note 1 section (i). One represents funds administered by the Association on behalf of parties involved in arbitration while the other represents holding deposits made by display village builders against failures to complete contracts.

Note 9. Trade and other receivables

	CONSOLIDATED GROUP			ASSOCIATION		
	2018 $	2017 $	2016 $	2018 $	2017 $	2016 $
Accounts receivable	2,235,507	2,040,827	2,163,565	2,232,512	2,040,827	2,163,565
Other debtors	15,526	19,735	57	15,526	19,735	57
Intercompany Loan	-	-	-	112,952	-	-
Less provision for doubtful debts	(152,421)	(221,889)	(230,390)	(152,421)	(221,889)	(230,390)
	2,098,612	1,838,673	1,933,232	2,208,569	1,838,673	1,933,232

Provision for impairment of receivables

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

GROUP	OPENING BALANCE 1 JULY 2016 $	CHARGE FOR THE YEAR $	AMOUNTS WRITTEN OFF $	CLOSING BALANCE 30 JUNE 2017 $
Current trade receivables	230,390	-	8,501	221,889
	OPENING BALANCE 1 JULY 2017 $	CHARGE FOR THE YEAR $	AMOUNTS WRITTEN OFF $	CLOSING BALANCE 30 JUNE 2018 $
Current trade receivables	221,889	-	69,468	152,421
COMPANY				
	OPENING BALANCE 1 JULY 2016 $	CHARGE FOR THE YEAR $	AMOUNTS WRITTEN OFF $	CLOSING BALANCE 30 JUNE 2017 $
Current trade receivables	230,390	-	8,501	221,889
	OPENING BALANCE 1 JULY 2017 $	CHARGE FOR THE YEAR $	AMOUNTS WRITTEN OFF $	CLOSING BALANCE 30 JUNE 2018 $
Current trade receivables	221,889	-	69,468	152,421

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 following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

2018	CONSOLIDATED GROUP			ASSOCIATION		
	ACCOUNTS RECEIVABLE $	OTHER DEBTORS $	TOTAL	ACCOUNTS RECEIVABLE $	OTHER DEBTORS $	TOTAL
Gross amount	2,235,507	15,526	2,251,033	2,232,512	15,526	2,248,038
Past due and impaired	152,421	-	152,421	152,421	-	152,421
Past due but not impaired (days overdue):						
<30	349,903	4,139	354,042	400,753	4,139	404,892
31-60	143,460	4,128	147,588	143,460	4,128	147,588
61-90	24,717	3,054	27,771	24,717	3,054	27,771
>90	410,905	-	410,905	410,905	-	410,905
Within initial trade terms	1,154,101	4,205	1,158,306	1,100,256	4,205	1,104,461
	2,235,507	15,526	2,251,033	2,232,512	15,526	2,248,038

2017	CONSOLIDATED GROUP			ASSOCIATION		
	ACCOUNTS RECEIVABLE $	OTHER DEBTORS $	TOTAL	ACCOUNTS RECEIVABLE $	OTHER DEBTORS $	TOTAL
Gross amount	2,040,827	19,735	2,060,562	2,040,827	19,735	2,060,562
Past due and impaired	221,889	-	221,889	221,889	-	221,889
Past due but not impaired (days overdue):						
<30	331,085	5,299	336,384	331,085	5,299	336,384
31-60	272,968	5,269	278,237	272,968	5,269	278,237
61-90	183,064	3,869	186,933	183,064	3,869	186,933
>90	452,747	-	452,747	452,747	-	452,747
Within initial trade terms	579,074	5,298	584,372	579,074	5,298	584,372
	2,040,827	19,735	2,060,562	2,040,827	19,735	2,060,562

2016	CONSOLIDATED GROUP ACCOUNTS RECEIVABLE $	CONSOLIDATED GROUP OTHER DEBTORS $	CONSOLIDATED GROUP TOTAL	ASSOCIATION ACCOUNTS RECEIVABLE $	ASSOCIATION OTHER DEBTORS $	ASSOCIATION TOTAL
Gross amount	2,163,565	57	2,163,622	2,163,565	57	2,163,622
Past due and impaired	230,390	-	230,390	230,390	-	230,390
Past due but not impaired (days overdue):						
<30	884,470	32	884,502	884,470	32	884,502
31-60	185,344	9	185,353	185,344	9	185,353
61-90	158,584	-	158,584	158,584	-	158,584
>90	295,661	-	295,661	295,661	-	295,661
Within initial trade terms	409,116	16	409,132	409,116	16	409,132
	2,163,565	57	2,163,622	2,163,565	57	2,163,622

	CONSOLIDATED GROUP 2018 $	CONSOLIDATED GROUP 2017 $	CONSOLIDATED GROUP 2016 $	ASSOCIATION 2018 $	ASSOCIATION 2017 $	ASSOCIATION 2016 $
Financial assets classified as loans and receivables						
Accounts receivable and other debtors:						
total current	2,098,612	1,838,673	1,933,232	2,208,569	1,838,673	1,933,232
Total financial assets classified as loans and receivables	2,098,612	1,838,673	1,933,232	2,208,569	1,838,673	1,933,232

