

MOTOR TRADES ASSOCIATION OF QUEENSLAND



ANNUAL REPORT
2020



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Disclaimer: This Annual Report has been prepared for the 2019-2020 financial year which comprises the time period of 1 July 2019 to 30 June 2020. Activities, appointments, events and actions outside this timeframe will generally not be represented in this document.



Paul Peterson

Chairman
MTA Queensland



Guiding all decisions and actions was the principle founded in our Rules and the Strategic Plan 2019-2021 'to recognise members and clients as the core of the Association'.

Chairman's Report

I am pleased to provide the MTA

Queensland's 91st Annual Report of the significant decisions and actions to support the Association and members in the state's motor trades. The 2019-2020 financial year was an 'annus horribilis' never envisaged or experienced in history. In the first half of the financial year business conditions were the most demanding since the mid-21st century stemming from digital and technological disruptions and the aftermath of the drought. Overshadowing these in second half was the Coronavirus or COVID-19, the biological disaster causing health and economic crises with devastating impacts on business, households and workers.

Paramount at this time was the Association's leadership, to provide the processes and procedures to sustain the organisation and members' businesses and staffs' livelihoods throughout the COVID-19 extreme emergency. Guiding all decisions and actions was the principle founded in our Rules and the Strategic Plan 2019-2021 'to recognise members and clients as the core of the Association'. Under our business continuity plan, the complete focus was on the members, by way of daily advices to assist them to continue to trade, in a sector deemed by the National Cabinet as an 'essential industry'. Members overwhelmingly acknowledged the corporate office support through the pandemic emergency and this is reflected in the Chair of the Automotive Parts and Recyclers Division Lawrie Beacham's Report:

'... I take this opportunity to acknowledge the wonderful work of the entire MTA Queensland staff. They, like us, are operating in a different work environment and have been EXCEPTIONAL in keeping the automotive industry updated and knowledgeable about legislation, available assistance, news, opportunities and other relevant communications in this new operating environment.'

Governance

Intrinsic to governance is trust, accountability, and transparency to which we meticulously adhere in all decisions and actions.

In the 2019-2020 financial year, the Association relied on these Objectives to guide the decision-making and actions to assist members manage the technological disruptions and the COVID-19 economic and health crises.

MTA Queensland Board of Directors

The MTA Queensland Board of Directors has complied with the powers and functions stipulated in the Rules and the requirements of the RO Act. The Board met on four occasions to consider and establish policies for corporate management and public dissemination, and to make decisions on major issues in the interests of members and the motor trades. Two of the meetings were face-to-face and the other two were by Zoom. I acknowledge the expertise of the staff in enabling the video communications meetings. The Board of Directors comprise:

- Paul Peterson, Chair MTA Queensland; Chair Queensland Motorcycle Industry Division (QMID); Executive Committee Member
- James Robertson, Secretary MTA Queensland; Chair Australian Automotive Dealer Association Queensland (AADA Queensland); Representative Central Queensland; Executive Committee Member
- Mark Bryers, Vice Chair MTA Queensland; Chair Engine Reconditioners Association of Queensland (ERAQ); Executive Committee Member
- Mark Dodge, Director MTA Queensland; Chair Automotive Engineers Division (AED);



Members overwhelmingly acknowledged the corporate office support through the pandemic emergency . . .



Representative Far North Queensland

- Lawrie Beacham, Director MTA Queensland; Chair Automotive Parts Recyclers Division (APRD); Executive Committee Member
- Peter Dever, Director MTA Queensland; Chair Automotive Remarketing Division (ARD)
- Andrea McCarthy, Director MTA Queensland; Chair National Auto Collision Alliance (NACA)
- Bruce Sommerfeld, Director MTA Queensland; Chair Queensland Farm & Industrial Machinery Dealers Division (QFIMDD)
- Grant Harrison, Director MTA Queensland; Chair Rental Vehicle Industry Division (RVID); Executive Committee Member
- Tim Kane, Director MTA Queensland; Chair Service Station & Convenience Store Association Queensland (SSCSAQ)
- Brad Collett, Director MTA Queensland; Chair Tyre & Undercar Division of Queensland (TUDQ)
- Mark Billingsley, Director MTA Queensland; Representative North Queensland

Joining the Board of Directors for the first time was Andrea McCarthy, the Chair of the NACA, who with her husband Craig, is the co-owner of McCarthy Panel Works, North Mackay. Andrea will be the voice for her industry, the wider business community and represent women in a predominantly male industry. She is committed to progressing the industry so that it can benefit from a better, safer, more effective, and efficient workplace. Andrea, in the role of NACA Chair, is the first female MTA Queensland Director for almost forty years. Mrs Pat Wyatt, as Chair the Service Station Division served from 1984-1986 on the MTA Queensland Board.

The Board's business agenda included matters relating to governance, policy determination, and strategic direction for the delivery of accountable corporate administrative performance. The Board's Directors have been conscientious and diligent in the consideration of all matters before it. Significant decisions include:

- Agreed to and finalised the Australian Research Council (ARC) Training Centre Agreement. This relates to the ARC Training Centre for Multiscale 3D Imaging, Modelling and Manufacturing. It is a five-

year project to be overseen by Professor Mark Knackstedt from the ANU Research School of Physics and Engineering. The Board of Directors in agreeing to this project perceived it to be one of the largest and most exciting projects relevant to the automotive industry.

- Agreed to host the 2mota resource sharing platform designed for the automotive industry to assist businesses access and share resources.
- Agreed, after careful due diligence, to invest in the Green Distillation Technologies Corporation (GDTC) which recycles end-of-life car and truck tyres into saleable commodities of carbon, oil and steel.
- Approved the expansion of the Member Engagement Strategy to directly engage with members and augment the flow of information between the membership and the corporate office.
- Approved support measures to assist members through the COVID-19 pandemic.
- Approved continued engagement in the Cooperative and Automated Vehicle Initiative (CAVI) with the Department of Transport and Main Roads (DTMR).

- Approved continued engagement with the partnership between the MTA Queensland and the Ipswich City Council under a State Government Advancing Regional Innovation Program on issues related to mobility, innovation and connected vehicles.
- Reviewed MTA Queensland's innovation purpose to ensure compatibility with 2019-21 Strategic Plan and to emphasise it being connected to and engaging with members. The new MTAiQ purpose statement is 'to lead innovation and provide solutions for industry to navigate emerging disruption'.
- Deferred the Carmageddon 4 symposium to July 2021 due to the COVID-19 pandemic.
- Deferred the Industry Awards Gala to November 2021.

The Board of Directors has been astute and prudent in the management of the MTA Queensland's finances and has ended the financial year in a sound commercial position, able to meet all obligations and fulfil its role as the peak body representing members and the State's motor trades.

Directors, in their roles as Chairs of their respective motor trades, have met their responsibilities for their sector's governance and activities. I commend to members the comprehensive statements from the Directors who Chair the eleven motor trades divisions following my report.

Executive Committee

The Executive Committee has the power to act on behalf of the full Board and meets as required to address organisational, commercial, policy or

strategic directions or other matters. The Executive Committee has provided steady and capable stewardship in its deliberations and comprises:

- Paul Peterson, Chair MTA Queensland; Chair QMID
- James Robertson, Secretary MTA Queensland; Chair AADA Queensland; Representative Central Queensland
- Mark Bryers, Vice Chair MTA Queensland; Chair ERAQ
- Lawrie Beacham, Chair APRD
- Grant Harrison, Chair RVID

Executive Team

The executive team has provided exceptional leadership across all the Association's activities enabling the goals set out in Strategic Plan 2019-2021 to be achieved. They inspired the Group's staff to face challenging circumstances with confidence. The team approach applied to all tasks ensured a seamless delivery of services to members.

The executive team meets regularly to consider governance matters, operational and strategic issues, and to guide actions to achieve outcomes for the membership. An overarching priority is to ensure and maintain the high standards of professional etiquette and the culture of trust and respect across the Group. The executive team comprises:

- Dr Brett Dale, Group Chief Executive Officer (CEO)
- Kellie Dewar, Deputy Group CEO and General Manager (GM) Member Services
- Kathy Winkcup, Group Chief Financial Officer and GM Innovation

- Paul Kulpa, GM MTA Institute

Brett has provided committed and innovative leadership to successfully bring the Association through a year of challenging technological disruption and external economic and health crises. Dr Dale has been the Group's CEO for almost five years. In that time, through his expert advocacy skills, strategic networking and collaboration with stakeholders, the Association has emerged as the leading industry voice whose viewpoints are sought by government agencies, professional groups and institutions. Dr Dale has engendered teamwork through the corporate office and in so doing has achieved the delivery of the Association's objectives. He has ensured high governance and ethical standards across the Group.

Kellie's 17 years of experience with the Association has provided her with unparalleled wisdom in understanding and engaging with members on their concerns and issues and delivering the services and support to assist them in their businesses. Under her stewardship, the Association has complied with the governance activities set out in the Rules and the regulatory obligations established by the RO Act. She has been diligent in assisting each of the motor trade Divisions in their functions and issues. Kellie has been and is a strong advocate for women in the motor trades.

Kathy has been proficient in ensuring the financial records for the Group's business and corporate office operations are of a high standard and meet all reporting obligations. Her competence and diligence have ensured the necessary accountability,



...the MTA Institute being awarded Small Training Provider of the Year by the Queensland Training Awards in September 2019.



enabling informed decisions by the Group's management, and aiding the auditor in the review of the Association's financial records.

Paul has provided consistent managerial excellence through a year of extraordinary challenges to deliver a high level of training and skilling to almost one-third of the total automotive apprentices in Queensland. This is reflected by the MTA Institute being awarded Small Training Provider of the Year by the Queensland Training Awards in September 2019 and maintaining its position as the largest independent automotive training provider in Queensland.

The executive team is supported by a diligent and committed staff who adjusted to the COVID-19 economic and health crises and excelled. The deliverables established in the Strategic Plan 2019-2021 are detailed in the 2019-2020 Report Card pictured. On behalf of the Board of Directors I thank each of the Group's corporate office staff for their professional service, and loyalty and courtesy.

I commend to members the statements of the executive team following on from my report.

Group Financial Statement

Secretary James Robertson and Chief Financial Officer Kathy Winkcup have the responsibility for MTA Queensland's accounting policies, systems, practices and maintenance of the comprehensive statements of revenue and expenditure. Best practice strategic business and financial management underpins all processes and procedures and complies with the RO Act's regulatory requirements. I commend to members, the Secretary's and the Chief Financial Officer's Financial Report for the year ended June 2020 and thank them for their integrity, commitment and diligence to their respective duties and roles.

The Association's financial statements have been audited by BDO Audit Pty Ltd, Brisbane based accountants specialising



in audit, tax and advisory services. I commend to members the Independent Auditor's Report. On behalf of the Board, I thank BDO for their assiduity and professionalism.

Core Pillars

The *Professional Circle* identifies the MTA Queensland's five core pillars.

1. Advocacy

Technological and digital disruption, the COVID-19 economic and health crises, and changing government policies have demanded the advocacy role increase exponentially to represent members' viewpoints to all levels of government, decisionmakers, departments, and agencies.

A priority was the Federal Government's review of the Vocational Education and Training (VET) system. The Association successfully engaged with Federal and State Ministers and ministerial staff, participated in roundtables and inquiries, and responded to discussion papers to influence reforms to the VET system. The concentrated effort was rewarded. The final policy recognised the need for employers, apprentices and trainees to have confidence in the training system and recognised registered training organisations' capacity to increase productivity in the trades. The long-held policy position for VET to sit alongside tertiary education in the aspirations of students was acknowledged as an initiative to be achieved.

Stakeholder networking has diversified as a consequence of the *Carmageddon* symposia. Its purpose has had a dual effect of informing members of emerging technologies related to the digital economy and, additionally, bringing together experts from academia, business, law, and industry who now, are enmeshed in the Association's stakeholder architecture. Due to the economic and health crises, the 2020 *Carmageddon* symposium was deferred.

Collaborations with state and territory trades groups on automotive policies and mutual interest matters have continued. The Association has responded competently to all government or agency discussion papers relevant to members and the motor trades. Deputy Group CEO and GM Member Services Kellie Dewar details the responses in her statement following on from my report and have been posted on the website for members' interest.

The Association submitted pre-budget submissions to both Federal and State Governments detailing the budget and policy priorities for the motor trades. Policy priorities were forwarded to major Parliamentary leaders and political parties for the 2019 federal election.

Recognition of MTA Queensland as a motor trades advocate and leader has increased significantly. Dr Brett Dale Group CEO has been the guest speaker or panelist at national and state industry conventions and industry roundtables.

2. Services & 3. Support

During the past year as established in the Strategic Plan 2019-2021, the priority has been the delivery of services to members to assist businesses through technological and digital disruptions and the COVID-19 economic and health crises that beset business activity, suppressing business confidence and conditions. The focus for Member Services, Business Development, Industrial Relations, Marketing Communications, and Information Technology staff was service delivery and provision of expert and timely information and advices to assist with business decision making and operations. Members were surveyed and directly contacted to ensure services delivered were beneficial for their needs.

The contributions of the corporate office in the compilation of the briefings at a time of isolation and health restrictions is acknowledged and appreciated by the Board of Directors. The Chair of the RVID Grant Harrison in his Divisional Report stated:

I would like to thank MTA Queensland for the support they have provided to both myself and the industry over the past 12 months. The team have provided regular, quality content on both federal and state-based initiatives, support and information for industry.

It is of interest to observe, that the first time in living memory, the decision was made not to publish *Motor Trader* in April and May 2020 due to the pandemic incursion. The MTA Queensland's website has been provides members with the training, legislative and regulatory information, industry and Association news and access to publications.

The 2019-2020 financial year report card highlights members' engagement with the corporate office. In all there were 9,242

of which 5,812 or 63% were industrial relations related, which indicates this service is one of the many benefits of being an MTA Queensland member.

4. Training

The MTA Institute's commitment to building individual skills and providing the resources to support industry assured that it maintained its position as the largest independent automotive training provider in Queensland. Primarily this was due to staff consistency and experiences, well executed policies and processes, and service quality to maintain a consistently high level of training delivery and professionalism. These essential characteristics form the basis for the MTA Institute's function as a Registered Training Organisation responsible for training almost one-third of the total automotive apprentices in Queensland. The caliber of the MTA Institute's training regimen was recognised at the 2019 Queensland Training Awards ceremony by being named as the Small Training Provider of the Year.

The State Government recognised the MTA Institute for its quality training as an automotive training provider of choice, with the appointment as an Industry Skills Advisor for the automotive industry to the Department of Employment, Small Business and Training (DESBT). The MTA Institute's Operations Manager Marcello Riotto assumed the Industry Skills Advisor task to assist the DESBT with its *Great Training for Quality Jobs Strategy*. The role includes engagement with the motor trades to provide advice and feedback to create future jobs and increase productivity in the industry. The position of Industry Skills Advisor provided the opportunity to engage with the DESBT on the important issues of the Queensland VET Quality Framework, the National VET reform agenda and the review and development of the training package product.

The MTA Institute's Board of Directors comprise:

- Rod Camm, Chair
- James Robertson, Deputy Chair
- Professor Michael Milford, Director
- Paul Peterson, Director

The Chair of the Board of Directors Rod Camm assumed the role on 1 July 2019 following the retirement of Ian Lawrence after five years of service. Mr Camm's leadership in the VET sector has been of significant value to the Board of Directors'

deliberations relating to government VET policy changes. The Board of Directors have ensured the Strategic Plan and the corporate governance of MTA Institute has aligned with the Association's expectations.

5. Innovation

Australia's first automotive dedicated innovation hub – the MTaiQ, now in its third year of operation - has transitioned from start-ups to engender a research capacity with a strong focus on recycling. A by-product of the research may lead to fostering manufacturing of scrap-adapted/ recycled vehicles. The research capacity at the innovation hub has the prospect of benefiting from three significant projects in which the Association is either engaged or invested. These are:

- The Australian Research Council Training Centre (ARC) Training Centre for Multiscale 3D Imaging, Modelling and Manufacturing project in which the MTA Queensland has partnered with the Australian National University and the Queensland University of Technology. The objective will include identification of new opportunities in micro manufacturing for the Association's motor trades Divisions;
- the MTA Queensland and the Ipswich City Council partnership under a State Government Advancing Regional Innovation Program on issues related to mobility, innovation and connected vehicles; and
- The investment in the Green Distillation Technologies Corporation (GDTC) which recycles end-of-life car and truck tyres into saleable commodities of carbon, oil and steel.

The Association has continued to deliver the Federal Government's Small Business Digital Champions project to help small businesses to engage with digital technology and maximise their business capabilities. Integral to this project has been the one-on-one interactive services available to members to discuss digital resources, advice and assistance. The information and technology team has led the project and conducted workshops on the creation of a digital presence in changing business landscapes.

