



The home of building



2017 **ANNUAL REPORT**

Delivering value, accountability and growth



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Queensland Master Builders Association
Industrial Organisation of Employers

ABN 96 641 989 386
RTO 30097

2016 Housing & Construction Awards winning
projects are featured throughout this report.
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The home of building



About us

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

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

Membership with Master Builders is regarded as the key to success in Queensland's construction industry. Membership offers access to the best-quality training courses and insurance policies developed specifically for the building and construction industry. It also comes with essential and expert advice on technical, legal and contractual matters, industrial relations and human resource support, workplace health and safety advice, and a dispute resolution service.

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

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

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



President's report

As my year in office nears a close, I'd like to reflect on the changes that have been made at Master Builders.

The Board and myself have started travelling to regions in which we have offices, commencing with Mackay and with plans to visit all over the next 18 months.

We've been listening to what members have to say, and taking on board the concerns they have raised and issues that they're facing.

Many members are saying that they are unsure how the new security of payment legislation will work, and in particular Project Bank Accounts. The majority want subbies paid, bad builders targeted, and good builders recognised. The government's proposal appears not to do this, and adds costs to good builders.

My plan, along with Master Builders, is to address these issues and work with the government to understand the flaws in the new proposals and provide alternative solutions to better achieve what we and the industry are asking for.

Poor valuations in regional areas are also of concern as they are holding back much-needed construction. This is a complex and long-term issue, but I'm already meeting privately with heads of business, valuers, politicians and lenders to test options that may be too early to discuss publicly but could provide some relief in the future.

My goal has been to ensure that all regions feel represented and included.

We've also met with the local representatives of each region at federal, state and local levels, as well as members. This has helped highlight the role each region plays and the issues they're facing.

The thing that has struck me the most from all of these meetings has been how well Master Builders works from the committee management level, to the connections the regional managers have, to the good reputation Master Builders has with the media and politicians.

My aim for the coming year is to broaden those connections, and work with the government of the day to encourage them to consult with Master Builders before introducing new legislation.

Master Builders is all about its members and my aim is to represent everyone to the best of my ability with an open and inclusive policy.

Ralf Dutton
President, Master Builders Queensland



L-R: Mark Spry, Peter Schriek, Adrian Gabrielli, Rod McDonald, Ralf Dutton, Geoff Baguley, Drew Brockhurst, Nick Herron, Ross Hognro



CEO's statement

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

This 2016-17 financial year has seen our members and finances grow from strength to strength as part of our successful ongoing Strategic Plan which focuses on three core areas – value for members, staff and industry; accountability to measure progress against targets; and growth of the organisation in areas of influence, membership and finances.

With these core values in mind, we've been able to enhance the strength of the association by improving the value delivered to members; enhancing the brand reputation in the eyes of members, government, industry and consumers; ensuring Master Builders is recognised as the industry leader in supporting economic growth and promoting building industry innovation; launching new products and resources for members; and encouraging an open and positive internal culture that is actively engaged in the service of members, business partners and consumers.

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

Strategic investment in new products and services

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

The building and construction industry is inherently risky, which is why Master Builders recently introduced new Cyber Security and Trade Credit insurance policies. These policies have been specifically built by Master Builders to provide members with an extensive scope of insurance protection – well beyond that offered by other construction policies.

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

Additionally, Master Builders Maximise events harness the knowledge and wisdom of long-serving members to help new members get the most out of their membership.

Confidence rises

Our annual Survey of Industry Conditions shows that things are looking up for the Queensland economy and building industry, with business confidence improving during the past year. Nearly 40 per cent of respondents think the economic outlook is getting stronger, while 52 per cent say it's stable.

Conditions in the residential sector stabilised, and in the non-residential sector they improved off a lower base.

Encouragingly, the percentage of respondents who regard conditions as stronger has increased. Even more telling is the significant decline in the percentage of people who regard conditions as weaker compared to the previous year. These results are expected to continue into 2018.

Responding to demand

Master Builders has opened three new display villages across south-east Queensland this financial year in response to the demand for new-build homes tailored to meet our tropical lifestyle. Each new display village has been opened in a major growth corridor, making it a drawcard for families, couples and singles looking to build their dream home and settle in Queensland's south-east corner. We have committed to our first village in North Queensland on the back of the success and growth in this market.

Additionally, we have continued to strengthen our partnership with Telstra. For the first time in many years, we're offering a significantly improved product offering for members. It will be worth keeping an eye on this space as our partnership with Telstra continues to strengthen and we aim to be able to offer a range of innovative digital products for members in the not too distant future.

We have also developed the new Commercial Building Contract, which incorporates the latest legislative and industry changes.

The new-look contract is easier to use and sets out the obligations for both parties, with simpler language and a clearer format.

Policy and advocacy

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

In particular, we drove a concerted campaign against the government's plans to introduce Project Bank Accounts. Although Master Builders recognises that the industry has issues in relation to security of payment that must be addressed, it remains opposed to the government's introduction of Project Bank Accounts because they will create more red tape, restrict cash flow, and make payment terms longer.

