



MOTOR TRADES ASSOCIATION OF QUEENSLAND

A detailed, close-up photograph of a motor engine, showing various components like pistons, valves, and belts, rendered in a dark, moody style.

2021 ANNUAL REPORT





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Disclaimer: This Annual Report has been prepared for the 2018-2019 financial year which comprises the time period of 1 July 2018 to 30 June 2019. Activities, appointments, events and actions outside this timeframe will generally not be represented in this document.



Paul Peterson

Chairman
MTA Queensland



MTA Queensland, in its role as the peak industry organisation in the state, continued to provide leadership on mainstream motor trade issues and the emerging technologies transforming mobility and the associated impact on business models and the training regimen.

Chairman's Report

I present the Motor Trades Association of Queensland's (MTA Queensland's) 2018-2019 Annual Report in its 90th year of serving employer members in the State's motor trades. In a year challenged by digital and technological disruption and difficult trading circumstances, the Association ends the financial year in a sound commercial position and with the vision, proactive leadership and professional and administrative competence to sustain and progress the motor trades into the future.

Each of MTA Queensland's business and administrative entities have achieved the goals beyond those stated in the 2016-2018 Strategic Plan. Credit for this outcome is due to the professionalism and diligence of the executive team supported by the dedicated staff.

MTA Queensland, in its role as the peak industry organisation in the State, continued to provide leadership on mainstream motor trade issues and the emerging technologies transforming mobility and the associated impact on business models and the training regimen. In March 2019, the *Carmageddon 'New World Mobility'* forum was held to inform members on current and future technologies that will be disruptive over the next five years to enable adjustments to business operations or models. The event, opened by Federal Minister for Industry, Science and Technology Hon Karen Andrews, was oversubscribed with participants that included members, academia, industry, government and enthusiasts.

MTA Queensland Board

The MTA Queensland Board of Directors has complied with the powers and functions stipulated in the rules and the requirements of the RO Act. The Board met on four occasions to consider

and establish policies for corporate management and public dissemination, and to make decisions on major issues. The Board of Directors comprise:

- Paul Peterson, MTA Queensland Chairman, Chair Queensland Motorcycle Industry Division (QMID), and Executive Committee Member;
- James Robertson, MTA Queensland Secretary, Representative Central Queensland region, and Executive Committee Member;
- Mark Bryers, MTA Queensland Vice Chairman, Chair Engine Reconditioners Association Queensland (ERAQ), and Executive Committee Member;
- James Sturges, Director MTA Queensland, Chair Australian Automotive Dealer Association (AADA Queensland)
- Mark Dodge, Director MTA Queensland, Chair Automotive Engineers Division (AED), Representative Far North Queensland;
- Lawrie Beacham, Director MTA Queensland, Chair Automotive Parts Recyclers Division (APRD), Executive Committee Member;
- Peter Dever, Director MTA Queensland, Chair Automotive Remarketing Division (ARD);
- David Fraser, Director MTA Queensland, Chair Queensland Farm & Industrial Machinery Dealer Division (QFIMDD);
- Grant Harrison, Director MTA Queensland, Chair Rental Vehicle Industry Division (RVID), Executive Committee Member;
- Tim Kane, Director MTA Queensland, Chair Service Station & Convenience Store Association Queensland (SSCSAQ);
- Brad Collett, Director MTA Queensland, Chair Tyre & Undercar Division of Queensland (TUDQ);
- Mark Billingsley, Director MTA



... hosting of the Carmageddon 'New World Mobility' forum to inform members on current and future technologies that will be disruptive in the near to medium terms ...



Queensland, Representative North Queensland region; and

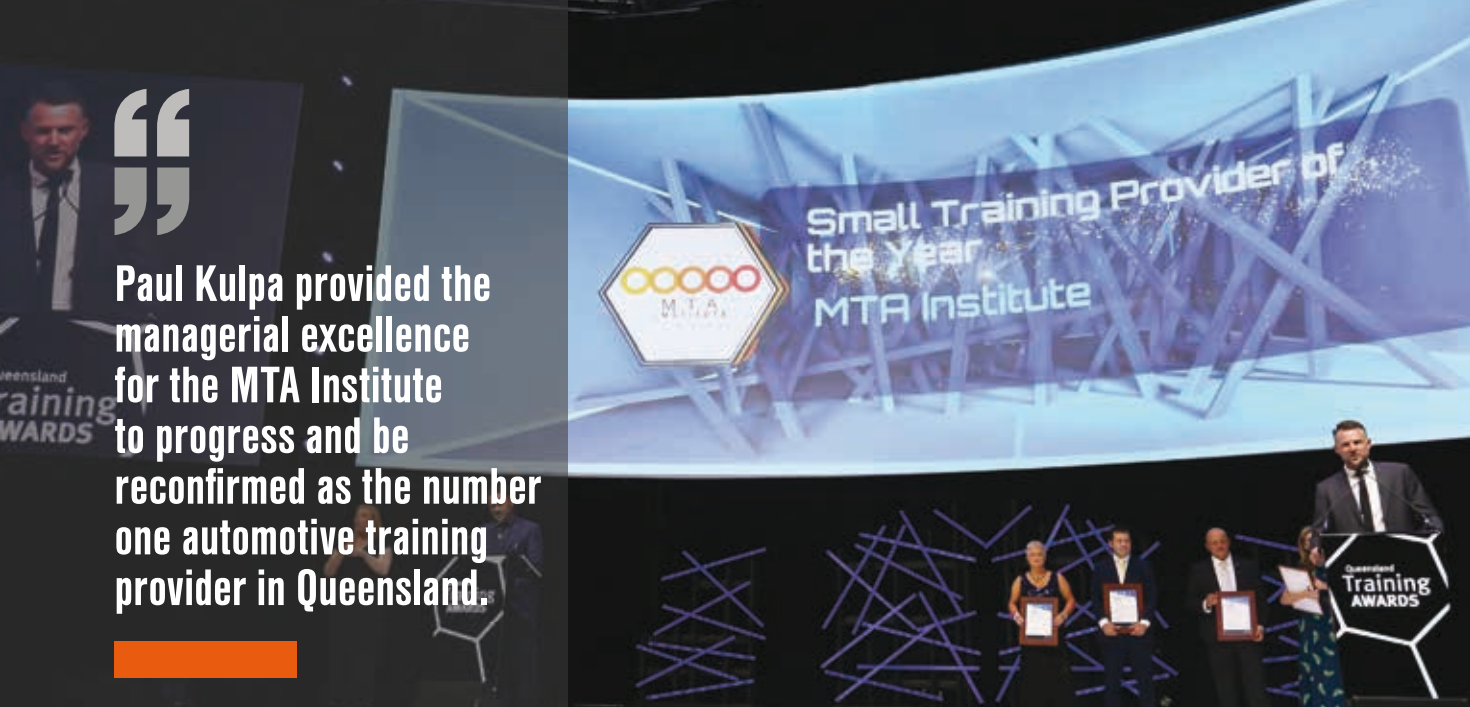
- Ben Chesterfield, Chair National Auto Collision Alliance (NACA).

David Fraser retired from his role as Chair of the QFIMDD after 12 years, which included 10 years as Chair of the MTA Queensland Board of Directors. On behalf of the Board, I thank David for his distinguished service and strong leadership of the Association, his commitment to his Division and the motor trades. I welcome the incoming QFMIDD Chair Bruce Sommerfeld.

The NACA Chair Ben Chesterfield resigned from the role to which he gave capable and knowledgeable leadership. On behalf of the Board, I thank Ben for his contributions to his Division and the Association.

Over the past year, the Board's business agenda included: policy determination; the governance, management, and strategic direction of the Association; and the delivery of accountable corporate performance. The Board of Directors have been conscientious in their deliberations on all matters before it. Significant outcomes include:

- Achieved the 2016-2018 Strategic Plan deliverables;
- Reviewed the 2016-2018 Strategic Plan and vision statement;
- Developed and approved the 2019-2021 Strategic Plan having the core principle to 'constantly challenge what we offer with the aim of exceeding the expectations of industry in everything we do'. The five core pillars on which the Strategic Plan pivots are: advocacy, services, training, support, and innovation. The prime strategy has the membership as the 'first priority' – *Service Excellence*;
- Agreed to the ongoing collaboration with the Department of Transport and Main Roads on the Cooperative and Automotive Vehicle Initiative (CAVI). This is the largest on-road testing trial in Australia of cooperative vehicles and infrastructure; cooperative and highly automated driving pilot; vulnerable road user pilot; and change management. The MTA Institute's auto-electrician capability relating to wireless technology will be utilised to install and remove the technology that will be fitted on the vehicles to gather the data. The project is expected to be implemented by 2020;
- Approved the partnership with the Australian National University, Queensland University of Technology and MTA Queensland for the Discovery Project with the Australian Research Council Centre for Multiscale 3D Imaging, Modelling and Manufacturing. It is a five-year project and one of the largest and most exciting relevant to the automotive industry;
- Agreed to commence planning with Block2 to deliver the latest blockchain technology following a comprehensive briefing. An expert panel that includes industry representation designed the technology with the aim of offering a platform for members commencing October 2019 for 12 months;
- Approved the hosting of the Carmageddon 'New World Mobility' forum to inform members on current and future technologies that will be disruptive in the near to medium terms;
- Agreed to participate in *Something Digital* – a festival which brought together participants in the digital economy including start-ups, small business and established organisations;



“
Paul Kulpa provided the managerial excellence for the MTA Institute to progress and be reconfirmed as the number one automotive training provider in Queensland.”

- Approved an agreement with the Royal Melbourne Institute of Technology University on an industry-integrated learning experience to enable students to develop the skills and capability for the world of work. MTA Queensland's contribution is industry expertise, insights and brand and credibility as an innovative enterprise in Australia. The agreement will expire in May 2020;
- Approved linkages with several innovation networks.

Directors, in their roles as Chairs of their respective motor trade Divisions, have responsibility for their sector's governance, raising industry issues, policy formation and viewpoint input into government and agency consultation papers as necessary. I commend to members the comprehensive statements from the Directors who Chair the 11 motor trades Divisions following on from my report.

Executive Committee

The executive committee meets as required to address organisational, commercial, policy or strategic directions or matters. The executive committee comprises:

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

Executive Team

The executive team's operational

framework derives from the 2016-2018 Strategic Plan and the Professional Circle's five core pillars of advocacy, services, training, support, and innovation. The executive team has achieved all the Strategic Plan's strategies and actions as detailed in the end of financial year Report Card.