Collateral held as security

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

Note 10. Inventories

CURRENT	CONSOLIDATED GROUP 2018 $	CONSOLIDATED GROUP 2017 $	CONSOLIDATED GROUP 2016 $	ASSOCIATION 2018 $	ASSOCIATION 2017 $	ASSOCIATION 2016 $
Documents	24,908	40,339	82,940	24,908	40,339	82,940
Signs & Safety	13,581	16,949	12,651	13,581	16,949	12,651
	38,489	57,288	95,591	38,489	57,288	95,591

Note 11. Other current assets

	CONSOLIDATED GROUP			ASSOCIATION		
	2018 $	2017 $	2016 $	2018 $	2017 $	2016 $
Tenancy security deposits	5,738	5,738	5,738	5,738	5,738	5,738
Prepayments	401,614	193,296	190,361	382,448	193,296	190,361
GST Receivable	90,927	-	-	101,998	-	-
	498,279	199,034	196,099	490,184	199,034	196,099

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		
					2018 $	2017 $	2016 $
BIGA Limited	Associate	Brisbane, Australia	50%	Equity method	-	-	-
BERT Fund Limited	Associate	Brisbane, Australia	50%	Equity method	1	1	1
BERT Welfare Limited	Associate	Brisbane, Australia	50%	Equity method	-	-	-
BEWT Fund Limited	Associate	Brisbane, Australia	50%	Equity method	1	1	1
BUSS (Queensland) Pty Limited	Associate	Brisbane, Australia	50%	Equity method	2	2	2
QCTF	Associate	Brisbane, Australia	50%	Equity method	1	1	1
Construction Income Protection Limited	Joint Venture	Brisbane, Australia	50%	Equity method	1,483,118	2,102,261	1,610,864
					1,483,123	**2,102,266**	**1,610,869**

BIGA Limited is a company limited by guarantee not having a share capital. It is setup to operate as a group training organisation delivering tailored solutions to the needs of employers and apprentices in the Queensland building and construction industry.

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
- BIGA 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.

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.

	CONSTRUCTION INCOME PROTECTION LIMITED		
Summarised Financial Position	2018 $	2017 $	2016 $
Cash and cash equivalents	4,309,072	5,685,623	4,895,636
Total current assets	6,759,879	7,710,926	6,983,854
Total non-current assets	24,058	28,558	42,247
Current financial liabilities (excluding trade and other payables, and provisions)	-	-	271,763
Total current liabilities	3,817,701	3,534,962	3,804,374
Non-current financial liabilities (excluding trade and other payables, and provisions)	-	-	-
Total non-current liabilities	-	-	-
NET ASSETS	2,966,236	4,204,522	3,221,727

	CONSTRUCTION INCOME PROTECTION LIMITED		
	2018 $	2017 $	2016 $
Group's share (%)	1,483,118	2,102,261	1,610,864
Group's share of joint venture's net assets	1,483,118	2,102,261	1,610,864
Summarised Financial Performance			
Revenue	2,128,459	2,332,528	2,293,939
Depreciation and amortisation	4,500	16,200	21,697
Interest income	58,853	100,112	77,504
Interest expense	5,448	6,582	5,987
Other expenses	1,089,201	1,012,133	1,073,681
Profit or loss from continuing operations	1,088,163	1,397,725	1,270,078
Income tax expense	326,449	414,930	390,632
Profit after tax from continuing operations	761,714	982,795	879,446
Profit after tax from discontinued operations	761,714	982,795	879,446
Other comprehensive income	-	-	-
Total comprehensive income	761,714	982,795	879,446
Dividends paid	2,000,000	-	-
Group's share of joint venture's total comprehensive income	380,857	491,398	439,723
Group's share of dividends paid	1,000,000	-	-
Reconciliation to Carrying Amounts			
Group's share of joint venture's opening net assets	2,102,261	1,610,864	1,171,141
Investments during the period	-	-	-
Group's share of joint venture's total comprehensive income	380,857	491,398	439,723
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)	1,483,118	2,102,261	1,610,864

Note 13. Financial Assets

Available-for-sale assets	CONSOLIDATED GROUP 2018 $	2017 $	2016 $	ASSOCIATION 2018 $	2017 $	2016 $
Available-for-sale assets comprise: Listed investments at fair value						
managed funds	11,651,718	13,666,961	11,317,135	11,651,718	13,666,961	11,317,135
Total available-for-sale financial assets	11,651,718	13,666,961	11,317,135	11,651,718	13,666,961	11,317,135

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 2018 %	2017 %	PROPORTION OF NON-CONTROLLING INTEREST 2018 %	2017 %
Master Builders Members Legal Pty Ltd*	Australia	100	-	-	-

