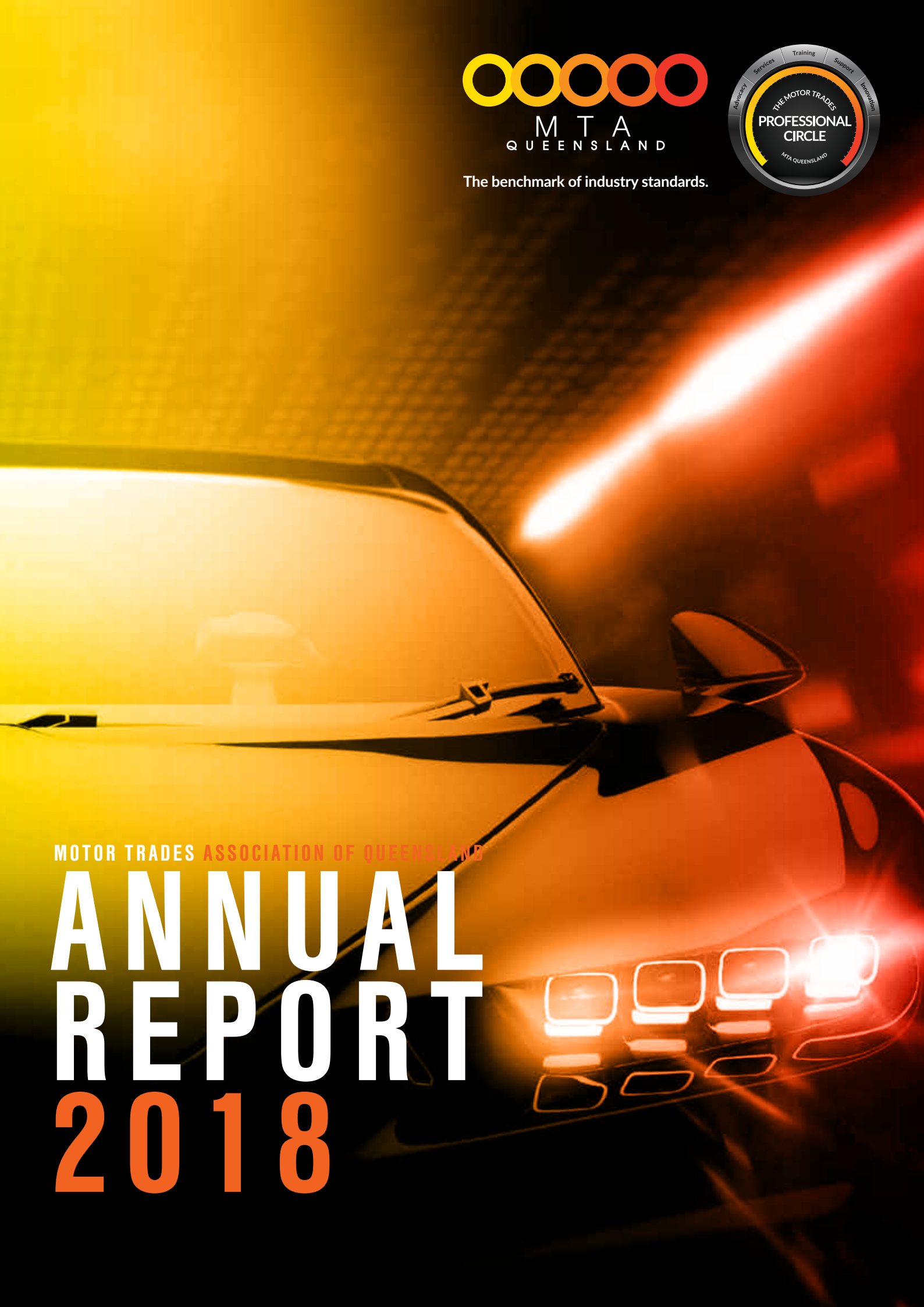




The benchmark of industry standards.

MOTOR TRADES ASSOCIATION OF QUEENSLAND

# ANNUAL REPORT 2018





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Disclaimer: This Annual Report has been prepared for the 2017-2018 financial year which comprises the time period of 1 July 2017 to 30 June 2018. Activities, appointments, events and actions outside this timeframe will not be represented in this document.



**David Fraser**

Chairman  
MTA Queensland



**Australia's automotive sector is entering the most challenging period in its history . . . The association must continue its role of advising governments at all levels of the commercial and communal impacts that the technological changes will make in a period of disruptive innovation.**

## Chairman's Report

**The 2017-18 Annual Report coincides** with the 89<sup>th</sup> year of the Motor Trades Association of Queensland (MTA Queensland) as an industrial organisation of employers registered under the *Fair Work (Registered Organisations Act) 2009 (RO Act)*. It has the status of the peak industry body representing the business interests of members and the state's automotive value chain to all levels of government and stakeholders.

My Report details the association's activities, administration and governance for the 2017-18 financial year in which pro-active leadership by the MTA Queensland Board, the executive and the senior executive team has ensured commercial and membership sustainability; and the association's relevance to the motor trades during the greatest period of innovation, digital and technological transformation experienced in its 89 years.

Over the past year, MTA Queensland has taken a leading role in highlighting the disruption that new technology and new ideas will bring to the motor trades. A significant project was the establishment and opening of MTAiQ - Australia's first automotive innovation hub - in a specially designed space in the lower level of the Sir Jack Brabham Automotive Centre of Excellence facility. MTAiQ's purpose is to cultivate a community of entrepreneurial minds that brings together mentors, investors, coaches, commercial partners, and industry experts to collaborate on digital disruption and emerging technologies. Negotiations with entrepreneurs resulted in six start-ups either relocating to or setting up in the innovation hub. The establishment of the MTAiQ delivers a prime objective of the MTA Queensland 2016-18 Strategic Plan - to 'promote and lead creativity and innovation'.

MTA Queensland's leadership on emerging technologies, high standard of training (for which the MTA Institute is renowned), the establishment of the MTAiQ and the association's state-of-the-art facilities has been the catalyst for national corporations and universities to seek collaboration on technological transformation and training projects which will come to fruition in the coming year.

Priorities over the past year include:

- ensuring all statutory and MTA rule governance obligations are complied with, and all administrative and operational activities are transparent and accountable to members. High importance is given to governance, as consumer trust in our institutions and national corporations is a diminishing quality;
- providing leadership on the significant challenges to the motor trades and member enterprises regarding the impacts of artificial intelligence, automation, innovation, digitalisation and emerging technologies. The Carmageddon initiative, implemented to provide leadership and advance understanding of present and future disruptors in the motor trades and to address the knowledge gap on the digital economy and the emerging technologies, was merged with the global Myriad Festival held in Brisbane to expand knowledge of technological and digital challenges and to afford members with new business concepts;
- delivering fit-for-purpose services for member businesses and communications, which alert members to trending issues and current information on training and association activities; and
- engaging in a high standard of advocacy to stakeholders, governments and agencies to promote the association



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**Over the past year, MTA Queensland has taken a leading role in highlighting the disruption that new technology and new ideas will bring to the motor trades.**



and to enunciate its values, policies, and viewpoints.

### MTA Queensland Rules

We are governed by our rules last certified in February 2018 by the Fair Work Commission following rule amendments and provisions in the RO Act. It's been my charter as Chairman to uphold and comply with the rules and the RO Act. Pivotal to the rules are the objects which set the operational framework and are entrenched in our corporate culture, governance regime, strategic plan and advocacy undertakings. They are:

- to promote, advance and protect the interest of the motor vehicle industry and associated trades or businesses in Queensland and to conserve the interest of members;
- to advocate, advance and protect

the interests of employers connected with the motor vehicle industry and associated trades or businesses in Queensland;

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

### MTA Queensland Board

Board Directors have complied with the requirements of the RO Act and the functions and powers stipulated

in the rules. The Board has met on four occasions to deliberate on MTA Queensland issues and motor trade matters. The Board of Directors comprise:

- David Fraser, MTA Queensland Chairman and Chair of the Queensland Farm & Industrial Machinery Dealer Division (QFIMDD)
- Mark Bryers, MTA Queensland Vice Chairman and Chair of the Engine Reconditioners Association Queensland (ERAQ)
- Paul Peterson, MTA Queensland Secretary and Chair of the Queensland Motorcycle Industry Division (QMID)
- James Sturges, Chair of the Australian Automotive Dealer Association (AADAQ)
- Lawrie Beacham, Chair of the Automotive Parts Recyclers Division (APRD)
- Tim Kane, Chair of the Service Station & Convenience Store Association



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**The Carmageddon initiative was merged with the global Myriad Festival held in Brisbane to expand knowledge of technological and digital challenges and to afford members with new business concepts.**

Queensland (SSCSAQ)

- Brad Collett, Chair of the Tyre & Undercar Division of Queensland (TUDQ)
- Mark Dodge, Chair of the Automotive Engineers Division (AED) and Representative Far North Queensland
- Peter Dever, Chair of the Automotive Remarketing Division (ARD)
- Ben Chesterfield, Chair of the National Auto Collision Alliance (NACA)
- Grant Harrison, Chair of the Rental Vehicle Industry Division (RVID)
- James Robertson, Representative Central Queensland region
- Rod Pether, Representative Far North Queensland region

Retiring from the Board this term is the Far North Queensland region representative Rod Pether who capably addressed the regional issues of members and participated in Board deliberations. On behalf of the Board of Directors I thank Rod for his contributions. In the coming year Mark Billingsley will be the North Queensland region representative.

Directors have served diligently, achieved significant outcomes and met important milestones confirming the value of being an MTA Queensland member. I thank each director for their professionalism, contribution and duty to their respective divisions.

Directors in their roles as Chairs of their respective motor trades have responsibility for their sector’s governance, addressing industry issues as they arise, policy development and providing viewpoints to government and agency consultation papers as necessary. Attached to this report are comprehensive statements from the Directors who chair the eleven motor trade divisions.

I informed Directors early in the term of my intention to retire as Chairman of MTA Queensland at the end of my stewardship. I will continue as chair of the Queensland Farm & Industrial Machinery Dealer Division (QFIMDD). Congratulations to the incoming Chairman and Directors and I assure you of my strong contributions to advance the motor trades, member enterprises and the association.

This is my tenth term as Chairman of the MTA Queensland and in that time there has been progress, achievements and challenges. These included:

- ensuring long term commercial and membership sustainability during a period of economic turmoil;
- transiting the tumultuous global financial crisis resulting in business closures, rationalisation, labour shedding, halting recruitment (especially apprenticeship commencements) and delayed training activity;

- corporate office and training facility relocation from West End to Cannon Hill and finally to the current state-of-the-art corporate office and training facility at Eight Mile Plains;
- adapting to evolutions in digitisation, emerging technologies and disruption;
- enhancing training programs to meet the skill demand of motor trade employers and the ongoing evolutions in innovation and technology in order for apprentices and trainees to have best learning experiences;
- ensuring a skilled workforce for the motor trades through the MTA Institute;
- upgrading corporate governance to comply with new Commonwealth regulatory requirements;
- extending collaborations to include academia, service professionals and corporations to learn of artificial intelligence, innovation, digitisation and emerging technologies in the motor trades and member businesses;
- engagement with leading corporations on new commercial opportunities for the association;
- expanding advocacy to include symposiums, festivals and events for members to witness and gain understandings of new enterprise opportunities and business model adaption;

- development and implementation of the 2016-18 Strategic Plan as the prime document to drive operational activities;
- growing the association's commercial interests;
- establishing MTAiQ in order to provide a pathway to sustainable economic and environmental entrepreneurial activity; and
- introducing programs and services that evolve with and advance member businesses.

I thank current and past Directors for their courtesies to me as Chairman and wish them well with their enterprises.

## Corporate Partners

MTA Queensland's corporate partners provide significant benefits for members to advantage their business operations. They are: MTAA Super, Commonwealth Bank, Capricorn Society, Guard Insurance Brokers, Our Auto – tech centre, Our Auto – digital, Bennett & Philp Lawyers, Safety Help, Core SME and Dun & Bradstreet. I thank them for their ongoing support of the association and to members engaged in the motor trades.

## The Executive Committee

The executive committee has worked co-operatively and as required, has met the rules. It makes recommendations on business initiatives, strategic planning, service delivery and commercial and engagement activities.

## Group Finance

I'm pleased to report that MTA Queensland and MTA Institute Group's fiscal statement for the 2017-18 financial year shows a surplus after a period of deficits. This is due to increased commercial activities of both enterprises.

I commend Kathy Winkcup's contribution to the high standard of financial reporting noted in the Auditor's Report.

Secretary Paul Peterson under the rules, has the responsibility to ensure that the accounts

and financial statements comply with all statutory requirements. Members should have confidence and trust in the Group's accounting processes and practices due to high governance and ethical standards and the presentation of the financial accounts for audit to the independent auditor BDO Audit Pty Ltd. I commend to members the Secretary's Report for the year ended 30 June 2018.

On behalf of the Board of Directors, I thank BDO for their robust scrutiny and assiduity in the audit of the Group's financial statements. I commend to members the attached Financial Report.

## Corporate Office

The corporate office is the decision-making hub. The senior executive team comprises: Group Chief Executive Officer Dr Brett Dale, Deputy Chief Executive and General Manager Member Services Kellie Dewar, Chief Financial Officer and General Manager Innovation Kathy Winkcup, and General Manager MTA Institute Paul Kulpa who are supported by diligent and professional staff. The goals contained in the rules have been accomplished in every sense and the benchmarks set in the Strategic Plan exceeded. These are detailed in the operational and administrative activities Financial Year Report.

A significant challenge for the corporate office has been the disruptive effect of structural and technological changes for enterprises engaged in the motor trades. To ameliorate understanding of emerging technologies and digitisation for the membership, CEO Dr Brett Dale reached out to academia and service professionals for input into MTA Queensland sponsored symposiums and events. Collaborations continue on innovation and the fundamental transformations underway, providing new entrepreneurial opportunities for members and the association. MTA Queensland was appointed to the Queensland Electric Vehicle Council which comprises government, industry and community representatives. Whilst advisory in nature, it provides the opportunity for input into the long-term strategic direction and industry involvement. These new alliances have increased exponentially the standing of MTA Queensland as the peak automotive industry body.

I commend Dr Brett Dale's comprehensive Report to members.

Deputy CEO and General Manager Member Services Kellie Dewar has continued the efficient and quality service delivery and support services to industry divisions and to the membership. Policy and viewpoint advocacy to government, agencies and



stakeholders on matters relative to the motor trades has been a long-term and professional practice. Responses to consultation and discussion papers, either by written submission or verbal, are of a high standard representing the policy positions and views of the members.

To engender interest in automotive in the next generation of apprentices and trainees, Auto Camp was launched to provide students with automotive hands-on experience. MTA Queensland was selected and contracted as a provider of the Industry Specialist Mentoring for Australian Apprentices (ISMAA) program for the automotive industry for the coming year.

I commend Kellie Dewar's detailed Member Services Report.

The MTA Institute is the largest private provider of automotive training in Queensland and has a seat on the national Automotive Industry Reference Committee. Under General Manager MTA Institute Paul Kulpa's stewardship, the MTA Institute is at the forefront of the technological evolution developing courses such as the accredited Hybrid Electric Vehicle Inspection and Servicing course. The priority focus is high quality training delivery for apprentices, trainees and employers.

I commend Paul Kulpa's detailed Training Report to members.

## Professional Circle

The Professional Circle is entering its fourth year of operation. The ethical compact encapsulates the industry standards fused into an enterprise's culture and values representing to consumers a commitment to accountability, transparency and professionalism in business dealings. At a time of diminishing public trust in the nation's civic and private institutions and corporations, the ethical compact indicates to stakeholders and consumers alike that integrity is integral to the way the association functions and members operate in their businesses.

The Professional Circle is entrenched in the Strategic Plan, having the goal that it be recognised by industry, key stakeholders and consumers alike. Feedback suggests that the aim will be achieved. A member business displaying the ethical compact and advertising the 'Certified 10/10 Professional Member' status provides evidence to consumers of the commitment to the highest standard of professionalism.