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

- Dr Brett Dale DBA Group Chief Executive Officer (CEO);
- Kellie Dewar, Deputy Group CEO and General Manager (GM) Member Services;
- Kathy Winkcup, Group Chief Financial Officer (CFO) and GM MTAiQ; and
- Paul Kulpa, GM MTA Institute.

Brett provided dynamic, visionary, considered and collaborative leadership of the MTA Queensland's commercial and administrative operations during a period of technological and digital turbulence and differing economic circumstances. Expanding collaborations and advocacy to academia, government agencies, parliamentary committees and to specific business and corporations has brought new knowledge and opportunities to the Association and the membership. The stakeholder profile of MTA Group has increased exponentially.

Kellie provided the steady hand of

experience in overseeing the obligations relating to the Rules and the RO Act, the requirements of Divisions and the delivery of services and support to members. The recently revised Member Engagement Strategy provides an ongoing dialogue with members on services and industry issues to ensure the value and benefit of belonging to the Association.

Kathy maintained the high standard of financial record keeping for the MTA Group's business and corporate office operations and reporting requirements. This competence and diligence ensured accountability, enabling informed decisions by the Association's management and auditor examination.

Paul provided the managerial excellence for the MTA Institute to progress and be reconfirmed as the number one automotive training provider in Queensland. This committed approach assisted the MTA Institute to be named the Queensland Training Awards 2019 Small Training Provider of the Year.

The executive team is supported by a diligent and committed staff. The deliverables established from the Strategic Plan are detailed in the 2018-2019 Report Card. On behalf of the Board of Directors I thank each of the corporate office staff for their professional service and loyalty.

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

Group Finance

James Robertson and Kathy Winkcup have the responsibility for MTA Queensland's accounting policies, systems, practices

and maintenance of the comprehensive statements of revenue and expenditure for the Board's consideration. Best practice strategic business and financial management underpins all processes and procedures. I commend to members the Secretary's Report and the CFO's Financial Report for the year ended June 2019 and thank them for their integrity, commitment and diligence to their respective duties and roles.

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

Core pillars

Advocacy

It has been long-term professional practice to engage consultatively with all levels of government – ministerial, departmental or agencies - to progress views and policies relevant to the motor trades or the wider automotive value chain. A strong advocacy capability and competence exists within the corporate office which ensures members' viewpoints and policies are voiced professionally in oral presentations and written submissions.

Over the past year, challenging and diverse issues have been addressed including: technological disruption, impediments to business investment, mandatory scheme for servicing of vehicles, and consumer rights and protections. Kellie Dewar details the

advocacy undertakings in her report.

Recognition of MTA Queensland as a motor trades advocate and leader has increased significantly. This may be exemplified by invitations received by Brett to be a guest speaker or panellist at national and state industry conferences or conventions or to participate in industry roundtables. The practice to submit pre-budget submissions to both federal and state governments detailing the budget and policy priorities for the motor trades has continued.

MTA Queensland has developed a reputation for collaborative relationships with diverse stakeholders that includes interstate Motor Trade Associations (MTAs), federal and state departments and agencies, industry organisations and universities. This is done directly through

one-on-one consultations or indirectly through electronic communications and submissions. Invitations to speak at national and state industry automotive events and meeting engagements to discuss automotive value chain issues are indicative of successful engagement on motor trades matters.

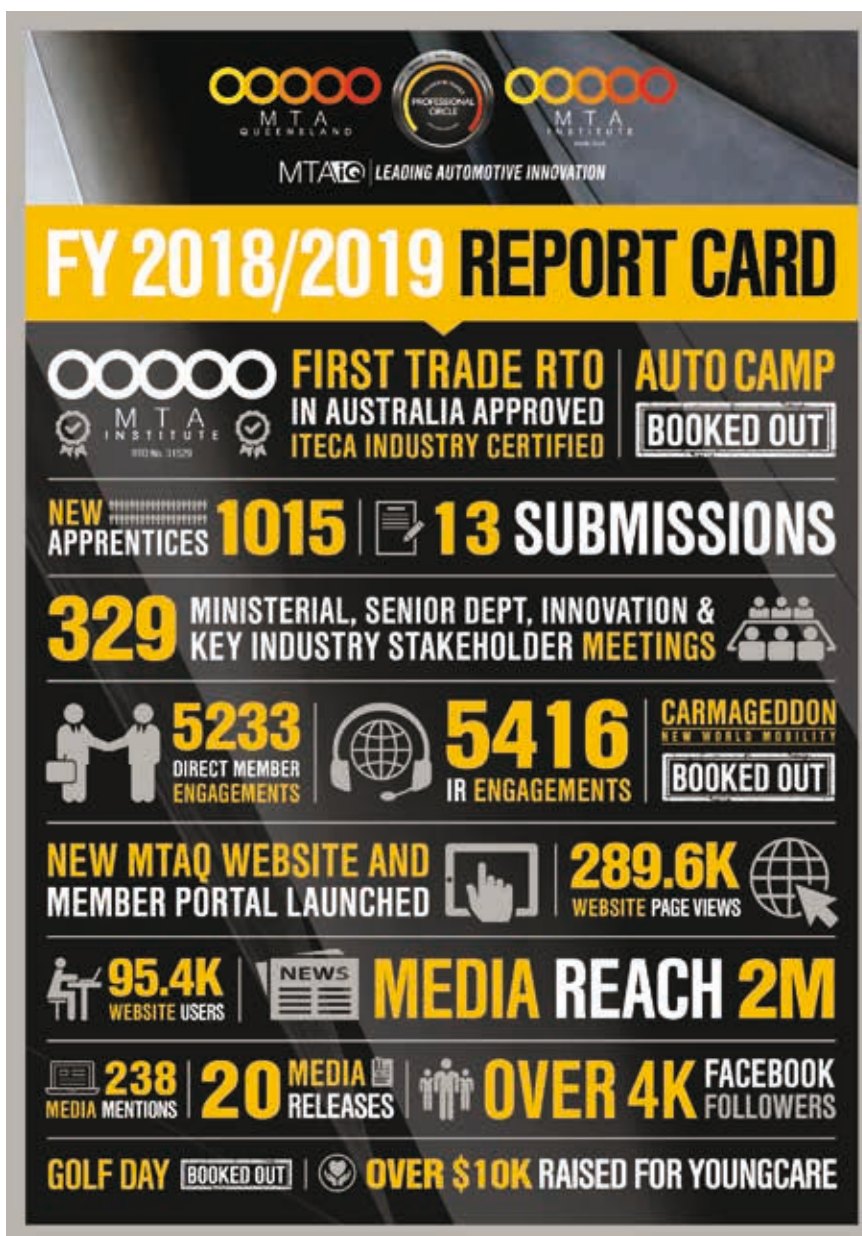
The collaborations with state and territory MTAs on mutual interest matters across the year enabled opportunities to discuss national automotive policy positions and industry goals. Liaison with Queensland Ministers, their officers, departments and agencies with responsibilities aligned to the motor trades allowed for members' views on proposed and current industry policies to be expressed.

Services and Support

Over 90 years as an industrial organisation of employers, the Association

has taken pride in delivering timely and high-quality services and support to members. Over the past year, industry, skills, and legislative and regulatory information was available to members from a range of platforms, primarily the website. To better serve members and enable easier access, the website was rebuilt. A new online space, the Member Portal, was introduced to provide access to exclusive member-only resources and shop products.

The end of financial year Report Card highlights 5,416 industrial relations engagements with members, which indicates the value of being an MTA Queensland member. I acknowledge the dedicated and loyal service of Industrial Relations Manager Ted Kowalski. After 35 years of providing workplace relations



advice to members, he foreshadowed retirement in the coming year. On behalf of the Board of Directors, I thank Ted for his dedication and service.

There has been an exponential increase in social and mainstream media exposure. This is due to the Association's status as the motor trades' peak industry organisation and for a focused strategy of growing the brand through marketing and communications. The Report Card indicates that there were some 95,000 website users and for news, a media reach of some two million consumers. The *Motor Trader* magazine in its 86th year of publication is one of the oldest trade magazines in the nation and continues to be the effective voice for the motor trades. Editor Jonathan Nash ensures it retains its reputation as a source for motor trades' information, policy and advocacy news and the promotion of members and their businesses. Stories on skills, innovation, and training have been regular features.

Training

The MTA Institute's focus on building individual skills and providing the resources to support industry has enabled it to maintain its position as the largest private automotive training provider to deliver on-site training to Queensland workshops. Primarily this is due to its consistency in having a significant core number of trainers, administration staff and managers who had worked through major Vocational and Education Training scenarios.

The MTA Institute has achieved excellent results and continues to be recognised as a training provider committed to excellence and industry engagement. In the past year, the MTA Institute was approved as the first registered training organisation to undergo the Independent Tertiary Education Council Industry Certification Program. This initiative looked at the Institute's student-centric educational quality, ethical practices and behaviours, continuous improvement culture and professional student services. Feedback identified the MTA Institute as an outstanding provider committed to providing quality results to students.

During the year the MTA Institute Chair of the Board of Directors Ian Lawrence advised after some five years in the role, the intention to retire at the end of the financial year. Mr Lawrence gave strong leadership and valued service during his stewardship which was acknowledged by Directors and staff at a special function. The MTA Queensland Board appointed Rod Camm as the incoming MTA Institute Board of Directors Chair which he assumed from 1 July 2019.

Innovation

Australia's first dedicated innovation hub for the automotive industry, the MTAiQ, in its second year of operation, has grown, capitalising on start-ups, new business models and changing mobility options. The entrepreneurial approach to innovation fostered by the MTAiQ has attracted innovators with ideas. A start-up venture

supported by MTAiQ was the Refueler app which, when released, will reinvent the future of fuel trading particularly for consumers.

The ACE EV Group established itself at MTAiQ where its first electric vehicle (EV) was built. This EV was on display at the March 2019 *Carmageddon 'New World Mobility'* forum. The group has now moved to South Australia having signed an agreement with the South Australian government.

The MTAiQ team has developed significant linkages with leading innovation agencies, one of which was the CSIRO's Data61 Robotics Innovation Centre. This is a purpose-built research facility for robotics and autonomous systems. These include technologies that link to members in the farm machinery Division. Additionally, the MTAiQ is one of Queensland's Advancing Regional Innovation Regional Program (ARIP) partners. This initiative aims to turn regions into hubs for innovation and enterprise.

The MTAiQ initiative resulted in a nomination for an Australian Business Award for Innovation. MTA Queensland was awarded the winner's title for the creation of MTAiQ and this is a significant accolade to the MTAiQ team and the initial vision and investment in establishing the facility.

