



The benchmark of industry standards.

MOTOR TRADES ASSOCIATION OF QUEENSLAND ANNUAL REPORT 2017





Contents

02	Chairman's Report
08	Secretary's Report
09	Group Chief Executive's Report
14	Members Services and Support
18	Industrial Relations
19	Australian Automotive Dealer Association Queensland (AADA Qld)
20	Automotive Engineers Division (AED)
21	Automotive Parts Recyclers Division (APRD)
22	Automotive Remarketing Division (ARD)
23	Engine Reconditioners Association of Queensland (ERAQ)
24	National Auto Collision Alliance (NACA)
25	Queensland Farm and Industrial Machinery Dealers Division (QFIMDD)
26	Queensland Motorcycle Industry Division (QMID)
27	Rental Vehicle Industry Division (RVID)
28	Service Station and Convenience Store Association of Queensland (SSCSAQ)
29	Tyre and Undercar Division of Queensland (TUDQ)
30	MTA Institute
33	Financial Report
64	Board Members 2016 - 2017



David Fraser

Chairman
MTA Queensland



This is my eighth term as Chairman of MTAQ. Undoubtedly, it has been the most challenging due to the need to integrate innovation and the emerging digital and technologies into our strategic architecture.

Chairman's Report

I present with pride the Motor Trades

Association of Queensland's (MTAQ's) 2016-17 Report in its 88th year as an industrial organisation of employers in the motor trades. The Association is recognised by all levels of government and stakeholders as the peak body representing the interests of its members and Queensland's automotive value chain.

Over the almost nine decades of operation, the Association has matured in line with the steady evolution of the internal combustion engine and the allied motor trades to service it. Now, in the second decade of the 21st century, the MTAQ Group must amass the intellectual capital and expertise to meet the demands of the accelerating disruptors of digitisation and technological innovations that will change business models and eventually replace the internal combustion engine with electronic plug-in and hybrid motor vehicles.

This is my eighth term as Chairman of MTAQ. Undoubtedly, it has been the most challenging due to the need to integrate innovation and the emerging digital and technologies into our strategic architecture. As a consequence, the corporate office has engaged in unprecedented activities and collaborations with newly aligned stakeholders increasing our standing as the advocate for the motor trades.

Objects

We are governed by our Rules certified and registered under the *Fair Work (Registered Organisation) Act 2009* (RO Act). 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, strategic plan and activities:

- to promote, advance and protect the interests 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 of 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 of 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.

MTAQ Board

Your Board over the past year has been diligent in complying with the requirements of the RO Act and our Rules. The comprehensive responsibilities of each have been attended to in the best interests of the membership. The Board has met on four occasions to deliberate on MTAQ issues and motor trades' matters. The Board comprised:

- David Fraser, MTAQ Chairman and Chair of the Queensland Farm & Industrial Machinery Dealer Division (QFIMDD)
- Mark Bryers, MTAQ Vice Chairman and Chair of the Engine Reconditioners' Association Queensland (ERAQ)
- Paul Peterson, MTAQ Secretary and Chair of the Queensland Motorcycle Industry Division (QMID)
- James Sturges, Chair of the Australian Automobile Dealers Association Qld (AADA(Q))
- Lawrie Beacham, Chair of the Automotive Parts Recyclers Division (APRD)



MTAQ Group must amass the intellectual capital and expertise to meet the demands of the accelerating disruptors of digitisation and technological innovations that will change business models...

- Tim Kane, Chair of the Service Station & Convenience Store Association Queensland (SSCSAQ)
- Brad Collett, Chair of the Tyre & Undercar Division of Queensland (TUDQ)
- Mark Dodge, Chair of the Automotive Engineers Division (AED) and Far North Queensland District Representative
- Rod Pether, Acting Chair of the Automotive Remarketing Division (ARD) and North Queensland District Representative
- Ben Chesterfield, Chair of the National Auto Collision Alliance (NACA)
- Chris Ching, Chair of the Rental Vehicle Industry Division (RVID)
- James Robertson, Central Queensland District Representative

In the coming year I welcome Peter Dever to the Chair of the ARD and Grant Harrison to the Chair of the RVID and look forward to their contributions to the Association's progress, governance and administration.

These appointments follow the due election of the ARD and the retirement of the RVID Chairman Chris Ching. On behalf of the Board I thank Chris for his dedicated leadership, service and loyalty to his respective division of the motor trades and to the Association. Our best wishes are with Chris in his new undertaking.

The Board's deliberations were enhanced by our regional representatives who bring to the table a local perspective of the automotive value chain economic circumstances and policy issues in their areas. I thank them for their valued input. 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 eleven Industry Divisions. I thank them for their duty, commitment and contributions to their respective divisions and associated responsibilities.

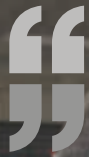
The Executive

The composition of the Executive is prescribed in the MTAQ rules. Its responsibilities include the strategic management of the business. It meets as required.

Group Finance

Group Finance under the leadership of Chief Financial Officer, Kathy Winkcup, has responsibility for the sections of Accounts, Reception and the Information Technology platform.

Secretary Paul Peterson and Chief Financial Officer Kathy Winkcup had the responsibility for MTAQ's accounting policies, systems, practices and maintenance



At the 2016-17 President's Ball, the concept of *Carmageddon* was announced. This embodied innovation as the central action initiative incorporating the impacts of disruptors of digitisation and emerging technologies on the automotive value chain.



of the comprehensive statements of revenue and expenditure. Best practice strategic business and financial management underpins all processes and procedures. On behalf of the Board, I thank Paul and Kathy for their integrity, commitment and diligence to their respective duties and roles.

I commend to members, the Secretary's Report for the year ended 30th June 2017.

The Association's finances were 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.

Corporate Office

The corporate office executive team comprises Group Chief Executive Officer (CEO) Dr Brett Dale, Deputy Group CEO and General Manager Member Services Kellie Dewar, Group Chief Financial Officer Kathy Winkcup, and MTA Institute (MTAI) General Manager Paul Kulpa. They have the day-to-day responsibility for the Association's governance, administration, service delivery and advocacy. I thank each for their service to the Board, the membership, their belief in and accomplishing the Objects set out in the MTAQ's Rules.

They have performed their respective roles with integrity and professionalism and have the trust of members.

Professional Circle

The *Professional Circle* was announced as a major business initiative on 30th October 2015 at the President's Ball. Now, entering into its third year of operation, the *Professional Circle* symbol is synonymous with our brand; the ten commitments are embedded in our culture and represent the benchmark of industry standards that make the difference for consumers dealing with a motor trade's business. The *Professional Circle* provides the clear distinction between MTAQ members who are 'inside' the circle and non-members who are 'outside' the circle.

Marketing and Communications Department

The Marketing and Communications Department has undergone a restructure with the appointment of Manager, Lysa Dugandzic and Coordinator, Clancy Harrip, to raise the profile of the Association within the value chain and stakeholders. A social media strategy was established utilising the full suite of communications to decimate Association information and messages to members and value chain news to stakeholders and consumers. There

was an exponential increase in followers accessing these media platforms. E-bulletins incorporating all the MTAQ Group's news advices to members were distributed weekly. The website has been reviewed regularly to ensure that access was easy and the information was relevant and current. A new website initiative was the Jobs Board, which advertised a significant range of automotive value chain jobs on offer.

The *Motor Trader*, now in its 83rd year of publication was published in June 2017 for the last time as a printed edition. It had been available to members in digital form but the time was ripe to embrace the features of an e-mag and a new era for the *Motor Trader*. This was successfully achieved under Editor Jonathan Nash.

Under the dynamic leadership of Dr Brett Dale, the corporate office has engaged in unprecedented advocacy, stakeholder, corporate, industry profile, and membership building activities.

I commend to members, Group CEO Dr Dale's comprehensive report. On behalf of the Board, I thank Dr Dale for his dynamic, professional and responsible leadership and each officer for his/her adeptness and commitment to the Association and the membership.

At the 2016-17 President's Ball, the concept of *Carmageddon* was announced.

This embodied innovation as the central action initiative incorporating the impacts of disruptors of digitisation and emerging technologies on the automotive value chain.

A significant achievement was the establishment of the first automotive innovation hub at MTAQ's Sir Jack Brabham Automotive Centre of Excellence. The objective of the hub primarily was to equip members with access to skills and knowledge so that they are prepared for the digital disruption and the impact of emerging technologies. Through *Carmageddon* six start-ups have been secured that are at different stages of development.

Earlier this year, the MTAQ Racing Team was launched - another first for the Association. This was an ambitious initiative involving grassroots motorsport coupled with a unique training tool for the MTAI and apprentices.

The Quarterly Report Card - a new initiative under the Strategic Plan to measure service delivery performance - indicated an impressive record of achievements attained in each corporate office responsibility - training, communications, advocacy, industrial relations and stakeholder engagements.

Stakeholder and Advocacy Engagements

Stakeholder and advocacy engagements have expanded significantly, particularly as a consequence of the leadership on the innovation agenda and the strong policy presentations on issues relevant to each of the motor trades' divisions. Relations with national industry associations have been rebuilt allowing for input into industry and policy discussion at national industry meetings.

New stakeholder and other engagements have emerged due to the innovation and automotive value chain leadership provided by the Group CEO, Dr Brett Dale.

Advocacy

Under the guidance of Group Deputy CEO and General Manager Member Services, Kellie Dewar, our policy advocacy on behalf of

members at the State and Federal levels has been of a high standard, extensive and ongoing. The Association responded to all Federal and State Government issues relative to the automotive value chain by way of submissions or evidence before Parliamentary Committees or participation at roundtables. Of significance, two major policy wins showing both MTAQ's ability and capacity to react quickly against the

State Government's proposed changes to trading hours legislation and persistence and patience on the long standing policy issue for the SSCSAQ on retail price board regulations.

Member Services

Members Services under the leadership of Deputy Group CEO and General Manager Member Services, Kellie Dewar, comprises the responsibilities for Membership, Business Development, Corporate Partnerships and Industrial Relations. The Member Services team over the past year has attended to the many policy preparations and advocacy presentations to Federal and State Government departments and agencies. Responses have been provided to numerous member queries and issues on a daily basis either in person, phone or email. The eleven MTAQ Divisions have been assisted with administrative and secretarial services for their quarterly meetings and other support measures as required.

As an employer Association, industrial relations are a core responsibility which has been handled creditably by Industrial Relations Manager, Ted Kowalski assisted by Dr Paul Murray (Ph.D). The deregistration of MTAQ as a state registered industrial relations body took effect on 6th December 2016. The prime matters, for which members seek professional advice and representation, relate to unfair dismissal claims and work, health and safety obligations. Over the year, award/dismissal and discrimination training courses have been conducted. I commend to members Industrial Relations Manager, Ted Kowalski's report.

Two new area Managers were appointed, John Robinson, having responsibility for the region north of the Brisbane River to Bundaberg and the south-west, and Andrew Bear to serve the Tweed River border to south of the Brisbane River region. Andy O'Hearn continued to work with members in central, north and far north Queensland.



The Quarterly Reports on Member Services' performance indicate high output levels in each of the department's responsibilities. The department has met consistently the strategic goals in an efficient and professional manner bringing credit to the Association.

I commend to members, Deputy Group CEO and General Manager Member Services, Kellie Dewar's comprehensive Member Services report. On behalf of the Board, I thank Kellie Dewar for her committed leadership and her team for their professionalism and service to the membership.

The Motor Trades' Divisions

The membership of the motor trades' eleven divisions are central to the being, structure and operation of the Association. It is their issues, views and industry needs that set the service and advocacy work schedules and representations undertaken by the corporate office.

The MTAQ Divisional Chairmen in their several reports indicate resilience in the face of digital disruption and technological changes and optimism against a backdrop of differing business circumstances. There was a recognition that with constant evolution there was a need to adapt and invest with personal skills and business assets.

Some expressed 'a positive trading year' including significant membership growth

whilst others experienced 'patchy/mixed trading conditions' with a limited increase in new personnel and static renewals including business closures. Although business volatility prevailed, there was a sense of optimism particularly with 'the *Professional Circle* championing MTAQ members' high industry standards for workmanship.'

Each division had specific industry and policy issues to address with State and Federal agencies to resolve in the best interests of the sector. Several significant policy successes were achieved to which Deputy CEO and General Manager Member Services, Kellie Dewar refers in her report. Collaborations with aligned national organisations increased over the past year resulting in member views included in the decision making process.

Common to each motor trade's division was the recognition that the sustainability and viability of members' businesses was reliant on employee training. A survey undertaken by the Automotive Engineers Division indicated that issues relating to employing and retaining qualified / competent staff were one of the four key matters of concern to members.

Significantly each division valued the MTAQ brand and the contribution of corporate office staff. Services delivered by the corporate office were acknowledged.

I commend to members, the reports of the Divisional Chairmen.

Training

The goal of the MTAI has been to deliver world class automotive training through its apprenticeships or programs designed to advance the capabilities of those working in the industry. As the automotive chain transitions through a period of technological revolution - MTAI recognises that a well trained workforce is critical to the long term viability of the value chain.

MTAI is the largest private provider of automotive apprenticeships and training in Queensland. Under differing names, it has been training people in the motor trades for 42 years. MTAI has been a registered training organisation (RTO) since 1997, conducting vocational training of automotive traineeships and apprenticeships. MTAI's registration as an RTO has been extended to June 2024 by the Australian Skills Quality Authority indicating the high training standard provided by MTAI.