## Events

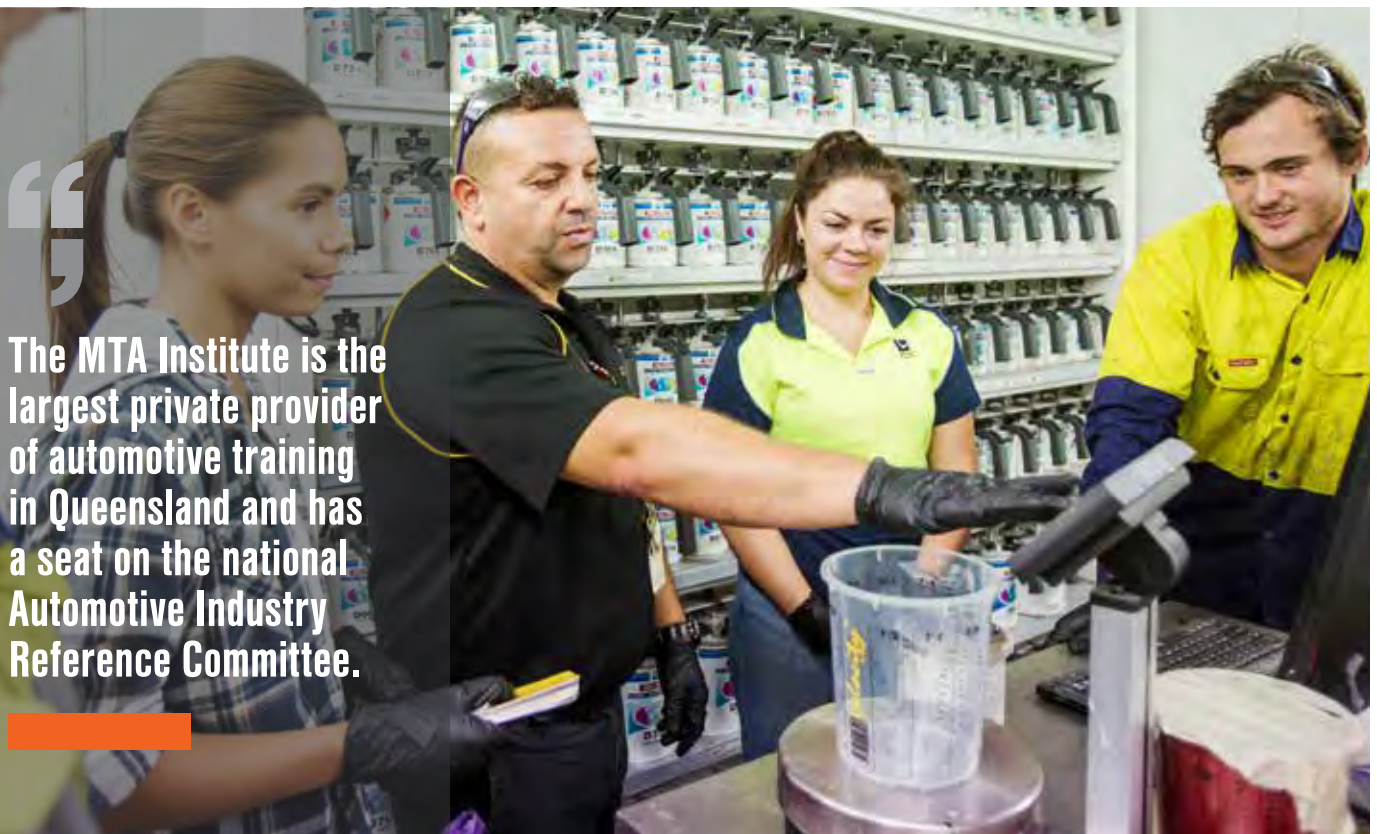
The association is not all work and no fun. The annual Motor Trades Golf Day has been a feature for 68 years. This year's

event was held at the Virginia Golf Club and open exclusively to those currently or previously involved within the motor trades, making it a great networking opportunity. From 2018, the association assumed the management of the golf day event. I thank sponsors and trophy donors for their support.

The third President's Ball (now renamed the Annual Industry Dinner) themed 'Advancing Industry', brought Board Directors, members, corporate partners, automotive business owners and staff, apprentices and trainees, corporate staff, and invited guests together for comradery and to celebrate a year of achievement. The highlight was the announcement of the MTA Institute Apprentice of the Year, and winners of the Innovation and Community Awards.

Elliott Lemmon, previously from Greg Tunstall Mechanical Cleveland, was named as the MTA Institute 2017 Apprentice of the Year. He received the prestigious MTAA Super award, a \$2,000 cheque and two weeks work experience at the Triple Eight Race Engineering Banyo Headquarters.

The Innovation Award went to Townsville-based business EV North, owned by Michael Lunn. The core of the business is rebuilding internal combustion engine



**The MTA Institute is the largest private provider of automotive training in Queensland and has a seat on the national Automotive Industry Reference Committee.**





**“**  
**Elliott Lemmon,**  
**previously from Greg**  
**Tunstall Mechanical**  
**Cleveland, was named as**  
**the MTA Institute 2017**  
**Apprentice of the Year.**  
**”**

vehicles to run as plug-in electric vehicles. Several facets apply to the business, one being that the workshop, including processes such as welding and machining, run on off-grid solar power and power stored internally in 20kW battery banks.

The Community Award for a member business that showed a strong community focus was presented to the Cairns enterprise, Mark Dodge Motoring. For more than 30 years, co-owners Mark and Sharon Dodge connected their business to their local community. Included in the support for the many charitable events was 15 years of financial contribution to research Muscular Dystrophy and 20 years as part of the Cairns Rotary Club.

### Charity

Youngcare, established in 2005, has been MTA Queensland's charity of choice since its inception. It assists young people with high care needs. The President's Ball auction and funds raised at events such Melbourne Cup Day have been donated to Youngcare to assist in providing greater choice in housing and care options.

The Queensland Overseas Foundation Inc. (QOF) provides vocational education and training graduates and professionals the opportunity to broaden their vocational horizons and improve their career prospects by working overseas. It was established in 1976 and is industry sponsored and supported by the Queensland Government. MTA Queensland has one representative on the QOF Board and has committed

to support an overseas scholarship for automotive graduates for the next two years. Strategically, this will assist the international promotion of both the association and the states automotive value chain.

### In memoriam

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

### Congratulations

On behalf of the association, I congratulate members who have won prestigious dealer and business awards and other industry or community recognitions.

### The Future

Australia's automotive sector is entering the most challenging period in its history. The disruptions to traditional business models are likely to be extensive and in some cases severe. The association must continue its role of advising governments at all levels of the commercial and communal impacts that the technological changes will make in a period of disruptive innovation.

Over the past two years, MTA Queensland has provided leadership to its members in respect of the impact of innovation, digital and technical transformation. For the next decade and beyond the technical revolution is expected to have a profound effect on the automotive and transport

sectors. In this challenging period, members must have confidence in MTA Queensland's ability to function effectively and to trust its governance. Similarly, consumers must be confident that the motor trades can service the needs of the motoring public, introduce advanced technologies and deliver economic and effective services.

MTA Queensland plans to be in the vanguard of technological transformations in order to appraise members of business model adjustments they should implement to take advantage of the opportunities that will present themselves. To do this there must be close collaborations with academia and service professionals, engagement with national corporations, and strong advocacy as the recognised voice of the motor trades sector to influence governments, agencies and stakeholders, so that future statutory and business frameworks recognise the changing circumstances and realities of the motor trades.

The pathway ahead for the motor trades is one of challenge. I'm confident that MTA Queensland has the fundamentals to lead the motor trades through the innovative automotive and transport technological transformations to advantage members' businesses.

I commend this Report to members.

**David Fraser**  
 Chairman  
 MTA Queensland



**Paul Peterson**

Secretary  
MTA Queensland



**During 2017/18, the training business, MTA Institute, faced two major changes which normally would have seen substantial disruption to the financial result. However, the training package changes and implementation of a new learning management system resulted in a positive financial position by June 2018.**

## Secretary's Report

**It is with great pleasure that I provide** the following Secretary's Report. As part of my role as the Secretary for the association, I am responsible for the overall governance of the association and for the compliance and reporting to relevant bodies such as ASIC (*Australian Securities and Investments Commission*) 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).

The financial accounts presented were audited by BDO Audit Pty Ltd. Throughout the audit, BDO evaluated the overall presentation, structure and content of the financial report, including disclosures and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

Due to the change in registration of the association on the 6th December 2016, the comparison figures ending 30th June 2017 only include seven months compared with 2018 figures for a full twelve-month period.

### Financial Results 30th June 2018

This year's profit result attributable to members of the organisation was \$488,053 ending 30th June 2018. Overall the equity position of the association remains strong at \$14,539,235.

We successfully secured state and federally funded programs including Trade Recognition and ongoing User Choice Contracts, Employability Skills Training and was successfully appointed to deliver the Industry Specialist Mentoring for Australian Apprentices (ISMAA) program from January 2018 until December 2019.

During 2017/18, the training business, MTA Institute faced two major changes

that causes some disruption throughout the financial year. However, a successful reporting and monitoring program was implemented to focus on activity levels which resulted in a positive financial position by June 2018. Further, MTA Institute maintained 31 per cent of market share against declining trends within the training industry.

Directors accepted an offer on the sale of our Canberra investment which settled on the 21st September 2017 and cash funds were transferred to the association for an amount of \$2,097,837. The association manages its cash assets by asset allocation, spreading investments between the top 200 Australian shares and cash term deposits, ranging from 30 to 180 days.

### General Comments

The focus for 2018/19 is to meet or exceed the objectives of the Strategic Plan. Key to our success is keeping our members at the core of the association's business, meeting financial performance expectations, delivering quality training for the automotive industry and capitalising on opportunities in the innovation space.

Board meetings are held every quarter and may be called more often if required for special issues. However, within the reported period, the association's business has been adequately dealt with at each quarterly Board meeting.

It has been a big year and none of this could have been achieved without the continuing efforts, energy and dedication of all the staff involved. I thank all staff.

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

**Paul Peterson**  
Secretary  
MTA Queensland



**Dr Brett Dale DBA**

Group Chief Executive Officer  
MTA Queensland



**As our industry races towards its exciting and challenging future, MTA Queensland will continue to work at what it does best – representing the interests of members and the wider industry, providing world-class education and training, and offering guidance and resources to those with ideas and concepts that will shape our future.**

## Group Chief Executive's Report

**MTA Queensland, the MTA Institute,** and the recently established MTAiQ Innovation Hub are the pillars upon which the association represents the industry at all levels and in all areas of the automotive industry.

Through MTA Queensland, we support the retail, service and repair sectors of the industry, advocating on their behalf to governments both state and federal, and collaborating and partnering with industry and other like-minded institutions and associations.

Via the MTA Institute, the largest private provider of automotive apprenticeship and training in Queensland, we deliver world-class automotive training, offering not just apprenticeship programs across all automotive sectors, but short courses and programs designed to bring new skills to experienced tradespeople, and offering young people the opportunity to explore the automotive industry as a possible career choice.

Through the MTAiQ Innovation Hub, Australia's first to focus on the automotive sector, we support start-ups, entrepreneurs and established businesses to bring exciting concepts and ideas to fruition and commercial viability.

The Innovation Hub, established at the end of 2017, is the newest division of MTA Queensland and is the clearest representation of the association's position as a leading voice in the developing innovation landscape - a fascinating and fast-moving area in which the technologies and ideas that will determine the direction of the automotive industry are created and nurtured. It is here that I would like to start my look at MTA Queensland's year.

### **Innovation**

In last year's report, I discussed how the march of technology will, over the next

few years, see a quite remarkable change in the automotive industry.

It cannot have escaped your notice that these changes are now imminent, and we only have to look at the development of the electric vehicle (EV) industry to see how quickly things are moving. Where there was once just a handful of EVs and plug-in hybrids available to consumers, there are now many models from which to choose. Over the next 18 months, models from Hyundai, Nissan, Jaguar, Tesla, Mini, BMW, Kia, Audi, Mercedes, VW, Volvo, Renault and Porsche are all expected to be available in Australia.

While this country has been slow to embrace EVs, there is no doubt that this will change. The momentum is now unstoppable and across the developed world the EV landscape is changing quickly. According to the latest edition of the International Energy Agency's (IAE) *Global Electric Vehicles Outlook*, nearly 580,000 EV/PHEVs were sold in China in 2017 (a 72 per cent increase over 2016) and 280,000 were sold in the U.S. (up from 160,000 in 2016). In Norway, 39 per cent of new car sales are EVs and in the UK more than 30,000 new EV/PHEV cars were registered in the first half of 2018.

Research here suggests that Australians have never been more accepting of EVs, and the infrastructure needed to support a vibrant EV fleet becomes stronger and more capable with each passing month. It is, for instance, now possible to circumnavigate the country in an EV thanks to the installation of charging stations along the nation's highways.

It would be remiss of me not to highlight the excellent work of the Queensland government at this point. The Queensland Electric Super Highway, which forms part of the national charging highway, enables EV drivers to travel from Coolangatta to Cairns with ease, and was a farsighted and wise investment.



**While this country has been slow to embrace EVs, there is no doubt, at all, that this will change. The momentum is now unstoppable and across the developed world the EV landscape is changing quickly.**

While EVs represent the leading edge of the automotive revolution, behind them lie a plethora of technologies and concepts – such as 3D metal printing (including systems capable of mass production), hydrogen fuel-cell systems, and ever-improving vehicle automation tech – that will soon be widely available too.

Recognising that these technologies will dramatically change the automotive industry has been a major driver for MTA Queensland over the past few years and particularly in the past 18 months. And it is our push to be at the forefront of the industry evolution that was behind the establishment of the MTAiQ Innovation Hub, located at the association's head office at Eight Mile Plains.

Designed to assist start-ups and established businesses develop their ideas and concepts into commercial propositions, MTAiQ has had an impressive first year of operation. The hard-working hub team have offered support and guidance to a number of start-ups that are involved in everything from 3D printing to robotics, workshop-to-customer software development to tyre retail innovation, car sharing to flying cars to fuel trading. And there are more very interesting collaborations in the pipeline.

The key to the success of MTAiQ is that it can plug in to the extensive network of government, industry and academic contacts and relationships that MTA Queensland has developed. These relationships are built on confidence, trust and the knowledge that the association is dedicated to the advancement of the industry, and our society, as a whole.

Collaboration is key to that advancement, and a world-leading mobility and transportation system supported by a robust, healthy and innovative automotive industry can only be achieved through such cooperation.

While it has always been a part of the MTA Queensland's mission to develop and maintain relationships with government and other like-minded organisations, recognition of the association's leading role in Queensland's growing automotive innovation space has seen a marked increase in these cooperative efforts and in the contributions by me and others in the executive team at expos, festivals and conferences focused on innovation and technology. These have included keynote addresses delivered at such national events as the Myriad Festival, the Sydney Autonomous Vehicles Summit, and the Mumbrella Automotive Marketing Summit.

It is of course, an honour to represent MTA Queensland and the membership, not only at these events but also on the committees and councils where our involvement has been requested and that will have a direct effect on the future of our industry.

Below is a list of some of the engagements the executive team has undertaken this year:

- Engagement with the Department of Transport and Main Roads (DTMR) on the Connected and Automated Vehicle initiative. This will result in retrofitting vehicles of some 500 Ipswich residents with cooperative intelligent transport system technology for on road testing. The MTA Queensland is the installer for this project and will commence in 2019.
- Membership of the Queensland Electric Vehicle Council (QEVC) following an invitation from the DTMR Director General. The Council includes representatives from government, industry, and the community. The QEVC's responsibilities include the provision of advice and information to assist in the development of legislation, strategies, policies, planning guidelines, standards, technology, schemes and supporting systems relevant to electric vehicle adoption.
- Discussions with the Commonwealth

Scientific and Industrial Research Organisation (CSIRO) researchers on membrane technology for hydrogen fuel cells.

