



FAIR WORK
COMMISSION

1 July 2013

Mr Michael O'Leary
Executive Officer
Master Builders Association of Tasmania Inc.
GPO Box 992
HOBART TAS 7001

Dear Mr O'Leary,

RE: Financial accounts and statements - Master Builders Association of Tasmania Inc. - for year ending 30 June 2012 (FR2012/377)

I refer to the above financial accounts and statements which were lodged with the Fair Work Commission on 1 March 2013. A copy including an Operating Report was lodged today, 1 July 2013.

The documents have been filed. For future reference, the operating report should express the number of employees as "measured on a full-time equivalent basis" in accordance with regulation 159(b) of the Fair Work (Registered Organisations) Regulations 2009.

Subsection 254(2)(a) of the Fair Work (Registered Organisations) Act 2009 requires the operating report to contain a "*review of the reporting unit's principal activities during the year, the results of those activities.....*" It appears clear that with the President's Report the members have been provided with a comprehensive review. I suggest that the operating report include in future an explicit cross-reference to the review of activities and results set out in the President's report. I attach an extract of the relevant legislative provisions.

I also draw your attention to the new Reporting Guidelines which apply to all financial years ending on or after 30 June 2013. They are accessible at the FWC website at: http://www.fwc.gov.au/documents/organisations/reporting_guidelines/fr_guidelines_253.pdf

If you have any queries regarding the financial reporting requirements at any time, please don't hesitate to contact me on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.

Yours faithfully,

Stephen Kellett
Regulatory Compliance Branch

From: KELLETT, Stephen
To: ["Mick O"Leary"](#)
Subject: RE: RE Financial report for year end 30 June 2012 - filing
Date: Monday, 1 July 2013 12:10:00 PM
Attachments: [MBAT FR2012 377 \(final\).pdf](#)
[EXTRACTS 254.docx](#)
[fr_guidelines_253_2013.pdf](#)

Dear Michael,

Please see attached my letter in relation to the above with attachments.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: [KELLETT, Stephen](mailto:KELLETT.Stephen)
To: [KELLETT, Stephen](mailto:KELLETT.Stephen)
Subject: FW: RE Financial report for year end 30 June 2012 - Operating Report
Date: Monday, 1 July 2013 11:24:06 AM
Attachments: [Complete Annual Report as presented at AGM.pdf](#)
Importance: High

From: Mick O'Leary [mailto:mick@mbatas.org.au]
Sent: Monday, 1 July 2013 10:22 AM
To: KELLETT, Stephen
Cc: judy@mbatas.org.au
Subject: RE: RE Financial report for year end 30 June 2012 - Operating Report
Importance: High

Dear Stephen

Please find attached the Annual Report as presented at the AGM in February this year.

Master Builders Tasmania is in the midst of finalising comprehensive changes to the Constitution.

The amendments to the Constitution has been an ongoing process for the last twelve months (hence the delay in the AGM)

Please feel free to contact me directly if I can be of any further assistance.

Kind Regards

Mick O'Leary
Executive Officer

Master Builders' Association of Tasmania Inc.
Level 5, 116 Bathurst Street
Hobart Tas 7000
GPO Box 992
Hobart Tas 7001

Mob: 0438 623 438

Ph: 6210 2000
Fax: 6210 2050
www.mbatas.org.au

From: KELLETT, Stephen
To: ["mick@mbatas.org.au"](mailto:mick@mbatas.org.au)
Subject: RE Financial report for year end 30 June 2012 - Operating Report
Date: Saturday, 29 June 2013 7:01:00 PM

Dear Mr O'Leary,

I refer to the financial documents of the Master Builders' Association of Tasmania lodged with the Fair Work Commission on 1 March 2013, which I am currently examining.

The documents did not include an "Operating Report" required to be prepared and lodged pursuant to section 254 of the Fair Work (Registered Organisations) Act 2009.

Please lodge the operating report by email directly to me, or, if an operating report was not prepared, please advise me as soon as possible.

If you wish to discuss this, please telephone me on (02) 6723 7237.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: [Orgs](#)
To: [KELLETT, Stephen](#)
Subject: FR2012/377 MBAT lodgment FW: Master Builders Association of Tasmania Inc
Date: Friday, 17 May 2013 8:05:27 PM
Attachments: [Re s268Certificate \(signed by Wayne Licht\).msg](#)
[Association Audited Financials EOY 30 June 2012.pdf](#)

From: Mick O'Leary [<mailto:mick@mbatas.org.au>]

]

Sent: Friday, 1 March 2013 8:40 AM

To: PFEIFFER, Robert

Subject: Master Builders Association of Tasmania Inc

Hello Robert

Please find attached a S268 Certificate and the Audited Financial Report as discussed previously.

Thank you for your assistance.

Kind Regards

Mick O'Leary

Executive Officer

-

Master Builders' Association of Tasmania Inc.

