



Motor Trades Association of Queensland



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Chairman's Report



David Fraser
Chairman
MTA Queensland

Your Board, over the past year, has been diligent in attending to these multifaceted responsibilities in the best interests of the membership.

I am proud to present the Annual

Report of the Motor Trades Association of Queensland (MTA Queensland) reviewing its 87th year as an industrial organisation of employers in the motor trades.

This is my seventh term as Chairman of the MTA Queensland, which I serve with pride and commitment.

We are governed by our Rules, pursuant to the Queensland *Industrial Relations Act 1999* and *Fair Work (Registered Organisations) Act 2009*. It is my charter to ensure they are complied with and are as germane now as when framed. These specify the purpose of our being and are embedded in our corporate culture:

- to promote, advance and protect the interest of the motor vehicle industry and associated trades or businesses in Queensland and to conserve the interest of members;
- to advocate, advance and protect the interests of employers connected with the motor vehicle industry and associated trades or businesses in Queensland;
- to consider and deal with any question relevant to the motor vehicle industry and associated trades or businesses;
- to participate in, promote and encourage all forms of education and training supportive of the development of the motor vehicle industry and associated trades or businesses in Queensland; and
- to do any such other lawful things as may appear to be incidental or conducive to the above Objects in any of them.

MTA Queensland Board

Your Board, over the past year, has been diligent in attending to these multifaceted responsibilities in the

best interests of the membership. The prime responsibilities have been to install comprehensive governance arrangements, implement the MTA Queensland strategic plan, adapt to the digital advances in the corporate office and the progressive technological changes in the motor trades, roll out the Professional Circle, grow the membership and advance consultations on collaborating with MTAs in other jurisdictions. A survey of members, including past members, was undertaken to assist the Board with its strategic planning and service delivery.

The Board has met on four occasions to attend to MTA Queensland issues and motor trades' matters. The Executive Committee meets when required. Board members have been professional and conscientious in their duties and deliberations. Corporate governance - the mechanisms, processes and relations of the Board - has been, and is, of a high standard. I thank each Board member for their genuine and selfless service and commitment to the Association and the values that are central to our culture.

Attached to this report are the comprehensive statements from the chairs of the 11 industry divisions, each being a Board member. I thank them for their duty, commitment and contributions to the Board's deliberations and corporate governance.

They are:

- David Fraser, MTA Queensland Chairman and Chair of the Queensland Farm & Industrial Machinery Dealer Division (QFIMDD)
- Mark Bryers, MTA Queensland Vice Chairman and Chair of the Engine Reconditioners Association Queensland (ERAQ)
- Paul Peterson, MTA Queensland Secretary and Chair of the Queensland Motorcycle Industry Division (QMID)

The Professional Circle was an initiative agreed at the 30th October 2015 annual Board meeting and announced at the President's Ball the following evening. It has been rolled out over the past year.

- Garth Madill, Chair of the Australian Automotive Dealer Association Qld (AADA (Qld))
- Lawrie Beecham, Chair of the Automotive Parts Recyclers Division (APRD)
- Tim Kane, Chair of the Service Station & Convenience Store Association Queensland (SSCSAQ)
- John Ruddick, Chair of the Tyre & Undercar Division of Queensland (TUDQ)
- Mark Dodge, Chair of the Automotive Engineers Division (AED)
- Michael Kennedy, Chair of the Automotive Remarketing Division (ARD)
- Steve Eaton, Chair of the National Auto Collision Alliance (NACA)
- Chris Ching, Chair of the Rental Vehicle Industry Division (RVID)

In the coming year there will be three new Board members. The Chair of AADA (Qld), Garth Madill; the Chair of the TUDQ, John Ruddick; and the Chair of the NACA, Steve Eaton, are retiring. Garth Madill served AADA Qld for four years, John Ruddick led the TUDQ for 13 years, and Steve Eaton represented Far North Qld members for 12 years and marshalled the NACA for two years. On behalf of the Board I thank each for their dedicated leadership, service and loyalty to their respective divisions of the motor trades and to the Association. Our best wishes are with them in the new phases of their lives.

On behalf of the Board I welcome:

- James Sturges, Chair of AADA (Qld)
- Brad Collett, Chair of TUDQ
- Ben Chesterfield, Chair of NACA

I look forward to their contributions and input into the Association's governance and administration.

The Board's deliberations are enhanced by the contributions of our regional representatives who bring to the table an umbrella perspective of the automotive value chain economic circumstances and policy issues in their areas. I thank them for their valued input. They are:

- Mark Dodge, Far North Queensland Region Representative
- Rod Pether, North Queensland Region Representative
- James Robertson, Central Queensland Region Representative

Former Board member and past Chairman of AADA (Qld) Len Daddow was honoured with Life Membership at the 30th October 2015 annual Board lunch in recognition of his long service and support to the MTA Queensland and AADA (Qld). He became a Board member in 1985 and served two terms as AADA (Qld) Chairman.

Executive Team

The Board appointed Dr Brett Dale as Group Chief Executive (CEO) in May 2016. Dr Dale served from 2006-12 as the Managing Director of the MTA Institute. The position of CEO had been vacant for some six months and on behalf of the Board I thank Steve Ghost, the former Managing Director of Strategic Operations, for acting in the role for that period and for his contributions to the Association. Steve moved to pursue other opportunities.

In between Board meetings, the governance and administration of the Association rests with the Executive Team which includes CEO Dr Brett Dale, General Manager Kellie Dewar, Group Chief Financial Officer (CFO) Kathy Winkcup and MTA Institute

(MTAI) General Manager Paul Kulpa. I thank each for their service to the Board, the membership, their belief in/ and accomplishing the Objects set out in the MTA Queensland's Rules and for their integrity and professionalism in performing their duties.

Professional Circle

The Professional Circle was an initiative agreed at the 30th October 2015 annual Board meeting and announced at the President's Ball the following evening. It has been rolled out over the past year. It is based on the premise of 'trust and professionalism' which is at the heart of MTA Queensland's philosophy and culture and is built on the five 'pillars' of Advocacy, Services, Training, Support and Innovation.

Corporate Office

The corporate office is the kernel of our structure. It is professionally and competently led by CEO Dr Brett Dale and the Executive Team assisted by a skilled and loyal staff. The important corporate tasks of administration, service delivery, advocacy, industrial relations advice, communications and skilling/training our future workforce have been sustained and delivered at a high level. On behalf of the Board, I thank Dr Dale and each officer for their professionalism, dedication and commitment to the Association and to the membership. Thank you.

Finance

Secretary Paul Peterson and CFO Kathy Winkcup have the responsibility for MTA Queensland's accounting policies and systems and maintaining the comprehensive statements of income and expenditure. Best practice strategic business and financial management underpins all processes and procedures. The processing of financial and information data is

A prime focus has been the MTA Queensland's deregistration as a state-registered organisation. With the advent of Work Choices and then the Fair Work system, all members were brought into the federal industrial relations system.

electronic and I place on record the competency of the Association's Chief Information Officer, James Orr.

On behalf of the Board, I thank Kathy Winkcup and Paul Peterson for their integrity, commitment and diligence to their respective duties and roles. I commend to members Secretary Paul Peterson's Financial Report for the year ended June 2016.

The Association's finances are audited by BDO Audit Pty Ltd, Brisbane-based accountants specialising in audit, tax and advisory services. On behalf of the Board, I thank BDO for their assiduity and professionalism. I commend to members the Independent Auditor's Report.

Advocacy

Under our Rules, advocacy is a primary duty in the interests of employers connected with the motor trades. Throughout the past eight years, General Manager Kellie Dewar has carried the advocacy responsibility, resulting in our standing as the peak body representing the motor trades being recognised and respected by all levels of government.

Over the past year, the full suite of advocacy tools has been used to articulate the Association's policies and views. These include engagement with stakeholders, deputations, letters, briefs, submissions, appearance before parliamentary committees and fora attendance. Priority issues addressed included responding to the Queensland Government's Biofuels Mandate policies, the Queensland Parliamentary Legal Affairs and Community Safety Committee's Inquiry on Lemon Laws, the Australian Consumer Law Review, and the National Transport Commission's Regulatory options for automated vehicles.

Membership services

MTA Queensland services provided to the membership are valued. This was one of the results of the survey of members on a range of issues. Almost 77 per cent indicated 'it was the value of the MTA Queensland services in support of (their businesses)' that was important to their membership. These include advocacy, publications, communications, industrial relations, technical advice and customer service relations. Much credit for members' high nomination of the 'services in support of their businesses' is with General Manager Kellie Dewar and her team for the friendly and professional delivery of these services.

In response to the survey question 'which service members valued', 72 per cent of respondents nominated industrial relations whilst 63 per cent designated industry updates. Other services such as technical information, legal advice and consumer complaints rated well.

The 11 divisions that are the cornerstones of the Association rely on the support services provided by Kellie Dewar and her staff. Each Divisional Chair, in their respective report, has acknowledged the individual care delivered by Kellie's team in processing issues and the high standard of professionalism in assisting them with their committee work and policies.

On behalf of the Board, I thank Kellie Dewar and her team for their professionalism, service and commitment to the membership.

I commend to members General Manager Kellie Dewar's report.

Industrial Relations

The priority for our Industrial Relations team led by Ted Kowalski, assisted by

Dr Paul Murray (Ph.D.), is providing advice and support to members on the full suite of workplace relations.

A prime focus has been the MTA Queensland's deregistration as a state-registered organisation. With the advent of Work Choices and then the Fair Work system, all members were brought into the federal industrial relations system. There is no longer a necessity for the Association to retain its state registration. The Board, at its 12th May 2016 meeting, agreed to the deregistration process. Under the *State Industrial Relations Act 1999*, the full bench of the State Industrial Relations Commission must be satisfied a majority of members have agreed by ballot to do so. I'm pleased to report that members endorsed deregistration with overwhelming support.

On behalf of the Board, I thank Ted Kowalski and Dr Paul Murray for their service and advice to members on motor trades and employer matters.

I commend to members Industrial Relations Manager Ted Kowalski's report.

Industry Awareness - Public Relations

Integral to industry awareness and public relations is increasing the Association's profile, knowledge of policies and views across all media platforms. Over the past 12 months, your Association has enhanced its communication capability both in print and electronic form.

The *Motor Trader* magazine is in its 82nd year of publication as the voice of the motor trades and is one of the oldest trade magazines in the nation. There are 11 editions each year containing columns from senior officers, promotional stories about members and their businesses with emphasis on

The Professional Circle embodies training delivered by the MTAI with the philosophy of ‘the right training, in the right place and in the right way’.

skills and training. Produced in-house, editor Jonathan Nash ensures it is a source for motor trades’ information, policy and advocacy news and entertainment. Jonathan too, is the editor of the *Australian Tyre Dealer* which is the authority on tyre industry issues. It is distributed nationally to a wide readership six times a year.

Further developing our digital marketing capacity, and the capability to support members desiring to create and benefit from this promotional technique, has been a priority. For this purpose, the MTA Queensland website has been refreshed and expanded, and an increased social media presence across the online channels of Facebook, Twitter, LinkedIn and YouTube has enhanced communication and the sharing of content with members, stakeholders and the public. This has been strengthened with the appointment of a Digital Communications Coordinator.

Together, these media platforms contribute to establishing the credentials of the Association to members, stakeholders, government agencies and the public by disseminating the views and news of our several industry sectors.

On behalf of the Board I thank editor Jonathan Nash and his team for the insightful and enjoyable automotive stories in the publications and distributing timely relevant information across our communication platforms.

Training

The Association is now in its 41st year of training people for the motor trades. Commencing in 1975, basic business training courses were provided for its members and staff. In 1997, with the deregulation of the vocational training market, the MTA Institute (MTAI) became a registered

training organisation (RTO) entering into vocational training of automotive traineeships and apprenticeships. Since that time, the MTAI has grown to be the premier provider of automotive vocational training in Queensland.

The Professional Circle embodies training delivered by the MTAI with the philosophy of ‘the right training, in the right place and in the right way’.

Highlighting this approach, for example, the MTAI developed a new training course to help businesses familiarise themselves with hybrid vehicles. The Hybrid Electric Vehicle Introductory Course was designed specifically for automotive repairers who want to understand hybrid technology and associated safe work practices. In addition, an Advanced Hybrid Electric Vehicle Course has been introduced to the MTAI training portfolio. In an environment in which hybrid and all-electric vehicles are becoming more common, the course offers industry professionals comprehensive training in a sector of industry that will continue to grow.

The past year has seen the MTAI commence new training programs in conjunction with its full suite of accredited courses. These included training programs under the State Government’s Skilling Queenslanders for Work Initiative designed to provide skills development, training and job opportunities to unemployed, disengaged and disadvantaged Queenslanders. A new pre-vocational course called Auto Initiation was introduced under the Community Work Skills element of the Skilling Queenslanders for Work Initiative. It has been delivered by MTAI trainers in regional areas and offers automotive training in ‘life skills’ such as motivation, financial management, literacy and work placement. It provides a solid

pathway for students to enter the automotive industry. To help deliver the program to regional areas, the MTA Queensland invested in a Mobile Training Unit - a fully-equipped mobile ‘workshop’ designed to enable automotive training in any location.

Hands-on training has been enhanced by industry donors lending or providing equipment, training aids, tools and specialist vehicles. In particular, the generosity of Century Yuasa, Tony Bonanno and Suncorp is acknowledged and appreciated.

On behalf of the MTA Queensland Board, I thank the MTAI Board and General Manager Paul Kulpa for the successful delivery of a central element of our Rules which includes ‘promote and encourage all forms of education and training supportive of the development of the motor vehicle industry’.

Appreciation is extended to the current MTAI Board comprising of Chair Mr Ian Lawrence, Deputy Chair and Director Mr David Fraser, Directors Mr Alan Bonsall and Mark Brady, General Manager Training Paul Kulpa, MTAI trainers and staff for their commitment and passion to the training of students and for embedding within the MTAI a culture of respect and learning. I acknowledge the service of former Director Steve Ghost and welcome MTA Queensland Secretary and QMID Chair Paul Peterson as a Director.

I commend General Manager Paul Kulpa’s comprehensive report to members.

President’s Ball

The precedent has been set for the annual President’s Ball to be a celebration of achievement and camaraderie.

The MTA Queensland Board is committed to the Rules on which it was founded and has resolved to continue to apply best practice governance to all its endeavours.

In its third year, the event held on 31st October 2015 at the Hilton Brisbane, was no exception. It was hosted by Brisbane radio personality Paul Champion with speakers including Suncorp National Industry - Strategic Operations Manager Rob Barlett, Capricorn Society Head of Sales Australia Dale Durden, MTAA Super CEO Leeanne Turner and myself.