- Collaborations with Telstra's Co-operative Intelligent Transport Systems consultants on the MTA Queensland's approach to the emerging transport and mobility technologies and innovations. The Telstra personnel committed to working with MTA Queensland on mobility and transport.
- Negotiations with the Brisbane Marketing Economic Board and representatives of Griffith University on an emerging skills and knowledge precinct at the Brisbane Technology Park. These talks are in relation to precinct staff and visitor mobility to and from Technology parks and adjacent retail centres. A 12-month pilot of the SAGE automation Olli autonomous shuttle and shuttle stop is envisaged as the optimal mobility outcome. The intention is to have two autonomous Olli shuttles in operation in the near future.
- Engagement with Queensland

University of Technology (QUT) on support for an Australian Research Industrial Transformation Training Centre application. This includes a research proposal for the identification of the full potential of 3D metal printing. 3D print manufacturing and the skills required are high priorities to foster new businesses and develop a sustainable workforce.

- Interactions with Brisbane Marketing on requirements needed by local businesses to develop and implement digital technologies.
- Liaised with the national Australian Automotive Dealer Association (AADA) to discuss the industry's transition to an import-only industry and other domestic matters.
- Discussions with the Federal Chamber of Automotive Industries (FCAI), AADA National and the Motor Trades Association of Australia (MTAA) members to progress key industry issues including an Industry Agreement on Access to Service and Repair Information, the effectiveness of which

is being reviewed by the ACCC.

- Discussions with Queensland Overseas Foundation (QOF) representatives on MTA Queensland's support for an overseas scholarship for a successful graduate technician.
- Collaboration with Local Motors representatives on the business model of micro-manufacturing vehicular products.

Together with Deputy CEO Kellie Dewar, I have attended many more meetings to further the association's views on matters of government policy. These include discussions on the challenges facing small business, the skills needed for the industry and automotive training, emerging technologies and many others. I urge you to read Kellie's Report on the following pages for a more detailed look at these interactions.

MTA Queensland's focus on the effects of innovation and change on the industry is mirrored in its internal workings. Administratively, we have embraced new technology and introduced new systems to become leaner and more efficient.



Designed to assist start-ups and established businesses develop their ideas and concepts into commercial propositions, MTAiQ has had an impressive first year of operation.

A fine example of this has been the introduction of the My Profiling Learning Management System which allows not only for apprentices and trainers to work online using digital resources, but also for the streamlining of reporting and training, including real-time monitoring of apprentice assessments. Together with a truly outstanding effort from administration staff and trainers in the field, it is pleasing to note that the modernisation of our systems and procedures has ensured that, after a challenging couple of years, MTA Queensland finds itself able to report solid financial returns.

More information about the association's financial performance can be found in CFO Kathy Winkcup's summary within this Annual Report.

### Training and the MTA Institute

As the industry continues to evolve, the training that MTA Queensland offers to industry through the MTA Institute must evolve too. The Institute has a sterling

reputation for doing just that, delivering courses such as the accredited Hybrid Electric Vehicle Inspection and Servicing Skill Set and the recently introduced Auto Camp program – a short course designed for high school students that gives them hands-on experience in a range of automotive skills.

The Auto Camp program is particularly interesting. As we know, there are skill shortages in many roles within the automotive industry and the apprentice retention rate is a continuous cause for concern. It is imperative that the search for, and development of the next generation of technologically-savvy auto industry professionals be ongoing, and programs such as Auto Camp, that can help inspire young people to view automotive as a viable, challenging and rewarding career, are vital.

A sign of our determination to deliver the absolute best training opportunities to industry is the appointment this year of Professor Michael Milford to the Board of the MTA Institute.

Professor Milford is a multi-award-winning educational entrepreneur with a Mechanical and Space Engineering degree and a PhD in Robotics from the University of Queensland, who currently leads a team at QUT researching artificial intelligence (AI) and robotics, and their application in the world of mobility and autonomous vehicles.

He has collaborated with organisations including the Australian Research Council, the US Air Force, Harvard University, Oxford University, MIT, and NASA's Jet Propulsion Laboratory and is an Australian Research Council Future Fellow, Microsoft Research Faculty Fellow and Chief Investigator at the Australian Centre for Robotic Vision.

Professor Milford has a long history in supporting science education and his appointment to the MTA Institute Board is an exciting development. His insights into technology and the future of automotive and mobility systems will be extremely helpful as the Institute strives to deliver programs that will ensure Queensland has a highly-trained workforce well into the future.



**As the industry continues to evolve, the training that MTA Queensland offers to industry through the MTA Institute must evolve too . . . delivering courses such as the accredited Hybrid Electric Vehicle Inspection and Servicing Skill Set and the recently introduced Auto Camp program.**





**David Fraser, MTA Queensland's Chairman for the past 10 years, is stepping down . . . David has brought a steady hand, sensible approach and outstanding level of industry and business expertise to the role, helping to guide the association through a challenging period.**



## Marketing & Communications

A word or two about communication. Over the past couple of years, some tremendous work has been done by MTA Queensland's marketing and communications team and I'm sure many members will be aware of this through the regular receipt of industry bulletins, notifications, and social media updates.

A quick look at the numbers highlights just how far the reach of the association's message has grown. Nearly 260,000 views were recorded for the websites of MTA Queensland, MTA Institute and MTaiQ (more than double last year's numbers), and our Facebook posts have reached nearly one million users. The number of followers of our social media channels has also grown tremendously and continues to expand.

The association's profile continues to grow outside of the social media and online environment too. Our opinion is sought often by traditional media outlets and, for those who keep their eyes and ears open for news on the industry, you may well have heard or seen either me or members of the MTA Queensland team on television, radio or in the pages of newspapers, offering our take on topics that range across a spectrum of industry

issues. All of this coverage – traditional or otherwise – is a reflection of MTA Queensland's standing and continuously growing profile as the state's peak automotive industry body.

## A Change in Leadership

David Fraser, MTA Queensland's Chairman for the past 10 years, is stepping down from the position. The longest-serving Chairperson in the association's near 90-year history, David has brought a steady hand, sensible approach and outstanding level of industry and business expertise to the role, helping to guide the association through a challenging period.

Fully supportive of the executive team as MTA Queensland pivoted to put a focus on innovation, his leadership of the Board has been outstanding, and we are indeed fortunate that he will continue to be involved with the association through his continuing roles as Chair of the Queensland Farm and Industrial Machinery Division and as a Director on the Board.

At the time of this Annual Report's publication, the vote to decide on David's successor as Chair of MTA Queensland was still to take place. While the nominated candidates would all make an

excellent choice, it must be said that they will have some very big shoes to fill.

To David, I offer my heartfelt thanks and best wishes.

## Support & Thanks

As our industry races towards its exciting and challenging future, MTA Queensland will continue to work at what it does best – representing the interests of members and the wider industry, providing world-class education and training, and offering guidance and resources to those with ideas and concepts that will shape our future.

I thank the members of the MTA Queensland Board for their ongoing support and express my gratitude to the head office team and MTA Institute trainers, who have worked tirelessly to ensure the association has come through the year not only offering tremendous levels of service to members, apprentices and clients, but in strong financial shape to face future challenges and to continue to deliver on its core commitments.

I wish you all well in the coming year.

**Dr Brett Dale DBA**  
Group Chief Executive Officer  
MTA Queensland



**Kellie Dewar**

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



**It is with pleasure I report that we have met and exceeded the benchmarks established in the 2016-18 Strategic Plan.**

## Member Services and Support

**Member Services is responsible for** delivery of the goals detailed in the MTA Queensland rules.

- to advocate, advance and protect the interests of employers connected with the motor vehicle industry;
- to advocate and advance the interests of employers connected with motor vehicle industry and associated trades or businesses in Queensland, and
- to consider and deal with any questions relevant to the motor vehicle industry and associated trades or businesses.

It is with pleasure I report that we have met and exceeded the benchmarks established in the 2016-18 Strategic Plan. Compilation of the quarterly report cards have provided a great overview of our progress since their implementation to align with our 2016-18 Strategic Plan. Since their inception, the report cards have indicated a high level of engagement with the membership, all levels of government and achievement across all responsibilities. The report card details are updated each quarter and displayed on the website.

Member Services provides the administrative and support services to the MTA Queensland Board, to each of the 11 motor trades divisions and for the Professional Circle. In addition, administrative support and organisational services are provided in partnership with our marketing team for events on the calendar, including the Annual Industry Dinner, the Golf Day and Cars & Coffee. With the emergence of the Carmageddon symposiums, the MTA Queensland Garage at the Myriad Festival, the MTaiQ Innovation Hub and the Tradeswomen Australia Conference for which we were a sponsor, there has been increased organisational, administrative and promotional responsibilities for these. Each was overwhelmingly successful for

participants and observers and reflect the excellent attention to detail by our staff in managing major events.

### The Membership

A priority is connecting with our members. Area managers endeavour to meet with employers to discuss issues relevant to the business. These may focus on services, policy, training requirements, the Professional Circle or member benefits.

The introduction of our own Cars & Coffee event has further increased our opportunities to engage with industry, members and enthusiasts and has created some excellent networking with all attendees and participants. The event is held on the last Sunday of each month from 7:30am to 9:30am.

A significant issue for members is the employment of skilled staff and our free Jobs Board and resources section continues to be a popular benefit to our members. It contains valuable documents for employers and enables members to advertise positions available in the automotive industry.

The *Dob in a backyarder* webpage, launched in March 2014 to assist with the tracking down of unlicensed backyard operators, has proved to be a successful initiative. It enables anyone to report unlicensed backyard operators with the details referred to the Office of Fair Trading.

The Takata airbag recall was very complex and the recall notice wide in its application. As noted in my *Viewpoint* columns through the year, it became all consuming. The Australian Competition and Consumer Commission (ACCC) recall notice guidelines, processes and procedures engulfed us in an ocean of detail. Overall, we were able to comprehend them to respond to member queries about their stock and their obligations.





**The introduction of our own Cars & Coffee event has further increased our opportunities to engage with industry, members and enthusiasts and has created some excellent networking with all attendees and participants.**

The compulsory recall requires suppliers of vehicles with defective Takata airbags to replace all defective Takata airbags in Australian vehicles by 31 December 2020 (or later in some instances if approved by the ACCC). Some vehicles will be recalled immediately, and others on a rolling basis, scheduled based on various factors including relative safety risk. Takata recall progress data (last updated August 2018) shows total airbags replaced at 2.1million and total airbags to be replaced at 1.8million. Queensland data shows the breakdown of airbags needing replacement at 326,168 to be replaced and an additional 2,505 Alpha airbags to be replaced.

All automotive sectors were impacted by the recall, including vehicle manufacturers, each with their own specific guidelines. The ACCC developed industry specific requirements and obligations for each impacted sector which continue to be updated with current information. Any vehicle under the active recall cannot be sold until the airbags are replaced and there are obligations of full disclosure verbally

and in writing; acknowledged by the buyer to sell any vehicle subject to a future recall.

We were fortunate to host a timely and comprehensive automotive retail briefing from ACCC officers and Corrs Chambers Westgarth (advisors to the Takata Task Force). The briefing was at MTA Queensland's corporate office in response to member enquiries and some continuing uncertainty on how to handle the recall.

Our parts recyclers members also had the opportunity to participate in a national teleconference relating to the airbag recall and the specific impact on their businesses. Of concern for dismantlers is Section 5(10) to (13) of the recall notice about using their best endeavours to notify vehicle manufacturers about affected spare parts in their possession.

### **Advocacy**

Group Chief Executive Dr Brett Dale and I share the advocacy role. It is practice to meet on a regular basis with the Office of Fair Trading, Transport and Main Roads

Department officers and as necessary, brief other departmental staff on issues relevant to the motor trades.

On a regular basis I meet with the association's corporate partners - Capricorn Society, Bennett & Philp Lawyers, MTAA Super, Core SME, Our Auto - tech centre, Our Auto - digital, Guard Insurance Brokers, Safety Help, Dun & Bradstreet and Commonwealth Bank - to discuss their requirements and services to members.

Our advocacy role has been expanded through representation at many events. MTA Queensland has been represented at Capricorn Trade Shows, the RACQ Conference, the 2017 Brisbane Truck Show and the Burson (Auto Parts) trade shows at Mackay, Townsville and Cairns. These events provide the opportunity to build relationships and increase awareness of the MTA Queensland brand and the benefits of membership.

The long-term practice of MTA Queensland has been to respond to all government and parliamentary

consultation papers with relevance to the automotive value chain from the perspective of the membership. Over the past year, submissions have included:

- National Transport Commission:
  - Assuring the safety of automated vehicles policy paper.
  - Clarifying control for automated vehicles policy paper.
  - National enforcement guidelines for automated vehicles.
- National Transport Commission: response to the safety assurance for automated driving systems consultation Regulation Impact Statement.
- Pre-budget submissions to the Commonwealth Treasury and the State Treasury on the priorities for the automotive value chain.
- The Australian Competition and Consumer Commission (ACCC): Draft Report New Car Retailing Industry - a market study by the ACCC.
- ACCC: Supplementary submission
  - Access to technical information by independents for servicing and repairing new cars.
- Australian Treasury: response to the Regulation Impact Statement relating to the Australian Consumer Law (ACL). Review: Clarification, simplification and modernisation of the consumer guarantee framework.

- Parliamentary Joint Committee on Corporations and Financial Services: response to the inquiry into the operation and effectiveness of the Franchising Code of Conduct.
- House of Representatives Standing Committee on Economics: response to its inquiry into Impediments to Business Investment in Australia.
- Department of Industry, Science and Innovation: response to the conversation on the digital economy strategy.
- Motor Accident Insurance Commission: Factors and trends influencing the cost of insurance under the statutory insurance scheme.

The primary policy work was the response to the ACCC's draft report on the new car retailing industry. This included roundtable discussions, teleconferences and a supplementary submission.

The allowable trading hours has been a long-term policy issue. The *Trading (Allowable Hours) Amendment Act* was assented to on 31 August 2017 and, after much advocacy, the bill included an amendment to exclude the application of the changes to motor vehicles and caravans.

Since 2011, on behalf of the association's small to medium business members with spare parts and apparel divisions, we've advocated for the application of

the Goods and Service Tax (GST) to low value imported goods. The *Treasury Laws Amendment (GST Low Value Goods) Act 2017* received assent on 26th June 2017, but disappointingly the Senate delayed the start until 1 July 2018.

The display content on fuel price boards finally came to into effect on 31 January 2018, although the regulation had been approved much earlier. The extended timeframe was to allow time for fuel retailers to make the necessary adjustments to bowsers and price boards to comply with the regulations.

## Correspondence

- Congratulatory letters to all elected state members of parliament inviting them to the corporate office.
- Congratulatory letters to newly commissioned state cabinet ministers and appointed shadow spokespersons with responsibilities relevant to the automotive value chain.

## MTA Rules Review

Changes within the MTA Queensland structure necessitated a review of the association's constitution which resulted in several amendments. These were circulated prior to the November 2017 Annual General Meeting (AGM)



**The Motor Trades Association of Queensland (MTA Queensland) is delighted to be an ISMAA Provider for the automotive industry for 2018 and 2019.**





The MTA Queensland website now incorporates a member portal containing a 'Knowledge Base' which is a resource area available exclusively to MTA Queensland members.

and agreed to by the Board. On 23 November 2017, following the AGM, details of the alterations to the rules was lodged with the Fair Work Commission (FWC). It is pleasing to report that on 14 February 2018, the FWC advised that the alterations complied with the legislative requirements and were approved. We review our rules annually prior to each AGM for any changes to be circulated in the required period of 21 days advance of the meeting for decision at the meeting under the process required by our rules.

## Communications

Over the last financial year, MTA Queensland's public profile has risen exponentially due to an effective communications and social media strategy. Interactions with national, state and local stakeholders on training, strategic industry and policy matters have increased our standing as contributors of merit.

The MTA Queensland website now incorporates a member portal containing a 'Knowledge Base' which is a resource area available exclusively to MTA Queensland members. The 'Knowledge Base' has a library of industry resources, marketing material and industrial relations information such as wages guides, awards, tax sheets, workplace health and safety

and other essential information. Members can access the member portal from the navigation bar on the front of the website.