Two significant awards brought credit to the Association for its innovative business initiatives. These are:

- The MTA Queensland was a finalist in the Lord Mayor's Business Awards for



... the MTAiQ ... has transitioned from start-ups to engender a research capacity with a strong focus on recycling.

the creation of MTAiQ, Australia's first automotive innovation hub.

- The MTA Queensland was awarded an Australian Business Award for Business Innovation, which recognises organisations that implement business initiatives that demonstrate innovative solutions for new and existing business needs.

These are significant achievements, recognising MTA Queensland's leadership as the peak industry organisation furthering and supporting business innovations.

Charity

Youngcare, established in 2005 has been the MTA Queensland's charity of choice since its inception. It assists young people with high care needs. The Industry Awards Gala auction, and funds raised from the cars and coffee gatherings, have been raised for Youngcare to assist with the provision of greater choice in housing and care options.

MTA Queensland is proud to have contributed just under \$20 000 to Youngcare in this financial year.

In Memoriam

To members who have incurred bereavement in the past year, sincere condolences are extended to each of you.

The Future

The MTA Queensland's commitment is to stand resolutely with members, providing them with the support to recover from COVID-19's economic and health crises

and assist them progress their businesses and entrepreneurial skills. The Association has the foundational and operational framework and the competency to devote its efforts to members' needs and to advocate their and the industry's interests to governments.

The State's automotive industry in normal circumstances, contributes approximately \$21 billion to the economy and has about 15,000 automotive businesses employing some 85,000 persons. Now emerging from the COVID-19 crisis there is much rebuilding to do and uncertainties must be bridged. The automotive industry looks to the upcoming October 6th, 2020 Federal Budget to set the fiscal policies and the initiatives to engender the confidence and the certainty in the economy for entrepreneurs to invest, create jobs and employ. The State Budget due after the 31 October 2020 General Election will be closely watched for a break from the on costs that are a drag on business, including compliance and regulatory obligations, duplication, and operational and environmental imposts. These two Budgets will form the basis on which entrepreneurs will make decisions about their future business operations.

Into the future, there will be ongoing commercial and social demand for the motor trades to provide products and the services for logistics and mobility that meet both the current needs and future requirements of clients and industry. The industry must be forever looking forward to new practices, innovations and technologies and collaborating

with the researchers, academia, and scientists on the utility and affordability of any commercial, technological, or environmental innovations.

The Association made a leadership decision to engage in cutting edge solutions for the sustainable management of waste and engender new business opportunities for members – in the longer term. The first was the investment in a world-first process that turns end-of-life car and truck tyres into high value oil, carbon and steel; and the second, the WasteMotive Initiative which aims to better manage the automotive industry's plastic waste.

The digitalization of the economy is rapidly accelerating, and businesses must have the technologies and the skills to be effective and efficient. The purpose of the Association as an Industry Advisor for the Federal Government's Small Business Digital Champions project, is to assist small businesses with their technologies and systems to reach their potential.

The future of MTA Queensland as an Industrial Organisation of Employers rests on the foundation of the Rules, the Strategic Plan 2019-2021, and the *Professional Circle*. These embody our core for being which will be steadfastly pursued in the best interests of members and for the public served.

I commend this report to members.

Paul Peterson
Chairman
MTA Queensland



James Robertson

Secretary
MTA Queensland



Factors contributing to the more than doubling of our net profit, included a continuing rise in training activity, increased student numbers, controlling expenses, and federal and state government COVID-19 support.

Secretary's Report

I, James Robertson Secretary of the MTA Queensland, am responsible for the overall governance of the Association and for the compliance and reporting to relevant bodies such as the Australian Securities and Investments Commission (ASIC) and Fair Work. The Financial Report is in accordance with the *Fair Work (Registered Organisation) Act 2009* and complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and I confirm that the Financial Report is free of errors and omissions. The financial accounts presented were audited by BDO Audit Pty Ltd. BDO's audit found our Financial Report, dated 30 June 2020, fairly presented our financial position and performance, and cash flows for the year in accordance with Australian Accounting Standards and other relevant legislation.

Financial Results 30th June 2020

Profit attributable to Members of the Organisation

This year's profit attributable to membership is \$1,669,586 ending 30th June 2020. Factors contributing to the more than doubling of our net profit, included a continuing rise in training activity, increased student numbers, controlling expenses, and federal and state government COVID-19 support. Our total equity position remains strong at \$22,348,475 increasing from \$20,682,341.

Investments

During the year the Association made substantial investments to diversify the income and assets held. The Association invested an additional \$250,000 into Block Two Pty Ltd, bringing total investment to \$500,000. This investment represents a total of 18 per cent shareholding of the company. Additionally, the Association invested \$1,000,000 into GDTC Pty Ltd,

owning 400,000 shares at 0.25 cents per share. The last share sale dated at 30 June 2020 was valued at 0.32 cents per share.

With low bank interest rates, the Board resolved to invest a further \$500,000 into Dalton Nicol Reid share portfolio, bringing the portfolio balance on 30th June 2020 to \$2,537,229. Before COVID-19, the investments were returning around 10 per cent, however, April 2020 saw the investment portfolio drop by approximately 29 per cent in value. By 30 June 2020, the share investments had mostly recovered and returned a -5.11 per cent return. Over the last three years the portfolio has returned 12.29 per cent which is much greater than the current bank interest rates of (average 1.5 per cent). During the financial year, the Association was paid a total dividend of \$75,667.

General Comments

The Association's business has been adequately dealt with at the Directors' quarterly meetings. Details of the Association's 11 Divisions, and their Committees can be found on the MTA Queensland website.

I'd like to congratulate and thank all MTA Queensland staff for maintaining performance during the pandemic and delivering this strong financial result. I would like to highlight that the MTA Institute continues to be a highly successful core element of the Association with student numbers equalling 31 per cent market share of Queensland's automotive training sector.

James Robertson
Secretary
MTA Queensland



Dr Brett Dale DBA

Group Chief Executive
MTA Queensland



It is a great honour to serve as Group Chief Executive of the MTA Queensland . . . The determination of our members and the wider automotive industry to see this through, together with the response of the team here at the Association, has been incredible.

Group Chief Executive's Report

Welcome to the MTA Queensland 2020 Annual Report.

This is my fifth such report and I will confess that I never believed I would have to draft a document during such extraordinary times. I am certain the COVID-19 pandemic has been a unique challenge for us all.

For MTA Queensland, that challenge has been especially steep. As the peak body for the automotive industry in Queensland, it is our responsibility to be the voice of the retail, service and repair sectors; to provide outstanding training to apprentices and students across the state; to champion new technologies that will benefit the industry and the Australian community; and to help businesses adapt to a rapidly changing industry landscape. The pandemic and the lockdowns, restrictions, and social distancing requirements that have come with it - does not mitigate this responsibility.

It is a great honour to serve as Group Chief Executive of the MTA Queensland, and this year I can say that with even more pride. The determination of our members and the wider automotive industry to see this through, together with the response of the team here at the Association, has been incredible. To be involved with such an industry and with such people is indeed a privilege.

Pre-COVID Success

While the coronavirus pandemic outbreak at the beginning of 2020 has dominated our lives, the backend of 2019 was clear of such challenges and it would be remiss of me not to remark on a couple of MTA Queensland's very fine achievements from that period.

In August, the Association was a winner at the Australian Business Awards in the Business Innovation category. The award recognises organisations that implement initiatives which demonstrate innovative

solutions for new and existing business needs. We were proud to accept the honour for the work of our innovation hub (MTAiQ) in supporting start-up businesses whose concepts offered a range of automotive related solutions, from workshop customer service initiatives, to fuel pre-payment applications, to new battery-powered mobility solutions.

The work of MTAiQ will continue and it will, in fact, be part of two very exciting projects over the next few years. MTA Queensland has partnered with the Australian Research Council (ARC) on a five-year undertaking to investigate the benefits and logistics of 3D printing, metal-based additive production in Australia and the recycling of automotive parts. The research projects will see a number of PhD students from the Queensland University of Technology work at the hub and explore the 3D printing needs of businesses within the automotive industry as well as an investigation into how industry can better deal with plastics from end of life cars that often end up in landfill.

These are important projects. It seems clear that 3D printing/additive manufacturing will play a big role in our industry's future. It is already widely used by major manufacturers in such applications as rapid-prototyping and the production of limited-run parts and as the technology becomes cheaper and more accessible, the potential applications for businesses are legion. Global landfill is a major problem and contributing to this issue is plastic waste from panels and bumpers of damaged vehicles. Exploring options to recycle these plastics and contribute to a reuse circular economy is critical.

The ARC project will work to establish a set of global standards for 3D printing in the automotive industry, and will focus on the technology's potential in the design, manufacture and characterisation of 3D printed parts. Further, the project will develop a sustainable additive



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For our members, the priority was to provide them with the support to protect and manage their businesses. This support revolved around information.

COVID-19 SAFE WORKPLACES AND RECOVERY

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manufacturing method which can recycle and reuse plastic automotive materials.

These are exactly the type of projects MTA Queensland seeks out – a project that recognises the massive potential of a nascent technology, and through which we can assess and research how it can best service the automotive industry and the consumer, and researching solutions for a global issue whereby waste plastic from automobiles ends up in landfill or stockpiles. The results of the ARC projects will be fascinating to see.

While the MTAiQ was recognised by the Australia Business Awards for just this type of initiative, MTA Queensland’s long-standing delivery of industry-leading apprenticeship and short-course training was also recognised in 2019 with the MTA Institute presented with the Small Training Provider of the Year accolade at the Queensland Training Awards.

These awards recognise the tremendous work done by the MTA Queensland team in devising and delivering on programs, projects and strategies that move our industry forward. As the industry’s evolution continues and the inexorable rise of hybrids, electric vehicles, and connected vehicle technologies gathers pace, the Association will strive always to be at the cutting edge – offering training opportunities that deliver the skills needed to succeed; supporting businesses as they explore new concepts and ideas; and partnering with industry, academia and government on projects that research technologies may have a great impact upon in the years to come.

COVID-19

2020 has been the most extraordinary year. None of us will ever have experienced such upheaval before, and the impact of COVID-19 on our businesses, our communities, and our society is unique in living memory. I cannot recall a time that comes close.

It is important to note that COVID-19 is both a health crisis and an economic crisis and trying to walk the right path and do what is best for both is a balancing act for governments and businesses alike.

While I will not dwell overly on the past few months, I do wish to make a remark or two on what has been a very painful period.

At the time of writing, and according to the respected John Hopkins University Coronavirus Resource Centre, more than 25 million people had been infected with COVID-19 and more than 835,000 people had died across the globe. The Australian Government’s Department of Health was reporting that the nation had suffered more than 25,000 cases since the pandemic began, with more than 600 people losing their lives. No doubt these numbers will have become worse by the time you read this.

These are, of course, horrible statistics to contemplate and we mourn the loss of family, friends and loved ones.

However, and as unpleasant as it is to compare such grim metrics, we should acknowledge that when we look at other developed nations, Australia has done exceptionally well to shield itself from the worst of the pandemic. On those numbers alone and especially when we recall the nightmare that struck Italy, Spain and other

nations at the beginning of the outbreak – we should applaud the approach taken by our federal and state governments to introduce and enforce lockdowns, social distancing measures and border closures. Such action, we must conclude, spared our health system from being overwhelmed and likely saved many thousands of lives.

Unfortunately, the very measures that successfully kept the pandemic in check have had a devastating effect on Australia’s economy – an economy that thrives on openness, engagement, and public interaction.

Analysis of the broad strokes of the pandemic’s effect show an economy under great pressure and the RBA economic forecast from August 2020, while noting some positives, also suggested that under a baseline scenario in which no further large outbreaks occur, things will still be tough - ‘GDP is expected to contract by around six per cent over the year to December 2020, but then grow by around 5 per cent over 2021; the unemployment rate is expected to rise almost 10 per cent over the next six months and gradually decline to around seven per cent over the latter part of the forecast period.’ (RBA Economic Outlook, August 2020).

The automotive industry, locally and internationally, has been struck very hard. The most obvious sign of that very tough environment was the dramatic fall in new car sales. In Australia, where new car sales had been sluggish for many months leading up to the COVID-19 outbreak, April 2020 marked a scarcely believable 48.5 per cent sales decrease from the same month in 2019. By July, that decrease was less severe, but the fall was still steep at 12.8 per cent.

While car sales were the headline-maker for much of the wider media, the effect of the pandemic and the subsequent restrictions imposed on the nation were felt deeply across other industry sectors. From mechanical workshops to vehicle rental businesses, from body repair shops to parts suppliers, no sector was left untouched.

The governments' (both state and federal) efforts to support the economy and the business community are to be applauded: financial packages designed to keep apprentices in their jobs; tax relief and loan programs; the JobSeeker and JobKeeper payments – these programs and more have been welcome. Also welcome was the designation of the automotive sector as an essential industry. A business can, after all, only survive if it can trade. However, even given this assistance, the damage has been severe.

For MTA Queensland, the pandemic, and the subsequent restrictions, represented a unique situation. Like everyone else, we too were subject to the restrictions the pandemic response demanded. And yet it is our responsibility to offer assistance and advice to our members at such times, as well as delivering training to apprentices and students.

Fortunately, the Association had recently undertaken an assessment of the Strategic Plan and evaluated its operational and business systems and their capacity to support our aspirations. The result of this assessment meant a business continuity plan was in place and we were able to swiftly adapt to accommodate the requirements of the Health Emergency Response COVID-19 Plan and turn our

full attention to serving our members, students, and clients.

In terms of training, the MTA Institute and our dedicated trainers continued to deliver on-site training, taking the appropriate safety measures, and using PPE as and when required. While courses at the Institute itself were initially suspended, all programs, including apprentice training days, pre-vocational courses and short courses were being delivered again with appropriate safety measures in place by June.

For our members, the priority was to provide them with the support to protect and manage their businesses. This support revolved around information. At times such as these, accurate information, and quick access to it, is very valuable. The Association delivered virtual meetings to explain government support packages; developed the COVID-19 website resource area at mtaq.com.au; and conducted an extensive member engagement strategy to understand member priorities and requirements, and deliver advice and guidance.

Additionally, we have been providing daily COVID-19 briefing emails since March. The aim of these briefings has been to collate the latest information regarding the pandemic – including details on financial and economic help available to businesses, media reports, and developments regarding restrictions into one, digestible package, and the positive feedback we have received regarding these briefings has shown them to be a particularly useful information tool.

The briefings, and the other support measures we have in place, will continue to remain a priority for us in supporting our members.

In the meantime, be assured that MTA Queensland will continue to be a voice for the industry in discussions with the government on coronavirus-related issues. An example of this has been our pre-budget submission to the Federal Treasury for the October 2020 budget and Queensland's October election policy initiatives, the aim of which will centre on growth and productivity to generate profit and confidence for our industry.

Engagement

While communication and engagement are critical in times of crisis, they have always been an important function for the Association.

Last year, MTA Queensland launched a Member Engagement Strategy to ensure all members are aware of the work being done and the benefits available through membership of the Association. The strategy also allows us to be fully across the concerns of individual members and hear all opinions regarding the issues facing our industry and their businesses.

This strategy was designed to ensure that MTA Queensland continues advocating on behalf of everyone involved in the state's automotive trades on the issues that matter most.

An important addition to our industry engagement work is our appointment as an Industry Skills Advisor for the automotive industry.

This Skills Advisor project followed the Queensland government's 2019 launch of its *Skills for Queensland – Great Training for Quality Jobs* strategy.



MTA Queensland launched a Member Engagement Strategy to ensure all members are aware of the work being done and the benefits available through membership of the Association.

The goal of that strategy is to create a workforce that has the skills to 'meet the current and future needs of the labour market right across the state', and part of that strategy includes designating organisations - and individuals within those organisations - as Industry Skills Advisors.

The job of these advisors is to support the:

- Department of Employment, Small Business and Training's (DESBT) industry engagement and provide advice and feedback on current and emerging industry direction, regional skill needs and training solutions, jobs growth and employment opportunities for the vocational education and training (VET) supported workforce;
- effectiveness and suitability of DESBT's current VET investment programs;
- implementation of the Queensland VET Quality Framework; and
- National VET reform agenda and the review and development of the training package product.

For MTA Queensland to be appointed as the Industry Skills Advisory organisation for the automotive industry is a sign of the confidence the government has in us as a peak industry body, and our 'point man' on this project is our highly experienced Senior Manager Marcello Riotto.

Marcello's role is to reach out to employers, small business and industry stakeholders and provide feedback and advice to DESBT. That feedback will have a major impact on the decisions the government takes, the priorities it sets, and the investments it makes in our industry in the coming years. It has a tremendous responsibility and one

that we at the Association are extremely honoured to take on.

Engagement with our members, and all stakeholders, is a priority for MTA Queensland and I should note that the executive team, myself included, continue to represent the state's automotive industry's interests in many meetings and forums - from local organisational level to government ministerial level.