* 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		
	2018	2017	2016	2018	2017	2016
Land - at valuation	$	$	$	$	$	$
Freehold land at independent 2016 valuation	14,286,708	14,286,708	14,340,000	14,286,708	14,286,708	14,340,000
Buildings - at valuation						
Buildings at independent 2016 valuation	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Provision for depreciation	(165,028)	(82,516)	-	(165,028)	(82,516)	-
	3,634,972	3,717,484	3,800,000	3,634,972	3,717,484	3,800,000
Building improvements - at cost						
Building improvements	-	-	-	-	-	-
Provision for depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
TOTAL LAND AND BUILDINGS	17,921,680	18,004,192	18,140,000	17,921,680	18,004,192	18,140,000
Plant and equipment at cost						
Plant and equipment	2,272,461	2,263,518	2,644,023	2,259,063	2,263,518	2,644,023
Provision for depreciation	(1,018,583)	(1,438,469)	(1,476,298)	(1,016,278)	(1,438,469)	(1,476,298)
Total plant and equipment	1,253,878	825,049	1,167,725	1,242,785	825,049	1,167,725
Assets under construction at cost						
Asset under construction	1,514,618	104,225	-	1,514,618	104,225	-
Total assets under construction	1,514,618	104,225	-	1,514,618	104,225	-
Total written down value	20,690,176	18,933,466	19,307,725	20,679,083	18,933,466	19,307,725

GROUP	LAND & BUILDINGS AT VALUATION	LAND & BUILDINGS AT COST	PLANT & EQUIPMENT AT COST	ASSETS UNDER CONSTRUCTION
	$	$	$	$
Net book value as at 1 July 2016	18,140,000	-	1,167,725	-
Assets acquired during the year	-	-	423,063	104,225
Assets disposed during the year	(53,292)	-	(240,521)	-
Revaluations	-	-	-	-
Amortisation/Depreciation charged during the year	(82,516)	-	(525,218)	-
Net book value as at 30 June 2017	**18,004,192**	**-**	**825,049**	**104,225**
Net book value as at 1 July 2017	18,004,192	-	825,049	104,225
Assets acquired during the year	-	-	1,058,719	1,410,393
Assets disposed during the year	-	-	(197,114)	-
Revaluations	-	-	-	-
Amortisation/Depreciation charged during the year	(82,512)	-	(432,776)	-
Net book value as at 30 June 2018	**17,921,680**	**-**	**1,253,878**	**1,514,618**

COMPANY	LAND & BUILDINGS AT VALUATION	LAND & BUILDINGS AT COST	PLANT & EQUIPMENT AT COST	ASSETS UNDER CONSTRUCTION
	$	$	$	$
Net book value as at 1 July 2016	18,140,000	-	1,167,725	-
Assets acquired during the year	-	-	423,063	104,225
Assets disposed during the year	(53,292)	-	(240,521)	-
Revaluations	-	-	-	-
Amortisation/Depreciation charged during the year	(82,516)	-	(525,218)	-
Net book value as at 30 June 2017	**18,004,192**	**-**	**825,049**	**104,225**
Net book value as at 1 July 2017	18,004,192	-	825,049	104,225
Assets acquired during the year	-	-	1,045,321	1,410,393
Assets disposed during the year	-	-	(197,114)	-
Revaluations	-	-	-	-
Amortisation/Depreciation charged during the year	(82,512)	-	(430,471)	-
Net book value as at 30 June 2018	**17,921,680**	**-**	**1,242,785**	**1,514,618**

Impairment losses

The total impairment loss recognised in profit or loss during the period amounted to $0 (2017: $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 2016 based on independent valuations completed by Herron Todd White in May and June 2016. The valuations were completed by determining the fair value of the land and buildings based on the highest and best use of the assets.

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

At the end of 30 June 2018, after reviewing the key assumptions made by the valuers at 30 June 2016, it is concluded that these assumptions remain materially unchanged. Note the property in Wickham Terrace at Spring Hill, as at 30 June 2018, is currently being refurbished and a new valuation will carried out on the property by 30 June 2019.

As a result there will nil transactions to the revaluation reserve or impairment for Buildings during the course of the financial year ending 30 June 2018.

Freehold land
Freehold Land held by the Group were last valued by an independent valuer at 30 June 2016. At the end of 30 June 2018, after reviewing the key assumptions made by the valuers at 30 June 2016, it is concluded that these assumptions remain materially unchanged.

As a result there will nil transactions to the revaluation reserve for Land during the course of the financial year ending 30 June 2018.

Refer to Note 26 for detailed disclosures regarding the fair value measurement of the Group's freehold land and buildings.