Level 5, 116 Bathurst Street

Hobart Tas 7000

GPO Box 992

Hobart Tas 7001

-

Mob: 0438 623 438

-

Ph: 6210 2000

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Designated Officer's Certificate

s268 *Fair Work (Registered Organisations) Act 2009*

I *Wayne Licht* being the *President of the Master Builders Association of Tasmanian Inc* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* , was provided to members on 17th *September 2012* and
- that the full report was presented to *meeting of the committee of management* of the reporting unit on 15th *February 2013* ; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature

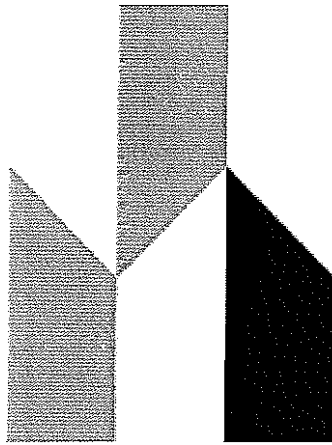


Date: 27th February 2013

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

**MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENT'S REPORT
2011-2012**

**MASTER BUILDERS' ASSOCIATION
OF TASMANIA INC.**



**MASTER BUILDERS
TASMANIA**

"Building Tasmania Since 1891"

TREASURER'S REPORT

And

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2012

**Presented at the Annual General Meeting of the
Master Builders' Association of Tasmania Inc.
on Friday 15th February 2013**

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENT'S REPORT
2011-2012

Members, it is my pleasure to present the one hundred and twenty first report of the accounts of Master Builders' Association of Tasmania Inc. for the 2011/2012 financial year. The report of accounts also includes the 2012 Auditor's report for the fiscal year.

Whilst the audited accounts this year reveal a trading loss of \$10,393.00, this result reflects a marked improvement on the last few years and is beginning to reflect the financial benefits of again having our offices in premises owned by the Association.

The 2011/2012 budget predicted income to increase from \$1,651,570.00 to \$1,844,521.00 (Actual \$1,849,844.00) whilst expenditure was predicted to increase from \$1,729,903.00 to \$1,903,323.00 (actual \$1,860,238.00). The final result indicating a concerted effort by Management to control losses experienced in the preceding two years, mainly resulting from the use of leased premises for Head Office, following the sale of 89 Brisbane Street.

As noted in previous reports, income from investment properties have a major impact on our operations and whilst full occupation of 116 Bathurst Street would have a significant impact on our financial results, the current economic climate in Tasmania is impacting on our ability to lease the remaining vacant floors.

Net assets rose by some \$404,000.00 this financial year

Operational

The Association's accounts having been re-constructed into seven cost centres for reporting and assessment for the 2011/2012 year, have provided both Council and Management with a greater understanding of the Association's various operating identities.

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

Marketing and Sponsorship continue to be an area of concern and require continuing Management input to lift results in these areas.

Training services are a major source of income and have again significantly exceeded budget and again I would like to compliment Ottmar Helm and Victoria Lynd for their efforts in this area.

Membership retention and growth remains a significant challenge, however, with the appointment of two part-time Membership Officers, State Council is optimistic that gains can be made in this area during the 2012/2013 financial year.

Our balance sheet is still very strong with property assets being the backstop of the Association and effectively providing us with future opportunities to grow. Tasmania's prevailing economic conditions continue to present significant challenges and we look forward to more robust conditions being generated by both Private and Government investment in infrastructure and buildings during the next few years.

Our Investment Committee, chaired by Mr Richard Bloomfield, continues to monitor and provide management advice on our properties and investments. The current Committee's four year term will expire this year and I would like to record on behalf of the Association our appreciation to Mr Bloomfield and Mr Craig Burleigh who are retiring and not seeking re-election.

MASTER BUILDERS' ASSOCIATION OF TASMANIA INC.
PRESIDENT'S REPORT
2011-2012

Members, I commend the financial statements and auditors' reports to you as being the financial position of Master Builders' Association of Tasmania Inc for the period ended 30th June 2012.

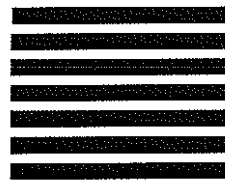

Graham F. Keating
Treasurer

30th January 2013

The Master Builders Association of Tasmania

Financial Statements

For the year ending
30 June 2012



Wise Lord & Ferguson



advice to advantage
Chartered Accountants



THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
REVENUE	3	1,849,844	1,650,543
Other Income	3	-	1,027
TOTAL INCOME		1,849,844	1,651,570
EXPENSES			
Depreciation expense	4	62,997	59,901
Employee Expenses	4	638,444	563,435
Other Expenses	4	1,158,797	1,106,567
TOTAL EXPENSES		1,860,238	1,729,903
NET PROFIT / (LOSS)		(10,394)	(78,333)
OTHER COMPREHENSIVE INCOME	11	424,378	283,705
TOTAL COMPREHENSIVE INCOME / (LOSS)		413,984	205,372