The opinion of the Association is valued across the board, and our discussions have ranged from subjects as diverse as the future use of telematics technology, proposals regarding technician gradings, future training requirements, environmental energy proposals, the uptake of EV and low-emission vehicles for government fleets, the emergence of robotics and artificial intelligence, and, of course, the impact of the Coronavirus. 287 meetings at ministerial, senior departmental level, and with key stakeholders were held in the last financial year. Those discussions will continue, and we will, as always, be spirited in proposing and backing what is best for the industry.

Financial Health

By any measure, and thanks to the COVID-19 pandemic, the 2019-2020 financial year has been a very turbulent one. MTA Queensland has come through that turbulence well and can report solid returns for the year. The full details can be read in our Group Chief Financial Officer's comprehensive financial report.

Given the instability of the past few months, I must extend my thanks to the entire MTA Queensland team. Their hard work, stoicism in the face of uncertainty,

and desire to help our members during such an unprecedented period has been extraordinary and ensured we can continue to do the work we have been entrusted to do on behalf of our industry.

Innovation & Investment

Our industry is evolving, and MTA Queensland has made some important decisions to support technologies and concepts that have the potential to help businesses adapt to and engage with that evolution.

I have already mentioned our partnership in the ARC 3D printing/plastic recycling initiative, but the past year has also seen the launch of the 2mota online platform. You may recall that MTA Queensland has invested in Block2, creator of the 2mota platform.

The platform offers a business-to-business marketplace that enables workshops and automotive businesses to both hire qualified sub-contractors and sole traders to assist on short-term or long-term jobs, and hire out and/or rent underused specialised tools, equipment - even space and immobile equipment such as hoists - to other businesses that need access to such resources.

The ability to share assets and engage skilled tradespeople in such a manner is a unique offering in a period of change - especially now with the uncertainty of the COVID-19 crisis - and is a potential gamechanger for businesses.

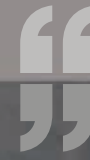
Another major investment of the past year has been in Green Distillation Technologies Corporation (GDTC) - an Australian company that has an innovative

Trevor Bayley, Chief Operating Officer, Green Distillation Technologies Corporation



Supporting new technologies that are a benefit to our community, our business, and our industry, is something MTA Queensland will continue to do.





In the past year, our websites recorded 433,000 views - up from 287,000 views last year - and our social media following has grown by 20 per cent across all platforms.

solution for disposing of end-of-life tyres. Using a technique known as destructive distillation, the company can break down an entire tyre into the saleable commodities of oil, carbon and steel. This recycling process produces no emissions.

The company is experiencing some real success, with several recycling plants earmarked for Australia and several more internationally in the U.S., South Africa and UK. The company recently announced its interest in expanding into Europe.

Waste tyres are a serious problem, with some 25 million reaching the end of their life each year in Australia, and MTA Queensland's investment in GDTC is one that not only recognises the gravity of the problem and how important it is that it be addressed, but also the potential returns in supporting a company and a proven technology that has considerable scope for growth.

Supporting new technologies that are a benefit to our community, our business, and our industry, is something MTA Queensland will continue to do. Part of our Strategic Plan specifies that we 'embrace and encourage emerging technology and provide support and resources to innovate' and 'actively seek out and deliver innovative solutions to achieve success for industry'. We will continue to invest in solutions that work for the benefit of us all.

I should also note that MTA Queensland continues its role as a Small Business Digital Champion. That initiative, funded by the Australian government, has seen the Association develop resources to provide advice on how members can 'go digital' and

engage with such technology to maximise their business capabilities. Free advice is provided on the topics of technology trends and technology adoption, hardware, software, digital training, online content development, online digital planning, coaching and support.

Talking of 'going digital', I must also mention MTA Queensland's newest digital offering – a website design service.

Given that there has been a significant shift by consumers to search for and buy products online, it has never been more important for a business to be visible via a website, and a well-built, easy-to-use, mobile-friendly site should be a priority. MTA Queensland's website building service offers a locally hosted website built by the Association's team. It is another service designed to help members adapt and evolve in these extraordinary times.

Marketing & Communications

Having talked about the importance of engagement, I must reflect on the outstanding contribution of MTA Queensland's Marketing and Communications team in growing the reach of the Association's message and mission.

In the past year, our websites recorded 433,000 views - up from 287,000 views last year - and our social media following has grown by 20 per cent across all platforms. The Association's profile continues to grow in the mainstream media environment too, with MTA Queensland media mentions garnering a 3.1 million total recordable reach. This is growth that reflects the reputation of the Association as a peak industry body.

My Thanks

The past year has been extremely challenging, and those challenges will continue for some time as we continue to grapple with COVID-19.

To our members, I express my gratitude for your continued faith in us and for the observations from many of you that our actions during this time have been welcome and effective. MTA Queensland was founded nearly 100 years ago with the aim of supporting and promoting the interests of the automotive industry and never has that mission been as important to us as it is today. We will continue do everything in our power to be a persuasive and influential voice on your behalf.

My thanks also go to the incredible trainers, administration staff, area managers, communications and IT teams, industrial relations officers and everyone who makes MTA Queensland, the MTA Institute and the MTAiQ Innovation Hub tick – they have worked under unique pressures this year and have performed magnificently.

Lastly, I thank the members of the MTA Queensland and MTA Institute Boards for their ongoing support. Their forward-thinking approach to the Association's investment strategy and ongoing development, and their support through the COVID-19 challenge, has been unwavering and puts us in a strong position as we continue to meet the challenges of this momentous year.

I wish you all well.

Dr Brett Dale DBA
Group Chief Executive
MTA Queensland



Kellie Dewar

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



We have maintained contact consistently with a very personal approach through COVID-19 and the feedback has been very positive and heartwarming from our members.

Member Services Report

Communication and Member Engagement

Our vision is to be Queensland's most trusted, influential and *engaged* industry body.

Where it would initially appear that member engagement would prove challenging given COVID-19 and its restrictions there was a silver lining; the substantial increase in our communication with members as reflected on our published report cards. We moved quickly to develop a very personal and frequent strategy starting with an individual welfare call to every member and a follow up email if we could not make contact with you. The senior management team also hosted a series of webinars on grants and available resources and assistance for members.

The Weekly Industry Bulletin emailed to members, now in its third year, has provided members with essential industry information including MTA Queensland and MTA Institute news and advices. During the economic and health crises, an additional comprehensive communication in the form of COVID-19 Daily Briefings were distributed to all members, providing current and accurate advices on government stimulus measures, safe business operations and relevant media segments. In all, 49 COVID-19 Daily Briefings were distributed. These were replaced from June 1 with the COVID-19 Business Updates providing all industry with succinct advices. The end of the 2019-2020 financial year report card indicates there was a 134 per cent increase in MTA Queensland website traffic for COVID-19 resources. We have maintained contact consistently with a very personal approach through COVID-19 and the feedback has been very positive and heartwarming from our members.

Over the course of May 2020, MTA Queensland conducted an Industry Survey as part of our role as an automotive 'Industry Skills Advisor' for the Queensland Department of Employment, Small Business and Training. As the peak industry body for the automotive sector in Queensland, it was important for us to have an understanding of the impact of COVID-19 on our businesses and respond accordingly. In terms of respondents, this was the most successful MTA Queensland survey ever undertaken with significant findings presented to government.

Advocacy is the first of the five pillars that underpins the *Professional Circle*. We continue to ensure members' views and policy positions are prioritised and effectively represented. Our approach to advocacy has dual components, the first consideration being that it is inclusive. We listen to the views of members through their Divisional representatives and represent these and the associated policy stances to government, agencies, stakeholders and the media. I take this opportunity to emphasise that we welcome any member's view on our advocacy agenda, these are forward published in our Motor Trader columns.

Advocacy responsibilities are spread across both state and federal jurisdictions and agencies that reference issues to the automotive value chain. Over the past year submissions relating to the automotive value chain have included:

- Factors and trends influencing the cost of insurance under the statutory insurance scheme
- Re: Supplementary Priorities Pre Budget Submission – 2020-21 Federal Budget
- Comment Re: National Agreement for Skills Workforce Development Review
- Agriculture machinery: aftermarket-sales markets



Advocacy is the first of the five pillars that underpins the *Professional Circle*. We continue to ensure members' views and policy positions are prioritised and effectively represented.

- Issue Paper Electric Vehicles in the Retail Market
- Enhancements to Unfair Contract Term Protections
- Exposure Draft of the Competition and Consumers Amendment Regulations 2020
- Payment Times Framework Team Consultation Paper
- Farm Industrial Machinery Dealers Division Submission –Pre Budget Small Business Policy Initiative for the Federal Budget 2020-21
- Supplementary Submission – Re: Pre Budget Priorities – the 2020/21 Federal Budget
- Pre Budget Priorities – 2020-21 Federal Budget
- Franchise Sector Reforms – Regulation Impact Statement
- Queensland Small Business Strategy

- Media Statement 29 October 2019: 'Driving reform on car repairs'
- Consultation Regulation Impact Statement In Service Safety for Automated Vehicles
- Review of the Australian Apprenticeships National Skills Needs List
- Collective Bargaining Class Exemption
- Queensland Biofuels Mandates Review

The majority of focus for advocacy this year has again been on Australian Consumer Law and Franchising as well as strategies for future transport, mobility and skilling for industry.

Under the Takata compulsory airbag recall, to date 3.66 million airbags have been replaced with 4.4% of total airbags still to be replaced. In Queensland there have been 747,156 (95.83%) replacements; 279 critical alpha airbags to be replaced, 1,054

critical non alpha airbags to be replaced and 31,144 remaining airbags to be replaced excluding critical alpha and nonalpha.

The ACCC warned Australian consumers about a new critical safety risk in using certain vehicles fitted with a different type of faulty Takata airbag. These airbags, which are fitted with a NADI 5-AT propellant, could injure or kill people in the car by misdeploying in an accident and propelling parts or metal fragments into the cabin of the vehicle at high speed. These airbags are not captured under the existing compulsory recall of Takata airbags.

MTA Queensland Rules

The core of the MTA Queensland is its Rules which establish it as an industrial organisation of employers registered under the *Fair Work (Registered Organisations) Act 2009*. The Rules set our governance, commercial and operational framework

that Board of Directors strictly observe. The objectives that guide decision making and actions are:

- (a) 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;
- (b) to advocate, advance and protect the interests of employers connected with the motor vehicle industry and associated trades or businesses in Queensland;
- (c) to consider and deal with any questions relevant to the motor vehicle industry and associated trades or businesses;
- (d) 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
- (e) to do any such other lawful things as may appear to be incidental or conducive to the above objects or any of them.

Each of these objectives aligned with our Strategic Plan have been fulfilled and our quarterly report cards continue to reflect our high levels of engagement with all levels of government.

Our Rules are reviewed each year aligned with our Annual General Meeting. This year we made changes to the tenure

of our positions of Chair, Vice Chair and Secretary. These changes included maximum terms and a two year tenure with alternate election years for Chair and Secretary positions.

Small Business Digital Champion

As one of the fifteen industry associations to deliver the Australian Government's Small Business Digital Champion project we delivered a total 472 digital services including workshops covering Tips to Grow Your Business, Social Media for Automotive Business, Marketing your Business, Copywriting workshop for Business Owners, The importance of Video Marketing, Google my Business and more. These workshops are a great opportunity for business to expand their digital knowledge and skills and apply these to their business for success.

Awards

The MTA Queensland presents awards to worthy industry contributors to recognise achievements. These are presented at the MTA Queensland Industry Awards Gala. The 2019 winners were:

- Community Award was presented to Hertz Mount Isa owners Alison and Terry Dowling for their work within the community
- Innovation Award, for an individual or business leading the way in innovation,

was presented to Oz-DIY Electric Vehicle owner Graeme Manietta

- Women in Industry Award (new) was presented to Rebecca Frizelle from Frizelle Sunshine Automotive Group Southport for achieving success in driving change in the automotive/mobility industry
- Apprentice of the Year Award was presented to Kimberley Wallace, a qualified parts interpreter from Morgan Motors in Emerald

On behalf of the Board of Directors and Management, I congratulate the winners and thank the supporters who made the event possible.

The Queensland Automotive Trades Scholarship (provided by a partnership comprising the MTA Queensland, the Queensland Overseas Foundation (QOF), Heavy Vehicle Industry Australia, the Institute of Automotive Mechanical Engineers and the Construction and Mining Equipment Industry) was deferred due the COVID-19 pandemic.

At the Paint and Panel Bodyshop Awards 2020, Queensland MTA members were prominent in achieving success in a range of categories. The best new shop State winner was Holmes Paint and Panel (Raceview); and the best large shop was Hadwen's Prestige Collision Repairs (Bowen Hills).

Congratulations to all members, who in the past year have achieved industry, national, state or local awards.



The MTA Queensland presents awards to worthy industry contributors to recognise achievements. These are presented at the MTA Queensland Industry Awards Gala.



Apprentice of the Year Award was presented to Kimberley Wallace, a qualified parts interpreter from Morgan Motors in Emerald



To all MTA Queensland staff, you excelled in a unique and new operating environment over COVID-19 and have continued to contribute to the success of our business at the highest level.



Events

The two signature annual events which have the characteristic of being social - the golf day and the Industry Awards Gala- were held and successful. The golf tournament organised and promoted by the Association was in its 70th year and attracted more than sixty members of the State's automotive industry. Whilst the golf was the common bond, there was too, opportunity to network with others across the automotive value chain. On behalf of the Board of Directors I thank the Virginia Golf Club and the sponsors for their generous prizes.

The seventh Industry Awards Gala, held at Brisbane's Emporium Hotel was attended by more than 200 guests from the broad networks that comprise the MTA Queensland family. The host was Channel 7's Ben Davis, and the special guests included motorsport stars Craig Lowndes and Simona De Silvestro, the Minister for Transport and Main Roads Mark Bailey and the Shadow Minister for Employment and Small Business, Training and Skills Development Fiona Simpson. The highlight of the evening was the presentation of the MTA Queensland awards to the Apprentice of the Year, and to the winners of the Community, Innovation and Women in Industry awards.

The Cars and Coffee event, commenced in March 2018 and held monthly, then quarterly, on Sunday mornings, has

proven to be popular with classic car enthusiasts, promoters of electric vehicles and interested onlookers. The Youngcare charity benefits from funds raised from a sausage sizzle. The activity has been in abeyance from February 2020 due to the economic and health crises but is set to resume in November 2020.

Corporate Partners

The MTA Queensland's diverse corporate partners have on offer benefits to assist members with their business operations. Some have a longstanding relationship with the Association and the automotive value chain. They are:

- MTAA Super
- Commonwealth Bank
- Capricorn Society
- Bennet & Philp lawyers
- Safety Help
- Core SME
- Illion
- Guard Insurance
- Openpay
- 2mota

The support of the corporate partners is acknowledged and I thank them for their engagement and interaction with members and the motor trades.

Elections

Elections have not been held for Committee Divisions and Districts to date due to COVID-19 limitations, these would normally be open in May and closed in June for nominations. We continue to keep members updated regarding the full election schedule. This does however give members more time for consideration of taking up a position on one of our industry Division Committees.

With Thanks

To all MTA Queensland staff, you excelled in a unique and new operating environment over COVID-19 and have continued to contribute to the success of our business at the highest level. Thank you to all Board Directors and Committee Divisions who continued to function, support and represent the Automotive Industry albeit virtually. And finally to all Members for your positive and heartwarming comments on our increased and timely communications and the feedback that our assistance has been key in getting through a very difficult time. I wish you every success for the coming year.

Kellie Dewar

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



Industrial Relations Report



Evangeline Kannis

Senior Workplace Relations Advisor
MTA Queensland



Ian Naylor

Senior Workplace Relations Advisor
MTA Queensland

This year has been one of contrasts

and challenges with the ongoing drought, summer bushfires with extensive smoke pollution, and the rapid shock of the COVID-19 pandemic. All our members have been impacted by these events personally and many financially.

The much-anticipated Fair Work Commission four-year review of the Awards took seven years to be completed and May saw the release of new look Award. Manufacturing has been deleted from the content and title of our industry Award.

COVID-19 also impacted the National Wage Decision as the Fair Work Commission considered the disproportionate impact of the pandemic on different industries. Their Decision resulted in a 1.75% adult wage increase applied from 1 July 2020, taking the National Minimum Wage for adult employees to \$753.80 per week or \$19.84 per hour. This wage increase is significantly lower than the 3.5% in the previous year. There has been increasing debate about whether the Superannuation Guarantee percentage should change.

Monumentally, the implementation of the 2020 Award wage increase is staggered. Firstly, groups of Awards which covered businesses least affected had the increase applied immediately. Secondly, for some professions, including the *Clerks - Private Sector Award 2020*, it will apply from 1 November 2020. Thirdly, for those industries hardest hit such as ours, the *Vehicle Repair, Services and Retail Award 2020* will have the wage increase delayed to 1 February 2021 to recognise the profit loss. This creates some complexity in communicating the updated MTA Queensland Wages Guides.

In response to the COVID-19 pandemic, the Australian Government made frequent announcements around the hastily

introduced JobKeeper wage subsidy scheme and indicated a continuation of its financial support into 2021. These announcements were supported in early April with new pandemic amendments to the *Fair Work Act 2009* allowing employers to stand down, direct work and reduce hours in an effort to keep essential services businesses open.