Note 16. Trade and other payables

	CONSOLIDATED GROUP			ASSOCIATION		
	2018	2017	2016	2018	2017	2016
CURRENT	$	$	$	$	$	$
Unsecured liabilities:						
Trade payables	1,171,745	849,747	719,640	1,214,916	849,747	719,640
GST payable	-	217,680	246,804	-	217,680	246,804
Legal expenses payable	25,000	-	-	25,000	-	-
Advance billings	3,700,932	5,380,236	5,240,447	3,700,932	5,380,236	5,240,447
Other payables and accruals	574,930	461,012	487,612	566,500	461,012	487,612
Administered Funds	8,448,980	5,391,313	3,973,298	8,448,980	5,391,313	3,973,298
Display village creditors	1,318,124	1,136,041	1,595,283	1,318,124	1,136,041	1,595,283
Income in advance	268,305	205,925	234,537	268,305	205,925	234,537
	15,508,016	13,641,954	12,497,621	15,542,757	13,641,954	12,497,621

Note 17. Tax

	CONSOLIDATED GROUP			ASSOCIATION		
	2018	2017	2016	2018	2017	2016
CURRENT	$	$	$	$	$	$
Income tax payable	-	-	-	-	-	-
NON-CURRENT						
GROUP	Opening balance	(Charged)/ credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Change in Tax Rates	Exchange Differences	Closing balance
2016						
Deferred tax asset on:						
Provisions and accruals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Deferred tax liability on:						
Tax allowance on property, plant and equipment	-	-	-	-	-	-
Losses/(gains) on revaluation of land and buildings	-	-	-	-	-	-
Losses/(gains) on available-for-sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net amount	-	-	-	-	-	-
2017						
Deferred tax asset on:						
Provisions and accruals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Deferred tax liability on:						
Tax allowance on property, plant and equipment	-	-	-	-	-	-
Losses/(gains) on revaluation of land and buildings	-	-	-	-	-	-
Losses/(gains) on available-for-sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net amount	-	-	-	-	-	-
2018						
Deferred tax asset on:						
Carried forward losses	-	14,438	-	-	-	14,438
Other	-	-	-	-	-	-
	-	14,438	-	-	-	14,438
Deferred tax liability on:						
Tax allowance on property, plant and equipment	-	-	-	-	-	-
Losses/(gains) on revaluation of land and buildings	-	-	-	-	-	-
Losses/(gains) on available-for-sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net amount	-	14,438	-	-	-	14,438

Note 18. Provisions

	CONSOLIDATED GROUP			ASSOCIATION		
	2018	2017	2016	2018	2017	2016
CURRENT	$	$	$	$	$	$
Qld construction industry forum	-	14,049	19,695	-	14,049	19,695
Employee provisions - annual leave entitlement	513,247	482,445	527,332	501,860	482,445	527,332
Employee provisions - long service leave	590,854	526,807	577,106	590,854	526,807	577,106
	1,104,101	1,023,301	1,124,133	1,092,714	1,023,301	1,124,133

	CONSOLIDATED GROUP			ASSOCIATION		
	2018	2017	2016	2018	2017	2016
	$	$	$	$	$	$
NON CURRENT						
Employee provisions - long service leave	244,791	223,788	230,144	244,552	223,788	230,144
ANALYSIS OF EMPLOYEE PROVISIONS - ANNUAL LEAVE ENTITLEMENTS	$					
Opening balance at 1 July 2017	482,445	527,332	503,217	482,445	527,332	503,217
Additional provisions	81,387	35,000	113,585	70,000	35,000	113,585
Amount Used	(50,585)	(79,887)	(89,470)	(50,585)	(79,887)	(89,470)
Balance at 30 June 2018	513,247	482,445	527,332	501,860	482,445	527,332

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		
Analysis of employee provisions - long service leave entitlements	2018 $	2017 $	2016 $	2018 $	2017 $	2016 $
Opening balance at 1 July 2017	750,595	807,250	818,920	750,595	807,250	818,920
Additional provisions	95,804	70,073	102,788	95,564	70,073	102,788
Amount Used	(10,754)	(126,728)	(114,458)	(10,753)	(126,728)	(114,458)
Balance at 30 June 2018	835,645	750,595	807,250	835,406	750,595	807,250
BREAKDOWN BY EMPLOYEE TYPE						
Employee provisions in respect of holders of offices include:						
Annual Leave	97,506	72,378	76,238	89,153	72,378	76,238
Long Service Leave	42,825	153,255	42,821	42,825	153,255	42,821
Separation and Redundancies	-	-	-	-	-	-
Other Employee Provisions	-	-	-	-	-	-
Employee provisions in respect of general employees include:						
Annual Leave	415,741	410,067	451,094	412,707	410,067	451,094
Long Service Leave	792,820	597,340	764,429	792,581	597,340	764,429
Separation and Redundancies	-	-	-	-	-	-
Other Employee Provisions	-	-	-	-	-	-

Note 19: Reserves

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

c. Asset revaluation - investments
The asset revaluation - investments reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the investments in available-for-sale listed shares.