The function provided me with the platform to launch the Professional Circle. A video presentation explained the Professional Circle concept.

The highlight of the evening was the announcement of the Apprentice of the Year and the Innovation and Community Awards. Selected from a field of seven nominees, the winner of the Apprentice of the Year Award and the MTAA Super prize of \$2,000 was Luke Roxburgh from Absolute Car Care in Brisbane. Congratulations to Luke and a sincere 'thank you' to MTAA Super for their generosity.

The MTA Queensland Community Award was presented to the Bruce Lynton Automotive Group for their generous and ongoing support to a wide range of charities and community initiatives. The MTA Queensland Innovation Award was presented to David Mohr of Chip Tyre for tyre recycling which meets all Environment Protection Authority standards.

Annual Golf Day

The 67th Annual Motor Trade Golf Tournament was held on Thursday 20th October at the Nudgee Golf Club. It is an 18-hole Stableford competition with players competing for the Motor Trade Cup. The winners received a replica of the Cup and a special trophy. On behalf of the Board, I thank members who donated trophies.

In Memoriam

To all members who have experienced bereavement, we extend sincere sympathy.

Congratulations

On behalf of the Association, I congratulate all members who have won prestigious awards and received recognition for business excellence.

The Future

The MTA Queensland Board is committed to the Rules on which it was founded and has resolved to continue to apply best practice governance to all its endeavors. For 87 years, at one time or another, these core principles have been the beacon for motor trades' employers to prevail through diversities such as 'the great depression', a world war, credit restrictions of the 20th century, a global financial crisis, several severe climatic catastrophes and great technological change. Central to our belief is entrepreneurialism and a culture of service to our customers and the general public now expressed in the Professional Circle.

The Association's challenge is to prepare for, and adapt to, on-going changes in the motor trades that inevitably will occur during this century, provide high quality advocacy on behalf of members, consolidate our position as Queensland's peak motor trades organisation and provide the leadership to fulfill the Object of our Rules.

I commend this report to members.

David Fraser

Chairman, MTA Queensland

Secretary's Report



Paul Peterson
Secretary
MTA Queensland

... during 2016/17, the focus will be on building the membership and expanding the Association's commercial activities and offerings.

The financial accounts, as presented, were audited by BDO Audit Pty Ltd.

Financial Results 30th June 2016

Deficit attributable to members of the Organisation

This year's deficit attributable to members of the organisation was \$621,913. This was due to the decrease in revenue of more than 8 per cent. Significant operating income changes during 2016 compared to 2015 were: -

- Grant income of \$632,428. The grant in the previous year represented the Apprenticeship Mentor program which completed in June 2015
- Training income decreased by more than 2 per cent. This was a result of a reduction in apprenticeship student numbers nationally
- MTAA House dividends decreased significantly from \$163,400 to \$47,500

Balance Sheet

The equity position of the Association remains strong at \$15,181,950.

- MTA Queensland holds 19 units, of a total 115 units, in MTAA House in Canberra that has a fair value of \$2,181,083. This investment currently has the consent from 83.5 per cent of Unit Holders to put the property up for sale with the minimum acceptable sale price to be set at not less than the current valuation
- Investment portfolio with Dalton Nicol Reid comprising investments in ordinary shares listed on the Australian Securities Exchange. Value at the end of the reporting period was \$1,335,044, an increase of 3.7 per cent. Since March 2013, the portfolio has returned approximately 11.22 per cent p.a. using the internal rate of return, not including franking credits

Cashflow

- The Association ran at a profit on its

operating activities, but has invested in property, plant and equipment and shares (under Investing Activities) that together amount to a sum greater than the operating cash profit. These investments were made to continue improvements that will enable the Association to deliver quality products and services to members.

General comments

Significant initiatives have been developed during 2015-16 to establish wider engagement with the automotive community. A commitment to the concept of the Professional Circle and the development of strong and growing communication with members, industry and the public has seen the investment in online engagement - including through the MTA Queensland website and social media avenues - begin to show solid returns.

MTA Queensland has been faced with challenges within the Vocational Education and Training industry with increased competition over the past few years from an increased number of private providers now delivering flexible delivery models within the automotive industry, as well as a decline in school leavers entering apprenticeships. Demand for vocational education from school leavers has declined due to government making available a greater number of places for university undergraduate students. Consequently, during 2016/17, the focus will be on building the membership and expanding the Association's commercial activities and offerings. Delivering quality services and representation to members remains at the heart of the MTA Queensland's strategy and vision.

I would like to thank all the members for their support and look forward to this continuing for many years to come.

Paul Peterson
Secretary, MTA Queensland

Group Chief Executive's Report



Brett Dale
Chief Executive Officer
MTA Queensland

My initial focus has been to establish the platform from which to advance the benchmarks of advocacy, services, support, training and innovation in the best interests of our members.

The Motor Trades Association of Queensland Board appointed me to the role of Group Chief Executive in May 2016. It has been an honour to return to the MTA Queensland to implement the Board's decisions and policies, provide the leadership to the corporate office and to serve the membership of all our divisional groups.

Although a short partnership and tenure to date, the team and I have hit the ground running. My initial focus has been to establish the platform from which to advance the benchmarks of advocacy, services, support, training and innovation in the best interests of our members. This has required a multifaceted approach built on collaboration, inclusiveness, professionalism and trust with staff, members and the broad range of stakeholders.

Increasingly and consultatively I initiated:

- Staff engagement mechanisms;
- Interactions with Divisional Chairs;
- The procedures to implement the Group's 2016-18 Strategic Plan;
- The membership growth strategy;
- The advocacy actions to raise the profile of the Association:
 - » within the retail, service and repair sectors of the motor trades;
 - » with local and interstate stakeholders; and
 - » with political representatives at local, state and federal levels through communications and direct engagement;
- The implementation of effective corporate governance arrangements for relationships, systems and processes to ensure compliance with the Association's rules. This includes reviewing corporate risk, occupational health and safety, and member engagement strategies;
- The activity schedule for the 2016-17 financial year;

- The establishment of a business development team to promote and grow the MTA Queensland and the Professional Circle;
- Cooperation with interstate Motor Trades Associations to establish a national collaborative arrangement; and
- Negotiations on training programs with federal and state training entities.

To implement these across the Group, and to achieve positive outcomes, relies on the professionalism and goodwill within the corporate office. I thank General Managers Kellie Dewar and Paul Kulpa, CFO Kathy Winkcup and all staff for their courtesies to me during a period of significant management change, for their willingness to respond to new goals and to enthusiastically advance the MTA Queensland Group.

The motor trades and the economy

Those of you who have followed my column in *Motor Trader* magazine in recent months will have noted my interest in the economy and its impact on the motor trades. Indeed, in several reports from the MTA Queensland divisional chairs, they indicate differing business circumstances. Some express 'a positive trading year', including significant membership growth, whilst others experienced 'patchy/varied trading conditions' with a limited increase in new personnel and static renewals including business closures. Although business volatility prevailed, there was optimism particularly with 'the Professional Circle championing the MTA Queensland members' high industry standards for workmanship.'

Consistent themes were identified by Chairs as impacting on their businesses in the past financial year. These comprised challenging

Members have embraced the Professional Circle, recognising the marketing advantage of being 'in the circle' with the associated branding in their workplace and office.

government policies, the long lead-up to the federal election; the appreciating Australian dollar; fluctuating consumer confidence; the transition to a services and broader based economy after the resources boom with the consequential impacts on regional businesses and communities, and regulatory obligations. The economic message from the membership is that to progress and be profitable, business needs an economic, industrial and financial environment that provides certainty, enabling confidence to invest, expand, maintain and create the jobs of the future.

The MTA Queensland's purpose is to deliver the services and policies to members for their businesses to prosper and meet 'change' with knowledge and confidence. To assist the membership with their businesses, the MTA Queensland drew on its core principles of 'trust and professionalism', which is at the heart of its philosophy and culture, to establish the Professional Circle. Underpinning it are the 10 commitments which act as vital credentials to the public on the professionalism and trustworthiness of the motor trade with which they transact business. These are: Honesty; Professionalism; Transparency; Courtesy; Integrity; Care; Clarity; Proactivity; Accountability and Compliance.

Members have embraced the Professional Circle, recognising the marketing advantage of being 'in the Circle' with the associated branding in their workplace and office. Your business is not only part of the Professional Circle but a key contributor to the automotive value chain. To put that into perspective, there are some 13,000 automotive value chain businesses, employing more than 90,000 people, generating in excess of \$14.5 billion annually.

The economic outlook for the coming financial year depends on whether the 'glass is half full or half empty'. Corporate Partners Dun and Bradstreet (D&B) produce and circulate the *Business Expectations Survey*. In its final quarter for 2016 edition, it stated that 54.2 per cent of businesses are more optimistic about growth in the next 12 months compared to 2015, while 34.1 per cent are less optimistic and 11.8 per cent are undecided. In the year ahead, 15.4 per cent of businesses see weak demand for their products and services as the biggest barrier to growth, while 13.2 per cent see utilities and operational costs as the biggest barrier.

For all members, I trust your economic outlook is more than 'a glass half full' and that 2016-17 is a year of certainty, confidence and prosperity. I undertake to concentrate our efforts on promoting the benefits of our members' businesses to consumers through the Professional Circle campaign.

I thank the Board for entrusting me with the role of Group Chief Executive which I undertake with enthusiasm and diligence in the best interests of the MTA Queensland membership.

Dr Brett Dale DBA
Chief Executive Officer,
MTA Queensland

Member Services and Support



Kellie Dewar
General Manager
MTA Queensland

Advocacy requires substance and patience. In the past year there have been policy achievements at both Commonwealth and state levels in which we can take pride and highlight.

Advocacy

Our approach to advocacy and policy work has always been about being consistent with beliefs and positions and engaging in the process with all levels of government. The MTA Queensland has been very successful with its advocacy and members can take pride in the achievements that have been to the advantage of their business operations.

The content of our submissions was quoted in part in two separate reports. The first was in the Queensland Parliamentary Finance and Administration Committee report relating to the *Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill 2015*. The second was in the Senate Economics Legislation Committee report on the *Treasury Legislation Amendment (Small Business and Unfair Contract Bill 2015) Provisions*.

Advocacy requires substance and patience. In the past year, there have been policy achievements at both Commonwealth and state levels in which we can take pride and highlight. A long term strategic policy goal from the commencement of the Australian Consumer Law process has been to extend unfair contract term protections to small business. After seven years of advocacy, the standard form contracts for unfair contract terms for contracts entered into or renewed on or after 12 November 2016 comes into effect.

The second relates to reform of S46 (misuse of market power) of the *Australian Competition and Consumer Act*. In several submissions, our policy position has been for an 'effects test' as the determinant of the misuse of market power. The Bill to implement this measure is in the consultation process and the trust is that it receives the necessary support to pass both Houses and become law. This policy, from our perspective, will increase the capacity

of automotive industries such as smash repair, retailing and service parts to engage in competition on their own merits and provide enhanced consumer choice.

At the state level, important to achieving outcomes for the membership are the constructive working partnerships with the Office of Fair Trading (OFT), the Department of Transport and Main Roads (TMR) and the Department of Energy and Water Supply (DEW). Through collaboration with TMR Officers, a resolution to motorcycle brake testing to the benefit of all parties was achieved. Equally, by working with the OFT, positive outcomes were achieved for the Automotive Remarketing Division. Sharing data with the OFT from the Association's 'Dob in a backyarder' website enabled Fair Trading officers to identify locations where it was suspected that illegal activities were taking place. Over the course of the operation, 32 businesses were identified as trading illegally and compliance action was taken against them.

Advocacy and policy work is about the medium and longer term goals and we have been contributing to some policy agendas over many years - some spanning over a decade and others in shorter bursts. The latter has been the case with the Biofuels Mandate over the last 12 months. As detailed in the SSCSAQ Chairman's Report, we have made five submissions and participated in seven meetings and other stakeholder engagement activities since the last Annual Chairman's Report.

Extensive representation of member interests by the Association over the last 12 months are detailed below:

Letters

- Congratulations to Prime Minister Hon Malcolm Turnbull Government Ministry with portfolios relevant to the motor trades

Getting out and about to see our members is key on my calendar with visits completed in Townsville, Atherton and Cairns.

- Congratulations to Leader of the Opposition Hon Bill Shorten and Shadow Ministers with portfolios relevant to the motor trades
- Congratulations to Queensland Senators and House of Representative Members on their election
- Congratulations to Hon Tim Nicholls and Shadow Ministers with portfolios relevant to the motor trades
- Congratulations to Hon Stirling Hinchliffe on appointment as Minister for Transport
- Letter to the Member for Forde Bert Van Manen supporting his advocacy for small business tax policy
- Pre-budget priorities letter to the Queensland Treasurer Hon Curtis Pitt
- Pre-budget priorities letter to the Australian Treasury's Budget Division
- MTA Queensland Federal Election Policy Initiatives - Leaders of the major political parties
- Letter to Minister for Energy, Biofuels and Water Supply concerning the petrol price summit

Submissions

- Vehicle Emissions Discussion Paper February 2016
- Advocating for small business and family enterprises
- *Australian Small Business and Family Enterprise Ombudsman Bill 2015*
- Options to strengthen the misuse of market power
- *Treasury Legislation Amendment (Spring Repeal Day) Bill 2015*
- Motor Accident Insurance Commission - review of the limits to apply to Compulsory Third Party premiums for quarterly assessment periods
- Lemon Laws - An Inquiry into consumer protections and remedies for buyers of new motor vehicles

- *Jobs Queensland Bill 2015*
- Compulsory Third Party Scheme Review
- *Small Business and Unfair Contract Terms Bill 2015*
- Australian Consumer Law Review
- *Workers' Compensation and Rehabilitation and other Legislation Amendment Bill*
- *Treasury Legislation Amendment (Small Business and Unfair Contract Bill 2015) Provisions*
- Discussion paper - Regulatory options for automated vehicles
- *Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015*
- Response to the Department of State Development's "Queensland Biofutures 10-Year Roadmap"
- Response to the Queensland Government's "Toward a clean energy economy: achieving a biofuel mandate for Queensland"
- Biofuels Mandate Implementation Paper 1 - Retail Threshold
- Biofuels Mandate Implementation - Biofuels Mandate Exemption Guideline
- Biofuels Mandate Implementation - Proposed Sustainability Criteria

Hearings

- Lemon Laws - An Inquiry into consumer protections and remedies for buyers of new motor vehicles
- Ethanol and Biofuels Mandate

Fora

State Government's Inaugural Advance Queensland Innovation and Investment Summit

Deputations

- Office of Fair Trading
- Department of Transport and Main Roads

Regional Visits

Getting out and about to see our members is key on my calendar with visits completed in Townsville, Atherton and Cairns. Our next schedule highlights Hervey Bay/ Maryborough, Bundaberg, Toowoomba and the Sunshine Coast. Our corporate partners generously gave up their time to come along on our North Queensland road trip and will be joining us again for our next schedule – where available.