The *Motor Trader*, now in its 84th year, was reborn for the July 2017 edition as a digital-only publication. As an e-magazine, the digital format allows more content and the use of hyperlinks that connects many elements throughout the e-magazine directly to the web page of a member, an advertiser, government department or to MTA Queensland.

## Industry Specialist Mentoring for Australian Apprenticeships (ISMAA)

In the 2017-2018 Federal Budget, the Australian Government announced the Industry Specialist Mentoring for Australian Apprentices (ISMAA) program. The ISMAA program will aim to increase apprentice retention rates, particularly in the first two years of training, to improve completion rates and support the supply of skilled workers in specific industries undergoing structural change.

MTA Queensland is delighted to be an ISMAA provider for the automotive industry for 2018 and 2019.

The ISMAA program provides an intensive and specialist level of assistance

to apprentices and trainees who are experiencing barriers to completing their training through frequent contact from a highly skilled industry mentor with appropriate skill sets. The apprentice or trainee will develop an individual mentoring plan with their mentor that will outline the range of support that will be provided. Feedback on the program has been positive from businesses, employees and apprentices.

## Conclusion

Essential to the division are the staff who provide the service to membership and the administrative, organisational, and promotional tasks that comprise MTA Queensland and its status as the peak industry entity representing the automotive value chain.

Over the year, there have been changes due to some leaving for new challenges and opportunities. To all staff, I thank each for their commitment to their duties and service to the membership. I thank the Board and the divisional committees for their courtesies to me in my role as Deputy Group Chief Executive and General Manager of Member Services and to my staff.

### Kellie Dewar

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



**Ted Kowalski**

Industrial Relations Manager  
MTA Queensland



**Our industry award, the Vehicle Manufacturing Repair Services and Retail Award, has already had some significant changes made . . . we remain hopeful that this award will be finalised before the end of the year.**

## Industrial Relations

**The four-year review of all modern awards**, which commenced in 2014, continues with no firm end yet in sight. While quite a number of issues have been resolved, much remains to be done to allow for a final consolidated and updated version of the awards to be published.

Our industry award, the *Vehicle Manufacturing Repair Services and Retail Award*, has already had some significant changes made, including the removal of the “manufacturing” section of the award, against the opposition of both the industry organisations and the unions. We remain hopeful that this award will be finalised before the end of the year.

Thankfully, the Fair Work Commission has agreed that another review will not take place until this one has been completed and not until the government legislates for another review.

The past year has seen a slight increase in the incidence of unfair dismissal claims with 14,587 being handled by the Fair Work Commission in 2016-17. Of that total, 3,729 matters involved alleged breaches of the general protections obligations. Thankfully, a substantial proportion of those claims were settled at the informal conference stage.

We assisted and provided formal representation to members in 24 matters - which ranged from unfair dismissal, general protections and wage claims. Normally, an unfair dismissal claim cannot be lodged by an employee with less than six months service with an employer of 15 or more employees, or by an employee with less than 12 months service in a business with fewer than 15 employees. However, a claim for a breach of a general protections issue can be lodged by an employee at any time during their employment - including probation. General protections are

issues that involve some form of alleged discrimination such as an employee being discriminated against or being treated less favourably because of things like excessive sick leave, claiming an award entitlement or engaging in industrial action. We are increasingly seeing claims being lodged which would not be possible as straight-out unfair dismissal claims, because the person was still on probation, but where the employee is alleging a breach of a general protection to allow the claim to go forward. Unfortunately, there are a number of prominent businesses representing aggrieved employees which seem to specialise in generating these types of claims - often with little or no factual backing.

We handled almost 5,300 phone and email enquiries from members during the year, which was a slight drop from the previous year. Our commitment to provide relevant training courses for members continued with four award/dismissal and one Workplace Health and Safety training course run during the year.

The National Wage Review of the Fair Work Commission saw an amount of 3.3 per cent awarded to all award rates from 1 July 2017. This followed on from a 2.4 per cent across the board increase in the previous year.

### **Ted Kowalski**

Industrial Relations Manager  
MTA Queensland



**James Sturges**

Chairman  
Australian Automotive Dealers  
Association Queensland (AADA Qld)



**The division has been looking at ways in which the industry can transform its approaches, business practices and competitive advantage.**

## Australian Automotive Dealers Association Queensland

### Overview

There has been a great deal of advocacy work on issues that affect our industry. The final report from the New Car Retailing Industry market study was released in December 2017 (full report on ACCC website) with the following findings:

- commercial arrangements between manufacturers and dealers can constrain and adversely influence the behaviour of dealers in responding to complaints;
- complex warranty claim processes can result in dealers being inadequately indemnified for remedies they have provided; and
- consumers face difficulties understanding the difference between consumer guarantees and warranties.

In April 2018, MTA Queensland responded to the Legislative and Governance Forum on Consumer Affairs (CAF) Regulatory Impact Statement (RIS) comprising five proposals and implementation options that relate to the consumer guarantees regime in the *Australian Consumer Law (ACL)*. The consultation covered increasing the threshold in the definition of 'consumer', clarifying the consumer guarantee remedies, enhanced disclosure of extended warranties and access to consumer guarantees for goods sold at auctions.

At the time of writing, the ACCC is working on point of sale material in the form of a fact sheet that dealers must give to customers at the point of sale for every new car purchase.

There was also a submission to the Parliamentary Joint Committee on Corporations and Financial Services to its inquiry into the operation and effectiveness of the *Franchising Code of Conduct*.

Every member is encouraged to give feedback, as the industry experts, on submission content. Submissions can be viewed on the MTA Queensland website.

### Division activities

National updates provided by attendees from the Australian Automotive Dealer Association has been a welcome addition to our meeting agenda and content.

Information on the airbag recall by the association was informative and timely including a brief from the ACCC Takata Taskforce and their legal advisors, noting vehicles sold subject to a future recall must have detailed specific advice issued to and acknowledged by the customer in writing.

### Division Priorities

Increase members attending meetings. Maintain our strong linkages with the Australian Automotive Dealer Association.

### General

The division has been looking at ways in which the industry can transform its approaches, business practices and competitive advantage. The work MTA Queensland is doing in the innovation space is commendable and teleconferencing has enabled greater meeting participation.

I also wish to acknowledge the MTA Queensland staff that have provided both operational and strategic support.

### James Sturges

Chairman  
AADA Qld



**Mark Dodge**

**Chairman  
Automotive Engineers Division  
(AED)**



**... the repairer, as a service provider, needs to be aware of the entitlements of the consumer and the responsibilities of the service provider.**

## Automotive Engineers Division

### Overview

AED meetings over the last 12 months have been well attended by committee members. This has resulted in good, constructive dialogue relating to industry issues.

Group CEO Dr Brett Dale attended a meeting and gave the committee an overview of the association and the positive move forward being taken toward innovation and technology. This is an area that we as individual businesses, people and industry participants need to be aware of and embrace so that when changes occur we are at the forefront to be able to implement and adapt to them.

AED membership is being maintained at a high level and is a direct result of the effort that our area representatives are putting in. Whilst new membership is important, retention of our existing membership base is not to be taken for granted and requires all members to be proactive in sharing amongst our industry the benefits of membership.

### Divisional Activities and Priorities

Committee concerns about training investment, retention/attraction of qualified technicians, and the ability to attract the right people into the apprenticeship scheme are constantly a topic of discussion.

Maurice Donovan has headed up a sub-committee with the objective of identifying the shortfalls within our division as to the training investment and the attraction of suitable people that wish to forge a career in the automotive repair industry. Whilst there is not a great deal to report, Maurice and his committee are still committed to being able to identify the wants and needs that will help not only current industry members but apprentices and technicians moving forward in our rapidly evolving industry. Again, this is all about sharing skills and knowledge for the betterment of our industry.

From ideas put forward by the AED committee the 'New World Automotive' video was developed and produced by MTA Queensland. It is available on YouTube and captures the message that we would all like the young and aspiring to take note of - "there is something for everyone in the motor trade industry." This video should be used to help promote our industry - it is a snapshot of where we are headed and how our industry is rapidly changing.

The AED committee has gained additional industry experience with Michael Georgas and Michael Weber joining the committee. Good industry experience and knowledge is the cornerstone of a constructive result-driven committee. I would like to thank and welcome them to the AED committee and I look forward to their input.

### General

With the consumer acceptance and adaption to the electronic communication environment that we all live in, the repairer, as a service provider, needs to be aware of the entitlements of the consumer and the responsibilities of the service provider. It is no longer good enough to assume that a disclaimer on the bottom edge of our printed invoice will cover for warranty or workmanship issues. The Australian Consumer Law (ACL) is a powerful piece of legislation and we need to know what it entails. The implied warranty that we offer as a service provider can be, and has been in certain cases, overridden by the ACL that came into force on 1 January 2011. Ignorance is not an excuse and cannot be used as a 'get out of jail free card' when dealing with warranties and your responsibilities relating to the ACL.

**Mark Dodge**  
Chairman  
AED



**Lawrie Beacham**

Chairman  
Automotive Parts Recyclers Division  
(APRD)



**... second-hand parts are genuine parts that may provide an economic and environmentally responsible alternative and ensures parts recycling continues to be a real part of the automotive supply chain.**

## Automotive Parts Recyclers Division

### Overview

Aware and involved players in the industry appear to be doing reasonably well although the smaller facilities appear to be struggling against the influence and perceptions created by the amalgamation and consolidation of the bigger players. However, many report that profitability is down, with many believing “lack of a level playing field” is a contributing factor. All indications are that scrap prices should keep climbing for the remainder of 2018 and although it is not the core business of automotive dismantling, it remains a good source of additional income. The poor performance of the \$AUS against the \$US hampers the importers.

### Divisional Activities

The Takata airbag issue had to arrive on our shores eventually. Worldwide it has been on the agenda since 2012. Many had questions and our MTA Queensland staff were willing and able to satisfy most, if not all, member concerns. They were adept in getting the relevant issue addressed by comprehensive member updates.

The recycling industry has reservations about dealers sending their own staff to recycling facilities to remove the airbags. There is a proposed program where recyclers receive \$90 for a passenger air bag, \$75 for a driver's and \$15 for a certificate of destruction that are listed as relevant. The program is yet to be finalised.

In March, the Parliamentary Joint Committee on Law Enforcement commenced a new inquiry into the theft and export of motor vehicles and parts. According to the National Motor Vehicle Theft Reduction Council (NMVTRC), stolen vehicles exported as a whole, parts or scrap account for four in ten profit-motivated thefts. This trend is rising. NMVTRC's current programs are aimed at disrupting illicit vehicle laundering markets,

including shipping of suspect vehicles and parts in containers, which has led to change in legislation in Victoria and New South Wales with regard to the sale of scrap.

### Divisional Priorities

To be relevant and provide insight to the industry generally, while attempting more activity from players that leads to divisional membership growth

### General

The auto parts recycling industry is often viewed in a negative manner and this is undeserved as we play a major role in the automotive parts supply chain.

More work needs to be done in acknowledging recycled OEM parts as a sustainable and re-useable option. These second-hand parts are genuine parts that may provide an economic and environmentally responsible alternative and ensures parts recycling continues to be a real part of the automotive supply chain. I have been involved with this industry for about 50 years, but now more than ever I can see change will revolutionise or destroy the industry as we know it today. I see the influence that advancement in autonomous vehicles has, and that it may well create one of the biggest issues for our industry. I am honoured to represent my industry via MTA Queensland and it would be remiss of me to not acknowledge the support and friendship of the MTA Queensland staff.

### Lawrie Beacham

Chairman  
APRD



**Peter Dever**

Chairman  
Automotive Remarketing Division  
(ARD)



**The total number of used car sales in Queensland for the 2018 financial year end was 389,878 which is an increase of 6,421 vehicles sold compared to the previous financial year, which totalled 383,457.**

## Automotive Remarketing Division

### Overview

As Chairman of the ARD it has been a very interesting year with many challenges continuing within our sector of the industry. Sales of used vehicles continue to be largely unpredictable with a slow start to the calendar year followed by periods of low demand.

### Divisional Activity

The biggest ongoing issue continues to be the Takata airbag recall and the impact it is having on our sector of the industry. The continued expansion of the makes and models affected by the recall has seen most members affected in some way with vehicles in stock requiring airbag replacement prior to resale to the public.

As Chairman, I have been actively looking at ways to increase our ARD membership base and we have done some onsite promotions at our member City Motor Auctions on sale days, with MTA Queensland Area Manager Andrew Bear attending on the day to talk to prospective members regarding the benefits of MTA Queensland membership.

Following on from that, in collaboration with City Motor Auctions, we have been able to promote MTA Queensland membership on sale days by advertising on the back of sold slips issued to winning bidders at each sale. We are keen to work with other interested parties to promote the industry and benefits of the association.

I would also like to welcome our new ARD committee members Ray Hyneman and Darren Atkins who were appointed to fill casual vacancies and who will provide valuable input and expertise to the committee.

### Divisional Priorities

Our divisional priorities for the next twelve months are:

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

### General

The issue of clone registration plates has come to light, with members reporting instances of police issuing infringements for camera-detected offences for vehicles parked in dealer premises.

The total number of used car sales in Queensland for the 2018 financial year end was 389,878 which is an increase of 6,421 vehicles sold compared to the previous financial year, which totalled 383,457. The sales split for dealers-to-private was recorded at 169,422 unit and private-to-private was 220,456.

From the total increase of 6,421 the dealer-to-private market decreased by 3,152 vehicles sold and the private-to-private market increased by 9,573.

Don't forget our offer to send you used car market statistics each month by registration transfer data. Please contact member services to subscribe. This is a free service to members and provides comprehensive data on the used car sales market including price, vehicle types, ages and postcodes of buyers and sellers.

As Chairman, I would like to thank all members who served on our committee this year and Kellie Dewar and her staff for their work behind the scenes in helping ARD achieve our goals.

**Peter Dever**  
Chairman  
ARD





**Mark Bryers**

Chairman  
Engine Reconditioners Association  
of Queensland (ERAQ)



**We will continue to have a trade/skills shortage if we don't continue to invest in our industry and employ apprentices.**

## Engine Reconditioners Association of Queensland

### Overview

Overall, the engine reconditioning business activity is slow. With much of the state under drought conditions farmers are doing minimal repairs, if any, and while the activity for mining is starting to pick up, it is not to the levels we have seen historically.

### Divisional Activities

The division has been concentrating on assisting members with more technical information. We have supplemented our information from the Australian ERA (Autospecs) with fortnightly emails from the American ERA. Autospecs has strong content relating to Japanese engines and the American ERA has a lot of content relating to American engines. Ideally we should share information on one platform or increase the variety of content in the individual programs. There are discussions taking place on a potential partnership. There is also ongoing assessment of the Autospecs program being developed as an online platform.

We continue to work on our general meetings having technical content and varying the venue to other members or suppliers' businesses.

Customer-supplied parts continues to be an area of uncertainty regarding your role and responsibility in the transaction. If a problem arises with a part supplied by a customer and fitted by your business, the consumer may have a right to a remedy. As a repairer, you guarantee your services are provided with care and skill. This may include alerting customers of the risks associated with installing an inferior part. Terms and conditions of all work carried out are essential to business. If you need assistance developing these, please make contact with MTA Queensland.

### Division Priorities

Increase the member base and to have all members actively involved in the division. Our meetings are a great opportunity to build networks for technical expertise and to keep informed about industry trends. Increase the number of apprentices joining our industry and workforce.

### General

We will continue to have a trade/skills shortage if we don't continue to invest in our industry and employ apprentices. There are currently some incentives available for workers returning to work after a period of time, as well as for young jobseekers. If regional employers hire an eligible unemployed jobseeker they may be eligible for the following payments under *Back to Work* initiatives.

- Employer Support Payments (\$10,000) for a jobseeker previously unemployed between four and 52 weeks;
- Employer Support Payments (\$15,000) for a jobseeker previously unemployed for 52 weeks or more; or
- Youth Boost Payments (\$20,000) for a jobseeker previously unemployed for a minimum of four weeks and aged between 15-24 years.

Other conditions, including defined regional localities, may apply.