We all agree something needs to be done to ensure fair, more reliable payment for builders, subcontractors, sub-subcontractors and suppliers. But Project Bank Accounts are the wrong regulatory response – they'll cost the industry and taxpayers money and won't help anyone in the industry get paid. Any proposed solution must help everyone in the contractual chain and we can't weed out bad payers in our industry by imposing a straightjacket on payments.

Developing industry's future leaders

During the year we have also been busy with the launch of our new Advanced Diploma of Building & Construction (Management), which is designed to meet the needs of senior managers within the industry. It suits those typically working in larger organisations and managing complex projects and processes, and for those seeking to obtain a QBCC Builder Open licence.

We also introduced the Diploma of Project Management, which has been customised for builders looking to improve their skills and knowledge in managing project scope, timing and budgets.

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

Grant Galvin
CEO, Master Builders Queensland

Strategic priorities & highlights



Membership

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

- Continued our focus on vigorous recruitment and retention strategies ensuring our membership base grew to **8,342** members
- Answered technical, legal, contractual and dispute queries – **5,462** in total
- Responded to **4,572** workplace relations queries
- Ensured Master Builders contracts were available to members only
- Conducted a member research project, gaining valuable insights
- Improved member satisfaction rating
- Record attendance numbers at Roadshow, visiting extra regional locations.



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

- Launched new brand and introduced new logo via the Home of Building campaign, including a consumer-targeted advertising campaign
- Embarked on the highly visible above-the-line Project Bank Accounts lobbying campaign
- Further raised our profile among media and industry stakeholders ensuring we remained the first port of call for media and government on building industry issues
- Launched three new display villages
- Continued to proudly maintain our regional offices and staff - one of our key differentiators from competitors.



Excellence

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

Highlights

- Launched Safety Health Checks program
- Developed further new training courses that respond to industry demand and provide a solid foundation for new industry participants
- Trained **1,945** industry participants across our diploma, certificate and short course programs
- Submitted more than 20 policy submissions on behalf of members
- Developed the new Commercial Building Contract
- Overhauled the Association's corporate governance to bring it in line with contemporary standards.



Revenue

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

Highlights

- Improved the bottom line from a budgeted profit of \$103,267 to a surplus of **\$568,576**
- Introduced new Trade Credit Insurance product
- Membership and Insurance revenue continued to strengthen above budgeted expectations
- Launched new and improved value Master Builders Connect mobile plans for members.



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

- Approved the redevelopment of Master Builders head office to accommodate future staffing needs
- Staff numbers increased in line with members' service needs
- Structured development of staff in line with succession planning
- Increased engagement between staff and committees to increase input from members during policy development
- Improved engagement by frontline staff with individual members to better understand membership base.



Members and stakeholders

Master Builders' membership revenue and numbers grew during the 2016-17 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.

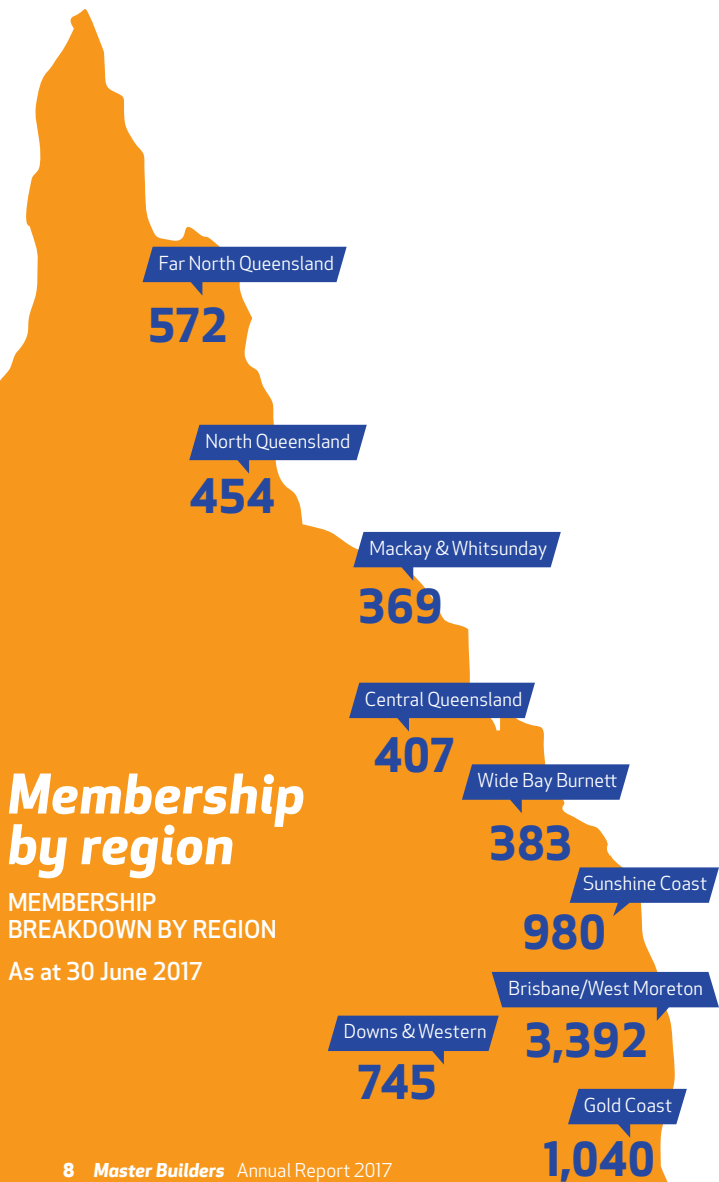
Master Builders relies on strength in numbers to represent the interests of our industry. The stronger our membership base, the louder our voice. During the financial year, Master Builders dedicated recruitment workforce recruited 1,473 new members.

