



MASTER BUILDERS
AUSTRALIAN CAPITAL TERRITORY

ANNUAL REPORT 2014-2015

AND FINANCIAL POSITION 2014-2015

**RESIDENTIAL
SUBCONTRACTORS
SUPPLIERS
PROFESSIONAL
COMMERCIAL
CIVIL**



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ANNUAL REPORT 2014-2015

AND FINANCIAL POSITION

HISTORY

PRESIDENTS

1949 - 1954	F J Watters
1954 - 1956	D C Smith
1956 - 1958	J B Kennedy
1958 - 1959	C Burrows
1959 - 1960	F A Somes
1960 - 1962	P R Armstrong
1962 - 1963	T H Blow
1963 - 1965	G A Anderson
1965 - 1967	C F Moore
1967 - 1969	L V O'Hara
1969 - 1971	A R Marr
1971 - 1973	A C Williams
1973 - 1975	W I Plant
1975 - 1977	F J Hegerty
1977 - 1977	W I Plant
1977 - 1978	G A Jones
1978 - 1980	F J Quinn
1980 - 1982	F J Marr
1982 - 1983	C Gustavson
1983 - 1984	J Pfeiffer
1984 - 1986	J K Hindmarsh
1986 - 1987	C T Spring
1987 - 1988	M E Milne
1988 - 1989	J J Hanrahan
1989 - 1991	R Winnel AM
1991 - 1993	K J Bromfield
1993 - 1998	J A Haskins AM
1998 - 1999	T J Rodgers
1999 - 1999	J A Haskins AM
1999 - 2001	S J Pinter
2001 - 2012	R D Barrett OAM
2012-2012	J A Haskins AM
2012 - 2013	S Butt
2013 -	V Luks

LIFE MEMBERS

1981	T H O'Connor
1984	L V O'Hara
1984	F J Quinn
	F J Marr
1993	R Winnel
1995	P J Murphy
1998	J A Haskins AM
2002	J H Hailey
2007	R D Barrett OAM
2014	H Sommer

HONORARY MEMBERS

1989	D Andrew
2007	D P Dawes
2009	F J Gillingham

EXECUTIVE DIRECTORS

1964 - 1980	D Andrew
1980 - 1983	P M Berents
1983 - 1986	E M Lonie
1986 - 1987	F J Gillingham
1987 - 1989	R Winnel AM
1989 - 1990	G Williams
1990 - 1998	B D Bryant
1998 - 2007	D P Dawes
2007 - 2015	J R Miller
2015 -	K Coningham OAM

EXECUTIVE COUNCIL

EXECUTIVE COUNCIL

- Valdis Luks – President
- Frank Porreca – Treasurer
- Peter Naylor – Chairperson Commercial Sector Council
- David Colbertaldo – Alternate Chairperson Commercial Sector Council
- Andrew Crompton – Chairperson Civil Sector Council
- Nigel Forde – Alternate Chairperson Civil Sector Council
- Grace Ferreira – Chairperson Subcontractors & Suppliers Sector Council
- Annalisa O’Sullivan – Alternate Chairperson Subcontractors & Suppliers Sector Council
- Bryan Leeming – Chairperson Professional Sector Council
- Stephen Wise – Alternate Chairperson Professional Sector Council
- Marc Roland – Acting Residential Chairperson
- Anthon Corver – Alternate Chairperson Residential Sector Council

OTHER COUNCILLORS

- Mark Bauer – Council Member Commercial Sector
- Jack Harris – Council Member Commercial Sector
- Dimitri Livas – Council Member Commercial Sector
- Gavin Murphy – Council Member Commercial Sector
- Sam DeLorenzo – Council Member Commercial Sector
- Ross Burke – Council Member Subcontractors and Suppliers Sector
- Anthony Matter – Council Member Subcontractors and Suppliers Sector
- Trent O’Sullivan – Council Member Subcontractors and Suppliers Sector
- Anthony Corver – Council Member Residential Sector
- Frank Porreca – Council Member Residential Sector
- Jason Burgess – Council Member Civil Sector
- Troy Davey – Council Member Civil Sector
- Rory Goodsell – Council Member Civil Sector
- Paul Macor – Council Member Civil Sector
- Peter Middleton - Council Member Civil Sector
- Bryan Ahern - Council Member Professional Sector
- John Randall – Council Member Professional Sector

INDUSTRY REPRESENTATION

ACT

ACT Work Safety Council

ACT Construction Safety Advisory Committee

Building ACT Review Reference Group

Building Regulatory Advisory Committee

Civil Construction Safety Issues Advisory Committee

Capital Coordinators Committee

Asbestos Community Expert Reference Group

Asbestos Technical Reference Group

Apprentice House Association

Boundless Committee

Default Insurance Fund Committee

Planning & Development Codes

Canberra Builders Supply Merchants Association

Construction Industry Long Service Leave Authority

Construction Industry Training Council

EPD Commercial Advisory Committee

EPD Residential Advisory Committee

High Risk Licence Committee

Occupational Health and Safety Council (Ministerial)

Training Fund Authority

University of Canberra - Bachelor of Construction Management Advisory Committee

University of Canberra - Building & Construction Reference Group

World Skills ACT

Canberra Business Chamber Consultative Committee

Canberra Business Chamber Planning Infrastructure Taskforce

Industry Reference Group

NATIONAL MBA

Master Builders Australia Board

Contract Committee

Executive Director's Advisory Committee

Industrial Relations

Membership & Marketing Committee

National Licensing Expert Group

National Residential Builders Council

National Training Advisory Committee

Housing Officers Forum

OH&S Council

CCF GROUP

CCF CEO Committee

CCF National Board

OTHER

ActewAGL Energy Consumer Reference Council

Canberra Business Chamber Economic and Regional Development Taskforce

Canberra Business Chamber Social Enterprise Taskforce

OzHelp Board

PRESIDENT'S REPORT



The past twelve months has been a very busy time for the Association and its members with a number of issues on the agenda. Below I will highlight a few of them.

The number one issue at the moment occupying a large amount of time, focus and resources is the royal commission into trade union

governance and corruption.

Earlier this year we had the pleasure of Mike Kane, Chief Executive Officer and Managing Director of Boral, attending one of our President's lunches as our guest speaker. Mike explained and briefly detailed the background to Boral's ongoing dispute with the CFMEU. As he put it, he naively believed it was more important for him to honour his contract with a builder than give in to threats from a union. At the time the union was in dispute with the builder and Boral was a third party supplying building materials. Mike's naivety was that he believed he had a legal obligation (contract) to supply those materials and all right minded people would abide by this. Because he chose to continue his support of the builder Boral were brought into the dispute.

Since then Boral has continued to fight the battle in the courts and recently had a judgement made in favour of them.

Listening to Mike speak at the luncheon and seeing him show the moral leadership that is so often missing in today's society was a breath of fresh air. Mike's determination to confront the situation has been inspirational for an industry where we have become complacent and accepting of a situation that should never have been allowed to get to where it is.

As well as highlighting Mike's example the MBA ACT has had a number of staff and members who have also got to the point where they have said enough is enough. A number of these people have given witness statements or been questioned at the royal commission and have also shown the leadership and direction our industry needs.

Let's hope we can draw upon this leadership to create long term change within the industrial landscape of our industry.

As the royal commission continues there are two major areas of concern that have been highlighted that need to be addressed, these being the issue of safety, and enterprise bargaining agreements (EBA's) being used as industrial tools to further the financial and industrial goals of the union.

To blatantly use safety as a political tool in such a way demeans its importance and sends the message to industry, and most importantly to our workforce, that it is not taken as seriously as it should be by some.

There are too many people in our industry that genuinely care about the welfare and wellbeing of their workers and worksites to allow it to be used as a political football.