Apprenticeship and trainees enrolments at MTAI remained relatively stable when compared with the previous year. This was a satisfying outcome, particularly as over the last five years there has been a steady decline in the total national pool of automotive apprentices and trainees in-training. This has coincided with an upturn in skill shortages within the automotive industry - the highest ever recorded. Across Queensland there was an estimated 6,000 skill vacancies.

MTAI's curriculum included the full suite of courses specific for each trade. Every effort was made to ensure that the apprenticeship systems were advantageous for employers and rewarding for apprentices. A new training package and several new programs to maintain high quality training outcomes were introduced. One such program, the digital learning platform My Profiling was implemented. This was a large project having benefits for both employers and apprentices. Most notably, this related to the transparency over an apprentice's progression through their learning activities. The feedback so far has been excellent and the system has been received well by students and employers.

General Manager, Paul Kulpa, engaged with government to provide feedback from industry on ways the training system could be improved and to benefit both employers and students. The feedback from the government was that MTAI training



The MTAI's registration as an RTO has been extended to June 2024 by the Australian Skills Quality Authority indicating the high training standard provided by the MTAI.





The Annual President's Ball on 19th November 2016 at the Hilton Brisbane was a memorable event.

regime was 'exceptional'. This feedback indicates that MTAI has influence in the setting of the automotive training benchmark. Likewise, training discussions with employers and students indicated that the MTAI's 'training and trainers are second to none.'

On behalf of the Board, I thank General Manager Paul Kulpa, MTAI Trainers and staff for their commitment and passion to the training of students and for embedding the attributes of the Professional Circle within the MTAI culture.

I thank the MTAI Board as Vice Chairman, comprising Chairman, Ian Lawrence and Directors Alan Bonsall, Tom Mangan and Paul Peterson assisted by 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'. Their pursuit of excellence for the MTAI is appreciated by the MTAQ Board.

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

Annual President's Ball

The Annual President's Ball on 19th November 2016 at the Hilton Brisbane was a memorable event. Members, industry stakeholders and invited guests - including political party and other state and territory representatives and MTAQ corporate partners - mingled together to celebrate achievement and enjoy camaraderie.

It was hosted by Shane Jacobson, with speakers including MTAQ Chairman David Fraser, MTAA Super CEO Leeanne Turner, Suncorp Executive Manager Peter McNulty, Capricorn Society Head

of Sales Dale Durden, Our Auto Paul El Deir and Triple Eight Race Engineering Team Manager Mark Dutton. The function provided the platform for Group Chief Executive Dr Brett Dale to launch the *Carmageddon* concept based on the disruption to business through technological advances and consumer demand.

A highlight of the evening was the announcement of MTAI Apprentice of the Year, awarded to Jamahl Byrne from Hansen Ford and Mareeba Toyota in Mareeba. Congratulations to Jamahl.

Much interest was in the MTAQ's Community Award and Innovation Award. ASR Collision Specialists in Cairns won the Innovation Award which was accepted by Manager Darryl Jones. The Community Award was achieved by RHD Classic Supplies and Services in Aitkenvale and received by business owner Sharine Milne. Congratulations to each on their successes.

Annual Golf Day

The 67th Annual Motor Trades Golf Tournament was held on Thursday 20th October 2016 at the Nudgee Golf Club. It was an 18 hole Stableford competition with players competing for the Motor Trades Cup with the winner's receiving a replica of the Cup and a special trophy. On behalf of the Board, I congratulate the winners and thank sponsors for the donated trophies.

In Memoriam

To members who incurred bereavement in the past year, sincere sympathy is extended to each of you.

Congratulations

On behalf of the Association, I congratulate all members who have won prestigious Dealer and Business Awards and other industry or community recognitions.

The Future

The MTAQ Board is committed to the Rules on which it was founded and will continue to apply best practice governance to all endeavours. Across the 88 years of the Association's existence, members have adapted to significant but steady technological changes to the value chain and their individual businesses. In the coming decade, the value chain will experience wide ranging digital economic and technological disruption of a kind not seen before. I'm confident that the Association is prepared for the challenge ahead having the leadership capacity to assist members and to advance understanding of present and future disruptors to the motor trades.

The foundation has been set to help the membership and automotive value chain stakeholders through the transition phase and to access the intellectual capital needed to assist members to adjust business models.

In the coming year, the Association will continue to 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



Paul Peterson

Secretary
MTA Queensland



The focus for 2017/18 will continue to be on expanding the Association's commercial activities and offerings while representation to members remains at the heart of the MTAQ's strategy and vision.

Secretary's Report

As part of my role as the Secretary of the Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ), it is my responsibility to ensure that's accounts and financial statements comply with all statutory requirements. The financial report must be in accordance with the *Fair Work (Registered Organisation) Act 2009* and comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and I confirm that the financial report is free from material misstatements, including omissions.

Good governance practices within our Association has resulted in continual improvements in the management of board processes and the transparency of governance for members.

Over the past year, there was a significant change to the financial activities of the Federal Reporting unit for the financial year ended 30th June 2017 due to the deregistration of the associated state body on the 6th December 2016.

The financial report only includes activity from the federal registration, being, 6th December 2016 until 30th June 2017; it does not include activity performed under the registered state body.

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

Financial Results 30th June 2017 **Deficit attributable to Members of the Organisation**

This year's deficit attributable to members of the organisation was \$150,574 for the period 7th December 2016 - 30th June 2017. Overall the equity position of the Association remains strong at \$14,051,182.

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.

General Comments

Significant activity after 30th June 2017 close period saw the investment held with MTAA House settle in September 2017 and a transfer of funds to the Associations' accounts for a total value of \$2,097,837.

MTAQ continues to face challenges within the Vocational Education and Training industry in a declining market and changes to the training package deliverables over the past twelve months.

Additionally, the demand for vocational education from school leavers has declined due to government making available a greater number of places at university for undergraduate students.

The focus for 2017/18 will continue to be on expanding the Association's commercial activities and offerings while representation to members remains at the heart of the MTAQ's strategy and vision.

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

Paul Peterson
Secretary
MTA Queensland



Dr Brett Dale DBA

**Group Chief Executive Officer
MTAQ Queensland**



It is a privilege to be in this position, leading the MTAQ Group at such a crucial time in the history of the automotive industry.

Group Chief Executive's Report

The purpose of MTAQ is to be the voice of the retail, service and repair sectors of the automotive industry in Queensland and it is, at all times, the Association's goal to work for the benefit of members. We do this by working with members, listening and responding to their concerns, promoting their interests to governments both state and federal, and collaborating with industry and other like-minded institutions and associations.

Via the MTAI, our goal is to deliver comprehensive automotive apprenticeship training across the entire range of industry roles, working to develop tradespeople who will steer the industry to success for generations to come. With approximately 2000 students from across Queensland currently training with the Institute, and many more taking advantage of additional courses and programs such as hybrid training and paintless dent repair, the Institute continues to strengthen its position as the largest private provider of automotive apprenticeships and training in Queensland.

It is my responsibility as CEO of the MTAQ Group to ensure that the Association continually strives to deliver on these goals, building on the five pillars at the core of the Association's mission – advocacy, services, training, support, and innovation – and strengthen the aspects of our work that we do so well while developing new ideas, new concepts and new products that will benefit members, apprentices and the wider automotive industry.

It is a privilege to be in this position, leading the MTAQ Group at such a crucial time in the history of the automotive industry.

And it is a crucial time.

Innovation

In recent weeks, we have seen Holden and Toyota close their manufacturing

operations in Australia, and the demise of automotive manufacturing has coincided with the onset of a seismic change in the global industry – one which will see it evolve in dramatic fashion.

The seemingly unstoppable march of technology will, over the next few years, see advanced, complex vehicles flood global markets. All-electric vehicles, self-driving vehicles, and vehicles that are connected to each other, to infrastructure and to the internet, will become the norm. New manufacturing techniques using new materials will become commonplace and alongside these changes will come innovations in sales, communications and marketing, maintenance and repair, even customer service. These developments will have an enormous impact.

To tackle these changes, existing businesses will have to adapt, evolve and learn new skills and business techniques. Inevitably, these changes will also demand the development of new training programs and innovative ways of delivering that training.

MTAQ recognises this industry revolution is coming and that its role is to be instrumental in helping the industry negotiate its way through the maze of disruption.

Part of MTAQ's Strategic Plan is to 'thrive on creativity and innovation'. In the past year, perhaps more than any other in recent memory, the Association has done exactly that, embracing technology to more readily service the needs of members and apprentices and acting swiftly in response to the dramatic changes that are on the way.

We have instigated a number of major programs. These include the *Carmageddon* symposiums – conferences that bring together experts from academia, business, industry and the law to discuss industry developments and technological advancements. Two of these conferences have been held so far and were a great



MTAiQ is an innovation hub designed to cultivate a community of entrepreneurial minds that can come together, collaborate and develop their ideas into a viable business proposition.

success, bringing to members' attention the emerging technologies, the digital economy and the tremendous opportunities that lie therein. We intend for the *Carmageddon* symposiums to continue as a regular event and a source of information and inspiration to members.

Acknowledging the influence of the developing technologies also prompted the establishment of the MTAiQ. To be based at MTAQ headquarters at Eight Mile Plains, MTAiQ is an innovation hub designed to cultivate a community of entrepreneurial minds that can come together, collaborate and develop their ideas into a viable business proposition. The first in Australia to be geared solely at the automotive industry, MTAiQ offers an ecosystem of entrepreneurship that will support not only budding entrepreneurs with a grand idea but also MTAQ members – established businesses that lack the resources to carry their plans forward.

Already, MTAiQ has attracted a number of innovative and creative start-ups and we look forward to working with them to develop their concepts into viable and sustainable businesses.

Our focus on innovation has also, for the first time in the Association's history, seen a relationship established with academia

through the Queensland University of Technology. This relationship will further help to progress the understanding of emerging technologies and digital disruption and enable members and industry stakeholders to access the intellectual capital needed to adjust business models or generate new and more effective business operations.

The leadership provided by MTAQ in the space of innovation is groundbreaking for an industry peak body and the Association is being recognised as the experts in the field. That is important. As a consequence, I have been invited to contribute to discussions to several fora focusing on digital disruption and technological change. These included being a guest speaker at the QUT *Closing the technology loop on self-driving cars: A transdisciplinary forum*, presenting to an audience of some 150 academics and government officials; contributing to discussions at the House of Representatives Standing Committee on Industry, Innovation, Science and Resources Inquiry into the social implications relating to driverless vehicles, as well as the Land Transport Regulation 2040 Plan workshop.

Furthermore, we have engaged with the Department of Transport and Main Roads (TMR) on the Connected and Automated

Vehicle initiative – an initiative that will see TMR recruit 500 Ipswich residents to retrofit their vehicles with cooperative intelligent transport system technology for on road testing from 2019. MTAQ will be technically involved as installers on this large-scale trial of cooperative and highly-automated vehicles.

Importantly, we have also established a valuable relationship with the Queensland Minister for Small Business, the Hon. Leeanne Enoch, who also has responsibility for the Innovation, Science and the Digital Economy portfolio. The Minister opened our first *Carmageddon* symposium and I have met with the Minister and her representatives to discuss support to small business and the Small Business Queensland Strategy 2016-20, and innovation and future opportunities for industry. This relationship continues to strengthen as we collaborate on the Queensland Government's Advancing Regional Innovation Program (ARIP), a program designed to encourage innovation across Queensland and support local economies to create jobs for regional Queenslanders.

In 2016, the vocational education and training system underwent policy changes and reforms and a new Innovation and Business Skills Australia was established to

work with specific industries in developing training packages. Price Waterhouse Coopers Skills for Australia (PwC) was appointed with the responsibility for the automotive and mining and drilling sectors and a strong relationship has been established with that organisation. I have met with PwC to discuss support and key priorities for Queensland's automotive industry and MTAQ is now represented on the Automotive Strategic Industry Reference Committee (Automotive Strategic IRC), part of the Australian Industry and Skills Committee which advises Commonwealth and State Industry and Skills Ministers on the implementation of national vocational education and training policies, and approves nationally recognised training packages for implementation in the VET system.

As a member of the Automotive Strategic IRC, I will have input into the national training package qualifications that cover broad sectoral linkages and skills pathways across the automotive industry, including pre- and post-trade qualifications.

Additional meetings, conferences and fora I have attended include meetings with Karen Andrews, Federal Assistant Minister

for Vocational Education and Skills; Rod Camm, CEO of the Australian Council for Private Education and Training; Tim Maloney, State Education and Training Industry Skills Director; Behyad Jafir, CEO of the Electric Vehicle Council; Shadow Ministers with portfolios relative to the motor trades; the Queensland Training Ombudsman; Jobs Queensland Officers and a host of others.

MTAQ also had an input into the recently published report, *Directions in Australia's Automotive Industry: An Industry Report 2017* – a comprehensive look at industry trends over the next three years.

It is clear from the many meetings and collaborations with national and state stakeholders that there is great confidence in the policy and industry work the MTAQ is doing and the Association will continue to seek to open doors and commence dialogue with our interstate counterparts, aligned national bodies, government agencies and departments, and academia.

It is safe to say that MTAQ policies, and the views of its members, are represented well on the national stage.