The Fair Work Commission also approved temporary changes to all Awards to give workplace flexibilities to employers who were not eligible to receive Job Keeper.

Even with the challenge of the Industrial Relations team needing to work from home, advice and assistance was delivered at an increased pace as uncertainty in the business community prevailed.

Another significant reveal has been the marked increase in large employers being targeted and volunteering to remedy significant underpayments to their employees, including AP Eagers.

October saw the departure of the MTA Queensland's Industrial Relations Manager and stalwart, Ted Kowalski, and the arrival of Ian Naylor as a Senior Workplace Relations Advisor.

In total the Industrial Relations team handled 5,812 member contacts, with eight members represented in General Protection claims; 21 members represented in Unfair Dismissal matters; one member represented in the Human Rights Commission of Queensland; three members represented in underpayment of wages claims; and two members represented in relation to other matters such as Workcover Claims and pro rata long service leave claims.

Evangeline Kannis & Ian Naylor

Senior Workplace Relations Advisors
MTA Queensland



James Robertson

Chair
Australian Automotive Dealer
Association Queensland (AADA Qld)



Dealers provide excellent customer service, employ local people in well-paid, long-term, full-time jobs and invest in our communities. We must ensure Government values the role we play.

Australian Automotive Dealer Association Queensland

Overview

AADA Qld continues to work with AADA National to ensure the Queensland perspective is heard. Australian new vehicle sales have fallen 19.1% in 2020, after a slump of 48.5% in April when the COVID-19 pandemic first hit. Fortunately dealers were considered 'essential' and continued trading. Federal Government assistance with JobKeeper, Cash Flow payments and Queensland Government Payroll Tax relief ensured members were able to keep trading and retain most of their staff. The Federal Government's decision to allow people to withdraw \$10,000 from their superannuation and the extension of the instant asset write-off scheme fuelled strong consumer demand from May through to August. Many dealers are now left with very little stock.

Divisional Activities

The committee monitored the closure of Holden and its impact on Holden dealer members. General Motors compensation offer and its announcement to set up a new business with GM Specialty Vehicles highlighted the power imbalance between dealers and manufacturers. AADA is concerned new franchisee protections the Federal Government has announced are not strong enough to change the behaviour of manufacturers in Australia.

Divisional Priorities

Following last year's Banking Royal Commission, AADA organised dealers to lobby their local members of parliament not to remove the point of sale exemption for in-house motor dealer finance. Removal of the exemption would create more compliance work for dealers for little consumer benefit. The government has so

far delayed the removal of the exemption. AADA also called on the Government to relax the tightening of lending criteria following the Royal Commission. It is now much harder for consumers to obtain vehicle finance, impacting sales.

The Takata airbag recall continues to create significant administrative work for dealers.

AADA welcomed the change to VFacts from 1st January 2020 that ensured manufacturers only report vehicles as sold if they are registered. This reduces the risk of inflated sales figures being reported and the costs falling on dealers.

In addition to franchisee protections, we need to monitor the impact of manufacturers such as Honda and Mercedes Benz changing to agency models where the agency fee can make or break business.

General

Dealers provide excellent customer service, employ local people in well-paid, long-term, full-time jobs and invest in our communities. We must ensure Government values the role we play.

We need to monitor the impact of electric vehicles on areas like reduced servicing.

AADA Qld is continuing to lobby the State Government for compensation for the costs associated with registering vehicles.

Many Holden dealers were family businesses that have been operating for generations. I would like to thank those families and their loyal employees for their contribution.

James Robertson
Chair
AADA Qld



Mark Dodge

**Chair
Automotive Engineers Division
(AED)**



2020/21 will see independent automotive repairers adapting to increasing consumer demands. Consumers are looking not only for value but more information and higher service levels.

Automotive Engineers Division

Overview

Due to COVID-19 restrictions, this year the AED committee members have met via a combination of face-to-face and tele-conference meetings. COVID-19 restrictions relating to movement and social interactions have affected most, if not all, automotive related industries and businesses.

Early in the 2019/20 year the AED committee members were briefed by 2mota's CEO Eden Spencer. COVID-19 had an impact on the initial implementation and the platform pivoted to a human resource and asset sharing platform.

Queensland Transport /QPS's data recording on Safety Certificates has been discussed regarding clarification on the requirement to view/record engine numbers. The outcome is that the engine number field must be completed unless the inspection is being failed because there is no engine number.

Divisional Activities

Committee members have been researching the benefits of Haynes online (Technical Data) and ASE Pilot Test. Maurice Donovan has been investing a lot of time with the ASE skill testing program and advised that the second round of testing was to happen early in 2020 with approximately 500 participants. Unfortunately with the onset of COVID-19 the American arm has put all external operations on hold.

Right to Repair information continues to be a topic of discussion and we follow its progress actively. At the end of last year we wrote to The Hon Michael Sukkar MP, Assistant Treasurer in response to his media statement 'Driving Reform on Car Repairs'. This was to ensure the views of our members are included in the proposed mandatory scheme for sharing of motor vehicle service and repair data.

Divisional Priorities

Improved affordable training opportunities and industry career information for graduating school students, remain major priorities for the industry.

Education on the value of the automotive industry, and the work of repairers, to consumers, is a constant topic.

The lack of experienced and competent trades people is an ongoing issue. The MTA Queensland's appointment as an Industry Skills Advisor gives us direct input on industry needs.

Progressing the Right to Repair reforms to a mandatory scheme replacing the current ineffective voluntary model.

General

2020/21 will see independent automotive repairers adapting to increasing consumer demands. Consumers are looking not only for value but more information and higher service levels. COVID-19 has put additional strain on many independent repairers with some adopting a discounting structure to attract customers.

As government support and stimulus payments are progressively withdrawn over the next six months consumers will be reducing their discretionary spend. Unfortunately motor vehicle maintenance in a lot of cases falls into this category. The AED members will need to plan a strategy to carry them through the 2020/21 period as the government support will not be guaranteed after 27th September 2020 .

Mark Dodge

Chair
AED



Lawrie Beacham

**Chair
Automotive Parts Recyclers Division
(APRD)**



... it appears we have now had a huge turnaround and many are “snowed under” and need new staff. But we need to be aware that this increase in sales and activity must have profitability built into the equation.

Automotive Parts Recyclers Division

Overview

The industry has been lucky in that it has been able to keep trading through COVID-19. Although initially some reported huge drops in sales, it appears we have now had a huge turnaround and many are “snowed under” and need new staff. But we need to be aware that this increase in sales and activity must have profitability built into the equation. MTA Queensland have been untiring in their efforts to assist us with compliance and good practice. The fact that consumers are overall not using vehicles as much, directly impacts our industry. Some mechanical workshops and panel beaters said they hadn't had a holiday in almost 10 years, so viewed it as a chance, which has also had negative impacts on income. Many will have a tough road ahead and many will thrive. We must be more aware of what our competitors and fellow dismantlers are doing and the innovation evolving, as COVID-19 has been a huge leveller.

Reduction in new car sales assists our industry. The inability of the OEMs and aftermarket to manufacture and distribute assists us. Now is the time to take advantage of this situation by offering OEM second hand parts to industries suffering inventory shortages.

Divisional Activities

Phone hook ups and Zoom meetings are now the norm. As our committee is spread across Queensland in Toowoomba, Brisbane, Cooroy, Hervey Bay and Cairns, this suits us. I also encourage members to participate in meetings by contacting MTA Queensland Member Services.

Divisional Priorities

The unimaginable licence fee increases when the Department of Environment & Science took responsibility from local

government, saw hikes from \$200 to almost \$4,000 and some to around \$10,000 per annum. However, it is the red tape and compliance that is the killer. It appears that this will be the toughest item our industry is to endure and work through in the foreseeable future. It is going to be tough for many to comply but we must remember when the Department met with us they assured us that they were here to assist us work through the legislation. We need to keep them to their word and MTA Queensland staff can supply those contacts if and when required.

It is also a priority to work with MTA Queensland to create innovative ways to repurpose materials to create new markets for supply. This is the only way our products will have increased demand and value in the future.

General

It would be extremely remiss of me if I did not take this opportunity to acknowledge the wonderful work of the entire MTA Queensland staff. They, like us, are operating in a different work environment and have been EXCEPTIONAL in keeping the automotive industry updated and knowledgeable about legislation, available assistance, news, opportunities and other relevant communications in this new operating environment.

Now more than ever a serious SWOT analysis is essential when you do your budgets. See where your opportunities are (and there are many), and work towards new goals by revisiting and adjusting as necessary. Keep striving and ensure you do your best to ensure the world acknowledges the benefits our industry has to offer.

Lawrie Beacham
Chair
APRD



Peter Dever

**Chair
Automotive Remarketing Division
(ARD)**



The total number of used car sales in Queensland for the six months to 30 June 2020 was 206,594 which is an increase of 10,687 vehicles sold compared to the previous year's 195,907.

Automotive Remarketing Division

Overview

It has been a year of unprecedented challenges following COVID-19, where our sector has gone from grinding to a halt, to used car stock drying up, to record sales in the space of a few months!

Divisional Activity

The Takata air bag recall continued to be an issue for our sector this year. The continued expansion of the makes and models effected by the recall coupled with the requirement for replacements, has kept this issue at the forefront.

A petition to Government, with the support of local member Duncan Pegg MLA, requested granting licensed motor dealers in Queensland access to 3 month registration renewals as is the case in New South Wales and Victoria. The Government response did offer some hope that it may be able to provide it following some administrative changes.

In July a further petition to Government called for action to publish the recommendations of the Review into the Repairable Write Off Scheme and implement them as a matter of urgency. Poorly repaired vehicles continue to be a major safety concern for purchasers and all road users. To date a response is yet to be received.

As Chairman, I am always actively looking for ways to increase our ARD membership but COVID-19 has curtailed our onsite promotions at (members) City Motor Auctions and Central Auto Auctions.

Divisional Priorities

Our divisional priorities for the next twelve months are:

1. Continue to lobby government for:
 - tightening of dealer licence training requirements;

- 3 month registration option for motor dealers; and
 - continuing support of our long term policy position for premises requirements for licences.
2. To further strengthen our relationship with Queensland Transport and the Office of Fair Trading.
 3. Increase divisional member numbers.

General

The total number of used car sales in Queensland for the six months to 30 June 2020 was 206,594 which is an increase of 10,687 vehicles sold compared to the previous year's 195,907. This increase was despite a drop of over 7,300 vehicles in the month of April alone where dealer sales plummeted to 8,062.

The sales split for dealers-to-private was recorded at 79,808 units and private-to-private was 126,785.

These figures are based on used vehicle transfers processed for the state of Queensland.

If you are interested in following this sales data on a monthly basis, please contact Member Services to subscribe. Data available includes price, vehicle type, age, and post code of buyers and sellers.

As Chairman I would like to thank the members who served on our committee this year for their input and assistance in pushing the issues that affect our division.

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

Peter Dever
Chair
ARD



Mark Bryers

Chair
Engine Reconditioners Association
of Queensland (ERAQ)



Repairs and maintenance have skyrocketed, and members spanning metro and regional areas are busier than they have been for years.

Engine Reconditioners Association of Queensland

Overview

At a time when the industry was considered at it's peak for workloads, it continues to increase with government stimulus measures contributing.

Divisional Activities

The committee has met four times this year with discussions central to training, skills shortages and attracting people to the industry. Business engagement with our committee and with the Division generally has been a focus but limited due to COVID-19.

Divisional Priorities

Our industry for the first six months of the year was very stagnant, but since COVID has boomed. Repairs and maintenance have skyrocketed, and members spanning metro and regional areas are busier than they have been for years.

There has been increased discussion on advertising and what is considered 'misleading' versus 'misinterpreted'. Further criteria needs to be formulated on what is considered 'reconditioned' along with consumer education. Some companies are advertising 'reconditioned' engines, but have only had replaced rings. A reconditioned engine, also known as a remanufactured engine, has gone through substantial repair to bring it back to "as-new" enabling it to be used for another full-service life. The engine must be stripped completely, and all parts cleaned thoroughly and tested for damage. The engine is then rebuilt using new gaskets, bearings, pistons and rings as well as machined cylinder head and block faces, often including extensive work such as re-grinding a crank-shaft or re-boring the cylinder block. The engine is then

tested thoroughly for oil pressure and/or water leaks.

The committee will be looking at the Australian Standards for compression ignition and spark ignition engines and review and develop a public position and possible further actions.

The biggest challenges facing our industry include changing technology, lack of qualified staff, lower margins, access to technical information, attracting young people to the industry, and environmental considerations.

Although workshops currently have a large volume of work there is much uncertainty on all supply chains for parts, engines and vehicles.

General

The Competition and Consumer Regulations 2010 are effective from June 2019, requiring mandatory text for warranties against defects which provides more clarity to consumers on their rights to compensation. Most members will provide goods and services, therefore the mandatory text must be included in the warranty.

We welcome all members to our Divisional meetings. The dates are published on the MTA Queensland website. There is an option for teleconference and video conferencing to enable all members to participate. It would be great to see more members at our meetings. I thank those that have attended in the past and my current committee members for their contribution.

Mark Bryers

Chair
ERAQ



Andrea McCarthy

**Chair
National Auto Collision Alliance
(NACA)**



We are currently in a rebuilding phase of the NACA Committee. I encourage you to get involved. This is your opportunity to support and advocate for the industry you feel strongly about.

National Auto Collision Alliance

Overview

The effects of COVID-19 have been various, depending entirely on the region and the main income generated from that region. Mining has not slowed to date and is less affected. Tourism and associated industries continue to face major issues. The easing of restrictions across Queensland has boosted activity with more vehicles on the road.

Divisional Activities

Advancing technology in motor vehicles continues to be a key challenge for the industry with ongoing training required to keep up with the pace.

We are currently in a rebuilding phase of the NACA Committee. I encourage you to get involved. This is your opportunity to support and advocate for the industry you feel strongly about. We currently meet three times per year and the Committee structure comprises of Chair, Vice Chair, Secretary and Committee Members.

Throughout the COVID-19 restrictions we utilised virtual platforms to meet and these will remain in place and are an opportunity to join in from anywhere in the State.

Committee topics included COVID-19 incentives from State and Federal Governments and the impacts felt throughout industry. From the national perspective, Queensland's fall was at a much slower rate than other states. National impact for employees in June was 13% with Queensland at 5%.

Marcello Riotto has been a welcome and ongoing inclusion to our meetings in his role as Industry Skills Advisor. This appointment gives us a direct feedback mechanism to government on the future of our industry.

Divisional Priorities

We are working on ideas to engage industry and insurance stakeholders to agree on a 'minimum standards' for industry. Insurance contracts sometimes present difficulties due to the application process being resource intensive. Our division is proposing the consideration of agreed minimum standards, regardless of other requirements such as shop grading, training or in-house variations of these. These minimum standards should be consistent and form the basis of the initial contract for work with an insurer, manufacturer or other third party. This would also give all stakeholders the opportunity to build out other specific requirements to their contracts.

Engagement from members within our division remains a key priority. This is your industry and an opportunity to have input in its future.

Education remains high on our agenda including:

- educating members on claims, service and how to keep the customer;
- changing consumer perceptions; and
- changing workforce perceptions to showcase our industry as a potential and viable career opportunity for job seekers.

General

Essential to building the industry's future and success is the support for the apprenticeship program.

MTA Queensland's Auto Camp and prevocational programs continue to be excellent pathways for the future workforce and attract individuals toward an automotive career.

Andrea McCarthy
Chair
NACA



Bruce Sommerfeld

Chair
Queensland Farm and Industrial
Machinery Dealers Division
(QFIMDD)



Enquiries for new products were very high in the last quarter and we recorded the best second quarter sales since 1985 and the biggest June sales since 1981.

Queensland Farm and Industrial Machinery Dealers Division

Overview

This year our long-standing chairman David Fraser retired; Queensland and most of the east coast experienced one of the worst droughts in history; huge bush fires raged in the south of our country; then COVID-19 hit.

Sales of new tractors and equipment were at an all-time low for the first six months with many manufacturers reviewing stock levels/stock on order coming to Australia. Dealers were very nervous about stock levels of both new and used tractors and equipment. In January/February some drought affected areas received very good rain bringing confidence to farmers. Cattle prices started to climb and sales of tractors and equipment were increasing. The Government had introduced the Instant Asset Write Off which also boosted sales.

In mid- March we were hit with COVID-19 and overseas factories started to close down, extending through to May. These closures will cause a supply shortage of products for the end of this year and into 2021.

Enquiries for new products were very high in the last quarter and we recorded the best second quarter sales since 1985 and the biggest June sales since 1981. Sales of tractors for the financial year totalled 12,230 units up 8% on last year. Hay balers had a big rise of 15%, with sales of 1,021 units attributed to the need for feed during the drought. Only 559 combines were sold, a drop of 24% due to the ongoing effects of years of drought. With the huge increase in sales in the last quarter of the year, we have seen the high levels of aged inventory from both manufacturers and dealers start to evaporate.