We recognise no one should be complacent when it comes to safety and we all need to be diligent in our attitudes and approach to continual improvement on our worksites.

October is safety month and as part of a number of safety initiatives the MBA ACT is undertaking we are releasing our policy paper on Safety. This paper will be distributed to our political and industry leaders as well as the industry in general, with the intent being to highlight areas we need to work together on to improve safety on our worksites.

Addressing safety needs to be seen as an opportunity to work together collaboratively and is integral to greater productivity and quality. Safety is part of our everyday thinking and needs to go hand in hand with everything we plan and undertake.

Our industry and worksites have risks that need to be managed on a daily basis and our workforce needs to be taught that our sites are constantly changing. In turn risks need to be regularly monitored and addressed.

The use and abuse of EBAs being used for financial gain that doesn't benefit the worker is something that is also hurting the reputation of our industry. If an agreement is going to truly benefit the employee, then substantial commissions should not be going to third parties. These commissions increase the cost of building in this country and are an extra cost to taxpayers and have no benefit to the employee.

Let us hope the final outcome of the royal commission is one where we have long term change for the better. There is certainly the desire within our industry to see this happen.

VALDIS LUKŠ

President

TREASURER'S REPORT

I present the financial report for the year ending 30 June 2015 which continues to show a strong financial position for the organisation. Overall there was a surplus of \$385,734 after an upward revaluation of the building by \$574,108. We have noted decline in revenues in certain areas consistent with difficult economic conditions present in the building and construction industry over the year.

The operating loss of \$188,374 has come about due to declining incomes and increased costs as a result of responding to industry needs in relation to industrial relations and work place health and safety.

The following are brief summaries of the performance of the two entities within the consolidated group, Master Builders Association of the ACT and MBA Group Training.

MASTER BUILDERS ASSOCIATION OF THE ACT

The parent entity record a surplus of \$317,885 for the financial year ended 30 June 2015 after an upward revaluation of the land and buildings. There was an operational loss of \$256,223 for the year. During the year MBA faced increasing costs in responding to industry needs regarding industrial relations and safety, as well as declining revenues due to a lack of land supply which has stifled the industry.

Whilst we have reported an operational loss the overall financial position remains strong with the net assets increasing to \$10,954,682 at the end of the financial year.

We have recently reviewed our business plan and I am confident that with the renewed plan we will return to surplus in the near future.

MBA GROUP TRAINING

MBA Group Training has had a very busy year with a large influx of training due to the introduction of mandatory asbestos training for the industry. This increase, with our continuing work as an employer and trainer of apprentices, has resulted in a modest surplus for the year.

MBA Group Training is proud to have continued to focus on the delivery of quality training for the industry despite the increase in training alternatives that offer qualifications within compressed timeframes. This training is challenging the financial viability of the MBA Group Training operations however, for the good of the industry, MBA Group Training will continue to provide quality training and we believe that the industry will realise the benefits through the improved skills obtained in our training.

I would like to conclude by thanking my fellow executive committee and the management team at MBA for their input and support in protecting the financial wellbeing of the MBA. I am encouraged by the new executive team and have seen a great focus on the future of the MBA.

FRANK PORRECA

Treasurer

MASTER BUILDERS AUSTRALIA



Master Builders Australia has been extremely active in representing Master Builders members in 2014-15, with the Royal Commission into trade union governance and corruption and the faux housing affordability debate as areas of key focus.

The Heydon Royal Commission has exposed the ugly underbelly of how building unions abuse their industrial muscle and how this creates an environment where corrupt behaviours flourish.

The courage of many Canberra Master Builders in coming forward to give evidence to the Commission has exposed the impact of these behaviours on our industry and the community.

Along with other evidence exposed by the Royal Commission, this has reinforced yet again the vital need for the restoration of the powers of the Australian Building and Construction Commission (ABCC). Master Builders has extensively lobbied the cross-bench senators to break the Senate impasse and pass the Bills to restore the ABCC, but despite attracting the support of some independent Senators they were voted down.

Our resolve to see the Bills passed is in no way diminished and we are hopeful that the those members of the Senate cross bench who did not support the Bills will be persuaded by the Final Report of the Heydon Royal Commission which will be received by the Government by 31 December this year.

In the interim Master Builders enjoyed an important victory with the Senate voting to extend the compulsory powers of Fair Work Building and Construction for another three years to deny the building unions free rein prior to the re-establishment of the ABCC.

The housing boom and the increase in Sydney house prices brought to the fore the increasing problem of housing affordability. Master Builders has strongly advocated to the Federal Government the need for structural reforms to increase the supply of housing to tackle exert downward pressure on prices and for incentive payments to state and territory governments to implement them. Regrettably, some vested interests seized on this issue to push their own barrows, blaming negative gearing and foreign investors for the plight of first new home buyers.

Fortunately, the good news is that the Reserve Bank of Australia and the Department of Treasury agree with Master Builders call for structural reforms as the primary solution to ensure new home ownership remains an achievable dream for both the current next generation.

We have also been extremely active on your behalf in the area of apprenticeships, working closely with Master Builders ACT to develop Towards 2020, A Policy Vision for Apprenticeship Reform that calls for an industry led resetting of building trade qualifications to reflect the changing nature of building technologies and the skills needs of builders and contractors.

As many sub-contractor members of Master Builders ACT will appreciate, a major win for Master Builders Australia was the inclusion in the Federal Budget of accelerated depreciation measures providing small businesses with an immediate \$20,000 tax write-off. This has proved to be very positive for our sub-contractors, allowing them to upgrade their equipment and vehicles.

Finally, while the ABCC and housing affordability were areas of major focus for our efforts, our advocacy was also dedicated to tax reform and workplace safety reforms and resetting policies for economic growth.

In looking forward, Master Builders will be putting your concerns front and centre in the 2016 Federal Election campaign, setting the agenda for our industry for the next term of government.

WILHELM HARNISCH
CEO

EXECUTIVE REPORT



THE PURPOSE OF THE ANNUAL REPORT IS INCREASINGLY TWO-FOLD: IT IS A RETROSPECTIVE ON THE YEAR THAT HAS PAST, BUT IT IS ALSO INCREASINGLY A BIT OF A CRYSTAL BALL, PREDICTING A VIEW TO THE FUTURE.

Irrespective of whether we are looking in the rear view mirror, or the map ahead, this Annual Report is a record of accountability and promise. This year the leadership team has combined to give you a succinct reminder of the year that was and the year that may be in this single consolidated report.

training, and safety, have proved durable in maintaining a focus and discipline in our advocacy for the interests of the building and construction industry in the Territory.

The year was also marked by a major refresh of senior personnel. John Miller was replaced by the new Executive Director, Kirk Coningham, a former Leighton executive with a high profile career in communications and government. Legendary Deputy Executive Jerry Howard made way for an equally capable deputy in Michael Hopkins. Michael came with extensive experience as a town planner and with the Qld MBA. We also enlisted the services of former PwC Director Aaron Froud into the CFO role.

The new team quickly matched the momentum set in policy, driving hard for delivery on a range of clear objectives. MBA ACT opinion is actively sought out by government and opposition leaders and throughout the bureaucracy. The strength of our policy is that it comes directly from industry through our five sector councils: professional, residential, commercial, civil and sub-contractors & suppliers. No other MBA, and likely no other industry organisation, has the benefit of such a diverse and deeply committed membership. Through sector council representation ordinary members gain exceptional access to the most senior politicians and bureaucrats, bringing their first hand understanding of the rights and wrongs of our industry to the attention of the decision makers.

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In many ways FY2014/15 was unique in MBA ACT's stellar 90 year history.