Master Builders current membership base stands at 8,342 members, spread across residential

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

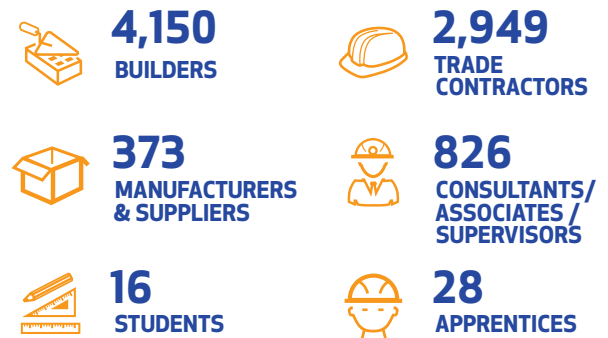
With nine offices throughout Queensland, our regional footprint remains unmatched by any other industry organisation, and allows us to maximise our reach to members, ensuring we can help them wherever they are working.

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



Membership by category

8,342 MEMBERSHIP BREAKDOWN BY CATEGORY AS AT 30 JUNE 2017



New subscribers

1,473 NEW SUBSCRIBERS TO MASTER BUILDERS 2016/2017



Our people

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

Committees

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

These committees provide valuable input from the coalface of the building and construction industry and are supported by a number of sub-committees.

Division and branch structure

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

Elected 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, Finance Director 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.



L-R (back) Adrian O'Grady, Ian Parkinson, Nick Herron, Rod McDonald, Geoff Baguley, Drew Brockhurst, Sue-Ann Fresneda, Adrian Gabrielli, Paul Bidwell
L-R (front) Ross Hognno, Simon Spencer, Grant Galvin, Ralf Dutton, Peter Schriek, Mark Spry

Policy and advocacy

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

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

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

The construction industry requires a regulatory environment that is fair and predictable, where all are held to account. The industry must be supported to evolve and respond to an ever-changing environment. There needs to be greater effort to develop a skilled workforce that is ready and able to tackle the next set of challenges.

Master Builders' Policy Agenda for 2016-17 has therefore been one that supports industry growth:

- advocating measures that target demand for new construction
- strengthening and rebuilding capacity to deliver within a fair and predictable regulatory environment
- improving productivity measures
- managing risk, and
- training to build a skilled and well-prepared workforce.

What has been achieved

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

The state government's Queensland Building Plan is in the process of trying to address a number of issues that Master Builders has been campaigning on for a number of years.

One of these issues is the question of slow and non-payment that occurs right across the contractual chain, from owners through to builders, sub-contractors and suppliers. It occurs for a range of

reasons – some of these are legitimate, and some are not.

Anybody who has detailed knowledge about how Project Bank Accounts work in practice, will tell you that in principle they sound good, but in practice they don't give further protection to anybody in the contractual chain, including sub-contractors. We also know that they increase costs by up to three per cent.

If Project Bank Accounts could deliver what the Government has promised in its advertising campaign, we would support them. However, we just can't see how it can work and this position is shared by other major bodies including the Queensland Law Society, Queensland Major Contractors Association, Civil Contractors Federation, Property Council and the UDIA.

When it comes to non-conforming products, Master Builders has been calling for the other parties in the supply chain to carry their share of responsibility. The Queensland Government's proposed non-conforming products law is the first step towards dealing with the problem.

The government's plan is that everyone in the supply chain – including the manufacturer, importer, and supplier – not just the builder or contractor, will have responsibilities to ensure building products are safe and fit for purpose. This will require information to be provided about a product's suitability and how it is to be used.

In addition, the QBCC will have extended powers to go where these products are sold to investigate and test samples, and the Minister will have the power to recall non-conforming building products.

Master Builders has raised a number of issues with the new legislation in its submission to the government, including the fact it is not clear how the QBCC will determine who is accountable in the event of a building product failure. It is also not yet clear what information contractors will be required to provide. We have also raised our concerns that the duplication of some requirements with the Work Health & Safety and Electrical Safety acts will place an unnecessary burden on building contractors.



There are very significant fines for non-compliance – the maximum penalty under the new regime is more than \$120,000. So it's important to get this right.

Federally, the *Building Industry (Improving Productivity) Act 2016* was approved by parliament in December 2016 to restore the Australian Building and Construction Commission (ABCC).

The new laws extend to all private and federally funded building and construction projects.

Master Builders supported the original ABCC, opposed its abolition, and have called for its restoration ever since. This outcome is the most significant event for the commercial construction sector in recent times.

The government also introduced the *Code for the Tendering and Performance of Building Work 2016* for contractors seeking to work on federally funded projects. The Code sets new standards for enterprise agreements and other workplace behaviours in the building and construction industry.

Through recent Royal Commissions, inquiries and countless court decisions, it was clear that the

construction industry has unique problems and that tougher industry specific rules were needed.