These meetings allow members to express their views on local industry issues, give us an opportunity to promote MTA Queensland services, activities and the advantages of being in the Professional Circle for members' businesses, and allow our corporate partners to promote their services. We will keep you posted through my *Viewpoint* column in *Motor Trader* on the development of our visit schedule so be sure to check when we might be in your area and come and say hello. We'd love to see you there.

Communication

In addition to calling on our members face to face, we rely on many different forms of communication, including my *Viewpoint* column. To ensure these are working effectively, please ensure we have the correct contact details for your business - especially email addresses. The best contact point is someone who is across the operation and can distribute relevant information to the right person in the business.

Liaison with members in the field is the responsibility of divisional executives Colin Fitzpatrick (Tweed to the Brisbane Rivers and the Western areas), Ian Cole (Brisbane River north side to Bundaberg) and Andy O'Hearn (Gladstone to Cape York).

Member Services and Support continued

Three significant initiatives implemented over the past 12 months have been the Professional Circle, the Customer Service Management (CRM) system, and communications expansion to include the full social media suite.

The divisional executives provide advice from their field contacts into the several motor trades' divisions.

Significant initiatives

Three significant initiatives implemented over the past 12 months have been the Professional Circle, the Customer Service Management (CRM) system, and communications expansion to include the full social media suite. The CRM involved a holistic change to our administrative and communications tasks. The Professional Circle continues to evolve as we connect consumers with the concept and benefits of dealing with a member they can trust that is 'inside the Circle'. The Professional Circle represents the benchmark of industry standards and embraces all things that make a difference to everyone dealing with a business in the motor trades. Ensure you prominently display the Professional Circle material to provide a clear distinction that you are an MTA Queensland member who is 'inside the Circle'.

Social Media

We are in a period of great change when it comes to how we communicate with each other.

According to the Australian Bureau of Statistics (ABS), 86 per cent of households in Australia have access to the internet and, on average, people spend 10 hours a week of their personal time online. And yet, though these statistics would seem to make it obvious that every business would be more profitable if it were to have an online presence, figures suggest this opportunity is being missed by many.

The ABS reports that 98.4 per cent of businesses had internet access but only 48.6 per cent had a web presence and a mere 34 per cent had a social media presence. That translates to more than

half of Australian businesses missing out on the potential business that can be generated through online avenues.

The MTA Queensland has embraced these opportunities, transforming how it communicates and engages with members, the industry and the public. Through channels including Facebook, Twitter, YouTube and LinkedIn, we can now instantly let you know of industry updates, industrial relations news, new courses available through the MTA Institute and of the successes and achievements of members and apprentices.

These channels also allow us to promote members' businesses and the response to our presence in the social media arena has been very positive – the number of people 'liking' the MTA Queensland Facebook page has increased more than 350 per cent in the past six months.

The MTA Queensland is your Association, representing you, and there is nothing we want to do more than to share your stories with our online audience. An example of just how far the content we promote can reach is a Facebook post announcing one of MTAI's apprentices being awarded the Ulysess Club Australia Apprentice of the Year Award for the Qld/NT zone. Just one Facebook post showcasing this fantastic achievement reached more than 2,900 people across the state.

This is the type of news and content that the Association strives to promote - news that is positive, keeps the future generation of our industry involved and engaged, and spreads the word to the public that the automotive industry offers credible, value-added and fantastic career opportunities for people of all ages.

Social media, websites and the internet's ability to connect your

business with a vast audience is here to stay and the MTA Queensland can help you to promote your business in this digital domain. For those of you who have yet to do so, now it the time to get online and embrace this opportunity.

Industry guides

Personal Property Securities Register

The Australian Financial Security Authority has released an important, helpful and useful guide to the Personal Property and Securities Register (PPSR). The guide points out that 'Personal Property' translates to 'Goods/Assets' and 'Securities Register' to 'Debt'. It is intended to help businesses not familiar with the practical implications of the PPSR and explains how businesses might benefit from using the national online system. The guide is on our website and also may be accessed at www.ppsr.gov.au.

Guidance on the Uncollected Goods Act

The *Disposal of Uncollected Goods Act 1967* ("the Act") prescribes how and when the disposal of uncollected goods can occur and what must be done if there is a dispute about the return of the goods. Any goods that are accepted in the course of business for inspection, custody, storage, repair or other treatment, and intended to be re-delivered may, if uncollected, be sold under the provisions of the Act. Of particular importance to motor traders are the special provisions in the Act applicable to the disposal of uncollected motor vehicles.

Our Legal Partners, Bennet and Philp, developed a guide to the Act for motor traders, and it is available to our members for reference. Please contact us for a copy.

Our divisional committees go to the heart of our structure. Specifically, their role is established in the MTA Queensland constitution which is to ‘more effectively implement the Objects of MTA Queensland’.

SCAMS: What you need to know about scams targeting small business

Scams that target small business are becoming increasingly sophisticated and scammers will go to great lengths to convince you that the documents they send, or the offers they make, are legitimate and genuine. However, it's easy to copy or modify letterheads, names and logos to make them look real, and it's simple to create phony websites, use fake credit cards or cheques and obtain business details such as your name and address through public listings or from your website. You can protect yourself and your business by being aware of the common scams targeting small businesses.

Guidance on the Australian Consumer Law (ACL)

Over time we have issued information on many resources relating to the ACL and I am providing the following as a quick reference list.

National guidance on aspects of the ACL has been developed and is updated by the Australian Competition and Consumer Commission (ACCC), the state and territory consumer protection agencies, and, in relation to financial services, the Australian Securities and Investments Commission (ASIC).

Rental Vehicle Industry – an Industry Guide to the Australian Consumer Law

This guide provides information on the ACL for car rental businesses.

It covers key aspects of the law such as contract terms, deposits and refunds, focusing on issues where:

- industry bodies have requested more detailed guidance for business
- consumers frequently report problems

to national, state and territory consumer protection agencies

Motor vehicle sales & repairs - an Industry Guide to the Australian Consumer Law

This guide provides information on the ACL for the motorcar and motorcycle sales and repair industries.

It covers issues where industry bodies have requested more detailed guidance and where consumers have frequently reported to national, state and territory consumer protection agencies.

This information will be relevant to:

- licensed motor vehicle traders (including of cars and motorcycles)
- mechanics and repair shops
- motor vehicle manufacturers
- motor vehicle industry associations

Guides for businesses and legal practitioners can be found on the ACCC's business page, specifically:

- unfair contract terms
- consumer guarantees
- consumer product safety
- sales practices
- avoiding unfair business practices

Industry Divisions

Our Divisional Committees go to the heart of our structure. Specifically, their role is established in the MTA Queensland constitution which is to ‘more effectively implement the Objects of MTA Queensland’. In a nutshell, these are to promote, advocate and protect the interests of employers and the motor trades and promote and encourage all forms of education and training to develop the sector.

For the MTA Queensland to be an effective advocate to all levels of government on behalf of the

membership, industry divisions are vital for the substance and quality of the dialogue. Ideally, the membership should be diverse and effective in providing the foras for the voicing of views and issues for resolution or advocacy. Over the longer term, the industry divisions form the nucleus from which future industry leaders emerge.

At present, some industry divisions have casual vacancies which need to be filled in the best interest of the sector. I encourage members to consider serving on industry committees and contribute to the strategic thinking and leadership on industry policy positions. The MTA Queensland's advocacy is reliant on the diversity and competency of views emanating from its industry divisions.

Teleconferencing infrastructure continues to provide members with immediate access to meetings and discussions. This ensures that any member, regardless of location in our decentralised state, can engage in divisional meetings.

Corporate Partners

Our corporate partners are integral to the spread of additional benefits to members and I thank them for their ongoing support to the MTA Queensland and acknowledge:

- MTAA Superannuation – our superannuation partner
- Capricorn Society Limited – offering services that include access to a huge network of suppliers, instant credit equipment finance and much more
- Commonwealth Bank – offering members some of the lowest EFTPOS charges and other benefits
- Dun and Bradstreet – the nation's foremost credit control and debt collection agency

- Guard Insurance – specialists in insurance and risk management solutions
- Our Auto Tech-Centre – access to the largest technical library in the southern hemisphere
- Our Auto Digital – for all your website requirements
- Australian All Energy Solutions – specialists in installation of solar systems
- Bennet and Philp – for legal advice

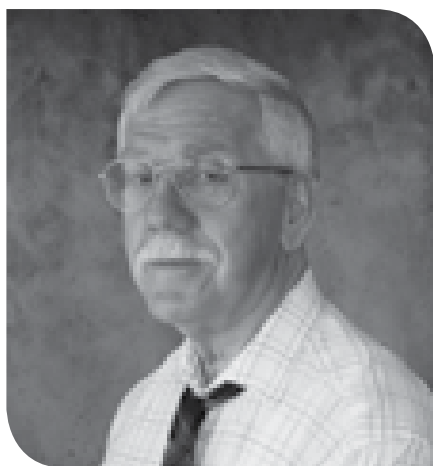
Membership Team

I take the opportunity to highlight the professional contribution of all staff at MTA Queensland to support our members. All staff underwent extensive training for the new CRM system and I thank them for mastering the required skills. This system will improve, monitor and measure our activity, service and interactions with members to ensure it is of a consistently high standard.

Sincere thanks to MTA Queensland Chairman David Fraser, Committee Chairmen, and Committee and Board members for their leadership, valued input and professional approach to representing their respective divisions and districts.

Kellie Dewar

General Manager, MTA Queensland



Ted Kowalski
Manager Industrial Relations
MTA Queensland

Unfortunately, the federal electoral turmoil that we have experienced over the last 12 months has also meant that much needed legislative changes to the Fair Work Act have not been addressed.

Four-year review of Modern Awards

The Fair Work Commission continues its four-year review of Modern Awards. This process commenced in mid-2014. The two primary awards that apply to the motor industry – the *Vehicle Manufacturing Repair Services and Retail Award* and the *Clerks Private Sector Award* – have had some changes made as a result of the review but their finalisation appears to be unlikely until the first quarter of 2017.

The Fair Work system, which we were told at its introduction in 2010 would be so simple that businesses would no longer need to seek the advice of lawyers to determine its requirements, has proven to be rather more complex and in need of modification than originally thought. Unfortunately, the federal electoral turmoil that we have experienced over the last 12 months has also meant that much needed legislative changes to the *Fair Work Act* have not been addressed. We can only hope that the coming year will bring some resolution of the outstanding matters so that businesses can expect a period of stability and certainty.

Setting of Annual National Award Wage rates

The Fair Work Commission continues to conduct its annual wage reviews - a process that commences in late September and runs to late May of the following year. This year saw a 2.4 per cent across-the-board increase to all adult award rates - which applied from the 1st July 2016. This was a marginal drop from the 2.5 per cent increase that been awarded in 2015. The annual reviews have seen the tradesman's rate go from \$17.46/hr from 1st July 2010 to \$20.61/hr from 1st July 2016. This represents an 18 per cent increase in the award rate over that time.

Redundancies and Unfair Dismissal Claims

The last 12 months have seen a significant number of members seeking advice on handling redundancies brought about by a drop-off in work. Regional centres have been affected by the closure of mines while many metropolitan members have also seen reduced business necessitating keeping staff numbers at minimum viable levels.

Unfair dismissal claims have been, thankfully, less prevalent this year and every matter in which we have assisted members has been settled at the informal conference stage.

Courses

MTA Queensland runs regular courses throughout the state on topics that cover:

- Understanding The Fair Work Awards applicable to the motor industry and the National Employment Standards
- Employment record keeping obligations
- Handling a dismissal – correct process for termination and how to handle a claim that has been lodged
- What to do about workplace bullying, harassment and discrimination
- Employer Workplace Health and Safety obligations

Material on all the above topics is available in the members-only portal on the MTA Queensland website.

Approved Governance and Financial Management Training

The Association has complied with the *Fair Work Registered Organisations Act* requirement that Board members and officers undergo approved training in governance and financial management. Previously, the MTA Queensland had to rely on external

service providers for this training. A specific program has been instituted that can be accessed by new Board members and can be provided to other Registered Organisations.

Deregistration of State Association

The MTA Queensland has been representing its members, and the motor industry, for more than seven decades. For the greater part of that time the majority of its members were covered by state awards and, consequently, most of its work was conducted through the state industrial relations system.

With the advent of the Work Choices and then the Fair Work system, all members are now in the federal industrial relations system. Currently, the Association has registration as an employer organisation under both the Queensland and federal industrial legislation. There is no longer a necessity for the Association to retain its state registration. In fact, having registration in both the state and federal systems is unnecessarily cumbersome and time consuming – two sets of rules need to be maintained as well as ensuring that all activities meet the often different requirements of state and federal industrial laws.

The *Queensland Industrial Relations Act* allows a state-registered employer organisation to seek deregistration as long as a certain process is followed. We are now in the final stage of making our application for deregistration.

We sincerely thank all members who registered their vote. This forms a key part of the application process as the Full Bench needs to be satisfied that the majority of members have agreed.

Ted Kowalski
Industrial Relations Manager,
MTA Queensland

Australian Automotive Dealer Association (Qld)



Garth Madill

Chairman
Australian Automotive
Dealer Association (Qld)

For all issues regarding local and state-based legislation, it is the MTA Queensland that represents your interests.

I encourage everyone to give

continued support to the Motor Trades Association of Queensland (MTA Queensland) and to share with other dealers the great benefits of membership. The value offered to new car dealers is exceptional: whether it is access to the industrial relations advice given by Ted Kowalski and Paul Murray, representation through advocacy, or keeping us up to date with changes in our industry, membership of MTA Queensland offers peace of mind.

For all issues regarding local and state-based legislation, it is the MTA Queensland that represents your interests. The Association complements the advocacy work being delivered by the Australian Automotive Dealer Association (AADA) national body with their own representations and submissions.

I suggest that if you haven't taken the opportunity, you access the submissions on the MTA Queensland website as there are many that impact our industry directly including Lemon Laws, Australian Consumer Law, Motor Accident Insurance Commission – CTP review, Worker's Compensation and Rehabilitation, Automated Vehicles and more. The detail and quality of the submissions reflect MTA Queensland's capability to represent our industry effectively. In addition to a written submission, the MTA Queensland represented our division as a witness at the Parliamentary hearing on Lemon Laws.

I would like to thank Kellie Dewar and her team for their incredible assistance during the year, and also thank the Board for their commitment to making our industry a better one.