Technology & Training

The strive to be innovative and meet strategic objectives saw Information and Communication Technology (ICT) projects achieve key milestones and scheduled projects be successfully completed. With a focus on efficiency, security and reliability, marquee projects have been delivered on time and within budget.

ICT security has been an ongoing priority with key investments in both policy and services providing a robust and secure platform on which the Association can operate. System uptime was at 100 per cent, with no MTAQ managed infrastructure recording outages or interruptions.

MTAI's large-scale eLearning platform, My Profiling, was both scoped and delivered within the financial year, and the system has digitised and mobilised the delivery of training services. Through automation and streamlined processes, MTAI's eLearning project has exceeded expectation in both ease of use and user adoption with very positive feedback coming from apprentices and their employers who have adopted the system.

MTAI's large-scale eLearning platform, called My Profiling, was both scoped and delivered within the financial year, and the system has digitised and mobilised the delivery of training services.

MTAI now leads the way in how modern vocational education can be delivered. Our digital learning platform has created a framework from which we can employ the latest technologies in rich media, and enabled us to plan for future technologies, such as Virtual and Mixed reality, to enhance our already industry-leading, on-site, face-to-face, training model.

MTAQ has also been a leader in cloud technology adoption. Throughout the last 12 months, we have further bolstered our position to move services to the Cloud, now having reached a 95 per cent completion of our overall strategic plan. These key investments have enabled the Association to reduce operating expenses, remove risk and provide a level of agility not previously available. Through the adoption of these technologies, MTAQ's ICT department has ensured a long term and sustainable platform from which we can grow. At the completion of all planned works relating to our transition to hosted services, MTAQ's ICT department projects a \$80,000 per annum reduction on fixed costs, which can be re-invested into programs designed to enhance the Association's offerings.

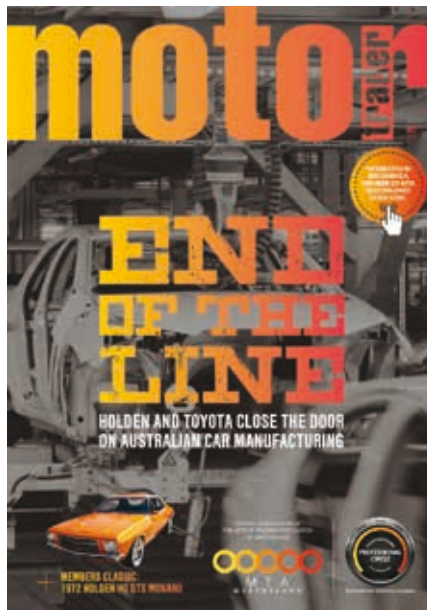
Marketing & Communications

Communication is a vital part of any business and the last 12 months has seen a major leap forward in this area.

While both MTAQ and the MTAI have had a website and social media presence for some time, the hard work of the marketing and communications team has delivered extraordinary expansion in engagement with members, the wider industry and the public.

Over the first half of 2017, the websites for MTAQ – mtaq.com.au – and MTAI – mtai.edu.au – received more than 100,000 views, while posts across the Association's social media platforms on Facebook, Twitter, Instagram and YouTube have reached tens of thousands of users. Particularly noteworthy is the increase in MTAQ's Facebook followers. Now standing at 2,354, and growing every week, this represents a 64 per cent increase in followers from last year.

The MTAQ name is once again becoming well-recognised amongst media organisations as we respond quickly to developments in the industry with media releases directed to major outlets. Nearly 30 releases have been delivered this year and many have been picked up by print



Innovation has also come to the Association's venerable publication, Motor Trader magazine. Since July 2017, Motor Trader has been a digital-only publication - an e-magazine which can be read directly on your smartphone, mobile device and computer...

and online media outlets including *The Gold Coast Bulletin*, *the Courier Mail*, *Fraser Coast Chronicle*, *Cairns Weekend Post*, *Wheels Magazine*, *The Australian*, *The Daily Telegraph*, *Herald Sun*, *The Advertiser*, *Brisbane Times* and *news.com.au*.

Innovation has also come to the Association's venerable publication, *Motor Trader* magazine. Since July 2017, *Motor Trader* has been a digital-only publication - an e-magazine which can be read directly on your smartphone,

mobile device and computer - allowing us to deliver a publication that reaches many more readers. Its distribution has more than doubled and the publication now carries much more information, as well as interactive elements through hyperlinks and videos.

Details of my activities are carried in my *From the Desk of the CEO* column in each month's *Motor Trader* and are replicated on the MTAQ website.

MTAQ Racing Team

The MTAQ Racing Team program has seen the Association field a Hyundai Excel race car in the 2017 Queensland Hyundai X3 Series Cup. This Hyundai category has exploded in popularity across the country thanks to its focus on creating an entry-level, grassroots, and affordable competition and it has proven to be the perfect vehicle (excuse the pun) for the Association to expand its brand recognition to the motorsport sector. It has also, just as importantly, given MTAI apprentices an insight and hands-on experience into the development of a race car. For a select few, the program has offered the opportunity to work as the Support Crew on race days at the track.

It has been an invaluable experience for them and, while a podium spot and winner's trophy eludes the team for the moment, a valuable experience for the Association too as we engage with a community and a sector of industry on a whole new level.

I would like to thank the MTAQ Racing Team driver David Wood, for his professionalism on and off the track and for carrying our brand with pride.

I would also like to acknowledge major sponsors Bennett & Philp Lawyers and ACM Parts as well as Silver Sponsor Inenco Group (CBC Bearings). Also thanks to supporters Neta Tires, SP Tools, Castrol Edge, MCA Suspension, R&J Batteries and Kustom Vinyls.

Governance

Central to our operation as a union of employers, are our Rules. With introduction of the Fair Work system, all members are in the federal industrial relations system. For this purpose, MTAQ was registered as an employer association on 26th November 2014 under the *Commonwealth RO Act 2009*. Following the application to the Full Bench of the Queensland Industrial Relations Commission, deregistration was



The MTAQ Racing Team program has seen the Association field a Hyundai Excel race car in the 2017 Queensland Hyundai X3 Series Cup.



granted taking effect on 6th December 2016. Currently, the Rules are in the process of being amended as it is important to ensure our governance arrangements comply with federal legislative requirements and provide transparency and accountability to members.

The Association's governance systems and processes conform to established standards and quarterly monitoring indicates that the corporate office has achieved the goals, the strategic actions and the key performance indicators stated in the 2016-18 Strategic Plan.

A significant focus has been on the Association's businesses so that these are sustainable into the longer term. This requires corporate office commitment as it must deliver on two equally important functions: the provision of quality membership services and the commercial management of two companies to ensure their viability. The businesses are substantial and much effort is expended to maximise activity and to look for new commercial opportunities to ensure their performance continues to improve in the best interest of the Association and members.

Policies

Deputy Group Chief Executive, Kellie Dewar, details the major policy activity for the past year in her report on the

following pages. However, I would like to touch on a couple of the issues - issues upon which members have held strong positions and which demanded intense communication and collaboration. The first of these was the proposed seven-day trading for the motor vehicle and caravan industries - an issue that members opposed. As a result of extensive consultation with Queensland Parliamentarians and stakeholders, the Association's policy position that existing motor dealer retail trading hours be retained, was upheld. An excellent result.

The Association also worked on behalf of members on the issue of access to repair information. In August, the Australian Competition and Consumer Commission (ACCC) released a draft report addressing issues in relation to the new car retailing industry market. This included a recommendation to develop a scheme to allow the nation's mechanical and motor body repairers fair and reasonable access to repair information. The recommendation was an acknowledgment of the work done by MTAQ in support of members and the Association made further submissions in the run-up to the release of the final report which is expected later this year.

These were just two issues MTAQ has dealt with on behalf of members and they have been hard fought and often deeply contentious. However, they are proof, I

believe, of the weight of our argument and the influence a strong Association like ours can have. For more on these developments and others, please read Kellie's report.

Support & Thanks

The inexorable advancements in automotive technology will have a profound effect on our industry in the coming years. MTAQ is working to assist members through this evolution in the ways outlined in my report and I must thank the MTAQ Board for their support as I fulfill my responsibilities as Group CEO and captain the Association into a challenging and exciting future. Without their backing, experience and understanding of the industry, the challenges would be that much more difficult.

I must also thank the incredible team at MTAQ - the Administrative staff, our Business Development Managers, the Industrial Relations department, the Marketing and Communications team, the ICT department, Senior Management and, of course, our MTAI trainers. All of these people are dedicated to delivering an outstanding service and experience to members and students - and they do it brilliantly. I wish you all well in the coming year.

Dr Brett Dale DBA

Group Chief Executive Officer
MTAQ Queensland



Kellie Dewar

Deputy Group Chief Executive
Officer & General Manager
Member Services
MTA Queensland



Substantial and comprehensive representation of our members' interests are fully detailed in my report. It has been another very busy year on the policy front for MTAQ.

Member Services and Support

Advocacy

The objects of MTAQ as referenced in the Chairman's report include:

- 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 of businesses in Queensland; and
- to consider and deal with any question relevant to the motor vehicle industry and associated trades or businesses.

Our Advocacy and Policy work sets a high benchmark in achieving these consistently for members. The content of our submissions and representations have been quoted extensively in areas of policy, most notably, the Allowable Trading Hours changes. Substantial and comprehensive representation of our members' interests are fully detailed in my report. It has been another very busy year on the policy front for MTAQ.

Office of Fair Trading

MTAQ has regular scheduled meetings with Office of Fair Trading officers to discuss matters important to members. These ranged from second hand dealers license to sell previously unregistered vehicles to fuel price boards and consumer law.

Department of Transport and Main Roads

Collaboration with the Department of Transport and Main Roads has progressed across the year on diverse issues. Issues addressed included brake testing; clarification on tyres relating to speed rating and age; a web portal and mobile application for Inspection Certificates Online (ICO).

Department of Energy and Water Supply (DEWS)

Negotiations with DEWS on the State Government's policy to implement the biofuel mandate and associated issues relating to the threshold for mandate liability, sustainability criteria for Queensland's Biofuels mandate and the Biofuels exemption guideline. There will be ongoing high levels of communication to ensure members are aware of deadlines and requirements for reporting.

Road Safety Stakeholder Meeting

As a stakeholder, MTAQ attended the State Government's fourth *Safer Roads, Safer Queensland Forum*. Input at the forum is important for the development of the Queensland Road Safety Action Plan 2017 - 2019.

National Land Transport Commission

We attended the Land Transport Regulation 2040 Plan 'scenario planning' workshop to discuss the technological consumer demand and the probable reshaping of the transport system.

Round Tables/Stakeholder Meetings

Round Table/stakeholder meetings were also attended to represent the policies/ views on a variety of motor trades issues.

Submissions and Policy

There have been two significant policy achievements for the annual report period, highlighting the Association's ability to react and respond quickly on a short term policy issue for our Retail Motor Vehicle Sales members and show patience and consistency on a long standing policy issue for our Service Station and Convenience Store Association of Queensland (SSCSAQ) members.

Allowable Trading Hours

MTAQ mounted an extensive campaign



MTAQ mounted an extensive campaign against the State Government's proposed legislative change to trading hours for retail vehicle and caravan dealerships to open on Sundays.

against the State Government's proposed legislative change to trading hours for retail vehicle and caravan dealerships to open on Sundays. AADA Qld members and retail vehicle and caravan dealers preference was for the existing Vehicle Order to continue, which was the Association's long-held policy position. A survey undertaken of the membership by the Association found that there was 90 per cent support for the retention of the existing Vehicle Order. AADA Qld provided submissions and evidence before the Parliamentary Finance and Administration Committee and participated in robust roundtable discussions and liaisons with all State Parliamentarians as well as a comprehensive social and electronic media campaign. Following this, the legislative amendments to the *Trading (Allowable Hours) Act 1990* affecting retail vehicle and caravan dealerships did not proceed.

Fuel Price Board Regulation

An issue of long standing for the SSCSAQ was the display content on retail fuel

price boards. This has now been resolved after being pursued at successive State Government agency and stakeholder meetings. The *Fair Trading (Fuel Price Board) Regulation 2017* has been passed by parliament which had SSCSAQ support. It comes into effect on 1st January 2018.

Over the past year, two significant policy issues dominated, to which there has been consistent input to State and Commonwealth agencies to ensure consideration of MTAQ policies and views. This was done by submission and deputations/meetings. The first related to the review of the Australian Consumer Law which included 'consumer guarantees' and the connected matter of 'lemon laws'. Both of these matters were addressed in several submissions. In addition 'lemon laws' was an issue raised in the Australian Competition and Commission's (ACCC's) *New Car Retailing Industry - A Market Study*. It is expected its final report may furnish a recommendation on 'lemon laws' for the consideration of the Commonwealth Government.

The second was a review of Queensland's trading laws: The review of Queensland's *Trading (Allowable hours) Act 1990* which incurred a significant policy shift providing that motor vehicle dealerships could open on a Sunday. As previously mentioned, with AADA Qld, we engaged by way of robust discussions, fora consultation and submissions with Government which ultimately resulted in an undertaking that the existing State Order Vehicle would be preserved.