The restoration of the ABCC should greatly assist in normalising workplace behaviours on Australia's construction sites, and it is in the best interests of the community, taxpayers and people who work in the building and construction industry.

Master Builders is assisting members in meeting complex transitional arrangements which determine the eligibility of contractors to work on federally funded projects. This includes providing member briefings, onsite training, and drafting enterprise agreements to comply with the Code.

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

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.

Governance changes

During the 2016-17 financial year, Master Builders' constitutional change program came to fruition with the implementation of a more progressive and contemporary governance framework.

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

The changes provide a framework that is more representative of our membership base and makes it easier for members to get involved.

Over a six-month period in the latter half of 2016, a robust election process took place. The process involved a comprehensive education and communications program designed to inform members about the governance changes and encourage participation from a more diverse cross-section of members.

The process culminated in the election of the new Electoral College, whose primary function is to elect a Board, which is more representative of the organisation's membership base.

The newly elected Board (which has replaced the eight-person Executive team) is responsible for overseeing the management and control of the association and meeting monthly to guide the governance of the association within policies and budget.

Board meetings

During the year, Master Builders held 11 Board meetings.

Name	Position	Meetings attended	Meetings eligible to attend
Ralf Dutton	President	11	11
Ross Hogno	Chairman Housing	11	11
Mark Spry	Chairman Construction	3	3
Geoff Baguley	Board Member	11	11
Drew Brockhurst	Board Member	8	11
Adrian Gabrielli	Board Member	11	11
Peter Schriek	Board Member	10	11
Rod McDonald	Board Member/ Chairman Construction*	11	11
Kathy Seaman	Board Member	1	2

*Rod McDonald held position of Chairman Construction from June 2016-March 2017.

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.

Financial disclosure

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

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

Information covered includes:

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

Workplace gender equality

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

Complaints

Master Builders is committed to resolving complaints quickly and fairly, and we empower our people to resolve issues as they arise. All complaints and grievances are recorded in the complaints register and reported to the 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 2017

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

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

Divisional Representatives:

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

Committees

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

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

Financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue from continuing operations	2(i)	19,082,674	19,071,356
Other income	2(ii)	1,137,870	881,593
Employee expenses		(12,079,579)	(11,900,321)
Depreciation and amortisation expense		(607,734)	(565,927)
Printing stationery and postage expenses		(289,691)	(339,601)
Occupancy expenses		(621,007)	(599,352)
Other expenses	3	(6,053,957)	(5,992,793)
Surplus / (Loss) before income tax expense		568,576	554,955
Income tax expense		-	-
Surplus/(loss) for the year	15	568,576	554,955
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net gain/(loss) on revaluation of land and buildings		-	309,437
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Net gain/(loss) on revaluation of investment portfolio		154,141	(329,641)
Total other comprehensive income/(loss) for the year		154,141	(20,204)
Total comprehensive income/(loss) for the year		722,717	534,751

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	4	9,155,966	9,241,744
Inventories		57,288	95,591
Trade and other receivables	5	1,838,673	1,933,232
Other current assets	6	303,258	196,099
		11,355,185	11,466,666
Non-Current Assets			
Investment portfolio (Available-for-sale financial assets)		13,666,961	11,317,135
Property, plant and equipment	7	18,829,241	19,307,725
		32,496,202	30,624,860
		43,851,387	42,091,526
Total Assets			
Current Liabilities			
Trade and other payables	8	14,651,205	13,602,059
Short-term provisions	9 (i)	14,049	19,695
		14,665,254	13,621,754
Non-Current Liabilities			
Long-term provisions	9 (ii)	223,788	230,144
		14,889,042	13,851,898
		28,962,345	28,239,628
Net Assets			
Equity			
Reserves		6,966,614	6,828,067
Retained profits		21,995,731	21,411,561
		28,962,345	28,239,628

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

Financial statements

STATEMENT OF CHANGES IN EQUITY Year ended 30 June 2017

	RETAINED PROFITS	ASSET REVALUATION <i>Land and buildings</i>	ASSET REVALUATION <i>Investments</i>	TOTAL
	\$	\$	\$	\$
Balance at 1 July 2015	20,856,606	6,513,832	334,439	27,704,877
Net surplus for the year	554,955	-	-	554,955
Transfer from Asset Revaluation Reserve to Retained Earnings on disposal of revalued assets	-	-	-	-
Other comprehensive income	-	309,437	(329,641)	(20,204)
Balance at 30 June 2016	21,411,561	6,823,269	4,798	28,239,628
Net surplus for the year	568,576	-	-	568,576
Transfer from Asset Revaluation Reserve to Retained Earnings on disposal of revalued assets	15,594	(15,594)	-	-
Other comprehensive income	-	-	154,141	154,141
Balance at 30 June 2017	21,995,731	6,807,675	158,939	28,962,345

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

STATEMENT OF CASH FLOWS
Year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities inclusive of GST			
User charges		22,318,625	23,129,019
Interest and dividends received		839,355	686,366
Payments to suppliers and employees		(20,844,195)	(17,601,322)
Net cash inflow/(outflow) from operating activities	15	2,313,785	6,214,063
Cash flows from investing activities			
Proceeds from disposal of assets		323,408	13,247
Payments for property, plant and equipment		(527,286)	(532,515)
Payments for purchase of listed investments		(2,195,685)	(556,725)
Net cash inflow/(outflow) from investing activities		(2,399,563)	(1,075,993)
Net increase/(decrease) in cash held		(85,778)	5,138,070
Cash and deposits at beginning of financial period		9,241,744	4,103,674
Cash and deposits at end of financial period	4	9,155,966	9,241,744

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

Notes to the financial statements

Year ended 30 June 2017

Note 1: Summary of Significant Accounting Policies

The financial report is a special purpose financial statement that has been prepared for distribution to the Members to fulfil the Board's financial reporting requirement under the Association's constitution and the Industrial Relations Act 2016 (Qld).