Full details can be found at <https://backtowork.initiatives.qld.gov.au>

**Mark Bryers**  
Chairman  
ERAQ



**Ben Chesterfield**

Chairman  
National Auto Collision Alliance  
(NACA)



**With consolidators, preferred repair networks, acquisitions and future technologies, change is inevitable, but change also brings big opportunities. How we react and adapt to change may be the difference between our success or failure.**

## National Auto Collision Alliance

### Overview

As we come to the end of another year, it seems appropriate to reflect on what has transpired over the past 12 months. We continue to work on the local and national agenda for industry and welcome your feedback and involvement through our meetings or requests for your shared experiences and expertise.

From general feedback received, it appears the issues affecting businesses where information and education could assist are:

- the Code of Conduct and Internal Dispute Resolution (IDR) process;
- marketing for digital platforms (social media, websites, etc);
- training, skills and staff; and
- navigating through the information being presented and preparing for future technology.

### Divisional Activities

We are currently developing the format for an industry day covering these topics and a networking opportunity. This can only be achieved through industry interest and commitment to participate. This leads to another timely reminder to read all information from MTA Queensland. With communication streamlined to a weekly industry bulletin, you can read as much or as little of the content that you want. However, you must look through this when it arrives in your inbox on Thursday. Without doing so, you are missing key membership value and important information relating directly to your division, industry, business and your future.

The National (AMBRA) Shop Grading model continues to undergo further refinement and NACA provide continuous feedback for consideration. The Hourly Rate Costs Calculator has been nationally developed as a business tool and can be accessed on the MTA Queensland

website. The importance of this calculator is that it provides motor body repair business owners a relatively simple tool to enable the identification of a proper charge rate based on total business costs.

The Motor Vehicle Insurance and Repair Code of Conduct Indemnity Form and Consumer Complaint Form, along with accompanying guidelines can be accessed from our website.

### Divisional Priorities

Rapid technological advancement will have a major impact on your business and this makes investment in training a key focus - it is vital to the sustainability and viability of our industry. However, building a workforce begins with attracting participants to our industry and we all have a responsibility to promote our industry as a career option within our own communities. I commend MTA Queensland for their Auto Camp program, giving high school students the opportunity to come and experience what the automotive industry has on offer as a career and perhaps dispel some myths of what our industry actually looks like. We attracted some very positive media through this program which benefits all of us.

### General

With consolidators, preferred repair networks, acquisitions and future technologies, change is inevitable, but change also brings big opportunities. How we react and adapt to change may be the difference between our success or failure.

In closing I would like to take the time to thank the committee, Brett Dale, Kellie Dewar and the staff at MTA Queensland for the time and effort put into our division this year.

**Ben Chesterfield**  
Chairman  
NACA



**David Fraser**

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



**The past financial year has been another record year for tractor sales across Australia with sales just under 13,000 units despite a considerable drop in June.**

# Queensland Farm and Industrial Machinery Dealers Division

## Overview

### Ag Machinery Sector

The past financial year has been another record year for tractor sales across Australia with sales just under 13,000 units despite a considerable drop in June. Over the past 10 years, tractor sales have exceeded \$1 billion and currently sales are just ahead of last year's numbers by around 4 per cent.

The Darling Downs area saw low winter crops planted, which has not happened in 50 years. 2018 summer crops for cotton had mixed results. Above average results in all irrigated regions coupled with excellent prices saw many new machines ordered and delivered before the end of the financial year. Mung bean crops on the Downs yielded well and brought exceptional prices.

Tractor sales in Queensland and New South Wales were in line with last year but down around 20 per cent in June due to the drought conditions. Sales in Victoria were down two per cent on last year with June behind 11 per cent. Western Australia is up nine per cent on last year following a strong June. South Australia is up 12 per cent for the year and Tasmania has had a great year, up 20 per cent on last year.

Combine harvester sales are 'dormant' with expected deliveries not likely to occur until October 2018. Delivery numbers will be much lower than 2017 due to the drought. Sales are currently tracking as 2017 with units sold year-to-date.

Baler sales across Australia are sitting in line with last year, at around 100 units since January, with sales of out-front ride-on zero-turn mowers dropping around 10 per cent on last year.

The lifestyle hobby farmer market continues to increase, representing a third of total tractor sales in the past 12 months.

The size of tractors purchased, based on horsepower, has been steadily increasing while prices have been falling due to improved manufacturing techniques and low interest rates. Most machinery dealers are reporting they are carrying excess used inventory and are beginning to see slowing of activity as a result of the dry conditions.

### Industrial Machinery Sector

The industrial machinery market is on the rise with large numbers of government infrastructure works being undertaken across Queensland. Many federally funded major highway upgrades are being carried out through local councils and contractors. Stage 2 coal seam gas works in the Surat Basin have started and are expected to span several years with country towns and machinery contractors benefiting. Solar power generation and wind farm developments are creating work for contractors who are investing in new equipment.

## Divisional Activities

This year, I welcomed Murray Dover of Dover & Sons Beaudesert to the QFIMDD committee. He has vast dealership experience in the agricultural industry and will be a great asset to our committee.

## Divisional Priorities

Strengthen division membership, increase member numbers and attract larger OEMs to the association.

### David Fraser

Chairman  
QFIMDD



**Paul Peterson**

Chairman  
Queensland Motorcycle Industry  
Division (QMID)



**With the evolution of the electric assisted bicycle/motorcycle and the fully powered electric motorcycles, the division is looking to . . . have regulations and greater controls introduced around licensing and safety.**

## Queensland Motorcycle Industry Division

### Overview

Sales of new motorcycles continue to fall across the nation and the state with many factors influencing the sharp continuing decline. The Queensland drought has affected rural sales, while the new licensing laws have hindered the uptake of the LAMS motorcycle market. The QMID committee and MTA Queensland management continue to follow this downward trend and are looking at ways that it may be reversed and how other external influences affect this market. The used market in the dealer-to-private sector has also seen steady decline year on year, but a small rise in the under \$5000 market has been recorded in the private-to-private market.

### Divisional Activities

Increasing numbers of deaths and serious injuries on ATV motorcycles have dealers, distributors and the ACCC working on ways to reduce these through education, minimum performance standards and the least-liked idea, crush protection devices. The ACCC believes a mix of all three is required to save lives and reduce the number of injuries. Industry is of the opinion that crush prevention devices are not the answer and have increased the numbers of SXS vehicles imported with factory roll over protection and seat belts.

The issues around pavement parking continue to be raised, with these issues to be flagged to re-address with councils.

We are keen to get a suitable outcome on dual licensing requirements - depending on the products we sell we may require both a second-hand goods licence and a motor dealers licence. We believe this is an unintended consequence caused by the definitions used in the legislation.

Obtaining the licence is simple enough, but it's still an additional cost and once you have the licence you are bound to comply with everything required under the legislation.

### Divisional Priorities

- With the evolution of the electric assisted bicycle/motorcycle and the fully powered electric motorcycles, the division is looking to work with local and state government to have regulations and greater controls introduced around licensing and safety.
- Continued work with state governments and councils in relation to ATV safety and curbside parking, and a review of the LAMS licensing laws.

### General

Like most other divisions, we talk about ways we can increase engagement with our members. The increased activity and relevant content across our digital platforms is great for our profile. I encourage other Board members to take a lead and comment, like and/or share MTA Queensland posts with your networks.

The QMID has retained a solid, stable membership number base over the years. However, we are always looking to serve the division as best as possible.

In closing, I would personally like to thank the MTA Queensland staff that continue to focus on industry and its struggles with government and the economic climate. Also, a massive thanks to committee members both new and old, the efforts you put in and the skill sets you bring.

**Paul Peterson**  
Chairman  
QMID



**Grant Harrison**

Chairman  
Rental Vehicle Industry Division  
(RVID)



**... the industry continues to be impacted by low-cost entrants, car/ride sharing and aggregator websites. This landscape will continue to develop and needs to be understood and, where possible, harnessed by industry.**

## Rental Vehicle Industry Division

### Overview

The RVID has had a progressive year with a focus on providing value to its membership. In 2018, the RVID invited industry professionals to attend and address the committee and members on relevant items such as “not my fault” style rental charges and Queensland Police Service (QPS) on stolen vehicle processes. In September 2018, we coordinated an education program for members for the changes in the Chain of Responsibility legalisation.

The past 12 months have continued to display some mixed results in the rental industry. Stronger results are coming from regional mining, oil and gas locations along with areas that are undertaking large infrastructure development.

Operators in the leisure and tourism area continue to see strong competition despite growth in visitor numbers and expenditure in Queensland. China continues to be Queensland’s fastest growing inbound tourism market.

Like previous years, the industry continues to be impacted by low-cost entrants, car/ride sharing and aggregator websites. This landscape will continue to develop and needs to be understood and, where possible, harnessed by industry. Embracing technology in rental assets, service offering, marketing and margin retention will be essential in order to remain relevant and liquid.

### Divisional Activities

The division has been active in 2018, with a focus on value for our members. One of the key divisional activities has been ensuring that the RVID members are obtaining full value out of their membership. An email was sent out to all RVID members to provide the contact details of their local MTA Queensland Area Manager as well as a link detailing the MTA Queensland member benefits.

The Secretariat coordinated an attendance by the Queensland Police Service (QPS) to address matters relating to stolen vehicles. This provided some transparency to the QPS of what we experience in our business and their processes and requirements to assist members to recover vehicles and mitigate loss.

We were also able to meet with other stakeholders to address some of the questions relating to high charges being levied by some “not at fault” style rental companies. Again, this provided an improved level of transparency and a greater ability to limit excessive charges.

We were also able to welcome Peter Fitzpatrick (Hertz) to the RVID committee. This provides an improved representation and cross-section of members from the industry.

### Divisional Priorities

The RVID and the Secretariat will continue to push for relevant speakers/industry representatives to continue to entice members to the RVID meetings.

### General

As members of the RVID, we need to take a leadership role in the development of codes and legislation to ensure they are relevant and effective for all in the rental industry. Our industry continues to evolve and be disrupted and the key to success will be dependent upon our ability to understand and embrace new technology. This is why collaborative discussions with key innovative industry leaders is so important. MTA Queensland is that vehicle and deserves to be proud of its leadership position, focus on innovations and emerging vehicular technologies and how these can be best harnessed by its members.

**Grant Harrison**  
Chairman  
RVID



**Tim Kane**

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



... the service station industry in Queensland has welcomed the long awaited introduction of the Fuel Price board regulation on the 31 January 2018.

## Service Station and Convenience Store Association of Queensland

### Overview

The service station industry in Queensland has been put under further pressure from the state government with the forthcoming introduction of real-time fuel price reporting. Although there has been no clarification of how the data will be collected and reported to the public, it will mean more red tape for small business operators. On a positive note, the service station industry in Queensland has welcomed the long-awaited introduction of fuel price board regulation on 31 January 2018.

### Divisional/Regional Activities

We have re-opened positive dialogue with the Queensland Police Service (QPS) on drive-offs, with avoidance of payment occurring at the counter and the pump. We will continue to work with QPS and commend them for seeking industry advice.

During the year we issued information to members on the following:

- The increase in violent robberies in the retail sector, especially within the service station sector, and for them to be up-to-date with their staff training and procedures;
- Fair Work's crackdown on the underpayment of wages; and
- changes to single-use plastic bag distribution from 1 July 2018.

### Compliance Audits

The subject of compliance audits was raised at our meeting on 22 November 2017 and as an outcome of this meeting MTA Queensland have developed a self-audit document for service station operators. I would encourage businesses that have no formal compliance audit process to complete the self assessment

and seek advice from MTA Queensland where any non-compliance or shortcoming is identified.

### Divisional Priorities

Our divisional priorities will continue to be to ensure that the SSCSAQ retains members, has continued relevance and encourages more participation from our members at meetings.

### General

#### Real-Time Fuel Pricing

The Queensland government announced that it will trial compulsory fuel price reporting for all service stations for two years, requiring retailers to update their prices online within 15 minutes of any change. The Natural Resources Minister Anthony Lynham and Transport Minister Mark Bailey have both quoted a Griffith University report stating that in New South Wales and the Northern Territory, where real-time fuel pricing has been introduced, there was no real benefit in the market and in some areas fuel pricing has increased. We will be working with the state government on the introduction of real-time price reporting to ensure that the process is practical and not onerous on operators.

#### Biofuels Mandate

The committee will be looking at the review process for the mandate with a view to making further submissions. The increased red tape for reporting is definitely an issue we will continue to raise as a concern for small business and we will continue to oppose the mandate in general terms.

#### Tim Kane

Chairman  
SSCSAQ



**Brad Collett**

Chairman  
Tyre and Undercar Division of  
Queensland (TUDQ)



**The Australian Competition and Consumer Commission (ACCC) granted authorisation to Tyre Stewardship Australia (TSA) to continue its Tyre Stewardship Scheme, which is designed to increase recycling of tyres and products made from the recycled material.**

## Tyre and Undercar Division of Queensland

### Overview

I would like to thank outgoing committee members Sydney Cochrane and Ben McGuire for their contribution, with special mention to John Ruddick, our past Chairman - his wealth of knowledge and passion will be missed. We also welcome to the committee Neil Grace, Paul Simmons and Tim Parker.

### Divisional Activities

In Australia in the past year, 56.3 million tyres were disposed of and only about 10 per cent were recycled domestically. Approximately 63 per cent of tyres are disposed of as landfill, stockpiled or are illegally dumped, while others are buried or sent overseas. Unfortunately these numbers will continue to climb if we don't take action as an industry and society.

The Australian Competition and Consumer Commission (ACCC) granted authorisation to Tyre Stewardship Australia (TSA) to continue its Tyre Stewardship Scheme, which is designed to increase recycling of tyres and products made from the recycled material. Participants in the scheme include tyre retailers, importers, recyclers and collectors, fleet operators and local governments across Australia. The scheme imposes a levy of 25 cents per tyre on tyre importers which goes toward promoting uptake of recycled tyre products. We encourage all tyre businesses to seek accreditation. The requirements include regular reporting of your end-of-life tyres to the TSA. Compliance is controlled by random auditing.

TSA set up The Green Tyre Project to urge all Australians to recycle used tyres in an environmentally sustainable way and only purchase new tyres from retailers who have pledged to recycle.

At present, recycled tyre uses include:

- road surfacing;
- soft fall playground surfacing;
- brake pads;
- industrial and commercial flooring;
- explosives;
- civil engineering; and
- fuels for energy recovery.

Another focal point for the TUDQ is the topic of online tyre sales. I am well aware that many 'bricks and mortar' businesses are unimpressed with the increase of online tyre sales. However, the times are changing and nearly everything these days is accessible online. To not make the most of this situation would be a mistake. To gain from online sales, it is as easy as becoming a tyre fitment station. A customer can buy tyres online but they can't have them fitted online. Once you have that online customer in your store and they can see the range of services and the good customer service you offer, you may be able to retain that 'online shopper' as a repeat customer. The best thing any business can do is to keep up with the ever-changing customer.

### Divisional Priorities

The main priority for the TUDQ is encouraging retailers to gain accreditation to be TSA certified and to offer assistance with the process. In addition, promote the potential of turning a possible lost sale into a return customer by becoming a tyre fitment station for an online tyre sales business.

**Brad Collett**  
Chairman  
TUDQ



**Kathy Winkcup**

General Manager Innovation  
MTAiQ



**The establishment of MTAiQ came as a direct result of MTA Queensland's drive to offer direction, leadership and support to an industry facing such intense disruption.**

## Innovation Report

**The advances in technology that have** swept through the automotive industry in recent years have been startling. Products that once seemed like science fiction are now being actively researched, with some soon to become part of our everyday lives. Electric Vehicles (EVs), batteries that can power a car for hundreds of kilometres, autonomous driving technology, carbon-fibre construction, 3D printing manufacturing . . . the list of developments grows ever longer.

These new technologies are not, however, just restricted to the vehicles, or the manufacturing of those vehicles.

Computing power and the development of broadband wireless connection speeds that are lightning quick and allow for vast amounts of data to be transmitted, means that developments in communication will affect a host of automotive retail and servicing industries.

Take, for example, the case of GPS navigation. Why buy a dedicated navigation device when an app on your phone can do the job?