Note 20. Commitments for expenditure

	CONSOLIDATED GROUP			ASSOCIATION		
	2018 $	2017 $	2016 $	2018 $	2017 $	2016 $
i) Capital commitments						
Not later than one year	1,235,349	-	-	1,235,349	-	-

ii) Operating leases

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	CONSOLIDATED GROUP			ASSOCIATION		
	2018	2017	2016	2018	2017	2016
	$	$	$	$	$	$
Not later than one year	156,359	97,664	136,231	156,359	97,664	136,231
Later than one year but not later than five years	110,142	51,720	64,738	110,142	51,720	64,738
Later than five years	-	-	-	-	-	-
	266,501	149,384	200,969	266,501	149,384	200,969

Note 21. Contingent liabilities

There were no contingent liabilities at 30 June 2018 (2017: Nil).

Note 22. 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 Committee is not aware of any significant events since the end of the reporting period.

Note 23. 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.

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

BERT Fund Limited is an entity over which the Group exercises significant influence by holding 20% 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% 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% 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% 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% 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 orcollectively with their close family members.

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	
	2018	2017	2018	2017
	$	$	$	$
Dividend received				
Directors or Construction Income Protection Ltd delcared a dividend of $2,000,000 to be paid to sahareholders on 8th August 2017. As 50% shareholder of the joint venture we received $1,000,000.	1,000,000	-	1,000,000	-
Purchases of goods and services				
During the year payments were made to BIGA for both room hire for training courses held on BIGA's premises and running training courses in conjunction with a pre-apprenticeship program.	58,248	6,121	58,248	6,121
During the year staff contributions for Income protection were paid to Construction Income Protection Ltd on behalf of Master Builders employees.	7,579	8,656	7,579	8,656
Sales of goods and services				
Director fees were paid by BUSS (Queensland) Pty Ltd for Master Builders employees fulfulling their duties as key management personnel of the trustee company.	120,062	110,780	120,062	110,780
Sponsorship for events was received from Building Unions Superannuation Scheme (Queensland) which BUSS (Queensland) Pty Ltd acts as the trustee for.	137,500	137,500	137,500	137,500
Director fees were paid by CIPL for a Master Builders employee fulfulling their duties as a key management personnel of the entity.	35,534	34,837	35,534	34,837
Director fees were paid by QCTF for a Master Builders employee fulfulling their duties as a key management personnel of the entity.	10,540	6,775	10,540	6,775
Director fees were paid by BERT Fund 2 (which BERT Fund acts a trustee) for a Master Builders employee fulfulling their duties as a key management personnel of the entity.	41,457	74,930	41,457	74,930
Training programs covered by BERT Training Fund (which QCTF acts a trustee) on behalf of its own members.	149,909	57,606	149,909	57,606
During the year payments were paid by BIGA for hire of Master Builders training rooms.	9,600	13,300	9,600	13,300
Outstanding trade debtors balance of above item at year end.	1,050	2,850	1,050	2,850
Master Builders Members Legal				
Service Level Agreement for the provision of legal services to Queensland Master Builders Association members.	-	-	427,500	-
Intercompany Loan with Members Legal which consists of company startup costs and share of monthly office expenses.	-	-	112,952	-

Note 24. Reconciliation of cash flows from operating activities surplus / (loss) for the year

	CONSOLIDATED GROUP		ASSOCIATION	
	2018	2017	2018	2017
	$	$	$	$
Net Surplus/(loss) for the year	(161,933)	1,059,973	(123,868)	1,059,973
Non-cash flows in current year surplus:				
depreciation expense	515,288	607,734	512,983	607,734
net (gain)/loss on disposal of property, plant and equipment	142,659	(29,597)	142,659	(29,597)
share of profit of associate	(380,857)	(491,398)	(380,857)	(491,398)
net (gain)/loss on disposal of investments	43,000	-	43,000	-
Changes in assets and liabilities:				
(increase)/decrease in accounts receivable and other debtors	(259,939)	94,560	(256,944)	94,560
(increase)/decrease in other current assets	(299,245)	(2,935)	(291,150)	(2,935)
(increase)/decrease in inventories on hand	18,799	38,304	18,799	38,304
(Increase)/decrease in deferred tax assets	(14,438)	-	-	-
increase/(decrease) in accounts payable and other payables	1,866,062	1,144,332	1,900,803	1,144,332
increase/(decrease) in employee provisions	115,852	(101,541)	104,226	(101,541)
increase/(decrease) in other provisions	(14,049)	(5,647)	(14,049)	(5,647)
	1,571,199	2,313,785	1,655,602	2,313,785

Note 25. 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 139 : Financial Instruments: Recognition and Measurement , as detailed in the accounting policies to these financial statements, are as follows:

	CONSOLIDATED GROUP			ASSOCIATION		
	2018	2017	2016	2018	2017	2016
Financial Assets	$	$	$	$	$	$
Cash and cash equivalents	11,308,668	9,155,966	9,241,744	11,293,516	9,155,966	9,241,744
Trade and other receivables	2,098,612	1,838,673	1,933,232	2,208,569	1,838,673	1,933,232
Financial assets						
investments in listed shares	11,651,718	13,666,961	11,317,135	11,651,718	13,666,961	11,317,135
Total financial assets	25,058,998	24,661,600	22,492,111	25,153,803	24,661,600	22,492,111
Financial liabilities						
Financial liabilities at amortised cost:						
trade and other payables	11,538,779	8,055,793	7,022,637	11,573,520	8,055,793	7,022,637
Total financial liabilities	11,538,779	8,055,793	7,022,637	11,573,520	8,055,793	7,022,637

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 10 .