The Industrial Relations Act 2016 (Qld) came into effect 1st March 2017 and with it brings changes to financial reporting requirements. In particular moving from a special purpose financial report to a general purpose financial report. However under Section 1056 of the Industrial Relations Act 2016, a reporting unit's general purpose financial report prepared under section 763 of this Act for the first financial year ending after the commencement, may consist of the accounts and statements that the reporting unit would be required to prepare under section 555 of the repealed Industrial Relations Act 1999.

On that basis, this report has been prepared in accordance with the requirements of the repealed Industrial Relations Act 1999 (Qld) where allowed for the last time and the recognition and measurement requirements of the Australian Equivalents to the International Financial Reporting Standards (AIFRS), and the disclosure requirements of the following Australian Accounting Standards:

AASB 101 Presentation of Financial Statements

AASB 107 Cash Flow Statements

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 110 Events after the Balance Sheet Date

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures.

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board (AASB) have been applied. The financial report covers QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS as an individual entity. QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS is an association incorporated in Queensland under the Industrial Relations Act 2016 (Qld).

The organisation is a not-for profit entity. The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the revaluation of

selected non-current assets and financial assets for which the fair value basis of accounting has been applied. The financial statements are presented in Australian dollars, which is QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS functional and presentation currency.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

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

Inventories

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

Revenue

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

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.

Available-for-Sale Financial Assets

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

Fair Value Estimation

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

Impairment

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

Held-to-Maturity

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

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

Property, Plant and Equipment

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

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

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

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

included in the revaluation reserve relating to that asset are transferred to retained earnings.

Other Operations

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

- a) QMBA Insurance Agency. The account was established to hold insurance premiums received, pending disbursement to insurers in accordance with agreements with insurers. The balance at 30 June 2017 was \$3,248,574 (2016: \$3,752,155) plus an additional term deposit of \$2,000,000 in 2017.
- 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 ceased at the end of June 2016 however, there was some carryover for transfer of funds during the year. Grants of \$27,963 (2016: \$447,069) were made to approved Queensland causes. The balance of the account at 30 June 2017 was \$234,025 (2016: \$235,736).

The Association administers various building display villages. As at 30 June 2017, net funds of \$1,136,041 (2016: \$1,595,283) were held on behalf of display village builders, pending expenditure on promotion and administration costs. This is recognised as a current liability.

The Association also had previously administered funds in respect of NatCo. However, during this financial year these funds were fully transferred to Master Builders Association of Victoria to control.

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 \$4,432,313 (2016: \$2,969,298) representing funds administered by the Association on behalf of parties involved in arbitration
- b) An amount of \$959,000 (2016: \$1,004,000) representing holding deposits made by display village builders against failures to complete contracts.

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long service leave is determined in accordance AASB 119 Employee Benefits. The unconditional liability for long service leave is recognised as a current liability after 7 years of service given. Long-term benefits have to be measured at present value. The conditional liability for long service leave is recognised as a non-current liability and measured as the present value in respect of services provided by employees up to the reporting date.

Provisions

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

Cash and Cash Equivalents

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

Accounts Receivable and Other Debtors

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

Goods and Services Tax (GST)

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

Accounts Payable and Other Payables

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

Critical Accounting Estimates and Judgements

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

Adoption of New and Revised Accounting Standards

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

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these standards. The Association has not yet assessed the impact of the standards:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers (effective on or after 1 January 2018)
- AASB 16 Leases (effective on or after 1 January 2019)

Reserves

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

Capital Management

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

Comparative Figures

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

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 financial statements

Year ended 30 June 2017

	2017 \$	2016 \$
2. REVENUE		
i) Revenue from continuing operations		
Membership subscriptions	7,004,799	6,673,418
Commissions income	6,918,157	6,956,528
Course and training income	2,373,009	2,579,963
Sponsorship functions and events	1,805,295	1,791,722
Publications income	64,721	81,675
Display village income	321,000	110,408
Document sales income	344,593	418,356
Other income	251,100	459,286
	19,082,674	19,071,356
ii) Other Income		
Interest and dividends received	839,355	686,366
Gain/(Loss) on disposal of plant and equipment	29,597	(63,490)
Rent received	268,918	258,717
	1,137,870	881,593
3. OTHER EXPENSES		
National levy and affiliation costs	680,712	540,096
Consultancy costs	377,819	515,195
Travel and accommodation	341,686	308,784
Telecommunications	301,567	302,325
Other expenses of operating activities	1,832,788	1,795,573
Training expenses	1,092,389	1,142,809
Sponsorship & events expenses	1,307,863	1,261,688
Document costs	119,133	126,323
	6,053,957	5,992,793