What if you could deliver services – retail and entertainment – directly to a connected vehicle? Or what about a smartphone app that allows you to pay for parking, or rent out your car, or order a ride-sharing vehicle, or pay for petrol?

These apps and, of course, thousands more, are available or in development and will change the way consumers interact with the auto industry - the power of mobile technology can put just about anything in the palm of your hand.

Put simply, in the next few years, the automotive industry as we know it will be radically different to the one we know now.

Recognising this imminent upheaval to our industry and the automotive

landscape in general was the catalyst for the creation of the MTAiQ Innovation Hub – Australia's first such facility focused on automotive technology and an organisation designed to support start-ups, entrepreneurs and established businesses to develop and commercialise their automotive-related concepts.

The establishment of MTAiQ came as a direct result of MTA Queensland's drive to offer direction, leadership and support to an industry facing such intense disruption.

While conceived and championed by our CEO, Dr Brett Dale, it has been my privilege to lead MTAiQ through this first year of operation.

So, what is it and how does it work?

In physical terms, MTAiQ is a working space located at MTA Queensland's head office at Eight Mile Plains. It features state-of-the-art meeting rooms with equipment for demonstration and presentation purposes, modern classrooms, a fully-equipped workshop, access to high speed internet and, of course, a comfortable space designed to encourage collaboration and inspire creative thinking.

However, it is not just the physical space and practical resources that make MTAiQ special. Rather, it is the resources around it that are its true strength.

For clients of the hub, those resources include the skills of the MTA Queensland team. On hand to offer guidance and support are the association's experienced marketing, IT and financial teams, and even the senior trainers from MTA Institute are available to give advice on any idea or concept relating to practical automotive technology.

Equally as important are the relationships and connections of MTA Queensland, to which clients of MTAiQ are exposed.





... MTAiQ has utilised this expertise and worked with more than a dozen start-ups and businesses on some truly exciting projects ...

These relationships – with government, academia, industry and other automotive organisations – are strong and long-lasting and enable clients to access an unprecedented network of knowledge and expertise.

This sort of all-encompassing support is invaluable to a start-up business or to established businesses looking for the edge in getting their idea to market.

In this past year, our first in operation, MTAiQ has utilised this expertise and worked with more than a dozen start-ups and businesses on some truly exciting projects – all of which could well play an important part in our industry's future.

These include projects that are developing autonomous ride-sharing and electric mobility options; a B2B and B2C tyre retailing system; a smart app designed to streamline job reporting processes in workshops; the support of a U.S.-based micro-manufacturing company focused on production of electric, autonomous vehicles using micro factories; 3D printing in the automotive and mining sectors; the use of VR technology to bring dealer showrooms to the consumer; and the support of a Queensland-based company assembling and supplying all-electric consumer and fleet vehicles. Most recently, MTAiQ has begun working with Refueler, a company whose app enables consumers to pre-purchase fuel from participating service stations.

Perhaps one of the most talked about projects with which MTAiQ is involved is the Pegasus Flying Car project. A truly inspirational undertaking, Pegasus is being developed by NXG3N Robotics and is well along the R&D track, its design all but complete with work on control and guidance systems continuing at a decent clip. It is a unique undertaking in this country and may prove a true game changer

as acceptance and understanding of the nature of flying vehicles - and their potential for radical change to the transportation and mobility system – continues to increase.

Another aspect of our work is to present to MTA Queensland members, and the wider industry, the concepts and projects with which we are involved. Many of these projects are geared to make auto industry businesses more streamlined, more efficient and more profitable. While the technology and ideas may be new, the goal is almost always the same – to help give businesses an insight into the industry's evolution and perhaps gain an early advantage as the evolution continues. I urge everyone to be alert for the events MTAiQ will be holding throughout the coming year.

### Innovation Profile

There has also been some outstanding success for the profile of the hub, extending our reputation to all levels of government, resulting in requests for key note presentations at significant national events and our expert opinion sought for senate inquiries and the like. In a very short time frame, we have been elevated to a national industry expert on all things mobility.

Earlier this year, team members James Orr (Chief Technology Innovation Officer) and Nathan Nguyen (MTAiQ Community Manager), travelled to Mackay to visit Split Spaces, that city's co-working and innovation hub, and a not-for-profit organisation which, like MTAiQ, is dedicated to supporting small businesses and start-ups.

The relationship with Split Spaces is intended to open opportunities for regional businesses and entrepreneurs to tap into the support and experience of that organisation and of MTAiQ, and it is one of the important first steps into developing a state-wide network of such connections.

MTAiQ will also continue to represent its clients and broadcast its message at expos, festivals and technology events – a number of which it has been a part of this year including the Myriad technology festival held in May.

Future events at which MTAiQ and MTA Queensland will be present include the Deloitte Queensland Gala Dinner in September featuring the topic - the future of mobility, and the launch of Deloitte's Mobility Index for Cities - a review of key aspects of mobility in 18 cities; and the Oracle Impact event in Brisbane which will focus on Artificial Intelligence, the Internet of Things, and Blockchain technology. We will also be present at the Electric Vehicle Expo and Something Digital in November in Brisbane.

The innovation landscape in general, and in the automotive sector in particular, is exceptionally dynamic and we will continue to work diligently to expand on MTAiQ's mission, reaching out and being accessible to everyone with an idea, a concept or a product that can have an impact on the automotive industry. Our 2019 focus is to directly engage the members of MTA Queensland and industry, to support and guide them through the innovation revolution through our continued presentation of workshops and demonstrations that highlight the new and practical technology being developed.

I thank the talented, hard-working MTAiQ team, backed by the equally industrious MTA Queensland and MTA Institute teams, in ensuring the success of the hub in its first year.

### Kathy Winkcup

General Manager Innovation  
MTAiQ Innovation Hub

PEGASUS  $\alpha$

NXG3N

OOOOO

M.T.A.  
BUSINESS

IMMERSE  
enterprise





**Paul Kulpa**

General Manager  
MTA Institute



**MTA Institute has achieved excellent results and continues to be recognised as a training provider committed to excellence and industry engagement.**

## MTA Institute

**The 2017/18 Financial Year had its fair** share of challenges for MTA Institute, most notably a change in automotive training package and the introduction of our new learning management system, My Profiling. One of these two changes would be enough to cause a significant disruption in operation, however, we took the challenge of implementing both through the course of the financial year and reached a positive conclusion.

The transition to the new training package for the automotive retail, service and repair industry required MTA Institute to create new assessment tools and resources for all the qualifications we deliver. This equated to writing over 238 assessments packs, 44 learner guides and 156 self-assessments. This was a significant body of work and necessary as a Registered Training Organisation (RTO) to remain compliant with the training package requirements.

At the same time, MTA Institute also migrated to a new digital learning platform to provide our students and employers better access to our training programs. This also required our trainers to be updated with the appropriate computer hardware in line with this digital learning migration. Whilst the migration disrupted our training schedules, it eventually provided the results we were after to manage our training programs, which was to provide greater flexibility, accessibility and accountability to our customers.

The change in the early part of the financial year certainly tested our capability. However, the high level of help provided by our administration team and trainers to support our students and employers demonstrated a commitment to making this change work and ultimately provide better training outcomes for all.

Whilst these major changes occurred, MTA Institute maintained its position

as the largest automotive private training provider in Queensland. As at June 2018, MTA Institute had 31 per cent of the automotive apprenticeship market, delivering qualifications across Queensland, and increased our total overall apprenticeship number by 3.3 per cent over the financial year.

However, it's not just about apprentice numbers, but also the quality of training provided that underpins our growth. We were pleased a student outcome survey at the end of 2017 showed satisfaction results of students training with us included:

- 90.6 per cent of graduates were satisfied with the overall quality of their training;
- 91.6 per cent of graduates would recommend the training; and
- 91.4 per cent of graduates would recommend MTA Institute as a training provider.

These results confirm our position as the number one automotive training provider in Queensland and helped MTA Institute to be named among the top five training organisations in the Small Training Provider of the Year category for the 2018 Queensland Training Awards.

### Operations

MTA Institute remains the largest automotive training provider to deliver on-site training to Queensland workshops. This model of delivery allows employers and students the flexibility and consistency of one-on-one training to maximise learning outcomes. With 29 highly skilled and professional trainers, we've offered on-site training virtually anywhere in Queensland to provide industry the best automotive education.

MTA Institute continues to work 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 will continue to provide advice to government on the automotive industry skilling needs into the future.

MTA Institute also understands there is a significant need to increase suitable candidates to industry to ensure we have the skilled workforce needed into the future. However, this will only occur if employers take on apprentices. To assist this process, MTA Institute has developed Employability Skills Programs, Auto Prevocational Programs and Auto Camps to help attract and select good candidates for jobs in the automotive industry.

To broaden our reach, MTA Institute also registered the Outdoor Power Equipment qualification to our scope. This is an exciting addition to our suite of products and provides the only on-site training opportunity for this sector. We look forward to increasing the number of apprentices in this sector.

We've also continued to deliver automotive training to international students. MTA Institute once again provided South Korean students high quality training to increase their depth of automotive knowledge and transfer these newly acquired skills back home.

## Achievements

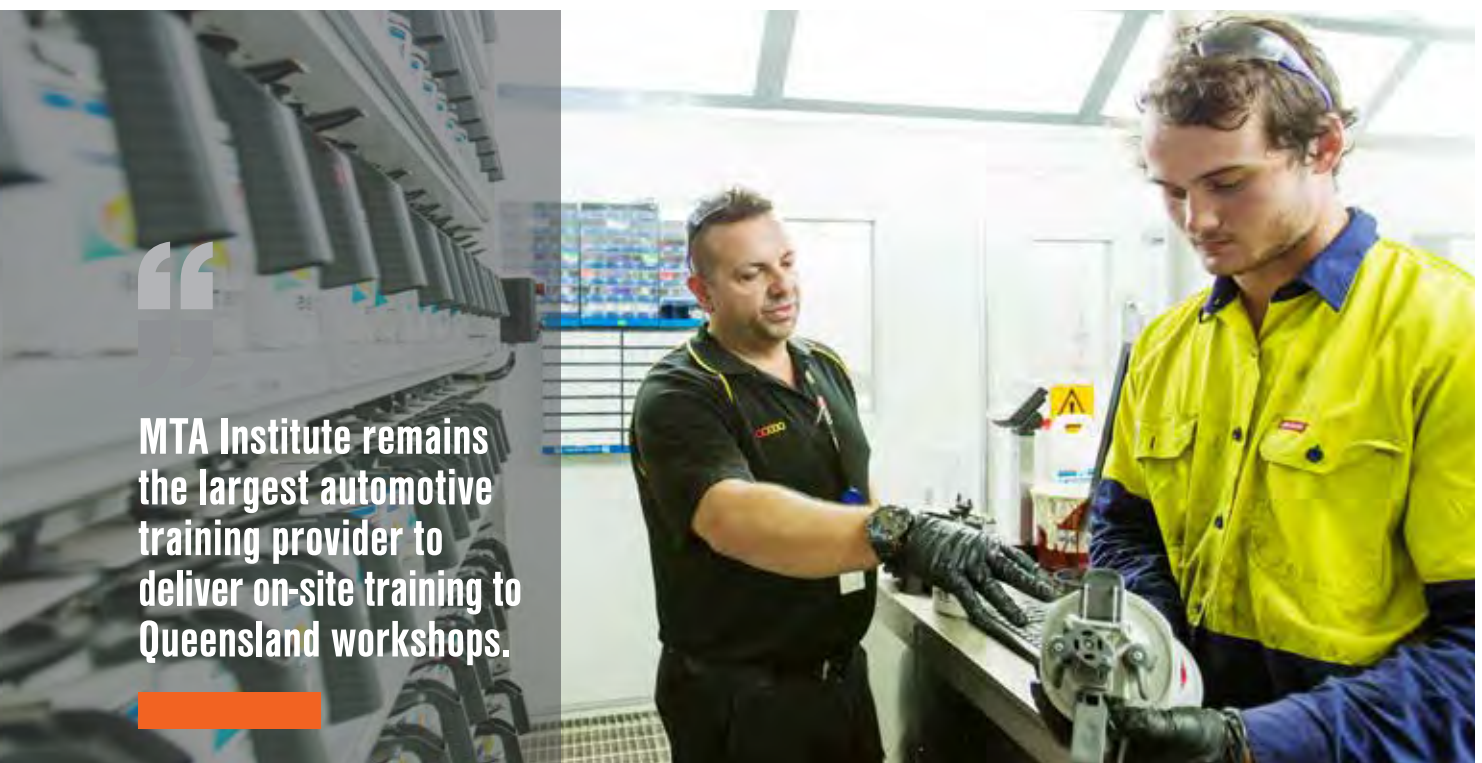
MTA Institute has achieved excellent

results and continues to be recognised as a training provider committed to excellence and industry engagement. We have worked hard to expand our training products and services to ensure we contribute to the sustainability of the automotive industry. These achievements include the following:

- MTA Institute RTO registration under Australian Skills Quality Authority (ASQA) extended to 30 June 2024.
- MTA Institute remains on the Queensland State Government's preferred supplier list and holds contracts for User Choice and the Queensland VET Investment Plan.
- Issued over 346 certificates across Queensland to learners who finished their apprenticeship or traineeship.
- Offered nationally accredited courses to 46 learners to assist in licensing including Motor Salesperson, Motor Vehicle Dealers, Motor Dealer Wrecker and Motor Wrecker Salesperson courses.
- Successfully delivered Trade Recognition to 167 learners, which involved having their skills and work experience formally assessed against industry and educational requirements to gain a formal trade qualification.
- Delivery of the Federal Government Youth Jobs PaTH program. The objective of this program is to prepare young people for a job in automotive. This contract is from April 2017 to June 2020 and provides a strong recruitment

option for automotive employers looking for suitable entrants into the industry.

- Delivery of our Automotive Pre-vocational program to 15 learners to provide a comprehensive set of skills as a basic introduction to the automotive industry.
- Implementation of Auto Camp, which provided 26 school students hands-on experience in a range of different automotive skills, from new technology such as Hybrid/Electric Vehicles to the principles and maintenance of a vehicle.
- Providing ongoing recognition of our apprentices through:
  - Apprentice of the Month nominations, culminating with the winner of the MTA Institute Apprentice of the Year;
  - automotive apprentice graduation ceremony. Held in February 2018, this provided a great chance to celebrate our apprentices finishing their training;
  - pathways to motorsports via the MTAQ race team; and
  - overseas scholarship opportunities for automotive apprentices.
- Ongoing development for over 50 learners in our non-accredited training products, including:
  - hybrid & electric technology - one of the biggest automotive growth areas in Australia, hybrid and electric vehicles will one day overtake combustion vehicles as the main vehicle on the roads;
  - paintless dent repair - an innovative



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**MTA Institute remains the largest automotive training provider to deliver on-site training to Queensland workshops.**



“

**MTA Institute's key focus is to remain flexible and responsive to adapt to the changing demands of industry.**

method by which dents can be removed from the bodywork of a vehicle leaving the original finish and paintwork intact;

- common rail diesel; and
- welding courses.

## 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 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 ongoing communication MTA Institute has with Skills Service Organisations and their Industry Reference Committees shows our commitment to provide feedback to help shape and lead the training agenda. MTA Institute also actively participated in state and federal government focus groups and provided feedback to Jobs Queensland for its Anticipating Future Skills project. MTA Institute also attends Training Reference Groups through the state in support of regional training agendas.

MTA Institute is also proud to use the services provided by the Automotive

Industry Specialist Mentoring for Australian Apprentices (ISMAA) program. MTA Institute, utilising the MTA Queensland ISMAA program, aims to increase its apprentice retention rates, particularly in the first two years of training, ultimately to improve completion rates and support the supply of skilled workers in the automotive industry.

## Quality

MTA Institute maintains an understanding of risk and risk management at an organisational level 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 also undertake annual internal and external audits and surveys to ensure adherence to our business processes to maintain our strong training brand.

MTA Institute is also committed in ensuring our trainers are the best in industry with all trainers undertaking professional development throughout the year to ensure currency in the technical and training areas.