It marked the excellent policy work that was the culmination of former Executive Director John Miller's and the broader membership's drive towards a pro-active policy agenda. The legacy came with five powerful policy papers that unambiguously established our industry's demands and aspirations for the years ahead. The policy papers, including procurement, land and planning, building quality, education and

A great example of the effectiveness of this policy development and advocacy came at a recent MBA President's Lunch during which Chief Minister Andrew Barr announced the formation of the Building Regulatory Advisory Committee. The Committee, a key recommendation of our Building Quality policy, empowers industry to provide advice to the Chief Minister on legislation before it is put into effect. It is also a terrific path to build the trust and understanding between industry and government that is a pre-requisite to delivering the best possible outcomes for our community.

Significant cost is counted in human terms as hard working Canberrans feel the sting of being bullied and coerced into doing things against their will. And the costs pile up when markets are manipulated and prices are fixed at unsustainable levels. This cost is measured in the schools, the hospitals, the roads and bridges that don't get built.

Another example of powerful advocacy came when Planning Minister Mick Gentleman announced a review of the now infamous solar envelope provisions of Variation 306. Making the announcement at the sod turning for our Moncrieff display village, the Minister acknowledged the MBA role, not just in highlighting the problems, but in bringing solutions. Our close interaction with the bureaucracy is also delivering results. A growing sense of trust and cooperation is allowing us to work more effectively as a broader team to deliver a range of sensible outcomes for industry and our community. This has included:

- Delivering an industry led approach to the uptake of adaptable housing design in the Territory. The idea was to emphasise a sensible 'demand driven' approach which keeps costs down and consumers engaged. The voluntary uptake avoided mandatory application of rules in building codes and encouraged builders and designers to offer these important design features on a pragmatic commercial basis. Early indications are that Territorians will see much more of these exciting design features as new homes are built.
- Championing for affordable housing in the Territory through challenging a range of additional costs in red and green tape. The most significant win has been working with the Land Development Agency to accelerate the delivery of land to the market.
- Working with the Mr Fluffy task force to build a healthy emphasis on the up side of the Mr Fluffy emergency. We have worked closely with the task force and the community reference group to help people impacted move from the devastation of losing their homes to the excitement of building anew.
- Leveraging industry expertise to deliver contract terms that deliver better value for the community.

We will continue to urge sensible planning regulations that empower, rather than restrict, our industry and community. This includes ongoing pressure to maximise the advantages to industry and the community from the Mr Fluffy program, including dual occupancy opportunities, and providing an industry counter to NIMBYs who knowingly and actively put their personal issues ahead of the best interests of their community.

Challenging the rich and powerful to deliver a better outcome for the community lay at the heart of the MBA ACT's uniquely courageous approach to addressing bullying and criminal behaviours in Canberra's construction sector. More than 50 of our members gave evidence at the Trade Union Royal Commission into Union Corruption - more than twice as many as from the rest of Australia combined. Indeed, without the courage of individuals here in the Territory, and the support of the MBA ACT, the Royal Commission may have been left unable to shine a harsh light on the corruption that is destroying competition and value in our city.

It is hard to exaggerate the costs to our community of this thuggery and corruption. Significant cost is counted in human terms as hard working Canberrans feel the sting of being bullied and coerced into doing things against their will. And the costs pile up when markets are manipulated and prices are fixed at unsustainable levels. This cost is measured in the schools, the hospitals, the roads and bridges that don't get built. But perhaps the biggest cost to our community comes through the destruction of competition. Many of our members report artificially keeping their businesses small so as not to come on 'the radar' of the union. Other small businesses are run out of town by the union for daring to compete with established 'union friendly' businesses.

The upside is that our industry is now challenging these behaviours. Ours will be a more competitive, better skilled and safer industry because of this. The real winners will be our community.



EXECUTIVE REPORT

Last but certainly not least in advocacy, MBA ACT has driven hard on a campaign for 'local local local'. This is neither protectionist nor anti-competitive. It is designed to insist that Canberra businesses have the same opportunity to compete as interstate or international firms in government construction contracts. The passionate argument is for value over price, where government recognises that taxpayer dollars spent here should stay here, as should the experience gained. The best guarantee of quality comes through employing people who literally stand by their work. Today private sector clients trust

We've much work to do as an industry and an organisation but it is clear to see our future is looking bright. This is rarely more apparent than through our Excellence in Building awards. The quality on display this year was simply outstanding with award winners proving their continued capacity to exceed even the highest expectations of the industry and clients. Canberra's largest black tie event ensures industry celebrates our many successes in style and good cheer.

MBA members support the pursuit of excellence in training as a corps principle, effectively subsidising training to help ensure our industry has a steady flow of people who are not simply well trained, but have a lifelong commitment to quality and a well-earned pride in what they do.

local contractors to build major projects, such as our hotels and Canberra's outstanding airport. It is a shameful fact that our Territory government actively excludes Canberra's construction industry from all larger scale contracts. Canberra's contractors are generally not allowed to even tender for larger government jobs, let alone compete.

This is despite an enviable reputation for quality that has its foundation in our Group Training facility. While other training organisations focus on commercial return, cutting corners on training or even cutting unprofitable training like apprenticeships altogether, our training arm has maintained its' absolute focus on quality. This focus has translated into apprentice retention rates (first year apprentices that complete their training with the MBA) of more than 90%. This impressive statistic is a benchmark other training organisations across Australia can only aspire to.

MBA members support the pursuit of excellence in training as a corps principle, effectively subsidising training to help ensure our industry has a steady flow of people who are not simply well trained, but have a lifelong commitment to quality and a well-earned pride in what they do.

Confidence is coming back into the market, land is being released across the Territory, projects are being designed and built (from our industry leading display village in Moncrieff to our Charity Houses in Deakin), there's more demand for apprentices than we have apprentices to share and we have a real opportunity to banish thuggery and criminal activity from our industry to further enhance safety and return to healthy competition.

This is good news for the Territory. The housing and construction sector is the largest part of the private sector in Canberra. When the pulse of our sector is strong and true it follows that the heart of our community is also in good shape. Last year was a good year – next will be even better.

KIRK CONINGHAM OAM

Executive Director

SENIOR MANAGEMENT TEAM



KIRK CONINGHAM OAM
Executive Director



MICHAEL HOPKINS
Deputy Executive Director



DAVID LEITCH
Director Commercial Operations



JOHN NIKOLIC
Director Industrial Relations



WENDY TENGSTROM
General Manager - Group Training



PHILIP EDWARDS
WHS Safety Advisor



AARON FROUD
Chief Financial Officer

SECTOR COUNCILS

COMMERCIAL SECTOR

2014/2015 has seen a year of change across our industry and association with economic performances in the region at levels well below those over the last decade. The Federal Government push for efficiency dividends across departments caused much of this decline with redundancies and freeze on new recruitment impacting on spending and confidence across the region. This combined with a natural slowing in the commercial office sectors and residential development market has just compounded the effects with a growing number of interstate companies placing further pressure on market share in a declining market.

Local Industry has remained a big issue for our sector over this year and with some persistence through the MBA executives we have been able to get the introduction of a new Local Industry Participation Policy released through the government. This will be overseen by a new cabinet appointment of an Industry Advocate that we understand is likely to be an industry friendly appointment. We are still waiting for the appointment and expect we will work closely with the Industry Advocate in order to bring stability to valuing the Local industry.

On a positive note the 2015/16 year is showing signs for improvement with local capital works spending at record levels supported by some major infrastructure projects supporting an improved confidence in areas of the commercial sector. Major projects such as the North Side, Mr Fluffy and the Urban Renewal programs are major contributors to this spending. We will continue to push government to stay on track with spending projections as this will be the real test for a strong capital works program.

Industrial Relations has been an area of much focus over the year with the Royal Commission underway and some very strong evidence of corruption being exposed. John and Kelly have worked

tirelessly over the year to support the equities and their efforts are hugely appreciated. We as the commercial council members must ensure we take the best opportunities given in getting a balance to IR in our region and make sure we do not return to the past if we are to be sustainable in the modern world.