Whilst these issues have been priorities, there have been many professional responses reflecting MTAQ's member views on a range of matters. There have been 18 submissions overall for the 16-17 financial year. These included submissions to:

- The Department of Infrastructure and Regional Development and Department of Environment and Energy: responses to draft regulatory impact statements pertaining to *Improving the efficiency of new light vehicles* and the *Vehicle Standards for Cleaner Air*

- The Department of Energy and Water Supply: response on the Biofuels mandate exemption guideline
- The Department of Energy and Water Supply: Biofuel Mandate Implementation Paper 1 - Retail Threshold
- The Department of Energy and Water Supply: *Fair Trading (Fuel Price Board) Regulation 2017*
- Department of Education and Training: Advancing skills for the future
- The Motor Accident Insurance Commission: review of the limits to apply to Compulsory Third Party (CTP) premiums for each assessment period.
- The Motor Accident Insurance Commission: response to the Review of Queensland's Compulsory Third Party Insurance Scheme
- The Commonwealth Treasury : response to the *Exposure Draft - Competition and Consumer Amendment (Competition Policy Review) Bill 2016*
- Trading Hours Reference Group: response to the Retail Trading Hours Review
- Queensland Parliamentary Finance and Administration Committee: *Trading (Allowable Hours) Amendment Bill 2017*
- Australian Consumer and Competition Commission and the Consumer Affairs Australian and New Zealand: Review

- Interim Report (Australian Consumer Law)
- Australian Consumer and Competition Commission: a response to the New Car Retailing Industry - A Market Study
- Jobs Queensland: Positive futures: Apprenticeships and traineeships in Qld - Discussion Paper
- Commonwealth Treasury: Pre-budget submission
- The Queensland Treasury: Pre-budget submission
- House of Representative Standing Committee on Industry, Innovation, Science and Resources
- Social issues relating to land-based driverless vehicles in Australia (cars, trucks, buses and trains)
- The Commonwealth Treasury: response to the exposure draft the *Treasury Laws Amendment (GST Low Value Goods) Bill 2017*. The policy measures were supported.
- The Australian Competition and Consumer Commission: response referring to the proposed acquisition of Woolworths Limited's (Woolworths) network of retail service station sites by BP Australia Pty Ltd (BP)

Awareness

Professional Circle: This measure is two years old this October. There is positive

recognition of the importance of the 10 benchmarks of industry standards that make the difference for consumers dealing with a business in the motor trades.

Social Media: New MTAQ Member monthly welcome on Facebook and overall significant growth on all platforms increased brand and profile.

Scams: Scamwatch reports the top three scams business should be aware of are:

- Ransomware – these scams trick a victim into downloading a virus that infects computer systems and prevents user access until payment is made to unlock it. In 2016, reports indicate that there was an increase in ransomware emails to businesses, purportedly from legitimate companies such as Australia Post or a utility provider.
- Business email compromise scams – these are a form of hacking scam that operate by the scammer obtaining access to a business' email address. The scammer will then send an email (purportedly from senior management) to the business' suppliers advising of new payment arrangements and requesting a wire transfer to the new account.
- Investment scams – these scams are promoted as business opportunities (for example sports investment or stock broker scams, superannuation schemes



An issue of long standing for the SSCSAQ was the display content on retail fuel price boards. This has now been resolved after being pursued at successive State Government agency and stakeholder meetings.

or managed funds) and promise inflated returns but are, in reality, nothing more than a method used to drain a business of its funds.

Website, Publications and Communications

Motor Trader: The printed versions of the *Motor Trader* ceased in favour of digital editions.

New additions to the MTAQ website:

- Jobs board
- Events section
- Industry news
- Divisional area
- Contact us/team area
- Annual Reports, submissions and media releases
- Dob in a backyarder revised content
- Resources and small business tools and templates
- Members only content
- Industry insights
- Industrial Relations increased content

Weekly Communication to Members: Communication has been streamlined with our members where we issue our email once a week on Thursday morning. This change is in direct response to feedback received from our members on the volume of emails coming through from different departments sometimes on the same day. Keep an eye on your inbox and if you are not receiving it please make contact with Member Services.

Charity

MTAQ are proud supporters of our Charity Partner, Youngcare. MTAQ regularly holds fundraisers for Youngcare including bringing awareness, support and fundraising at the prestigious MTAQ's President Ball held annually.

Youngcare is a not-for-profit organisation spearheading powerful and positive change to create a future where every young person with high care needs has the freedom, choice and dignity to live the lives we all deserve.

There is a severe shortage of age appropriate housing in Australia and Youngcare is rallying industry, government and the community to develop viable and replicable housing and care models to



MTAQ are proud supporters of our Charity Partner, Youngcare. MTAQ regularly holds fundraisers for Youngcare including bringing awareness, support and fundraising at the prestigious MTAQ's President Ball held annually.

solve the problem once and for all. These young people deserve the freedom to choose where they live, who they live with and how they live their lives— and it's up to all of us to make sure that happens. For more info visit www.youngcare.com.au

Events

President's Ball

Members Services organised with great success, the Annual President's Ball to celebrate industry cohesion and achievement with awards to industry champions and the Apprentice of the Year.

Carmageddon Series

On March 7th, 2017 MTAQ hosted *Carmageddon - Innovate or Detonate*; a one day symposium which brought together industry, government and academia.

On Wednesday, 12th July 2017 MTAQ hosted *Carmageddon II - Leading the Way*; a one day symposium which followed the original *Carmageddon* event held in March, and discussed business solutions for incoming automotive disruptions.

Corporate Partners

Corporate partners are an integral element in our structure, providing access to new networks, skills and resources to members. I thank them for their ongoing support to the MTAQ and acknowledge:

- Bennett and Philp Lawyers
- Commonwealth Bank
- Core SME Services
- Capricorn Society Limited
- MTAA Superannuation
- Dun and Bradstreet
- Guard Insurance
- Safety Help
- Our Auto Tech-Centre
- Our Auto Digital

Administration

Report Cards were implemented as a result of the adoption of the Strategic Plan and as a key performance record of each quarter. Quarterly reports have each indicated a high level of engagement with the membership, all levels of government and stakeholders. The report cards have been displayed on the website and are distributed to members each quarter in our member newsletter.

Member Services Support

Our Member Services team provides professional support to members and I take the opportunity to thank them all for their contribution. Thank you also to MTAQ Chairman David Fraser, committee Chairs and committee and Board Members for their valued input, leadership and professionalism in representing their respective Divisions and districts.

Kellie Dewar

Deputy Group Chief Executive Officer & General Manager Member Services
MTA Queensland



Ted Kowalski

Industrial Relations Manager
MTA Queensland



The annual wage review by the Full Bench of the Fair Work Commission saw an across-the-board award rate increase of 3.3 per cent being granted from the first full pay period on or after 1st July 2016.

Industrial Relations

In late 2016, the Association made an application to have our State registered industrial relations entity de-registered. This was done on the basis that we also had full registration in the Federal system under the *Fair Work (Registered Organisations) Act*. Maintaining our State registration was both unnecessary and time consuming in that we were obliged to meet the often-differing legal provisions of both industrial relations systems. Our application to a Full Bench of the Queensland Industrial Relations Commission was granted and took effect on 6th December 2016. This action in no way disadvantaged members of the Association, nor did it hinder our ability to represent members in all relevant industrial relations matters including trading hours issues.

The annual wage review by the Full Bench of the Fair Work Commission saw an across-the-board award rate increase of 3.3 per cent being granted from the first full pay period on or after 1st July 2016. This represented an increase of \$25.80 per week at the tradesman's level and took the tradesman's award rate to \$809.10 per week.

The four-year review of all modern awards, which commenced in 2014, has still not been completed. It's possible that the review of the main motor industry award, the Vehicle Manufacturing Repair Services and Retail Award, may not be completed until very late in 2017. While this process has certainly been protracted, it should result in an award that will be far easier to interpret and apply. Thankfully, the legal obligation to hold four-year reviews has now been removed, so that, when this current review is concluded, we should return to relative stability for modern awards.

Unfair dismissal claims continue to be a source of disruption for members, with far

too many unmeritorious claims being lodged in the hope of extracting "go-away money".

While sticking strictly to proper process in every dismissal case is critical, it does not guarantee that a claim won't be lodged. In addition, and unfortunately, there are a number of businesses which masquerade as being related to the Fair Work department which are only too ready to encourage aggrieved employees to lodge a claim regardless of its merits.

Ted Kowalski

Industrial Relations Manager
MTA Queensland



James Sturges

Chairman
Australian Automotive Dealers
Association Queensland (AADA Qld)



Our Division's core focus of action is state-based issues affecting the automotive industry.

Australian Automotive Dealers Association Queensland

Overview

A consistent united position provides a clear and strong message. This report will focus on how we used this simple principle to provide the Queensland Government a strong message resulting in Minister Grace reviewing her position on seven day trading for the automotive industry.

Divisional Activities

I would like to thank all Government representatives and their respective departments and members of the Parliamentary Committee for listening to our industry position.

I also need to thank all dealers who championed their local MPs with letters, emails, phone calls and attended regional meetings and hearings. The template MTAQ drafted provided a consistent, clear and strong message. This is a big win for industry and it shows what we can achieve when we work together.

The support from our CEO, Dr Brett Dale and Deputy CEO Kellie Dewar and their respective teams at the MTAQ need to be acknowledged and recognised by all members. They have executed press releases, organised meetings across government, convened meetings with dealers and provided briefings to individual dealers to represent their case at a local level. MTAQ attracted substantial media coverage and was quoted extensively through the parliamentary process.

Mark Ward and his team from BDO assisted on the financial impacts of the proposed change to the Act.

Divisional Priorities

Our Division's core focus of action is

state-based issues affecting the automotive industry.

The seven day trading issue is only the start of the momentum for AADA Qld. We want to ensure our membership is continually engaged so in future when we identify an issue we have the ability to get the best ideas and input from you, the industry experts.

We work closely with AADA National on national issues and will continue to contribute to the national agenda on behalf of all Queensland members.

Raising our profile with members and collective groups such as Dealer Councils and encouraging participation and collaboration on all issues impacting our industry is a key strategy for our committee.

General

The Division's committee has been very supportive and has provided energy and direction. I would like to thank Garth Madill for providing continuity and support in his new role as Vice Chairman. It is this committee that provides the strategy and accountability to you as members. I am asking all members to please engage with this Division, encourage your peers to do the same.

The majority of our meetings are now via teleconference with a structured agenda to facilitate the meeting more effectively in a shorter timeframe.

I ask if you or someone within your organisation can support these meetings via phone (quarterly) please do so by registering your interest with info@mtaq.com.au

James Sturges

Chairman
AADA Qld



Mark Dodge

Chairman
Automotive Engineers Division
(AED)



Whilst the quality and skills of the business may be second to none, unless we can convey that to the broader market, image and consumer perception will be the first and maybe last opportunity we have to gain and retain customers.

Automotive Engineers Division

Overview

The AED during 2017 has had productive interaction with Queensland Transport which has helped build and strengthen the relationship that has historically been seen as one of us and them. Representatives from Queensland Transport recently took the time to explain the current and future processes and procedures that they, AED members and approved inspection stations must abide by. Online safety certificates that have been a long time coming are now a reality with positive feedback forth coming. Well done Queensland Transport for consulting, moving forward and implementing technology to help deliver better customer service. Membership is sitting at 500 plus which is a result of the efforts of MTAQ representatives promoting the MTAQ brand and benefits of membership. Training and quality of work skills within the automotive industry have been and still are a very topical issue with Maurice Donovan and his subcommittee investing time and resources for the betterment of the automotive industry.

Divisional Activities

Surveys were conducted during the year pertaining to issues relating to the operation of mechanical automotive repair and service businesses. The results were not unexpected with the top four issues relating to employing and retaining qualified/competent staff, consumer issues, our industry image and technical information. Regular meetings were held during the year with Maurice's subcommittee meeting via phone and reporting back to the AED committee. The subcommittee work is ongoing.

Divisional Priorities

The AED's focus has been and still is how to improve the quality of technicians and apprentices within the automotive

industry whilst not losing sight of our industry image. A percentage of consumers and the motoring public have the perception that our industry has not evolved to accommodate the needs and expectations of the new car (technology) market. It is a priority to have access to not only the information but also the qualified personnel able to deliver and exceed expectations. Image is an area that we see on a daily basis that is often overlooked. Whilst the quality and skills of the business may be second to none, unless we can convey that to the broader market, image and consumer perception will be the first and maybe last opportunity we have to gain and retain customers.

General

With industry changes and constant evolution, we as members of the AED need to adapt and invest within our own personal skills and business assets. The *Carmageddon* series and MTAQ's commitment to innovation in the automotive sector will give us a head start on what our businesses may face in the future. The most important asset of any of our businesses are our employees. AED members have available to them a range of courses at the MTAI to develop and upskill employees in post-trade training through the registered training organisation.

Uncollected goods are an ongoing issue for industry; MTAQ with their legal partner Bennett & Philp have published a comprehensive guide on the process. You can obtain a copy from MTAQ Member Services. In the meantime, please ensure you have appropriate signage at your premises notifying that customers' vehicles are left subject to the *Uncollected Goods Act*, again available from Member Services.

Mark Dodge
Chairman
AED



Lawrie Beacham

Chairman
Automotive Parts Recyclers Division
(APRD)



The biggest changes may still be yet to come with reports that 3D printing technology will be a very real threat to our industry over the next 5 years, in addition to the future prospect of autonomous vehicles on our roads in mass.

