



MASTER BUILDERS
AUSTRALIAN CAPITAL TERRITORY

ANNUAL REPORT 2013-2014

AND FINANCIAL STATEMENTS 2013-2014

RESIDENTIAL
SUBCONTRACTORS
SUPPLIERS
PROFESSIONAL
COMMERCIAL
CIVIL

In the past financial year the following entities reached significant membership milestones of twenty years membership or more.

MEMBERSHIP MILESTONES

55 YEARS

MODERN PLASTER PTY LTD

35 YEARS

CERCOL CONSTRUCTION SERVICES PTY LTD

30 YEARS

NEWHAM'S HARDWARE

ONESTEEL REINFORCING PTY LTD

25 YEARS

CHAPMAN CONSTRUCTIONS CANBERRA PTY LTD

ST GEORGE BANK

HOMELINE BUILDING & DESIGN

RIDER LEVETT BUCKNALL PTY LTD

MANTEENA PTY LTD

THE VILLAGE BUILDING CO. LIMITED

PREMIER HOMES (ACT) PTY LTD

MOTT MACDONALD AUSTRALIA

ROBINSON BUILDING GROUP PTY LTD

WILDE & WOOLLARD PTY LTD

DSB LANDSCAPE ARCHITECTS

WALPETT ENGINEERING PTY LTD

20 YEARS

SAMARKOS EARTHMOVING PTY LTD

DESIGNCRAFT FURNITURE PTY LTD

STEPHEN HIVES BUILDING

T T ARCHITECTURE (ACT) PTY LTD

TREND WINDOWS & DOORS PTY LIMITED

STRAMIT INDUSTRIES

SCHIAVELLO (ACT) PTY LTD

RIVOLAND TILES

CAPITAL LANDSCAPE SUPPLIES PTY LTD

A M & D M ROOFING CONTRACTORS

MAGRO CONSTRUCTION

DOMA CONSTRUCTIONS PTY LTD

ADVANCE DETAIL JOINERY PTY LTD

NOUVELLE HOMES

CONTENTS

4	PRESIDENTS, EXECUTIVE DIRECTORS, LIFE MEMBERS & HONORARY MEMBERS
5	EXECUTIVE AND COUNCIL MEMBERS
6	INDUSTRY REPRESENTATION
7	PRESIDENT'S REPORT
8	EXECUTIVE DIRECTOR'S REPORT
10	TREASURER'S REPORT
12	MASTER BUILDERS AUSTRALIA REPORT
13	SECTOR COUNCIL REPORTS
16	DIRECTOR INDUSTRIAL RELATION'S REPORT / WHS ADVISOR'S REPORT
17	MASTER BUILDERS FIDELITY FUND & SKILLS CENTRE BUILDING FUND REPORT
18	MBA GROUP TRAINING REPORT
20	2014 MASTER BUILDERS & CBUS EXCELLENCE IN BUILDING AWARDS
21	THE MASTER BUILDERS THAT BUILT CANBERRA PUBLICATION
22	EVENTS
24	2013 - 2014 FINANCIAL REPORT

ANNUAL REPORT 2013-2014

AND FINANCIAL STATEMENTS

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
1991 - 1993	K J Bromfield
1993 - 1998	J A Haskins
1998 - 1999	T J Rodgers
1999 - 1999	J A Haskins
1999 - 2001	S J Pinter

2001 - 2012	R D Barrett
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
2002	J H Hailey
2007	R D Barrett

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
1989 - 1990	G Williams
1990 - 1998	B D Bryant
1998 - 2007	D P Dawes
2007 -	J R Miller

EXECUTIVE COUNCIL

EXECUTIVE COUNCIL

- Valdis Luks – President
- Frank Porreca – Treasurer, Chairperson Residential Sector Council
- Marc Roland – Alternate Chairperson Residential Sector Council
- 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
- Graciete Ferreira – Chairperson Subcontractors & Suppliers Sector Council
- Annalisa O'Sullivan – Alternate Chairperson Subcontractors & Suppliers Sector Council
- Hans Sommer – Chairperson Professional Sector Council
- Gareth Powell – Alternate Chairperson Professional Sector Council

OTHER COUNCILLORS

- Mark Bauer – Council Member, Commercial Sector
- Sam DeLorenzo – Council Member, Commercial Sector
- Michael Ensor – Council Member, Commercial Sector
- Gavin Murphy – Council Member, Commercial Sector
- Stephen Wise – Council Member, Commercial Sector & Professional Sector
- Ross Burke – Council Member, Subcontractors and Suppliers Sector
- Anthony Mattar – Council Member, Subcontractors and Suppliers Sector
- Peter Middleton - Council Member, Civil Sector
- Jason Burgess - Council Member, Civil Sector
- Justin Devantier - Council Member, Civil Sector
- Paul Macor - Council Member, Civil Sector
- Nick Zardo - Council Member, Civil Sector
- Richard Corver - Council Member, Residential Sector
- Stuart Archer - Council Member, Residential Sector
- John Kenworthy - Council Member, Residential Sector
- Stephen Morrissey - Council Member, Residential Sector
- Bryan Ahern - Council Member, Professional Sector
- Alisa Taylor - Council Member, Professional Sector

INDUSTRY REPRESENTATION

ACT

ACT Heritage Council
ACT Work Safety Council
ACT Construction Safety Advisory Committee
Civil Construction Safety Issues Advisory Committee
Building Quality Reform Reference Group
Asbestos Community Expert Reference Group
Asbestos Technical Reference Group
Asbestos Response Taskforce
Apprentice House Association
Boundless Committee
Default Insurance Fund Committee
SSP Call Tender Schedule Advisory Group
Building Regulations Advisory Group
Industry Monitoring Group (Planning)
Planning & Development Codes
Sustainability Initiatives Progress Group
Canberra Builders Supply Merchants Association
Construction & Property Services (Construction qualifications)
Construction Industry Safety Handbook Consultative Committee
Construction Industry Forum on Best Practice Water Use
Construction Industry Long Service Leave Authority
Construction Industry Training Council
EDD Commercial Advisory Committee
EDD Residential Advisory Committee
High Risk Licensing Work
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 Council Consultative Committee
Canberra Business Council 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 Occupations Licensing - ACT Group
National Residential Builders Council
National Training Advisory Committee
Housing Officers Forum
OH&S Council

CCF GROUP

CCF CEO Committee
CCF National Board

PRESIDENT'S REPORT



Now that I've had the opportunity to be in the President's role for six months and gained a closer understanding of our organisation, I believe we are in a unique position to lobby and advocate for our members and address any issues within our local industry.

There are a number of reasons that put us in this valuable position.

- We are the only Master Builders Association in Australia that represents five different sector councils, and in turn their members:
- Residential Builder Members
- Civil Contractor Members
- Commercial Builder Members
- Subcontractor & Supplier Members and
- Professional Members

In turn these councils cover the whole of our industry and its interests.

- We have some 1200 members operating businesses that employ thousands of Canberrans within the building & construction industry which is approximately 30% of an industry that is responsible for 8 to 10% of Canberra's GDP.
- We have regular access to the ACT Government and its agencies.
- Being in the national capital we have access to the Federal Government and its agencies.
- We have close associations with a number of other industry organisations within this region.
- Being a small jurisdiction we are able to work together on a regular basis with Government and other industry associations
- We have a respected position with Government and industry that has been built up over a period of time.

What we need to continue to make sure is that we utilise this position to represent the needs of our members and lobby strongly on issues of concern across these five sectors.

After working with the senior staff and Executive Committee of the Association closely over the past six months I have seen the dedication and commitment required to represent our members effectively.

Heading into the future it will be important we continue to listen to the concerns of our members and take on board their needs.

Another theme I'd like to continue from my last President's message is that of commitment to this local region.

As local taxpayers we need to be assured that the money we are spending on infrastructure projects within this region stays here to support local workers, their families and in turn their schools, sporting clubs, local shops, charities and the like.

We need to make sure companies, whether they are builders, subcontractors, design consultants, material suppliers, other industry professionals or investors have a long term commitment to this region and its families.