The Association has been either announced as a finalist or has been



WITH THANKS TO OUR
PLATINUM SUPPORTERS

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The sixth Annual Industry Dinner at the W Hotel in Brisbane hotel was attended by more than 200 guests from across the state.



selected as the winner of significant awards. I refer to the:

- Australian Business Award for Business Innovation which recognises organisations that implement business initiatives which demonstrate innovative solutions for new and existing business needs;
- Queensland Training Award's Small Training Provider of the Year, won by the MTA Institute; and
- Lord Mayor Business Awards where MTA Queensland are a finalist in the category of Australia Pacific LNG Award for Business Innovation.

These are significant achievements recognising MTA Queensland's leadership as the peak industry organisation and the MTA Institute's supreme role in automotive training.

Events

The two signature MTA Queensland annual events are the golf day and the industry dinner. The golf tournament is in its 69th year. Held at the Virginia Golf club it attracted more than 80 community motor trades participants. Open to those currently or previously involved within the motor trades, it was a great networking opportunity and general bonhomie. I thank the hole and prize sponsors for their support and generosity.

The sixth Annual Industry Dinner at the W Hotel in Brisbane was attended by more than 200 guests from across the State. Included were MTA Queensland members, industry stakeholders, corporate partners of the Association, political representatives

and friends, family and colleagues of the Apprentice of the Year finalists. The evening's theme was 'New World Automotive' – a reflection of the evolution of the industry as new technology and concepts begin to make their mark. It was hosted by entertainer Shane Jacobson with special guest speaker, drift racing superstar Jake Jones. The highlight of the evening was the announcement of the Apprentice of the Year and winners of the Innovation and Community Awards.

Charity

Youngcare, established in 2005 has been the MTA Queensland's charity partner since its inception. It assists young people with high care needs. The Industry Dinner auction and funds raised from Cars & Coffee and other staff functions have been donated to Youngcare to assist with the provision of greater choice in housing and care options for young people.

In Memoriam

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

The Future

The MTA Queensland's 2019-2021 Strategic Plan vision to be *Queensland's most trusted, influential and engaged industry peak body* charts the course for the near to medium terms. The seven key strategies of Service Excellence; Corporate Social Responsibility; Business Excellence; Expand our Profile; Workforce and Skilling Solutions; Creativity and Innovation; and Grow and Diversify, that underpin the Strategic Plan 2019-2021

govern the corporate office operational framework. Member values set the Association's ethical standards and the overarching functioning focus rests on the *Professional Circle's* five core pillars of advocacy, services, training, support, and innovation.

In the midst of severe technological disruptions, now more than ever in its 90 year history MTA Queensland must lead the industry on the way forward. The harnessing of knowledge and future innovations from high-level collaborations and consultations with industry stakeholders, academia and governments is vital for dissemination to members. Equally important is the role of proactive advocacy to governments, academia, and corporations to reflect the concerns, the policy stances and wider viewpoints of members.

The Association itself must continue to be innovative in its practices and processes so that it may lead by example. Likewise, motor trades businesses must ensure to consumers and the motoring public, confidence and technological capability in the provision of services and products.

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 mobility transformations to advantage members' businesses.

I commend this Report to members.

Paul Peterson

Chairman
MTA Queensland



James Robertson

Secretary
MTA Queensland



This year's profit attributable to members of the organisation is \$839,447 ending 30th June 2019. Factors contributing to this very positive growth include a rise in training activity due to an increase in student numbers while maintaining and controlling expenses.

Secretary's Report

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) and confirm that the financial report is free of material misstatements, including omissions.

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.

Good governance practices have resulted in continual improvements in the management of Board processes and the transparency of governance for members.

Financial Results 30th June 2019

Profit attributable to members of the organisation

This year's profit attributable to members of the organisation is \$839,447 ending 30th June 2019. Factors contributing to this very positive growth include a rise in training activity due to an increase in student numbers while maintaining and controlling expenses.

Additionally, the investment portfolio returned approximately seven per cent for the year.

Further, the revaluation of the building asset has increased total assets by approximately \$5 million.

Our total equity position remains strong at \$20,682,341, increasing from \$14,539,235.

General Comments

As you would be aware, Directors' meetings are held every quarter and may be called more often if required for special issues. It is our experience that the Association's business has been adequately dealt with at each quarterly meeting. The details of the Association's 11 Divisions, their committees and those that serve on them, can be found on the MTA Queensland website.

I'd like to congratulate and thank all MTA Queensland staff for this strong financial result. It is no doubt the fruition of all the teams' work and commitment over the past few years. Acknowledgment must be given to former Board Chair David Fraser, current Chair Paul Peterson and CEO Dr Brett Dale for their determination to ensure MTA Queensland makes a profit each year.

The focus for 2019-2020 will continue to be on ensuring members are at the core of MTA Queensland's strategy and vision; on developing and delivering an industry-leading training program that will help produce the next generation of automotive industry professionals; and on ensuring that the financial health of the Association remains robust as we move into a period of technological change and disruption.

I look forward to continuing the work required to keep MTA Queensland profitable and relevant.

James Robertson

Secretary
MTA Queensland



Dr Brett Dale DBA

Group Chief Executive
MTA Queensland



... this year has seen MTA Queensland roll out a new Member Engagement Strategy ... designed to make the lines of communication with members even more open and transparent and ensure that everyone is aware of the work being done and the opportunities available through membership of MTA Queensland.

Group Chief Executive's Report

The mission of the MTA Queensland

Group is four-fold: to be the voice of the retail, service and repair sectors of the automotive industry in Queensland; to provide outstanding training to apprentices and students across the State; to nurture and champion new technologies and concepts that will be of benefit to the industry and the Australian community; and help established businesses adapt to the rapidly changing industry landscape.

It is a great honour to serve as Group Chief Executive of MTA Queensland. The Association celebrates its 90th birthday this year and I am as committed as any of my predecessors to seeing that we fulfil our mission to serve, support and promote the industry through the many challenges that lie ahead.

How do we do this?

MTA Queensland follows the guiding principle that members and clients are at its core. The members are the reason the organisation exists and we try always to work diligently to listen and respond to members' concerns, to advance their interests to state and federal government, and collaborate with other like-minded institutions and associations in an effort to ensure the industry remains in vigorous shape well into the future.

Engagement

With members at the core of the Association, this year has seen MTA Queensland roll out a new Member Engagement Strategy. This long-term strategy is designed to make the lines of communication with members even more open and transparent and ensure that everyone is aware of the work being done and the opportunities available through membership of MTA Queensland.

There are many benefits to that

membership, and they continue to expand with programs such as the Small Business Digital Champions Project (more on that later), new training courses, access to new online business platforms, more resources available through the member portal on the MTA Queensland website, and much more.

MTA Queensland does, of course, already have outlets which we use to communicate the work we are doing and the benefits available to members. These include the Weekly Industry Bulletin, *Motor Trader* e-magazine, and our social media platforms.

However, the engagement strategy is designed to offer two-way communication. We want to get to the heart of what is happening to individual members and hear your opinion on policy and direction and the issues affecting your trade and your business.

To achieve this, we will continue to contact members directly on a regular basis. Many members would already have had increased contact with MTA Queensland staff as we deliver on this long-term action with the hope that members will feel able to share their ideas and thoughts.

Communication is a key driver for enduring success and as this engagement strategy matures - and especially over the next few years as the expected changes and disruptions to the industry become more apparent - it will ensure that MTA Queensland is well-placed to remain the robust voice working on behalf of everyone involved in the State's automotive trades.

Financial Health

MTA Queensland Group can declare a healthy financial surplus this year with an increase of 105 per cent on 2017-2018. The full details of our fiscal year are contained in the Group Chief Financial Officer's comprehensive financial report, but I can say that this very strong return can, in large part, be attributed to the tremendous



The desire to help businesses evolve prompted MTA Queensland to this year invest in Block2, a start-up technology company that has developed . . . an online platform that will help automotive businesses to thrive.



effort over the past year of the entire MTA Queensland team. Delivery of the significant training options we deliver – from apprenticeships to social media education to leadership courses – as well as the benefits and services offered to members, relies on a dedicated team of trainers, administration staff and communication professionals and their commitment to delivering the absolute best has seen an excellent financial result. I commend everyone for their endeavour.

Innovation

There is no doubt that over the next few years our industry will go through some remarkable changes and, as mentioned, it is part of our core mission to help industry adapt and flourish in this new landscape.

While we work tirelessly to support the industry as it is today, we cannot turn a blind eye to what will be here tomorrow and the Association has, over the past few years, carefully considered the direction the industry is headed, how that will impact Australian businesses, and what we can do to prepare those businesses for that change.

In the past 12 months we have seen the launch of several new electric vehicle (EV) models in Australia (and many more are on their way) and there is much discussion and progress in the areas of renewable energy, EV fast-charging networks and the like. In the past few months, we have witnessed the State and Federal Governments recognise where the future lies, and this is evident in their investment in public fast-charging stations to support a charging network along Australia's

highways. Investment has also been made in hydrogen production and refuelling projects with the aim of demonstrating renewable hydrogen production is possible at a commercially viable scale and to help progress the commercialisation of hydrogen for vehicle transport in Australia.

These projects - and the many others too numerous to mention that focus on such things as connected and autonomous technology - are the tip of the iceberg and the most obvious signals of the enormous change our industry faces.

However, if we look past the vehicles and the technology, it is abundantly clear that consumer expectations are evolving too. Car sharing and car subscription models are finding a spot in the marketplace and will impact the traditional concept of car ownership. It is a given that EVs will build in popularity as prices drop, and model choice and recharging options grow, and it has been obvious for some years that the younger generation of car drivers and owners are far happier to read, research, communicate, buy, sell, and do business through online avenues. In this environment, if a business can't, or won't, embrace the generational and expectational shift, then they will undoubtedly experience some difficulty.

It is this evolution and the Association's forward thinking and preparation that this year saw MTA Queensland selected as one of a few industry associations from across the country to be part of the Small Business Digital Champions Project. This Australian government-funded initiative has seen the Association develop

resources to provide advice to members on how their organisation can 'go digital' to maximise their business capabilities. Free advice is provided on the topics of technology trends and technology adoption, hardware, software, digital training, online content development, online digital planning, coaching and support.

Outside of the Digital Champions Project, we have gone a step further in our endeavours.

The desire to help businesses evolve prompted MTA Queensland to invest in Block2, a start-up technology company that has developed - with input from MTA Queensland members - an online platform that will help automotive businesses to thrive.