Safety performance across the industry is an area in which we can all take some positive from as trends for the commercial sector shows signs of improvement. We continue to work closely with regulators in Worksafe, OFSC and Procurement & Capital Works in order to maintain visibility of performances. The new OFSC criteria has been an area in which we at a local level worked closely with the national group to bring about the changes that in the main are an improvement on what was a broken system.

The training and education programs such as the Mr Fluffy and the new asbestos awareness licencing has been an area in which we have pushed to industry in support of new regulations and compliance issues for the major works areas. The release of our OSCM training has been attended well but the program does need some critiquing in order to achieve best practice outcomes for industry and is an area in which our sector can work to deliver real improvements.

The most significant issue for the Commercial Council this year was the departure of our two most valued leaders in the MBA John Miller (CEO) and Jerry Howard (Deputy) both of whom have made significant contributions to our association but more importantly to our council members over the 16 years for Jerry and 8 years for John. They will all be sadly missed but we will stay in contact as we believe their time in the industry is not over.

On a positive note however we have been very fortunate to have recruited some excellent replacements in Kirk

Coningham OAM (CEO) Michael Hopkins (Deputy) and Arran Froud (CFO) who have all made some very impressive contributions over their short term and are proving to take this association to the next level.

PETER NAYLOR
Chair

CIVIL

The 2014/15 period has been an active period for Civil Sector members with significant infrastructure being delivered in support of the LDA's land development programs at Denman Prospect, Greenway, Lawson and Moncrieff. There have also been a number of infrastructure projects for both roads and hydraulics. We have also been encouraged by infrastructure and land development projects occurring in the region surrounding the ACT. The civil sector market however remains competitive with a need for more infrastructure projects in the pipeline to ensure continuity of workload.

The industry dinner in May and the MBA awards in June once again provided an opportunity for the civil sector to showcase a number of projects showing the depth and expertise in the local industry. It was great to see so many Civil sector members attending the dinner and congratulations to all the winners of their categories.

Some key activities that have been undertaken by the Civil Sector during the year:

- Continued input into the development of the ACT Municipal Infrastructure Specification. This in particular has required significant input from a few members for a key document relevant to our whole industry.
- Contribution into a review of AS2124 by Shared Services Procurement.

- Input into industry wide discussions on improving cash flow in the construction supply chain and review of security of payments issues.
- Lobbying of the ACT Government to ensure a good supply of projects suitable for MBA members is available as part of the overall MBA procurement strategy.
- Discussion with Capital Metro to ensure that local participation of the ACT Contractors is encouraged.
- Attendance at industry roundtables and forums to communicate to government the views of the Civil sector members.

As a sector we maintain a high and engaged level of participation from our members which enables us to achieve effective lobbying for our industry and I would like to thank all of the members that have contributed their time. It is important that we continue to advocate for our industry and I encourage all members to get involved by attending meetings and assisting with the many items on our issues register.

ANDY CROMPTON

Chair

PROFESSIONAL SECTOR

“Hans Sommer retired from the industry in July 2014 having served as Chair of the Professional Sector. Hans contributed both professional and personal time in assisting the MBA and its members in the areas of planning and other technical aspects of development. His interaction with other MBA associates and industry will be missed as he moves on to enjoy retirement with his wife Margaret.

The Professional Sector represents a broad range of interests including recruitment, engineering, planning, architecture, legal and project management. A number of guest speakers attended the bi monthly meetings including (Sue – Please insert some of the key speakers in the period) producing some

interesting debates that impact the sector, industry and the Canberra community as a whole.

Some prominent areas in focus for the professional sector in the past 12 months included DV306 which has now been amended to reflect feedback on areas causing poor outcomes for the end user.

In addition housing affordability, Mr Fluffy and construction quality standards were all areas of focus during the year and provided important feedback into the MBA policy papers.

As a sector we continue to invite new guests and members to participate in topics affecting the industry and the Canberra Community.

BRYAN LEEMING

Chair

RESIDENTIAL SECTOR

The 2014/2015 year has been difficult year for many home builders in the residential sector.

The extension and renovations market has been subdued. It has been so since the final six months of the Federal Labor Government. With the newly installed federal liberal government cutting back the public service, extensions and renovations have basically stalled. Now that the cutbacks are over, we believe that some confidence in the ACT economy will boost construction work in the renovations extension sector.

With regards to the new home builder market, many builders will be looking forward to the 2015-2016 market with optimism as land starts to become available in Canberra again. Over the previous year many builders in this segment have been dealing with little to no land, this had forced many local builders across the border where land is both available and planning controls more practical.

The 2014/2015 year has also seen the true impact of Variation 306 come to light. Excessive excavations and large retaining walls can't hide poor town planning policies.

With the recently announced review of this policy, many builders and our clients will be holding their breath for change.

Overall many of us will be looking towards the future year with optimism

MARC ROLAND

Chair

SUBCONTRACTORS & SUPPLIERS SECTOR

What a year! Over the last 12 months we have seen more movement and action in our industry than I can remember. The arrival in Canberra of the Royal Commission into Trade Unions placed our industry and sector in the spotlight. The allegations and the charges laid made headlines around the country. Some of our members put their businesses on the line and risked prosecution but none the less, they decided to give evidence. If the allegations are true and corruption and bribery is subsequently purged from our industry then we will all be indebted to them.

The MBA went through a massive overhaul of its senior management with the departure of John and Jerry. They were a great team and champions of our sector council. I would like to thank them for their dedication and contribution over the years.

It is good to see that the new members of the team hit the ground running while providing a seamless transition. Working with them is a pleasure and their enthusiasm will assist in bringing positive changes to the industry.

I want to thank Annalisa, my deputy, for her support thought the year.

GRACIE FERREIRA

Chair

MEMBERSHIP

MEMBERSHIP

MASTER BUILDERS' MEMBERSHIP BASE CONTINUES TO REMAIN STRONG WITH BROAD REPRESENTATION ACROSS THE FIVE SECTOR COUNCILS: PROFESSIONAL, RESIDENTIAL, COMMERCIAL, CIVIL AND SUB-CONTRACTORS & SUPPLIERS. OUR MEMBERS ARE OUR CORE, AND THE STRONGER OUR MEMBERSHIP BASE, THE LOUDER OUR VOICE.