With a number of large infrastructure projects being committed to in the near future we need to ensure "long term commitment to this region" is part of any tender criteria. With the planning for some of these projects well advanced we need to be working with Government and its agencies to protect the future of this region.

Some of the projects that are planned for the next five to ten years are:

- Capital Metro – Light Rail
- University of Canberra Public Hospital
- ACT Supreme Court
- ACT Government Offices
- New Convention Centre
- City to the Lake
- The Canberra Hospital – Buildings 2 and 3
- Northbourne Ave – Flemington Rd Corridors – Future Growth

Because of the size of these projects there is now, and will be in the future, considerable interest from parties outside of this region.

These parties need to know that working in this region also means having a long term commitment to its workers and their families.

How we set this up in the near future will determine how much "bang for our buck" we really get over the next five to ten years and how much of our investment dollar stays here to support the locals.

This needs to be a whole of industry approach where the various associations work with each other and Government to reinforce the importance of supporting our region.

I'm pleased to say the Association has been working closely with the ACT Government and some of its agencies over the past six to nine months in these areas. We now need to continue this to ensure what is setup benefits each and every one of our members, their staff and in turn their families.

VALDIS LUKS
President

EXECUTIVE DIRECTOR'S REPORT



Annual reports are essentially a retrospective of a year that we have left behind. It is important to acknowledge that past activity as much of it occurs with an eye on the future. Before getting to the past however, I am quickly focussing on a theme I believe is vital for all of us to embrace – thinking more positively about the future. Consumed by a 24/7 news cycle smouldering on the wreckage of much that's wrong in the world, the modern heresy is not to think and speak positively enough about the future and the opportunity it brings.

Canberra and the region remains in a very strong position with infrastructure capacity to deal with population rate growth that has for a number of years exceeded national rates along with continued high levels of employment and income. The addition of a myriad of high-end projects such as City to Lake, new law courts, University of Canberra Northside Hospital and other campus works, convention facilities, a city stadium and light rail will bring other opportunities.

The debate over timing and staging of projects is needed but a worse case would be to have no aspiration or plans at all. The challenge in the year ahead is to find a way forward to bring reality to the aspiration for the delivery of both private and public infrastructure that will take full advantage of our strengths. It's certainly not all bad news but the realistic and

timely delivery of projects can't happen in a void of confidence and in the absence of a positive mindset.

One of our responses in the past year in dealing with the future has been the development of a series of policy papers to move to a more proactive stance in seeing the city and region develop. The executive committee took the decision late last year to articulate our position on five key strategic issues affecting the local industry. Papers have either been released or are being developed on the following subjects:

- **PROCUREMENT**
- **LAND AND PLANNING**
- **BUILDING QUALITY**
- **SAFETY**
- **EDUCATION AND TRAINING**

With the next ACT election now just on two years away (October 2016), it is vital that the issues most affecting our membership and the broader industry are made clear to all aspirants to the next Assembly. Of course, we now know that the next ACT Assembly will consist of 25 members and that in itself will mean greater effort in promoting the exact contribution of this industry to the local economy. With direct employment exceeding 12,000 people locally, billions of dollars in investment, the reliance of the local economy on building and construction it should be an easier sell.

One area that the industry is still waiting for more stability is Industrial Relations. It will be some time before any outcomes are known from the Heydon Royal Commission into Trade Union Governance and Corruption. At the time of writing the reinstatement of the Australian Building and Construction Commission is not confirmed and nor is the implementation of a new national code. Needless to say, the industry has been exposed to a further year of uncertainty in dealing with aggressive behaviour by unions. This behaviour is once again subject to Royal Commission investigation.

The local industry has been confronted by a number of major challenges over the past 12 months. The issues have been wide and varied and impact sometimes differently on various sectors. In the public domain it is without question that asbestos has dominated as an issue. The industry has been subject to mandatory asbestos awareness training and with the fate of more than 1,000 Mr. Fluffy homes in the ACT currently unknown, a potential clean up twice the size of the 2003 bushfires is waiting. This will have implications for parts of the industry. Staying in the public space, the matter of building

quality and the practices of some builders in dealings with the public have unfortunately hurt the industry's reputation. Our calls have been for stronger action by regulators to deal with those damaging the brand of many good operators.

Land supply particularly for stand-alone residential development has been severely curtailed over the past couple of years. The Land Development Agency has been racing the clock to get the ACT back into the game and whilst some of the catch up is nearby, the bigger issue is the exclusion more recently of the private sector from land development. If there is ever a time when competition is needed to combat a growing crisis in affordability it is right now. Monopoly providers are regulated out of just about every other area of society and forced to deal with competition. This needs to be recognized and changed sooner rather than later.

The cost of doing business continues to haunt the local building and construction industry. Excessive rises in fees and charges have dogged industry and further reduce the shrinking pool of investors and potential home owners in the Territory. Some concessions were made over the past year around Lease Variation Charges and commence and complete charges although the industry needs much more to ensure viability of projects.

The aspirational capital works program of the ACT Government was noted in my opening. Large parts of the industry are very hopeful of some of those projects coming to life soon. That being the case, one area of concentration over the past year has been the embedding of local content into ACT Government procurement. It is most important that in the current very tight economic climate that everything is done to keep as much money and employment within the local community. This can only be done by giving local businesses every opportunity to compete for work. It is a message that I believe is resonating within the ACT Government and a lot of our effort will remain in this space over the coming year.

We now look to the next stages of action around safety. I have no doubt that the level of consciousness by industry on matters relating to safety have risen substantially over the past few years in response to Getting Home Safely. In partnership with WorkSafe ACT and other interested stakeholders, we are moving forward to work with members and the broader industry to see this jurisdiction recognized as a leader in innovation and performance on safety. This is not an insubstantial challenge but it is and will be a very rewarding one.

Training is a large part of the work of Master Builders ACT and MBA Group Training. There is a substantial amount of change

in the offing as the Federal Government looks to put its own stamp on how industry trains and provides the workforce to deal with tomorrow's needs including infrastructure. We have been heavily involved at a national level particularly around the future of apprenticeship training. We need to recognize the impacts of technology on industry and how this relates to training. Very little stands still for long anymore and old systems need review and refinement. I see some significant changes on the horizon in the apprenticeship area.

To close this report I need to acknowledge a number of organizations and people who work very closely with us to try and achieve better outcomes for the industry. We continue to run regular forums with Shared Services Procurement, ActewAGL and Actew Water. These important stakeholders in our industry have always demonstrated a willingness to engage with our members and have some of the robust discussion needed to make things better. We also appreciate the ongoing engagement with LDA, TAMS, ACTPLA and the Economic Development Directorate.

Being able to showcase the outstanding work of industry is critical. The Excellence in Building Awards is our major vehicle for doing this and I thank sincerely our major partner, CBUS for their fantastic support. There are many other great industry supporters who make that hallmark night possible as well as our own terrific events team. I also thank our supporters who make the President's Lunches, apprentice awards, golf day, Canberra Building News and Annual Dinner all possible and very successful activities.

The passion in this industry is remarkable. There is no question that sometimes patience and goodwill are tested but at the end of the day everyone is seeking one thing – a better environment in which to do business and work. There are so many people to thank for their contributions which I have said before have made so much difference to the lives and businesses of others but they will never know. I thank all of those who have participated on various sector councils, roundtables and forums, reference groups and focus groups.

To the Executive Committee of Master Builders ACT and the board of MBA Group Training, thank-you for your incredible input. It is a selfless and outstanding contribution you make for the greater good. Finally to the wonderful staff at Master Builders ACT and MBA Group Training, you are so important in delivering on behalf of the membership and industry and you do it so well.

JOHN MILLER
Executive Director

TREASURER'S REPORT

It is with much satisfaction that I am able to present my second report as Treasurer of the Association that provides for a better than expected result. The consolidated accounts clearly reflect a very healthy and sound financial position for the organization. Notwithstanding, continued uncertainty in local, domestic and international markets ensures we are all keeping a very close watch on matters relating to revenues and expenditures.