The initial offering from Block2 is 2mota and, as members, you will already have received much information about this product. Put simply, it offers the unique proposition of two marketplaces in one online platform, delivering both business-to-consumer and business-to-business engagement.

The business-to-consumer marketplace allows consumers to request a quote for, and then book, a vehicle repair or service from workshops in their area. The business-to-business marketplace enables workshops to both hire qualified sub-contractors and sole traders to assist on short- or long-term jobs, and hire out and/or rent underutilised specialised tools and equipment, or even space and equipment such as hoists within their own workshop, to other businesses that need access to such resources.

As the nature of the repair and service industry changes along with the cars themselves, the ability to do business in a different way, to share assets and to engage with customers online, is essential. 2mota, I believe, is a game changing platform and will help businesses become more efficient and productive.

Importantly, it must be noted that 2mota has been developed with extensive industry input. It has, in many ways, been crafted and shaped by automotive businesses, creating a product that definitively meets the needs of industry.

More Innovation

The 2mota initiative is one that found its genesis in the MTAiQ innovation hub.

The hub was established in 2017 and was the first of its kind in Australia.

Establishing MTAiQ was done with the aim of creating an ecosystem that supports innovation specifically for the automotive industry. It brings together mentors, commercial partners and industry experts together with start-ups and entrepreneurs to collaborate on digital disruption and emerging technologies and commercialise and scale concepts and products. It is also aimed at offering assistance to existing automotive businesses to develop business models that can capitalise on opportunities linked to new technology.

In less than two years, MTAiQ has recorded some notable successes. Perhaps most prominent amongst these was the recognition of the potential of, and subsequent early support given to, ACE-EV. The company has been in the media in recent months as it looks to start the mass assembly of a range of EVs. The company hopes to be building up to 15,000 EVs and uses a year by 2025. As a client of MTAiQ, ACE-EV won the MTA Queensland 2018 Innovation Award and its first delivery van was assembled and launched publicly at our *Carmageddon* symposium in March of this year. It was an honour to be there and to be involved. We look forward to seeing ACE-EV thrive and become a world-leading EV maker.

Working with ACE-EV is only one of many projects and collaborations with which MTAiQ is involved and I will defer to our General Manager of Innovation to cover these items in more detail in her summary later in this report.

However, I can say that what is crucial to the success of MTAiQ is the connection to a network of government and industry contacts and relationships that MTA Queensland has developed over the years. It is the cooperative and collaborative nature of this network that helps big ideas get traction.

Industry recognition

In August, MTA Queensland was announced as a winner for Business Innovation in the Australian Business Awards for the work of the MTAiQ innovation hub. This award recognises organisations that implement business initiatives which demonstrate innovative solutions for new and existing business needs. We are thrilled to receive recognition by leading the way for industry through this period of technological advancement, and the MTAiQ innovation hub is essential for industry to achieve the success that will come for new and existing businesses adopting new technologies.

Furthermore, myself and other executives from the Association have represented the membership at many events and forums, and before many industry-focused committees and councils, over the past year. Below is a short list of some of the engagements the executive team has undertaken this year:

- The Autonomous Vehicle Summit where I presented on the topic of *An Industry Perspective on the Readiness and Capacity for Autonomous Vehicles in Australia*;
- The Mumbrella Automotive Marketing Summit where I presented on *Autonomous Vehicles* and how they will change the motoring industry;
- QODE where I presented on the topic



As a client of MTAiQ, ACE-EV won the MTA Queensland 2018 Innovation Award and its first delivery van was assembled and launched publicly at our *Carmageddon* symposium in March of this year.

of *Next Generation Transportation – an emerging technology*;

- Department of Transport and Main Roads industry forum on the sharing economy;
- State Government 'Future of Work – Skills and Industry Summit' hosted by the Queensland Premier. The emphasis was on workers' skills keeping pace with technology, automation, innovation and the shift to a knowledge-based economy;
- The Queensland Overseas Foundation (QOF) Board meeting on scholarships and awards - including the Queensland Automotive Trades QOF Scholarship. MTA Queensland committed to be a sponsor of the QOF and the program that provides vocational education and training graduates with the opportunity to improve their career prospects by working overseas. It was tremendously exciting to see that the Automotive Trades QOF Scholarship was awarded to Elliott Lemmon, the MTA Institute 2017 Apprentice of the Year;
- Meeting with Telstra to discuss 5G technology and its application to autonomous/connected motor vehicles and industry in general;
- Invited to be a member of the Queensland Electric Vehicle Committee (QEVC) at the request of the Minister for Transport and Main Roads; and
- Participated in discussions with Queensland University of Technology

academics on the Association's involvement in an Australian Research Council Discovery project relevant to 3D printing.

These represent just a small selection of the events and meetings that we have attended on matters facing small business, the skills needs of the industry, and automotive training. I urge you to read the GM Member Services Report on the following pages for a more detailed look at these interactions.

Training And The MTA Institute

The MTA Institute has had a stellar year and continues to be at the forefront of industry training. As a Registered Training Organisation (RTO No. 31529) and the largest private provider of automotive apprenticeships and training in Queensland, the Institute is at the leading edge of automotive education and continues to flourish under the day-to-day leadership of GM Paul Kulpa.

Apprenticeship training is delivered across the range of the industry's traditional disciplines - such as light vehicle mechanical technology and automotive body repair - but it is the depth and range of educational opportunities that make the Institute stand out from its peers.

The Institute runs trade recognition programs, automotive licensing courses, pre-apprenticeship courses, and also

hosts Auto Camp, a program delivered through MTA Queensland that is designed to introduce high school students to the industry, give them hands-on experience in automotive skills and encourage their interest in a career in the industry.

While all these courses are popular, it is the Hybrid Electric Vehicle Inspection and Servicing Skill Set course that is proving to be particularly noteworthy. It has been delivered by the Institute for some time now but the interest in the course has grown dramatically in the past couple of years. The most recent courses have included attendees from Perth and even Singapore – evidence that the Institute's reputation in offering the absolute best and most relevant training opportunities to MTA Queensland members and industry generally is spreading far and wide.

The delivery of industry-leading training is the result of the incredible hard work of the Institute's dedicated trainers and leadership team of Paul Kulpa and Operations Manager Marcello Riotto, and it has been incredibly pleasing to see this commitment recognised on a state and national level. In September, the MTA Institute won the 2019 Small Training Provider of the Year Award at the Queensland Training Awards – a wonderful result for a dedicated team of professionals.

I also must note that the MTA Institute is the first trade RTO in Australia to be





... 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 ...



approved under ITECA (Independent Tertiary Education Council Australia). This means the Institute is recognised for its student-centric educational quality, ethical practices, continuous improvement culture, and professional student services. It is another well-deserved honour.

On a final note regarding the MTA Institute, I would like to acknowledge and welcome a new Chair to its Board.

Rod Camm took over the hot seat from Ian Lawrence in August and with more than 30 years' experience in policy development and tertiary education, and with a long history working at executive and CEO level - including as Managing Director of Australia's National Centre for Vocational Education Research - Rod will bring a seasoned and experienced eye to help guide the future strategy of the Institute as we move into ever more challenging times for our industry.

To departing Chair Ian Lawrence, I offer my heartfelt thanks for being at the helm for five challenging years and acknowledge the incredible professionalism and knowledge of the educational landscape that he brought to the role, helping to guide and lead the Institute to its award-winning status.

Rod will join fellow Directors Paul Peterson, James Robertson and Professor Michael Milford on the Board – a great team to help the continued progress of the Institute as we continue to deliver outstanding training programs that tackle the big technological challenges and disruptions.

Marketing & Communications

A quick word about communication. Last year, I noted how the effort from MTA Queensland's Marketing and Communications team had resulted in some outstanding results and expanded the reach of the Association's message.

This year, I can report that almost 290,000 views were recorded across the Association's websites. We issued numerous media releases, with mentions in leading print publications and radio reaching more than two million people. The Association's profile continues to grow on social media with more than 4,000 Facebook followers and our best performing platform, Instagram, achieving a huge 74 per cent in growth. This is a very pleasing result and a reflection of the continued growth in our reputation as an industry body whose opinion carries much weight.

My Thanks And Farewell

I must, at this point, mention one key member of the MTA Queensland team – Ted Kowalski. Many members will know Ted who, during a 35-year career with the Association, has helped countless businesses grapple with the often-confusing field of industrial relations.

Ted joined MTA Queensland, then known as the Queensland Motor Industry Association (QMIA), in 1984 and has been an invaluable member of the team ever since. However, he has decided to retire this year and it is no exaggeration

to say that he will be sorely missed. While his incredible knowledge of the intricacies of employment regulations has been invaluable it is just as important to acknowledge that he is a true gentleman and generous and trusted friend to all. The MTA Queensland family wishes him all the very best as he embarks on the next chapter in his life.

And Finally

As our industry continues its trajectory into an 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 not only to those with ideas and concepts that will shape our future but also to those looking to adapt and prosper in that future.

I thank the members of the MTA Queensland Board for their ongoing support and once again express my gratitude to the administrative, training, and innovation teams for their efforts in delivering the highest levels of service to our members, students and clients. The Association is in a very strong position as we move into our 91st year and begin the countdown to our centenary. It will be very interesting to see how our industry will have changed when 2029 comes around.

I wish you all well for the coming year.

Dr Brett Dale DBA

Group Chief Executive
MTA Queensland



Kellie Dewar

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



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

Member Services Report

Advocacy

Advocacy is the first of the five pillars that underpins the Professional Circle. It featured prominently in the 2016-2018 Strategic Plan as a prime Business Excellence goal. We continue to ensure members' views and policy positions are prioritised and effectively represented. Our approach to advocacy has dual components, the first consideration being that it is inclusive. We listen to the views of members through their Divisional representatives and represent these and the associated policy stances to government, agencies, stakeholders and the media. I take this opportunity to emphasise that we welcome all member views on our advocacy agenda; these are forward published in our *Motor Trader* columns.