Divisional Activities

- Office of Fair Trade have been invited to attend a division meeting to address compliancing.
- Lobbying the Government to support machinery dealers in drought declared areas by removing stamp duty on vehicle rego and insurance, pay roll tax, etc.
- As per our submission to government, we recommended that Australia's small business sector would benefit substantially from a Small Business Management Deposit Scheme (SBMDS), which would operate similarly to the successful Farm Management Deposit Scheme. The SBMDS would enable eligible small businesses to defer taxation on eligible deposits from high income periods to create reserves for business growth and expansion; protection from natural disasters; hedge against adverse market conditions; manage business cycles; and taxation.

Divisional Priorities

- Support the industry and members.
- Push the Government to keep JobSeeker and JobKeeper packages available to farm machinery dealers until at least the end of 2020 due to supply chain issues and seasonal conditions.

General

Trading during the last six months of the year saved a lot of businesses from potential failure. Overall it was a good year, despite the many challenges the agricultural industry faced.

Bruce Sommerfeld

Chair
QFIMDD



Paul Peterson

Chair
Queensland Motorcycle Industry
Division (QMID)



The motorcycle industry is currently experiencing high sales with country areas booming and metro figures climbing. However, the large manufacturers are predicting that this increase will be short lived . . .

Queensland Motorcycle Industry Division

Overview

2020 has proven to be a challenging and unprecedented time for our industry, requiring us to be adaptable, flexible, and steadfast in our approach to running our businesses. It has been a time of tremendous uncertainty on all levels from the dealership floor to the manufacturers overseas. With a slow start to the year and off the back of a long drought, bike sales across the State were at a seven year low and were tracking on a downward trend. The industry witnessed a dip of approximately 9% in sales in the first three months of the year, which then turned to high sales for April, May and June. The quarter ending 30 June 2020 was the biggest on record for a lot of the manufacturers and dealers across the State. End of year resulted in an increase from the 18/19 year by approximately 11.5%. This growth was evident across all sectors of the market including farm, off road, scooter, road and 'fun' (kids) making it a bumper end to a turbulent financial year.

Divisional Activities

- Licence review into cost and terms - looking at the New South Wales and Victorian models
- Clothing requirements and grading
- Continued discussions re ATV and "ROPS"
- Fight for the ATV

Divisional Priorities

- Rejuvenation of the 'fun' motorcycle market
- Improving licencing costs and ease of attainment
- Market viability in uncertain times

General

It is very hard to predict what the next twelve months will bring as Federal and State stimulus packages, and early withdrawal of superannuation, subsidies. Only time will tell how this impacts our sales. The motorcycle industry is currently experiencing high sales with country areas booming and metro figures climbing. However, the large manufacturers are predicting that this increase will be short lived and could be followed by a substantial reduction in sales in the 2020/21 year, mostly due to supply chain issues from overseas. Honda MPE are predicting that the 2020/21 year could potentially experience a downturn in sales of up to 25% and are warning dealers to be prepared.

The motorcycle industry like others is facing skills shortages with a lack of trained parts and sales staff and mechanics. There is also a significant lack of appeal to enter the industry resulting in limited skills of job applicants.

Like most other divisions we talk about ways we can increase engagement with members. The increased activity and relevant content across our digital platforms is most helpful and I encourage other members to engage with MTA Queensland platforms. Members need to ensure they are also adopting and utilising digital platforms to increase their online presence and reach to potential customers. Furthermore, the industry is changing at a rapid pace and our members need to be looking at opportunities and making the necessary changes to ensure ongoing profitability and relevance.

Paul Peterson
Chair
QMID



Grant Harrison

Chair
Rental Vehicle Industry Division
(RVID)



A recent upside has been the recovery of the second-hand car market that appears to be driven by \$10,000 superannuation withdrawals. This has allowed fleets to adjust their size and sell assets without loss.

Rental Vehicle Industry Division

Overview

Retrospectively FY20 has been a memorable year in the rental industry, albeit mostly for the wrong reasons. Trading conditions in the first two quarters remain mixed depending on locations and the markets that are being serviced. Statistics provided by Tourism and Events Queensland show a mild annual increase in patronage and expenditure for the year ending March 2020 up 0.2% and 0.7% respectively. This is despite drops in overnight visitations of 1.7% on the Gold Coast and 14.3% in the Whitsundays mostly as a result of the decline international travellers. Post February and March as a result of border closures and flight reductions/cancellations, tourism went into freefall resulting in most airside, leisure and tourism focused rental providers having an extensive amount of surplus unutilised rental assets.

Rental providers in regional areas were also impacted by border closures with air access limited in some of the key Queensland mining and energy areas. Although some regions have fared better than others, the reduction in global manufacturing has dropped prices for coal and gas and therefore their expenditure.

A recent upside has been the recovery of the second-hand car market that appears to be driven by \$10,000 superannuation withdrawals. This has allowed fleets to adjust their size and sell assets without loss.

Overall RVID members experienced a difficult end to the financial year, made worse by the inability to plan for the future with traditional seasonal trends now no longer a good predictor. The rhetoric around extended border closures does not provide comfort or clarity for the industry trying to forecast capital expenditure versus demand, particularly as we lead into Christmas and New Year.

Divisional Activities

The committee resolved to work more closely with other divisions to assist gaining a better overview of the motor vehicle market direction and indicators, starting with NACA but this was postponed due to NACA committee changes.

Divisional Priorities

Our priorities are to provide continued relevant information and support to our industry members as we navigate the unknown. I strongly encourage our members to provide input to the RVID and MTA Queensland on the type of assistance, information and support you need.

General

This has been a challenging year in the rental industry and as we evolve, it becomes more about mobility and disruption with e-bikes, e-scooters, rideshare, carshare, aggregator websites and apps all part of the daily challenge. I hold grave concerns about the medium and long viability of some rental businesses as margins continue to be reduced and entire markets evaporate, as a result of circumstances beyond their control. I hope that FY21's RVID report is more of a positive reflection.

I would like to thank the RVID committee for their time and contributions over the past year. I would like to thank MTA Queensland for the support they have provided to both myself and the industry over the past 12 months. The team have provided regular, quality content on both federal and state-based initiatives, support and information for industry.

Grant Harrison

Chair
RVID



Tim Kane

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



An oversupply in global oil markets, compounded by deteriorating demand due to COVID-19, caused oil prices to fall sharply in the second half of the year.

Service Station and Convenience Store Association of Queensland

Overview

During the last year petrol prices had not been as low since 2004. At the same time service station owners experienced a huge fall in demand as the public self-isolated and worked from home. In some tourist areas petrol turnover plunged 60% to 70%. An oversupply in global oil markets, compounded by deteriorating demand due to COVID-19, caused oil prices to fall sharply in the second half of the year. This fall flowed through the supply chain, causing a steep decline in retail fuel prices. Some business owners were struggling with cash flow and many had to take out bridging loans for expenses while waiting for JobKeeper payments. With the introduction of JobKeeper and the doubling of JobSeeker, operators have had trouble filling casual positions.

A game changer in the market came last month as Chevron announced it would spend \$425 million to buy Puma Energy, which currently has 360 sites throughout Australia and includes their fuel distributorships and import terminals. This will create some uncertainty on the retail fuel landscape in both Queensland and across Australia.

Caltex began buying back franchises, transferring them to company operations which also impacts our membership.

New Service Stations

Service stations continue being built at a frantic pace in Queensland, even though the demand for them does not appear justified in the current and forecasted economic environment.

Divisional Activities

SSCSAQ sought clarification from the Department of Natural Resources, Mines and Energy on reporting requirements for

the biofuel mandate and the exemption process including timeframes. Also sought was an update on the outcomes and recommendations of the review from July 2019.

Divisional Priorities

SSCSAQ continue to lobby the Queensland government and opposition on the biofuels mandate urging consideration to move investment and resourcing to sustainable and viable alternative and emerging energy sources.

SSCSAAQ will develop a fuel price position statement to be featured on the MTA Queensland website for media and general inquiries relating to fuel pricing.

General

The increasing popularity of electric vehicles represents a long-term threat to the fuel retailing industry. According to the Electric Vehicle Council, over 6,700 electric vehicles were sold in Australia in 2019, representing a 200% increase on the previous year. The number of charging stations increased 64% from 2017 to 2018. In 2019, the Federal Government announced it would release an electric vehicle strategy in 2020 meaning operators will need to adopt charging stations to remain viable.

The National Measurement Institute inspect up to 3,000 petrol dispensers annually, ensuring litreage dispensed by a bowser matches what the customer pays. These inspections are random and unannounced. The last round of testing reported increased non-compliance of fuel pumps.

Tim Kane
Chair
SSCSAQ



Brad Collett

Chair
Tyre and Undercar Division of
Queensland (TUDQ)



The goal for end-of-life tyre recycling is to transform a whole tyre into useful commodities that can be resold.

Tyre and Undercar Division of Queensland

Overview

Over this year of major change, I would like to thank my committee members for putting their time into our meetings and for their on-going support and dedication to our division. Our main focus has been correct disposal of tyres, end-of-life tyre recycling and warranties on tyres.

Divisional Activities

Many customers trust that their used tyres will be disposed of correctly and many retailers believe they can trust tyre disposal companies to discard their used tyres correctly. However, there have been cases of non-accredited businesses collecting used tyres for money and dumping them incorrectly and illegally. It is imperative that all retailers understand that they are liable until the tyre is disposed of correctly so please ensure your collection company is accredited.

In February 2019 Tyremil Group Pty Ltd was charged with 58 offences from the *Environmental Protection Act* and were convicted and fined \$305,000 with further charges and fines issued in September 2019. This should serve as a reminder for all businesses to only use TSA accredited recyclers and collectors.

A large number of Australia's end-of-life tyres are ending up as landfill, stockpiles, being exported as baled tyres or illegally dumped and only a small proportion are being recycled. The updated Hyder report released in 2015 estimated that 51 million tyres reached their end-of-life in Australia in 2013-14.

The goal for end-of-life tyre recycling is to transform a whole tyre into useful commodities that can be resold. That is what Green Distillation Technologies

Corporation (GDTC) is doing. They have developed a recycling method that produces high quality oil, carbon and steel from end-of-life tyres, using an emission free process. MTA Queensland, after visiting the facility in Warren, New South Wales made the decision to invest in GDTC. One GDTC processing plant has the ability to process 19,000 tonnes of end-of-life tyres per annum, turning each standard 10kg tyre into an impressive 4 litres of oil, 4 kilograms of carbon and 2 kilograms of steel.

Divisional Priorities

MTA Queensland and TUDQ are undertaking the development of a 'Standard Universal Warranty Guideline' for Australian consumers which will supersede that of each individual manufacturer, and will be presented to the government for approval and implementation.

There has been an ongoing focus on misleading advertising in the tyre industry where tyres are initially marked-up, then advertised as discounted. This issue has been raised with the Office of Fair Trading and we will continue to monitor and report in this space.

General

Consumers deserve a level of clarity and honesty, so they can feel confident in their purchase - from trusting the product they are purchasing to knowing their used tyres aren't going to pose any health or environmental issues.

Brad Collett

Chair
TUDQ



Kathy Winkcup

General Manager Innovation
MTAiQ



... MTAiQ will continue in its role as a supporter and champion of fresh thinking and new approaches that help members and the wider automotive business community adapt to industry disruption.

Innovation Report

It has been three years since

MTA Queensland established the MTAiQ Innovation Hub, the first such centre of its kind in Australia to focus on the automotive industry.

At its creation, MTAiQ was designed to bring together mentors, investors, coaches, commercial partners and industry experts to collaborate with both start-up businesses and entrepreneurs - as well as established businesses looking to adapt to the changing industry landscape - and help develop, advance and commercialise ideas and products that will be a part of the automotive industry's rapid evolution.

That concept remains, and MTAiQ will continue in its role as a supporter and champion of fresh thinking and new approaches that help members and the wider automotive business community adapt to industry disruption.

In the past year, the MTAiQ and MTA Queensland leadership and team has expanded into the field of research. This is an important step as we look to partner not just with businesses and entrepreneurs looking to commercialise an idea, but consider how all aspects of an emerging, disruptive technology can be moulded - from concept, to development, to regulations of its use - to advance the industry and, in wider context, society's mobility goals.

To this end, in the past year, MTAiQ and MTA Queensland identified 3D printing/additive manufacturing as a clear example of a nascent but proven technology that will have a major impact on the automotive sector.

Late last year, MTA Queensland partnered with the Australian Research Council (ARC) on a five-year project to investigate the benefits of 3D printing for metal-based additive production in

Australia, through a project titled the *ARC training Centre for Multiscale 3D Imaging, Modelling and Manufacturing*.

Through this partnership, MTA Queensland will welcome Sarfraz Ali Kyani - a PhD student from the Queensland University of Technology (QUT) - to work on researching one part of the larger ARC project.

That research will focus on recycling automotive parts for additive manufacturing. It is an important area of research as around 20 per cent of an end-of-life vehicle ends up in landfill and is known as 'automotive shredder residue' (ASR). That is a substantial amount of waste. Investigating whether this ASR can be used as a 3D printing material could lead to a vehicle being almost completely recyclable, open a new commercial opportunity for businesses, and make a significant and positive environmental impact.

Sarfraz's research will investigate, amongst other areas, the current sources/materials of waste in the automotive industry; the feasibility of using ASR materials for additive manufacturing; and carry out testing on manufactured parts.

Partnering with ARC on this project is an exciting development for MTAiQ and MTA Queensland. The benefits 3D printing will bring to the automotive industry are vast and relevant for every business, large or small.

MTA Queensland's resolve to be at the heart of industry innovation, and be influential in the direction it takes, has seen the Association move to make substantial investments in new businesses and we are now investors in the 2mota asset-sharing platform that enables businesses to share resources, and in Green Distillation Technologies Corporation (GDTC) - a company that has developed a technological solution to the problem of end-of-life tyres and which can effectively and profitably recycle those tyres into the saleable commodities of oil, carbon and steel.



The benefits 3D printing will bring to the automotive industry are vast and relevant for every business, large or small.

We continue, of course, to offer our considerable weight of experience and knowledge to MTAiQ clients such as ACE EV and Electric Mobility Solutions (EMoS), both of whom are making great strides in bringing electric vehicles (EVs) and smaller electric mobility solutions to Australia.

The skill and experience of the MTAiQ and Association team continues to be of value to members and the wider industry through the Association's role as one of the five small business industry associations across the country to be part of the federal government's Small Business Digital Champions Project. Through that project, we are tasked with providing advice to members on how they can embrace digital technology to make their businesses more efficient, productive and profitable, and in that role we have delivered workshops on such matters as social media platforms and internet security and offer free advice on technology trends and technology adoption, hardware, software, and other aspects of digital environments.

The reputation of MTAiQ and the MTA Queensland Group is one of a forward-thinking industry group that works diligently and with focus on the issues that matter to its members. Our willingness and enthusiasm to support our industry through the automotive technological revolution

continues to be recognised, and it would be remiss of me not to mention once again that MTA Queensland was last year announced as an ABA100 winner for Business Innovation at The Australian Business Awards – one of several awards for which the Association has been nominated or has won for its work in innovation and for its work in apprenticeship training.

A Final Word

This year, our industry, our economy, our nation, has been dealt a significant blow by the COVID-19 pandemic and the restriction that have been successful (so far) in keeping a major health crisis at bay. But while limits have been placed on our interactions and activity, the automotive landscape has continued to move at a frantic pace.

We all know that electric vehicles, and 'connected' vehicles - that can talk to each other, to infrastructure, and whose software can be updated over the air - are already here and will be here in much greater numbers in the very near future. Self-driving technology is taking decent strides towards full autonomy too, and although an absolute Level 5 self-driving vehicle may be some way off, you only have to consider the wide array of Advanced Driver Assistance Systems (ADAS) technologies that we now see on new cars – from adaptive cruise control to

automatic parking, from blind spot monitors to collision avoidance systems, from driver monitoring to lane change assist systems – to see how quickly things are advancing.

And in just the past few weeks, announcements from the Governor of California that his state will phase out the sale of new petrol-powered cars by 2035, and the UK government reportedly poised to announce it will be moving forward similar plans to kick in by 2030, show how soon such remarkable change will be upon us. We must recognise that Australia, small market that it is and with no homegrown mass production of cars, will have to adapt to the demands of larger markets and the manufacturers' decision to service them. EVs may, one day soon, be our only option.

Whatever happens, MTA Queensland, MTAiQ, and the MTA Institute will work to ensure that Association members and the wider industry have the best shot at adapting to this radical change. That is why we are here.

I thank the talented MTAiQ, MTA Queensland and MTA Institute teams for their tireless work in this very unusual and challenging year and wish Association members a prosperous and productive year ahead.