I reported last year that the volatility and challenging times experienced in recent years remain and I am still of the belief that the industry, particularly locally, still faces headwinds. Continued diligence will be applied in over-sighting the financial affairs of the Association, and as alluded to previously, an essential requirement for running any organization in good times or bad.

The long drawn out 2013 federal election campaign and the ensuing settling in of a new government, along with utterances about the future of large numbers of ACT Public Servants, clearly unsettled the local market more so than other jurisdictions. The ACT, whilst still rating highly against on a number of national economic indicators, has fallen down the overall ladder of the state and territory economies. Spending remains subdued and major projects and associated works remain in short supply impacting negatively on local building and construction activity. Our Group Training has felt the impact of the activity downturn with reduced numbers of apprentices and some difficulties in keeping apprentices placed however we retain our commitment to industry for when the better times return.

There are a number of larger projects slated to get underway over the next year or two and we remain hopeful that the ACT Government is able to deliver on much of its aspirational program to kick-start the industry.

The following are brief summaries of the activities and performance for each entity during the 2013-14 financial year as reflected in the consolidated financial report of the Master Builders Association of the ACT and MBA Group Training.

MASTER BUILDERS ASSOCIATION OF THE ACT

Master Builders ACT, as the parent entity, has recorded a surplus of \$282,607 for the financial year ending 30 June 2014. This result was above the original budget forecast and has provided a buffer for the Association through a difficult operating environment. More pleasingly, this result has been achieved with the engagement of critical member support in the form of a specialist work health and safety adviser in response to the Master Builders ACT Gower review of the Getting Home Safely report. This added to the engagement of an additional industrial relations adviser in the previous financial year.

Currently, borrowings by the Association are non-existent, as the Executive Committee exercises continued caution with member's funds in light of the current climate. As flagged last year, the situation regarding borrowings may change soon as with the acquisition of contiguous land for the expansion of training facilities. We are reviewing the 400m² of space on the upper level of our existing building to capture income potential and support opportunity for members.

All revenue and expenditure for the Association continues to be monitored and analysed regularly to maintain operational viability and meet expectations for delivery of member services. It is very pleasing to note membership has remained steady during the past financial year. Our hallmark event, The Master Builders and CBus Excellence in Building Awards achieved its longstanding objective of showcasing and promoting the Association and the outstanding work of members.

Additional resources have been applied, and continue to be applied, to our communications with the membership. This changing world of technology is having an increasing impact on running all businesses. We need to communicate effectively with membership in a timely and appropriate manner.

A small surplus has been forecast and confirmed for the 2014-15 financial year. Through the internal processes which have been established to closely monitor our activities, including an external risk assessment relating to our finances, I am expecting to report a sound result for Master Builders ACT next year.

MBA GROUP TRAINING

MBA Group Training has recorded a deficit result of \$121,665 this year. The Board remains extremely committed to training the industry and supporting the membership. The deficit is slightly higher than original forecast partly due to a reduction in apprentice numbers and the impacts of last year's apprentice wage case decision.

Continued subdued activity levels in industry impacts substantially on the Group Training operation, something which has been encountered on more than one occasion over the life of MBA Group Training. I am pleased to say that the operation is far better placed to weather the storm than previously although the Board is mindful that deficit budgets cannot be sustained and other strategies are being developed to augment the training program.

The downward adjustments to our apprentice intake numbers have been prudent but it is vital that industry has a new cohort of qualified trades-people ready for a return to better times. A failure to train will have undesirable outcomes for industry, the overall economy as well as MBA Group Training operations and viability in the future. Our builder's licensing training is still in strong demand despite the appalling growth in "quickie" training offered elsewhere which is becoming a huge drag on building quality and industry reputation. Safety, on-site supervision, asbestos and waterproofing will all feature in our forthcoming program. More innovation will arrive in training as new solutions are needed to deal with change in the way we build and the way people receive information. Plans proceed for expanding the facility and these will be subject to review and possible implementation in the next year.

The deficit has again been necessary to support industry. The Board is positive about the future as we focus on new programs to meet the challenges ahead notwithstanding we have forecast a further deficit budget for 2014-15. The Board is focused on new programs and looks to reverse the deficit situation in the following year. We will again closely monitor performance over the year and implement new programs to underpin the operation and expand the services provided by MBA Group Training.

CONCLUSION

I close by once again thanking my fellow executive committee colleagues and board members for their input, overview and support in ensuring we protect the financial well being of the organizations. The accounts team has once more been very capably led by Senior Management Accountant, Louise MacCallum. The team continues to produce timely and detailed information to assist in meeting our obligations and responsibilities. I am confident of reporting positively again next year.

FRANK PORRECA

Treasurer



MASTER BUILDERS ACT,
AS THE PARENT ENTITY
HAS RECORDED A
SURPLUS OF

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MBA GROUP TRAINING
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MASTER BUILDERS AUSTRALIA



The building and construction industry has experienced significant change over the 2013-14 financial year.

The extraordinary growth in mining related construction driven by the resources boom began to decline while signs of renewed confidence in the residential building sector emerged.

Nationally, there was around \$215 billion of work done in the building and construction industry in 2013-14.

The industry cemented its place as the nation's third largest employer providing jobs for over a million Australians and a pathway to a rewarding career for more than 50,000 apprentices.

For most of 2013 the politics at the federal level was extremely challenging. A dysfunctional minority government with a clearly anti-business agenda was enacting laws that weakened the environment for business and boosted the power of the building unions.

The result was a resurgence in brazen industrial thuggery by building unions which shut building sites, sabotaged productivity and cost jobs in our industry and worse still, severely dented investor confidence in our industry.

Confronting this situation, an energised Master Builders National Board responded with the Strong Building, Strong Economy campaign which successfully promoted the vital

contribution the industry makes to the economy and the community and put the industry's policy priorities for the next Federal Government front and centre to political parties, the media and the public during the Federal Election Campaign in September 2013. The campaign was successful with many of Master Builders' policies being adopted and considered by the Abbott Government.

This policy alignment has allowed Master Builders to work closely with the Government to ensure it remains aware of the industry's concerns.

Master Builders made more than 140 submissions to the Government on public policy issues that have a major impact on the business environment Master Builders' members operate in, including:

- Repairing the Government's structural debt and deficit
- The restoration of the ABCC powers
- The 457 visa system
- Housing affordability
- Cost of infrastructure construction
- VET reform
- Improving Safe Work Australia's model WHS laws

Business, investor and home-buyer confidence is vital to a strong and prosperous building and construction industry. As the industry's national voice, Master Builders will continue to work with Master Builders ACT to push the reforms necessary to underpin a restoration of confidence.

Master Builders' priorities include reforms to tackle the nation's structural Budget challenges, to crack down the resurgent industrial thuggery of the building unions and restore balance to the IR system more broadly. We will continue to be vocal advocates for the return of the powers of the Australian Building and Construction Commission (ABCC) to provide the industry with a strong cop on the beat.

WILHELM HARNISCH
CEO

SECTOR COUNCILS

RESIDENTIAL SECTOR

The industry has been confronted with its fair share of challenges over the past 12 months. Uncertainty surrounding the commonwealth public service with regular media making reference to redundancies, has created an environment of insecurity for those considering purchasing a new home or, indeed, for those considering investing in the property market.

It has been an interesting year, to say the least, when it comes to land supply and, especially, some of the prices that have been paid far above market expectations for individual parcels of land and for multi-unit sites. I have expressed some concerns in the past that prices are potentially being artificially inflated by overseas investors; a not uncommon occurrence also in other parts of Australia.

The positive side of this argument of course is that work will be created in our sector, irrespective of where the investment comes from. It does, however, unfortunately, exclude a number of our members, who are not well capitalised, from entering the market and being competitive. Surprisingly, given the negative sentiment associated with the commonwealth public service, there is still strong demand for standard residential blocks with recent releases being fully subscribed.

I do caution, however, that in the ACT we do have an extremely long lead period from land sale to land ready to build (18-24 months) and there is always a genuine risk in second-guessing what the market may be like in two years from now.