The past year has been a continual consolidation of our national body, AADA, as it grows from strength to strength and receives recognition from

the dealer network, government and manufacturers. It is very comforting for dealers to know their concerns and issues on a national level are being handled by some of the most experienced dealers in Australia. For those achievements to date, I compliment them and thank them for their strong representation.

I would like to thank Geoff Pickering for his time on the national board and wish Mark Woelders the best as Geoff's replacement as AADA Queensland's representative. I would like to offer our support to Ian Field on his nomination for re-election by the sitting Board.

I would encourage all dealers to read their *Motor Trader* and *Automotive Dealer* magazines to keep abreast of the ongoing issues facing the industry and the progress AADA and MTA Queensland are making in addressing those issues, e.g.

- ASIC Review of F&I Income
- Office of Fair Trading "Lemon Laws"
- Parallel Imports – by no means dead yet
- Australian Consumer Tax Review
- Luxury Car Tax Exemption

There are many more issues that are currently impacting motor dealers and issues that are potential threats in the future.

Also, congratulations to Len Daddow for his MTA Queensland life membership honour in recognition of his involvement with AADA (Qld) and MTA Queensland. Good on you Len.

I welcome James Sturges as the incoming Chairman for AADA (Qld) and look forward to supporting him and the Industry in my role as Vice Chairman.

Finally, I would like to encourage other dealers to get involved with MTA Queensland through AADA (Qld).

The committee plays an important role in shaping the future of the industry. The AADA (Qld) Committee will have an upcoming casual vacancy and I encourage all of you to consider nominating for this position. Remember, it is your business and your future that MTA Queensland represents and I encourage you to be part of the process in any way you can.

Garth Madill

Chairman, AADA (Qld)

Automotive Engineers Division



Mark Dodge
Chairman
Automotive Engineers Division

To be a leader, you need to have the vision and the ability to adapt and innovate. Doing this will allow you to ride the wave of change instead of being left behind to play catch-up whilst others are reaping the benefits.

2016 has been a very positive year

for the Automotive Engineers Division (AED), the committee and the division's members.

New and reinvigorated members of the AED have helped to create an air of confidence and enthusiasm and the effect of this is creating improved communication and realistic expectation amongst members of the division as to the services available and offered.

Ours is a constantly evolving industry and it never ceases to amaze me the speed that automotive technology changes. With this speed of change comes the need for revised and updated data and we are very fortunate that, as members of the MTA Queensland, we have access to Russell Sticklen and what appears to be a never-ending source of technical information.

We need to be aware of the changes to our industry and adapt to them. To be a leader, you need to have the vision and the ability to adapt and innovate. Doing this will allow you to ride the wave of change instead of being left behind to play catch-up whilst others are reaping the benefits.

The resources industry is still winding down, resulting in tradespeople both returning to towns and cities looking for work and leaving communities because they are unable to find work.

When people are unsettled they do not spend money. Given one of the longest lead-ups to a federal election has just passed, I would now hope to see a period of stability and growth within our economy that will encourage spending. Confidence builds confidence.

The automotive industry has always struggled to get a good balance of both qualified tradespeople and apprentices completing their training. An apprentice

is an investment - an investment not only in your future but our industry as a whole, and we need to be constantly training to be able to accommodate the requirements for skilled technicians in our evolving industry.

Your customers are, of course, an integral part of your business. Without them, you don't have a business. As a service provider we need to understand that, thanks to the internet and the growth of social media, the consumers' expectations are higher now than a decade ago. It is important that, as a service provider, we not only meet but exceed our customer expectations. This can be achieved by good communication - something as simple as a follow-up phone call to ask about their experience. It is important to remember that should a customer use the services of another repairer, that repairer did not necessarily take your customer, it may be that you lost that customer. Food for thought.

With the assistance of Ian Cole, the AED is actively seeking to engage with authorities such as the Department of Transport and Main Roads on a more regular basis.

It is important that all members understand the MTA Queensland exists as their organisation and positive input from our divisional members will see MTA Queensland go from strength to strength.

Mark Dodge
Chairman, AED

Automotive Parts Recyclers Division



Lawrie Beecham

Chairman

Automotive Parts Recyclers Division

The Professional Circle campaign, acceptance and profile should entice any thinking business leader to want to be part of the peak body representing them in Queensland.

I accepted this role in August last

year and I am honoured to represent the wonderful individuals and businesses in my industry. I have been involved with this industry for about 50 years and now more than ever I can see change will revolutionise or destroy the industry as we know it today, albeit it may take 20 years or so for that to happen. The APRD Committee will continue to focus on growing the membership base by speaking with all recycling businesses about the benefits of being a member of MTA Queensland. I believe, with the tremendous support we have had from staff at MTA Queensland, we have been relevant and pertinent to our members.

Are you aware of pressure vessel calculations to determine inspection requirements and vehicle hoists no longer needing to be registered with the Division of Workplace Health and Safety? MTA Queensland provided clarification on these as a result of them being raised at our committee meetings. The information distributed was very comprehensive. If you wish to check your current details to ensure you are receiving all the information, then please call member services.

The Professional Circle campaign, acceptance and profile should entice any thinking business leader to want to be part of the peak body representing them in Queensland. Do not miss the opportunity to promote your business as being “in the Professional Circle” by clearly displaying the material that has been produced and using the logo on your website and business documentation.

It is totally against my grain to infer negative issues impacting us but I have noted recently the banks are starting to tighten their lending criteria and this augurs for some restraint and careful planning with business infrastructure and finances.

Automotive recycling companies are an important source of salvaged car parts for consumers, providing them with a significantly more affordable alternative to new parts. Likewise, selling scrap metal from end-of-life vehicles (ELV) has historically been a good support business. However, today's lower scrap prices have spurred reduced scrap volume. I have always advocated that legitimate automotive recyclers should never rely on scrap value but use it as a bonus when values are up.

I am currently contributing information to a project to analyse the costs associated with legitimate processing of ELVs. The aim is to determine some benchmark figures reflecting the approximate true costs associated with dismantling any vehicle.

I also see the influence that advancement in autonomous vehicles has had and which may well create one of the biggest issues for our industry. Along with this technology advancement is the ability for the vehicle to assess its own damage after an accident and to forward the parts supply quote directly to the manufacturer or manufacturer's supplier, by-passing the automotive recyclers inventory and removing them from the supply chain. It could just as easily, of course, be the radiator or glass or repair industry. Businesses need to continue to develop innovative ways to adapt to a constantly changing market and economic environment. This applies to all businesses, big and small.

Effective representation, advocacy and support that our own industry deserves and requires must be done with a whole-of-industry approach which is exactly what the MTA Queensland does. The APRD committee is committed to keeping you informed of relevant industry topics (be they good or bad), current and proposed legislation, news

We know change is the only constant in business and you cannot grow and adapt if you are not recognising those factors that are impacting on your business, your lifestyle, profitability and market relevance.

items, conferences, training and any topic that may support or have an impact upon your chosen automotive recycling ventures.

Reports from the sector are quite varied with the specialist type entities suggesting increased enquiries, sales and growth, and many of the smaller operators claiming a decline. Where customers have choice they look for high quality, good product knowledge, range and service so make sure your business sets and maintains these high standards.

Profitability seems to be down but many operators seem reluctant to give out information in this area. Personally, I believe there are myriad factors that can and do influence this, such as:

- Some entities openly displaying prices on the internet
- Advancement of technology: Electronic Roll Mitigation, Adaptive Cruise Control, Lane Avoidance Technology, Automatic Vehicle Location Data, On Board Diagnostics, ABS, Forward Collision Warning, Rear View Camera, Electronic Stability Control, Trailer Sway Control, Vehicle Monitoring System (Tyre Pressures) and Traction Control to name a few
- E-call: protocols to access SRS deployment and GPS location (via Smart Phones)
- Autonomous vehicles
- Manufacturers declaring use of recycled parts puts you and your safety at risk
- Increased industry sector involvement of minor entities importing cheap product from China and selling via the internet in an environment that is not a level playing field
- Easier importing/exporting protocols by overseas parts suppliers
- Carsales.com.au moving into parts selling

This may not be considered positive to industry growth and profitability but it is a timely reminder to be on your game and participate in seminars, training and YOUR industry association to remain abreast and aware of changes. We know change is the only constant in business and you cannot grow and adapt if you are not recognising those factors that are impacting on your business, your lifestyle, profitability and market relevance.

Lawrie Beecham
Chairman, APRD

Engine Reconditioners Association of Queensland



Mark Bryers

Chairman

Engine Reconditioners Association
of Queensland

The ERAQ Committee understands and appreciates that our members are based throughout Queensland and has been discussing ways we can increase member participation either through technology or in person.

Member participation

This year has seen the ERAQ have four meetings: two meetings at the Motor Trades Association of Queensland (MTA Queensland) offices and two external meetings. It is clear members are interested and keen to attend meetings that add to their training and skill sets.

During the year, about 40 members and staff visited MTQ Engine Systems for a trade night where they were shown aspects of the business ranging from fuel pump injectors to turbo charging. There was a display installed and staff were available to address attendees regarding their fuel program and diagnostics for injector and turbo failures. We also had more than 50 members and staff attend the KRE Engines night. KRE build race engines for sprint cars and V8 Supercars teams such as Red Bull. Ken and the staff showed the attendees all the elements and techniques of how they build race engines and also ran one of the V8 engines on the dyno.

The ERAQ Committee understands our members are based throughout Queensland and has been discussing ways we can increase member participation either through technology or in person. If you have any ideas on how to make this a reality, please let us know.

Change to ERAQ By-Laws

The MTA Queensland Board approved our request to change the criteria for membership to the ERAQ. The change was voted on at our Annual General Meeting held on 31st August 2016 and was carried unanimously to be effective immediately.

ERAQ, as a division of MTA Queensland, has an equipment list requirement as part of their existing membership eligibility criteria. This requirement is a by-law of the ERAQ division so an

application is declined if the applicant is unable to meet the set criteria.

After recent assessment of the criteria, the division's committee agreed the by-law should be removed so that anyone who makes their livelihood working with engines can be a member of the ERAQ. The by-law will be replaced with a simple checklist to identify the sector of the industry the applicant represents and to confirm this fits with the scope of the division. The change will not be implemented as a by-law which means there will be no restrictions on amendment of the list at any future point. This will allow the ERAQ to have members from associated businesses that help or support our industry. These would include businesses such as engine assemblers and fuel, turbo, performance and parts suppliers.

In my last report, I referenced information on consumers supplying parts and the implications of this to industry. This is a topic that continues to be raised. If a problem arises with a part supplied by the consumer and fitted by your business, under the Australian Consumer Law (ACL) the customer may have the right to a remedy from either the manufacturer or retailer of the part. If a problem arises as a result of installation of the part by your business, the customer may have the right to a remedy from your business. All suppliers guarantee that services are provided with due skill and care. This means, as a business, you must use an appropriate level of skill or knowledge based on your technical ability when providing services (including fitment) to avoid damage or loss. This may include advising the customer of the risks associated with installing an inferior part or that the part is not suitable for their purpose.

The committee looks forward to growing the membership, increasing participation and being a united voice for our industry.

Mark Bryers
Chairman, ERAQ

National Auto Collision Alliance



Steve Eaton
Chairman
National Auto Collision Alliance

The NACA Committee is involved in member needs for policy, shop grading and aspects of collision repair training through the MTA Institute (MTAI).

Thank you for the opportunity to present this 2016 National Auto Collision Alliance (NACA) AGM Chairman Report. The NACA has approximately 180 collision repair members in 19 locations and the division is growing.

The NACA Committee, along with the Motor Trades Association of Queensland (MTA Queensland) General Manager Kellie Dewar and MTA Queensland staff, work hard to help and assist members and their associates.

NACA has various working relationships with other MTAs and national bodies.

The NACA Committee is involved in member needs for policy, shop grading and aspects of collision repair training through the MTA Institute (MTAI). All committee enquires and responses are directed through the MTA Queensland Member Services department. Dr Brett Dale, Group CEO of MTA Queensland, and the MTAI Board work closely with Kellie and NACA to ensure members get maximum support.

NACA newly elected Committee 2016-17

2016 NACA Committee Member Elections Results

(8) Candidates Election Results:

Steve Eaton
Chris Manteit
Andrea McCarthy
Ben Chesterfield
Nick Contarino
Steve Davies
(new elected committee member 2016)
Paul Dawson
(new elected committee member 2016)
Antony Savva
(new elected committee member 2016)

Outgoing 2015-16 NACA Committee members are Roy Wackwitz, Chris Agnew and Rod Ward. I would like to thank Roy, Chris and Rod for the work they have done in 2015-16.

NACA News 2016

RACQ Repairer Shop Grading Update

The process is ongoing and involves a partnership between MTA Queensland, NACA, RACQ and the Australian Motor Body Repairers Association (AMBRA) for RACQ Qld Repairers who require RACQ Shop Grading Certification. Kellie Dewar and the MTA Queensland Member Services team have worked tirelessly with RACQ and AMBRA to roll out the first group of certified repairers. A number of shops have completed the auditing process with more expected this year. There are a total of 70 participants in the RACQ Shop Grading Program.

Other MTAs, States and National Issues

Dr Brett Dale, Kellie Dewar and the NACA Committee are in various working relationships with other state MTAs and AMBRA. NACA Committee members want national representation and Dr Dale is working towards strong relationships with MTA Queensland's national counterparts. NACA Committee member Ben Chesterfield, from Car Craft Qld, attended the recent AMBRA national meeting in Melbourne and will report back to MTA Queensland at the next NACA meeting.

NACA: Major Issues for 2016

2016 Agenda items for discussion are based around the current changes in the auto repair industry structure. These include the right to repair, accreditation, insurer network estimating programs and 'real times, real money' as opposed to 'funny times and funny money'. Things have changed for all collision repairers and many independent operators are struggling.

While autonomous car trials have begun in South Australia, the small population and size of the country will mean that Australia will be slow to adopt the infrastructure needed for fully autonomous transport.

Summary of Industry in 2016

2015-16 has seen many changes within the collision repair industry.

Less motor vehicle accident claims and safer vehicles have impacted on the amount of work available. Industry has changed the way motor vehicle repairs are managed. We now have large repair groups merging and consolidating to form mega-groups which can partner with industry leaders. Vehicle manufacturers, motor dealers, insurance companies and fleet management companies (including banks) are currently leading the automotive industry. Emerging leaders are coming from the MTAs, including MTA Queensland, and from large consolidators within the industry. Examples of consolidators include Manufacturer Dealer Network Groups, Franchise (Independent Joint Groups), Group Multi-Site Operators (MSO) and Network Insurer Approved Repair Groups.

In Queensland, consolidation in the industry has expanded into two major groups. They are AMA Group, a listed company incorporating Gemini AU & NZ and Capital S.M.A.R.T, an insurer/bank-owned group with shops in AU and NZ.