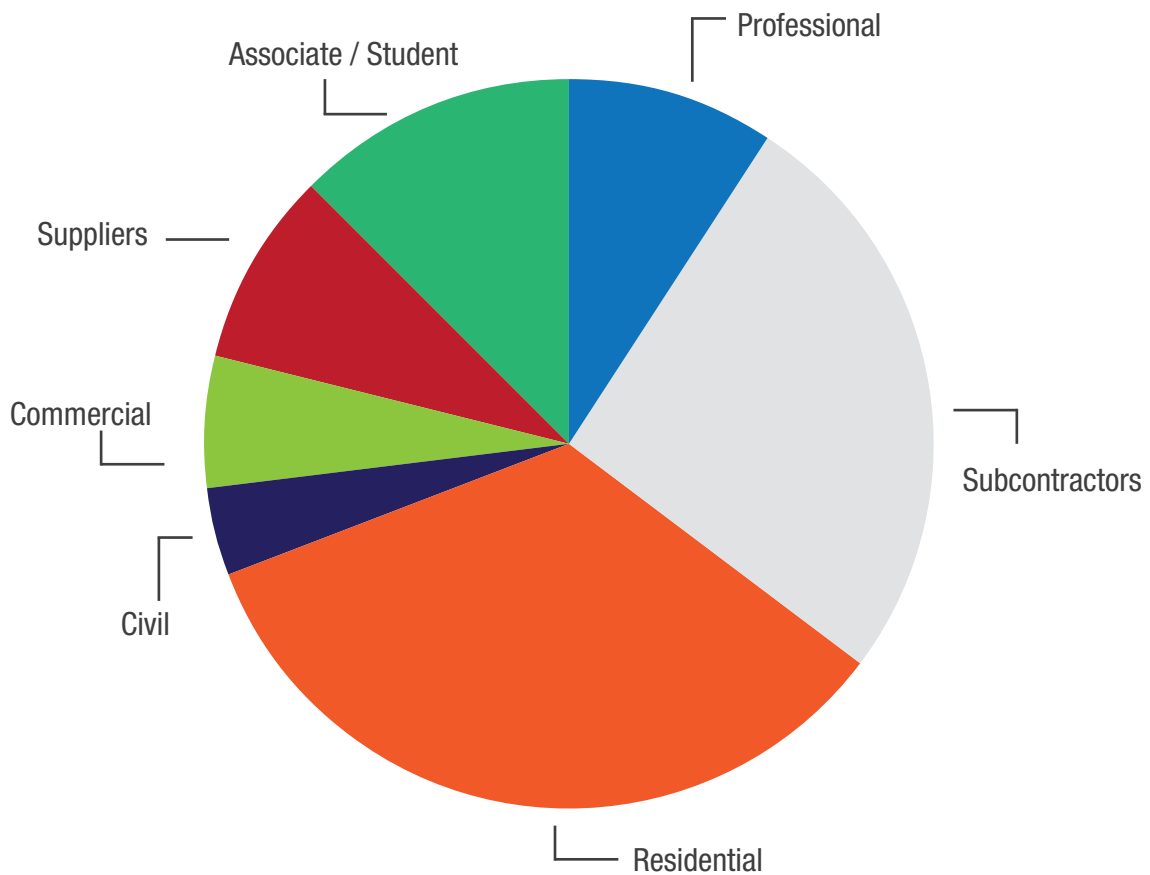
During the financial year, Master Builders dedicated membership team recruited 52 new members. During the same year, we retained an impressive 90% of all members, far exceeding typical industry association retention rates.

As at 30 June 2015 our membership base is 1,180. Our broad reach and influence is unmatched by any other ACT based industry association.

The depth of our membership across the five sectors, matched by the passion involved at all levels, makes the MBA ACT the envy of membership organisations across Australia.

MEMBERSHIP – BY CATEGORY

SECTOR	AS AT 30 JUNE 2015
Professional	111
Subcontractors	308
Residential	398
Civil	48
Commercial	69
Suppliers	101
Associate/Student	145
TOTAL	1180



MEMBERSHIP MILESTONES

55 YEARS

G A ANDERSON & SON PTY LTD

45 YEARS

BORAL CONSTRUCTION MATERIALS

40 YEARS

PROJECT COORDINATION (AUSTRALIA) PTY LTD

ANDERSON HOLDINGS PTY LIMITED

R & A ANDRIOLO PTY LTD

35 YEARS

MARBURG MANAGEMENT PTY LIMITED

HINDMARSH CONSTRUCTIONS AUSTRALIA PTY LTD

30 YEARS

CSR GYPROCK

CSR BRICKS AND ROOFING

VALLEY LANDSCAPES

ELVIN GROUP PTY LTD

25 YEARS

PORRECA CONSTRUCTIONS PTY LTD

CRT BUILDING PRODUCTS

CASHMERE C A & L J

PINTO HOMES PTY LTD

WODEN CONTRACTORS PTY LTD

SUTTON & HORSLEY PTY LTD

JAMES HARDIE AUSTRALIA PTY LTD

ISIS GROUP AUSTRALIA PTY LTD

A MURRAY & SONS (ACT) PTY LIMITED

BAL BUILDING PTY LTD

PBS BUILDING (ACT) PTY LIMITED

MADISON

Homebuyers Inspections

CANBERRA HIRE PTY LTD

W T PARTNERSHIP AUST. PTY LTD

20 YEARS

SCENTRE DESIGN AND CONSTRUCTION

ROCLA PIPELINE PRODUCTS

A J EWER PTY LTD

BORAL BRICKS PTY LTD

NU-SEAL ROOF RESTORATION

DALE & HITCHCOCK

W.R. ENGINEERING PTY LTD

LIGHTING & CERAMIC SUPPLIES PTY LTD

A TO Z HOME IMPROVEMENTS PTY LTD

TEAMCALL PTY LTD

P & K JOINERY PTY LTD

CHARMAN EARTHMOVING & HEAVY HAULAGE P/L

CONDRILL (ACT)

UNIVERSAL TRUSS MANAGEMENT PTY LTD

NARONA HOMES

MMM INTERIORS

STYLEMARK CONSTRUCTION

JIM TAYLOR PLUMBING

COUNTRY STYLE WINDOWS PTY LTD

PAPAS PAINTING CONTRACTORS PTY LTD

CTR PACIFIC PTY LTD



The team from Boral Construction Materials receive their 45 year anniversary membership certificate at the Master Builders and Cbus Excellence in Building Awards.

ROYAL COMMISSION



ROYAL COMMISSION INTO TRADE UNION GOVERNANCE AND CORRUPTION

The financial year was dominated by the Heydon Royal Commission into Trade Union Governance and Corruption. Over more than four weeks of hearings dedicated to the ACT branch of the CFMEU, an unprecedented number of witnesses (more than the rest of Australia put together) gave evidence about an alleged pattern of demands from the union, including union enterprise agreements (which diverted \$1.2 million dollars to the CFMEU in 2013-2014 alone) payment for union memberships (even where employees did not wish to join) 'donations' and even cash payments. Where employers failed to comply with these demands, they were allegedly threatened with exclusion from the construction industry – via site disruption, interference with clients, slander and intimidation.

The evidence that emerged over the Canberra hearings supported Master Builders' September 2014 submission to the Royal Commission, that there is arguably a 'protection racket' being run by the CFMEU within Canberra's commercial construction industry, whereby various 'prices' are extracted for the right to work, free from unlawful interference. The Canberra hearings led to a series of AFP arrests and a series of new investigations being opened by FWBC.

Master Builders views the Royal Commission as a once-in-a-generation opportunity to expose the 'open secret' of widespread union racketeering in the commercial construction industry – something well known within the industry but poorly understood by the public at large.

The Royal Commission also probed how the CFMEU's conduct arguably led to the creation of union-coordinated cartels or market sharing arrangements, whereby union 'approved' contractors tended to win work. There were also allegations that contractors may have fixed charge-out rates at the instigation of the CFMEU, with the union allegedly acting as the enforcer of the fixed price. These allegations led to the creation of an ACCC taskforce to investigate breaches of competitions laws within the ACT's commercial construction industry.

The Canberra hearings reflected a much broader pattern of lawlessness found in the CBDs of most Australian cities. Master Builders views the Royal Commission as a once-in-a-generation opportunity to expose the 'open secret' of widespread union racketeering in the commercial construction industry – something well known within the industry but poorly understood by the public at large. The costs of this lawlessness is significant. Best estimates are that various union rents coupled with decreased competition leads to commercial construction cost inflation of approximately 30% - something all Australians have to pay for. Master Builders is committed to restoring genuine freedom of competition and association to the construction industry, a task of significant cultural change which it will take up in the wake of the Royal Commission.

JOHN NIKOLIĆ

Director Industrial Relations & In-house Legal Counsel

WORK HEALTH & SAFETY



WORK HEALTH & SAFETY

Safety continues to be the single most important factor for the MBA and our industry. Our safety record has seen some significant improvements. We have worked hard to build the essential cooperation required for the delivery of positive safety outcomes, including challenging organisations who use safety as an excuse to leverage commercial and industrial interests.

In conjunction with University of Canberra, a research paper into "Safety observations and conversations skills training" delivered by Master Builders ACT was finalised. The result of the research was supportive of the training.