On a positive note, the ACT population continues to grow at above average national rates and unemployment is relatively low in the Territory. All of these positive indices would suggest that demand for housing will still be relatively strong over the next year.

We still have challenges regarding planning; especially Variation 306 which continues to deliver very poor built-form when the site topography is not accommodating. Unfortunately, the associated cost imposts add no value to the final product. We are still actively lobbying the government to review this planning requirement and our Land and Planning Policy Paper, which has been presented to the ACT government, calls for immediate action to address this anomaly.

We have again, as a residential sector, devoted an enormous amount of energy in providing advice to our members on improving safety on residential sites. We have assisted our members through engagement with the MBA's Work Health and Safety Adviser in the development of WHS plans and Safe Work Method Statements for high risk construction work.

We will continue to lobby the ACT government on your behalf on the important issues that impact on the ongoing sustainability of your business, including such matters as LVC, competition in the land development sector and an adequate supply and mix of land to adequately sustain industry projections and achieve the correct balance between supply and demand.

FRANK PORRECA

Chair

SUBCONTRACTORS & SUPPLIERS

Safety continued as the hot topic for the year just gone. We all know and agree, including the regulator, that the white card is a waste of time and costs the industry millions of dollars every year, yet it is still a mandatory requirement. Training programs are devised and enforced, regardless of their success with the industry left to bear the costs.

We should be measuring the effectiveness of current training. We should work together to deliver courses that are meaningful, relevant and engaging. Courses that bolster safety and change culture for the better. If what we are doing is not working, then let us see how we can do it better or more efficiently. Let's be innovative and unafraid of challenging the norm.

I believe, there has never been a time in the history of construction, where workers had so much training and probably none more so in any other jurisdiction than in the ACT. So if we believe statistics, how is it that we in the ACT are still the worst performing in terms of injuries and accidents in the workplace? What are we doing that is so ineffective, and why do we keep doing it?

Can we relax about safety in our industry? We cannot and we shouldn't. Safety must always be at the forefront of what we do. Nevertheless, if what we are doing isn't working let us find something that does.

Safety, Industrial Relations, red tape and insolvencies are topics constantly on the agenda, always with the same urgency and relevance. Change comes about very slowly and it takes many battles to win a war. We will continue to push for changes we believe are in the best interest of the industry and its stakeholders. And for that I would like to thank the many sector members who regularly come to the meetings to provide support and advice on ways to ensure the industry remains sustainable.

I would also like to thank Annalisa for her support as Deputy Alternate Chair.

GRACE FERREIRA

Chair

SECTOR COUNCILS

PROFESSIONAL SECTOR

The Professional Sector Council continued to provide important input and advice on a number of issues impacting on the local industry. I am very pleased to report that our regular Sector Council meetings have been very well attended and that the debate and discussions occurring throughout the meetings have been influential in contributing to discussions with government and agencies as well as informing the policy papers which have been developed by Master Builders ACT.

The development of the policy papers accords with the view of the Professional Sector Council to take a more proactive stance in positioning the broader industry to be able to deliver critical infrastructure in a more streamlined and effective way. Reality is that often issues arise that necessitate a more reactionary and solutions-based strategy reinforcing the need to make industry more resolute in clearly stating and pursuing the operating environment it needs.

A number of the issues covered in our policy papers have been at the forefront of the Professional Sector Council meetings during the course of the financial year. Some of these issues have impacted on industry for some time and various members of the Council are involved in ongoing discussions through various forums either within ACT Government Directorates or through Master Builders ACT led meetings. In summary, the following matters have been subject to Council discussion:

- **Land Release:** The broader industry concern over lack of participation by the private sector in land development in the ACT is subject to ongoing input through a Task Force group with LDA. The issue has been highlighted in the Master Builders ACT Land and Planning Policy paper and the broader industry Call to Action paper.
- **Local Industry Participation:** The ACT Government has a significant impact on local industry development and local employment through its procurement of capital works. The Sector Council has had interaction with Shared Services procurement regarding both local industry participation and the use of contracts in procurement.
- **Capital Metro Light Rail:** The Sector Council has been concerned if this project is to proceed that local industry was considered. The Professional Sector Council instigated the collection of local industry capability statements to provide Capital Metro with information on skills and capacity available in the ACT.
- **Solar Access Provisions (Variation 306):** Members of the Sector Council have continued to participate in reviews

of Variation 306 around solar access provisions with concerns of significant cost impacts. Options are being developed to seek to minimisation of cost impacts.

- **E-Development:** Our Land and Planning Policy paper has identified improvements needed to support e-lodgement and additional funding to significantly enhance the technology for interface with industry. Members have continued to liaise with ACTPLA in seeking the much needed improvements.

As this is my last report as Chair of the Professional Sector Council I would like to take this opportunity to sincerely thank all members of the Council for their wonderful input over the years and for the difference that they make. I also record my appreciation to my fellow Master Builders ACT executive committee for their contribution along with the staff who have assisted over the years.

HANS SOMMER

Chair

CIVIL SECTOR

During the 2013-14 period Civil Sector members have once again contributed significantly to the development of the ACT's infrastructure and economy with significant infrastructure projects and minor works packages being delivered together with the role out of subdivisions infrastructure to support the ACT Governments land release program.

The industry dinner in May and the MBA awards in June provided an opportunity for the civil sector to showcase a number of projects showing the depth and expertise in the local industry. In particular the industry dinner is a key night for the Civil Sector allowing us to demonstrate our contributions to the ACT. This year an organising committee working with MBA staff combined with a high attendance of Civil Sector members, contributed to the success of the event.

During 2014 the Civil Sector modified its meeting schedule to include 2 meetings a year which are focussed on safety topics. These meetings provide an opportunity for members' WHS managers to also attend the meetings and share common issues across the industry. These extremely well attended meetings have also established direct communication between WorkSafe ACT, and other Government representatives, and the civil industry in regard to industry specific topics. The March meeting concentrated on TTMs and the September meeting providing an opportunity to discuss with Mark McCabe, the WorkSafe Commissioner, a number of civil specific issues.

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

- Continued input into the development of the ACT Municipal Infrastructure. This in particular has required significant input from a few members for a key document relevant to our whole industry.
- Working with the ACT Government in the roll out and review of the Active Certification process.
- Representation to the ACT Government on a number of issues in relation to procurement processes including; reviewing the requirements for tender submissions, maintaining consistency in tender documentation, quality of tender documentation, ensuring that the pre-qualification is respected in tendering, encouragement to preference local contractors and maintaining and updating the call tender schedule.
- Discussion with Capital Metro to ensure that local participation of the ACT contractors is encouraged.

As a sector we maintain a high level of participation from our members. This enables us to spread the load of representing and 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

COMMERCIAL SECTOR

2013-14 has been a year of continual improvement in our industry and our Association most of a positive nature. Some of these improvements include:

Safety performance - This has been an area of continual improvement over the past year with strong relationships continuing with the team at WorkSafeACT. The commercial sector continues to push for greater leadership initiatives, pro-active and cost effective solutions to best practice safety standards. A lot of work has been done and will continue over the coming years in achieving best practice workplace safety across our industry.

Industrial Relations (Federal Inquiry into Union corruption)

- It is not often we get a chance to bring equality into industrial relations and we are experiencing this again through a federal inquiry that is focused on corruption at all levels. Locally this has not seen the pressures witnessed in other states and territories however it is re-assuring to have a strong team in John and Kelly driving our local focus and input into what I hope will be better and smoother industrial relations in our industry.

Training (Site Manager Training) - This new training course has been pushed through the commercial council over the past year and has recently commenced. The focus is to ensure our supervisors, Foreman and Site Managers are able to obtain all the knowledge and skills required to provide greater certainty in delivering "Safe, Quality Production" of our construction projects.

Active Certification - The first year in and the commercial sector remains supportive of this government response to the Getting Home Safely report and although no major implementation issues at this stage we continue to push for the visibility of the improvements and reward for effort aspect of this process.