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5	827,836	916,249
Prepayments		10,075	4,280
Inventories		22,278	29,187
Trade Receivables	6	141,587	150,520
Interest Receivable		416	399
TOTAL CURRENT ASSETS		1,002,192	1,100,635
NON-CURRENT ASSETS			
Investment in Master Builders Australia Insurance Services	20	120,000	120,000
Property, Plant & Equipment	7	1,670,845	1,243,498
Investment Properties	8	3,141,960	2,868,024
TOTAL NON-CURRENT ASSETS		4,932,805	4,231,522
TOTAL ASSETS		5,934,997	5,332,157
CURRENT LIABILITIES			
Trade Payables	9(a)	130,645	65,840
Income Received in Advance		191,530	65,943
Employee Entitlements	10	84,552	64,328
Housing Indemnity Scheme Claim Liability	15, 1(k)	66,733	66,733
Other Liabilities	9(b)	41,055	62,815
TOTAL CURRENT LIABILITIES		514,515	325,659
TOTAL LIABILITIES		514,515	325,659
NET ASSETS		5,420,482	5,006,498
ACCUMULATED FUNDS & RESERVES			
Accumulated Funds & Reserves	11	5,420,482	5,006,498

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	RESERVES	ACCUMULATED FUNDS	TOTAL EQUITY
	\$	\$	\$
At 1 July 2010	-	4,801,126	4,801,126
Profit / (Loss) for the year	-	(78,333)	(78,333)
Other comprehensive income	283,705	-	283,705
At 30 June 2011	283,705	4,722,793	5,006,498
Profit / (Loss) for the year	-	(10,394)	(10,394)
Other comprehensive income	424,378	-	424,378
At 30 June 2012	708,083	4,712,399	5,420,482

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Trading		2,130,920	1,700,531
Interest Received		40,718	100,551
Payments to Suppliers & Employees		(1,894,839)	(1,815,585)
Net Cash provided by (used in) Operating Activities	13(b)	276,799	(14,503)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		-	14,093
Acquisition and Improvements of Property, Plant, Equipment and Investment Properties		(365,212)	(155,035)
Receipt of Investment Funding		-	1,100,000
Net Cash provided by (used in) Investing Activities		(365,212)	959,058
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Loan		-	(1,100,000)
Net Cash provided by (used in) Financing Activities		-	(1,100,000)
Net Increase (Decrease) in Cash Held		(88,413)	(155,445)
Cash at the Beginning of the Year		916,249	1,071,694
CASH AT THE END OF THE YEAR	13(a)	827,836	916,249

The accompanying notes form part of these financial statements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the *Fair Work (Registered Organisations) Act 2009* and with the Australian Accounting Standards as required by section 253(1) of the Act.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on fair values of the consideration given in exchange for assets. The financial report is presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report.

(b) Trade Receivables

Receivables include amounts where settlement has not yet occurred. Receivables are recognised and carried at original invoice amount less a provision for uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that collection of the debt is no longer probable. Bad debts are written off as incurred.

(c) Inventories

Inventories are valued at the lower of cost or net realisable value.

(d) Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks including deposits held with a bank or financial institution.

(e) Trade Payables & Other Liabilities

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(f) Property, Plant and Equipment

Valuation

All classes of property, plant and equipment are valued at cost, except for the investment properties which are valued under *AASB140 Investment Properties* as noted below.

Depreciation

Land is not depreciated. Depreciation of items of Equipment and Motor Vehicles is calculated on the reducing balance method in order to write the assets off over their useful life. Depreciation on Buildings is calculated on a straight line basis at 2%.

Major depreciation periods are:	2012	2011
Motor vehicles	4 – 5 years	4 - 5 years
Plant and Equipment	2.5 – 11 years	2.5 - 11 years
Buildings	50 years	50 years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. An impairment exists when the carrying value of an asset exceeds its recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in profit and loss unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a devaluation in accordance with the relevant standard.

(g) Investment Property

The property purchased during the 2010 year, 116 Bathurst Street Hobart, is considered an investment property and is governed by *AASB140 Investment Properties*. Within *AASB140 Investment Properties*, the cost model was originally adopted. Under the cost model, the asset is valued at cost and is not depreciated. During the 2012 year the fair value model was adopted to replace the cost model. Details regarding the fair value of the asset at balance sheet date are disclosed in the notes to the financial statements. Refer note 8.

During the 2011 year the fair value model of *AASB140 Investment Properties* was adopted for the Canning Street property. Transfers of buildings to investment properties can only occur under the fair value model and not the cost model as used for the purchase of the Bathurst Street property. Under the fair value the asset is valued at fair value and is not depreciated. Any changes to the fair value of investment properties are recognised in profit and loss in the period in which they occur.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(h) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Subscriptions

Subscription income is recognised when the member invoice is generated

Interest

Interest income is recognised as it accrues.

Sale of Goods

Control of the goods has passed to the buyer.

Property Income

Property income is recognised as it accrues.