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 10.

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 on the following page 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.

CONSOLIDATED GROUP	WITHIN 1 YEAR			1 TO 5 YEARS		
	2018	2017	2016	2018	2017	2016
	$	$	$	$	$	$
Financial liabilities due for payment						
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	11,538,779	8,055,793	7,022,637	-	-	-
Total contractual outflows	1,391,708	97,664	136,231	110,142	51,720	64,738
Total expected outflows	12,930,487	8,153,457	7,158,868	110,142	51,720	64,738
Financial assets – cash flows realisable						
Cash on hand	11,308,668	9,155,966	9,241,744	-	-	-
Accounts receivable and other debtors	2,098,612	1,838,673	1,933,232	-	-	-
Available-for-sale investments	-	-	-	-	-	-
Total anticipated inflows	13,407,280	10,994,639	11,174,976	-	-	-
Net (outflow)/inflow on financial instruments	476,793	2,841,182	4,016,108	(110,142)	(51,720)	(64,738)

CONSOLIDATED GROUP	OVER 5 YEARS			TOTAL		
	2018	2017	2016	2018	2017	2016
	$	$	$	$	$	$
Financial liabilities due for payment						
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	-	-	-	11,538,779	8,055,793	7,022,637
Total contractual outflows	-	-	-	1,501,850	149,384	200,969
Total expected outflows	-	-	-	13,040,629	8,205,177	7,223,606
Financial assets – cash flows realisable						
Cash on hand	-	-	-	11,308,668	9,155,966	9,241,744
Accounts receivable and other debtors	-	-	-	2,098,612	1,838,673	1,933,232
Available-for-sale investments	11,651,718	13,666,961	11,317,135	11,651,718	13,666,961	11,317,135
Total anticipated inflows	11,651,718	13,666,961	11,317,135	25,058,998	24,661,600	22,492,111
Net (outflow)/inflow on financial instruments	11,651,718	13,666,961	11,317,135	12,018,369	16,456,423	15,268,505

ASSOCIATION	WITHIN 1 YEAR 2018 $	2017 $	2016 $	1 TO 5 YEARS 2018 $	2017 $	2016 $
Financial liabilities due for payment						
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	11,573,520	8,055,793	7,022,637		-	-
Total contractual outflows	1,391,708	97,664	136,231	110,142	51,720	64,738
Total expected outflows	12,965,228	8,153,457	7,158,868	110,142	51,720	64,738
Financial assets – cash flows realisable						
Cash on hand	11,293,516	9,155,966	9,241,744		-	-
Accounts receivable and other debtors	2,208,569	1,838,673	1,933,232		-	-
Available-for-sale investments	-	-	-		-	-
Total anticipated inflows	13,502,085	10,994,639	11,174,976	-	-	-
Net (outflow)/inflow on financial instruments	536,857	2,841,182	4,016,108	(110,142)	(51,720)	(64,738)

ASSOCIATION	OVER 5 YEARS 2018 $	2017 $	2016 $	TOTAL 2018 $	2017 $	2016 $
Financial liabilities due for payment						
Accounts payable and other payables (excluding annual leave and grants receivable in advance)	-	-	-	11,573,520	8,055,793	7,022,637
Total contractual outflows	-	-	-	1,501,850	149,384	200,969
Total expected outflows	-	-	-	13,075,370	8,205,177	7,223,606
Financial assets – cash flows realisable						
Cash on hand	-	-	-	11,293,516	9,155,966	9,241,744
Accounts receivable and other debtors	-	-	-	2,208,569	1,838,673	1,933,232
Available-for-sale investments	11,651,718	13,666,961	11,317,135	11,651,718	13,666,961	11,317,135
Total anticipated inflows	11,651,718	13,666,961	11,317,135	25,153,803	24,661,600	22,492,111
Net (outflow)/inflow on financial instruments	11,651,718	13,666,961	11,317,135	12,078,433	16,456,423	15,268,505

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

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 a managed fund. The Fund ranges 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 in the fund are held in the following asset groups at the end of the reporting period:

	Consolidated Group & Association		
	2018 %	2017 %	2016 %
Growth	27.9	26.1	28.2
Diversifying	14.3	14.5	13.9
Defensive	57.8	59.4	57.9

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.