Local Industry - We have lobbied hard to government over the last year and I am pleased to report that we are starting to get strong commitment from government toward a local industry policy that will support the future of builders in our region. The devil is in the detail and we continue to work closely with government to achieve the best for the local builders.

MBA Policy documents - The release of the Procurement & Land/Planning policy documents recently has been an area the commercial council has supported through the executives and will see greater consistency to the way in which builders can secure and deliver works to government. Government are supportive of the policies and are working in a positive manner in changing the way they deliver procurement, planning regulations and land supply to the local market.

The most significant change to the commercial council in the last year is that our long time chair Valdis Luks has stepped down to focus on a greater role as president Master Builders ACT. The departure of John Haskins as the president is a loss and know we will stay close as he take on greater roles in the local industry. Valdis has been a great leader and representative of the commercial council and I thank him for his leadership and wish him every success as he now leads the MBA locally.

PETER NAYLOR

Chair

INDUSTRIAL RELATION'S & WHS REPORT

INDUSTRIAL RELATIONS



The second half of the financial year was dominated by the Heydon Royal Commission into Trade Union Governance and Corruption (Commission). Master Builders viewed the Commission as a real opportunity to reform what appears to be a prevailing culture of industrial lawlessness within Canberra's commercial construction industry.

In order to address members' apparent fears of reprisals yet still provide evidence to the Commission, Master Builders designed an anonymous member survey, asking members simple questions about their experiences with the ACT branch of the Construction, Forestry, Mining and Energy Union (CFMEU). Along with a witness statement from Master Builders' Director of Industrial Relations, that survey formed the basis of a submission by Master Builders to the Commission.

The CFMEU's purported aims are improved terms and conditions of employment and safety standards. What Master Builders cannot understand is why that would lead to reports of physical and verbal threats against members and of disruption of their livelihoods, as revealed in the survey.

Master Builders is committed to restoring members' basic rights of freedom to work, freedom of speech and freedom from fear and is hopeful that the Commission's report will provide the platform for lasting change. However, if change is to be secured, members will need to realise that their collective voice is more powerful than the collective silence allegedly imposed by the CFMEU – they too will need to speak publicly about the abuses they apparently endure.

Unfortunately, reports of coercion and intimidation have continued in the face of the Commission. Master Builders has been actively engaged in providing members with practical day-to-day advice about their rights in relation to enterprise bargaining, union rights of entry, remedies for industrial coercion and the like. Master Builders' platform of wage sheets, template contracts and fact sheets was also expanded and the Industrial Relations team strengthened with the addition of a new Industrial Advisor.

JOHN NIKOLIĆ

Director Industrial Relations & In-house Legal Counsel

WORK HEALTH & SAFETY



There have been four main themes since taking up the role as WHS Adviser in October 2013.

A review and rewrite of Master Builders ACT's *Work Health and Safety Management System (WHSMS)* has been undertaken. The *WHSMS* has been updated to comply with current Work Health and Safety Legislation, reduce the number and complexity of the forms in use, prepare for *AS4801* accreditation, and include procedures for the return to work of injured workers. As part of the review and rewrite, all documentation has been reformatted to make them easy to use and follow, and a program of staff toolbox talks commenced to confirm all staff understand their roles in the *WHSMS*.

Following the lead from Master Builders ACT's Work Safety Advisory Group and in response to the Briggs/McCabe report, a series of *Safety Sheets* are being developed and published. The *Sheets* are aimed at the Residential Sector and are designed to improve the understanding in, and ownership of, *WHS Management Plans* by ACT's construction industry. The subject of each Sheet is based on the 'headings' in *WHS Management Plans*. The Sheets are being distributed fortnightly as part of Master Builders ACT member alerts.

Member advice has been sought by a variety of members and the range of requests are also varied, from first aid kit requirements to earthmoving equipment ROPS (roll-over protection structure), however, by far the majority of requests for advice are for *SWMS (Safe Work Method Statements)* information and clarification. To assist Master Builders ACT have held one information session on *SWMS*, with more planned.

A programme of site visits is underway. The aim is to gain further understanding of issues affecting the industry from which further 'improvement plans' can be implemented. While the majority of visits have been with small residential members, a number of civil and commercial sites have also been visited. Further understanding has also been gained through attendance to Sector Council meetings, and membership of ACISRG (ACT Construction Industry Safety Reference Group – sponsored by Master Builders ACT), Work Safety Council (ACT Government and Safety Institute of Australia (SIA)).

PHILIP EDWARDS

Work Health and Safety Advisor

MASTER BUILDERS FIDELITY FUND & SKILL CENTRE BUILDING FUND

FIDELITY FUND

The Master Builders Fidelity Fund continues to support the residential building industry by providing certainty to builders and protection for consumers and, since being established 12 years ago, has issued more than twenty-five thousand certificates.

Since my last report there continues to be ongoing uncertainty with Home Warranty Insurance (HWI) around Australia and it is therefore pleasing to note that our scheme continues to receive extraordinary support from our local builders and the ACT government. This support is crucial, given the uncertainty in other states with providers constantly withdrawing from the market or indicating a desire to withdraw in the future.

On a positive note, the Northern Territory Master Builders Association have now been successfully operating a Fidelity Fund similar to ours for the past 18 months or so. I am pleased to say that our Board of Trustees provided assistance to the NT in the establishment of their Fidelity Fund.

Since my last report we have delivered a very successful mentoring program for emerging young builders and business enterprises associated with the construction industry. The Trustees' clear objective in supporting such a program is to ensure that new entrants are mentored and provided with appropriate guidance to improve sustainability and profitability of their business. The Trustees also had a clear commitment to improving building quality in the construction industry and regularly partner with Master Builders Group Training in providing training and professional development for the industry.

The past 12 months has seen a number of builders in financial distress. This can be attributed to a number of factors such as a tightening of the market and lower profit margins. Fortunately for consumers who had entered into contracts with these builders, they were protected by the Master Builders Fidelity Fund insurance.

The Fidelity Fund has, since 2002, established an excellent assessment with the data that it has obtained through the builder rating process. We still continue to apply a high level of rigor in our financial assessment process and this work is performed independently by an independent assessor.

The coming year will no doubt provide challenges for the HWI business, however, I have no doubt that the Master Builders Fidelity Fund will continue to provide protection for consumers and certainty for builders.

In closing I would like to thank my fellow Board of Trustees for their ongoing commitment and expertise.

COL ALEXANDER

Chair

SKILLS CENTRE BUILDING FUND

Education and training remains as one of the biggest subjects of discussion across government at all levels of business and industry. A functional, relevant and adequately resourced education and training system is critical to the building and construction industry. Without a system meeting those criteria the industry will be unable to fulfill its potential. It is vital for all stakeholders to play a role in delivering on education and training. Whilst governments need to take a lead and shoulder a significant load, it is not something that should rest solely in that domain.

Master Builders Skills Centre Building Fund is a vehicle that allows our industry to join government and make a contribution where the need is greatest. The Fund is set up to support the provision of infrastructure for schools and skills centres. Its objectives are to provide funding assistance to non-profit organizations for the acquisition, construction or maintenance of a building, or buildings, to be used to deliver training.

We seek to identify and support organizations to expand their infrastructure to ensure training and education is provided in appropriate facilities. Recent support has been for improved training facilities for Oz Help Foundation, Lifeline Canberra and Snowy Hydro South Care's new training rooms at Hume. All of these organizations play crucial roles in supporting both our industry and the community. In fulfilling their obligations, each organization has an education training commitment to ensure the provision of their services.

The objectives of the Fund are met through a variety of funding sources including surplus funds through the Master Builders Fidelity Fund and other industry events such as charity golf days, raffles and auctions. We continue to actively promote giving to the Fund through advertising in seeking contributions from interested individuals and companies wishing to donate.

On behalf of my fellow Trustees, I would encourage all of industry to consider this Fund as a great initiative in supporting skills development, particularly young people we will need to help tomorrow's Australia and our region. The Fund provides a great opportunity to proactively invest in training.