A third, independently-owned group, Car Craft, is currently expanding to 20 shops in Queensland and 80 nationally. Standalone independent operators are struggling to compete with the larger, stronger repairer groups.

Report from IBIS 2016 Global Focus Repair Report Australia

Likely trends/developments Australia

Industry consolidation will continue to gallop ahead and the number of independent repairers will decline. While accident rates will continue to fall, repairers are slightly shielded by the older vehicle market, the vast

distances (leading to driving fatigue and accidents) people travel and road hazards such as wildlife – as well as the biblical weather conditions which can prevail. While autonomous car trials have begun in South Australia, the small population and size of the country will mean that Australia will be slow to adopt the infrastructure needed for fully autonomous transport.

The industry is at a crossroads with a number of directions possible which will depend on insurance industry trends, the success of affiliation groups and whether the relatively newly consolidated businesses can integrate, thrive and continue to influence market forces.

Summary

I wish to thank Kellie Dewar and the MTA Queensland staff for their help and generosity over the past few years. I look forward to working with the new NACA Committee in 2016-17 and thank the current and past committee for their assistance over the past two years.

Thank you for the opportunity to present this report.

Steve Eaton
Chairman, NACA

Queensland Farm and Industrial Machinery Dealers Division



David K Fraser, (JP Qualified)
Chairman
Queensland Farm and Industrial
Machinery Dealers Division

A trade-recognised Certification Level Three qualification is now available which has specifically been designed for farm machinery technicians and is a great benefit to our division.

Agricultural Sector

The majority of Queensland's eastern seaboard, including most farming areas, with the exception of the inner central Darling Downs, have well advanced crops and are on their way to achieve above average winter crop yields. Although the Central Darling Downs has received extremely late rain, it is unlikely that crops will break any records due to the shortened growing time.

Strong chick pea hectare pricing contracts have seen increased farming of the legume. This, coupled with a good season, has lifted expectations for a high on farm return. This should result in maintaining agricultural machine sales at an above average level again through to the end of 2016. Last season's summer crops of both grain and cotton yielded well above average and returns held firm, with many farmers reporting the best year ever, in yield and farm income.

The availability of qualified diesel fitters is continuing to be good in the agricultural sector. This is a direct result of the mining and gas sector downturn over the past 12 to 18 months.

We are continuing our work in lobbying government for the supply of farm produce as aid to foreign countries in times of need, rather than cash handouts.

The QFIMDD Committee has had a successful year with many issues tabled, discussed and actioned with the assistance of MTA Queensland staff. I congratulate Kellie Dewar, General Manager for MTA Queensland, and her dedicated staff for the ongoing support to the QFIMDD members during the year.

Training

Apprentice training remains a high priority for farm machinery dealerships. I congratulate Paul Kulpa, General Manager for MTA Institute, in his tireless efforts for the development of a course dedicated to agricultural farm machinery service technicians. A trade-recognised Certification Level Three qualification is now available which has specifically been designed for farm machinery technicians and is a great benefit to our division.

Industrial Machinery Sector

It appears the industrial machinery sector has plateaued but may be on the rise. Industrial machinery dealers are reporting increasing sales numbers of construction and earthmoving machines with the release of state government-funded road and infrastructure projects and grants. During the lull, the industrial dealers made comment that they shifted the focus of their businesses to machine parts and repair sales as it became important for business survival. Industrial dealers have also commented on the ease of finding qualified diesel fitters as a result of staff returning from the mining sectors.

MTA Queensland/MTA Institute

During 2016, MTA Queensland appointed Dr Brett Dale as Group Chief Executive. Brett is well known to most dealers within the industry as he was formerly Managing Director of the MTA Institute some four years ago. Brett's return sees the business taking on its new phase in bringing both divisions of the business, MTA Queensland Member Services and MTA Institute, under his leadership. I am sure Brett's dedication and new leadership will see MTA Queensland appropriately positioned for our members well into the future.

Networking

Dates to remember:

1. AGM: MTA Queensland Annual General Meeting 10.00am, 28th October 2016
2. MTA Queensland Presidents Ball: The annual MTA Queensland Presidents Ball, 19th November 2016 at the Hilton Brisbane

In closing, I would like to extend a thank you to the QFIMDD committee, Bruce Sommerfeld (Vice Chairman), Rob Vandersee (Secretary) and Graham Lawson (committee member) for their assistance throughout the past year. I look forward to working with the new QFIMDD committee during 2017. I am pleased to advise the only change for 2017 is the appointment of Hector McInnes as Secretary, with Rob Vandersee and Graham Lawson continuing their roles as committee members.

I also wish to extend a thank you to everyone at MTA Queensland and MTA Institute for their dedication and excellent efforts in supporting the motor industry in Queensland throughout the past year.

David K Fraser, (JP Qualified)
Chairman, QFIMDD

Queensland Motorcycle Industry Division



Paul Peterson

Chairman

Queensland Motorcycle Industry Division

Outcomes from the licensing review are now finalised for implementation on 1st October 2016. The amendments include changes to the time each stage of a licence is to be held, as well as the training delivery and hours.

It has been a busy year for the QMID Committee and associated government activity within our industry which I have detailed in my report.

Lane splitting awareness

Raising awareness of changes to lane splitting was a key topic of discussion for our committee. We were pleased to see the government investing in some consumer education and awareness on these changes as we had extensive feedback that the public seemed unaware of the developments. Recent registration renewals included a flyer on lane splitting. This was a result of a suggestion raised at our QMID Committee meeting.

Mandatory Standards for Motorcycle helmets

Removal of mandatory standards that limited the range of motorcycle helmets available for sale by Australian retailers was another key topic for our committee. The national standard restricted motorcycle retailers from selling helmets other than those meeting the Australian standards. However, the same helmet could be purchased online and used on the roads.

Licensing review for Motorcycles

The results of the motorcycle licensing discussion paper and accompanying online survey were released in December 2015. 1,740 responses were received.

The feedback supported changes to the motorcycle licensing system in the following areas:

- Over 65 per cent support for introducing an off-road pre-learner practical training and assessment course.

- Over 60 per cent considered a minimum learner licence period important.
- Over 80 per cent considered new riders holding an RE licence for at least one year before progressing to an R licence as important.
- Over 85 per cent considered a standardised Q-Ride course curriculum important and supported the course incorporating a stronger emphasis on behavioural factors and higher order skills.

Outcomes from the licensing review are now finalised for implementation on 1st October 2016. The amendments include changes to the time each stage of a licence is to be held, as well as the training delivery and hours.

Thank you to all members who took the time to provide feedback by participating in the online survey.

Requirements for AIS for brake testing motorcycles

Information issued directly from the Department of Transport and Main Roads on requirements for the AIS to test and capture the 'peak deceleration' and either the 'average deceleration' or 'total stopping distance' as part of the Safety Certificate caused some confusion with members. The information certainly prompted many calls to myself and the MTA Queensland office.

On investigation, this wasn't a change in requirement but highlighted a very low level of awareness of this requirement as part of the Safety Certificate. The immediate issue was that members, and industry in general, did not have adequate equipment to perform the tests and that the devices appeared very expensive and not suitable or practical for our industry.

Queensland Motorcycle Industry Division continued

The Qld Government released its plan to improve quad bike safety - 'The Statewide Plan for Improving Quad Bike Safety in Queensland 2016-2019'. The plan is a key initiative to raise awareness of the risks associated with quad bike use and enhance operator skill and safety.

We met with the Department of Transport and Main Roads on numerous occasions to reach a cost-effective, safe and suitable solution that would meet compliance requirements. I thank the Department for their co-operation and proactive approach to the concerns and matters we raised.

At the meeting, we took the opportunity to discuss noise emissions and motorcycle exhausts and we will continue to work with the Department of Transport and Main Roads on these issues. In the meantime, we did issue information that gives clarification around the current requirements under Vehicle Standards and Safety Certifications in relation to both topics.

Quad bike safety plan 2016-2019

The Queensland Government released its plan to improve quad bike safety - 'The Statewide Plan for Improving Quad Bike Safety in Queensland 2016-2019'. The plan is a key initiative to raise awareness of the risks associated with quad bike use and enhance operator skill and safety. The plan is to focus on three key priorities:

- Community education and awareness about quad bike safety risks
- Improve quad bike operator safety
- Government leadership in promoting quad bike safety

Communication with MTA Queensland

If the above topics are not on your radar, you need to make sure you are receiving emails or keeping yourself up to date via the MTA Queensland Facebook account and website. Are you the person in your business who is the main contact, or is it your administration person or similar? This could be why you are not receiving relevant

information to your business. Please check current details with MTA Queensland.

Participate in our Division Meetings

All QMID members are welcome at our meetings and we have teleconference facilities available for members in regional areas.

In closing, I thank both my committee for investing their time to ensure policy and feedback are provided by our industry directly, and the MTA Queensland for their work representing us on these important issues and keeping us informed of changes.

Paul Peterson
Chairman, QMID

Rental Vehicle Industry Division



Chris Ching

Chairman
Rental Vehicle Industry Division

This prolonged period of difficult trading conditions has seen several large licensees go out of business . . . On the upside, the continuing low interest rates and fuel prices have assisted in keeping down costs.

The 2015-2016 financial year has

exhibited patchy trading conditions throughout the rental car industry.

Factors that affected profitability in 2014-2015 continue to play out this year.

The most obvious of these are:

- Lack of consumer confidence leading to a decline in leisure spending
- General downturn in the economy and reduced spending, combined with the relatively high Australian dollar, has led to a marked decrease in commercial (truck and van) rentals
- State and federal governments lagging behind with infrastructure and general government expenditure
- Continued decline in the resources sector and no new projects mooted to start in the immediate future. Now that the federal election has been finalised, it is to be hoped that confidence will be restored and business in general will see an upturn

This prolonged period of difficult trading conditions has seen several large licensees go out of business, particularly in the areas most affected by the mining downturn. On the upside, the continuing low interest rates and fuel prices have assisted in keeping down costs.

Several new situations are emerging which also have the potential to impact severely on the profitability of those rental companies following the traditional business model.

The first of these is the increasing dominance of third-party websites (e.g. Vroomvroomvroom, Rental Cars.com etc.). Whilst this offers convenience and transparency of pricing to the consumer, it also involves a commission to the website taking the booking, further eroding profitability. With this in mind, the importance of the internet and social media must be addressed and mastered by all operators who wish to survive and thrive in the modern day rental market.

Second is the increasing emergence of the 'car sharing' phenomenon. This is based on two quite distinct business models.

The first involves established operators making a vehicle available to a registered pool of renters. Examples of this are Hertz 24/7 and Flexicar (also owned by Hertz). Renters can book the car in short or long increments of time to suit their needs and then use their smartphone or a personal swipe card to access the vehicle. This could be likened to the Brisbane City Council bicycle hire stands. The system has a number of potential flaws (unreported damage being the biggest concern) but appears to be the way of the future and will need to be further refined to create a product that is suited to both the renter and the hirer.

The second business model is the so-called 'peer-to-peer' sharing. This is the one that is of most concern to current legitimate rental companies and involves private individuals renting their own vehicles to another person, sometimes facilitated by a third party such as Car Next Door or Drive My Car who advertise the service and take a commission on each rental. Here we have the situation where the vehicles are highly unlikely to have the correct CTP insurance/standards of age/roadworthiness etc. In other words – the Uber of car rental. It is my intention to liaise with MTA Queensland and the necessary authorities to ensure that these companies/individuals are forced to operate on a level playing field with those of us who have made considerable investment in the industry and adhere to all government guidelines.

In closing, I would like to take this opportunity to thank both the MTA Queensland team for their tireless efforts and my fellow committee members for their input throughout the past year.

Chris Ching
Chairman, RVID

Service Station and Convenience Store Association of Queensland



Tim Kane

Chairman
Service Station and Convenience
Store Association of Queensland

The subject of fuel price boards has been a long-running issue with, as yet, no resolution. Both Kellie Dewar and Dr Brett Dale continue to meet with government and feel this issue may be resolved in the next 12 months.

Each year, without fail, I am

surprised at the issues confronting our industry and our ability to navigate them. Indeed, the 2015/16 FY has been one of the busiest and challenging years in my 15 years as Chairman of the SSCSAQ.

Although there have been many challenges, I hope this report is able to demonstrate that through perseverance, hard work and collaboration, some of our long-running issues have been, or are well on their way to being, resolved. This report aims to reflect on the past year and update members on the challenges and successes of the SSCSAQ.

National Representation

At the meeting of the SSCSAQ on the 17th February 2016, a motion was passed that a letter be drafted to the Board stating that our division believed we may be disadvantaged by not having national representation and the necessary relationships with other relevant industry bodies, and requested new arrangements be considered.

At the MTA Queensland Board meeting on the 12th May 2016, I submitted a detailed proposal for consideration that MTA Queensland commit to establishing strategic partnerships similar to other states to enhance the level of access and representation on key issues.

During this consideration, we discussed the structural changes to the Association, new appointments and the development of the Strategic Plan. In this plan, the Board ensured that greater focus be placed on the industry body's role and responsibilities, and that a commitment be made to build on both state and national consultation and collaboration. Since this meeting, Dr Brett Dale (MTA Queensland CEO), Ms Kellie Dewar (MTA Queensland General Manager), members of the committee and I

have vigorously pursued issues of importance to our division. At our last Board meeting, we agreed that the new focus was welcomed by the committee and that, as Chair, I would continue to provide timely feedback to the Board, committee members and the executive team to ensure our representation remains active and relevant.

Queensland Fuel Price Summit

On 2 March 2016 the Queensland Government conducted the Queensland Fuel Price Summit.

The summit was called in response to fuel price data produced by the Australian Competition and Consumer Commission (ACCC) that showed petrol prices in Brisbane had been consistently higher than most other capital city markets over recent years.

The summit was chaired by the Hon. Mark Bailey MP (Minister for Main Roads, Road Safety and Ports and Minister for Energy, Water Supply and Biofuels) who explained that the Queensland Government wanted to first understand the reasons for the difference in average petrol prices and then discuss what could be done to lower these prices into the future. Unfortunately, MTA Queensland did not participate due to a human error acknowledged by the Hon Mark Bailey. The Minister provided direct feedback regarding the initiatives considered at the summit.

Fuel Price boards

The subject of fuel price boards has been a long-running issue with, as yet, no resolution. Both Kellie Dewar and Dr Brett Dale continue to meet with government and feel this issue may be resolved in the next 12 months.

Underpayment of Wages

We witnessed serious claims of

We have made extensive representations to government regarding the Biofuels Mandate and its impact on members.

underpayment of wages to employees as well as the alleged use of illegal workers in the industry, both of which may be considered to favour financial margins in offending businesses. This was a difficult situation for government agencies as complaints from industry were considered third-party and possibly anticompetitive. The Office of Fair Trading and Fair Work Australia were not being approached by workers with complaints or evidence. This limited the level of intervention.