Based on WHS Management Plans a series of Safety Sheets were published. The purpose of the Safety Sheets was to improve the understanding in, and ownership of, WHS Management Plans. The subject of each Sheet is based on the 'headings' in the plan, with twelve Safety Sheets be developed and distributed.

Work Safety Advisory Group members agreed it was time to move on from the "Getting home safely" report and believes "cultural change" should be concentrated on project time constraints affecting safety, including fitness for work. The Group went into hiatus while the Safety Policy Paper is being developed and will reform after the release of the Policy.

A common theme emerged during site visits to discuss safety management and safety issues with new members and targeted residential members – "a level playing field" (commonly cited is the cost associated with scaffolding when working at heights). Members' request for advice continued to increase, with most request seeking advice on developing WHS Management Plans and SWMS.

The National OHS Committee has met regularly over the year, where the following were actioned:

- review of, and implementation of changes to the FSC Accreditation Scheme;
- ratification of the right of entry policy;
- implementation of the drug and alcohol testing policy;
- update of the AS4801 replacement by ISO standard;
- notification of the Globally Harmonised System of Classification and Labelling of Chemicals (GHS);
- agreement on a national approach to the White Card review;
- endorsement of a revised asbestos policy; and
- research into the use of SWMS in the construction industry.

The Work Safety Council met quarterly. Two subcommittees have been formed (Master Builders ACT has a seat on both). The committees are investigating improving WHS training in taking into account non-English speaking background workers, and subcontractor safety.

Issue arising from the meetings of concern to MBA, and to which submissions made were proposed amendments the Workers Compensation Act 1951 and mandatory training for safety committees.

The Board of MBA Group Training requested the organisation move towards achieving AS 4801 certification. Certification was achieved in January 2015.

WorkSafe ACT launched the Safety Partnership Program. The program seeks to build partnerships between WorkSafe ACT and the local construction industry, and aims to improve the capacity and commitment to safety within the local industry.

M Al-Hasani and Kenoss Contractors Pty Ltd case under the Work Health and Safety Act 2011 decision was handed down. The evidence presented suggested a failure to provide as safe work place and safe systems of work, namely SWMS. There was also evidence presented which suggested irregularities between documents surrendered and activities on-site. Kenoss was found guilty under s32, M Al-Hasani was acquitted, as it was not demonstrated he was an officer of Kenoss.

PHILIP EDWARDS

Work Health and Safety Advisor

MBA GROUP TRAINING



MBA Group Training (MBAGT) continues to serve members, industry and the community through an absolute commitment to quality. This commitment reflects the strongly held view of the MBA membership that training must deliver more than just profits. This philosophy has seen MBA GT resist commercially attractive ‘fast track’ training options that offer qualifications in miraculously short training times. The philosophy has also seen us maintain our fundamental commitment to training and employing the Territory’s best apprentices and trainees as well as providing broader training opportunities for our industry.

We provide a broad range of services to our members by providing flexible and affordable placements for apprentices and trainees employed through MBAGT. We also train apprentices employed directly by our members and other employers through our Registered Training Organisation (RTO) as well as delivering a diverse range of general training to meet industry requirements.

The past year has again been a challenging time for our organisation due to the general downturn in building activity, especially in the commercial sector. This has required us to readjust some of our strategies to meet these challenges and has put considerable strain on our financial resources. However, we remain focused on continuing to develop and grow our organisation through prudent management of day to day

operations and the ongoing implementation of the strategic plan. Recently the MBAGT Board along with the MBA Board ratified a new business plan developed by the new Executive Team which sets a pathway to meeting the strategic direction set by the Boards. The Business plan aligns with our policy to continue to deliver quality training while remaining financially viable in a highly competitive market.

Although federal and state funding has declined in real terms over many years now, MBAGT are very grateful for the ongoing support and commitment of the Training Fund Authority. They have increased funding of apprenticeship again this year which has allowed us to continue to absorb some of the high cost of employing apprentices without passing all of these costs onto our hosts.

There has been considerable debate in recent times around apprentice retention rates. Regrettably, across all States and industries of Australia, less than 50% of all new apprentices complete the full term of their apprenticeship. There are many reasons (and myths) as to why this occurs. However, despite this trend, MBAGT are very proud of our retention rates which are well above the 90% mark. Although we acknowledge there are a number of factors which contribute to this remarkable variance to the national average, we believe there is a lot to celebrate in the way MBAGT delivers its services which undoubtedly has led to this outcome. That’s why we continue to engage with Government, both locally and nationally, to highlight our model of employing and training apprentices as we believe that there is a lot we can pass onto others on what works and what doesn’t work in training and employment for apprentices and trainees.

This financial year, the Group Training Organisation (GTO) employed 101 full time and part time apprentices and the Registered Training Organisation (RTO) trained 164 full time and part time apprentices.

Programs	2015	2014	2015	2014
	RTO	RTO	GTO	GTO
Full Time Apprentices	112	102	50	63
Part Time School Based Apprentices	52	67	51	60
Total Learner numbers	164	169	101	123

Balancing our charter to provide both quality training as well as meeting the demand for our services to the wider industry requires considerable planning by the management team. Forecasting future demand for our services and balancing this with our annual intake of new apprentices is always difficult

due to the competing demands of satisfying our Member's needs, while ensuring that we do not have our apprentices out of full time placement. From this year, the MBAGT will commit to engaging a minimum of 25 new apprentices each year to ensure a continuity of services throughout the peaks and troughs of demand for our services.

One of the more challenging aspects of running our organization is minimising the non-recoverable hours of our apprentices. Unrecoverable hours are a combination of inclement weather days when apprentices cannot work outside or due to the period between being stood down by a Host to the time they are redeployed to a new Host. This year, the total of unrecoverable hours was 2292 compared to 5439 hours in 2013/14 and 6179 in 2012/13.

The safety of our Staff, Apprentices and Trainees is paramount. This is supported by our OHS policy and operational plan which continues to mature in line with the Work Health and Safety ACT. This year we have met our goal to have our OH&S systems meet the requirements of AS4801. MBAGT is the only Group Training Organisation in the ACT to hold AS4801 accreditation. The general wellbeing of our Apprentices and Trainees is also equally important to us. Our partnership with Ozhelp provides advice and counselling for our people on a range of issues which are particularly pertinent to young people. This service continues to be supported by a mentoring program.

Again our Apprentices and Trainees have excelled in achieving recognition for excellence in their chosen fields. In the most recent National Worldskills competition held in 2014 we achieved 11th place in the Carpentry Trade division.

Our school based programs such as the School Based Traineeship Scheme continues to provide a learning path for students and an opportunity for them to use this training to secure an apprenticeship at the end of their schooling. This has the added benefit of providing these students with a number of skills and competencies prior to officially starting as an apprentice. This makes them very valuable to our host clients and employers from the first day they start on site. This year, almost all graduating MBAGT School Based Trainees were employed or continued training in the Building Industry. We are also excited about some new initiatives planned for the School Based Program due to be rolled out in 2016. These include enhancing the MBA brand and raising awareness with parents and students of the benefits of vocational training, particularly in the building industry.

Other programs such as the Kids Assist program continue to generate enormous interest. It is generally recognised in the training arena that this program is effective in assisting students make more considered decisions regarding their options for future education and training. Again MBAGT are grateful for the support of PBS Building for their continuing support of this program.

We continue to develop training initiatives to suit the demand from our members and through changes in legislation and industry standards. MBAGT has responded to the significant demand in asbestos awareness due to the new mandatory requirements for this training. This year MBAGT has issued 6578 statements of attainment through our short course program which is up from last year's figure of 2155. However, with demand starting to wane for asbestos training, we will be looking for other training courses to supplement our income.