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

- Senate Select Committee on Electric Vehicles to inquire into the use and manufacture of electric vehicles in Australia;
- Australian Competition and Consumer Commission - Collective bargaining class exemption submission;
- The Treasury - The Black Economy Designing a Modern Australian Business Number consultation paper;
- Consultation RIS Energy Division Department of Natural Resources, Mines and Energy; Energy Division - Fuel price reporting;
- Transport and Public Works Committee - Inquiry into Transport Technology;
- Automated Vehicles Team National Transport Commission - Motor Accident Injury Insurance and Automated Vehicles discussion paper;

- Unfair Contract Terms Review Consumer and Corporations Policy Division;
- The Treasury - Review of Unfair Contract Term Protections for Small Business;
- Transport and Public Works Committee Queensland Civil and Administrative Tribunal and Other Legislation Amendment Bill;
- MAIC CTP Premiums Team Insurance Commission - Factors and trends influencing the cost of insurance under the statutory insurance scheme;
- Mandatory Motor Vehicle Scheme Consumer and Corporation Policy Division - Mandatory Motor Vehicle Scheme re: Mandatory Scheme for the Sharing of Motor Vehicle and Repair Information consultation paper;
- Jobs Queensland - Jobs Queensland Future of Work in Queensland to 2030 -Evolution or Revolution discussion paper;
- Hon Jacklyn Trad MP Member for South Brisbane Deputy Premier Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships - MTA Queensland Priorities - Pre-budget Submission for the 2019-2020 Qld Budget;
- Draft Queensland Transport Strategy. This provides the 30-year vision for the transformation of the State's transport system to ensure that it will have flexibility in responding to customer preferences, global trends and emerging technologies; and
- Liquid Fuel Security Review Team re: Liquid Fuel Security Review Interim Report.

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

The Takata Airbag recalls list has continued



In this period of significant technological disruption, MTA Queensland has been a leader in articulating the impacts of technology transformations on the automotive value chain.

to expand as more models are added to the recall. We encourage members to show diligence checking the airbag recall status of vehicles for sale. To date 3.2 million airbags have been replaced with 600k total airbags still to be replaced. Pleasing is that as a percentage of recalls, Queensland has the lowest rate of airbags to be replaced at 12.14 per cent. There are still 793 Alpha airbags yet to be replaced.

MTA Queensland Rules

The core of the MTA Queensland is its *Rules* which establish it as an industrial organisation of employers registered under the Fair Work (*Registered Organisations Act 2009*). The *Rules* set our governance, commercial and operational framework that the Board of Directors strictly observe. The objectives that guide decision making and actions are:

- To promote, advance and protect the interests of the motor vehicle industry and associated trades or businesses in Queensland and to conserve the interest of members;
- To advocate, advance and protect the interests of employers connected with the motor vehicle industry and associated trades 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 or any of them.

Each of these objectives established in the 2016-2018 Strategic Plan have been fulfilled and our quarterly Report Cards continue to reflect our high level of engagement with all levels of government.

Our *Rules* are reviewed each year aligned with our Annual General Meeting and this year we made changes to the tenure of our positions of Chair, Vice Chair and Secretary.

Correspondence

- Queensland Motor Trades – Policy Initiatives for the incoming Government The Hon Scott Morrison MP Prime

Minister Member for Cook.

- Queensland Motor Trades – Policy Initiatives for the incoming Government The Hon Bill Shorten MP Opposition Leader Member for Maribyrnong.

As is customary for the Association, we wrote to all successful election candidates, both House of Representatives and Senate, and to newly appointed Ministers and Shadow Ministers with portfolios relevant to the motor trades. These letters included an invitation to visit our corporate office and training facility to discuss policy issues.

Support

Small Business Digital Champion

In this period of significant technological disruption, MTA Queensland has been a leader in articulating the impacts of technology transformations on the automotive value chain.

The Association recognised in advance that digitisation would impact the automotive value chain and undertook actions to inform members. MTA Queensland, as an industry association,

was selected as one of 15 industry associations as part of the Australian Government's Small Business Digital Champions Project. Its purpose is to promote the benefits of 'going digital' to their respective memberships. This may include advice on technology trends and technology adoption, hardware, software, digital training, online content development, online digital planning and coaching support.

Awards

MTA Queensland provides awards to promote the motor trades and recognise achievements. These are presented at the Annual Industry Dinner. The 2018 categories and winners were:

- Community Award for an individual or member business who is a role model in their community, which is evidenced by their actions, was presented to Fionna Blackburne and the team from Southeast Auto Mechanical for the delivery of the free Women's Essential Car Maintenance Workshop;
- Innovation Award for an individual or business that is supporting or implementing innovation in the automotive or mobility industry, was presented to Greg McGarvie of ACE-EV, a company that is a leader in the electric vehicle space and is set to manufacture a range of electric vehicles; and
- Apprentice of the Year for an MTA Institute apprentice who demonstrates a

dedication to learning, was presented to Jack Goodrich, a recently qualified light vehicle mechanic from Twidale Auto & Motorcycles in Goondiwindi.

For the 2019 Industry Awards Dinner, a new category - Women in Industry Award - was approved. This award is for a female leader or business achieving success by their commitment to driving change in the automotive or mobility industry.

MTA Queensland partnered with the Queensland Overseas Foundation, Heavy Vehicle Industry Australia, the Institute of Automotive Mechanical Engineers and the Construction & Mining Equipment Industry Group to offer the Queensland Automotive Trades Scholarship to graduates in the Queensland automotive industry. This was awarded to Elliott Lemmon, the MTA Queensland 2017 Apprentice of the Year.

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

Corporate Partners

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

- MTAA Super;
- Commonwealth Bank;

- Core SME;
- Capricorn Society;
- OurAuto – Tech-Centre;
- OurAuto – Digital;
- Bennett & Philp lawyers;
- Safety Help; and
- Illion.

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

Industry Specialist Mentoring for Australian Apprenticeships (ISMAA)

MTA Queensland has been an ISMAA provider for the automotive industry for 2018-2019.

Over 1,000 apprentices have accessed the ISMAA program with support to apprentices being finalised in December 2019. An Individual Mentoring Plan is developed with the apprentice or trainee and their mentor to ensure it addresses any barriers to completing their training and is implemented through frequent contact from a highly skilled industry mentor. We look forward to sharing the final results for the program.

Jobs Board

A significant issue for members is the employment of skilled staff. Our free Jobs

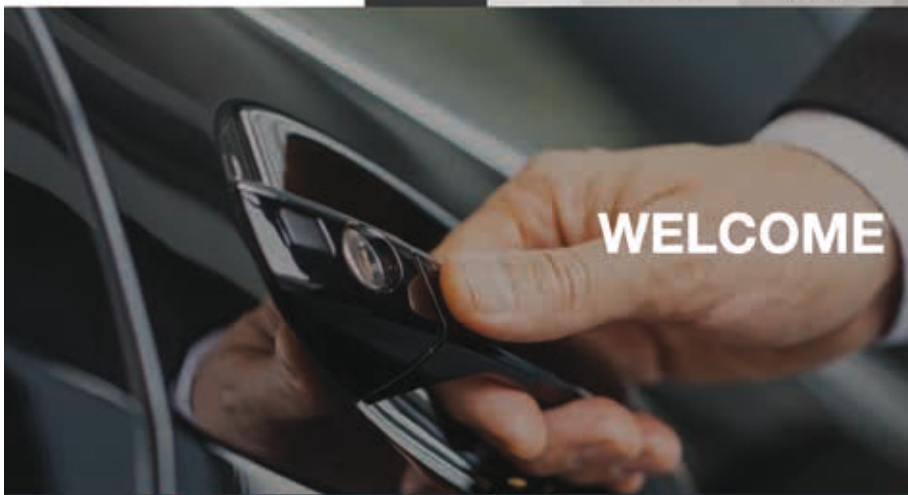


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Over the past year, there was extensive development of the member portal and member management platform Dynamics CRM to deliver increased value to members and offer new means of member engagement . . .



MTA Queensland is the peak body representing the interests of employers in the retail, service and repair sectors of Queensland's automotive industry.



MTA Institute (RTO No. 31529) is the largest private provider of automotive apprenticeships and training in Queensland.



MTAiQ - Australia's first automotive innovation hub established in 2015, offering an eco-system that supports innovation in the motor trades.

Phone: (07) 3237 8777
Web: mtaq.com.au
Email: info@mtaq.com.au



Board continues to grow. I encourage all members to take advantage of this free benefit.

Dob in a Backyarder

The *Dob in a Backyarder* webpage reflects our key stakeholder relationship with the Office of Fair Trading. This provides intel to assist with the tracking down of unlicensed backyard dealers and has proved to be a successful initiative. It enables anyone to report unlicensed backyard dealers with the details referred to the Office of Fair Trading.

Services

Communication and Member Engagement

Being engaged with our members is our top priority. In the review of our vision statement we included 'Engaged' as our commitment to ongoing personal communication with our members. The first step is to ensure our communication and advice is reaching the right people and to offer assistance in areas of digital, insurance, EFTPOS and electricity.

Our member support IT activity focused on expanding the reach to members and providing additional services and offerings. Over the past year there was extensive development of the member portal and member management platform Dynamics CRM to deliver increased value to members and offer new means of member engagement, service and payment options.

In May we hosted the National Association

of Women in Construction (NAWIC) Women on Tools breakfast attracting over 100 attendees across all trades. The event ran in conjunction with Qld Small Business Week bringing together tradeswomen and female apprentices to network, share and explore possibilities. Our 2018 MTA Queensland Community Award winner, Fionna Blackburne from Southeast Auto Mechanical, was a guest presenter.

You can catch up with us at partner and industry events such as Capricorn Trade Shows, RACQ Conference and Motorfest, The Truck Show and many others.

Cars & Coffee continues to grow in to a strongly supported community event with 100 – 200 vehicles per event. Come and join us for this family-friendly morning.

MTA Queensland Green Team

In March 2019, a 'green team' was established to support Key Strategy 2 in the 2019-2021 Strategic Plan and to action our commitment to the Corporate Social Responsibility Statement in the same document.

The team's objective is to develop and apply practices and procedures that would lessen MTA Group's environmental footprint and is made up of staff that span across all aspects of the business. Core strategies focus on actions to minimise the use of resources for all business and training objectives. Some actions are relatively minor, but the totality of the measures have had the effect of reducing and off-setting impacts of the corporate office environment.

Achievements abound, such as eco-bins for recycling; paperless meetings; recycling oils, batteries, copper, metals, fluids, tyres, paint/panel; and ride-sharing and car-pooling for meetings where possible. The challenge for the 'green team' is to achieve more, such as the utilisation of the water tanks under the building, limiting printing and improving recycling in the workshop.

Conclusion

Member Services provides the administrative and support services to the MTA Queensland Board and to each of the 11 motor trades' Divisions for representation and meetings.

Essential to the department are the dedicated staff who provide a high level of service to the membership and facilitate the administrative, organisational and promotional tasks that comprise MTA Queensland and its status as a peak industry body. I thank all staff for their commitment to their duties and service to the members.

I thank the Board and Divisional Committees for your collaboration on representing the interests of all members and for assistance to me in my roles as Deputy Group Chief Executive & General Manager of Member Services and general support for MTA Queensland Staff.