	2017	2016
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash on hand	2,000	3,500
Cash at bank	3,243,131	5,252,541
Cash at bank - term deposits	519,522	12,405
	3,764,653	5,268,446
Cash at bank - restricted	5,391,313	3,973,298
Total cash and cash equivalents	9,155,966	9,241,744
5. TRADE AND OTHER RECEIVABLES		
Trade debtors	2,060,562	2,163,622
Less provision for doubtful debts	(221,889)	(230,390)
	1,838,673	1,933,232
6. OTHER CURRENT ASSETS		
Tenancy security deposits	5,738	5,738
Prepayments	193,295	190,361
Work In Progress - Fixed Assets	104,225	-
	303,258	196,099
7. PROPERTY, PLANT AND EQUIPMENT		
Land - at valuation		
Freehold land at independent 2016 valuation	14,286,708	14,340,000
Buildings - at valuation		
Buildings at independent 2016 valuation	3,800,000	3,800,000
Provision for depreciation	(82,516)	-
	3,717,484	3,800,000
Building improvements - at cost		
Building improvements	-	-
Provision for depreciation	-	-
	-	-
Total land and buildings	18,004,192	18,140,000
Plant and equipment at cost		
Plant and equipment	2,263,518	2,644,023
Provision for depreciation	(1,438,469)	(1,476,298)
Total plant and equipment	825,049	1,167,725
Total written down value	18,829,241	19,307,725

The land and buildings were revalued as at 30 June 2016 based on independent valuations completed by Herron Todd White in May and June 2016. The valuations were completed by determining the fair value of the land and buildings based on the highest and best use of the assets. The valuations were completed using both a market-based approach (the direct comparison approach) as well as an income-based approach (capitalisation of net income approach). The highest and best use of the properties was deemed to be their current use, with the exception of a property in Wickham Terrace at Spring Hill. The highest and best use of this property was deemed to be for development. This means that the entire value of the property is in its land value, and therefore there is no portion of this valuation allocated to buildings.

Notes to the financial statements

Year ended 30 June 2017

7. PROPERTY, PLANT AND EQUIPMENT CONTINUED			
	Land & buildings at valuation	Land & buildings at cost	Plant & equipment at cost
	\$	\$	\$
Net book value as at 1 July 2015	17,805,794	126,135	1,176,508
Assets acquired during the year	-	-	532,515
Assets disposed during the year	-	-	(76,736)
Revaluations	433,692	(124,256)	-
Amortisation/Depreciation charged during the year	(99,486)	(1,879)	(464,562)
Net book value as at 30 June 2016	18,140,000	-	1,167,725
Net book value as at 1 July 2016	18,140,000	-	1,167,725
Assets acquired during the year	-	-	423,063
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

8. TRADE AND OTHER PAYABLES		
	2017	2016
	\$	\$
Trade payables	849,747	719,640
GST payable	217,680	246,804
Advance billings	5,380,236	5,240,449
Other payables and accruals	461,011	487,611
Administered Funds	5,391,313	3,973,298
Display village creditors	1,136,041	1,595,283
Short-term employee benefits	1,009,252	1,104,437
Income in advance	205,925	234,537
	14,651,205	13,602,059

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

9. PROVISIONS		
i) Short-term provisions		
Qld construction industry forum	14,049	19,695
ii) Long-term provisions		
Employee benefits and related on-costs liabilities	223,788	230,144

10. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2017 (2016: Nil).

11. COMMITMENTS FOR EXPENDITURE	2017	2016
	\$	\$
i) Capital commitments		
Not later than one year	-	-
ii) Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	97,664	136,231
Later than one year but not later than five years	51,720	64,738
	149,384	200,969

12. 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. There were no subsequent events which require adjustments or disclosures in the financial report

13. REMUNERATION AND RETIREMENT BENEFITS

Board member fees

Meeting fees totalling \$36,801 (2016: \$32,546) were paid to Board members during the year.

14. REMUNERATION OF AUDITORS

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

Audit and review of financial reports - Bentleys	30,745	30,646
Audit and review of Financial Services Licence - Bentleys	3,600	3,273
	34,345	33,919

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

Nets Surplus/(loss) for the year	568,576	554,955
Depreciation and amortisation	607,734	565,927
(Gain)/loss on disposal of non-current assets	(29,597)	63,490
(Increase)/decrease in trade and other debtors	91,625	(121,009)
Increase/(decrease) in provisions	(107,187)	6,765
(Increase)/decrease in inventories	38,303	(24,462)
Increase/(decrease) in trade and other creditors	1,144,331	5,168,397
Net cash inflows from operating activities	2,313,785	6,214,063

16. ENTITY DETAILS

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

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

Statement by Members of the Board

The Board of the QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS and complying with the transition requirements of section 1056 of the Industrial Relations Act 2016 (Qld) has determined that the Association is not a reporting entity. This special purpose financial statement should then be prepared in accordance with the accounting policies described in Note 1 to the financial statements. They are also of the opinion that the financial statements:

1. Give a true and fair view of the financial position of QUEENSLAND MASTER BUILDERS' ASSOCIATION INDUSTRIAL ORGANISATION OF EMPLOYERS as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date.
2. The organisation was solvent for the full year. At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.
3. The meetings of the Board during the year were held in accordance with the constitution of the Association.
4. During the financial year, there have been no instances where records of the Association or other documents, or copies of records or documents, or copies of the constitution of the Association, have not been furnished or made available to members in accordance with the recently repealed Industrial Relations Act 1999, or the constitution of the Association.
5. The Association has complied with Section 566 of the Industrial Relations Act 1999 (Qld) in relation to the provision of copies of the accounts and statements to members, and to the presentation of the accounts and statements to a general meeting of members as required by Section 565 of the Act.
6. The accounts and statements for the financial year have been prepared in accordance with Section 555 of the Industrial Relations Act 1999 (Qld) under the provision of Section 1056 Industrial Relations Act 2016 and with applicable Australian Accounting Standards as detailed in Note 1: Summary of Significant Accounting Policies.

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



Ralf Dutton, President
19 September 2017

Statement by Accounting Officer

In relation to the attached accounts of the Association, I hereby certify that the Association had 7,099 (2016: 7,010) members and 1,243 (2016: 1,237) registrants all of whom are financial as at 30 June 2017 and that in my opinion:

1. The accounts prepared in accordance with s555 of the Industrial Relations Act 1999 (Qld) under the provision of s1056 Industrial Relations Act 2016 and show a true and fair view of transactions for the financial year and the financial position of the Association as at the end of the financial year.
2. A record has been kept of all moneys paid by, or collected from, members of the Association and all moneys so paid or collected have been credited to the bank account or accounts to which those moneys are to be credited, in accordance with the rules of the Association.
3. Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association.
4. No payment was made out of a fund referred to in Schedule 5 of the Industrial Relations Regulations 2011(Qld) (section 45). No such fund was operated.
5. No loans or other financial benefits were granted to employees or persons holding office in the Association.
6. The register of members of the Association was maintained in accordance with the Industrial Relations Act.



Adrian O'Grady, Finance Director
19 September 2017

Operating report

In accordance with section 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 2017 was a profit of \$568,576. This was primarily achieved through the following principal activities:

Membership - Subscriptions finished with revenue of \$7,004,799, a 5% increase on last year's results. Membership numbers rose to 8342 in 2017 from 8247 in 2016. Particular effort was made to improve member engagement during the course of the year and reduce membership churn.

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 \$3,900,077, 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 \$197,041 and was down on budget expectations due to difficulty in obtaining funding for courses such as Waterproofing.

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 Insight evenings and Golf days to name a few. Net result for the year of these activities including sponsorship was \$529,949.

Display Villages – There are currently seven Display Villages in the southeast corner of Queensland being 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 \$125,898 for this financial year.

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 \$235,912 with hard copy sales declining and online sales increasing year on year.

Changes in Financial Affairs During Year

In accordance with section 764 (2)(b) of the Industrial Relations Act 2016 there were no significant changes in Queensland Master Builders Association Industrial Organisation of Employers 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 officers in accordance with section 764 (3) and section 764 (2)(d) of the Industrial Relations Act 2016.

Two employees of the Association though (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 elected officers for the period from 1 July 2016 to 30 June 2017, and provided in accordance with Sections 745 and 746 of *Industrial Relations Act 2016*.

Name	Position	Remuneration paid to 30 June 2017	Description of remuneration	Non-Cash benefits provided to 30 June 2017	Any amount paid to the officer in the officer's capacity as a board member other than travel and accommodation
Ralf Dutton	President	\$14,673	Meeting fees	NIL	Nil
Peter Schriek	Board Member	\$7,884	Meeting fees	Nil	Nil
Ross Hognon	Board Member	\$4,599	Meeting fees	Nil	Nil
Nick Herron	Board Member	\$2,257	Meeting fees	\$14,139	Nil
Rod McDonald	Board Member	\$6,731	Meeting fees	\$453	Nil
Adrian Gabrielli	Board Member	Nil	Meeting fees	Nil	Nil
Drew Brockhurst	Board Member	Nil	Meeting fees	\$4,800	Nil
Geoff Baguley	Board Member	Nil	Meeting fees	\$487	Nil
Mark Spry	Board Member	Nil	Meeting fees	\$1,800	Nil
Kathy Seaman	Board Member	\$657	Meeting fees	Nil	Nil