Quality of training remains a focus for MGT. We believe this sets us apart from some of the other training providers here in the ACT. Some RTO's are offering "quicky" Certificate IV courses for those wanting easy access to applying for a builder's license. Master Builders through MBAGT want to see our industry engage in the appropriate quality of training required to be a professional builder here in the ACT and not look for a shortcut which will at some stage negatively impact on our industry. We continue to lobby the Federal and ACT Government to ensure quality training is a prerequisite for obtaining a builders license here in the ACT.

Our partnership with the University of Canberra continues to strengthen by providing training pathways for industry participants. This initiative has opened opportunities for our trainees to further enhance their careers through a "seamless" transition from entry level Certificate II through to Degree and Post Graduate qualifications. MBAGT now deliver a number of the short course training for the degree course at our Fyshwick Training Centre.

MGT's ongoing success can be attributed to a number of individual people and groups who all contribute to our operation. I would like to acknowledge the hard work and dedication of the Executive and Staff of MGT, our members and host employers who provide the demand for our services and my fellow Board members who all give back to our industry by providing stewardship to the organization.

ROD MITTON
Chair

2015 EXCELLENCE IN BUILDING AWARDS

Friday 26 June, National Convention Centre, Canberra. Celebrating 25 years.

The 25th Master Builders & Cbus Excellence in Building Awards celebrated the incredible work completed in the past 12 months by our Commercial and Residential Builders, Civil Contractors, Professional Consultants and Subcontractors across the ACT and surrounding regions. The high calibre of this year's awards was seen through both the winners at the gala event and also through the record number of judges' commendations.

The pursuit of excellence is an enormous benefit for everyone in the construction industry. Builders, for very good reason, take great pride in the quality they deliver, particularly when that quality is recognised and rewarded by their peers. Clients benefit, not just through the quality delivered but through the ongoing association with excellence. And our community benefits through the increasing certainty that, for real value, we need look no further than our own home-grown building and construction industry.

The National Convention Centre was transformed into a magical winter wonderland with giant snowflakes hung from the ceiling and white trees covered in snow and jewels sparkling around the room.

THE MAJOR AWARD WINNERS WERE;

- **PROJECT OF THE YEAR**
Construction Control - Snow Centre for Education in the 21st Century, Canberra Grammar School
- **HOUSE OF THE YEAR**
Select Structure - Michellago
- **EMERGING RESIDENTIAL BUILDER OF THE YEAR**
Mitch McShane - MLK Building Group
- **SUBCONTRACTOR OF THE YEAR**
Eclipse Building Solutions
- **YOUTH PARTICIPATION & TRAINING**
Brenton Wells - Future Building Group
- **SUPPLIER OF THE YEAR**
Boral Construction Materials
- **PROFESSIONAL OF THE YEAR**
Terry Ring - Architects Ring and Associates

The evening was hosted by talented comedian, lawyer and artist Anh Do. The 1,410 guests were treated to a night of fine food, as well as entertainment by legendary Australian rocker Daryl Braithwaite.

As the National Awards approach, 27 of Canberra's finalists will represent the industry and we have our fingers crossed all those competing.



Top: Select Structure, Winners of the 2015 House of the Year.

Above: Construction Control, Winners of the 2015 Project of the Year accepting the award on the night. The Snow Centre for Education in the 21st Century, Canberra Grammar School won the prestigious Project of the Year award.

2015 MBA GROUP TRAINING AWARDS

MBA GROUP TRAINING APPRENTICE & CADET AWARDS

The Apprentice and Cadet Awards recognise and celebrate the outstanding achievements of the Master Builders Apprentices and Cadets during 2013. Awards were presented to Apprentices from the Carpentry, Bricklaying, Plumbing, Civil and Plastering trades. Our top Cadets, Trainees and Australian School Based Apprentices also received awards for their achievements.



2015 APPRENTICE & CADET AWARD WINNERS	
Outstanding Apprentice	Murray Armour
Outstanding Building Cadet	Alahna Lewis
Outstanding UC Student	Alexander Young
Carpentry Stage IA	Rowan Hennessy
Carpentry Stage IB	Adam Hart
Carpentry Stage IIA	Paul Barne
Carpentry Stage IIB	Bryce Darmody
Carpentry Stage IIIA	Liam Collins
Carpentry Stage IIIB	Murray Armour
ASBA	Geoffrey Cox
Plumber Meritorious	Harry Granger
Plumber Meritorious	Jonothan Granger
Plumbing Outstanding	Jordan Lamb



Justifiably proud: 2015 Apprentice of the Year Murray Armour receives his award.

2015 EVENTS

ANNUAL DINNER

The 2014 Master Builders Association of the ACT Annual Dinner was held at the National Museum of Australia.



Comedian Cal Wilson kept the guests entertained with her comedy throughout the night, whilst John MacKay AM shared his experiences in the building industry to an enthralled audience.

Member Milestones, Life Membership, the Build the Community Award and a very educational speech by John MacKay AM were all part of another fantastic Annual Dinner in October 2014. Comedian Cal Wilson was in fine form keeping the audience entertained throughout the evening. The Annual Dinner is the Master Builders' premier networking event, where industry comes together for a social and networking evening. This function provides an annual forum for the industry to take stock of its performance over the past 12 months and to consider the outlook for the coming year.

Build the Community Award

The *Build the Community Award* was also presented during the evening. This award is given to a business or person whose achievements have contributed to the community. This year's award went to a number of organisations and individuals who have helped build the Boundless Canberra - The All Abilities Playground.



Hans Sommer – Life Membership

An institution of Canberra's building and construction industry was awarded Life Membership of Master Builders ACT at the Annual Dinner. Hans Sommer has provided over 20 years of long and distinguished service to the industry and Master Builders, his leadership of the Master Builders Work Health and Safety Advisory Group is an outstanding service to both Master Builders and the industry. His advocacy and promotion of improved safety on construction sites demands recognition.

Master Builders has benefited enormously from his long period of service on the Association's peak councils where the depth of his knowledge and expertise were invaluable and his wise counsel were often sought.

CHARITY GOLF DAY

Monday 17 November saw the Master Builders Association of the ACT hold its annual charity golf day at Federal Golf Club in Red Hill. Treated to beautiful weather, around 170 players took to the course to help raise funds for the Apprentice House. Several individual prizes were on offer such as nearest the pin and longest drive, as well as team trophies for best score.

Following the golf there was a three course dinner followed an hilarious speech from guest speaker, former Australian Test cricketer Rodney Hogg. Rodney had the crowd in stitches with his recollection of past tours, teammates and of course his (almost) unbeatable record of 41 wickets at 12.85 during the 78/79 summer. The auction on the night was well supported by the members, and by digging deep, the Apprentice House is in a fantastic position to assist four young apprentices in their housing needs whilst working for their qualification.



PRESIDENT'S LUNCHEONS

President's Luncheons are one of the Master Builders ACT key activities on the event calendar. The luncheons are hosted by the President of the Master Builders, Valdis Luks, and include a presentation from a prominent Guest of Honour. The Guests of Honour include leading politicians and executive officers of Federal and ACT government departments.

The Luncheons provide an intimate forum for twenty guests to discuss topical industry issues. They are a superb way for Members to network with key industry stakeholders and to keep up to date with current activities within the ACT's building and construction industry.



Above: President Valdis Luks with Chief Minister of the ACT Andrew Barr, and Village Building Co's Bob Winnel AM.

CCF EARTH AWARDS

This year saw a record number of entries with 17 different projects across four categories. The CCF Earth Awards are the most prestigious awards in civil infrastructure recognising excellence in construction and design for projects including roads, bridges, railways, marine structures and utilities that are the economic arteries that link the Canberra community.

For the ACT branch of the CCF the night was marked by true innovation. The judges agreed that the calibre of entries this year was amongst the best on record, it was an exciting night with industry leaders sharing ideas and celebrating success across the categories and disciplines. The awards are a showcase of excellence in the local industry.