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 especially would like to acknowledge three of our trainers, David Twidale and Richard Matthews being nominated for our Trainer recognition awards, and Peter Jaensch, who won our 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 2017/18 financial year consisted of:

- Mr Ian Lawrence - Chairman
- Mr David Fraser - Deputy Chairman and Director
- Mr Paul Peterson - Director
- Mr Alan Bonsall - Director (resigned April 2018)
- Mr Tom Mangan - Director (resigned April 2018)

I would like to take the opportunity to thank the MTA Institute Board, especially Alan and Tom, for their support and direction over the last 12 months.

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

**Paul Kulpa**  
General Manager  
MTA Institute



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# Motor Trades Association of Queensland Financial Report

Financial Report for the Year Ended 30 June 2018

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**Kathy Winkcup**

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Chief Financial Officer  
MTA Queensland

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# Independent Auditor's Report



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

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

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

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Motor Trades Association of Queensland Industrial Organisation of Employers (the reporting unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and 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 2018 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.



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## 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.

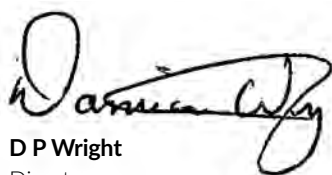
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

## Declaration by the auditor

I, D P Wright, declare that I am an approved 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, 21 September 2018

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

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# Report required under subsection 255(2A)

For the year ended 30 June 2018

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The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

<b>CATEGORIES OF EXPENDITURES</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses - employees	6,017,856	3,680,922
Advertising	207,402	55,805
Operating costs	2,223,027	1,511,621
Donations to political parties	-	-
Legal costs	20,230	14,150



**Paul John Peterson**  
Secretary

Dated: 21 September 2018

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# Operating Report

For the year ended 30 June 2018

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The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2018.

## 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 2018.
- (d) The federal reporting unit has achieved satisfactory results from the above activities.

## Significant changes in financial affairs

There was a significant change to the financial activities of the federal reporting unit for the financial year ended on 30 June 2017 because on the 6th December 2016 the associated State body was deregistered and all assets and liabilities were transferred over to the Federal Body, therefore the figures reported for the prior period are for seven months compared to the 2018 figures comprising of 12 months.

## 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.

**Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position.**

*"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."*

# Operating Report continued

For the year ended 30 June 2018

## Number of members

The number of members recorded on the register of members as at 30 June 2018 was 1,209.

## Number of employees

The federal reporting unit had 58 employees as at 30 June 2018.

## Names of Committee of Management members and period positions held during the financial year

For the year of 1 July 2017 to 30 June 2018 the federal reporting unit's Committee of Management comprised of the following persons:

Name of officer	Position	Period
<b>David Keith Fraser</b>	Chairman MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2017 to 30 June 2018
<b>Mark Bryers</b>	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2017 to 30 June 2018
<b>Paul John Peterson</b>	Secretary MTAQ Chairman Qld Motorcycle Industry Division	1 July 2017 to 30 June 2018
<b>Benjamin Russell Chesterfield</b>	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2017 to 30 June 2018
<b>Rodney Graham Pether</b>	Board Member MTAQ North Qld District Representative	1 July 2017 to 30 June 2018
<b>Brad Collett</b>	Board Member MTAQ Chairman Tyre and Undercar Division	1 July 2017 to 30 June 2018
<b>Mark David Dodge</b>	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2017 to 30 June 2018
<b>James Sturgess</b>	Board Member MTAQ Chairman Australian Automotive Dealers Association Qld	1 July 2017 to 30 June 2018
<b>Lawrence John Beacham</b>	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2017 to 30 June 2018
<b>Peter Dever</b>	Board Member MTAQ Chairman Automotive Remarketing Division	9 November 2017 to 30 June 2018
<b>Christopher Andrew Ching</b>	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2017 to 9th November 2017
<b>Grant Harrison</b>	Board Member MTAQ Chairman Rental Vehicle Industry Division	9 November 2017 to 30 June 2018
<b>Timothy Joseph Kane</b>	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2017 to 30 June 2018
<b>James William George Robertson</b>	Board Member MTAQ Central District Representative	1 July 2017 to 30 June 2018



Secretary Dated: 21 September 2018 on the register of members as at 30 June 2018

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# Committee of Management Statement

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On 21/09/2018 the MTA Queensland Board of *Motor Trades Association of Queensland Industrial Organisation of Employers* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The MTA Queensland Board declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the *RO Act*);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial 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.

Signed on behalf of the Committee of Management:



**David Fraser**  
Chairman

21 September 2018, Brisbane



**Paul Peterson**  
Secretary

21 September 2018, Brisbane

# Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2018

	Notes	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>REVENUE</b>			
Membership subscription*		1,161,134	655,858
Interest	3A	60,058	15,801
Training Services		6,902,737	4,071,527
Other revenue		673,367	495,358
<b>TOTAL REVENUE</b>		<b>8,797,296</b>	<b>5,238,544</b>
Other Income			
Grants and/or donations*	3B	483,819	-
Net gains from sale of assets	3C	44,094	-
Total other income		527,913	-
<b>TOTAL INCOME</b>		<b>9,325,209</b>	<b>5,238,544</b>
<b>EXPENSES</b>			
Employee expenses	4A	(6,017,856)	(3,680,922)
Administration expenses	4B	(1,591,097)	(805,453)
Grants or donations	4C	(182)	-
Depreciation and amortisation	4D	(441,992)	(200,933)
Finance costs	4E	(6,285)	(3,821)
Legal costs	4F	(20,230)	(14,150)
Audit fees	14	(58,118)	(25,382)
Write-down and impairment of assets	4G	-	(186,083)
Insurance		(62,687)	(40,091)
Motor vehicle		(269,105)	(192,126)
Cost of goods sold		(449,240)	(318,291)
<b>TOTAL EXPENSES</b>		<b>(8,916,792)</b>	<b>(5,467,252)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>408,417</b>	<b>(228,708)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will be subsequently reclassified to profit or loss			
Revaluation of available for sale investments		79,636	78,134
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>488,053</b>	<b>(150,574)</b>

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

# Statement of Financial Position

As at 30 June 2018

	Notes	30 June 2018 \$	30 <sup>th</sup> June 2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	4,560,952	2,221,673
Trade and other receivables*	5B	2,305,869	1,669,114
Asset held for sale	5C	-	1,995,000
Inventory		52,753	66,634
Other current assets	5D	213,795	158,775
<b>Total current assets</b>		<b>7,133,369</b>	<b>6,111,196</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	7,759,637	7,945,108
Plant and equipment	6B	860,107	738,671
Intangibles	6C	55,755	59,746
Other investments	6D	1,924,683	1,771,078
<b>Total non-current assets</b>		<b>10,600,182</b>	<b>10,514,603</b>
<b>TOTAL ASSETS</b>		<b>17,733,551</b>	<b>16,625,799</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables*	7A	408,306	586,164
Other payables*	7B	1,988,683	1,261,645
Employee provisions	8A	708,235	594,904
<b>Total current liabilities</b>		<b>3,105,224</b>	<b>2,442,713</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	89,092	131,904
<b>Total non-current liabilities</b>		<b>89,902</b>	<b>131,904</b>
<b>TOTAL LIABILITIES</b>		<b>3,194,316</b>	<b>2,574,617</b>
<b>NET ASSETS</b>		<b>14,539,235</b>	<b>14,051,182</b>
<b>EQUITY</b>			
General funds	10A	313,716	234,080
Retained earnings (accumulated deficit)		14,225,519	13,817,102
<b>TOTAL EQUITY</b>		<b>14,539,235</b>	<b>14,051,182</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2018

	Notes	General Funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1st July 2016</b>		-	-	-
Transfer of net assets upon deregistration with <i>Industrial Relations Act 2016</i>	17	155,946	14,045,810	14,201,756
Surplus / (deficit)		-	(228,708)	(228,708)
Other comprehensive income		78,134	-	78,134
<b>CLOSING BALANCE AS AT 30 JUNE 2017</b>		<b>234,080</b>	<b>13,817,102</b>	<b>14,051,182</b>
<b>Balance as at 1 July 2017</b>		<b>234,080</b>	<b>13,817,102</b>	<b>14,051,182</b>
Surplus / (deficit)		-	408,417	408,417
Other comprehensive income		79,636	-	79,636
<b>CLOSING BALANCE AS AT 30 JUNE 2018</b>		<b>313,716</b>	<b>14,225,519</b>	<b>14,539,235</b>

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



# Statement of Cash Flows

For the year ended 30 June 2018

	Notes	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,266,819	5,838,575
Dividends received		73,204	24,117
Finance costs paid		(6,285)	(3,821)
Interest received		60,058	15,801
Payments to suppliers and employees		(9,542,130)	(5,338,046)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>11A</b>	<b>851,666</b>	<b>536,626</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		1,995,000	328,467
Payment for property, plant and equipment		(433,416)	(80,613)
Payments for Investments		(73,971)	(396,621)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>1,487,613</b>	<b>(148,767)</b>
Net Increase / (Decrease) in cash and cash equivalents		2,339,279	387,859
Cash and cash equivalents at the beginning of the period		2,221,673	1,833,814
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5A</b>	<b>4,560,952</b>	<b>2,221,673</b>

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



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For the year ended 30 June 2018

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# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2018

## 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 year, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ) is a not-for-profit entity and the financial statements are prepared on a going concern basis.

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

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

There have been no accounting assumptions or estimates identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard requirements

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

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 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*, which makes amendments to AASB 112 *Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

Adoption of this amendment did not have impact on the Motor Trades Association of Queensland Industrial Organisation of Employers.

- AASB 2016-2 *Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107*, which amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes.

Adoption of this amendment did not have impact on the Motor Trades Association of Queensland Industrial Organisation of Employers.

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- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities*, which amends AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 *Fair Value Measurement* [under the revaluation model in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*] no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost may determine recoverable amounts using current replacement cost in AASB 13 as a measure of fair value for the purposes of AASB 136.

Adoption of this amendment did not have impact on the Motor Trades Association of Queensland Industrial Organisation of Employers.

- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*, which clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Adoption of this amendment did not have impact on the Motor Trades Association of Queensland Industrial Organisation of Employers.

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## 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 the future reporting period that are expected to have a future financial impact on Motor Trades Association of Queensland Industrial Organisation of Employers include:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<p><b>AASB 9 Financial Instruments, and the relevant amending standards</b></p> <p>The new standard introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p>	1 January 2019	30 June 2020
<p><b>AASB 15 Revenue from Contracts with Customers</b></p> <p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p>	1 January 2019	30 June 2020
<p><b>AASB 16 Leases</b></p> <p>AASB 16 requires almost all leases to be recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases.</p> <p>The accounting for lessors will not significantly change.</p>	1 January 2020	30 June 2021
<p><b>AASB 1058 Income of Not-for-Profit Entities</b></p> <p>On 20 December 2016, the Australian Accounting Standards Board (AASB) issued the highly anticipated new Accounting Standard AASB 1058 Income of Not-for-Profit Entities. The standard establishes principles and guidance that apply to:</p> <ul style="list-style-type: none"> <li>• Transactions where the consideration to acquire an asset is significantly less than fair value principally to enable an NFP entity to further its objectives</li> <li>• The receipt of volunteer services.</li> </ul> <p>On initial recognition of an asset received by a NFP entity, any related amounts including contributions by owners, liabilities or revenue, are to be recognised in accordance with other Australian Accounting Standards. This includes the additional new Accounting Standards AASB 15 Revenue from Contracts with Customers (for which the application date has been deferred to 1 January 2019 for NFP entities) and AASB 16 Leases (for which the application date is also 1 January 2019). Refer to commentary below on these standards. The combined operation of AASB 15 and AASB 1058 provides specific guidance for NFP entities on the principles for recognising various forms of income.</p>	1 January 2019	30 June 2020

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

Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ) 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) of the *Fair Work (Registered Organisations) Act 2009* or subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

## 1.6 Revenue

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the 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 impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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

## 1.7 Government grants

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

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

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

## 1.8 Gains

### Sale of assets

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

## 1.9 Capitation fees and levies

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

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

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

## 1.11 Leases

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

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

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

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

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

## 1.12 Borrowing costs

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

## 1.13 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 three 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.

## 1.14 Financial instruments

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



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

## 1.15 Financial assets

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

### **Fair value through profit or loss**

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

A financial asset is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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

### **Held-to-maturity investments**

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

### **Available-for-sale**

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

## **Loan and receivables**

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

## **Effective interest method**

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

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

## **Impairment of financial assets**

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

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

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

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

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

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised

impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

### **Derecognition of financial assets**

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

## **1.16 Financial Liabilities**

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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

### **Other financial liabilities**

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## Derecognition of financial liabilities

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

## 1.17 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

## 1.18 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:

	2018	2017
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.

## 1.19 Investment property

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

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

## 1.20 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:

	2018	2017
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.

## 1.21 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.

## 1.22 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.

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## 1.23 Taxation

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

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

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

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

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

## 1.24 Fair value measurement

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

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

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

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

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

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

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

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

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

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

## 1.25 Going concern

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

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

## NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2018 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Motor Trades Association of Queensland Industrial Organisation of Employers.

## NOTE 3: INCOME

	1 July 2017 to 30 June 2018	1 December 2016 to 30 <sup>th</sup> June 2017
	\$	\$
<b>NOTE 3A: INTEREST</b>		
Deposits	60,058	15,801
<b>TOTAL INTEREST</b>	<b>60,058</b>	<b>15,801</b>
<b>NOTE 3B: GRANTS OR DONATIONS*</b>		
Grants	483,819	-
Donations	-	-
<b>TOTAL GRANTS OR DONATIONS</b>	<b>483,819</b>	<b>-</b>
<b>NOTE 3C: NET GAINS FROM SALE OF ASSETS</b>		
Intangibles	83,018	-
Plant and equipment	(38,924)	-
<b>TOTAL NET GAINS FROM SALE OF ASSETS</b>	<b>44,094</b>	<b>-</b>

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## NOTE 4: EXPENSES

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>NOTE 4A: EMPLOYEE EXPENSES*</b>		
<b>Holders of office</b>		
Wages and salaries	822,103	612,575
Superannuation	92,435	53,356
Leave and other entitlements	24,096	50,941
Separation and redundancies	-	-
Other employee expenses	22,279	-
<b>Subtotal employee expenses holders of office</b>	<b>960,913</b>	<b>716,872</b>
<b>Employees other than office holders</b>		
Wages and salaries	4,480,300	2,112,211
Superannuation	495,254	378,100
Leave and other entitlements	46,423	232,060
Separation and redundancies	-	-
Other employee expenses	34,966	241,679
<b>Subtotal employee expenses employees other than office holders</b>	<b>5,056,943</b>	<b>2,964,050</b>
<b>TOTAL EMPLOYEE EXPENSES</b>	<b>6,017,856</b>	<b>3,680,922</b>
<b>NOTE 4B: ADMINISTRATION EXPENSES</b>		
Conference and meeting expenses*	1,621	1,713
Contractors/consultants	211,834	133,946
Office expenses	353,944	169,099
Information communications technology	226,315	102,912
Other	797,383	397,783
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>1,591,097</b>	<b>805,453</b>
<b>NOTE 4C: GRANTS OR DONATIONS*</b>		
<b>Grants</b>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Donations</b>		
Total paid that were \$1,000 or less	182	-
Total paid that exceeded \$1,000	-	-
<b>TOTAL GRANTS OR DONATIONS</b>	<b>182</b>	<b>-</b>