Kellie Dewar

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



Ted Kowalski

Industrial Relations Manager
MTA Queensland



Member involvement has continued at a high level with 5,416 member contacts during the year; five members being represented in general protections claims; 13 members in unfair dismissal matters; five members in wage claims and one in a discrimination claim.

Industrial Relations Report

The Fair Work Commission, in its Annual Wage Review for 2019-2020, brought down an across-the-board adult award rate increase of 3 per cent which was to apply from 1 July 2019. This took the Federal Minimum Wage for adult employees to \$740.80 per week or \$19.49 per hour.

This is compared to the 3.5 per cent increase that had been awarded from 1 July 2018. The Superannuation Guarantee percentage remained unchanged at 9.5 per cent and there is no indication from government that the schedule for future movements of the percentage is likely to change. The next proposed movement is in the 2021-2022 financial year when it will go to 10 per cent.

As covered in last year's report, the four-year review of modern awards – which commenced in late 2014 – continues with no clear sign of a finish point for the two main awards that apply to the motor industry. Unfortunately, in a number of instances, the Fair Work Commission has made decisions affecting our awards over the objections of both employer and employee representatives – which creates uncertainty for all parties.

Unfair dismissal claims continue to feature as regular sources of irritation for business. While it's true that a substantial proportion of these claims are settled without recourse to a formal hearing before the Fair Work Commission, many involve payment of some level of compensation – particularly where the former employee is represented by one of the many legal firms that do very handsomely from this type of litigation. Thankfully, the Federal Government has tasked the Australian Small Business and Family Enterprise Ombudsman with doing a review of the current Small Business Fair Dismissal Code which has proved to be of far less assistance than originally promised.

It's hoped that changes to this Code will simplify the process of dismissal for small businesses which may not have access to professional industrial relations expertise.

Franchise businesses have seen increased oversight being imposed by their franchisors as a result of the 7-Eleven wage underpayment case. The government has introduced legislation which makes a franchisor potentially liable for offences committed by their franchisees, unless the franchisor can show that it has been pro-active in ensuring that all regulations are being followed. This has resulted in regular auditing being conducted by the franchisors.

The past year saw the departure of our Industrial Relations Officer Paul Murray and the arrival of Evangeline Kannis as his replacement. Member involvement has continued at a high level with 5,416 member contacts during the year; five members being represented in general protections claims; 13 members in unfair dismissal matters; five members in wage claims and one in a discrimination claim. Five Award/Dismissal training courses were run covering Cairns, Townsville, Mackay, Rockhampton and Brisbane and we continue to offer this course and Workplace Health and Safety training throughout the State on a regular basis.

Ted Kowalski

Industrial Relations Manager
MTA Queensland



James Sturges

**Chairman
Australian Automotive Dealer
Association Queensland (AADA Qld)**



The committee received a briefing from Dr Brett Dale, CEO, on his involvement with the Electric Vehicle Council and his ability to formally represent any members of AADA Qld to the Council if required.

Australian Automotive Dealer Association Queensland

Overview

This year, more than ever, the AADA Qld committee has been working closely with AADA National to ensure that the Queensland perspective is heard and discussed at a national level.

Divisional Activities

The AADA Qld committee is focused on issues affecting Queensland motor dealers and has raised a range of issues that have been progressed, or are still being progressed with the support of MTA Queensland. In most cases, these issues require extensive and strategic 'on the ground' work with many stakeholders involved over an extended period. I would like to take this opportunity to thank Kellie Dewar and the MTA Queensland staff who help progress our issues and represent our interests to all levels of government. The strength of the committee is based on its representation. I am pleased to report that this year has seen the largest representation from dealers for many years. We have found holding short, sharp teleconference meetings has allowed members throughout Queensland to join. It is an open forum and members can dial in for meetings they're interested in.

Divisional Priorities

Although it would have gone unnoticed to many, there was recent renewed interest in the topic of seven-day trading. MTA Queensland immediately made contact and presented the information on the matter and reminded the government that car dealerships remain exempt.

Working with AADA National has not only provided the Association with a formal Queensland perspective, but ensures that the projects they are working on are of

interest to MTA Queensland members.

The committee would like to thank James Voortman, CEO of AADA National, for taking the time to present to our June meeting. James gave an update on the following priorities and policies.

- Automotive Industry Code;
- Access to Service and Repair Information;
- Australian Consumer Law Review;
- Affordability (LCT, Tariffs, Duties);
- Vehicle Emissions; and
- Finance, Insurance and Warranties.

The committee received a briefing from Dr Brett Dale, CEO, on his involvement with the Electric Vehicle Council and his ability to formally represent any members of AADA Qld to the Council if required.

The committee this year also provided feedback for continuous improvement and industry validation of MTA Institute's Training and Assessment Strategy. The committee assessed the core and elective units for the Motor Salesperson's Course and Motor Vehicle Dealer's Course to ensure the course content covers the skills required. The committee supports the position of the Automotive Remarketing Division (ARD) on a pre-requisite period of three years prior to being eligible to apply for a Motor Dealer's Licence.

General

This is my last year as the AADA Qld Chair. James Robertson has been appointed as the new Chair, and is the current Central Queensland District Representative and MTA Queensland Board Secretary.

James Sturges
Chairman
AADA Qld



Mark Dodge

**Chairman
Automotive Engineers Division
(AED)**



2mota has been created with much industry input, including from members of the AED division, and offers not only a booking platform for B2C engagement but also a B2B component for asset sharing and the hiring of skilled technicians.

Automotive Engineers Division

Overview

2019 has seen good attendance at all AED committee meetings with a renewed interest and input into meetings revolving around relevant industry issues. These included but were not limited to, quality staffing, operations and charge out. There has been a lot of activity and discussions relating to training, apprentices, staffing and third-party booking platforms.

Divisional Activities

These areas collectively and in the cases of a few committee members have consumed a considerable amount of time and effort that has resulted in a much more informed committee.

The meetings, feedback and input that have been presented to the AED committee have shown that not only is the AED an integral part of MTA Queensland, but a valuable source of industry knowledge supported by the resources of the MTA Queensland staff.

MTA Queensland staff have, during the year, attended meetings and given updates on training, industry issues and the mentoring program. All committee members who have taken part in and supported the mentoring program have given positive feedback.

Support has been given to the training department regarding changes to training modules.

Divisional Priorities

Discussions and actions moving forward require positive input with potential solutions to help overcome the perceived current lack of interest and foresight that is resulting in lost opportunities for long-term career prospects of students looking to be involved in the automotive industry.

MTA Queensland strongly and actively promotes our industry but requires the

support and input of all stakeholders to be able to deliver a well-informed program. This includes AED members who on a daily basis see and work within the current industry environment.

General

Moving into the 2019-2020 financial year will see our Division faced with issues that are not only affecting our individual businesses now but which will, unless addressed, have far-reaching, long-term effects for the whole industry. These include how we promote our sector to consumers and to potential participants.

Discussions regarding third-party booking platforms and parts suppliers consumed a considerable amount of time and energy this year with the resulting consensus that these platforms are and will be part of our industry for the foreseeable future.

Recognising this fact, an exciting development has been the creation, by MTA Queensland and others, of the 2mota online platform. 2mota has been created with much industry input, including from members of the AED division, and offers not only a booking platform for B2C engagement but also a B2B component for asset sharing and the hiring of skilled technicians.

To be part of such an industry-led offering is an opportunity too good to miss and MTA Queensland members can use 2mota for free for 12 months. I encourage all members to find out more about 2mota at www.2mota.com.au

Maurice Donovan has put considerable time and resources into industry training and ASE accreditation. I commended him for his vision, commitment and ongoing support regarding training and upskilling.

Mark Dodge
Chairman
AED



Lawrie Beacham

Chairman
Automotive Parts Recyclers Division
(APRD)



Innovation is needed in our sector for alternate use of materials, generating value from components such as plastics. An effective end-of-life vehicle policy for Australia continues to be a topic for discussion and debate for our industry.

Automotive Parts Recyclers Division

Overview

A greater percentage of businesses report that profit and turnover are on the decline. This appears to be industry wide with many closures. Of course land values are a major factor but not the only reason and smaller facilities appear to be suffering the most. There are many external factors impacting the sector including the continued poor performance of the \$AUD and rising compliance costs. Scrap pricing, although down, appears relatively stable.

Divisional Activities

The Takata airbag issue is ongoing as the list of affected vehicles continues to grow. It appears as though the industry is able to comply without too much disruption to business. There has been ongoing discussion regarding the operations and practices of the unlicensed industry and its impact including environmental damage, financial insecurity, and continued imposts and regulation to licensed businesses. Any details you can provide are always welcome. Hopefully, this coming year we will be able to make authorities aware of the real impacts of these operations on our businesses.

There have been recent changes to environmental regulation, in particular to environmentally relevant activities (ERAs) impacting parts recyclers. The two stages had effective dates of 23rd November 2018 and 1st July 2019. These changes have resulted in significant increases to annual fees for some businesses.

There is a process in place for requesting a payment plan of annual fees and this was circulated to members. Importantly, you must wait until a new invoice for the annual fee is received from the Department prior to any action.

There is a further option relating to the potential reduction in annual fees through

the approved partner discount (10 per cent reduction in fees). I suggest members check the information and take advantage of any fee reduction they may be entitled to.

Divisional Priorities

Priorities for APRD include remaining relevant and providing insight to the industry, as well as supporting and advocating on issues impacting our sector. We are hopeful these consistent actions will also lead to divisional membership growth. We will continue to contribute to discussions and ideas for creating a waste economy within the industry. Innovation is needed in our sector for alternate use of materials, generating value from components such as plastics. An effective end-of-life vehicle policy for Australia continues to be a topic for discussion and debate for our industry.

General

The National Motor Vehicle Theft Reduction Council showed an increase in car thefts in Queensland for the same financial year period last year of 15.1 per cent.

The Department of Transport and Main Roads (TMR) started a consultation process into the management of written-off vehicles (WOVs) in Queensland. Part of the review sought feedback on the issues and problems experienced and TMR's management of the process and policy of WOVs through a survey. The review of WOV management will cover the issues faced with both light and heavy vehicles; the ideal management of the WOV by Vehicles Standards; and potential changes to the current scheme.

Lawrie Beacham

Chairman
APRD



Peter Dever

**Chairman
Automotive Remarketing Division
(ARD)**



Following a submission to the toll road inquiry by the Queensland Government, we have been successful with dealers being able to 'dispose' of vehicles to other dealers and a new form to reduce fines and toll charges after sale.