The 2015 winners were;

Category 1 Projects up to \$2 million: **Huon Contactors**

Category 2 Projects \$2 million - \$10 million: **Hawkins Civil & SRG**

Category 3 Projects \$10 million - \$30 million: **Canberra Contractors**

Category 4 Projects \$30 million - \$75 million: **Guideline ACT**





FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2015



For the fully audited Financial Statement to 30 June 2015,
please go to www.mba.org.au/about-mba/legal-compliance

STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		PARENT	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue	4(a)	8,189,307	8,136,163	3,526,790	3,797,538
Other income	4(b)	136,969	180,874	70,602	41,921
Finance income		112,727	126,966	58,619	63,209
Total revenue		8,439,003	8,444,003	3,656,011	3,902,668
Employee benefits expense - office holders		-	-	-	-
Employee benefits expense - other		(5,199,910)	(5,301,402)	(1,850,445)	(1,668,066)
Depreciation expense		(380,353)	(323,619)	(315,534)	(270,466)
Amortisation expense		(14,076)	(9,178)	(14,076)	(9,178)
Rent expense		(38,694)	(35,782)	(38,694)	(35,782)
Meetings and seminars - other expenses		(18,032)	(14,609)	(18,032)	(14,609)
Printing, postage and stationary expense		(207,748)	(188,009)	(115,028)	(146,748)
Subscriptions - affiliation fee to MBA Australia		(171,960)	(160,165)	(151,777)	(144,966)
Consultant expense		(774,536)	(827,296)	(314,508)	(443,404)
Motor vehicle expense		(69,720)	(75,641)	(42,841)	(43,721)
Grants or donations	5(b)	(8,500)	(7,775)	(8,500)	(7,775)
Building awards expense		(395,444)	(296,984)	(395,444)	(301,811)
Worker's compensation expense		(192,482)	(138,643)	(10,987)	(9,279)
Insurance expense		(64,972)	(70,783)	(40,186)	(39,161)
Skills Centre expenses		(15,978)	(9,285)	(15,978)	(9,285)
Doubtful debts (income)/expense		(31,431)	12,826	-	-
(Loss)/gain on disposal of fixed assets		(4,336)	(30,853)	4,836	(30,853)
Other expenses		(1,039,205)	(805,863)	(585,040)	(444,957)
Capitation fees		-	-	-	-
Legal costs		-	-	-	-
Penalties - via RO Act or RO Regulations		-	-	-	-
Fees/allowances - meeting and conferences		-	-	-	-
Compulsory levies		-	-	-	-
(Loss)/surplus for the year		(188,374)	160,942	(256,223)	282,607
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Revaluation of land and buildings		574,108	-	574,108	-
Total comprehensive income for the year		385,734	160,942	317,885	282,607

STATEMENT OF FINANCIAL POSITION

FOR YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		PARENT	
		2015	2014	2015	2014
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash	6	3,025,000	3,284,866	2,253,020	2,422,207
Trade and other receivables	7	825,598	926,979	262,883	339,736
Inventories		2,837	2,214	2,837	2,214
Prepayments		101,106	148,550	38,489	30,895
Financial assets	8	1,959,921	1,898,445	777,089	754,454
Total current assets		5,914,462	6,261,054	3,334,318	3,549,506
Non-current assets					
Property, plant and equipment	9	8,913,565	8,453,820	8,675,751	8,268,817
Intangible assets	11	63,530	34,374	63,530	34,374
Total non-current assets		8,977,095	8,488,194	8,739,281	8,303,191
Total assets		14,891,557	14,749,248	12,073,599	11,852,697
LIABILITIES AND EQUITIES					
Current liabilities					
Trade and other payables	12	635,806	673,825	314,967	333,397
Employee benefit liabilities	13	354,833	462,493	118,564	208,166
Other liabilities	14	529,519	551,067	529,519	551,067
Unearned income		155,543	237,813	145,274	116,523
Total current liabilities		1,675,701	1,925,198	1,108,324	1,209,153
Non-current liabilities					
Employee benefit liabilities	13	15,158	9,086	10,593	6,747
Total non-current liabilities		15,158	9,086	10,593	6,747
Total liabilities		1,690,859	1,934,284	1,118,917	1,215,900
EQUITY					
Retained earnings		12,475,409	12,632,482	10,229,393	10,485,616
Asset revaluation reserve	18	725,289	182,482	725,289	151,181
TOTAL EQUITY		13,200,698	12,814,964	10,954,682	10,636,797
TOTAL EQUITY AND LIABILITIES		14,891,557	14,749,248	12,073,599	11,852,697

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2015

	<i>Retained earnings</i>	<i>Asset revaluation reserve (Note 18)</i>	<i>Total</i>
	\$	\$	\$
<i>CONSOLIDATED</i>			
At 1 July 2013	12,471,540	182,482	12,654,022
Surplus for the year	160,942	-	160,942
Other comprehensive income	-	-	-
Total comprehensive income for the year	160,942	-	160,942
At 30 June 2014	12,632,482	182,482	12,814,964

	<i>Retained earnings</i>	<i>Asset revaluation reserve (Note 18)</i>	<i>Total</i>
	\$	\$	\$
At 1 July 2014	12,632,482	182,482	12,814,964
Loss for the year	(188,374)	-	(188,374)
Other comprehensive income	-	574,108	574,108
Total comprehensive (loss)/income for the year	(188,374)	574,108	385,734
Transfer of reserve to retained earnings on assets derecognised	31,301	(31,301)	-
At 30 June 2015	12,475,409	725,289	13,200,698

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2015

	<i>Retained earnings</i>	<i>Asset revaluation reserve (Note 18)</i>	<i>Total</i>
	\$	\$	\$
<i>PARENT</i>			
At 1 July 2013	10,203,009	151,181	10,354,190
Surplus for the year	282,607	-	282,607
Other comprehensive income	-	-	-
Total comprehensive income for the year	282,607	-	282,607
At 30 June 2014	10,485,616	151,181	10,636,797

	<i>Retained earnings</i>	<i>Asset revaluation reserve (Note 18)</i>	<i>Total</i>
	\$	\$	\$
At 1 July 2014	10,485,616	151,181	10,636,797
Loss for the year	(256,223)	-	(256,223)
Other comprehensive income	-	574,108	574,108
Total comprehensive (loss)/income for the year	(256,223)	574,108	317,885
At 30 June 2015	10,229,393	725,289	10,954,682

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		PARENT	
		2015	2014	2015	2014
		\$	\$	\$	\$
Operating activities					
Receipts from ordinary activities		9,255,659	9,349,699	4,059,792	4,240,272
Net interest received		149,122	126,966	58,619	63,209
Payments to employees and suppliers		(8,871,365)	(8,392,401)	(3,879,315)	(3,386,654)
GST remitted		(418,248)	(513,004)	(198,892)	(201,243)
Net cash flows from operating activities	19	115,168	571,260	40,204	715,584
Investing activities					
Proceeds from sale of property, plant and equipment		95,384	30,000	76,293	30,000
Purchase for property, plant and equipment		(365,710)	(334,091)	(219,817)	(308,673)
Purchase of intangible assets		(43,232)	(7,644)	(43,232)	(7,644)
Investment in term deposits		(61,476)	(72,570)	(22,635)	(30,655)
Net cash flows used in investing activities		(375,034)	(384,305)	(209,391)	(316,972)
Net (decrease)/increase in cash and cash equivalents		(259,866)	186,955	(169,187)	398,612
Cash and cash equivalents at 1 July		3,284,866	3,097,911	2,422,207	2,023,595
Cash and cash equivalents at 30 June	6	3,025,000	3,284,866	2,253,020	2,422,207

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AND FINANCIAL POSITION

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