Automotive Parts Recyclers Division

Overview

I accepted this role in August 2015. As I have expressed previously, I am honoured to represent the wonderful individuals and businesses in my industry. There are several factors changing our industry landscape; improvement in reliability and performance of existing vehicles and safer affordable new vehicles and imported parts coupled with government safety awareness campaigns and the development of collision avoidance technology now being built in as standard on some entry level vehicles in the market.

The biggest changes may still be yet to come with reports that 3D printing technology will be a very real threat to our industry over the next 5 years, in addition to the future prospect of autonomous vehicles on our roads in mass.

Along with the technological advancements of self-driving cars is the ability for the vehicle to assess its own damage after an accident and to forward the parts supply quote direct to the manufacturer or manufacturer's supplier directly bypassing the automotive recyclers inventory. Based on reporting from KPMG in the U.S. original equipment manufacturers (OEMs) will see a staggering 48 percent decrease in their collision parts business as a result of autonomous vehicles, of course this news does not auger well for Australian Auto Parts Recyclers.

Divisional Activities

Increased membership remains a priority for the APRD Division and we have had some good impact for proactive contact and membership enquiry to our Division. Our Committee want the APRD Division to be inclusive for our industry. Our meetings are open to all members and you are welcome to participate by teleconference or in person at any time by simply sending back your RSVP when you receive the meeting notice.

Divisional Priorities

Understandably OEM's constantly push and market their parts to be recognised as the only "genuine" supplier. However, in many instances, as parts recyclers we are in fact re-utilising the same genuine product as an economical and environmentally effective alternative. At the recent International Automotive Recycling Congress (IARC) in Berlin ARA CEO Michael Wilson articulated that "it is time for automakers to abandon these anti-environmental positions on the reutilization of OEM parts - the very parts that their companies manufactured. Auto manufacturers must be held to stand by the durability and quality of the parts they produce. Automakers also must be required to go beyond a narrow policy of material reuse to one that requires corporate support of basic reuse principles that accept the reutilisation of OEM parts and components for their same application that maximises the life cycle value of a product that offers greater environmental benefits." ARA urged all professional automotive recyclers to globally join together on these important economical and environmental issues. This will be a future focus within the APRD Division.

General

Predominantly the industry appears to be progressing well although many report that profitability is down. It is encouraging and refreshing to see the investment by some players with new bigger and brighter premises. All indications are that scrap prices should keep climbing well into 2018 and although it is not the core business of automotive dismantling it can be a good prop up for profit margins which continue to be impacted by price competition with new parts retailers.

Lawrie Beacham

Chairman
APRD



Rod Pether

Chairman
Automotive Remarketing Division
(ARD)



The used car market increased just under 1.6 per cent in the dealer to private market and 2.45 per cent in the private to private market for the same period 2015 - 2016.

Automotive Remarketing Division

Overview

With the prediction of five million electric motor vehicles on Australian roads by 2030 and the driverless vehicle age coming our way, our Division needs to ensure we understand how this impacts our industry. It is great that the Association is leading the conversation by hosting the *Carmageddon* series.

Divisional Activities

Minster Grace's announcement that "the *Bill (Trading Amendment Bill)* be amended to exclude the application of the changes to motor vehicle or caravan retailers" was a positive outcome sought by the majority of the ARD members. This result was achieved because of the hard working MTAQ staff and I also thank members who participated in the campaign by sending a letter to your local member or attending meetings in person.

Other Divisional activity has focused around filling positions on our committee. Being an active participant is the best way to represent your industry and I encourage members to participate in our meetings.

Divisional Priorities

Our Divisional priorities for the next twelve months are:

1. Continue to lobby government for:
 - direct transfers for dealer to dealer transactions
 - three month registration option for motor dealers
 - continued support of our long term policy position for premises requirements for licenses.
2. To further strengthen our relationship with Queensland Transport and the Office of Fair Trading.
3. Increase Division member numbers

4. Encourage meeting participation and interest in committee positions.

General

The used car market increased just under 1.6 per cent in the dealer to private market and 2.45 per cent in the private to private market for the same period 2015 - 2016. Total used car sales for 2016 - 2017 financial year dealer to private 172,574 and for the same period private to private 210,883. These figures are based on used vehicle transfers processed for the state of Queensland.

You can track the used car market each month by transfers and many dealers are using this information for marketing and stock purchasing. This is a free service to MTAQ members. The data provides a snapshot from up to \$4,999 in price ranges of \$10,000 up to \$40,000 and over for the dealer to private and private to private markets. In addition, the following information is provided for every transfer of registration transaction for the month or you can access the full state data and sort by postcode ranges to capture your area. (Postcode Seller & Postcode Buyer, Registration Category, Make Code & Make Description, Model Code & Model Description, Year Manufacture and Price)

As acting Chairman I would like to thank all members who served on our committee last term and welcome new committee members including incoming Chairman, Peter Dever.

Last but definitely not least to Kellie Dewar and her staff for their tireless work behind the scenes in helping our Division to achieve our goals.

Rod Pether
Chairman
ARD



Mark Bryers

Chairman
Engine Reconditioners Association
of Queensland (ERAQ)



With the improvement of engine technology, better filters lubricant and oils, services have stretched out to minimum 15,000km. The vehicles are now lasting longer before major repairs are needed.

Engine Reconditioners Association of Queensland

Overview

The ERAQ had 4 meetings during the year with the same faces across the table. Generally the industry has slowed down and changed from what it was, members are diversifying more and more. Members are now replacing cylinder heads rather than repairing them as cheap imported cylinder heads make it non profitable to repair. With the improvement of engine technology, better filters lubricant and oils, services have stretched out to minimum 15,000km. The vehicles are now lasting longer before major repairs are needed. Performance engines are becoming more and more frequent in our shops, especially in the diesel market.

Divisional Activities

At our last meeting, we had an overview of pressure paper/film called "I-scan" and its associated software. This can be used to evaluate engine gaskets by assessing pressure distribution. Mapping sensors can be inserted into and around various engine gaskets, seals and fasteners to measure the pressure distribution. The associated software can produce 2D and 3D output of single gasket head pressure measurement. I-Scan can also be used for tests such as validating engine assembly techniques and "motoring" the engine to characterise the seal pressure changes that occur due to vibration, cylinder pressurisation and torque. Advances in technology will continue to bring big changes to our industry.

Credit Card Transactions

The other topic discussed at length is about the process for a customer to dispute a credit card transaction. We encourage you to check your own terms and conditions of your Merchant agreement as we can't

guarantee it is standard across Industry, Banks or agreements. On agreements we viewed, a transaction can be disputed for up to 120 days from the date of the transaction or agreed goods/service delivery date, whichever is later. The card issuer may send a request for copies of documents and other supporting evidence to determine the validity of the transaction or may raise the dispute with the card scheme. Some members use technology such as SMS alerts with a simple reply option to record the customer's approval for charges where you cannot get authority in person.

Divisional Priorities

This year we would like to see a return of the ERAQ country meeting, this will proceed based on expressions of interest. The ERAQ is still working with the Autospecs programme to bring the product online. As you may recall from my last report, the ERAQ has had the criteria for membership amended, now allowing for workshops, with the majority of their business being in engines, the opportunity to join our ranks. We urge all members that know of a business that would benefit from being members of the ERA to put their names forward. This is a constant item in my report and a timely reminder that all members are invited to our committee meetings. After the formalities we have had some great business, technical and advancing technology demonstrations and discussions.

General

I would like to thank my committee and the MTAQ team for their input and time at our meetings.

Mark Bryers
Chairman
ERAQ



Ben Chesterfield

Chairman
National Auto Collision Alliance
(NACA)



Whilst the industry seems to have become accustomed to the changes that occur on a regular basis, there is still work to do, and I would welcome input from the committee and the members to achieve the desired outcomes.

National Auto Collision Alliance

Overview

There has been little visible activity within our Division over the past year however there are some factors to be taken into account. There has been plenty happening behind the scenes. My intentions as the incoming Chairman were to rebuild relationships with other MTAs across the country and work with AMBRA on National issues and this has been achieved. I have attended a number of AMBRA meetings throughout the year and this has been positive for MTAQ to have been involved. Whilst the industry seems to have become accustomed to the changes that occur on a regular basis, there is still work to do, and I would welcome input from the committee and the members to achieve the desired outcomes.

Divisional Activities

Areas focused on were the Choice of Repairer Campaign and the Code of Conduct which were priorities for the year. The Choice of Repairer brochures have been completed, and whilst the Code of Conduct meeting was arranged with dates set and communicated to all businesses, there was very little take-up for the presentation, so unfortunately it had to be cancelled. The online IDR builder has been completed and is available for all members use. Another area of concern was that of promoting MTAQ to those outside of our immediate industry and I feel that that although there is more work to be done in this area there has been achievement by way of social media and the *Carmageddon* series.

Divisional Priorities

There needs to be priorities for NACA over the coming year, these can only be achieved with the help and input from

the committee, so it is up to us to set these, and ensure that they are achievable. AMBRA Shop Grading is one area that can be achieved by all members and after many years of setting this up and having a few shops take it up, maybe it is time for the committee members, at least, to embrace this and be seen to set a precedent for others. Training is an area that needs to be addressed for the sustainability and viability for the future of our industry and I would welcome the ideas and thoughts from my fellow committee members as to how we can achieve this. With regard to training, it could be anything from business training to staff training, or even engaging secondary schools to provide opportunities for young people to ensure ongoing staff availability for our industry. We need to sell our industry as a career option within our own communities.

General

As my first year as Chairman of NACA ends, there have again been many changes within our industry, some made by insurers, the decline of the independent repairer with the growth of consolidators, the demise of car manufacturing in Australia and yet again the resilience of our industry survives another year. The NACA division continues to be strong with 154 members and 28 locations, and whilst down slightly on last year, there is still growth occurring due the work put in by Andrew Bear, John Robinson and Andy O'Hearn. Without their efforts we wouldn't be where we are today so I would like to take the time to thank the committee and Dr Brett Dale, Kellie Dewar and the staff at MTAQ for the time and effort put into our division this year.

Ben Chesterfield
Chairman
NACA



David Fraser

**Chairman
Queensland Farm and Industrial
Machinery Dealers Division
(QFIMDD)**



Industrial machinery sales appear to be turning a corner in Queensland, with new infrastructure projects being announced in the gas and solar power generation sectors.

Queensland Farm and Industrial Machinery Dealers Division

Overview

Ag Machinery Sector

The FY 2016/17 saw the ag machinery sales finish higher than average with strong sales across all of Queensland's farming areas. Nationally, tractor sales increased 8.7 per cent on the previous year and 18 per cent on the yearly average from 2011 to 2015. A trend was evident toward tractors of 140 HP and greater as this sector recorded increases in sales in excess of 25 per cent nationally. Combine harvester sales increased 23 per cent on 2015 and hay and forage sales jumped 19 per cent. I believe sale increases were driven by higher than normal commodity prices for grain pulse crops, chick peas and mung beans. Higher than normal farm incomes encouraged purchases of new farming equipment such as tractors, combines and planting tillage equipment during the past 12 months. It is quite evident the farming sector is gearing up and investing to meet growing demand. New farming equipment has never been more affordable, with favourable exchange rates and low finance interest rates. It is often the case that repayments for new equipment can be lower than repairing and maintaining older equipment.

Industrial Machinery Sector

Industrial machinery sales appear to be turning a corner in Queensland, with new infrastructure projects being announced in the gas and solar power generation sectors. Obviously favourable foreign exchange rates and finance interest rates being at their best in a long time gives an incentive for civil contractors to upgrade machinery.

Divisional Activities

We initiated discussions with likeminded

bodies associated with the ag industry and farming sectors to lobby government for desired outcomes that will assist the QFIMDD members of MTAQ.

Divisional Priorities

Strengthen Division membership numbers. Past years have seen larger OEMs putting in place measures to create dealers of scale. This often doesn't decrease dealerships but it does decrease the number of business owners. It is desired that MTAQ remain relevant to dealer needs by way of support, services and training.

General

QFIMDD has praised MTAI for the welcome introduction and delivery of the trade qualified course designed especially for the farm machinery division. This course is tailored for our industry and is specific in its design and delivery. It also lessens the threat of losing staff to the mining sector. Queries continue to be steady on second-hand and motor dealer licensing requirements. There have been ongoing discussions with the Office of Fair Trading (OFT) regarding licences for ATVs or trail bikes that have never been registered due to property use. Due to not being registered in Qld, or any other state, they are not captured under the definition of a 'used motor vehicle' under the *Motor Dealer and Chattel Auctioneers Act* meaning the dealer will require a second-hand goods licence. We will continue to work with OFT on this and although we have not seen strong compliance enforcement, the requirement is clear for dealers to hold the appropriate licences.

David Fraser

Chairman
QFIMDD



Paul Peterson

Chairman
Queensland Motorcycle Industry
Division (QMID)



Last year the Australian motorcycle, ATV & scooter sales achieved the best annual result since 2009 with recorded total sales of \$114,783.

Queensland Motorcycle Industry Division

Overview

Changes to Road Rules for Quad Bikes – Helmets & Age Restrictions

Quad bike and utility off-road users must now wear helmets when riding on roads or road-related areas in Queensland from 1st February 2017. Changes align with the penalties for helmet offences for motorcycles and include the introduction of minimum age restrictions for passengers on quad bike and utility off-road vehicles.