(i) Taxes

The provision for income tax is not necessary as "Employers' Associations" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows

(j) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, long service leave and annual leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The amounts expected to be paid to employees for their pro-rata entitlements for long service leave are accrued annually at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The pro-rata liability for long service leave is recognised after completion of seven years service. The provision for long service leave has not been calculated in accordance with *AASB 119 Employee Benefits* due to the small number of staff members and the consequent impracticality of applying the discounting methodology. The method applied is consistent with prior years

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(k) Housing Indemnity Scheme Claim Liability

As discussed in further detail in note 14 the Association managed a Housing Indemnity Scheme which was open until 30 June 2005. The scheme is now closed but the Association remains liable to make payouts for claims which pass the approval process for the subsequent 6 years. The scheme when closed on 30 June 2005 was valued by an independent actuarial assessment. The balance of this actuarial liability will be amortised over the remaining life of the scheme. As such on 1 July 2005 the actuarial assessed liability for claims was entered into the Associations accounts for \$400,000. This amount has been amortised over the previous 6 years commencing 1 July 2005. The balance remaining in the Housing Indemnity Scheme now reflects the balance of expected claims

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirement of the *Fair Work (Registered Organisations) Act 2009* the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 of that Act, which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
3. REVENUE		
Associate Specialist Contractor	73,460	66,720
Associate Supplier Exchange	16,963	16,519
Documents	15,324	14,478
Fee for Service	9,967	36,132
Housing Indemnity Guarantee Commission	23	6,165
Insurance Sales & Commission	119,989	53,371
Interest Income	40,735	100,569
Conference	51,827	4,164
Subscriptions	398,082	413,019
Training	506,546	444,488
Property Income	346,949	239,103
Pathways Program Income	46,385	49,355
Housing Awards/Annual Dinner Income	89,861	116,928
Trade Shows	45,227	-
Sensis Advertising Income	38,534	37,081
Marketing Income	18,006	20,324
Building Journal	14,301	-
Sundry Revenue	17,665	32,127
Total Revenue	1,849,844	1,650,543
Other Income		
Profit on Sale of Fixed Assets	-	1,027
Total Other Income	-	1,027

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
4. EXPENSES		
<i>Depreciation of Non-Current Assets</i>		
Plant and Equipment	18,037	17,549
Buildings	24,302	15,744
Motor Vehicles	20,658	26,608
Total Depreciation of Non-Current Assets	62,997	59,901
<i>Employee Expenses</i>		
Other Employees	638,444	563,435
Total Employee Expenses	638,444	563,435
<i>Other Expenses</i>		
Accounting & Audit	8,351	7,333
Advertising	5,169	4,786
Amortisation Expense	25,310	29,548
Regional Annual Dinner Expenses	9,206	7,405
Bad Debts	4,657	14,737
Bank Charges	1,575	1,299
Building Journal Expenses	20,198	9,284
Catering & Meeting Costs	40,650	31,100
Commission	-	4,491
Consultancies	6,480	10,731
Cost of Goods Sold	6,909	4,443
Documents	11,402	8,273
Federal Subscriptions	77,133	82,226
Housing Awards/Annual Dinner Expense	88,183	81,802
Housing Guarantee Scheme	3,812	10,116
Insurances	27,521	23,763
Interest Expense	-	47,126
Light & Power	52,120	36,858
Conference	31,301	967
Office Rental	47,449	70,356
Pathways Program Expenditure	19,564	8,500
Postage & Stamps	10,009	9,019
Printing and Photocopying	10,058	10,044
Property Expenses- Rates	69,128	53,192
Property/Office Equipment Maintenance	42,428	47,731
Sensis Expenses	32,332	38,875
Telephone	28,825	21,895
Trade Shows	46,313	-
Training	307,116	301,567
Travel, Meals & Accommodation	28,236	23,392
Vehicle Running	24,449	21,057
Sundry Expenses	72,913	84,651
Total Other Expenses	1,158,797	1,106,567

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
5. CASH & CASH EQUIVALENTS		
Cash on Hand	1,500	1,500
Commonwealth Trading Bank	136,492	105,624
Cash Investment	491,208	703,393
Commonwealth At Call	198,636	105,732
Total Cash & Cash Equivalents	827,836	916,249
6. TRADE RECEIVABLES		
Trade Receivables (a)	143,417	152,350
Provision for Doubtful Debts	(1,830)	(1,830)
Total Trade Receivables	141,587	150,520
(a) Terms and Conditions		
Terms and conditions relating to the above financial instruments:		
(i) Trade debtors are non-interest bearing and generally on 30 day terms.		
7. PROPERTY, PLANT & EQUIPMENT		
Land & Buildings	1,550,272	1,149,232
Less: Accumulated Depreciation – Buildings	(87,697)	(63,395)
	1,462,575	1,085,837
Plant & Equipment	464,489	417,185
Less: Accumulated Depreciation	(383,867)	(365,830)
	80,622	51,355
Motor Vehicles	220,476	153,165
Less: Accumulated Depreciation	(92,828)	(72,169)
	127,648	80,996
Leasehold Improvements	-	88,644
Less: Accumulated Amortisation	-	(63,334)
	-	25,310
Total Property, Plant & Equipment	1,670,845	1,243,498