MTA Queensland continued to raise the issue on behalf of members and this has resulted in a new feature on the Fair Work Australia website (www.fairwork.gov.au). The feature is an anonymous tip-off service where members can provide information about businesses or individuals that may be doing the wrong thing. This is a positive step forward to addressing our long-running concerns.

I acknowledge that without the tireless efforts of Michael Carr, Vice Chairman of SSCSAQ, we may not have achieved the same results for our members. Well done Michael.

Biofuels Mandate

Much work has been done regarding this issue. We have made extensive representations to government regarding the Biofuels Mandate and its impact on members. These representations include:

- Submissions:
 - » *The Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill*
 - » Queensland Biofutures 10-Year Roadmap
 - » Biofuel Mandate Implementation Paper 1 - Retail Threshold
 - » Biofuels Exemption Criteria
 - » Biofuels Sustainability Criteria

- Meetings and other engagement:
 - » Divisional Executive Colin Fitzpatrick, a number of SSCSAQ committee members and I participated in a meeting held with the marketing company engaged by the government to scope a brief for a consumer education campaign on biofuels.
 - » Kellie Dewar and I appeared as witnesses at the public hearing on biofuels
 - » We attended a briefing session on consumer education for biofuels to view the finalised campaign and advertising schedule and provide feedback. We also attended public forums for consultation on biofuels
 - » We engaged with the Department on the Fuel Seller Register by giving members direct access to the website for user acceptance testing and to provide feedback on the reporting requirements and system
 - » Dr Brett Dale and Kellie Dewar met with Michael Hart Shadow Minister for Energy, Biofuels and Water Supply to discuss issues surrounding biofuels
 - » Dr Brett Dale, Kellie Dewar and I attended a targeted stakeholder engagement meeting with DEWS on the implementation issues of the Biofuels Mandate

This effort to represent members has paid off. In August the government announced that small fuel businesses could be exempt from meeting the proposed biofuels mandate under certain conditions and the threshold for retailer liability for the mandate has been risen from 250,000 litres to 500,000 litres. Such a result does highlight that a strong and consistent message presented to government by the MTA Queensland can bring about sensible and considered change for the benefit of everyone.

Tim Kane
Chairman, SSCSAQ

Tyre and Undercar Division of Queensland



John Ruddick
Chairman
Tyre and Undercar Division
of Queensland

. . . like it or not, online tyre retailing is here to stay and you need a strategy to maximise every opportunity that comes your way from this ever-growing marketing channel.

Your committee has met three times over the 2015/2016 financial year and while we've covered a range of topics at each meeting it was a relatively uneventful year for the division.

Our meeting in August 2015 was attended by Marcello Riotto, MTA Institute Operations Manager, who addressed the committee and requested feedback about the Institute's objectives for the Industry Validation – Training and Assessment criteria.

Scrap tyres are an ongoing discussion point and despite the introduction of the Tyre Stewardship Australia scheme in July 2014, there are still shonky collectors. It's disappointing to see that our government is ineffective in stopping the stockpiling of tyres by these collectors. Unfortunately, it looks more and more likely that it will take an environmental disaster before anything will be done about these operators.

The online retail tyre market has also been discussed at our meetings and continues to grow within the tyre sector. As I mentioned in my report last year, many of our traditional 'bricks and mortar' businesses are struggling with the future viability of their businesses if consumers continue to shop online to buy their tyres. While I understand these concerns, and I agree that there is definitely lost revenue through the online tyre sales channel, there is also an opportunity for you to service these customers through becoming an authorised tyre fitting centre. The advantage for tyre dealers (compared to other 'bricks and mortar' businesses faced with competition from online sales) is that the consumer must go to a tyre service centre, or dealership, to have their tyres fitted and that's where there is a unique opportunity. I believe that the modern tyre service centre needs to embrace the online marketing channel and that you should welcome

these consumers into your stores (as hard as that might be). This will be your opportunity to provide these customers with a level of service they can't buy online and you can potentially acquire a lifelong customer. Let's say that the average driver needs to replace a set of tyres every three years. That translates to potentially six opportunities to have that vehicle back into your business for various tyre checks and wheel alignments etc. That's six more visits from a customer who would have gone somewhere else if you weren't an authorised tyre fitting centre for an online retailer.

Don't get me wrong, I'm not saying that you have to agree with the online retail channel but, like it or not, online tyre retailing is here to stay and you need a strategy to maximise every opportunity that comes your way from this ever-growing marketing channel.

Modifications to vehicles with Electronic Stability Control (ESC) was a topic at a recent meeting. The MTA Queensland attended a meeting at the Department of Transport and Main Roads regarding the modification of rims and tyres on vehicles that are fitted with ESC. The message from the meeting was clear - businesses and consumers who modify OE wheels and/or tyres need to be very careful that these aftermarket fitments (especially on 4x4 vehicles) don't cause any vehicle warranty issues and/or make their ESC system inoperable or incompatible with the aftermarket fitments. To cover yourself and your business, you should check with the vehicle manufacturer to ensure any modifications you make are within the vehicle's specifications.

After 12 years as divisional chairman, I have decided to step down and I have encouraged a tyre dealer to take the helm for your division and its members.

I would like to take this opportunity

to thank all of the existing and former committee members who have assisted me during my time as divisional chairman. I would also like to thank the fantastic team at the MTA Queensland for their support of myself and the division.

In closing, I remind all members that the MTA Queensland and this committee are here for you. I would urge all members to get involved, voice your opinion and provide feedback on the issues that are affecting your industry. This can be done directly through your divisional committee members or make contact with your divisional executive, Colin Fitzpatrick.

As always, if you would like any further information on any issues that are discussed at our committee meetings, please log onto the MTA Queensland website to view and download Member Bulletins or contact the MTA Queensland directly for a copy to be sent to you.

John Ruddick
Chairman, TUDQ

Automotive Remarketing Division



Michael Kennedy
Chairman
Automotive Remarketing Division

Repairable write-offs are recorded on the PPSR even after the restriction is removed but more work needs to be done on customer awareness so buyers are taking advantage of consumer protections available.

Our activity as a Committee centred around making government aware of our issues on an individual/business level through a targeted campaign. This was facilitated through MTA Queensland with a drafted letter to encourage and enable industry to make contact with their local Member of Parliament urging them to raise the issues with the appropriate minister and department.

Over several years the Association, on behalf of members, advocated for standalone motor dealer legislation and was pleased with what was achieved in 2014. Since then, a growing concern prevailing in the industry, on a statewide basis, is the inadequacy of the legislation to address key issues.

There were three areas of concern raised which affect the consumer, risk the investment we have made in our family business and threaten current employment in our community and the opportunities for growth now and in the future:

- Licensed premises for motor dealers
- Repairable write-offs and issues with quality of repair
- Annual inspections

I thank the members that participated in this campaign and I assure you it did get the issues raised at Department level. I know some of you received a response to your letter and I have summarised some of the information below.

- Licensed Premises: the concern is acknowledged and Office of Fair Trading (OFT) focuses considerable efforts on curbing unlicensed motor dealing and licensed dealers avoiding their disclosure or consumer protection obligations by posing as private sellers.
- Repairable write-offs are recorded on the PPSR even after the

restriction is removed but more work needs to be done on customer awareness so buyers are taking advantage of consumer protections available. We are keen to work with the Department on a review of policy on the quality of repairs for written off vehicles.

- Annual Inspections: recent studies indicate annual safety inspections on the effectiveness of mandatory inspections did not find that the benefits outweighed the costs. Subsequent reviews of vehicle inspection schemes in some other states found there is not sufficient road safety evidence to justify the ongoing cost.

The issue that overarches each concern raised is linked to consumer education and awareness of protections and risks. The legislation that addresses these issues is quite complex for consumers under the ACL, *Motor Dealer and Chattel Auctioneers Act* and the PPSR. We are still finding awareness is a major concern and although we acknowledge there are facilities in place to run checks (PPSR) or gather information on your rights under warranty (ACL) it would appear that consumers are not aware or don't understand the risks and consequences of not accessing the information.

Statutory warranty is currently under consideration, driven by an e-petition to reinstate the Class B warranty under the *Motor Dealer and Chattel Auctioneers Act*.

As an industry, we would always like more enforcement activity on those doing the wrong thing that directly impacts our business and the reputation of our industry. Unlicensed traders and licensed traders posing as private sellers have long been a problem for the

used car industry. They are thriving at the expense of dealers who observe the law. We believe there needs to be increased targeted resources and heavy compliance action to deter this illegal activity.

We acknowledge the efforts of the recent OFT operation that resulted in enforcement action being taken against 32 businesses trading illegally. This operation was conducted with the assistance of MTA Queensland and our 'Dob in a Backyarder' portal.

I encourage you to take the time to check that you are using your MTA Queensland membership to its full value including displaying the Professional Circle material. This gives you a clear point of difference and lets the public know that if they are seeking professional and high quality service they will find it with your business - an MTA Queensland member.

I thank my fellow committee members for their time and contributions. Our industry division meets quarterly and I welcome members to make contact with MTA Queensland Member Services if you would like to attend a meeting either in person or via teleconference. Final thanks goes to the Member Services team and all the staff at MTA Queensland for the great work they do to support the automotive industry and to all members for your continued support of our industry association.

Michael Kennedy
Chairman, ARD



Paul Kulpa
General Manager
MTA Institute

MTA Institute has again achieved good results and recognition as a training provider committed to excellence and industry engagement.

MTA Institute continues to maintain

its position as the largest automotive private training provider in Queensland. As at June 2016, MTA Institute had more than 30 per cent of the automotive apprenticeship market, delivering qualifications all over Queensland.

Whilst the apprenticeship system remains the industry's preferred model of skills formation, the overall numbers have declined over recent years. However, the automotive industry continues to put apprentices and trainees into employment despite the tough economic climate for business.

MTA Institute still continues to service and support the industry through its high quality training delivery. Our overall satisfaction from learners and employers was an impressive 88 per cent. Furthermore, 86 per cent of employers agreed the quality of our trainers was excellent. Our trainers, who come directly from industry, know what it takes to make an apprentice a good tradesperson.

We have also seen the endorsement of the new AUR training package, which is the basis of all apprentice/trainee training. This represents a critical milestone in the review of the AUR qualifications to meet the skills needs of the automotive industry. It will be our continued commitment to deliver high quality training and assessment against the new training package rules.

Operations

MTA Institute remains the largest training provider to deliver on-site training in light vehicle, auto electrical, and collision repair and refinishing apprentices. This model of delivery allows employers and students the flexibility and consistency of one-on-one training to maximise learning outcomes.

We have also delivered automotive training to international students. MTA Institute has a strong relationship with South Korea and has provided high quality training to a variety of international students to enable them to increase the depth of their automotive knowledge and transfer these newly acquired skills back home.

MTA Institute, supported by MTA Queensland, developed and implemented its Auto Initiation program. This program provided participants with the fundamental skills required to work in the automotive industry and the opportunity to gain a Certificate II in Automotive Vocational Preparation. Whilst offering comprehensive training in the basics of the automotive mechanical trade, the Auto Initiation program also provided coaching in 'life skills' – employability elements crucial to move successfully into full-time work.

MTA Institute deployed its new Learning Management System (LMS) for our Automotive Sales and Dealers course. This has provided an innovative approach to deliver on-line training otherwise inaccessible to regional and remote learners. The LMS development is an important step for MTA Institute as it will provide the basis for further enhancements of our flexible training delivery model.

Achievements

MTA Institute has again achieved good results and recognition as a training provider committed to excellence and industry engagement. We have worked hard to expand our training products and services to ensure we contribute to the sustainability of the automotive industry. These achievements include the following in 2015/16:

- MTA Institute remains on the Queensland State Government's

The demand to fill skill shortages will continue to drive the direction of MTA Institute to ensure that industry is provided optimum training products.

preferred supplier list and holds contracts for User Choice and Certificate III Guarantee.

- Issued over 400 certificates across Queensland to learners who had finalised their apprenticeship or traineeship.
- Successfully delivered Trade Recognition to over 100 learners. This involved having learners' skills and work experience formally assessed against industry and educational requirements for the purpose of gaining a formal trade qualification.
- Successfully delivered the Auto Initiation program to over 260 participants in Townsville, Mackay, Mt Isa, Rockhampton, Gladstone, Bundaberg, Hervey Bay, Sunshine Coast, Brisbane and Gold Coast.
- Completion of National Workforce Development Fund (NWDF) projects, including Structural Repair Skill Set for the Collision Repair industry. The finalisation of the NWDF will see more than 70 students complete upskill training to improve their productivity in the workplace.
- Delivered the AccelR8 program to assist the transition of grade 12 students to an apprenticeship after completing their final school year. This program aims to help successful students acquire the necessary points towards their QCE and go straight into the workforce once they have completed grade 12.
- Recognition of our apprentices through their nominations as Apprentice of the Month, culminating with the winner of the MTA Queensland Apprentice of the Year.
- Increased our non-accredited training portfolio to include training in hybrid technology, paintless dent repair and welding.

Objectives

MTA Institute's key focus is to remain flexible and responsive in order to adapt to the changing demands of industry. The demand to fill skill shortages will continue to drive the direction of MTA Institute to ensure that industry is provided optimum training products.

We constantly monitor the changing political environment and its impact on the automotive industry. We actively advocate to government agencies to ensure they remain committed to skilling Queenslanders and in particular the automotive industry.

Governance

The Board of Directors of MTA Institute ensure the strategic plan and corporate governance of MTA Institute is aligned with the Association's expectations.

The Board of Directors over the 2015/16 financial year consisted of:

- Mr Ian Lawrence - Chairman
- Mr David Fraser - Deputy Chairman and Director
- Mr Alan Bonsall - Director
- Mr Mark Brady - Director
- Mr Tom Mangan - Director

I would like to take the opportunity to thank MTA Institute's Board for their support and direction over the last 12 months.

I acknowledge the service of former director Steve Ghost and welcome MTA Secretary and QMID Chair Paul Peterson as a director.

Furthermore, a big thank you to all MTA Institute staff for their hard work and effort to continue to make us the training provider of choice for the automotive industry.