GST on Low Value Imported Goods

The implementation for this change was delayed by 12 months and has a big impact on our industry. We used the Motorcycle Industry accessory and apparel market in our submission, where customers try on products to buy online.

Divisional Activities

Seven Day Trading Proposal

MTAQ reacted immediately and mounted an extensive campaign in a very short time. Their actions resulted in a positive outcome and the work should be acknowledged by all members that operate under the current allowable trading hours for retail sales. Thank you to all those who sent letters to local members or visited in-person.

New Licensing Requirements

Feedback on the practical implementation of the licensing changes for providers is ongoing. I have attended meetings with Qld Transport and we will continue reporting on this.

Divisional Priorities

Continue to work with government on the new training requirements for licensing.

Pursue exhaust pipe concerns focusing on:

- Better policing and auditing of compliance activity for AIS so that the same rules are enforced for all inspection stations.
- Assess standards and consider modification to allow for reasonable aftermarket products to be approved.

General

Motorcycle Market January – June 2017

Half yearly sales for 2017 totalled \$50,908 compared with \$53,084 for the same January – June period in 2016 according to data published by Federal Chamber Automotive Industries. The April to June sales period recovered some ground lost in the first quarter of 2017 when sales dipped by 6.7 per cent.

Last year the Australian motorcycle, ATV & scooter sales achieved the best annual result since 2009 with recorded total sales of \$114,783. The road segments declined during the first half of 2017 with road bikes down 12.8 per cent. The ATV/SSV market produced a 12.3 per cent increase in sales over the same period in 2016. Scooter sales have continued to decline over several years continuing with a further fall of 14.4 per cent over the same period in 2016.

Motorcycle Licensing

There was a spike in motorcycle licence training pre-introduction of the new requirements, with a drop-off afterwards. The volume is now steadily rising. Also affected by the new licensing requirements is the slowing in sales of the LAMS approved motorcycles with a waiting period of now 3 months between L and RE.

Paul Peterson

Chairman
QMID



Grant Harrison

Chairman
Rental Vehicle Industry Division
(RVID)



The rental industry has seen continued disruption from the rapidly growing market of car sharing businesses and increasingly we are seeing these supported or partnered with bigger companies.

Rental Vehicle Industry Division

Overview

The 2017 financial year has continued to display mixed trading conditions for the Queensland Rental Vehicle Industry.

Our key challenges and focus for the RVID in the past 12 months have been based around industry disruption, economic stability, car sharing, low cost entrants and aggregator websites.

Whilst we are accustomed to dealing with economic conditions and increased competition, it is now apparent we need to deal with other forms of disruption from new and hybrid business models like ride and car sharing and aggregator websites. The dynamic nature of our business and rapid evolution of new business models justifies initiatives such as *Carmageddon*.

The past year has seen some stabilisation and recovery in commodity prices that has prompted mild investment in some geographic areas. Similarly there has been an increase in infrastructure investment by federal, state and local governments that have likewise supported local businesses.

The rental industry has seen continued disruption from the rapidly growing market of car sharing businesses and increasingly we are seeing these supported or partnered with bigger companies. Some legislative frameworks are now catching up with innovative platforms with a focus on safety among others.

The continued development of low cost brands by the larger corporate rental companies, such as Apex and Firefly entering the market, whilst Enterprise has entered the Australian market with its global brands. There has also been some consolidation of franchisees by corporates.

Aggregator websites continue to provide consumers with a wide range of options and prices and they have also

provided more information for industry to track competitors' pricing, driving competition. Use of these websites has grown substantially as consumers have become increasingly tech savvy resulting in a comparison phenomenon across many industries. However, there are concerns that this will be unsustainable and in the long term may limit competition.

Divisional Activities

The RVID divisional activities have been mostly based around car sharing and evolving technologies and innovators in our market space and understanding the impacts and opportunities.

Divisional Priorities

The committee has also been a strong supporter of the *Carmageddon* series and last year recognised the need to understand and embrace new technology. The other priority for operators is to identify niche markets either location, product differentiation or service-based offers. The division will also continue to lobby for level playing fields and access to markets.

General

On a final note, I would like to pass on my thanks to the members and committee of the RVID for the continued support of the industry and I would particularly like to acknowledge the contribution of Chris Ching as outgoing Chairman. Chris has been on the RVID committee for ten years and has served as the Chairman for the past seven years. Chris has invested a great deal of time and effort making the RVID relevant and has mentored many from the industry. I would like to thank Chris for his contributions on behalf of our membership and wish him well in his future endeavours.

Grant Harrison

Chairman
RVID



Tim Kane

Chairman
Service Station and Convenience
Store Association of Queensland
(SSCSAQ)



If the current predictions on electric vehicles (EV) are correct, all Service Stations should be considering what opportunities the EV revolution will bring to their business.

Service Station and Convenience Store Association of Queensland

Overview

The Retail Service Station sector will again have a major change in the next year with BP's acquisition of Woolworths retail fuel outlets. How this change directly affects our members is still yet to be seen as we are still awaiting the ACCC's final approval on the transaction and what restrictions are placed in the market place for them to operate. I would also like to thank my SSCSAQ committee, Kellie and Brett for their help and support once again over the past year.

Divisional Activities

Biofuels Exemptions Granted

Regardless of exemption status (including those granted) quarterly sales figures still need to be submitted. MTAQ distributes information and timely reminders on the requirements.

Fuel Price Boards

Treasurer and Acting Energy and Biofuels Minister, Curtis Pitt, announced on the 5th of August 2017 that the government will be intending to implement regulations that require all service stations to display the full price of fuel on their pricing display boards effective from 31st January 2018.

The SSCSAQ has, for over a decade, been advocating for regulation on fuel price boards to provide consumer clarity on the price of fuel. Myself and the MTAQ applaud the government for supporting this regulation which provides a common-sense and practical resolution to an issue that is confusing to consumers. From February, fuel retailers must not display a discounted fuel price on any price board. Parallel with this, price changes (increase or decrease) to a fuel type displayed on the price board must correlate with the price displayed on the fuel pump.

Divisional Priorities

Ensure the SSCSAQ retains members and remains relevant with a key focus on the future.

If the current predictions on electric vehicles (EV) are correct, all Service Stations should be considering what opportunities the EV revolution will bring to their business. The Qld Government made recent announcements of the super highway; a series of fast-charging electric charging stations from the Gold Coast to Cairns to encourage the uptake of EVs as well as the Federal Government's \$390,000 grant supporting the introduction of electric and hybrid vehicles to the Australian market.

General

Productivity Commission's Report Regulation of Australian Agriculture

The Productivity Commission sent their Regulation of Australian Agriculture Report to government 15th November 2016 and it was released publicly on the 28th March 2017. The Report heavily cautioned against mandates and noted biofuel support can increase fuel costs and may not help the environment and recommended removal of the arrangements by the end of 2018.

Fair Work Amendment

On March 1st 2017 the *Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017: Franchisors and Franchisees* was introduced in the House of Representatives. The Bill will amend the *Fair Work Act* to implement the Government's commitment to protect vulnerable workers.

Tim Kane
Chairman
SSCSAQ



Brad Collett

Chairman
Tyre and Undercar Division of
Queensland (TUDQ)



Our Division strongly supports individuals and businesses to learn about recycling and the correct disposal of tyres.

Tyre and Undercar Division of Queensland

Overview

In my first year as Chairman we have been focusing on clarification around all requirements for supply and fitment of tyres, rims and associated products.

We have also been working with MTAI regarding training and skill requirements.

Divisional Activities

During the year there were some reports on the age and speed rating of tyres causing some vehicles to fail inspections. The following clarifies the requirements.

Tyre Manufacture Date

A number of manufacturers recommend tyres, tubes and liners be replaced five to six years after their manufacture date due to degradation of the rubber. However, this degradation is affected by a number of variables and as such there is no mandatory requirement to replace tyres, tubes or linings at this time. The Department of Transport and Main Roads does recommend tyres, tubes and liners be checked regularly for degradation by an industry expert five years after their date of manufacture.

Speed Rating

The Code of Practice: Vehicle Inspection Guidelines, Transport and Main Roads, April 2016 – Notes about section 7 (Wheels and Tyres) gives you all the detailed information.

Training Opportunity AUR21916-Certificate II in Automotive Tyre Servicing Technology

From January 1st, 2017 existing workers are eligible for funding under the User Choice program. With the 'existing worker' status removed, you can access funding

for your existing staff to be upskilled and certified.

This is a great way to increase productivity and efficiencies, create education and retention pathways for staff, build on your company profile and develop higher consumer confidence.

A subsidised program means you, the employer, only contribute the state charge (set by the Department of Education, Training and Employment) of \$1.60 per nominal hour of the entire qualification. With most Certificate II's being around 300 hours, your contribution could be as little as \$480.

Divisional Priorities

To raise awareness of the issue of imported tyres, which may not have met Australian safety standards. To encourage more TUDQ members to become active in the Division, voice their opinions and to give feedback where possible.

General

Tyre Disposal and Recycling

In Australia alone, the equivalent of 48 million tyres reach the end of their life every year, and from this only 16 per are domestically recycled. Our Division strongly supports individuals and businesses to learn about recycling and the correct disposal of tyres. Large stockpiles of tyres ongoing concern.

Tyre Stewardship Australia (TSA), has been working with governments to take action on tyre waste through the funded tyre product stewardship scheme.

Brad Collett
Chairman
TUDQ



Paul Kulpa

General Manager
MTA Institute



MTAI has worked very closely with the State Government around the skilling priorities of the different automotive sectors and its funding of qualifications to appropriately meet the demands of industry.

MTA Institute

MTA Institute (MTAI) maintained its position as the largest automotive private training provider in Queensland. As at June 2017, MTAI had 33 per cent of the automotive apprenticeship market delivering qualifications all over Queensland.

Whilst there has been no significant growth in the overall automotive apprenticeship market, the automotive industry continues to put apprentices and trainees into employment despite the difficult economic climate for businesses. The apprenticeship system remains the industry's preferred model for training people and MTAI continues to service and support the industry through its high-quality training delivery.

Our overall satisfaction from learners and employers was an impressive 83 per cent, furthermore, 82 per cent of employers agreed the quality of our trainers were excellent. Our trainers, which are directly from industry, know what it takes to make an apprentice a good tradesperson.

The biggest challenges for us over the financial year has firstly been the transition into the new AUR training package. The new training package has required a complete review and update of all our learning material and resources. It will be our continued commitment to deliver high quality training and assessment against the new training package rules. Secondly, the migration of all our students over to our new Learning Management System – My Profiling. While it is still early in its application, the Learning Management System has been well received by all stakeholders.

MTAI has worked very closely with the State Government around the skilling priorities of the different automotive sectors and its funding of qualifications to appropriately meet the demands of

industry. MTAI will continue to provide advice to government on the automotive industry skilling needs into the future.

Operations

MTAI remains the largest training provider to deliver on-site training to 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 also delivered automotive training to international students.

MTAI 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.

MTAI finalised 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 this program finished, MTAI was able to secure Employability Skills Training under the Federal Governments Youth Job Pathway program. The objective of this program is to prepare young people for a job in the automotive industry through job preparation and employability skills training.

Achievements

MTAI 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:



- MTAI has had its RTO registration under Australian Skills Quality Authority (ASQA) extended to 30th June 2024.
- MTAI remains on the Queensland State Government's 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.
- Providing delivery of Motor Vehicle Sales and Dealers units of competency for Licences online.
- Successfully delivered Trade Recognition to over 125 learners which involved having their skills and work experience formally assessed against industry and educational requirements to gain a formal trade qualification.
- Delivered an Industry Pre-Apprenticeship Program called Collision Repair Assistance to Support Hiring apprentices (CRASH) for the collision repair and refinishing industry.
- Delivering the AccelR8 Program to assist the transition of grade 12 students in a 12-month program into 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 MTAI Apprentice of the Year.
- Increasing our non-accredited training portfolio to include training in automotive hybrid & electric technology, paintless-dent repair, common rail diesel and welding courses.



MTAI remains the largest training provider to deliver on-site training to light vehicle, auto electrical and collision repair and refinishing apprentices.

Objectives

MTAI's key focus is to remain flexible and responsive to adapt to the changing demands of industry. The demand for skilled people in the automotive industry will continue to drive the direction of MTAI to ensure 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 the automotive industry. For example:

- MTAI also provides strategic advice and industry intelligence to PwC's Skills for Australia - Automotive Skills Service Organisation, via the Industry Reference Committees (IRCs) - Strategic Reference Groups. This provides advice on Training Package requirements.
- Support submissions made to Jobs Queensland, and convened focus groups, to make recommendations in support of apprenticeship/traineeship requirements for the automotive industry.

MTAI continues to communicate the benefits of the professional circle message to all clients, making them aware we are the benchmark of training standards.