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
7. PROPERTY PLANT & EQUIPMENT – CONTINUED		
(a) Reconciliations		
<i>Land & Buildings</i>		
Opening Written Down Value	1,085,837	1,747,876
Add/Subtract Change in Classification	8(a) 371,445	(646,295)
Add Revaluation	(26,840)	-
Add Purchases	56,435	-
Less Depreciation	(24,302)	(15,744)
Closing Written Down Value	<u>1,462,575</u>	<u>1,085,837</u>
<i>Plant & Equipment</i>		
Opening Written Down Value	51,355	63,123
Add Purchases	47,304	5,781
Less Depreciation	(18,037)	(17,549)
Closing Written Down Value	<u>80,622</u>	<u>51,355</u>
<i>Motor Vehicles</i>		
Opening Written Down Value	80,996	119,670
Add Purchases	67,310	1,000
Less Disposals	-	(13,066)
Less Depreciation	(20,658)	(26,608)
Closing Balance	<u>127,648</u>	<u>80,996</u>

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

		2012 \$	2011 \$
8. INVESTMENT PROPERTIES			
116 Bathurst Street, Hobart	(b)	2,091,960	1,938,024
55 Canning Street, Launceston	(c)	1,050,000	930,000
Total Investment Properties		3,141,960	2,868,024
(a) Reconciliation			
<i>Investment Properties</i>			
Opening Fair Value		2,868,024	1,794,298
Add/Subtract Change in Classification	7(a)	(371,445)	646,295
Add Revaluation		451,218	283,705
Add Purchases		194,163	143,726
Closing Fair Value		3,141,960	2,868,024

(b) 116 Bathurst Street Hobart

During the 2010 financial year The Master Builders Association of Tasmania purchased an investment property at 116 Bathurst Street, Hobart. It has been recorded in the accounts under the cost model of AASB140 as per policy in note 1(g).

The recorded cost of the property in the balance sheet as at 30 June 2011 is \$1,938,024 (2010: \$1,794,299). A valuation was performed at 30 June 2010 by Brothers & Newton – Opteon property valuers, and two valuations were advised based on occupancy levels. When fully occupied the fair value of the 116 Bathurst St property is \$2,700,000, while at its occupancy level at 30 June 2010 the fair value was \$2,000,000.

During the 2012 financial year The Master Builders Association of Tasmania moved offices and now occupies level 5 of 116 Bathurst Street. Adjustment was therefore required to the classification of the property to ensure only the unoccupied portion is recognised as an investment property. The value of the property has been allocated accordingly based on the government valuation obtained on 12 December 2011.

	\$	
Total value of 116 Bathurst Street:	<u>2,700,000</u>	
Occupied Building Value:	180,160	(Depreciable)
Occupied Land Value:	427,880	(Not depreciable)
Investment Property Value:	2,091,960	(Not depreciable)

(c) 55 Canning Street Launceston

During the 2011 financial year the recognition of the 55 Canning Street property changed to an investment property. It has been recorded in the accounts under the fair value model of AASB140. The most recent valuation was a government valuation performed on 29 September 2010. The fair value at that date was determined to be \$1,050,000 and this is the value recorded on the balance sheet.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

		2012	2011
		\$	\$
9.	TRADE PAYABLES & OTHER LIABILITIES		
	(a) Trade Payables		
	Trade Payables	130,540	65,863
	GST Liability	105	(23)
	Total Trade Payables	130,645	65,840
	(b) Other Liabilities		
	MBAIS Shareholdings Loan	37,666	61,210
	Sundries	3,389	1,605
	Total Other Liabilities	41,055	62,815
	(c) Terms and Conditions		
	Terms and conditions relating to the above financial instruments:		
	(i) Trade creditors are non-interest bearing and normally settled on 30 day terms.		
10.	EMPLOYEE ENTITLEMENTS		
	The aggregate employee entitlement liability is comprised of:		
	Provision for Annual Leave	42,082	34,040
	Provision for Long Service Leave	42,470	30,288
	Total Employee Entitlements	84,552	64,328
11.	ACCUMULATED FUNDS & RESERVES		
	(a) Accumulated Funds		
	Balance at Beginning of year	4,722,793	4,801,126
	Add Profit / (Loss) for the year	(10,394)	(78,333)
	Balance at End of Year	4,712,399	4,722,793
	(b) Reserves		
	Balance at Beginning of year	283,705	-
	Add Revaluation for the year	424,378	283,705
	Balance at End of Year	708,083	283,705
	Total Accumulated Funds & Reserves	5,420,482	5,006,498
12.	AUDITORS REMUNERATION		
	Amounts received or due and receivable by Wise Lord & Ferguson for:		
	- an audit or review of the financial report of the Association	5,200	5,000
		5,200	5,000

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
13. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash on Hand	1,500	1,500
Cash at Bank	136,492	105,624
Cash Investment Account	491,208	703,393
Commonwealth At Call	198,636	105,732
	827,836	916,249
(b) Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit:		
Net Profit / (Loss)	(10,394)	(78,333)
Depreciation and Amortisation	88,307	89,449
(Profit)/Loss on Sale of Non- Current Assets	-	(1,027)
Increase/(Decrease) in Employee Entitlements	20,224	(8,770)
Increase/(Decrease) in Trade Payables & Other Liabilities	42,343	(462)
Increase/(Decrease) in Income in Advance	126,290	4,636
(Increase)/Decrease in Prepayments	(5,795)	(2,872)
(Increase)/Decrease in Inventories	6,909	4,443
(Increase)/Decrease in Trade & Other Receivables	8,915	(21,567)
Net Cash provided by (used in) Operating Activities	276,799	(14,503)