Automotive Remarketing Division

Overview

As Chair of the ARD, it's been another interesting year with many challenges continuing within our sector. Sales of used vehicles continue to be largely unpredictable with a reasonable start to the calendar year followed by periods of lacklustre demand.

Divisional Activities

The Takata airbag recall continues to be an issue for our sector, with most grappling with what is required of them to ensure public safety. The continued expansion of the makes and models affected by the recall, coupled with the added requirement of replacements, has kept this issue at the forefront.

Following a submission to the toll road inquiry by the Queensland Government, we have been successful with dealers being able to 'dispose' of vehicles to other dealers, and a new form to reduce fines and toll charges after sale.

In January we made a submission on the Queensland Civil and Administrative Tribunal and Other Legislation Amendment to reinstate a minimum 'time served' as a salesperson before being eligible to apply for a Motor Dealer's Licence, which unfortunately was not supported.

I am always keen to promote MTA Queensland and ARD membership and have continued with marketing material at City Motor Auctions and Central Auto Auctions.

Divisional Priorities

- Continue to lobby government for:
 - » tightening of dealer licence training requirements;
 - » three-month registration option for motor dealers;
 - » continued support for our long-term policy position on licences for premises;

- To further strengthen our relationship with Queensland Transport and the Office of Fair Trading; and
- Increase Division member numbers.

General

The issue of cloning registration plates became very real for members last year with some receiving fines for camera-detected offences where vehicles were parked in dealerships. Carsales has deployed artificial intelligence in a bid to prevent plate cloning by blurring the number plates of all vehicles listed on the site.

The total number of used car sales in Queensland for the 2018-2019 financial year was 395,598 which is an increase of 5,720 compared to the previous financial year, which totaled 389,878.

The sales split for dealers-to-private was 169,004 units and private-to-private was 226,594. From the total increase of 5,720 the dealer-to-private market decreased by 418 and the private-to-private market increased by 6,138. These figures are based on used vehicle transfers processed in Queensland. Contact Member Services for monthly sales data including price, vehicle types, ages, and post codes of buyers and sellers.

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

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

Peter Dever

Chairman
ARD



Mark Bryers

Chairman
Engine Reconditioners Association
of Queensland (ERAQ)



We are currently looking to open dialogue with the Australian Automotive Diesel Specialists. We have many synergies within the objects of each Association and as an industry we face similar challenges. We are keen to build networks and create standards for industry.

Engine Reconditioners Association of Queensland

Overview

As Chair of the ERAQ, I have spent time in the last 12 months attempting to organise some major networking opportunities, but unfortunately there has been little support. We will keep encouraging and promoting these opportunities and will run the sessions where members express an interest. If there is anything in particular you would like to see us doing, or somewhere that we should consider holding a meeting for our Division, please make contact.

Divisional Activities

We are currently looking to open dialogue with the Australian Automotive Diesel Specialists (AADS). We have many synergies within the objects of each Association and as an industry we face similar challenges. We are keen to build networks and create standards for industry. Technical data remains key for our industry and we are keen to engage with like-minded industry groups.

AADS had a meeting in Dalby where they went through Engine Australia's performance / technical division and saw the new Ford P5AT 5-cylinder Ford diesel engine improvements. They then shared all the knowledge and information on fuelling and other issues with this engine. I believe we should align ourselves very closely with the AADS for mutual benefit.

Divisional Priorities

A priority exists around the review of the current training package, including delivery for our apprentices. There is a current review open and we are seeking some validation from industry. All feedback is welcome including no need for change. Some options being discussed

at committee level include partial units delivered online, then practical sessions to shorten the period the apprentice is out of the workplace. Also, the sequence or order of training and the relevance of the units being delivered. Our next meeting will see the training body attend the ERAQ meeting and we will endeavour to have more members dial into the meeting to participate in the new training program. This program will then be offered to the other states in Australia.

General

We are currently speaking with the New Zealand Engine Reconditioners Association (NZERA) on a potential national conference for the industry which is intended to be held in a state yet to be decided. NZERA held a meeting early October 2019 to discuss, and we have spoken to all Australian states and territories about getting behind this conference which they support.

With the drought affecting most of New South Wales and Queensland, we look forward to some rain to stimulate the industry. Two more engine reconditioners in Australia have shut their doors in the past year as the land is more valuable than the business.

This year, a provider for freight of engines and parts advised they would no longer provide this service. Although it appears we have found other providers in the market, this is a space we will monitor as it is a key requirement for all of us and if others follow, this could have a major impact on our business.

Mark Bryers
Chairman
ERAQ



Ben Chesterfield

Chairman
National Auto Collision Alliance
(NACA)



Industry revenue is forecast to grow at an annualised 0.5 per cent over the five years through 2024-25, to reach \$8 billion.

National Auto Collision Alliance

Overview

Increased vehicle and road safety campaigns, pressure from insurance companies and price competition are forecast to limit industry revenue growth and demand for repair services. However, growth in the number of motor vehicles on Australian roads and an increase in the size of the population aged between 18 and 25 are projected to support demand for repair services over the period. In addition, discretionary income growth is projected to increase demand for elective services such as custom paintwork, interior repairs and car wash services. Industry revenue is forecast to grow at an annualised 0.5 per cent over the five years through 2024-25, to reach \$8 billion. (*IBISWorld Industry Report S9412 October 2019*).

Capricorn held their inaugural collision repairer's conference in Melbourne in August which was very well supported by industry.

Divisional Activities

At the end of last year, we completed a survey for the NACA Division. The results of the survey indicated that the most common issues were staffing, lack of insurance and industry consistency, challenges in emerging technology and increasing customer awareness generally on choice of repairer. Future operating models and consolidation in industry were also prominent challenges.

We encourage members to use choice of repairer material in their business and on their websites, which can be downloaded from the member portal.

We met with IAG to establish a line of communication which was very positive. We distributed information on the Request for Proposal (RFP) to appoint suitably qualified providers for smash repair services within a defined catchment

area. We hope to establish the line of direct communication with other insurance companies and manufacturers.

Divisional Priorities

The future of the industry and training remain high on the agenda, particularly attracting apprentices and staff retention.

The other challenge identified for business from the survey is making the completion of tender documents easier, no matter who the work provider is - insurer or manufacturer. The committee has been discussing having consistent minimum industry standards, with each provider adding their requirements. If the minimum standards formed the initial basis of all applications this would significantly reduce the administrative burden. It was identified that it may be challenging to get all providers to agree on minimum set standards. However, this remains on our agenda.

General

In a benchmark ruling by the Australian Financial Complaints Authority there was a determination in favour of the customer on an insurance policy that included choice of repairer but also gave the insurer a discretion to determine how much it would pay for the repairs. The insurance company stated that the policy holder's quote was unreasonable and excessive. The insurer obtained a lower quote without engaging a qualified assessor to inspect the damaged vehicle. There was no evidence to support the claim that the quote was unreasonable. The determination was made that the insurer had not fulfilled its obligations under policy and they must settle the claim in accordance with the original quote.

Ben Chesterfield

Chairman
NACA



David Fraser

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



The industrial machinery dealers are witnessing increasing sales with new mining projects coming online. Coal seam gas infrastructure work in the Surat Basin is on the increase with the recent announcement of a new stage.

Queensland Farm and Industrial Machinery Dealers Division

Overview

2019 is a year that will be recorded in history as one that farm machinery dealers hope never to witness again. It is too late to receive rain for any sort of normal winter crop planting (May to July). The 2019 summer crop planting period (October 2018 to January 2019) saw a few regions receive planting rain but overall a lower than normal summer crop harvest (March to June). The areas that had on-farm water storage or underground water allocations reaped the benefits of above average commodity pricing due to product demand. Irrigated cotton was again successful for those farmers in the fortunate position of having water.

The downside for farm machinery dealers coming out of a reasonable back-to-back 2018 winter and summer crop is that there is now an excess of traded-in machinery. There are limited farming areas serviced by our QFIMDD network able to re-sell the second-hand traded stock. Dealers carrying costs are increasing due to the inability to re-sell and the length of time machines are having to be carried.

The industrial machinery dealers are witnessing increasing sales with new mining projects coming online. Coal seam gas infrastructure work in the Surat Basin is on the increase with the recent announcement of a new stage. New coal mines coming online in Central Queensland in the Galilee Basin will hopefully see the industrial machinery dealers reap some benefits in the near future.

Divisional Activities

As my retirement from the QFIMDD nears, our Division has been discussing succession plans. I have held various committee positions in the QFIMDD for

more than 20 years, with the last 11 years as Chair. This industry has given me and my family so much over my 45-plus years of involvement. It has been an honour to give back, in what I feel to be such a small way, by helping our industry evolve. During my time as Chair of the Division, it has been fantastic to have a committee of strong dealers coming from varying sized dealer operations and representing all OEM brands. They always showed professionalism to their duties and were able to work together to achieve outcomes that would not have been possible if we were not united.

Divisional Priorities

The Division will continue to try to strengthen and increase member numbers, and support dealer needs by way of services and training. The emphasis is on training to ensure the MTA Institute continues to meet our skilling needs. I feel positive the new-look QFIMDD committee for 2019-2020 will be an active and helpful team to assist the industry moving forward.

General

I wish to acknowledge the retirement of Rob Vandersee and extend our Division's best wishes to Rob for a long and joyful retirement. I also would like to thank committee members Bruce Sommerfeld and Murray Dover for their commitment during 2019 and wish the new committee all the best for next year.

To the management and staff at MTA Queensland and MTA Institute, I extend a heartfelt thank you for your tireless efforts of support in 2019.

David Fraser
Chairman
QFIMDD



Paul Peterson

Chairman
Queensland Motorcycle Industry
Division (QMID)



With the motorcycle industry's decline and its affect on associated industries, the time has come for distributors, dealers and stakeholders to unite to address the causes and stem the downward turn.

Queensland Motorcycle Industry Division

Overview

Continued decline and zero/negative growth has the sector questioning what is slowing new motorcycle sales.

The used motorcycle market has stayed very consistent across the years with total sales at 25,209, five down on the previous year. Of these sales, 6,082 were dealer-to-private and 19,127 were private-to-private.

Licensing, environmental and social factors are likely contributors with concerns over an exodus coming from the sport and recreation market. Distributors are blaming the lack of places to ride and the younger generation's connection to technology.

Finding skilled trades people continues to be a challenge with many looking to the overseas market as job adverts continue to go unanswered.