Governance

The Board of Directors ensure the strategic plan and corporate governance of MTAI is aligned with the Association's expectations. The Board of Directors over the 2016/17 financial year consisted of:

- Mr Ian Lawrence - Chairman
- Mr David Fraser - Deputy Chairman and Director
- Mr Alan Bonsall - Director
- Mr Tom Mangan - Director
- Mr Paul Peterson - Director

I would like to take the opportunity to thank the MTAI Board for their support and direction over the last 12 months. Furthermore, a big thank you to all MTAI 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

Financial Report for the Year Ended 30th June 2017



Kathy Winkcup

Chief Financial Officer
MTA Queensland

Contents

- 34 Independent Auditor's Report
- 36 Operating Report
- 38 Committee of Management Statement
- 39 Statement of Profit or Loss and other Comprehensive Income
- 40 Statement of Financial Position
- 41 Statement of Changes in Equity
- 42 Statement of Cash Flows
- 43 Notes to and Forming Part of the Financial Statements

Independent Auditor's Report



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

To the members of Motor Trades Association of Queensland Industrial Organisation of Employers

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motor Trades Association of Queensland Industrial Organisation of Employers (the reporting unit), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion the accompanying financial report of Motor Trades Association of Queensland Industrial Organisation of Employers, presents fairly, in all material respects the reporting unit's financial position as at 30 June 2017 and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards and Part 3 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for opinion

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

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption as set out in Note s in the preparation of the financial statements is appropriate.

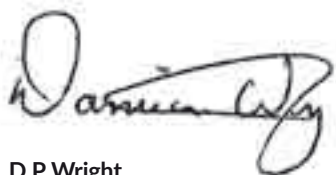
Responsibilities

The Committee of Management is responsible for the preparation and fair presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

Declaration by the auditor

I, D P Wright, declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 16th October 2017

Registration number (as registered by the RO Commissioner under the Act): AA2017/46

Operating Report

This operating report covers the results of those activities that were provided for the Motor Trades Association of Queensland Industrial Organisation of Employers ('the federal reporting unit') for the financial period which ended on 30th June 2017.

1. Principal activities and results

- (a) The federal reporting unit operates as an organisation of employers registered under the *Fair Work (Registered Organisations) Act 2009* (Cth).
- (b) The principal activities of the federal reporting unit fell into the following categories:
- 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 questions 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 of any of them.
- (c) There have been no significant changes in the nature of the principal activities of the federal reporting unit in the financial period ending 30th June 2017.
- (d) The federal reporting unit has achieved satisfactory results from the above activities.

2. Significant Changes to the Financial affairs

There was a significant change to the financial activities of the federal reporting unit for the financial period ended on 30th June 2017 because on the 6th December 2016 the associated State body was deregistered and all assets and liabilities were transferred over to the Federal Body.

3. Details of the right of members to resign

A member may resign in writing in accordance with Rule 3.8 of the Rules of the federal reporting unit, as follows:

- (a) A Member may resign from MTA Queensland upon giving written notice of the Member's intention to do so, addressed and delivered to the Secretary of MTA Queensland.
- (b) A notice of termination from MTA Queensland takes effect:
- (i) where the Member ceases to be eligible to become a Member of MTA Queensland:
 - (a) on the day on which the notice is received by the Member; or
 - (b) on the day specified in the notice, which is a day not earlier than the day when the Member ceases to be eligible to become a Member; whichever is later; or
 - (ii) in any other case:
 - (a) at the end of two (2) weeks after the notice is received by the Member; or
 - (b) on the day specified in the notice, whichever is later.

4. Details of any officer or member who is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity

"No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation."

5. Number of members recorded on the register of members

The number of members recorded on the register of members as at 30th June 2017 was 1,205.

6. Number of employees (full-time equivalent basis)

As a result of the deregistration of the associated state body, the federal reporting unit had 69.5 employees.

7. Details of persons who were a member of the committee of management

For the period of 1st July 2016 to 30th June 2017 the federal reporting unit's Committee of Management comprised of the following persons:

Name of officer	Title of office	Last date of election declaration or appointment
David Keith Fraser	Chairman MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 st July 2016 to 30 th June 2017
Benjamin Russell Chesterfield	Board Member MTAQ Chairman National Auto Collision Alliance	1 st July 2016 to 30 th June 2017
Paul John Peterson	Secretary MTAQ Chairman Qld Motorcycle Industry Division	1 st July 2016 to 30 th June 2017
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 st July 2016 to 30 th June 2017
Rodney Graham Pether	Board Member MTAQ North Qld District Representative	1 st July 2016 to 30 th June 2017
John Frederick Ruddick	Board Member MTAQ Chairman Tyre and Undercar Division	1 st July 2016 to 28 th October 2016
Brad Collett	Board Member MTAQ Chairman Tyre and Undercar Division	29 th October 2016 to 30 th June 2017
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 st July 2016 to 30 th June 2017
James Sturgess	Board Member MTAQ Chairman Australian Automotive Dealers Association Qld	1 st July 2016 to 30 th June 2017
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 st July 2016 to 30 th June 2017
Michael Edward Kennedy	Board Member MTAQ Chairman Automotive Remarketing Division	1 st July 2016 to 28 th October 2016
Christopher Andrew Ching	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 st July 2016 to 30 th June 2017
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 st July 2016 to 30 th June 2017
James William George Robertson	Board Member MTAQ Central District Representative	1 st July 2016 to 30 th June 2017

Paul John Peterson | Secretary Dated: 16th October 2017

Committee of Management Statement

For the period ended 30th June 2017

On 9th November 2017 the MTA Queensland Board of Motor Trades Association of Queensland Industrial Organisation of Employers passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 30th June 2017:

The MTA Queensland Board declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the *Reporting Guidelines* or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the *RO Act*);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial period to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial period to which the GPFR relates and since the end of that period:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the *RO Act* has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the *RO Act*, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.

Signed on behalf of the Committee of Management:



David Fraser
Chairman



Paul Peterson
Secretary

16th October 2017 Brisbane

Statement of Profit or Loss and other Comprehensive Income

For the period ended 30th June 2017

	Notes	7 th December 2016 to 30 th June 2017 \$
REVENUE		
Membership subscription		655,858
Interest	3C	15,801
Training Services		4,071,527
Other revenue		495,358
TOTAL REVENUE		5,238,544
EXPENSES		
Employee expenses	4A	(3,680,922)
Administration expenses	4D	(805,453)
Grants or donations	4E	-
Depreciation and amortisation	4F	(200,933)
Finance costs	4G	(3,821)
Legal costs	4H	(14,150)
Audit fees	13	(25,382)
Insurance		(40,091)
Motor Vehicle		(192,126)
Write-down and impairment of assets	4I	(186,083)
Cost of goods sold		(318,291)
TOTAL EXPENSES		(5,467,252)
SURPLUS (DEFICIT) FOR THE PERIOD		(228,708)
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Revaluation of available for sale investments		78,134
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(150,574)

The above statement should be read in conjunction with the notes.

Statement of Financial Position

As at 30th June 2017

	Notes	30 th June 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents	5A	2,221,673
Trade and other receivables	5B	1,669,114
Asset held for sale	5C	1,995,000
Inventory		66,634
Other current assets	5D	158,775
Total current assets		6,111,196
Non-Current Assets		
Land and buildings	6A	7,945,108
Plant and equipment	6B	738,671
Intangibles	6C	59,746
Other investments	6D	1,771,078
Total non-current assets		10,514,603
TOTAL ASSETS		16,625,799
LIABILITIES		
Current Liabilities		
Trade payables	7A	586,164
Other payables	7B	1,261,645
Employee provisions	8A	594,904
Total current liabilities		2,442,713
Non-Current Liabilities		
Employee provisions	8A	131,904
Total non-current liabilities		131,904
TOTAL LIABILITIES		2,571,617
NET ASSETS		14,051,182
EQUITY		
Reserves	9	234,080
Retained earnings (accumulated deficit)		13,817,102
TOTAL EQUITY		14,051,182

The above statement should be read in conjunction with the notes.

Statement of Changes in Equity

For the period ended 30th June 2017

	Notes	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1st July 2016		-	-	-
Transfer of net assets upon deregistration with <i>Industrial Relations Act 2016</i>	17	155,946	14,045,810	14,201,756
Surplus / (deficit)		-	(228,708)	(228,708)
Other comprehensive income		78,134	-	78,134
CLOSING BALANCE AS AT 30 JUNE 2017		234,080	13,817,102	14,051,182

The above statement should be read in conjunction with the notes.

Statement of Cash Flows

For the period ended 30th June 2017

	Notes	7 th December 2016 to 30 th June 2017
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		5,838,575
Dividends received		24,117
Finance costs paid		(3,821)
Interest received		15,801
Payments to suppliers and employees		(5,338,046)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	10A	536,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments		328,467
Payment for property, plant and equipment		(80,613)
Payments for Investments		(396,621)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(148,767)
Net Increase / (Decrease) in cash and cash equivalents		387,859
Cash and cash equivalents at the beginning of the period		1,833,814
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5A	2,221,673

The above statement should be read in conjunction with the notes.

Index to the Notes to and Forming Part of the Financial Statements

For the period ended 30th June 2017

44	Note 1: Summary of Significant Accounting Policies
51	Note 2: Events After the Reporting Period
52	Note 3: Income
52	Note 4: Expenses
54	Note 5: Current Assets
55	Note 6: Non-current Assets
56	Note 7: Current Liabilities
57	Note 8: Provisions
57	Note 9: Equity
58	Note 10: Cash Flow
58	Note 11: Contingent Liabilities, Assets and Commitments
59	Note 12: Related Party Disclosures
59	Note 13: Remuneration of Auditors
60	Note 14: Financial Instruments
61	Note 15: Fair Value Measurements
62	Note 16: Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
63	Note 17: Transfer of Assets and Liabilities
63	Note 18: Registered Office

Notes to and Forming Part of the Financial Statements

For the period ended 30th June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ) is a not-for-profit entity.

MTAQ held dual registration, i.e. registered under the *Fair Work (Registered Organisation) Act 2009* and *Industrial Relations Act 2016*. MTAQ deregistered from *Industrial Relations Act 2016* on 6 December 2016. Accordingly, the assets and liabilities were transferred to across at their book value to the federally registered organisation upon deregistration and the profit or loss numbers are for the period 7th December 2016 to 30th June 2017. No assets or liabilities were acquired from an amalgamation, restructure, determination under s245 or revocation under s249.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. There are no comparative numbers due to the organisation changing its registration during the period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the period to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that Motor Trades of Association of Queensland will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Motor Trades Association of Queensland Industrial Organisation of Employers recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Motor Trades Association of Queensland Industrial Organisation of Employers should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Motor Trades Association of Queensland Industrial Organisation of Employers with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the period to which it relates.

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leaves and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when a Motor Trades Association of Queensland Industrial Organisation of Employers entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Fair value through profit or loss

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.15 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

- Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.
- Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

- The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset

in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Buildings	2017 40 periods
Plant and equipment	2 to 7 periods
Motor Vehicles	3 periods
Leased Assets	5 periods
Fixture and Fittings	5 periods

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Motor Trades Association of Queensland Industrial Organisation of Employers were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one period from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Taxation

Motor Trades Association of Queensland Industrial Organisation of Employers is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.22 Fair value measurement

The Motor Trades Association of Queensland Industrial Organisation of Employers measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Motor Trades Association of Queensland Industrial Organisation of Employers. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Motor Trades Association of Queensland Industrial Organisation of Employers uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Motor Trades Association of Queensland Industrial Organisation of Employers determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Motor Trades Association of Queensland Industrial Organisation of Employers has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.23 Going concern

Motor Trades Association of Queensland Industrial Organisation of Employers is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Motor Trades Association of Queensland Industrial Organisation of Employers has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30th June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Motor Trades Association of Queensland Industrial Organisation of Employers.

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

NOTE 3: INCOME

7th December 2016 to 30th June 2017
\$

NOTE 3A: CAPITATION FEES*

Nil	-
TOTAL CAPITATION FEES	-

NOTE 3B: LEVIES*

Nil	-
TOTAL LEVIES	-

NOTE 3C: INTEREST

Deposits	15,801
TOTAL INTEREST	15,801

NOTE 3D: GRANTS OR DONATIONS*

Grants	-
Donations	-
TOTAL GRANTS OR DONATIONS	-

NOTE 3E: OTHER FINANCIAL SUPPORT

Nil	-
-----	---

NOTE 4: EXPENSES

NOTE 4A: EMPLOYEE EXPENSES

Holders of office:

Wages and salaries	612,575
Superannuation	53,356
Leave and other entitlements	50,941
Separation and redundancies	-
Other employee expenses	-
Subtotal employee expenses holders of office	716,872

Employees other than office holders:

Wages and salaries	2,112,211
Superannuation	378,100
Leave and other entitlements	232,060
Separation and redundancies	-
Other employee expenses	241,679
Subtotal employee expenses employees other than office holders	2,964,050

TOTAL EMPLOYEE EXPENSES	3,680,922
--------------------------------	------------------

7th December 2016 to 30th June 2017
\$

NOTE 4B: CAPITATION FEES

Nil	-
TOTAL CAPITATION FEES	-

NOTE 4C: AFFILIATION FEES

Nil	-
TOTAL AFFILIATION FEES/SUBSCRIPTIONS	-

NOTE 4D: ADMINISTRATION EXPENSES

Consideration to employers for payroll deductions*	-
Compulsory levies*	-
Fees/allowances - meeting and conferences*	-
Conference and meeting expenses*	-
Contractors/consultants	133,946
Office expenses	169,099
Information communications technology	102,912
Other	399,496
TOTAL ADMINISTRATION EXPENSES	805,453

NOTE 4E: GRANTS OR DONATIONS

Grants:	
Total paid that were \$1,000 or less	-
Total paid that exceeded \$1,000	-
Donations:	
Total paid that were \$1,000 or less	-
Total paid that exceeded \$1,000	-
TOTAL GRANTS OR DONATIONS	-