14. RELATED PARTY DISCLOSURES

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

President	Mr W Licht	Councillor	Mr T Streefland
Senior Vice President	Mr K Lawson	Councillor	Mr A Kilpatrick
Vice President	Position Vacant	Councillor	Mr T Mead
Treasurer	Mr G Keating	Councillor	Mr D Moody
Councillor	Mr G Barnes	Councillor	Mr D Murray
Councillor	Mr A Bennett	Councillor	Mr D Reid
Councillor	Mr S Davidson	Councillor	Mr J Rosevear
Councillor	Mr C Edmunds	Councillor	Mr T Turner
Councillor	Mr L Fenton		

Details of loans to officers is Nil.

There were no transactions between the office holders and the Association other than those relating to their membership of the Association and the reimbursement by the Association in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which would have been adopted by parties at arms length.

None of the office holders are employees of The Master Builders' Association of Tasmania and therefore they do not receive any remuneration or employee entitlements.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

15. HOUSING INDEMNITY SCHEME CLAIM LIABILITY

The Master Builders' Association of Tasmania managed the operation of a Housing Indemnity Scheme, through an agreement with the State Government, which began operation in May 2002 and was closed to new premiums on 30 June 2005. The Housing Indemnity Scheme was valued by an actuary as at 30 June 2005 and the outstanding claims were assessed at \$400,000. Wise Lord & Ferguson audited this scheme and as at 30 June 2005 the scheme had a net asset position of \$1,135,393.

The Housing Guarantee scheme has historically been reported as a separate entity. The scheme has now been accounted for in the Associations accounts by consolidating the 1 July 2005 scheme balances into the Associations accounts. All transactions related to the scheme subsequent to this date have been recognised in the Associations accounts. The following account balances, as audited by Wise Lord & Ferguson, were therefore taken up in the Associations accounts at 1 July 2005:

	\$
Cash and Cash Investments	1,450,113
Receivables	55,280
Investment in MBAIS	30,000
Accrued Claims Liability	(400,000)
Accumulated Funds	(1,135,393)

16. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2012, The Master Builders' Association of Tasmania Inc. has a contingent liability in relation to the Housing Indemnity Scheme. The Association is liable for all funds that were available to the scheme as at 30 June 2005, in settlement of both the administration of the scheme and any claims made to the scheme which satisfy the approval process, up to this value.

17. DESCRIPTION OF OPERATIONS

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

18. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

19. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

THE MASTER BUILDERS' ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

20. INVESTMENT IN MASTER BUILDERS AUSTRALIA INSURANCE SERVICES

At the 30th June 2012, The Master Builders' Association of Tasmania has monies invested in Master Builders Australia Insurance Services Pty Ltd (MBAIS). This is specifically a share holding in MBAIS of \$120,000 (2011: \$120,000). MBAIS have faced consistent challenges since the inception of the business to ensure the timely payment of commissions to State MBA's and to ensure the business is sufficiently capitalised. A third party review of the financial status of MBAIS was performed during the 2009 financial year which found that challenges remained and that without change to the capitalisation of MBAIS, the severity of the solvency risk and risk of not being able to pay monies owing to MBA's would increase. A proposal was accepted by the State MBA's regarding injecting further capital into MBAIS to help reduce solvency risk and increase the likelihood of receiving monies owed from MBAIS. Each state was issued three additional shares at a value of \$30,000 each, therefore the Master Builders' Association of Tasmania increased its investment in MBAIS by \$90,000 during the 2010 financial year.

21. REGISTERED OFFICE

116 Bathurst Street
Hobart Tasmania 7000

22. SEGMENT REPORTING

The Master Builders' Association of Tasmania operates predominantly in the one geographical region being Tasmania. The Master Builders' Association of Tasmania activities surround the provision of benefits and services to its members.

23. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk represents the risk that a counter-party will fail to perform contractual obligations under a contract.

The Association's maximum credit risk exposure at balance date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the Statement of Financial Position. Credit risk exposure for receivables reflects the underlying credit risk inherent in the Association.

These risks are managed through the credit policies implemented by the Association. There is no concentration of credit risk in any particular industry or market segment, however all transactions are within the State of Tasmania.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Association will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount.

(c) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

An increase / (decrease) in interest rate of 1% will have a corresponding effect on revenue of \$8,263 (2011: \$9,147).

(d) Net fair values

The carrying amounts of all financial assets and financial liabilities of the Association recognised at balance date generally approximated fair value because of the short term to maturity.