Kathy Winkcup
General Manager Innovation
MTAiQ Innovation Hub



Paul Kulpa

General Manager
MTA Institute



MTA Institute provided strong training continuity through the COVID-19 pandemic with trainers across Queensland and administration staff accepting the extraordinary challenges posed, maintaining a professional approach to working with employers and apprentices.

MTA Institute Report

In a financial year that has been severely impacted by a global pandemic, the MTA Institute had been committed and proactive to ensure we continued to maintain our position as the leading automotive training provider in Queensland.

MTA Institute provided strong training continuity through the COVID-19 pandemic with trainers across Queensland and administration staff accepting the extraordinary challenges posed, maintaining a professional approach to working with employers and apprentices.

MTA Institute kept in constant communication throughout this period with all stakeholders and supported workplaces that were challenged at this time. Trainers continued their on-site training delivery by taking the appropriate precautions prior to entering and leaving workplace facilities. Administration staff managed their duties accordingly and stepped up to support businesses across the State. In a financial year like none before, it was extremely heartening to see all staff help these businesses and students through this extraordinary time.

MTA Institute continued its digital learning platform transformation with My Profiling, reaching key targets in the following areas.

- Improved user engagement through the My Profiling App for better system interaction for students and supervisors.
- Using analytics to improve service times, for example, highlighting students that had not been seen for some time due to unforeseen circumstances and responding.
- Improved reporting to increase tracking of student and workplace engagements to ensure recording in a timely and accurate manner.

Ongoing monitoring of compliance is a key requirement as a Registered Training

Organisation (RTO) to meet the Australian Skills Quality Authority (ASQA) standards in relation to the Automotive Retail, Service and Repair training package. MTA Institute maintained its strong regulatory compliance with no issues recorded in the financial year. This is underpinned by our Continuous Improvement Committee and industry engagement to maintain contemporary assessment tools and training resources.

MTA Institute maintained its position as the largest automotive independent training provider in Queensland. This was due in large part to our staff consistency and experience, well executed policies and process, and service quality to maintain a consistent, high level of training delivery and professionalism. These are important factors as an RTO responsible for training and skilling almost one-third of the total amount of automotive apprentices in Queensland.

As a result of this hard work, MTA Institute was announced as the Small Training Provider of the Year at the annual Queensland Training Awards held in September 2019. The Queensland Training Awards has been operating for 59 years and recognises individuals and organisations that strive for, and have achieved success, best practice and innovation in VET. The Queensland Training Awards is the epitome of what VET should be and it was incredibly humbling for the MTA Institute to be recognised at such a high level.

Furthermore, MTA Institute Student Outcomes Survey conducted by National Centre for Vocational Education and Research (NCVER) for training during 2018, using data collected mid-2019 highlighted our learners were:

- 93.5% satisfied with the overall quality of their training
- 95.2% would recommend our training



MTA Institute also delivered post apprenticeship programs to allow recently qualified automotive tradespeople to access higher level skill sets.

- 96.2% would recommend us as their training provider
- 97.5% achieved their main reason for doing the training.

These results reconfirmed MTA Institute's position as the number one automotive training provider in Queensland.

Operations

MTA Institute 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 continues to provide advice to government on the automotive industry skilling needs.

MTA Institute understands there is a significant need to attract suitable candidates into industry to ensure the automotive sector has the skilled workforce needed for the future.

However, this will only occur if employers take on apprentices. To assist this process, MTA Institute continued to drive automotive workforce development by:

- Engaging in the MTA Queensland Industry Specialist Mentoring for Australian Apprentices (ISMAA) program. Utilising this program, MTA Institute increased its apprentice retention rates in the first two years of training to improve overall completion rates and support the supply of skilled workers in the automotive industry.
- Promoting the MTA Queensland Auto Camp, which received State Government backing through the Advancing Apprentices Fund to give 14 to 17-year old school students hands-on experience in a range of different automotive skills, from new technology to the principles and maintenance of a vehicle, held during the school holidays.

- Delivering Automotive Vocational Preparation programs to prepare learners for the work required in the automotive industry.

MTA Institute also delivered post apprenticeship programs to allow recently qualified automotive tradespeople to access higher level skill sets. This created a solution to provide additional skills portability for individuals and a larger skills economy for the industry.

We also continued delivering automotive training to international students. MTA Institute once again hosted South Korean students in a high-quality training program to increase their depth of automotive knowledge and transfer these newly acquired skills back home.

Overall, MTA Institute delivered over 70 courses over the 12-month period, including apprentice training days, fee for service courses, high level skills courses, pre-vocational and international programs.

Achievements

MTA Institute achieved excellent results in the financial year and continued to be recognised as a training provider committed to excellence and industry engagement. We worked hard to achieve the following.

- MTA Institute remained on the Queensland State Government's preferred training supplier list and continues to hold contracts for User Choice and the Queensland VET Investment Plan.
- Welcomed over 811 new automotive apprentices across Queensland to begin their trades in the fields of Light Vehicle, Heavy Vehicle, Auto Electrical, Motorcycle, Mobile Plant, Agricultural, Parts Interpreting, Outdoor Power Equipment, Automotive Body Repair & Refinishing and Underbody.
- Offered nationally accredited courses to 42 learners to assist in licensing for Motor Salespersons, Motor Vehicle Dealers, Motor Dealer Wreckers and Motor Wrecker Salespersons.
- Successfully delivered Trade Recognition to 132 learners which involved having their skills and work experience formally assessed against industry and educational requirements to gain a formal trade qualification. This program created value for automotive businesses through developing a qualified workforce and

building individual skills to support their career goals.

- Ongoing professional development for over 46 learners in our non-accredited training products, including vehicle maintenance and welding courses.
- Working with Yourtown and Multilink under the Skilling Queenslanders for Work programs to deliver our automotive pre-vocational program to 53 learners. This provided a comprehensive set of skills to introduce learners to the automotive industry with over half achieving gainful employment.
- Supported Auto Camp, which provided 30 school students hands-on experience in a range of different automotive skills.
- Apprenticeship training is the largest cohort serviced, and we continued to provide ongoing recognition of our automotive apprentices through:
 - Apprentice of the Month nominations, culminating to Apprentice of the Year. Well done to Kimberly Wallace from Morgan Motors in Emerald on winning the 2019 Apprentice of the Year.
 - The only automotive apprentice graduation ceremonies in Queensland. Held in August 2019 & February 2020, this provided a great opportunity to celebrate our apprentices finishing their training.

- Pathways to motorsports via the MTAQ Racing Team.
- Overseas scholarship opportunities for apprentice graduates through the Queensland Automotive Skills Alliance and Queensland Overseas Foundation Industry Partnership Scholarships.

Engagement

MTA Institute'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 the MTA Institute to ensure industry is provided optimum training products and results. Internally and externally, our organisation is committed to engaging in ongoing VET policy reforms, which includes our capacity to implement changes resulting from these reform initiatives.

The communication continued with PwC's Skills for Australia - Automotive Skills Service Organisation, who maintain the Automotive Retail, Service and Repair Training Package, via their Industry Reference Committees (IRC). The IRCs established several Project Working Groups (PWGs) to help ensure training in the automotive sector is meeting industry needs. Participants of the PWGs provide technical advice and subject



MTA Institute achieved excellent results in the financial year and continued to be recognised as a training provider committed to excellence and industry engagement.





The demand for skilled people in the automotive industry will continue to drive the direction of the MTA Institute to ensure industry is provided optimum training products and results.



matter expertise to the IRC to translate into automotive training products. IRCs and PWGs play a critical role in improving and shaping training products to meet the current and future needs of industry and MTA Institute will continue to provide support to these groups.

MTA Institute continues to liaise with Jobs Queensland and the Department of Employment, Small Business and Training (DESBT) to inform them of current training challenges and industry requirements, also highlighting future workforce needs to support industry and the Queensland economy. MTA Institute also attends Training Reference Groups throughout the State in support of regional training agendas.

MTA Institute supported the MTA Queensland Industry Skills Advisory (ISA) role. The ISA role provides the DESBT with:

- Effective and comprehensive stakeholder engagement for the automotive industry.
- Well informed industry advice on training investment settings.
- Processes to ensure quality in VET.
- Engagement and informed contribution to National Training Products.
- Promotion of the DESBT's programs and initiatives.

MTA Institute continues to promote itself as the automotive training provider

of choice. Our continued presence is underpinned by ongoing engagement with Australian Apprentice Support Networks (ASSN), Employers, including Group Training Organisations (GTO), and with State and Federal Government.

Quality

MTA Institute maintains an understanding of risk and risk management at a Board, organisational and operational level. Through our Continuous Improvement Committee, we maintain a register of identified risks and discuss improvement strategies to minimise any risks within our procedures and policies. This ensures we have processes in place to monitor quality assurance and compliance checks.

We undertook internal and external audits throughout the financial year and satisfaction surveys to ensure our business processes are maintained and our strong training brand preserved.

MTA Institute completed its five-year Assessment Tool validation plan where all our training products were reviewed, and feedback provided to improve these products.

Our Annual Trainers Meeting in December 2019 focussed on three agenda items to underpin our quality:

- Validation and Moderation of assessment tools.
- Technical Professional Development.

- Administration – Increasing the benefits of information technology.

MTA Institute's capability to deliver high quality training would not be possible without the dedication of the management group, our trainers and admin staff. I would especially like to acknowledge Derrick Pratt, who won our 2019 MTA Institute Trainer of the Year.

Governance

The Board of Directors ensure the strategic plan and corporate governance of MTA Institute is aligned with the Association's expectations. The Board of Directors over the 2019/20 financial year consisted of:

- Rod Camm – Chair
- Professor Michael Milford – Director
- Paul Peterson - Director
- James Robertson - Director

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

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

Paul Kulpa
General Manager
MTA Institute



Motor Trades Association of Queensland Financial Report

Financial Report For the year ended 30th June 2020



Kathy Winkcup

Chief Financial Officer
MTA Queensland

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Auditor's Report



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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 and its subsidiary (the reporting unit), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2020, notes to the consolidated financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration 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 2020 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

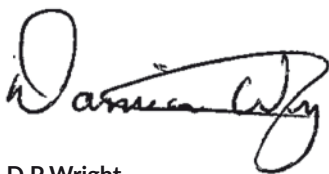
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, D P Wright, declare that I am a registered auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 17 September 2020

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

Report required under subsection 255(2A)

For the year ended 30th June 2020

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30th June 2020.

CATEGORIES OF EXPENDITURES	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses – employees	6,800,422	6,752,199
Advertising	93,552	101,914
Operating costs	2,009,983	2,122,281
Donations to political parties	–	–
Legal costs	47,469	28,333



James Robertson
Secretary

Dated: 17th September 2020

Operating Report

For the year ended 30th June 2020

The committee of management presents its operating report on the reporting unit for the year ended 30th June 2020.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

- (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 year ending 30 June 2020.
- (d) The federal reporting unit has achieved satisfactory results from the above activities.

Significant changes in financial affairs

There was no significant change to the financial activities of the federal reporting unit for the financial year ended on 30th June 2020.

Right of members to resign

- (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.

"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."

Number of members

The number of members recorded on the register of members as at 30th June 2020 was 1,405.

Operating Report continued

For the year ended 30th June 2020

Number of employees

The federal reporting unit had 64 employees as at 30th June 2020.

Names of committee of management members and period positions held during the financial year

For the year of 1st July 2019 to 30th June 2020 the federal reporting unit's Committee of Management comprised of the following persons:

Name of officer	Position	Period
Paul John Peterson	Board Member MTAQ Chairman MTAQ Chairman Qld Motorcycle Industry Division	1 July 2019 to 30 June 2020
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2019 to 30 June 2020
James William George Robertson	Board Member MTAQ Secretary MTAQ Central District Representative	1 July 2019 to 30 June 2020
David Keith Fraser	Board Member MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2019 to 15 November 2019
Bruce Sommerfeld	Board Member MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	15 November 2019 to 30 June 2020
Benjamin Russell Chesterfield	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2019 to 18th July 2019
Andrea McCarthy	Board Member MTAQ Chairman National Auto Collision Alliance	21 May 2020 to 30 June 2020
Mark Billingsley	Board Member MTAQ North Qld District Representative	1 July 2019 to 30 June 2020
Brad Collett	Board Member MTAQ Chairman Tyre and Undercar Division	1 July 2019 to 30 June 2020
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2019 to 30 June 2020
James Sturges	Board Member MTAQ Chairman Australian Automotive Dealers Association Qld	1 July 2019 to 15 November 2019
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2019 to 30 June 2020
Peter Dever	Board Member MTAQ Chairman Automotive Remarketing Division	1 July 2019 to 30 June 2020
Grant Harrison	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2019 to 30 June 2020
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2019 to 30 June 2020

Names of Directors of MTA Institute of Technology Pty Ltd and period positions held during the financial year

For the year of 1st July 2019 to 30th June 2020 Board of Directors of MTA Institute of Technology Pty Ltd comprised of the following persons:

Name of officer	Position	Period
Rodney Camm	Director - Chairman	1 July 2019 to 30 June 2020
Paul John Peterson	Director	1 July 2019 to 30 June 2020
Michael Milford	Director	1 July 2019 to 30 June 2020
James William George Robertson	Director	1 July 2019 to 30 June 2020



James Robertson
Secretary

Dated: 17th September 2020

Committee of Management Statement

For the year ended 30th June 2020

On 17 /09/2020 the MTA Queensland Board of the *Motor Trades Association of Queensland Industrial Organisation of Employers* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2020:

The MTA Queensland Board of the *Motor Trades Association of Queensland Industrial Organisation of Employers* 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 year 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 year to which the GPFR relates and since the end of that year:
 - 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 Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.



Paul Peterson
Chairman

17th September 2020 Brisbane



James Robertson
Secretary

17th September 2020 Brisbane

Consolidated Statement of Profit or Loss and Comprehensive Income

For the year ended 30th June 2020

		Consolidated	
	Notes	2020 \$	2019 \$
REVENUE			
Membership subscription*		1,096,382	1,118,112
Training		7,976,103	7,118,369
Other sales of goods or services to members		151,921	169,700
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS		9,224,406	8,406,181
INCOME FOR FURTHERING OBJECTIVES			
Grants and/or donations*	3A	1,175,837	967,642
TOTAL INCOME FOR FURTHERING OBJECTIVES		1,175,837	967,642
OTHER INCOME			
Investment income	3B	196,302	210,158
Rental revenue	3C	9,532	25,746
Net gains from sale of assets	3D	500	27,633
Other revenue		700,590	681,576
Total other income		906,924	945,113
TOTAL INCOME		11,307,167	10,318,936
EXPENSES			
Employee expenses	4A	(6,800,422)	(6,752,199)
Administration expenses	4B	(1,358,351)	(1,452,121)
Grants or donations	4C	(3,263)	(3,284)
Depreciation and amortisation	4D	(671,445)	(468,732)
Finance costs	4E	(14,710)	(6,029)
Legal costs	4F	(47,469)	(28,333)
Audit fees	14	(47,030)	(42,984)
Insurance		(78,794)	(67,984)
Motor Vehicle		(189,753)	(285,232)
Cost of goods sold		(426,344)	(372,590)
TOTAL EXPENSES		(9,637,581)	(9,479,488)
SURPLUS (DEFICIT) FOR THE YEAR		1,669,586	839,447
OTHER COMPREHENSIVE INCOME			
Items that will be subsequently reclassified to profit or loss			
Gain/(loss) on available for sale investments		(3,452)	(23,734)
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	5,327,393
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,452)	5,303,659

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

Consolidated Statement of Financial Position

As at 30th June 2020

		Consolidated	
	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	5,712,561	6,037,075
Trade and other receivables*	5B	1,726,842	1,765,846
Inventory	5C	47,954	48,571
Other current assets	5D	178,423	152,802
Total current assets		7,665,780	8,004,294
Non-current Assets			
Land and buildings	6A	12,631,250	12,900,000
Plant and equipment	6B	886,696	748,103
Intangibles	6C	65,952	105,615
Right-of-use assets	6D	308,566	-
Other non-current assets	6E	4,037,229	2,256,682
Total non-current assets		17,929,693	16,010,400
TOTAL ASSETS		25,595,473	24,014,694
LIABILITIES			
Current Liabilities			
Trade payables*	7A	695,621	643,050
Other payables*	7B	1,276,726	1,791,045
Employee provisions	8A	805,200	783,009
Lease liabilities	6D	137,290	-
Total current liabilities		2,914,837	3,217,104
Non-current Liabilities			
Employee provisions	8A	172,026	115,249
Lease liabilities	6D	160,135	-
Total non-current liabilities		332,161	115,249
TOTAL LIABILITIES		3,246,998	3,332,353
NET ASSETS		22,348,475	20,682,341
EQUITY			
General funds	10A	286,530	289,982
Reserves	10A	5,327,393	5,327,393
Retained earnings (accumulated deficit)		16,734,552	15,064,966
TOTAL EQUITY		22,348,475	20,682,341

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

Consolidated Statement of Changes In Equity

For the year ended 30th June 2020

	Notes	General Funds/ Reserves \$	Consolidated Retained earnings \$	Total equity \$
Balance as at 1 July 2018		313,716	14,225,519	14,539,235
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	839,447	839,447
Other comprehensive income		(23,734)	-	(23,734)
Transfer to/from reserves		5,327,393	-	5,327,393
CLOSING BALANCE AS AT 30 JUNE 2019		5,617,375	15,064,966	20,682,341
Surplus / (deficit)		-	1,669,586	1,669,586
Other comprehensive income		(3,452)	-	(3,452)
Transfer to/from reserves	10A	-	-	-
CLOSING BALANCE AS AT 30 JUNE 2020		5,613,923	16,734,552	22,348,475

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

Consolidated Statement of Cash Flows

For the year ended 30th June 2020

		Consolidated	
	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		10,385,830	10,424,651
Donations and grants		1,175,837	967,642
Interest		120,635	118,633
Dividends		75,667	91,525
Other		-	-
Cash used			
Suppliers and Employees		(9,771,008)	(9,612,379)
Interest payments		(14,710)	(6,029)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	11A	1,972,251	1,984,043
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investments		1,235,186	1,092,483
Proceeds from sale of plant and equipment		-	43,636
Cash used			
Purchase of plant and equipment		(387,573)	(219,557)
Payment for investments		(3,019,185)	(1,424,482)
NET CASH FROM (USED BY) INVESTING ACTIVITIES		(2,171,572)	(507,920)
FINANCIING ACTIVITES			
Cash used			
Repayment of lease liabilities		(125,193)	-
Net cash from (used by) financing activities		(125,193)	-
Net increase (decrease) in cash held		(324,514)	1,476,123
Cash & cash equivalents at the beginning of the reporting period		6,037,075	4,560,952
CASH & CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	5,712,561	6,037,075

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





“
TODAY I'M DOING
SOMETHING
DIGITAL
”
James Orr
MTA, Connecticut

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For the year ended 30th June 2020

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Notes to the Financial Statements

For the year ended 30th June 2020

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 is a not-for-profit entity.