I conclude my report by thanking my fellow Trustees and those who have provided important support and contributions to the Fund. We will continue to actively seek out those who are able to contribute and help secure the future skills need of our industry and associated organizations.

TREVOR CORVER

Chair

MBA GROUP TRAINING



MBA Group Training (MBAGT) continues to serve our members and industry through employing and training apprentices and trainees as well as providing broader training opportunities for all members of the Master Builders Association of the ACT and the wider industry.

We provide a broad range of services to our members and others 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 (user choice) 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. 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.

Changes to the employment award for apprentices handed down by Fair Work Australia late last year has required MBAGT to increase our charge out rates in recent times to meet the significant increase to apprentice wages, especially in the first and second years. MBAGT were conscious of the impact this increase may have on Hosts' viability to engage our apprentices

and as such have not passed on the full costs for this increase in wages. Although federal and state funding to support the engagement of apprentices has declined in real terms over many years now, MBAGT is very grateful for the continuing support and commitment of the Training Fund Authority who has increased funding of apprenticeships again this year which has helped in offsetting some of the rising employment costs.

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 their apprenticeship. There are many reasons (and myths) as to why this occurs. However, despite this trend, MBAGT is very proud of our retention rates which are well above the 95% 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 is 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 share with others on what is effective in training and employment for apprentices and trainees.

This financial year, the Group Training Organisation (GTO) employed 63 full time and part time apprentices and the Registered Training Organisation (RTO) trained 102 full time and part time apprentices.

Programs	2014	2013	2014	2013
	RTO	RTO	GTO	GTO
Full Time Apprentices	102	127	63	90
Part Time School Based Apprentices	67	60	60	53
Cadets	0	0	0	0
Total Learner numbers	169	187	123	143

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 members' needs, while ensuring that we do not have our apprentices out of full time placement. In meeting this challenge, we have recently engaged an additional seven apprentices to ensure that we adequately service our client base. We will review

these numbers at the end of the year with the view of taking on another intake of new starters in early 2015.

One of the more challenging aspects of running our organisation is minimising the non-recoverable hours of our apprentices. Unrecoverable hours are a combination of wet 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 up from 6179 hours in 2012/13 to 6539 hours this financial year.

The safety of our Staff, Apprentices and Trainees is paramount. This is supported by our WHS policy and operational plan which continues to mature in line with recent changes to the Work Health and Safety Act. These changes have delayed our initial goal to have our WH&S systems meet the requirements of AS4801 in the last financial year. However, this remains a goal by the end of 2014. MBAGT are grateful to the MBA for their commitment to engage Phillip Edwards as MBA's Work, Health and Safety Advisor. Phil will no doubt ensure that we continue to lead all our stakeholders in safety culture and compliance.

The general wellbeing of our Apprentices and Trainees is also equally important to us. Our partnership with OzHelp provides advice and counseling for our people on a range of issues which are particularly pertinent to young people. This service is now supported by a mentoring program which has been funded by the Federal Government. This funding has allowed us to engage a full time mentor to provide additional support to the great work our field officers already provide.

Again our Apprentices and Trainees have excelled in achieving recognition for excellence in their chosen fields. In the recent WorldSkills competition we achieved 11th place in the open Carpentry category.

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 an added benefit as these students will have already obtained a number of skills and competencies prior to officially starting as an apprentice. This makes them very valuable to our host clients from the first day they start on site. In fact, the seven new apprentices we have recently engaged were all selected from the School Based Traineeship Program.

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 to 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 1202 statements of attainment through our short course program which is up from last year's figure of 1197.

Quality of training remains a focus for MBAGT. We believe this sets us apart from some of the other training providers here in the ACT offering quick turnaround certificate IV qualifications for those wanting easy access to apply for a builder's license. MBA 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.

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 units of competency for the degree course at our Fyshwick Training Centre.

MBAGT'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 MBAGT, 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 organisation. We also welcome two new board members in Gary Guy and Gerard Allen. Gary has extensive experience in the training field and Gerard is a former MBA Apprentice. Both will be able to provide a valuable perspective to the Board in navigating the challenges of the next few years.

ROD MITTON
Chair

2014 EXCELLENCE IN BUILDING AWARDS

Friday 27 June, National Convention Centre, Canberra.

The 2014 Master Builders & Cbus Excellence in Building Awards was another successful event. With 248 finalists involving 312 parties representing the Civil, Commercial, Residential and Subcontractor sectors displaying a high level of quality and artistry. This year's awards recognised significant contributions to the Canberra community with projects including the Cotter Dam Project, the Louisa Lawson Building, the stunning Garangula Gallery and the National Arboretum Pod Playground, to name a few.

THE MAJOR AWARD WINNERS WERE;

- **PROJECT OF THE YEAR**
Manteena - Garangula Gallery
- **HOUSE OF THE YEAR**
Papas Property Group / Architects Ring and Associates / Archertec Interiors Forrest
- **EMERGING COMMERCIAL BUILDER OF THE YEAR**
Ivan Potrebica - Acclaim Contractors
- **EMERGING RESIDENTIAL BUILDER OF THE YEAR**
Steve Pinto - Pinto Homes
- **SUBCONTRACTOR OF THE YEAR**
J&J Interiors
- **YOUTH PARTICIPATION & TRAINING**
Will Duncan - Duncan Contractors
- **SUPPLIER OF THE YEAR**
Skyhire
- **PROFESSIONAL OF THE YEAR**
Peter Russell - May + Russell Architects

Hosted by Grand Designs Australia's Peter Maddison, the 1,461 guests were treated to fine food and entertainment by The Voice's Steve Clisby, Mitch Anderson and comedy by one of Australia's favourite talents, Kitty Flanagan.

With 2014 national awards just around the corner, we have 36 finalists. In November 2013 the Canberra Airport took out the top award of National Project of the Year, we also received another seven national awards making 2013 the most successful year on record for national recognition.

Principal awards partner, Cbus, have already committed to the naming rights sponsorship for the 2015 awards, which will see the 25th anniversary of the awards in ACT.



Top: Winners of the 2014 House of the Year accepting their award on the night.

Above: The Garangula Gallery in Harden. This project by Manteena won the prestigious Project of the Year award.

THE MASTER BUILDERS THAT BUILT CANBERRA

A publication to commemorate 100 years of building in the nation's capital.

In December we launched 2013 *The Master Builders that Built Canberra* - a publication to commemorate 100 years of building in Canberra.

This very special publication has been generating a great amount of interest and unearthed wonderful stories of many of the building projects across the Nation's Capital. Dozens of retired builders and past members of the Master Builders Association of the ACT were interviewed and their stories included in the publication – The Master Builders the Built Canberra.

The 200 pages of this beautifully presented, hard-cover book explore the history of Master Builders ACT and through that window have captured many of the stories of the construction of Canberra, while reflecting upon the contribution of the building industry to the National Capital over the past 100 years.

The publication is complimented by photos, many published for the first time, that tell the story of a city still under construction.

www.mba.org.au/publications/centenarybook/



Photos: A selection of images taken from The Master Builders that Built Canberra.

EVENTS

ANNUAL DINNER

The 2013 Annual Dinner was held at the National Arboretum, on 17 October. The dinner is a chance to celebrate the end of the year with friends and colleagues in a truly magnificent venue.

Entertainment was provided by one of Australia's favourite stand-up comedians, Vince Sorrenti. Vince's unique brand of humour was a big hit with the crowd. Special guest speaker John Lloyd, former Commissioner of the ABCC, examined the cultural change needed in the building and construction industry and why an ABCC should be restored.

The evening provides the opportunity to recognise long standing members, as well as providing the opportunity to acknowledge the contributions of a deserving member that has contributed to the local community, the Build the Community Award.

Build the Community Award

This award recognises the outstanding achievements and contribution to the community by a Master Builders member, giving the Association the opportunity to acknowledge the



exceptional good deeds performed by the building and construction industry.

This year's Build the Community Award was presented to Dino Nikias. Dino founded the Nikias Group, a family business which has now been established in the Canberra building industry for over 50 years providing employment, opportunities for apprentices, supporting the community and making a significant contribution to the Canberra building industry.