COMMITTEE OF MANAGEMENT'S STATEMENT

I, Graham Keating being a designated officer of the Master Builders' Association of Tasmania, report that the Committee of Management of the Association resolved that the following declarations, passed by the Committee, in relation to the financial report of the Association for the year ended 30 June 2012 be included in the financial report.

In the opinion of the Committee of Management:

- (a) the financial report complies with the Australian Accounting Standards;
- (b) the financial report complies with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial report gives a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2012;
- (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; and
- (e) during the financial year ended 30 June 2012 and since the end of that financial year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the Association;
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association;
 - (iii) the financial records of the Association have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisation) Regulations 2009*;
 - (iv) the financial records of the Association have been kept, as far as practical and reasonable, in a consistent manner;
 - (v) the information sought in any request of a member of the Association or the General Manager of Fair Work Australia duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or the General Manager of Fair Work Australia; and
 - (vi) no orders have been made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
- (f) in relation to the recovery of wages activity, no activity of this nature has been undertaken.

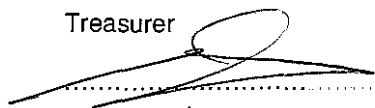
For the Committee of Management:

Graham Keating

Title of Office Held:

Treasurer

Signature:



.....
2/8/12

Date:

OPERATING REPORT

The Master Builders' Association of Tasmania Inc., since establishment in 1891, has been active in seeking to improve the conditions under which the building industry operates.

It is a non-political and non-profit making organisation set up to safeguard and promote the interests of its members in their business of building and construction contracting, to assist them in the execution of their work and to encourage and promote a high standard of workmanship and integrity in the building industry.

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

As at 30 June 2012 the Association employed ten staff supporting a total membership of 468. Rule 9 of the Association's Constitution provides that:

"9 - RESIGNATION OF MEMBERS

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

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

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

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

Current State Council Members are:

President & North West Regional Representative

Mr W Licht

Elected: 2010 Tenure expires: 2012 Resigned: n/a

Senior Vice President & Northern Regional Chairman

Mr K Lawson

Elected: 2010 Tenure expires: 2012 Resigned: n/a

Treasurer

Mr G F Keating

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr G Barnes

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr A Bennett

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr C Edmunds

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr T Mead

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr D Murray

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr Ty Turner

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr A Kilpatrick

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor

Mr J Rosevear

Elected: 2010 Tenure expires: 2012 Resigned: n/a

State Councillor & Southern Regional Chairman

Mr L Fenton

Elected: 2010 **Tenure expires:** 2012 **Resigned:** n/a

State Councillor & Southern Regional Representative

Mr D Reid

Elected: 2010 **Tenure expires:** 2012 **Resigned:** n/a

State Councillor & North West Regional Chairman

Mr S Davidson

Elected: 2010 **Tenure expires:** 2012 **Resigned:** n/a

State Councillor and Northern Regional Representative

Mr T Streefland

Elected: 2012 **Tenure expires:** 2012 **Resigned:** n/a

State Councillor (Immediate Past President)

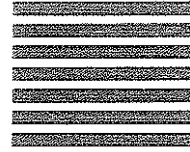
Mr David Moody

Elected: 2010 **Tenure expires:** 2012 **Resigned:** n/a

Signed: 

Wayne Licht

Dated this 21 day of August 2012



Wise Lord & Ferguson



advice to advantage
Chartered Accountants

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

We have audited the accompanying general purpose financial report of the Master Builders Association of Tasmania (the Association), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended, notes comprising a summary of significant accounting policies, other explanatory information and the committee of management's declaration.

Committee of Management's Responsibility for the Financial Report

The Association's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Association's constitution and with the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

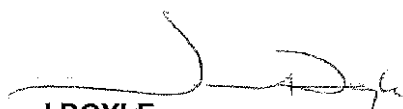


1st Floor 160 Collins Street Hobart TAS 7000 GPO Box 1083 Hobart TAS 7001
Tel: (03) 6223 6155 Fax: (03) 6223 8993 Email: email@wlf.com.au Internet: www.wlf.com.au

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

Opinion

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



J DOYLE
PARTNER
WISE LORD & FERGUSON

Date: 23rd August 2012

From: [Mick O'Leary](#)
To: [PFEIFFER, Robert](#)
Cc: michael@mbatas.org.au; judy@mbatas.org.au
Subject: FW: FWC Paragraph 7.4 Letter - FR2012/377
Date: Wednesday, 30 January 2013 3:46:59 PM
Attachments: [Hastener_Generic.doc](#)
[5B334CD743E6A206F584021F61693F67.docx](#)
[Association Audited Financials EOY 30 June 2012.pdf](#)
[EWA decision 15.10.12.pdf](#)

Mr Robert Pfeiffer
Senior Advisor
Regulatory Compliance Branch
Fair Work Commission
11 Exhibition Street
Melbourne VIC 3000

Failure to lodge audited financial report – [FR2012/377]

Thank you for your letter dated 23rd January 2013 addressed to Mr Michael Kerschbaum, Executive Director of Master Builders Association of Tasmania Inc ('MBT').