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 Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Motor Trades Association of Queensland Industrial Organisation of Employers) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiary of the Motor Trades Association of Queensland Industrial Organisation of Employers

- MTA Institute of Technology Pty Ltd
- Motor Trades Association of Queensland Ltd
- MTAQ Management Pty Ltd
- MTA Global Pty Ltd
- MTAQ Trust

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

1.3 Comparative amounts

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB117 Leases

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

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Motor Trades Association of Queensland Industrial Organisation of Employers. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Motor Trades Association of Queensland Industrial Organisation of Employers adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. The comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Motor Trades Association of Queensland Industrial Organisation of Employers financial statements

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the [reporting unit] is the lessor.

Notes to the Financial Statements continued

For the year ended 30th June 2020

1.4 New Australian Accounting Standards continued

Motor Trades Association of Queensland Industrial Organisation of Employers has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Motor Trades Association of Queensland Industrial Organisation of Employers has lease contracts for various items of vehicles and other equipment. Before the adoption of AASB 16, Motor Trades Association of Queensland Industrial Organisation of Employers classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, Motor Trades Association of Queensland Industrial Organisation of Employers applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.9 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by Motor Trades Association of Queensland Industrial Organisation of Employers.

Leases previously accounted for as operating leases

Motor Trades Association of Queensland Industrial Organisation of Employers recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Motor Trades Association of Queensland Industrial Organisation of Employers also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 July 2019:

- Right-of-use assets of \$422,618 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of \$Nil that were reclassified from property, plant and equipment.
- Additional lease liabilities of \$422,618 (included in lease liabilities) were recognised.
- Prepayments of \$Nil and trade and other payables of \$Nil related to previous operating leases were derecognised.
- The net effect of these adjustments had been adjusted to retained earnings \$Nil

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Motor Trades Association of Queensland Industrial Organisation of Employers include.

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Adoption of this amendment is not expected to have a material impact on the statement of financial position.

1.5 Acquisition of assets and or liabilities that do not constitute a business combination

Motor Trades Association of Queensland Industrial Organisation of Employers did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.6 Revenue

The Motor Trades Association of Queensland Industrial Organisation of Employers enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Motor Trades Association of Queensland Industrial Organisation of Employers has a contract with a customer, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises revenue when or as it transfers control of goods or services to the customer. The Motor Trades Association of Queensland Industrial Organisation of Employers accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Motor Trades Association of Queensland Industrial Organisation of Employers.

If there is only one distinct membership service promised in the arrangement, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Motor Trades Association of Queensland Industrial Organisation of Employers promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Motor Trades Association of Queensland Industrial Organisation of Employers allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Motor Trades Association of Queensland Industrial Organisation of Employers charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Motor Trades Association of Queensland Industrial Organisation of Employers recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Motor Trades Association of Queensland Industrial Organisation of Employers has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Motor Trades Association of Queensland Industrial Organisation of Employers at their standalone selling price, the Motor Trades Association of Queensland Industrial Organisation of Employers accounts for those sales as a separate contract with a customer.

Notes to the Financial Statements continued

For the year ended 30th June 2020

1.6 Revenue continued

Capitation fees

Where the Motor Trades Association of Queensland Industrial Organisation of Employers arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises the capitation fees promised under that arrangement when or as it transfers the goods or service.

In circumstances where the criteria for a contract with a customer are not met, the Motor Trades Association of Queensland Industrial Organisation of Employers will recognise capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Motor Trades Association of Queensland Industrial Organisation of Employers transfers the goods or service.

In circumstances where the criteria for a contract with a customer are not met, the Motor Trades Association of Queensland Industrial Organisation of Employers will recognise levies as income upon receipt.

Income of the Motor Trades Association of Queensland Industrial Organisation of Employers as a Not-for-Profit Entity

Consideration is received by the Motor Trades Association of Queensland Industrial Organisation of Employers to enable the entity to further its objectives. The Motor Trades Association of Queensland Industrial Organisation of Employers recognises each of these amounts of consideration as income when the consideration is received (which is when the Motor Trades Association of Queensland Industrial Organisation of Employers obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Motor Trades Association of Queensland Industrial Organisation of Employers recognition of the cash contribution does not give to any related liabilities.

During the year, Motor Trades Association of Queensland Industrial Organisation of Employers received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

Income recognised from transfers

Where, as part of an enforceable agreement, the Motor Trades Association of Queensland Industrial Organisation of Employers receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Motor Trades Association of Queensland Industrial Organisation of Employers own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Revenue recognition policies applicable to comparatives

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 year 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 loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave 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 Motor Trades Association of Queensland Industrial Organisation of Employers 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.

1.8 Leases

The Motor Trades Association of Queensland Industrial Organisation of Employers assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Motor Trades Association of Queensland Industrial Organisation of Employers as a lessee

The Motor Trades Association of Queensland Industrial Organisation of Employers applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Motor Trades Association of Queensland Industrial Organisation of Employers recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Financial Statements continued

For the year ended 30th June 2020

1.8 Leases continued

Right-of-use assets

The Motor Trades Association of Queensland Industrial Organisation of Employers recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2020	2019
Plant and equipment	3 to 5 years	3 to 5 years

If ownership of the leased asset transfers to the Motor Trades Association of Queensland Industrial Organisation of Employers at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Motor Trades Association of Queensland Industrial Organisation of Employers and payments of penalties for terminating the lease, if the lease term reflects the Motor Trades Association of Queensland Industrial Organisation of Employers exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Motor Trades Association of Queensland Industrial Organisation of Employers uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.9 Borrowing costs

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

1.10 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.

1.11 Financial instruments

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

1.12 Financial assets

Contract assets and receivables

A contract asset is recognised when the Motor Trades Association of Queensland Industrial Organisation of Employers right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Motor Trades Association of Queensland Industrial Organisation of Employers future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Motor Trades Association of Queensland Industrial Organisation of Employers business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Motor Trades Association of Queensland Industrial Organisation of Employers initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Motor Trades Association of Queensland Industrial Organisation of Employers business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Motor Trades Association of Queensland Industrial Organisation of Employers commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Notes to the Financial Statements continued

For the year ended 30th June 2020

1.12 Financial assets continued

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Motor Trades Association of Queensland Industrial Organisation of Employers has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Motor Trades Association of Queensland Industrial Organisation of Employers has transferred substantially all the risks and rewards of the asset, or
 - b) the Motor Trades Association of Queensland Industrial Organisation of Employers has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Motor Trades Association of Queensland Industrial Organisation of Employers has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Motor Trades Association of Queensland Industrial Organisation of Employers continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Motor Trades Association of Queensland Industrial Organisation of Employers applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Motor Trades Association of Queensland Industrial Organisation of Employers does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Motor Trades Association of Queensland Industrial Organisation of Employers has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.13 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Motor Trades Association of Queensland Industrial Organisation of Employers financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Motor Trades Association of Queensland Industrial Organisation of Employers transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Motor Trades Association of Queensland Industrial Organisation of Employers performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Motor Trades Association of Queensland Industrial Organisation of Employers refund liabilities arise from customers' right of return. The liability is measured at the amount the Motor Trades Association of Queensland Industrial Organisation of Employers ultimately expects it will have to return to the customer. The Motor Trades Association of Queensland Industrial Organisation of Employers updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.15 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.

Notes to the Financial Statements continued

For the year ended 30th June 2020

1.16 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:

	2020	2019
Land & buildings	40 years	40 years
Plant and equipment	2 to 7 years	2 to 7 years
Motor Vehicles	3 years	3 years
Leased Assets	5 years	5 years
Fixture and Fittings	5 years	5 years

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.

1.17 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Motor Trades Association of Queensland Industrial Organisation of Employers intangible assets are:

	2020	2019
Intangibles	1 to 3 years	1 to 3 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.18 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.

1.19 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 year 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.

1.20 Taxation

The 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.

1.21 Fair value measurement

The Motor Trades Association of Queensland Industrial Organisation of Employers measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, 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

Notes to the Financial Statements continued

For the year ended 30th June 2020

1.21 Fair value measurement continued

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.

1.22 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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Motor Trades Association of Queensland Industrial Organisation of Employers is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Motor Trades Association of Queensland Industrial Organisation of Employers. There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Motor Trades Association of Queensland Industrial Organisation of Employers, the results of those operations, or the state of affairs of the Motor Trades Association of Queensland Industrial Organisation of Employers in subsequent financial periods.

NOTE 3: REVENUE AND INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of the Motor Trades Association of Queensland Industrial Organisation of Employers revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer	Consolidated	
	2020 \$	2019 \$
Members	1,096,382	1,118,112
Other reporting units	-	-
Government	7,976,103	7,118,369
Other parties	151,921	169,700
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	9,224,406	8,406,181

NOTE 3A: GRANTS OR DONATIONS*

Grants	1,175,837	967,642
Donations	-	-
TOTAL GRANTS OR DONATIONS	1,175,837	967,642

NOTE 3B: INVESTMENT INCOME

Interest		
Deposits	120,635	118,633
Dividends	75,667	91,525
TOTAL INVESTMENT INCOME	196,302	210,158

NOTE 3C: RENTAL REVENUE

Properties	9,532	25,746
TOTAL RENTAL REVENUE	9,532	25,746

NOTE 3D: NET GAINS FROM SALE OF ASSETS

Plant and equipment	500	27,633
Intangibles	-	-
TOTAL NET GAIN FROM SALE OF ASSETS	500	27,633

Notes to the Financial Statements continued

For the year ended 30th June 2020

NOTE 4: EXPENSES

	Consolidated	
	2020	2019
	\$	\$
NOTE 4A: EMPLOYEE EXPENSES*		
Holders of office		
Wages and salaries	1,104,470	980,184
Superannuation	76,641	84,826
Leave and other entitlements	40,071	24,886
Separation and redundancies	-	-
Other employee expenses	27,974	22,955
Subtotal employee expenses holders of office	1,249,156	1,112,851
Employees other than office holders:		
Wages and salaries	4,995,366	5,085,780
Superannuation	431,720	430,056
Leave and other entitlements	38,895	76,047
Separation and redundancies	-	-
Other employee expenses	85,285	47,465
Subtotal employee expenses employees other than office holders	5,551,266	5,639,348
TOTAL EMPLOYEE EXPENSES	6,800,422	6,752,199

NOTE 4B ADMINISTRATION EXPENSES

Conference and meeting expenses*	2,857	4,611
Contractors/consultants	239,499	267,763
Property expenses	214,127	215,516
Office expenses	285,240	292,864
Information communications technology	251,408	211,939
Other	365,220	459,428
TOTAL ADMINISTRATION EXPENSE	1,358,351	1,452,121

NOTE 4C: GRANTS OR DONATIONS*

Grants

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

	Consolidated	
	2020	2019
	\$	\$
Donations		
Total expensed that were \$1,000 or less	3,263	3,284
Total expensed that exceeded \$1,000	-	-
TOTAL GRANTS OR DONATIONS	3,263	3,284

NOTE 4D: DEPRECIATION AND AMORTISATION

Depreciation		
Land & buildings	268,750	187,030
Property, plant and equipment	248,981	247,701
Leases	114,052	-
Total depreciation	631,783	434,731
Amortisation		
Intangibles	39,662	34,001
TOTAL AMORTISATION	39,662	34,001
TOTAL DEPRECIATION AND AMORTISATION	671,445	468,732

NOTE 4E: FINANCE COSTS

Overdrafts/loans	14,710	6,029
TOTAL FINANCE COSTS	14,710	6,029

NOTE 4F: LEGAL COSTS*

Litigation	-	-
Other legal costs	47,469	28,333
TOTAL LEGAL COSTS	47,469	28,333

NOTE 5: CURRENT ASSETS

NOTE 5A: CASH AND CASH EQUIVALENTS

Cash at bank	822,552	859,626
Cash on hand	700	700
Short term deposits	4,889,309	5,176,749
TOTAL CASH AND CASH EQUIVALENTS	5,712,561	6,037,075

Notes to the Financial Statements continued

For the year ended 30th June 2020

	Consolidated	
	2020 \$	2019 \$
NOTE 5B: TRADE AND OTHER RECEIVABLES		
Receivables from other reporting unit*	-	-
Trade Receivables	1,056,460	1,162,623
TOTAL RECEIVABLES	1,056,460	1,162,623
Less allowance for expected credit losses*		
Receivables from other reporting unit*	-	-
Trade Receivables	(26,494)	(25,502)
Total allowance for expected credit losses	(26,494)	(25,502)
TOTAL NET TRADE AND OTHER RECEIVABLES	1,029,966	1,137,121
Other receivables		
Other	696,876	628,725
Total other receivables	696,876	628,725
TOTAL TRADE AND OTHER RECEIVABLES (NET)	1,726,842	1,765,846
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
At 1 July	(25,502)	(31,594)
Provision for expected credit losses	(3,049)	-
Write-off	2,057	6,092
AT 30 JUNE	(26,494)	(25,502)
NOTE 5C: INVENTORY		
Current		
Inventory	47,954	48,571
TOTAL CURRENT INVENTORIES	47,954	48,571
NOTE 5D: OTHER CURRENT ASSETS		
Prepayments	178,423	152,802
TOTAL OTHER CURRENT ASSETS	178,423	152,802

NOTE 6: NON-CURRENT ASSETS

	Consolidated	
	2020 \$	2019 \$
NOTE 6A: LAND AND BUILDINGS		
Land and buildings		
Fair value	12,900,000	12,900,000
Accumulated depreciation	(268,750)	-
TOTAL LAND AND BUILDINGS	12,631,250	12,900,000
Reconciliation of opening and closing balances of land and buildings		
As at 1 July		
Gross book value	12,900,000	8,981,209
Accumulated depreciation and impairment	-	(1,221,572)
NET BOOK VALUE 1 JULY	12,900,000	7,759,637
Revaluations	-	5,327,393
Depreciation expense	(268,750)	(187,030)
NET BOOK VALUE 30 JUNE	12,631,250	12,900,000
Net book value as of 30 June represented by:		
Gross book value	12,900,000	13,087,030
Accumulated depreciation and impairment	(268,750)	(187,030)
NET BOOK VALUE 30 JUNE	12,631,250	12,900,000

The revalued land and buildings consist of land \$2,150,000 and buildings \$10,481,250 at Building 8, 2728 Logan Road, Eight Mile Plains Q 4113. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The most recent valuation was obtained on the 30th April 2019. The valuation was adopted by management on 30th June 2019. The valuation was performed by CBRE Valuation Pty Limited an accredited independent valuer (Registered Valuer No.1735).