	CURRENT SURPLUS	EQUITY
Year ended 30 June 2018	$	$
+/– 2% in interest rates	+/- 226,173	+/- 226,173
+/– 10% in available-for-sale investments	+/- 1,165,171	+/- 1,165,171

	CURRENT SURPLUS	EQUITY
Year ended 30 June 2017	$	$
+/– 2% in interest rates	+/- 183,119	+/- 183,119
+/– 10% in available-for-sale investments	+/-1,366,696	+/-1,366,696

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 26 for detailed disclosures regarding the fair value measurement of the association's financial assets.

	Note	2018		2017	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
		$	$	$	$
Financial assets					
Cash on hand(i)	8	11,308,668	11,308,668	9,155,966	9,155,966
Accounts receivable and other debtors(i)	9	2,098,612	2,098,612	1,838,673	1,838,673
Available-for-sale financial assets:					
investment in managed funds	13	11,651,718	11,651,718	13,666,961	13,666,961
Total financial assets		25,058,998	25,058,998	24,661,600	24,661,600
Financial liabilities					
Accounts payable and other payables(i)	16	15,508,016	15,508,016	13,641,954	13,641,954
Lease liabilities		-	-	-	-
Total financial liabilities		15,508,016	15,508,016	13,641,954	13,641,954

(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 139 .

Note 26: 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:

Consolidated Group and Association 2018	NOTE	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets:					
- managed funds	13	11,651,718	-	-	11,651,718
- land and buildings	15	-	17,921,680	-	17,921,680
Total financial assets recognised at fair value					

2017	NOTE	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets:					
- managed funds	13	13,666,961	-	-	13,666,961
- land and buildings	15	-	18,004,192	-	18,004,192
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 (2017: no transfers).

Note 27. 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

YEAR ENDING 30 JUNE 2018

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 18/09/2018 of the Board and is signed for and on behalf of the Board by:

Ralf Dutton, President
18 September 2018

2018 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 2018 was a profit of $x,xxx,xxx. This was primarily achieved through the following principal activities:

Membership - Subscriptions finished with revenue of $7,583,468, an 8% increase on last year's results. Particular effort made to improve member engagement during the course of the year and reduce membership churn. The Association had 7,184 (2017: 7,099) members and 1,296 (2017: 1,243) registrants all of whom are financial as at 30 June 2018.

Insurance – Master Builders designs and builds special insurance products provided by Vero and QBE predominately. 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 $3,935,636, which is a small increase of 3% year on year.

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 $308,295, which was a 56% improvement on last year's net result.

Events – Master Builders organises various events for its members throughout Queensland all year round. One of the major events held are the Housing and Construction awards for each region culminating in the State awards. *Roadshow is free major event that travels across Queensland, connecting builders and tradesmen with industry experts to hear first-hand about the important changes happening in the building and construction sector*. Regular minor events held include Industry Access evenings and Golf days to name a few. Net result for the year of these activities including sponsorship was $590,889.

Display Villages – There are currently five Display Villages in the southeast corner of Queensland managed by Master Builders. It is 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 $59,133 for this financial year.

Master Builders Members Legal is Master Builders' wholly owned subsidiary legal practice, created during this financial year. 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 $52,503, which is supported by Master Builders through a Service Level Agreement.

Document Sales – Master Builders produces a suite of residential and commercial contracts available for sale by either over the counter or through online offerings. Net result for this activity was $344,315 with hard copy sales declining and online sales increasing year on year. A new online EDocs system was established during the second half of this financial year improving online sales through its ease of use and general improvements over the old EDocs system.

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 was the recipient of a $1 million dollar dividend from Construction Income Protection Limited during the financial year in which the Organisation has a 50% interest in the joint venture entity. There were no significant changes in the financial affairs during the year.

During the 2018 financial year refurbishment works commenced on the property at 417 Wickham Terrace with a total of $1.76 million spent to date at 30 June 2018. This building is currently recorded at fair value, using the highest and best use methodology. When the valuation was completed in 2016, the valuer determined the best use of the land was for development. On this basis, there was a significant uplift in the value of the land, however in turn this resulted in the fair value of the building being nil, as any development would require the building to be demolished.

If it were not for the valuation methodology adopted when completing the valuations, the $1.76 million for the building refurbishment works would normally be capitalised. However, as the valuation methodology has the buildings at a nil value, this $1.76 million was expensed.

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

Nil in accordance with section 764 (3) and section 764 (2)(d) of the *Industrial Relations Act 2016*.

Two employees of the Association, Grant Galvin and Paul Bidwell 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 5 most highly paid elected officers for the period from 1 July 2017 to 30 June 2018, and provided in accordance with Sections 745 and 746 of *Industrial Relations Act 2016.*

Name	Position	Remuneration paid to 30 June 2018	Description of remuneration	Non-Cash benefits provided to 30 June 2018	Any amount paid to the officer in the officer's capacity as a board member other than travel and accommodation
Ralf Dutton	President	$10,950	Meeting fees	Nil	Nil
Peter Schriek	Board Member	$5,913	Meeting fees	Nil	Nil
Ross Hogno	Board Member	$5,256	Meeting fees	Nil	Nil
Nick Herron	Board Member	$6,570	Meeting fees	Nil	Nil
Rod McDonald	Board Member	$5,937	Meeting fees	$577	Nil
Adrian Gabrielli	Board Member	$5,913	Meeting fees	Nil	Nil
Drew Brockhurst	Board Member	Nil	Meeting fees	Nil	Nil
Geoff Baguley	Board Member	$4,557	Meeting fees	$1,237	Nil
Mark Spry	Board Member	$6,570	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 2017 to 30 June 2018.