CHARITY GOLF DAY

Thank you to all the sponsors, players, and organisations that so generously contributed to Master Annual Charity Golf Day on 3 March. With over \$13,000 raised for Boundless Canberra, this golf day has been the most successful on record.

Held at the Federal Golf Club in Red Hill, players were treated to a picture perfect day. 200 players hit the greens in support of this year's charity Boundless Canberra – the all abilities playground. With our fantastic sponsors such as Platinum Sponsor Asset Hire, and Major Sponsors Onesteel Reinforcing, Commonwealth Bank and Sears Workwear we were able to put on a day filled with fun and laughs (and some friendly competition) whilst raising much needed funds for this worthy cause.

Guests at the dinner were entertained by Olympic Gold Medallist Steven Bradbury OAM whose presentation 'The Last Man Standing' combined humour, passion and physical performances from the guests themselves.



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.



MBA GROUP TRAINING APPRENTICE & CADET AWARDS

28 March saw the annual MBA Group Training Apprentice & Cadet Awards held at Eastlake Football Club, Kingston.

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.

This year's outstanding Cadet of the year went to Benjamin Dunlop from Australian Capital Contractors. The University of Canberra outstanding student award was awarded to Elyse Francis from Hindmarsh. The major award, Outstanding Apprentice of the Year, was awarded to Bradley Monkhouse, employed by Prostyle Building Group.

The evening also provided a chance to say thank you to MBA trainer Brian Lawrence who announced his retirement during the evening. Brian's contribution to the industry will long be remembered, and will continue through the work of the many outstanding students he has taught.



CCF EARTH AWARDS

The 2014 ACT Branch CCF Earth Awards were held at the Hyatt Hotel in Canberra on 9 May.

Winning the Category 5 division (Project value over \$75 million) was Bulk Water Alliance for their work on the Cotter Dam Expansion. This was a standout project for the year and a deserved win.

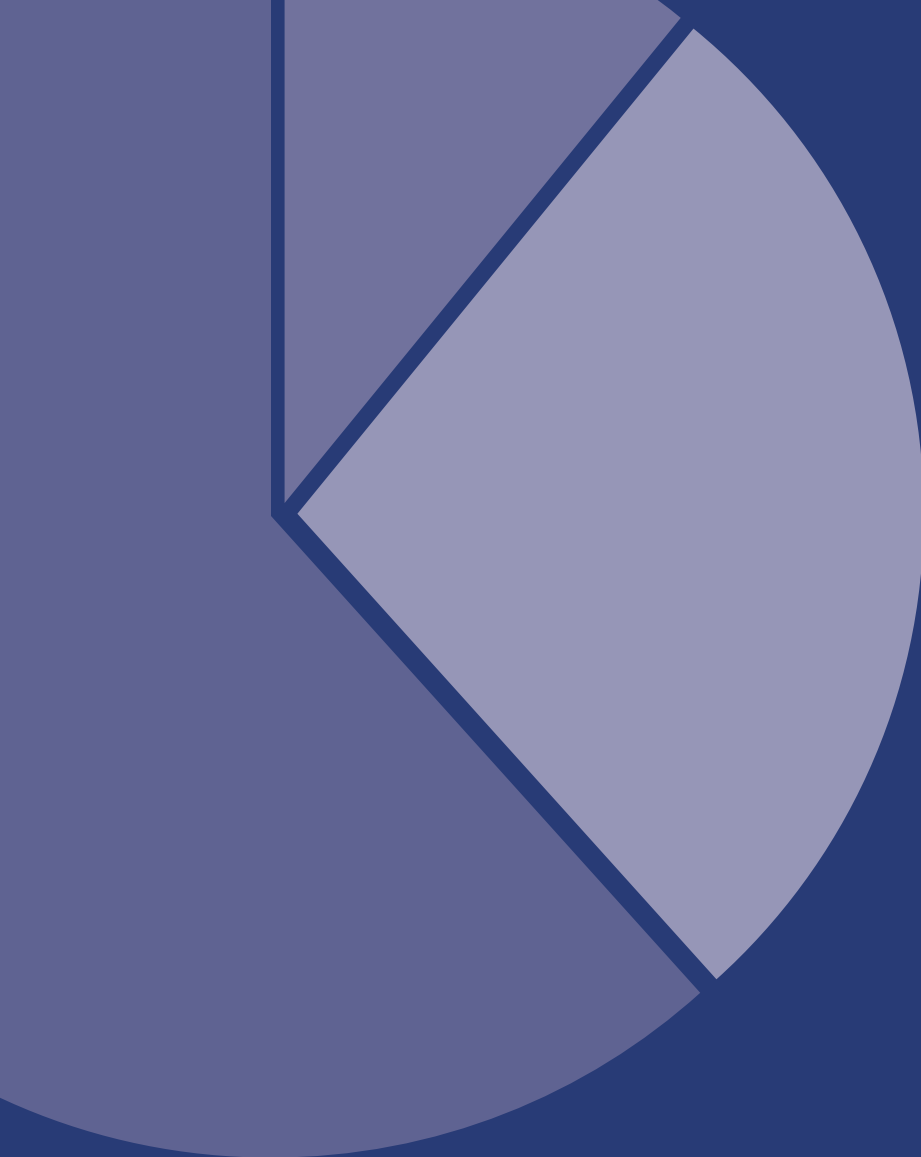
Makin Trax were the winners for Category 1 (Project value \$1m - \$5m) for their work on the Canberra Centenary Trail. Other winners on the evening were Cord Civil for the Narrabundah Velodrome upgrade, Woden Contractors for the Parkes Way Widening - Bridgework. National CCF President Tony Baulderstone spoke on the night, as did ACT President Andy Crompton.



Entertainment on the evening was provided by "The Stevenson Experience", a singing comedy duo who are also twin brothers.

Thanks to OAMPS Insurance Brokers for the National Sponsorship, and to local companies for their valuable support for this event.

- Civil Construction Hire
- Canberra Sand and Gravel Landscape Centres
- Hays Recruitment Specialists
- Refuelling Solutions
- Land Development Agency



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014


STATEMENT BY MEMBERS OF THE COUNCIL OF MANAGEMENT

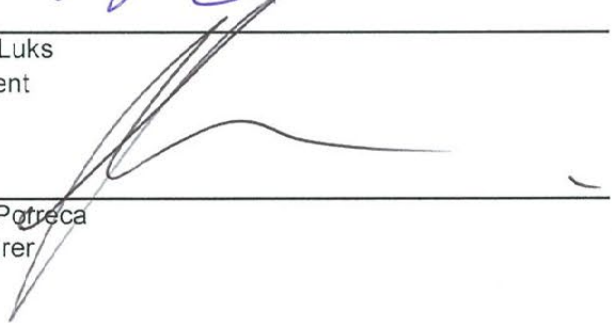
On the 17 September 2014 the Members of the Council of Management of the Master Builders Association of the ACT passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2014:

We, V Luks and F Porreca, being two members of the Council of Management of the Master Builders Association of the ACT, do state on behalf of the Council that in the opinion of the Council:

- (1) The financial statements and notes comply with the Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncement of the Australian Accounting Standard Board;
- (2) The financial statements and notes comply with the *Fair Work (Registered Organisations) Act 2009*;
- (3) The financial statements and notes give a true and fair value of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (4) There are reasonable grounds to believe that the Master Builders Association of the ACT will be able to pay its debts as and when they fall due; and
- (5) During the financial year to which the financial report relates and since the end of that year
 - (i) Meetings of the Council were held in accordance with rules of the organisation including the rules of the branch concerned;
 - (ii) The financial affairs of the Master Builders Association of the ACT have been managed in accordance with rules of the organisation including the rules of the branch concerned;
 - (iii) The financial records of the Master Builders Association on the ACT have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*;
 - (iv) Where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;
 - (v) The information sought in any request of a member of the Master Builders Association of the ACT or a General Manager duly made under the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or General Manager; and
 - (vi) There has been compliance with any order for inspection of financial records made by Fair Work Commission under *Fair Work (Registered Organisations) Act 2009*.
- (6) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signed in accordance with the resolution of the Members of the Council of Management.