Significant unobservable valuation input	Range
Value \$ per square meter of Net Lettable Area	\$3,047 - \$6,792

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Notes to the Financial Statements continued

For the year ended 30th June 2020

	Consolidated	
	2020	2019
	\$	\$
NOTE 6B: PLANT AND EQUIPMENT		
Plant and equipment		
At cost	2,471,394	2,206,716
Accumulated depreciation	(1,584,698)	(1,458,613)
TOTAL PLANT AND EQUIPMENT	886,696	748,103
Reconciliation of opening and closing balances of plant and equipment		
As at 1 July		
Gross book value	2,206,716	2,149,324
Accumulated depreciation and impairment	(1,458,613)	(1,289,217)
NET BOOK VALUE 1 JULY	748,103	860,107
Additions	387,717	159,156
Depreciation expense	(248,980)	(247,701)
Disposals	(144)	(23,459)
NET BOOK VALUE 30 JUNE	886,696	748,103
Net book value as of 30 June represented by:		
Gross book value	2,471,394	2,206,716
Accumulated depreciation and impairment	(1,584,698)	(1,458,613)
NET BOOK VALUE 30 JUNE	886,696	748,103
NOTE 6C: INTANGIBLES		
Computer software at cost		
Purchased	235,047	235,047
Accumulated amortisation	(169,095)	(129,432)
TOTAL INTANGIBLES	65,952	105,615

	Consolidated	
	2020	2019
	\$	\$
Reconciliation of opening and closing balances of intangibles		
As at 1 July		
Gross book value	235,047	104,275
Accumulated amortisation and impairment	(129,432)	(48,520)
NET BOOK VALUE 1 JULY	105,615	55,755
Additions	-	83,861
Amortisation	(39,663)	(34,001)
Disposals	-	-
NET BOOK VALUE 30 JUNE	65,952	105,615
Net book value as of 30 June represented by:		
Gross Book value	235,047	235,047
Accumulated amortisation and impairment	(169,095)	(129,432)
NET BOOK VALUE 30 JUNE	65,952	105,615

NOTE 6D: LEASES

Motor Trades Association of Queensland Industrial Organisation of Employer as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Motor vehicles	Printers	Total
	\$	\$	\$
As at 1 July 2019 (restated)	376,970	45,648	422,618
Additions	-	-	-
Depreciation expense	(103,527)	(10,525)	(114,052)
Impairment	-	-	-
Disposal	-	-	-
Other movement	-	-	-
AS AT 30 JUNE 2020	273,443	35,123	308,566

Consolidated

Notes to the Financial Statements continued

For the year ended 30th June 2020

	2020	2019
	\$	\$
NOTE 6D: LEASES continued		
Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:		
		Restated
As at 1 July	422,618	-
Additions	-	-
Accretion of interest	(9,420)	-
Payments	(115,773)	-
As at 30 June 2020	297,425	-
Current	137,290	-
Non-current	160,135	-

The maturity analysis of lease liabilities is disclosed in Note 15D.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	114,052	-
Interest expense on lease liabilities	9,420	-
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
TOTAL AMOUNT RECOGNISED IN PROFIT OR LOSS	123,472	-

For the year ended 30th June 2020, the Motor Trades Association of Queensland Industrial Organisation of Employers made fixed rental payments of \$115,773.

NOTE 6E: OTHER NON-CURRENT ASSETS

Investments	4,037,229	2,256,682
TOTAL OTHER NON-CURRENT ASSETS	4,037,229	2,256,682

NOTE 7: CURRENT LIABILITIES

	Consolidated	
	2020	2019
	\$	\$
NOTE 7A: TRADE PAYABLES		
Trade creditors and accruals	695,621	643,050
Operating lease rentals	-	-
Subtotal trade creditors	695,621	643,050
TOTAL TRADE PAYABLES	695,621	643,050

Settlement is usually made within 30 days.

NOTE 7B: OTHER PAYABLES

Wages and salaries	9,280	6,370
Superannuation	41,515	1,520
Prepayments received/unearned revenue	1,062,561	1,644,266
GST payable	57,952	62,378
Other	105,418	76,511
TOTAL OTHER PAYABLES	1,276,726	1,791,045

Total other payables are expected to be settled in:

No more than 12 months	1,276,726	1,791,045
More than 12 months	-	-
TOTAL OTHER PAYABLES	1,276,726	1,791,045

NOTE 8: PROVISIONS

NOTE 8A: EMPLOYEE PROVISIONS*

Office holders:

Annual leave	113,358	88,160
Long service leave	109,873	89,000
Subtotal employee provisions—office holders	223,231	177,160

Employees other than office holders:

Annual leave	316,231	288,601
Long service leave	437,764	432,497
Subtotal employee provisions—employees other than office holders	753,995	721,098

TOTAL EMPLOYEE PROVISIONS	977,226	898,258
Current	805,200	783,009
Non-current	172,026	115,249
TOTAL EMPLOYEE PROVISIONS	977,226	898,258

Notes to the Financial Statements continued

For the year ended 30th June 2020

NOTE 9: NON-CURRENT LIABILITIES

	Consolidated	
	2020	2019
	\$	\$
Non-current liabilities	-	-
TOTAL EMPLOYEE PROVISIONS	-	-

NOTE 10: EQUITY

NOTE 10A: RESERVES

Revaluation increments/(decrements) – Dalton Nicol Reid Portfolio

Balance as at start of year	289,982	313,716
Transferred to reserve	286,530	289,982
Transferred out of reserve	(289,982)	(313,716)
Balance as at end of year	286,530	289,982
TOTAL RESERVES	5,613,923	5,617,375

Revaluation increments/(decrements) – Land & Buildings

Balance as at start of year	-	-
Transferred to reserve	5,327,393	5,327,393
Balance as at end of year	5,327,393	5,327,393

NOTE 11: CASH FLOW

NOTE 11A: CASH FLOW RECONCILIATION

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

Cash and cash equivalents as per:

Cash flow statement	5,712,561	6,037,075
Balance sheet	5,712,561	6,037,075
DIFFERENCE	-	-

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

Profit/(deficit) for the year	1,669,586	839,447
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Adjustments for non-cash items

Depreciation/amortisation (includes lease liability)	671,445	468,732
Gain on disposal of assets	-	(23,735)

	Consolidated	
	2020	2019
	\$	\$
Changes in assets/liabilities		
(Increase)/decrease in net receivables	13,383	557,380
(Increase)/decrease in inventory	617	4,182
Increase/(decrease) in supplier and other payables	(461,748)	37,106
Increase/(decrease) in provisions	78,968	100,933
NET CASH FROM (USED BY) OPERATING ACTIVITIES	1,972,251	1,984,043

NOTE 12: CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

NOTE 12A: COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies.

NOTE 13: RELATED PARTY DISCLOSURES

NOTE 13A: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD

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

Director fees paid during the reporting period were \$154,595 (2020), \$152,260 (2019).

Apart from the above, there are no other Related Party Transaction during the financial year ended 30 June 2020.

Names of Committee of Management Officers who held office during the year are:

Committee of management

David Fraser	Peter Dever	Paul Peterson	Bruce Sommerfeld
Grant Harrison	James William Robertson	Mark Bryers	Mark Dodge
Andrea McCarthy	Timothy Kane	Lawrence Beacham	Brad Collett
James Sturges	Mark Billingsley	Benjamin Chesterfield	

Board of Directors of MTA Institute of Technology Pty Ltd

Rodney Camm	Paul John Peterson	Michael Milford	James William Robertson
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Dr Brett Dale is the Group CEO for Motor Trades Association of Queensland Industrial Organisation of Employers as well as a director of Block Two Pty Ltd with whom Motor Trades Association of Queensland Ltd is a shareholder. Dr Brett Dale does not receive any director fees from Block Two Pty Ltd for his position on the board.

Notes to the Financial Statements continued

For the year ended 30th June 2020

NOTE 13A: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD continued

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2020, the Motor Trades Association of Queensland Industrial Organisation of Employers has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	Consolidated	
	2020	2019
	\$	\$

NOTE 13B: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

Short-term employee benefits

Salary (including annual leave taken)	908,471	889,681
Annual leave accrued	21,446	12,703
Performance bonus*	195,999	90,503
Other FBT	27,974	22,955
TOTAL SHORT-TERM EMPLOYEE BENEFITS	1,153,890	1,015,842

*These figures include only formally approved amounts accrued and paid which are relevant to the current financial year to which they relate.

Post-employment benefits:

Superannuation	76,641	84,826
TOTAL POST-EMPLOYMENT BENEFITS	76,641	84,826

Other long-term benefits:

Long-service leave	18,625	12,183
TOTAL OTHER LONG-TERM BENEFITS	18,625	12,183

Termination benefits

	-	-
TOTAL	1,249,156	1,112,851

NOTE 14: REMUNERATION OF AUDITORS

Value of the services provided

Financial statement audit services	47,030	42,500
Other services	-	-
TOTAL REMUNERATION OF AUDITORS	47,030	42,500

No other services were provided by the auditors of the financial statements.

NOTE 15: 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 to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

	Consolidated	
	2020	2019
	\$	\$
NOTE 15A: CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial assets		
Fair value through other comprehensive income:		
Dalton Nicol Reid Share Portfolio	2,537,229	2,006,682
Block Two Pty Ltd	500,000	250,000
GDTC Ltd	1,000,000	-
Total	4,037,229	2,256,682
Held-to-maturity investments:		
Cash and cash equivalents	5,712,561	6,037,075
Total	5,712,561	6,037,075
Loans and receivables:		
Trade and other receivables	1,726,842	1,765,846
Other current assets	178,423	152,802
Total	1,905,265	1,918,648
CARRYING AMOUNT OF FINANCIAL ASSETS	11,655,055	10,212,405
Financial liabilities		
Other financial liabilities:		
Trade payables	695,621	643,050
Total	695,621	643,050
CARRYING AMOUNT OF FINANCIAL LIABILITIES	695,621	643,050
NOTE 15B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS		
Held-to-maturity		
Interest revenue	120,635	118,633
Net gain/(loss) held-to-maturity	120,635	118,633

Notes to the Financial Statements continued

For the year ended 30th June 2020

	Consolidated	
	2020	2019
	\$	\$
NOTE 15B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS continued		
Financial assets at fair value through other comprehensive income under AASB 9		
Interest revenue	935	1,296
Dividend revenue	75,667	91,525
Exchange gains/(loss)	(32,406)	51,269
Net income/(expense) from financial assets at fair value through other comprehensive income	44,196	144,090
Fair value gain/loss recognised in other comprehensive income under AASB 9	(3,452)	(23,734)
	(3,452)	(23,734)

NOTE 15C: CREDIT RISK

The Maximum exposure to credit risk at balance date is accounts receivable balances.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets

Trade Receivables	1,029,965	1,137,121
TOTAL	1,029,965	1,137,121

Financial liabilities

Nil	-	-
TOTAL	-	-

In relation to the entity's gross credit risk, no collateral is held.

Lease liabilities are of fixed interest rates, therefore there is no credit risk.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	2%	
Estimate total gross carrying amount at default	7,160	1,011,844	10,649	9,632	17,175	1,056,460
Expected credit loss	-	-	-	(9,319)	(17,175)	(26,494)
	7,160	1,011,844	10,649	313	-	1,029,966

30 June 2019

Trade and other receivables

Days past due

	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	Total \$
Expected credit loss rate	0%	0%	0%	0%	2%	
Estimate total gross carrying amount at default	150,723	988,630	11,146	-	12,124	1,162,623
Expected credit loss	-	(13,378)	-	-	(12,124)	(25,502)
	150,723	975,252	11,146	-	-	1,137,121

The Motor Trades Association of Queensland Industrial Organisation of Employers maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020 and 2019 is the carrying amounts as illustrated in Note 15D.

NOTE 15D: 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.

Contractual maturities for financial liabilities 2020

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	695,621	-	-	-	695,621
Other payables*	-	214,165	-	-	-	214,165
TOTAL	-	909,786	-	-	-	909,786

Contractual maturities for financial liabilities 2019

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	643,050	-	-	-	643,050
Other payables*	-	146,779	-	-	-	146,779
TOTAL	-	789,829	-	-	-	789,829

*Excluding unearned income

Lease liability maturities for 2020

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Motor Vehicles	-	116,173	83,056	64,086	-	263,315
Computer equipment	-	21,117	12,363	630	-	34,110
TOTAL	-	137,290	95,419	64,716	-	297,425

Notes to the Financial Statements continued

For the year ended 30th June 2020

NOTE 15D: LIQUIDITY RISK continued

	Lease liability maturities for 2019					Total \$
	On demand	<1 year	1-2 years	2-5 years	>5 years	
	\$	\$	\$	\$	\$	
Nil	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

NOTE 15E: 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 30 June 2020, 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:

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Risk variable	Change in risk variable %	Effect on profit and loss \$	Effect on equity \$
Interest rate risk	5,712,561	[+ 2%]	(114,251)	(114,251)
Interest rate risk	5,712,561	[- 2%]	114,251	114,251

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on profit and loss \$	Effect on equity \$
Interest rate risk	6,037,075	[+ 2%]	(120,742)	(120,742)
Interest rate risk	6,037,085	[- 2%]	120,742	120,742

Due to the changes in interest rates over the last financial year trending downwards, the interest rate risk exposure for 2020 has been based on 2% which was the same as last years.

NOTE 16: FAIR VALUE MEASUREMENT

NOTE 16A: FINANCIAL ASSETS AND LIABILITIES

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current 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 value of listed financial assets carried at fair value through profit or loss is derived from quoted market prices in active markets.
- Fair value of unlisted financial assets carried a fair value through profit or loss is derived from recent sales transactions.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Motor Trades Association of Queensland Industrial Organisation of Employers 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 30th June 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Financial assets				
Dalton Nicol Reid Share Portfolio	2,537,229	2,537,229	2,006,682	2,006,682
Block2	500,000	500,000	250,000	250,000
GDTC Ltd	1,000,000	1,000,000	-	-
TOTAL	4,037,229	4,037,229	2,256,683	2,256,682

NOTE 16B: 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 – 30 June 2020			
	Date of valuation 30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$
Dalton Nicol Reid Share Portfolio		2,537,229	-	-
Block Two Pty Ltd		-	-	500,000
GDTC Ltd		-	-	1,000,000
TOTAL		2,537,229	-	1,500,000
Liabilities measured at fair value				
Nil		-	-	-
TOTAL		-	-	-

Notes to the Financial Statements continued

For the year ended 30th June 2020

NOTE 16B: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES FAIR VALUE HIERARCHY continued

	Fair value hierarchy – 30 June 2019		
Date of valuation 30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$
Dalton Nicol Reid Share Portfolio	2,006,683	-	-
Block Two Pty Ltd	-	-	250,000
TOTAL	2,006,683	-	250,000
Liabilities measured at fair value			
Nil	-	-	-
TOTAL	-	-	-

Level 3 financial assets include investments in Block Two Pty Ltd and Green Distillation Technologies Corporation Limited.

Fair value has been determined on the basis of the last capital transactions conducted by the investee with external parties as this is the best evidence of fair value. Where capital transaction is greater than 12 months or there are no recent capital transactions with external parties, alternative methods have been used including comparable recent transactions of similar companies or maintainable earnings valuation methods.

For the current year, the last capital transaction occurred on 30/04/2020 Block Two Pty Ltd and 30/06/2020 Green Distillation Technologies Corporate Limited and the pricing of those transactions are the basis for determination of fair value.

Significant increase or decrease will have an impact on the fair value of the investments.

NOTE 17: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

Motor Trades Association of Queensland Industrial Organisation of Employers did not use third party for the administration of affairs during the year or prior year.

NOTE 18: 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).

Officer Declaration Statement

I, James William George Robertson being the Secretary of the Motor Trades Association of Queensland Industrial Organisation of Employers, declare that the following activities did not occur during the reporting period ending 30th June 2020.

The Motor Trades Association of Queensland Industrial Organisation of Employers did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



James Robertson
Secretary

Dated: 17th September 2020

Board Members 2019 - 2020

MTA Queensland

Paul Peterson

Chair MTA Queensland
Chair Queensland Motorcycle Industry Division
Executive Committee Member

James Robertson

Secretary MTA Queensland
Chair, Australian Automotive Dealer Association Queensland
Representative Central Queensland
Executive Committee Member

Mark Bryers

Vice Chair MTA Queensland
Chair Engine Reconditioners Association of Queensland
Executive Committee Member

Mark Dodge

Director MTA Queensland
Chair Automotive Engineers Division
Representative Far North Queensland

Lawrie Beacham

Director MTA Queensland
Chair Automotive Parts Recyclers Division
Executive Committee Member

Peter Dever

Director MTA Queensland
Chair Automotive Remarketing Division

Andrea McCarthy

Director MTA Queensland
Chair National Auto Collision Alliance

Bruce Sommerfeld

Director MTA Queensland
Chair Queensland Farm and Industrial Machinery
Dealers Division

Grant Harrison

Director MTA Queensland
Chair Rental Vehicle Industry Division
Executive Committee Member

Tim Kane

Director MTA Queensland
Chairman Service Station and Convenience Store Association
of Queensland

Brad Collett

Director MTA Queensland
Chair Tyre and Undercar Division of Queensland

Mark Billingsley

Director MTA Queensland
Representative North Queensland

MTA Institute

Rod Camm

Chair

James Robertson

Deputy Chair

Paul Peterson

Director

Professor Michael Milford

Director



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