Paul Kulpa

General Manager, MTA Institute

Motor Trades Association of Queensland Financial Report



Kathy Winkcup
Chief Financial Officer

Financial Report For The Year Ended 30 June 2016

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Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenues	2	9,061,310	9,887,438
EXPENSES			
Employee benefits expense	3	(5,789,400)	(5,985,644)
Freight and cartage	3	(48,719)	(43,401)
Depreciation and amortisation expenses	3	(472,680)	(493,447)
Commissions paid	3	(20,475)	(6,879)
Impairment expense	3	-	(474,585)
Other expenses	3	(3,301,246)	(3,558,987)
Total Expenses		(9,632,520)	(10,562,943)
PROFIT/(LOSS) BEFORE INCOME TAX		(571,210)	(675,505)
INCOME TAX EXPENSE	1(b)	-	-
PROFIT/(LOSS) FOR THE YEAR		(571,210)	(675,505)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Revaluation of available for sale investments	15	(50,703)	(16,841)
		(50,703)	(16,841)
Total comprehensive income/(loss) for the year		(621,913)	(692,346)
Profit attributable to:			
Members of the Organisation		(571,210)	(675,505)
Total Comprehensive Income attributable to:			
Members of the Organisation		(621,913)	(692,346)

The accompanying notes form part of the financial report

Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,187,836	431,175
Short Term Deposit	5	754,116	1,690,019
Trade and other receivables	6	1,785,305	1,444,751
Inventories	7	104,588	91,773
Other	8	152,645	316,375
Total Current Assets		3,984,490	3,974,093
Non-current assets			
Intangible asset	9	1,089,861	1,079,704
Other financial assets	10	3,516,128	3,468,494
Property, plant & equipment	11	8,976,126	9,269,285
Total non-current assets		13,582,115	13,817,483
TOTAL ASSETS		17,566,605	17,791,576
LIABILITIES			
Current liabilities			
Trade and other payables	12	913,900	856,994
Provisions	13	225,910	160,519
Other liability	14	1,132,771	881,704
Total current liabilities		2,272,581	1,899,217
Non-current liabilities			
Provisions	13	112,074	88,496
Total non-current liabilities		112,074	88,496
TOTAL LIABILITIES		2,384,655	1,987,713
NET ASSETS		15,181,950	15,803,863
MEMBERS' FUNDS			
Reserves	15	55,762	106,465
Retained Earnings	16	15,126,188	15,697,398
TOTAL MEMBERS' FUNDS		15,181,950	15,803,863

The accompanying notes form part of the financial report

Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Receipts from customers		9,738,354	9,920,200
Dividends received		47,500	51,039
Interest received		43,619	51,819
Payments to suppliers and employees		(9,751,749)	(10,282,486)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19 (b)	77,724	(259,428)
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		-	9,090
Proceeds from sale of investments		-	720,686
Payment for property, plant and equipment		(222,710)	(133,618)
Payments for investments		(34,256)	(757,961)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(256,966)	(161,803)
Net Increase / (Decrease) in cash and cash equivalents		(179,242)	(421,231)
Cash and cash equivalents at the beginning of the period		2,121,194	2,542,425
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19 (a)	1,941,952	2,121,194

The accompanying notes form part of the financial report

Statement of Changes In Equity

For the year ended 30 June 2016

	Note	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
BALANCE AT 1 JULY 2014		123,306	16,372,903	16,496,209
Comprehensive Income				
Net profit for the year attributable to the Members of the entity		-	(675,505)	(675,505)
Transfer of retained earnings		-	-	-
Other comprehensive income	15	(16,841)	-	(16,841)
Total comprehensive income for the year attributable to the members of the entity		(16,841)	(675,505)	(692,346)
BALANCE AT 30 JUNE 2015	15,16	106,465	15,697,398	15,803,863
Comprehensive Income				
Net profit/ (loss) for the year attributable to the Members of the entity		-	(571,210)	(571,210)
Transfer to retained earnings		-	-	-
Other comprehensive income	15	(50,703)	-	(50,703)
Total comprehensive income for the year attributable to the members of the entity		(50,703)	(571,210)	(621,913)
BALANCE AT 30 JUNE 2016	15,16	55,762	15,126,188	15,181,950

The accompanying notes form part of the financial report

Notes to and forming part of the Financial Statements

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards.

The Motor Trades Association of Queensland is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers the Motor Trades Association of Queensland as an individual entity. Motor Trades Association of Queensland is a Union of Employers governed by the *Industrial Relations Act 1999* within Queensland and the *Fair Work (Registered Organisations) Act 2009* at a national level.

The financial report of Motor Trades Association of Queensland complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The amounts presented in the financial statements are presented in AUD and have been rounded to the nearest dollar.

Accounting Policies

a. Associated Entities

Motor Trades Association of Queensland owns and controls a number of associated entities.

The following are the associated entities:

MTAQ Ltd
MTA Institute of Technology Pty Ltd
MTAQ Management Pty Ltd

All entities have a June financial year end. Transactions which relate to these entities are conducted on trust for Motor Trades Association of Queensland and are brought to account by the Motor Trades Association of Queensland.

b. Income Tax

The Association is exempt from income tax under section 50-40 of the *Australian Income Tax assessment Act 1999*.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d. Business Combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also includes the acquisition date, fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances, it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity and transaction costs arising on the issue of debt as part of the consideration are accounted for in accordance with note 1(m).

e. Intangible Assets

Goodwill

Goodwill is measured as described in note 1(d). Goodwill on acquisitions of subsidiaries is included in goodwill as intangible assets and on acquisitions of associates is included in the investment in associate. Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Impairment losses on goodwill cannot be reversed.

f. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property, plant and equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of buildings is depreciated on a straight-line basis with all other fixed assets and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the Association commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	15 – 60%
Motor vehicles	30%
Leased assets	20%
Fixtures and fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

The balance of capital works in progress is carried at cost and upon completion will be transferred to the appropriate class of assets.

g. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

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

h. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Employee Benefits

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period, are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

Other long-term employee benefit obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

j. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

i. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

o. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Association, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

p. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

q. Capital Management

The Directors of the Association control the capital to ensure that the association can fund its operations and continue as a going concern. The Association manages capital primarily through receipt of membership and training revenue and profits generated from business activities. There has been no change in the current year to this approach.

r. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 28th October 2016 by the Board of Directors.

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 2: REVENUES

	2016 \$	2015 \$
Revenues From Operating Activities		
Commissions received	41,535	883
Industrial services income	29,823	27,674
Training services	7,199,750	7,376,455
Grant income	-	632,428
Sale of publications	134,225	161,764
Sale of stationery	236,185	258,875
Interest from other persons	43,619	50,240
Members subscriptions & entrance fees	1,025,295	1,031,543
MTAA House dividend	47,500	163,400
Rent	3,173	4,009
Sundry income	328,496	179,487
NET REVENUE FROM OPERATING ACTIVITIES	9,089,601	9,886,758
Gain/(loss) on disposal of asset	(28,291)	680
TOTAL REVENUE FROM OPERATING ACTIVITIES	9,061,310	9,887,438

NOTE 3: EXPENSES

	2016 \$	2015 \$
Expenses From Operating Activities		
Accounting & Audit Fees	39,112	38,527
Advertising & Promotion	89,490	245,657
Accommodation/Travel Staff	75,139	132,674
Bad & Doubtful Debts	(3,001)	-
Bank Charges	10,316	9,842
Building Fees	-	5,890
Body Corporate	22,437	18,672
Cleaning	59,197	47,816
Cost of goods sold – Publications	115,948	117,096
Cost of goods sold – Stationery	102,725	128,433
Cost of goods sold - Training	647,382	734,366
Commissions	20,475	6,879
Computer Upgrades	95,806	100,999
Consultants fees	612,103	445,271
Depreciation & Amortisation	472,680	493,447
Director Fees	236,109	248,136
Donations*	949	200,500
Divisional Expenses	11,465	14,074
Entertainment	5,404	5,835
Fees	22,109	20,420
Fringe Benefits Tax	66,080	59,386
Insurance	66,023	61,958
Interest	73	-
Impairment of MTAA House Unit Trust	-	474,585
Legal Costs	36,678	25,152
Light & Power	51,865	45,148
Meetings – Catering Staff	3,998	5,666
Meetings – Catering Board	6,261	7,699
Travel Board – Airfares/Accommodation	12,619	8,105
Motor Vehicle	226,222	297,901
Management Fee	15,524	13,762
Office Supplies	39,646	26,883

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 3: EXPENSES CONTINUED

	2016 \$	2015 \$
Freight & Cartage	48,719	43,401
Payroll Tax	283,426	272,041
Personnel – Engagement	22,595	3,510
Personnel – Long Service	88,969	(11,737)
Personnel – Salaries & Wages	4,710,396	4,945,907
Personnel – Salary Sacrifice	38,693	73,772
Personnel – Superannuation	667,915	705,661
Personnel – Uniforms	2,963	194
Personnel – Training	27,410	20,446
Printing & Stationery	14,951	18,482
Rates & Taxes	56,399	19,989
Rental on operating leases	74,606	96,750
Repairs & Maintenance Other	36,229	21,716
Security	600	1,062
Sponsorships	3,890	4,845
Staff Amenities	23,472	16,239
Subscriptions	57,775	53,545
Technical Journals	-	150
Telecommunications	160,759	171,669
Web Site	127,306	40,581
Workers Compensation	24,613	23,941
TOTAL EXPENSES FOR OPERATING ACTIVITIES	9,632,520	10,562,943

*Donation of \$200,000 was made to AADA Limited at 30 June 2015

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	700	700
Cash at Bank	1,187,136	430,475
TOTAL	1,187,836	431,175

NOTE 5: SHORT TERM DEPOSIT

TERM DEPOSITS GREATER THAN 3 MONTHS	754,116	1,690,019
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NOTE 6: TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Current		
Accounts Receivable	692,073	674,281
Less: Provision for impairment of trade receivables	(51,758)	(62,689)
	640,315	611,592
Sundry Debtors	1,144,990	833,159
TOTAL RECEIVABLES	1,785,305	1,444,751

	2016			2015		
	Total \$	Amount impaired \$	Amount not impaired \$	Total \$	Amount impaired \$	Amount not impaired \$
Not past due	584,551	-	584,551	316,954	-	316,954
Past due [30] days	27,676	-	27,676	145,556	-	145,556
Past due [30-60] days	13,540	-	13,540	54,550	-	54,550
Past due [60-90] days	14,548	-	14,548	32,859	-	32,859
Past due [>90] days	51,758	51,758	-	124,362	62,689	61,673
TOTAL	692,073	51,758	640,315	674,281	62,689	611,592

Analysis of Impairment Account

	2016 \$	2015 \$
Opening Balance	62,689	79,986
Provisions for doubtful receivables	(3,004)	-
Receivables written off during the year	(7,927)	(17,297)
CLOSING BALANCE	51,758	62,689

NOTE 7: INVENTORIES

FINISHED GOODS – STATIONERY	104,588	91,773
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NOTE 8: OTHER ASSETS

General Prepayments	152,645	316,375
	152,645	316,375

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 9: INTANGIBLE ASSETS

	2016 \$	2015 \$
Goodwill	1,020,143	1,020,143
Less: Accumulated Impairment Loss	-	-
WRITTEN DOWN VALUE	1,020,143	1,020,143
Software	116,947	139,274
Less: Accumulated Amortisation	(47,229)	(79,713)
WRITTEN DOWN VALUE	69,718	59,561
TOTAL WRITTEN DOWN VALUE OF INTANGIBLE ASSETS	1,089,861	1,079,704

(a) Movement in carrying amounts

Goodwill

Balance at the beginning of the year	1,020,143	1,020,143
Acquisitions through business combinations (refer note 26)	-	-
Impairment Losses	-	-
CARRYING AMOUNT AT THE END OF THE YEAR	1,020,143	1,020,143

Software

Balance at the beginning of the year	59,561	55,002
Additions	80,423	50,250
Disposals	(28,291)	-
Amortisation/Write-offs	(41,975)	(45,691)
CARRYING AMOUNT AT THE END OF THE YEAR	69,718	59,561

(b) Impairment Testing of Cash-generating Units Containing Goodwill with Indefinite Useful Lives

Goodwill has been allocated to the following cash-generating unit

Carrying amounts of goodwill

Paint and Panel Training	1,020,143	1,020,143
	1,020,143	1,020,143

	2016	2015
	\$	\$
The recoverable amount of all cash-generating units is based on value-in-use calculations which use cash flow projections based on budgets approved by management covering a 5-year period. The growth rate used in these budgets does not exceed the long-term average growth rate for the business in which cash-generating units operate.		
Recoverable amounts of goodwill		
Paint and Panel Training	1,021,651	1,389,098
	1,021,651	1,389,098

Key assumptions used for value-in-use calculations are as follows:

The value-in-use calculation assumes that 40% of the Paint and Panel Training cash flows relate to the goodwill on the purchase of the Auto Trade College. A discount rate of 10% has been applied to the value-in-use calculation for budgeted revenues and expenditure greater than one year after reporting date, as well as a growth rate of 2.7% in determining future year projected cash flows.

Management determined budgeted gross margins based on past performance and its expectations for the future. The weighted average growth rates used are consistent with those used in industry reports. Discount rates used are pre-tax and are specific to relevant segments and countries in which they operate.

The recoverable amount of the goodwill of \$1,020,143 is estimated to be \$1,021,651 which exceeds the carrying amount at 30 June 2016 by \$1,508. If a discount rate of 11.5% was used instead of 10%, the recoverable amount of goodwill would equal the carrying amount.

NOTE 10: OTHER FINANCIAL ASSETS

	2016	2015
	\$	\$
Non-Current		
Investments in Listed & Unlisted Entities classified as available for sale		
Units in MTAA House Unit Trust at directors' valuation	2,181,084	2,181,084
Dalton Nicol Reid Portfolio	1,335,044	1,287,410
	3,516,128	3,468,494

The basis of valuation of Units Held in MTAA House is at fair value based on the latest sale of the units in the Trust made during the 30 June 2016 financial year. MTAQ Ltd holds 19 units of a total 115 units.

The Dalton Nicol Reid portfolio comprise of investments in ordinary shares listed on the Australian Securities Exchange. This investment portfolio has been valued at 30 June 2016.

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 11: PROPERTY, PLANT & EQUIPMENT

	2016 \$	2015 \$
Land & Buildings	8,981,209	8,981,209
Less: Accumulated Depreciation	(850,630)	(665,159)
WRITTEN-DOWN VALUE	8,130,579	8,316,050
Fixtures & Fittings at cost	95,644	95,644
Less: Accumulated Depreciation	(50,087)	(37,781)
WRITTEN-DOWN VALUE	45,557	57,863
Plant & Equipment at cost	1,624,026	1,563,672
Less: Accumulated Depreciation	(944,432)	(737,271)
WRITTEN-DOWN VALUE	679,594	826,401
Motor Vehicles at cost	176,621	94,687
Less: Accumulated Depreciation	(56,225)	(25,716)
WRITTEN-DOWN VALUE	120,396	68,971
Total Property, Plant & Equipment	10,877,500	10,735,212
Less: Accumulated Depreciation	(1,901,374)	(1,465,927)
TOTAL WRITTEN-DOWN VALUE OF PROPERTY, PLANT & EQUIP.	8,976,126	9,269,285

a) Movement in carrying amounts.