Date given	Value \$	Loan, Grant or Donation	Reason for providing	Name and address of entity receiving	If a loan, terms of repayment
1/08/2016	\$5,000	Donation	Funding request granted	Headspace, 2-14 Sporting Drive Thuringowa Central Townsville 4817	
1/08/2016	\$5,000	Donation	Funding request granted	Gayndah Men's Shed, 9/18 Warton Street, Gayndah 4625	
1/08/2016	\$5,000	Donation	Funding request granted	Noosa Men's Shed, 17 Wallum Lane, Noosa Heads, 4567	
1/08/2016	\$2,219	Donation	Funding request granted	Noosa Arts Men's Shed, PO BOX 3, Noosa Heads, 4567	
1/08/2016	\$5,000	Donation	Funding request granted	Coolum Men's Shed, Research Street, Coolum Beach, 4573	
1/08/2016	\$4,944	Donation	Funding request granted	Beaudesert Men's Shed, 210 Brisbane Street, Beaudesert, 4285	
5/12/2016	\$10,000	Donation	Qld Progressive Business Network	Queensland Labour, PO BOX 5032, West End, Qld 4101	
15/05/2017	\$900	Donation	Kate Jones Fundraiser	Queensland Labour, PO BOX 5032, West End, Qld 4101	
20/04/2017	\$1,000	Donation	Annual Charity Race Day Raffle	Asbestos Disease Support Society, 16 Campbell Street Bowen Hills 4006	
29/06/2017	\$3,101	Donation	Yearly donation of funds raised by golf day	Headspace, 2-14 Sporting Drive Thuringowa Central Townsville 4817	

Other Relevant Information

Next financial year as per Section 763 of the *Industrial Relations Act 2016*, Queensland Master Builders Association Industrial Organisation of Employers will be required to prepare a general purpose financial report in accordance with the Australian Accounting Standards. This includes applying Tier 1 reporting requirements as per AASB 1053 Application of Tiers of Australian Accounting standards.

The full effect of these changes to be applied is not fully known at this stage. Any transition adjustments as a result will be applied back to 2016/2017 financial year for comparative purposes.

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



Ralf Dutton, President
19 September 2017

Independent Auditor's Report

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

Opinion

We have audited the special purpose financial report of Queensland Master Builders' Association Industrial Organisation of Employers (the "Association"), which comprises the statement of financial position as at 30 June 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statements by Members of the Board and the 2017 Operating Report.

In our opinion:

- the financial report of Queensland Master Builders' Association Industrial Organisation of Employers presents fairly, in all material respects, the financial position of the Association as at 30 June 2017 and its financial performance for the year then ended, in accordance with Australian Accounting Standards to the extent disclosed in Note 1 to the financial report, and in accordance with the Industrial Relations Act 2016 (Qld), and where transitional requirements have been applied, the Industrial Relations Act 1999 (Qld).
- The financial report complies with the requirements of Part 11 of Chapter 12 of the Industrial Relations Act 2016 (Qld) and the Reporting Guidelines issued under section 765 of the Industrial Relations Act 2016 (Qld)
- The use of the going concern basis of accounting in the preparation of the Association's financial report is appropriate.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the Industrial Relations Act 2016 (Qld). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Industrial Relations Act 2016 (Qld) and such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

M P Power, Director
(An approved auditor under the Industrial Relations Act 2016 (Qld), a member of Chartered Accountants Australia and New Zealand and Holder of a Public Practice Certificate).

Brisbane, 19 September 2017

2016 Housing & Construction Awards winners



House of the Year

Austen Ritchie Builder Pty Ltd – Richmond Park Gold Coast

Set on a working cattle property at Beechmont on the Gold Coast, Richmond Park portrays Scottish manor-style living at its finest. Taking eight months to plan and two years to build, everything about this property exudes elegance. The sandstone walls are a stunning feature, while the curved staircase wows every time. Each and every detail of the home is immaculate and nothing less than what a House of the Year should be.

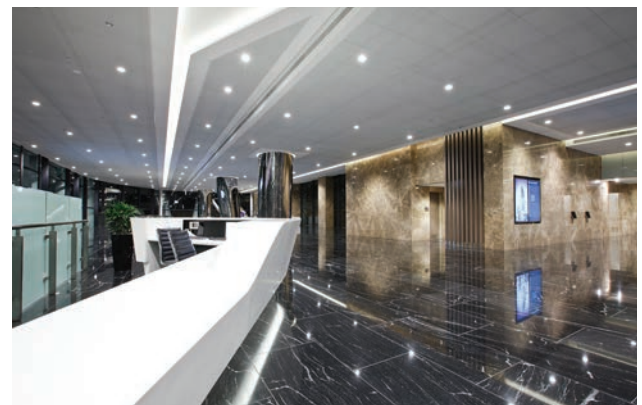




Project of the Year

Watpac Construction Pty Ltd - 180 Brisbane

Spanning 24 storeys and boasting almost 60,000 m² of A-grade commercial space and facilities, 180 Brisbane sets the tone for the future of Brisbane's high-rises. Incorporating smart technology and exceptional environmentally-friendly design, its construction didn't come without challenges. The Watpac team worked closely to come up with ingenious and innovative solutions. As the first office tower to be constructed in Brisbane on-spec since the GFC, its presence doesn't go unmissed in the city skyline.



Master Builders OFFICE LOCATIONS

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

Master Builders Registered Office

417 Wickham Terrace
Brisbane Queensland 4000

Master Builders Gold Coast

Master Builders House
18 Central Park Avenue
Ashmore Queensland 4214

Master Builders Downs & Western

166 Hume Street
Toowoomba Queensland 4350

Master Builders Sunshine Coast

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

Master Builders Wide Bay Burnett

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

Master Builders Central Queensland

35 Derby Street
(PO Box 631)
Rockhampton Queensland 4700

Master Builders Mackay & Whitsunday

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

Master Builders North Queensland

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

Master Builders Far North Queensland

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

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