NOTE 4F: DEPRECIATION AND AMORTISATION

Depreciation	
Land & buildings	108,191
Property, plant and equipment	77,678
Total depreciation	185,869
Amortisation	
Intangibles	15,064
Total amortisation	15,064
TOTAL DEPRECIATION AND AMORTISATION	200,933

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

7th December 2016 to 30th June 2017
\$

NOTE 4G: FINANCE COSTS

Finance leases	-
Overdrafts/loans	3,821
Unwinding of discount	-
TOTAL FINANCE COSTS	3,821

NOTE 4H: LEGAL COSTS*

Litigation	-
Other legal matters	14,150
TOTAL LEGAL COSTS	14,150

NOTE 4I: WRITE-DOWN AND IMPAIRMENT OF ASSETS

Asset write-downs and impairments of:	
Available for sale financial asset	186,083
TOTAL WRITE-DOWN AND IMPAIRMENT OF ASSETS	186,083

NOTE 4K: OTHER EXPENSES

Penalties - via RO Act or RO Regulations	-
TOTAL OTHER EXPENSES	-

NOTE 5: CURRENT ASSETS

NOTE 5A: CASH AND CASH EQUIVALENTS

Cash at bank	512,322
Cash on hand	700
Short term deposits	1,708,651
TOTAL CASH AND CASH EQUIVALENTS	2,221,673

NOTE 5B: TRADE AND OTHER RECEIVABLES

Trade Receivables	545,724
Less: Provision for doubtful debts	(40,193)
	505,531
Receivables from other entities[s]*	-
Receivables from other reporting unit(s)	-
Other receivables:	
GST receivable	-
Other trade receivables	1,163,583
Total other receivables	1,163,583
TOTAL TRADE AND OTHER RECEIVABLES (NET)	1,669,114

7th December 2016 to 30th June 2017
\$

NOTE 5C: ASSET HELD FOR SALE

Units in MTAA House Unit Trust at director's valuation	1,995,000
TOTAL OTHER CURRENT ASSETS	1,995,000

NOTE 5D: OTHER CURRENT ASSETS

Prepayments	158,775
TOTAL OTHER CURRENT ASSETS	158,775

NOTE 6: NON-CURRENT ASSETS

NOTE 6A: LAND AND BUILDINGS

Land and buildings:	
at cost	8,981,209
accumulated depreciation	(1,036,101)
TOTAL LAND AND BUILDINGS	7,945,108

Reconciliation of Opening and Closing Balances of Land and Buildings

Book value - 7th December 2017	8,053,299
Additions:	
By purchase	-
Depreciation expense	(108,191)
Disposals	-
NET BOOK VALUE 30TH JUNE 2017	7,945,108

NOTE 6B: PLANT AND EQUIPMENT

Plant and equipment:	
at cost	2,010,890
accumulated depreciation	(1,272,219)
TOTAL PLANT AND EQUIPMENT	738,671

Reconciliation of Opening and Closing Balances of Plant and Equipment

Book value 7th December 2017	744,066
Additions	72,383
Disposals	-
Impairment	-
Depreciation expense	(77,678)
NET BOOK VALUE 30TH JUNE 2017	738,671

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

7th December 2016 to 30th June 2017
\$

NOTE 6C: INTANGIBLES

Computer software at cost:	74,810
accumulated amortisation	(15,064)
TOTAL INTANGIBLES	59,746

Reconciliation of Opening and Closing Balances of Intangibles

Book Value – 7th December 2017	66,480
Additions	8,330
Disposals	-
Amortisation	(15,064)
NET BOOK VALUE 30TH JUNE 2017	59,746

NOTE 6D: OTHER INVESTMENTS

Shares in MTAQ	1
Dalton Nicol Reid Portfolio	1,771,077
Units in MTAA House Unit Trust at director's valuation	-
TOTAL OTHER INVESTMENTS	1,771,078

NOTE 7: CURRENT LIABILITIES

NOTE 7A: TRADE PAYABLES

Trade creditors and accruals	586,164
Operating lease rentals	-
	586,164

Payables to other reporting unit[s]

Nil	-
Subtotal payables to other reporting unit[s]	-

TOTAL TRADE PAYABLES	586,164
-----------------------------	----------------

NOTE 7B: OTHER PAYABLES

Wages and salaries	-
Superannuation	-
Consideration to employers for payroll deductions*	-
Legal costs*	-
Litigation	-
Other legal matters	-
Prepayments received/unearned revenue	1,186,240
GST payable	72,633
Other	2,772
TOTAL OTHER PAYABLES	1,261,645

7th December 2016 to 30th June 2017
\$

Total other payables are expected to be settled in:

No more than 12 months	1,261,645
More than 12 months	-
TOTAL OTHER PAYABLES	1,261,645

NOTE 8: PROVISIONS

NOTE 8A: EMPLOYEE PROVISIONS

Office-holders:	
Annual leave	-
Long service leave	-
Separation and redundancy	-
Other employee matters	-
	-
Employees other than office holders:	
Annual leave	323,651
Long service leave	403,157
Separation and redundancy	-
Other employee matters	-
Subtotal employee provisions—employees other than office holders	726,808
TOTAL EMPLOYEE PROVISIONS	726,808
Current	594,904
Non-Current	131,904
TOTAL EMPLOYEE PROVISIONS	726,808

NOTE 9: EQUITY

NOTE 9A: FUNDS

Reserves

Balance as at start of period	55,762
Revaluation increments/(decrements) – Dalton Nicol Reid Portfolio	178,318
Balance as at end of period	234,080
TOTAL RESERVES	234,080

NOTE 9B: OTHER SPECIFIC DISCLOSURES - FUNDS

Compulsory levy/voluntary contribution fund – if invested in assets

Nil	-
-----	---

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

NOTE 10: CASH FLOW

7th December 2016 to 30th June 2017
\$

NOTE 10A: CASH FLOW RECONCILIATION

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the period	(228,708)
Adjustments for non-cash items	
Depreciation/amortisation	200,933
Net write-down of available for sale financial assets	186,083
Changes in assets/liabilities	
(Increase)/decrease in net receivables	(533,586)
(Increase)/decrease in Inventory	34,205
Increase/(decrease) in trade and other payables	887,235
Increase/(decrease) in provisions	(9,536)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	536,626

NOTE 10B: CASH FLOW INFORMATION

Cash inflows	
Nil	-
TOTAL CASH INFLOWS	-
Cash outflows	
Nil	-
TOTAL CASH OUTFLOWS	-

NOTE 11: CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

NOTE 11A: COMMITMENTS AND CONTINGENCIES

Operating lease commitments—as lessee

The operating leases comprise of motor vehicles and computer equipment. The term of the operating lease ranges between 1 to 5 years.

Future minimum rentals payable under non-cancellable operating leases as at 30th June 2017 are:

Within one period	110,895
After one period but not more than five periods	130,459
More than five periods	1,174
	251,528

Capital commitments

At 30th June 2017 the entity has no commitments.

Other contingent assets or liabilities (i.e. legal claims)

There are no contingent liabilities as at 30th June 2017.

NOTE 12: RELATED PARTY DISCLOSURES

NOTE 12A: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD

The Board member's 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 reporting period were \$47,290.

Apart from the above, there are no other Related Party Transaction during the financial period ended 30th June 2017.

Names of Officers who held office during the period are:

David Fraser	Michael Kennedy
Paul Peterson	Chris Ching
Mark Brady	Rodney Pether
Thomas Mangan	James Robertson
Mark Bryers	Allan Bonsall
Mark Dodge	Robert Lawrence
Stephen Eaton	Ben Chesterfield
Lawrence Beacham	Brad Collett
John Ruddick	James Sturges
Timothy Kane	

7th December 2016 to 30th June 2017
\$

NOTE 12B: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

Short-term employee benefits

Salaries	612,575
Annual leave	42,066
Performance bonus	-
TOTAL SHORT-TERM EMPLOYEE BENEFITS	654,641

Post-employment benefits:

Superannuation	53,356
TOTAL POST-EMPLOYMENT BENEFITS	53,356

Other long-term benefits:

Long-service leave	8,875
TOTAL OTHER LONG-TERM BENEFITS	8,875

Termination benefits

	-
TOTAL	716,872

NOTE 13: REMUNERATION OF AUDITORS

Value of the services provided

Audit of financial statements	42,883
TOTAL REMUNERATION OF AUDITORS	42,883

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

NOTE 14: FINANCIAL INSTRUMENTS

MTAQ 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 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

7th December 2016 to 30th June 2017
\$

NOTE 14A: CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets

Cash and cash equivalents	2,221,672
Trade and other receivables	1,669,114
Asset held for sale	1,995,000
Other current assets	158,775
CARRYING AMOUNT OF FINANCIAL ASSETS	6,044,561

Financial liabilities

Trade payables	586,164
Other payables - unearned income	1,261,645
CARRYING AMOUNT OF FINANCIAL LIABILITIES	1,847,809

NOTE 14B: CREDIT RISK

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

Trade Receivables	545,724
TOTAL	545,724

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due not impaired 2017 \$	Past due not impaired 2017 \$
Trade Receivables	322,357	223,367
TOTAL	322,357	223,367

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade Receivables	322,357	63,808	33,798	125,761	545,724
TOTAL	322,357	63,808	33,798	125,761	545,724

NOTE 14C: 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 MTAQ 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.

Maturity Analysis – 30th June 2017

	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$
Financial Liabilities					
TRADE AND OTHER PAYABLES	586,164	586,164	586,164	-	-

NOTE 14D: MARKET RISK

Interest rate risk

The branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk. As at 30th June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	7 th December 2016 to 30 th June 2017 \$
Change in profit/(loss)	
Increase in interest rate by 2%	4,574
Decrease in interest rate by 2%	4,574

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk, as the branch is not exposed to fluctuations in foreign exchange.

NOTE 15: FAIR VALUE MEASUREMENT

NOTE 15A: FINANCIAL ASSETS AND LIABILITIES

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at [period-end date] was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at [period-end reporting date] the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Notes to and Forming Part of the Financial Statements continued

For the period ended 30th June 2017

The following table contains the carrying amounts and related fair values for the Motor Trades Association of Queensland financial assets and liabilities:

	Carrying amount 2017 \$	Fair value 2017 \$
Unit in MTAA House Unit Trust	1,995,000	1,995,000
Dalton Nicol Reid Share Portfolio	1,771,078	1,771,078
TOTAL	3,766,078	3,766,078

NOTE 15B: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES FAIR VALUE HIERARCHY

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30th June 2017

Assets measured at fair value	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
Asset Held for Sale – Units in MTAA House Unit	30 th June 2017	-	-	1,995,000
Dalton Nicol Reid Share Portfolio	30 th June 2017	1,771,078	-	-
TOTAL		1,771,078	-	1,995,000

NOTE 15C: DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS

Valuation processes for Level 3 fair values

MTAQ's investment in the MTAA House Unit Trust is valued based on net assets of the trust multiplied by no. of units held at 30th June 2017. 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.

A significant increase (decrease) net assets of value of MTAA House Unit Trust in isolation would result in a significantly higher (lower) fair value.

NOTE 16: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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

NOTE 17: TRANSFER OF ASSETS AND LIABILITIES

Motor Trades Association of Queensland Industrial Organisation of Employers deregistered from *Industrial Relations Act 2016* on 6th December 2016. Accordingly, the assets and liabilities were transferred across at their book value to the federally registered organisation upon deregistration. Listed below are the book value of assets and liabilities at the date of transfer: -

	Opening balance 7 th December 2017
	\$
ASSETS	
Current Assets	
Cash and cash equivalents	1,833,814
Trade and other receivables	1,168,632
Inventory	100,840
Other current assets	125,671
Total current assets	3,228,957
Non-Current Assets	
Land and buildings	8,053,299
Plant and equipment	744,066
Intangibles	66,480
Other investments	3,805,872
Total non-current assets	12,669,717
TOTAL ASSETS	15,898,674
LIABILITIES	
Current Liabilities	
Trade payables	319,497
Other payables	641,077
Employee provisions	398,360
Total current liabilities	1,358,934
Non-Current Liabilities	
Employee provisions	337,984
Total non-current liabilities	337,984
TOTAL LIABILITIES	1,696,918
NET ASSETS	14,201,756

NOTE 18: REGISTERED OFFICE

Building 8, 2728 Logan Road
Eight Mile Plains, QLD 4113

Board Members 2016 - 2017

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)

Ben Chesterfield

Chairman, National Auto Collision Alliance (NACA)

James Sturges

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)

Brad Collett

Chairman, Tyre & Undercar Division of Queensland (TUDQ)

Mark Dodge

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

Grant Harrison

Chairman, Rental Vehicle Industry Division (RVID)

Rod Pether

Chairman, Automotive Remarketing Division (ARD)
Representative, North Queensland region

James Robertson

Representative, Central Queensland region

MTA Institute

Ian Lawrence

Chairman

David Fraser

Deputy Chairman/Director

Allan Bonsall

Director

Tom Mangan

Director

Paul Peterson

Director





The benchmark of industry standards.

Address Freeway Office Park, Building 8, 2728 Logan Road Eight Mile Plains Qld 4113

Postal PO Box 4530 Eight Mile Plains Qld 4113

Tel (07) 3237 8777 **Fax** (07) 3844 4488 **Toll Free** 1800 177 951

www.mtaq.com.au