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2016	Land and Buildings	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Total
Opening Balance	8,316,050	57,863	826,401	68,971	9,269,285
Additions	-	-	60,353	81,934	142,287
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluations	-	-	-	-	-
Depreciation	(185,471)	(12,306)	(207,160)	(30,509)	(435,446)
Carrying amount at the end of the year	8,130,579	45,557	679,594	120,396	8,976,126

2015	Land and Buildings	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Total
Opening Balance	8,501,520	72,605	993,680	74,240	9,642,045
Additions	-	-	64,472	18,896	83,368
Disposals	-	(1,450)	(6,922)	-	(8,372)
Transfers	-	-	-	-	-
Revaluations	-	-	-	-	-
Depreciation	(185,470)	(13,292)	(224,829)	(24,165)	(447,756)
Carrying amount at the end of the year	8,316,050	57,863	826,401	68,971	9,269,285

NOTE 12: TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Current		
Accounts Payable	224,091	280,575
Accrued Expenses	272,053	158,851
GST Payable	33,100	49,707
Provision for Employee Benefits	384,656	367,861
	913,900	856,994

NOTE 13: EMPLOYEE BENEFIT PROVISION

Current		
Provision for Long Service Leave	225,910	160,519
Non-Current		
Provision for Long Service Leave	112,074	88,496

NOTE 14: OTHER LIABILITIES

Current		
Other Payables	1,619	1,510
Subscriptions and Unearned Income Received in advance	1,131,152	880,194
	1,132,771	881,704

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 15: RESERVES

	2016 \$	2015 \$
Balance at beginning of financial year	106,465	123,306
Transfer to accumulated surplus upon sale of held for sale asset	-	-
Revaluation decrements - Dalton Nicol Reid Portfolio	(50,703)	34,801
Revaluation decrements – MTAA House Unit Trust	-	(51,642)
ASSET REVALUATION RESERVE	55,762	106,465

NOTE 16 ACCUMULATED SURPLUSES / (DEFICIT)

Accumulated surpluses at the beginning of the year	15,697,398	16,372,903
Transfers from reserves	-	-
Net profit/(loss) attributable to the association	(571,210)	(675,505)
ACCUMULATED SURPLUSES AT THE END OF THE YEAR	15,126,188	15,697,398

NOTE 17: CONTINGENT ASSETS/LIABILITIES

Contingent Liabilities

There are no contingent liabilities at 30 June 2016 (2015: nil).

Commitments

Capital Expenditure

The entity has no capital expenditure commitments at 30 June 2016 (2015: nil).

NOTE 18: CONTINGENT ASSETS/LIABILITIES continued

Operating lease commitments

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

Within one year	191,511	192,403
After one year, but not more than five years	138,838	170,352
	330,349	362,755

The computer and motor vehicle lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statement with a three-year term.

NOTE 19: CASH FLOW INFORMATION

	2016 \$	2015 \$
a) Reconciliation of Cash		
Cash on hand	700	700
Cash at bank	714,732	430,475
Cash on deposit	1,226,520	1,690,019
	1,941,952	2,121,194
b) Reconciliation of net cash provided by operating activities to operating surplus after income tax:		
Operating Surplus / (Deficit)	571,010	(675,505)
Non-cash flows in operating profit:		
Impairment	-	474,585
Depreciation	477,421	493,447
Loss/(Profit) on sale of assets	28,291	(718)
Loss/(Profit) on sale of Investments	64,081	(33,224)
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	176,824	48,174
Decrease/(Increase) in inventory	12,815	(9,012)
Decrease/(Increase) in interest receivable	-	1,585
Increase/(decrease) in payables	73,091	78,582
Increase/(decrease) in provisions	105,764	(60,455)
Increase/(decrease) in unearned income	251,067	(417,258)
Increase/(decrease) in other liabilities	113,202	(159,629)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	77,924	(259,428)

c) Credit-Standby Arrangement & Loan Facilities

MTA Queensland has a bank overdraft facility amounting to \$2,500,000. At 30 June 2016 the facility remained unused. The facility is renewed annually and interest rates are variable.

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 20: RELATED PARTIES

a) Officers' Remuneration and Other Transactions

The Board members' businesses are all current members of the Association and also purchase stationery from the Association which are on standard terms.

Director fees paid during the financial year were \$236,109 (2015: \$248,136).

Apart from the above, there was no other Related Party Transaction during the financial year ended 30 June 2016.

Names of Officers who held office during the year are:

David Fraser	John Ruddick
James Robertson	Lawrie Beachman
Mark Dodge	Rod Pether
Tim Kane	Steve Eaton
Paul Peterson	Mark Bryers
Chris Ching	Michael Kennedy
Mark Brady	Garth Madill

NOTE 21: FAIR VALUE MEASUREMENT

a) The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Available for sale financial assets

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed are categorised according to the fair value hierarchy as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

The following table sets out the group's assets and liabilities that are measured and recognised at fair value in the financial statements.

30 June 2016	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Available-for-sale financial assets					
- Units in MTAA House Unit Trust		-	-	2,181,084	2,181,084
- Dalton Nicol Reid Share Portfolio		1,335,044	-	-	1,335,044
TOTAL FINANCIAL ASSETS		1,335,044	-	2,181,084	3,516,128

30 June 2015	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Available-for-sale financial assets					
- Units in MTAA House Unit Trust		-	-	2,181,084	2,181,084
- Dalton Nicol Reid Share Portfolio		1,287,410	-	-	1,287,410
TOTAL FINANCIAL ASSETS		1,287,410	-	2,181,084	3,468,494

There were no transfers during the year between Level 1 and Level 3 for recurring fair value measurements. The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Disclosed fair values

The group also has assets and liabilities which are not measured at fair value but for which fair values are disclosed in the notes to the financial statements. The fair value of short-term deposits as disclosed in note 5 were determined by reference to published price quotations in an active market (Level 1). Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values. The carrying amount of current trade and other payables disclosed in note 12 are assumed to approximate their fair values because the impact of discounting is not significant.

Reconciliation of Level 3 fair value movements

The following table sets out the movements in Level 3 fair values for recurring measurements.

	Units in MTAA House Unit Trust \$'000	Total \$'000
Opening balance 1 July 2015	2,181,084	2,181,084
Revaluation Decrements – MTAA House Unit Trust	-	-
Impairment of MTAA House Unit Trust	-	-
Closing balance 30 June 2016	2,181,084	2,181,084

Valuation processes for Level 3 fair values

MTA Queensland's investment in the MTAA House Unit Trust is valued by reference to the latest sale of units in the Trust made during the 30 June 2016 financial year. The majority of the net assets within the MTAA House Unit Trust relate to investment property, of which the Unit trust regularly engages external, independent and qualified valuers to determine the fair value of the investment property.

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 22: FINANCIAL RISK MANAGEMENT

a. General objectives, policies and processes

Motor Trades Association of Queensland (MTA Queensland) is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The maximum exposure to credit risk at balance date is as follows:

	2016 \$	2015 \$
Receivables	692,073	674,281

b. Liquidity Risk

Liquidity risk is the risk that the entity may encounter difficulties raising funds to meet commitments associated with financial instruments. It is the policy of the Board of Directors of MTA Queensland to maintain adequate committed credit facilities.

The unused bank overdraft credit facility at balance date was \$2,500,000. The bank overdraft facilities may be drawn down at any time but may be terminated by the bank without notice.

c. Maturity Analysis – 2016

	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$
Financial Liabilities					
Trade and other payables	692,073	692,073	692,073	-	-
Lease liability	-	-	-	-	-
Bank Loan	-	-	-	-	-
TOTAL	692,073	692,073	692,073	-	-

Maturity Analysis – 2015

	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$
Financial Liabilities					
Trade and other payables	674,281	674,281	674,281	-	-
Lease liability	-	-	-	-	-
Bank loan	-	-	-	-	-
TOTAL	674,281	674,281	674,281	-	-

d. Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non-Interest Bearing		Total	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash & deposits	1,941,952	2,121,194	-	-	1,941,952	2,121,194
Receivables	-	-	1,785,305	1,444,751	1,785,305	1,444,751
TOTAL FINANCIAL ASSETS	1,941,952	2,121,194	1,785,305	1,444,751	3,727,257	3,565,945
Financial Liabilities						
Trade & other payables	-	-	913,900	856,994	913,900	856,994
Lease liability	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	-	913,900	856,994	913,900	856,994

e. Sensitivity Analysis

Management has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date.

NOTE 23: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term benefits	Post employment benefits
	\$	\$
2016		
TOTAL COMPENSATION	637,511	89,323
2015		
TOTAL COMPENSATION	681,946	134,002

Notes to and forming part of the Financial Statements continued

For the year ended 30 June 2016

NOTE 24: ACCOUNTING STANDARDS ISSUED NOT YET EFFECTIVE

There are a number of accounting standards that have been issued but are not yet effective. The organisation does not expect any material impact on financial statements from the impending changes. However, various additional disclosures will be required in the financial statements in future periods.

NOTE 25: EVENTS AFTER BALANCE SHEET DATE

The directors are not aware of any significant event since the end of the reporting period.

NOTE 26: REGISTERED OFFICE

Building 8
2728 Logan Road
Eight Mile Plains
QLD 4113

Declaration by Members of the Board of MTA Queensland

In the opinion of the Board of MTA Queensland the financial report as set out on pages 38 to 67.

1. Presents fairly the financial position of the Motor Trades Association of Queensland Industrial Organisation of Employers as at 30 June 2016 and the results and cash flows of the association for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.
2. Confirms that, at the date of this statement, there are reasonable grounds to believe that Motor Trades Association of Queensland Industrial Organisation of Employers will be able to pay its debts as and when they fall due.

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



Chairman
David Fraser



Treasurer
Paul Peterson

Dated this 6th October 2016

Independent Auditor's Report



100 Market Street, Level 10
Sydney NSW 2000
Australia

100 Market Street, Level 10
Sydney NSW 2000
Australia

To the members of Motor Trades Association Queensland Industrial Organisation of Employers (MTA Queensland)

Report on the Financial Report

We have audited the accompanying financial report of MTA Queensland which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and declaration by the Members of the Board.

The Members of the Board's Responsibility for the Financial Report

The Members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Industrial Relations Act 1999*, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Board also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association'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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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 MTA Queensland as of 30 June 2016 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report.

Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the organisation has kept satisfactory accounting records for the financial period ended 30 June 2016, including records of:
 - (i) the sources and nature of the organisation's income including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the organisation's expenditure;
- (b) the financial report for the year ended 30 June 2016 is properly drawn up to give a true and fair view of the organisation's:
 - (i) financial affairs as at the end of the year; and
 - (ii) the income and expenditure and surplus or deficit for the year;
- (c) the financial report has been prepared in accordance with *Industrial Relations Act 1999*, Australian Accounting Standards and other mandatory professional reporting requirements;
- (d) the financial disclosure statement and mid-year financial disclosure statement for the year were prepared under this Act; and
- (e) the organisation has the policies it is required to have under section 553A(1).

Where necessary, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the *Industrial Relations Act 1999* financial reporting requirements. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 6th October 2016

Accounting Officer's Certificate

I, Kathy Winkcup, being the officer responsible for keeping the accounting records of the Motor Trades Association of Queensland Industrial Organisation of Employers, certify that as at 30 June 2016 the number of financial members of the Association was 1,206 and the number of non-financial members was nil.

In my opinion:

- (i) the attached financial report shows a true and fair view of the financial affairs of the Association as at 30 June 2016;
- (ii) a record has been kept of all moneys paid by, or collected from, members and all moneys so paid and collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- (iii) expenditure incurred by the Association was approved under the Association's Rules before it was incurred;
- (iv) with regard to the funds of the Association raised by compulsory levies from members, or funds other than the General Fund operated in accordance with the rules, no payments were made of any such fund for purposes other than those for which the fund was operated;
- (v) all financial benefits granted to employees were allowed under the Associations rules. There were no loans or financial benefits given to persons holding office in the Association;
- (vi) the register of members of the Association was maintained in accordance with the Act.



Kathy Winkcup
Chief Financial Officer

Dated this 6th October 2016

Certificate by Members of the Board of MTA Queensland

In the opinion of the Board of Management the financial report:

1. Presents fairly the financial position of the Motor Trades Association of Queensland Industrial Organisation of Employers as at 30 June 2016 and the results and cash flows of the Association for the year ended on that date in accordance with Australian Accounting Standards and the Industrial Relations Act 1999.
2. Confirms that, at the date of this statement, there are reasonable grounds to believe that Motor Trades Association Queensland Industrial Organisation of Employers will be able to pay its debts as and when they fall due.
3. Confirms that meetings of the Board of MTA Queensland were held during the year ended 30 June 2016, in accordance with the rules of the Association.
4. Has, to the knowledge of the Board of Management, no instances where records, rules or copies of them have not been given to the Association's members under the Act.
5. Confirms that the Audit report and accounts for the Association's financial year ended 30 June 2015 have been presented to an annual general meeting of the Association and given to all financial members at that time.

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



President
David Fraser



Treasurer
Paul Peterson

Dated this 6th October 2016

Board Members 2015 - 2016

MTA Queensland

David Fraser

Chairman, MTA Queensland
Chairman, Queensland Farm and Industrial Machinery
Dealer Division (QFIMDD)

Mark Bryers

Vice Chairman, MTA Queensland
Chairman, Engine Reconditioners Association Qld (ERAQ)

Paul Peterson

Secretary, MTA Queensland
Chairman, Queensland Motorcycle Industry Division (QMID)

Steve Eaton

Chairman, National Auto Collision Alliance (NACA)

Garth Madill

Chairman, Australian Automotive Dealer Association (Qld)
(AADA (Qld))

Lawrie Beecham

Chairman, Auto Parts Recyclers Division (APRD)

Tim Kane

Chairman, Service Station & Convenience Store Association
Queensland (SSCSAQ)

John Ruddick

Chairman, Tyre & Undercar Division of Queensland (TUDQ)

Mark Dodge

Chairman, Automotive Engineers Division (AED)
Representative Far North Queensland

Michael Kennedy

Chairman, Automotive Remarketing Division (ARD)

Chris Ching

Chairman, Rental Vehicle Industry Division (RVID)

Rod Pether

Representative, North Queensland region

James Robertson

Representative, Central Queensland region

MTAI Board members

Ian Lawrence

Chairman

David Fraser

Deputy Chairman/Director

Mark Brady

Director

Allan Bonsall

Director

Tom Mangan

Director

Paul Peterson

Director



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