Date given	Value $	Loan, Grant or Donation	Reason for providing	Name and address of entity receiving	If a loan, terms of repayment
25/09/2017	$2,000	Donation	CEO - Dinner with M Cash	Liberal National Party, PO Box 940 Spring Hill, Qld, 4004	
22/03/2018	$1,010	Donation	Chain Reaction Challenge - Leon Bowes	Chain Reaction Challenge Foundation, PO Box 1544, Melbourne, Vic, 3001	
15/06/2018	$1,000	Donation	Heart Kids - Super Kids Deserve Super Bosses donation	Heart Kids, Suite 3, 922 Stanley Street East, East Brisbane, Qld, 4169	
19/06/2018	$10,000	Donation	Commemorative Tote Bag Sponsorship Anniversary celebration	Mates in Construction Qld/NT, PO Box 1001, Spring Hill, Qld, 4000	
25/06/2018	$1,000	Donation	Donation Variety Bash Queensland	Variety Queensland, Unit 1, 5 Ashtan Place, Banyo, Qld, 4014	

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:

Ralf Dutton, President
18 September 2018

2017 Housing & Construction Award Winners

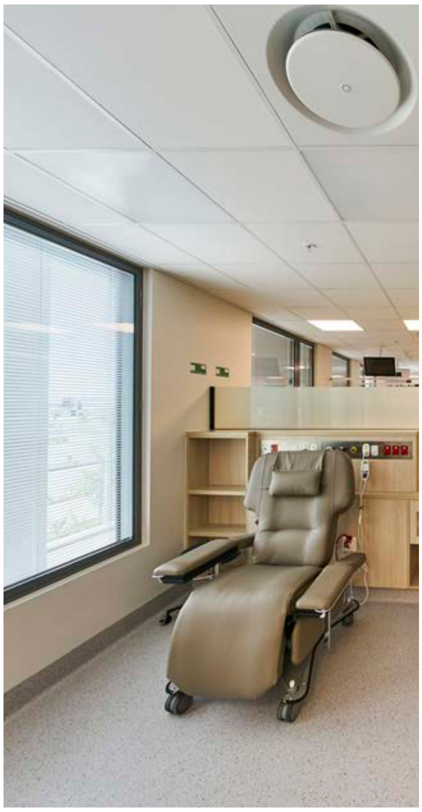
2017 House of the Year

Mancorp Quality Homes Pty Ltd – Mia Casa – Brisbane

This spectacular island home is spread over two blocks of land and three levels, and is anything but ordinary. The main living, dining and kitchen areas boast uninterrupted views of Pumicestone Passage and the Glasshouse Mountains. The guest wing contains four villas, each with their own ensuite and kitchenette. Complete with all the trimmings, the quality of finishes and attention to detail found around every corner of this home is second to none. Mancorp Quality Homes created a true masterpiece.

2017 Project of the Year

Lendlease – Sunshine Coast University Hospital – Sunshine Coast



The construction of the $1.8 billion Sunshine Coast University Hospital is the biggest hospital built in Australia in 2017 and has had a major impact on the Sunshine Coast region. In a testament to thought, planning, collaboration and quality control, the project included 150,000 m² of floor space in the main hospital building and also incorporated the Sunshine Coast Health Institute, a mental health facility, two multi-level car parks, parklands and supporting infrastructure.

MASTER BUILDERS QUEENSLAND

The home of building

mbqld.com.au

1300 30 50 10

Master Builders OFFICE LOCATIONS

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

Master Builders Registered Office
417 Wickham Terrace
Brisbane Queensland 4000

Master Builders Gold Coast
Master Builders House
18 Central Park Avenue
Ashmore Queensland 4214

Master Builders Downs & Western
166 Hume Street
Toowoomba Queensland 4350

Master Builders Sunshine Coast
Level 1, 91 King Street
(PO Box 1458)
Buderim Queensland 4556

Master Builders Wide Bay Burnett
162 Boat Harbour Drive
(PO Box 358)
Hervey Bay Queensland 4655

Master Builders Central Queensland
35 Derby Street
(PO Box 631)
Rockhampton Queensland 4700

Master Builders Mackay & Whitsunday
Suite 2, 40 Evans Avenue
(PO Box 3188)
North Mackay Queensland 4740

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

Master Builders Far North Queensland
310-314 Gatton Street,
Manunda Queensland 4870
PO Box 806
Earlville Queensland 4870