Valdis Luks
President

Frank Porreca
Treasurer

Dated: 19 September 2014

17

INDEPENDENT AUDIT REPORT TO MEMBERS

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

We have audited the accompanying financial report of Master Builders Association of the ACT ("the Association"), which comprises the statements of financial position as at 30 June 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by Members of the Council of Management of the Association and the entities it controlled at the year's end or from time to time during the financial year.

Members of the Council of Management's Responsibility for the Financial Report

The Association's Council of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) 2009* and for such internal controls as the directors determine are 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 about 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 Members of 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.

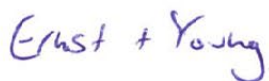
Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Master Builders Association of the ACT and the consolidated entity at 30 June 2014, and their financial performance and cashflows for the year then ended in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

INDEPENDENT AUDIT REPORT TO MEMBERS

Going Concern Basis of Accounting

Without modifying our opinion, we draw attention to Note 2(a) to the financial report which describes the basis of accounting. The Members of the Council of Management have declared that the Master Builders Association of the ACT will be able to pay its debts as and when they become due and payable. On this basis we have concluded that the use of the going concern basis of accounting in preparation of the Master Builders Association of the ACT's financial report is appropriate.



Ernst & Young



Ben Tansley
Partner
Registered Company Auditor
Member of the Institute of Chartered Accounts in Australia
Canberra
17 September 2014

STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2014

	Note	CONSOLIDATED		PARENT	
		2014	2013	2014	2013
		\$	\$	\$	\$
Revenue	4(a)	8,136,163	8,228,023	3,797,538	3,443,391
Other income	4(b)	180,874	116,355	41,921	36,542
Finance income		126,966	157,273	63,209	72,152
Total revenue		8,444,003	8,501,651	3,902,668	3,552,085
Employee benefits expense - office holders		-	-	-	-
Employee benefits expense - other		(5,301,402)	(5,579,067)	(1,668,066)	(1,519,896)
Depreciation expense		(323,619)	(291,857)	(270,466)	(251,492)
Amortisation expense		(9,178)	(13,616)	(9,178)	(13,616)
Rent expense		(35,782)	(36,028)	(35,782)	(36,028)
Meetings and seminars - other expenses		(14,609)	(16,515)	(14,609)	(16,515)
Printing, postage and stationary expense		(188,009)	(143,637)	(146,748)	(99,216)
Australia		(160,165)	(152,436)	(144,966)	(143,839)
Consultant expense		(827,296)	(660,639)	(443,404)	(253,478)
Motor vehicle expense		(75,641)	(75,394)	(43,721)	(41,522)
Grants or donations	5(b)	(7,775)	(14,500)	(7,775)	(14,500)
Building awards expense		(296,984)	(434,011)	(301,811)	(434,011)
Worker's compensation expense		(138,643)	(205,446)	(9,279)	(10,942)
Insurance expense		(70,783)	(67,232)	(39,161)	(36,879)
Skills Centre expenses		(9,285)	(10,873)	(9,285)	(10,873)
Doubtful debts (income)/expense		12,826	(9,238)	-	660
Loss on disposal of fixed assets		(30,853)	(12,472)	(30,853)	-
Other expenses		(805,863)	(848,567)	(444,957)	(449,465)
Capitation fees		-	-	-	-
Legal costs		-	-	-	-
Penalties - via RO Act or RO Regulations		-	-	-	-
Fees/allowances - meeting and conferences		-	-	-	-
Compulsory levies		-	-	-	-
Profit/(loss) for the year		160,942	(69,877)	282,607	220,473
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		160,942	(69,877)	282,607	220,473

STATEMENT OF FINANCIAL POSITION

FOR YEAR ENDED 30 JUNE 2014

	Note	CONSOLIDATED		PARENT	
		2014	2013	2014	2013
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash	6	3,284,866	3,097,911	2,422,207	2,023,595
Trade and other receivables	7	926,979	1,049,650	339,736	339,263
Inventories		2,214	1,416	2,214	1,415
Financial assets	8	1,898,445	1,825,875	754,454	723,799
Other assets	9	148,550	63,352	30,895	54,057
Total current assets		6,261,054	6,038,204	3,549,506	3,142,129
Non-current assets					
Property, plant and equipment	10	8,456,752	8,507,133	8,271,749	8,294,394
Intangible assets	12	31,442	32,976	31,442	32,976
Total non-current assets		8,488,194	8,540,109	8,303,191	8,327,370
Total assets		14,749,248	14,578,313	11,852,697	11,469,499
LIABILITIES AND EQUITIES					
Current liabilities					
Trade and other payables	13	673,825	622,108	333,397	228,525
Employee benefit liabilities	14	462,493	472,264	208,166	196,412
Other liabilities	15	551,067	538,149	551,067	538,149
Unearned income		237,813	274,105	116,523	146,788
Total current liabilities		1,925,198	1,906,626	1,209,153	1,109,874
Non-current liabilities					
Employee benefit liabilities	14	9,086	17,665	6,747	5,435
Total non-current liabilities		9,086	17,665	6,747	5,435
Total liabilities		1,934,284	1,924,291	1,215,900	1,115,309
EQUITY					
Retained earnings		12,632,482	12,471,540	10,485,616	10,203,009
Asset revaluation reserve	19	182,482	182,482	151,181	151,181
TOTAL EQUITY		12,814,964	12,654,022	10,636,797	10,354,190
TOTAL EQUITY AND LIABILITIES		14,749,248	14,578,313	11,852,697	11,469,499

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2014

	<i>Retained earnings</i>	<i>Asset revaluation reserve (Note 19)</i>	<i>Total</i>
	\$	\$	\$
CONSOLIDATED			
At 1 July 2012 *	12,541,417	182,482	12,723,899
Loss for the year	(69,877)	-	(69,877)
Other comprehensive loss	-	-	-
Total comprehensive loss for the year	(69,877)	-	(69,877)
At 30 June 2013	<u>12,471,540</u>	<u>182,482</u>	<u>12,654,022</u>

	<i>Retained earnings</i>	<i>Asset revaluation reserve (Note 19)</i>	<i>Total</i>
	\$	\$	\$
At 1 July 2013	12,471,540	182,482	12,654,022
Profit for the year	160,942	-	160,942
Other comprehensive income	-	-	-
Total comprehensive income for the year	160,942	-	160,942
At 30 June 2014	<u>12,632,482</u>	<u>182,482</u>	<u>12,814,964</u>

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 30 JUNE 2014

	Note	CONSOLIDATED		PARENT	
		2014	2013	2014	2013
		\$	\$	\$	\$
Operating activities					
Receipts from ordinary activities		9,349,699	9,216,772	4,240,272	3,819,847
Interest received		126,966	157,273	63,209	72,152
Payments to employees and suppliers		(8,392,401)	(8,780,202)	(3,386,654)	(3,517,512)
Loss on sale of fixed assets		-	12,307	-	-
GST remitted		(513,004)	(538,019)	(201,243)	(162,308)
Net cash flows from operating activities	20	571,260	68,131	715,584	212,179
Investing activities					
Proceeds from sale of property, plant and equipment		30,000	19,091	30,000	-
Purchase for property, plant and equipment		(334,091)	(255,176)	(308,673)	(136,644)
Purchase of intangible assets		(7,644)	-	(7,644)	-
Cash from investment in term deposits		(72,570)	(783,902)	(30,655)	(723,799)
Net cash flows used in investing activities		(384,305)	(1,019,987)	(316,972)	(860,443)
Net increase/(decrease) in cash and cash equivalents		186,955	(951,856)	398,612	(648,264)
Cash and cash equivalents at 1 July		3,097,911	4,049,767	2,023,595	2,671,859
Cash and cash equivalents at 30 June	6	3,284,866	3,097,911	2,422,207	2,023,595

**RESIDENTIAL
SUBCONTRACTORS
SUPPLIERS
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ANNUAL REPORT 2013-2014