	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>NOTE 4D: DEPRECIATION AND AMORTISATION</b>		
<b>Depreciation</b>		
Land & buildings	185,470	108,191
Property, plant and equipment	208,002	77,678
<b>TOTAL DEPRECIATION</b>	<b>393,472</b>	<b>185,869</b>
<b>Amortisation</b>		
Intangibles	48,520	15,064
Total amortisation	48,520	15,064
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>441,992</b>	<b>200,933</b>
<b>NOTE 4E: FINANCE COSTS</b>		
Finance leases	-	-
Overdrafts/loans	6,285	3,821
Unwinding of discount	-	-
<b>TOTAL FINANCE COSTS</b>	<b>6,285</b>	<b>3,821</b>
<b>NOTE 4F: LEGAL COSTS*</b>		
Litigation	-	-
Other legal costs	20,230	14,150
<b>TOTAL LEGAL COSTS</b>	<b>20,230</b>	<b>14,150</b>
<b>NOTE 4G: WRITE-DOWN AND IMPAIRMENT OF ASSETS</b>		
Asset write-downs and impairments of:		
Available for sale financial asset	-	186,083
<b>TOTAL WRITE-DOWN AND IMPAIRMENT OF ASSETS</b>	<b>-</b>	<b>186,083</b>
<b>NOTE 5 CURRENT ASSETS</b>		
<b>NOTE 5A: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	2,588,101	512,322
Cash on hand	700	700
Short term deposits	1,971,851	1,708,651
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>4,560,952</b>	<b>2,221,673</b>

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>NOTE 5B: TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	1,578,930	545,724
Less: Provision for doubtful debts	(31,594)	(40,193)
<b>TOTAL TRADE RECEIVABLES (NET)</b>	<b>1,547,336</b>	<b>505,531</b>
<b>Other receivables:</b>		
Other trade receivables	758,533	1,163,583
<b>Total other receivables</b>	<b>758,533</b>	<b>1,163,583</b>
<b>TOTAL TRADE AND OTHER RECEIVABLES (NET)</b>	<b>2,305,869</b>	<b>1,669,114</b>
<b>NOTE 5C: ASSET HELD FOR SALE</b>		
Units in MTAA House Unit Trust at director's valuation	-	1,995,000
<b>TOTAL ASSET HELD FOR SALE</b>	<b>-</b>	<b>1,995,000</b>
<b>NOTE 5D: OTHER CURRENT ASSETS</b>		
Prepayments	213,795	158,775
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>213,795</b>	<b>158,775</b>
<b>NOTE 6 NON-CURRENT ASSETS</b>		
<b>NOTE 6A: LAND AND BUILDINGS</b>		
<b>Land and buildings</b>		
at cost	8,981,209	8,981,209
accumulated depreciation	(1,221,572)	(1,036,101)
<b>TOTAL LAND AND BUILDINGS</b>	<b>7,759,637</b>	<b>7,945,108</b>
<b>Reconciliation of Opening and Closing Balances of Land and Buildings</b>		
<b>BOOK VALUE - 1 JULY</b>	<b>7,945,108</b>	<b>8,053,299</b>
Additions:		
By purchase	-	-
Depreciation expense	(185,471)	(108,191)
Disposals	-	-
<b>NET BOOK VALUE 30 JUNE</b>	<b>7,759,637</b>	<b>7,945,108</b>

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>NOTE 6B: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
at cost	2,149,324	2,010,890
accumulated depreciation	(1,289,217)	(1,272,219)
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>860,107</b>	<b>738,671</b>
<b>Reconciliation of Opening and Closing Balances of Plant and Equipment</b>		
Book value 1 July	738,671	744,066
Additions	369,473	72,383
Disposals	(40,036)	-
Impairment	-	-
Depreciation expense	(208,001)	(77,678)
<b>NET BOOK VALUE 30 JUNE</b>	<b>860,107</b>	<b>738,671</b>
<b>NOTE 6C: INTANGIBLES</b>		
Computer software at cost:	104,275	74,810
accumulated amortisation	(48,520)	(15,064)
<b>TOTAL INTANGIBLES</b>	<b>55,755</b>	<b>59,746</b>
<b>Reconciliation of Opening and Closing Balances of Intangibles</b>		
<b>BOOK VALUE - 1 JULY</b>	<b>59,746</b>	<b>66,480</b>
Additions	65,055	8,330
Disposals	(20,526)	-
Amortisation	(48,520)	(15,064)
<b>NET BOOK VALUE 30 JUNE</b>	<b>55,755</b>	<b>59,746</b>
<b>NOTE 6D: OTHER INVESTMENTS</b>		
Shares in MTAQ	-	1
Dalton Nicol Reid Portfolio	1,924,683	1,771,077
<b>TOTAL OTHER INVESTMENTS</b>	<b>1,924,683</b>	<b>1,771,078</b>

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## NOTE 7: CURRENT LIABILITIES

	1 July 2017 to 30 June 2018	1 December 2016 to 30 <sup>th</sup> June 2017
	\$	\$
<b>NOTE 7A: TRADE PAYABLES</b>		
Trade creditors and accruals	408,306	586,164
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<b>408,306</b>	<b>586,164</b>
<b>TOTAL TRADE PAYABLES</b>	<b>408,306</b>	<b>586,164</b>

Settlement is usually made within 30 days.

### NOTE 7A: OTHER PAYABLES

Wages and salaries	49,176	-
Superannuation	-	-
Prepayments received/unearned revenue	1,816,824	1,186,240
GST payable	118,698	72,633
Other	3,985	2,772
<b>TOTAL OTHER PAYABLES</b>	<b>1,988,683</b>	<b>1,261,645</b>
Total other payables are expected to be settled in:		
No more than 12 months	1,988,683	1,261,645
More than 12 months	-	-
<b>TOTAL OTHER PAYABLES</b>	<b>1,988,683</b>	<b>1,261,645</b>

## NOTE 8 PROVISIONS

### NOTE 8A: EMPLOYEE PROVISIONS\*

#### Office-holders

Annual leave	68,591	-
Long service leave	74,796	-
Separations and redundancies	-	-
Other employee matters	-	-
<b>Subtotal employee provisions—office holders</b>	<b>143,387</b>	-

#### Employees other than office holders

Annual leave	274,631	323,651
Long service leave	379,309	403,157
Separation and redundancy	-	-
Other employee matters	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>653,940</b>	<b>726,808</b>
<b>TOTAL EMPLOYEE PROVISIONS</b>	<b>797,327</b>	<b>726,808</b>

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
Current	708,235	594,904
Non-Current	89,092	131,904
<b>TOTAL EMPLOYEE PROVISIONS</b>	<b>797,327</b>	<b>726,808</b>

## NOTE 9 NON-CURRENT LIABILITIES

### NOTE 9A: OTHER NON-CURRENT LIABILITIES

Non-current liabilities	-	-
<b>TOTAL OTHER NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>

## NOTE 10 EQUITY

### NOTE 10A: FUNDS

#### Reserves

<b>Balance as at start of year</b>	<b>234,080</b>	<b>55,762</b>
Revaluation increments/(decrements) – Dalton Nicol Reid Portfolio	79,636	178,318
<b>Balance as at end of year</b>	<b>313,716</b>	<b>234,080</b>
<b>TOTAL RESERVES</b>	<b>313,716</b>	<b>234,080</b>

## 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	4,560,952	2,221,673
Balance sheet	4,560,952	2,221,673
<b>DIFFERENCE</b>	<b>-</b>	<b>-</b>

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

Profit/(deficit) for the year	408,417	(228,708)
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#### Adjustments for non-cash items

Depreciation/amortisation	441,992	200,933
Net write-down of available for sale financial assets	-	186,083

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 June 2017 \$
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(691,773)	(533,586)
(Increase)/decrease in Inventory	13,882	34,205
Increase/(decrease) in trade and other payables	608,629	887,235
Increase/(decrease) in provisions	70,519	(9,536)
<b>NET CASH FROM (USED BY) OPERATING ACTIVITIES</b>	<b>851,666</b>	<b>536,626</b>

## NOTE 12: CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

### NOTE 12A: COMMITMENTS AND CONTINGENCIES

#### Operating lease commitments—as lessee

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

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

Within one year	144,763	110,895
After one period but not more than five years	148,308	130,459
More than five years	-	1,174
	<b>293,071</b>	<b>242,528</b>

#### Capital commitments

At 30 June 2018 the entity has commitments of \$0 (2017: \$0).

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

There are no contingent liabilities as at 30 June 2018.

## NOTE 13 RELATED PARTY DISCLOSURES

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

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

Director fees paid during the reporting period were \$80,474 (2018), \$47,290 (2017).

Apart from the above, there are no other Related Party Transaction during the financial year ended 30 June 2018.

Names of Officers who held office during the year are:

David Fraser	Peter Dever	Paul Peterson	Chris Ching
Rodney Pether	Grant Harrison	Thomas Mangan	James Robertson
Mark Bryers	Allan Bonsall	Mark Dodge	Robert Lawrence
Ben Chesterfield	Timothy Kane	Lawrence Beacham	Brad Collett
Brad Collett	James Sturges		

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>NOTE 13B: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD</b>		
<b>Short-term employee benefits</b>		
Salaries (including annual leave taken)	822,103	612,575
Annual leave accrued	12,316	42,066
Other FBT	22,279	-
Performance bonus	-	-
<b>TOTAL SHORT-TERM EMPLOYEE BENEFITS</b>	<b>856,698</b>	<b>654,641</b>
<b>Post-employment benefits</b>		
Superannuation	92,435	53,356
<b>TOTAL POST-EMPLOYMENT BENEFITS</b>	<b>92,435</b>	<b>53,356</b>
<b>Other long-term benefits</b>		
Long-service leave	11,780	8,875
<b>TOTAL OTHER LONG-TERM BENEFITS</b>	<b>11,780</b>	<b>8,875</b>
<b>Termination benefits</b>		
	-	-
<b>TOTAL</b>	<b>960,913</b>	<b>716,872</b>

## NOTE 14 REMUNERATION OF AUDITORS

### Value of the services provided

Financial statement audit services	41,200	52,700*
<b>TOTAL REMUNERATION OF AUDITORS</b>	<b>41,200</b>	<b>52,700</b>

\*Prior year remuneration of auditors includes an amount of \$7,700 relating to the deregistration of the State body, the remainder of the auditors remuneration is the full year audit fees that has been prorated in the statement of profit or loss.

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

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## 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 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.

	1 July 2017 to 30 June 2018 \$	1 December 2016 to 30 <sup>th</sup> June 2017 \$
<b>NOTE 15A: CATEGORIES OF FINANCIAL INSTRUMENTS</b>		
<b>SHORT-TERM EMPLOYEE BENEFITS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	4,560,952	2,221,673
Trade and other receivables	2,305,869	1,669,114
Asset held for sale	-	1,995,000
Other current assets	213,795	158,775
<b>CARRYING AMOUNT OF FINANCIAL ASSETS</b>	<b>7,080,616</b>	<b>6,044,562</b>
<b>Financial liabilities</b>		
Trade payables	408,306	586,164
Other payables - unearned income	1,988,683	1,261,645
<b>CARRYING AMOUNT OF FINANCIAL LIABILITIES</b>	<b>2,396,989</b>	<b>1,847,809</b>

## NOTE 15B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

<b>Available for sale</b>		
Interest revenue	1,137	526
Dividend revenue	72,832	36,779
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	79,636	78,134
<b>Amounts reversed from equity</b>		
Impairment	-	(186,083)
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	83,018	-
<b>NET GAIN/(LOSS) FROM AVAILABLE FOR SALE</b>	<b>83,018</b>	<b>(186,083)</b>

The net income/expense from financial assets not at fair value from profit and loss is \$nil (2017: \$nil).



1 July 2017 to 30 June 2018	1 December 2016 to 30 <sup>th</sup> June 2017
\$	\$

#### NOTE 15C: CREDIT RISK

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

Trade Receivables	1,547,336	505,531
<b>TOTAL</b>	<b>1,547,336</b>	<b>505,531</b>

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

	Not past due not impaired 2018 \$	Past due not impaired 2018 \$	Not past due impaired 2017 \$	Past due not impaired 2017 \$
Trade Receivables	1,395,361	151,975	322,357	183,174
<b>TOTAL</b>	<b>1,395,361</b>	<b>151,975</b>	<b>322,357</b>	<b>183,174</b>

#### Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade Receivables	-	33,592	21,071	97,312	151,975
<b>TOTAL</b>	<b>-</b>	<b>33,592</b>	<b>21,071</b>	<b>97,312</b>	<b>151,975</b>

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

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade Receivables	63,808	33,798	30,767	54,801	183,174
<b>TOTAL</b>	<b>63,808</b>	<b>33,798</b>	<b>30,767</b>	<b>54,801</b>	<b>183,174</b>

#### 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.

#### Maturity Analysis – 30 June 2018

	Carrying amount \$	Contractual cash flows \$	< 6 mths \$	6-12 mths \$	1-3 year \$
<b>Financial Liabilities</b>					
<b>TRADE AND OTHER PAYABLES</b>	<b>421,153</b>	<b>421,153</b>	<b>421,153</b>	<b>-</b>	<b>-</b>

# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

## Maturity Analysis – 30 June 2017

	Carrying amount	Contractual cash flows	< 6 mths	6-12 mths	1-3 year
	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>					
<b>TRADE AND OTHER PAYABLES</b>	586,164	586,164	586,164	-	-

## 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 2018, 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:

	1 July 2017 to 30 June 2018	1 December 2016 to 30 June 2017
	\$	\$
<b>Change in profit/(loss)</b>		
- Increase in interest rate by 2%	(90,139)	(44,433)
- Decrease in interest rate by 2%	90,139	44,433

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

## NOTE 16: FAIR VALUE MEASUREMENT

### NOTE 16A: FINANCIAL ASSETS AND LIABILITIES

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's 30th June 2018 year was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2018 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 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
Unit in MTAA House Unit Trust	-	-	1,995,000	1,995,000
Dalton Nicol Reid Share Portfolio	1,924,683	1,924,683	1,771,078	1,771,078
<b>TOTAL</b>	<b>1,924,683</b>	<b>1,924,683</b>	<b>3,766,078</b>	<b>3,766,078</b>

#### 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 2018

Assets measured at fair value	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
Asset Held for Sale – Units				
in MTAA House Unit	30 June 2018	-	-	-
Dalton Nicol Reid Share Portfolio	30 June 2018	1,924,683	-	-
<b>TOTAL</b>		<b>1,924,683</b>	<b>-</b>	<b>-</b>

##### Fair value hierarchy – 30 June 2017

Assets measured at fair value	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
Asset Held for Sale – Units				
in MTAA House Unit	30 June 2017	-	-	-
Dalton Nicol Reid Share Portfolio	30 June 2017	1,924,683	-	-
<b>TOTAL</b>		<b>1,771,078</b>	<b>-</b>	<b>1,995,000</b>

#### NOTE 16C: DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS

##### Valuation processes for Level 3 fair values

MTAQ's investment in the MTAA House Unit Trust is valued based on net assets of the trust multiplied by no. of units held at 30 June 2017. The majority of the net assets within the MTAA House Unit Trust relate to investment property, of which the Unit Trust regularly engages external, independent and qualified valuers to determine the fair value of the investment property.

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

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# Notes to and Forming Part of the Financial Statements continued

For the year ended 30 June 2018

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## **NOTE 17: 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).

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# Officer Declaration Statement

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I, Paul John Peterson, 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 30 June 2018.

The reporting unit 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 from another reporting unit
- receive any other revenue 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 to another reporting unit
- pay any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- 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 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 unit 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



**Paul John Peterson**  
Secretary

Dated: 21 September 2018

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# Board Members 2017 - 2018

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## MTA Queensland

### David Fraser

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

### Mark Bryers

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

### Paul Peterson

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

### Ben Chesterfield

Chairman, National Auto Collision Alliance (NACA)

### James Sturges

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

### Lawrie Beacham

Chairman, Auto Parts Recyclers Division (APRD)

### Tim Kane

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

### Brad Collett

Chairman, Tyre & Undercar Division of Queensland (TUDQ)

### Grant Harrison

Chairman, Rental Vehicle Industry Division (RVID)

### Peter Dever

Chairman, Automotive Remarketing Division (ARD)

### Mark Dodge

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

### Rod Pether

North Queensland Representative

### James Robertson

Central Queensland Representative

## MTA Institute

### Ian Lawrence

Chairman

### David Fraser

Deputy Chairman/Director

### Paul Peterson

Director

### Alan Bonsall

Director (resigned April 2018)

### Tom Mangan

Director (resigned April 2018)





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

**Postal** PO Box 4530 Eight Mile Plains Qld 4113

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

[www.mtaq.com.au](http://www.mtaq.com.au)