Further to our discussion yesterday on the telephone, I confirm the following reasons for the delay in MBT providing its audited financial report pursuant to section 268 of the Fair Work (Registered Organisations) Act 2009;

MBT has been involved in complicated and protracted alterations to its Constitution (R2012/142) for the past six months.

A copy of the decision is attached for your perusal. A further application for additional amendments has been lodged with the Fair Work Commission (R2013/2)

I have been advised by MBT's Executive Director that we will be holding the **AGM on Friday 15th February 2012** and tendering the very same attached version of the audited financial report at that meeting.

A copy of the audited financial report together with the designated officers certificate will be forwarded to the Fair Work Commission via email, in the week following the AGM.

I apologise for the delay in the provision of the audited financial report and hope the above information constitutes extenuating circumstances on MBT's behalf.

Please feel free to contact me directly if I can provide any further information.

Kind Regards

Mick O'Leary
Executive Officer

Master Builders' Association of Tasmania Inc.
Level 5, 116 Bathurst Street
Hobart Tas 7000
GPO Box 992
Hobart Tas 7001

Mob: 0438 623 438

Ph: 6210 2000
Fax: 6210 2050
www.mbatas.org

From: robert.pfeiffer@fwc.gov.au [<mailto:robert.pfeiffer@fwc.gov.au>]
Sent: Wednesday, 23 January 2013 11:50 AM
To: Michael Kerschbaum
Subject: FWC Paragraph 7.4 Letter - FR2012/377

Please find attached correspondence regarding the matter **FR2012/377 - Financial Reporting matter re: 004T Master Builders' Association of Tasmania Inc.**

This correspondence was sent automatically from the Fair Work Commission.

Please consider the impact to the environment and your responsibility before printing this email.

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This footnote also confirms that this email message has been swept for the presence of computer viruses.

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FAIR WORK
COMMISSION

23 January 2013

Mr Michael Kerschbaum
Executive Director
Master Builders' Association of Tasmania Inc.

Sent by email: michael@mbatas.org.au

Dear Mr Kerschbaum,

Failure to lodge audited financial report - [FR2012/377]

Our records indicate that the Master Builders' Association of Tasmania Inc. (the reporting unit) has failed to lodge its audited financial report for the financial year ended 30 June 2012 despite Fair Work Australia (as it was) reminding the reporting unit of its obligation to do so by letter dated 6 August 2012.

As you have previously been advised, section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires reporting units to lodge an audited financial report with the Fair Work Commission within a maximum of 6 months and 14 days of the end of their financial year (that is, no later than 14 January 2013).

Paragraph 7.4 of the FWC Regulatory Compliance Policy (a copy of which is attached) states as follows:

- 7.4 Where the possible contravention involves failure by an organisation, branch or reporting unit to lodge a matter with FWC in accordance with the timeframes specified in the RO Act, RO Regulations or the rules of the organisation, branch or reporting unit:*
- a. The Regulatory Compliance Branch will contact the organisation, branch or reporting unit, by telephone and/or in writing, within two weeks to advise that lodgement is overdue;*
 - b. If lodgement has not occurred within one month of the timeframe specified in the RO Act, RO Regulations or rules, the Regulatory Compliance Branch will advise the organisation, branch or reporting unit that it is seeking voluntary compliance within a specified timeframe and that, in the absence of such voluntary compliance without cause, FWC will commence an inquiry or investigation or initiate court proceedings; and*
 - c. If lodgement has not occurred within the timeframe specified in the correspondence referred to in paragraph b and the organisation, branch or reporting unit has not been able to show cause regarding why it should not do so, FWC will commence an inquiry or investigation or initiate court proceedings in accordance with this policy as soon as reasonably practicable.*

Section 331 of the RO Act empowers the General Manager of the Fair Work Commission to investigate compliance by a reporting unit (such as the Master Builders' Association of Tasmania Inc.), its officers, employees and auditor(s) with:

- Part 3 of Chapter 8 of the RO Act;
- the reporting guidelines made under that Part;
- the regulations made for the purposes of that Part;
- the Master Builders' Association of Tasmania Inc. rules regarding finances and financial administration; and
- civil penalty provisions of the RO Act (see s.305).

In accordance with the processes specified in paragraph 7.4(b) of the *FWC Regulatory Compliance Policy* which are set out above, the reporting unit is required to lodge its outstanding audited financial report with the Fair Work Commission by no later than 14 February 2013.

Should the reporting unit fail to do so without reasonable cause, the Fair Work Commission may commence an investigation under s.331 of the RO Act without further notice.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,



Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch



FAIR WORK
AUSTRALIA

6 August 2012

Mr Michael Kerschbaum
Executive Director
Master Builders' Association of Tasmania Inc.

michael@mbatas.org.au

Dear Mr Kerschbaum,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/377]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Master Builders' Association of Tasmania Inc. (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

Failure to comply with these obligations is subject to a civil penalty provision - see s305 RO Act.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7787 or by email at Andrea.O'HALLORAN@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Andrea O'Halloran
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
------------------------------------	-----

Prepare financial statements and Operating Report.
--

(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
---	-----

*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /
---	-----

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,

or
(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); OR	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.