Divisional Activities

The Division has had in-depth discussions regarding licensing reviews, cost and terms, the New South Wales and Victorian models, clothing requirements and grading. The Division has also had continued discussions regarding ATVs and 'ROPS' and various regional issues.

Divisional Priorities

The priorities for the Division have been to rejuvenate the fun/kids' motorcycle market and grow the customer base. With the Queensland Department of Transport unwilling to change the current laws in relation to licence cost and attainment, we will need to look at other ways to boost sales.

General

With the motorcycle industry's decline and its affect on associated industries, the

time has come for distributors, dealers and stakeholders to unite, address the causes and stem the downward turn. The industry is changing at a rapid speed and members need to be looking at necessary changes to ensure ongoing profitability and relevance.

We participated in a review of the current definition of 'moped' as it currently only includes being powered by an internal combustion engine. It does not cover alternative power sources such as electric motors. The review only applied to vehicle standards and modifications for mopeds and would not affect registration or compliance with any other laws. The committee agreed the proposed addition to the definition was needed to cover the increasing number of electric mopeds in Queensland.

September 2018 saw the launch of The Motorcycle Clothing Program (MotoCAP), the world's first rating system for motorcycle clothing. The website www.motocap.com.au aims to give the motorcycle community more information when making choices about what clothing to wear while riding.

A common discussion point within the Motorcycle Division (like most other Divisions) is to consider ways in which we can increase engagement with our members. The increased activity and relevant content across our digital platforms is a powerful tool to help build the Motorcycle Division and other Divisional profiles. I encourage all members to engage with and share MTA Queensland's social media content.

Paul Peterson

Chairman
QMID



Grant Harrison

Chairman
Rental Vehicle Industry Division
(RVID)



The ride-share market in Queensland continues to evolve with more entrants gazetted to enter in the second half of 2019.

Rental Vehicle Industry Division

Overview

The 2018-2019 financial year has continued to see changes in the rental vehicle industry including trading conditions, rapid adoption of 'e-scooters', continued evolution of ride-share and the push for driverless vehicles as well as the continued impact of aggregator websites.

Trading conditions continue to be patchy with localised demand for rental within the infrastructure, construction, mining, oil and gas areas. Leisure and tourism numbers have increased over 12 months reporting a 12 per cent increase in visitor numbers to Queensland, 11 per cent increase in visitor nights and a 14 per cent increase in regional trip expenditure.

Lime Scooters has grown to a fleet of approximately 400 units as Brisbane continues to adopt the new transport mode. Competition in the e-scooter space is increasing with Neuron Scooters rolling out in Brisbane.

The ride-share market in Queensland continues to evolve with more entrants gazetted to enter in the second half of 2019. Uber continues down the path of driverless vehicles and initiated an IPO in the US in May 2019 despite facing a class action in Australia and global driver strikes.

Aggregator websites continue to be utilised by major rental companies to assist in maximising utilisation of assets albeit at reduced margins.

Divisional Activities

The focus for the Division is ensuring members are deriving value from their membership which includes Industrial Relations (IR) advice and support, discounts from Corporate Partners (EFTPOS fees/gas/electricity/insurance etc.), information updates (tax/IR/recalls etc.), discounts on training, and industry

specific resources and consumables.

We have also coordinated guest presentations at our committee meetings and extended invitations to all RVID members on topics including technology, IR, training and grants and alternative fuels.

In March, we had Ted Kowalski and his team present on Human Relations & IR topics including issues relating to the rental industry. Other recent committee discussions have included credit card charges and obligations and training for child seat fitment as well as customer service training.

Divisional Priorities

The RVID focus will be to continue to ensure that we remain relevant to our members and provide value.

General

Firstly, I would like to thank the MTA Queensland staff. Most of their work goes unseen and therefore unrecognised and I would like to pass on our thanks on behalf of the RVID.

I would also like to acknowledge outgoing RVID Vice Chair Darryl Essington-Wilson. Darryl held the position of Secretary from 2014-2017 and Vice Chair from 2017-2019. Darryl remains a valued member and key contributor of our RVID committee for the next term.

Looking forward, with tighter retail spending, emerging technologies and evolving consumer behaviours, I have no doubt that the coming financial year will provide as many challenges as last year. I am, however, confident that with the support of MTA Queensland, our industry will continue to grow.

Grant Harrison

Chairman
RVID



Tim Kane

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



There will be an addition of 186 new service stations built around Australia in the next 12 months, 58 of them in Queensland. The selling rate for pre-existing service stations is currently very high.

Service Station and Convenience Store Association of Queensland

Overview

In November 2018, after the failed BP bid for the retail fuel business, Woolworths announced the sale to British retail group Euro Garages EG Group. Caltex retains its long-term supply of fuel for the acquired sites and fuel discount vouchers and loyalty points will remain in place for customers.

From 1 March 2019, Viva Energy has taken control of the forecourt pricing and stock control for the Coles Express chain of service stations with a 10-year deal being struck.

These will create some uncertainty for the retail fuel landscape in Queensland and across Australia.

New Service Stations

There will be an additional 186 new service stations built around Australia in the next 12 months, 58 of them in Queensland. The selling rate for pre-existing service stations is currently very high.

Divisional Activities

Divisional activities focused on mandatory fuel price reporting and the biofuel mandate review.

Divisional Priorities

Priorities remain as working with Queensland police for drive-off reporting and devising industry solutions.

General

Mandatory Fuel Price Reporting

On 1 May 2019, the grace period for fuel price reporting ended with the Department of Fair Trading now able to fine operators for not reporting their fuel prices on their website within 30 minutes of them changing.

Biofuel Mandate Review Submission

In view of the empirical data showing consumer aversion to biofuel petrol, any further regulatory obligations and enforcements on fuel retailers is not supported. Current reporting obligations each quarter and the costs incurred by fuel retailers should be reviewed and minimised.

Online Fuel Drive Off Form Upgrade

We've collaborated with the Queensland police to upgrade the current online reporting form to log a drive off. Improvements include the ability to upload CCTV footage and individual login numbers allowing for certain data to be automatically pre-populated.

Election of Office Bearers

Our bi-annual election results were:

- Chair - Tim Kane;
- Vice Chair - Darren Bauman; and
- Secretary - Glen Lynch.

Our long-serving Vice Chair Michael Carr did not renominate as he is exiting the industry to pursue other business interests. Mike will be sorely missed at our meetings as he has always been vocal and passionate, bringing new discussion points to our meetings with a great sense of professionalism and humour.

We also welcomed Karl Rasmussen to our committee. Karl currently runs eight Puma sites around Rockhampton and has been in the petroleum industry for over 10 years. I look forward to working with Karl in the future.

Tim Kane

Chairman
SSCSAQ



Brad Collett

Chairman
Tyre and Undercar Division of
Queensland (TUDQ)



Essentially, the aim for the Tyre Product Stewardship Scheme is to find valuable uses for tyre-derived material that will generate commercial opportunity.

Tyre and Undercar Division of Queensland

Overview

In my first full term as Chair, I would like to thank my committee members for their time and effort and ongoing dedication to our Division. Although it has been an uneventful year, the correct disposal of tyres and warranties given on tyres has been a focus for us.

Divisional Activities

I take the opportunity to re-iterate some information I shared in the last Annual Report.

In Australia, in the past year alone, 56 million used tyres were disposed of. Of those, only about 10 per cent were recycled domestically. Approximately 63 per cent were disposed of as landfill, stockpiled or illegally dumped. Others are buried or sent overseas. Unfortunately, these numbers will continue to climb if nothing is done.

Essentially, the aim for the Tyre Product Stewardship Scheme is to find valuable uses for tyre-derived material that will generate commercial opportunity. Customers and retailers would like to trust companies to dispose of their used tyres correctly. However, there have been cases where tyres are collected then dumped. It is imperative that all retailers are aware that they are liable for the tyre being disposed of correctly and ensure that disposal companies used are accredited. Retailers also contribute to Tyre Stewardship Australia (TSA) by providing data on monthly waste disposal. Non-reporting stores will have their accreditation reviewed. Since the introduction of the reporting and compliance program in 2015, the TSA has been able to trace the fate of approx. 200 million tyres.

The variation on warranties for tyres is another important topic as there are large differences between companies and manufacturers in Australia.

Some give the warranty based on the date code or Tyre Identification Number (TIN) located on each individual tyre. Others give a warranty from the date of purchase/receipt.

Generally, buying older unused tyres is not a problem as long as the tyre has been stored appropriately. It is possible for an unsuspecting customer to purchase a tyre that is eight years old which is still new/unused. So, can all manufacturers who are giving out a warranty from date of purchase say that a new/unused eight-year-old tyre can be as safe and sound as a one year old at purchase? Can they guarantee the way each stockist will store the tyre for all the years they have it?

Divisional Priorities

Priorities are to assess the development of a 'Standard Universal Warranty Guideline' by MTA Queensland for Australian consumers to supersede that of each individual manufacturer and to present the guideline to government for approval and implementation. This could be in the form of an industry guide relating to the current Australian Consumer Law (ACL).

General

Consumers deserve a level of honesty and transparency in their purchase - from trusting the quality of the product to information on its impact on the environment.

Brad Collett
Chairman
TUDQ



Kathy Winkcup

General Manager Innovation
MTAiQ



An important part of what MTAiQ can offer to new businesses is access to a vast network of contacts in government, academia, industry and other automotive organisations – contacts that can tap a deep well of knowledge and expertise in bringing projects to fruition.

Innovation Report

It has been a busy year for the MTAiQ

innovation hub. The first such innovation centre of its kind in Australia, the MTAiQ innovation hub focuses solely on the automotive market, and its role is to bring together mentors, investors, coaches, commercial partners and industry experts to collaborate with both start-up businesses and entrepreneurs, as well as established businesses looking to adapt to the changing industry landscape.

In the two years since its creation, MTAiQ has accomplished much and now plays a vital role within the MTA Queensland Group. Its aim is to advance and promote ideas and products that are in the best interests of members and the wider industry and we do this by offering a variety of resources and services.

There is the physical space at the hub that includes office and workshop facilities, while other available resources include the skills of the MTA Queensland team who deliver advice on marketing, IT, financial and legal requirements, and the practical possibilities of a concept.

The skill of the team and the experience of the MTA Group saw MTA Queensland named as one of 15 industry associations across the country to be part of the Small Business Digital Champions Project. MTA Queensland is tasked with providing advice to members on how they can embrace digital technology to make their businesses more efficient, productive and profitable. Well-attended workshops on such matters as social media platforms have been delivered, and the project also means we can offer free advice on technology trends and technology adoption, hardware, software, and other aspects of digital environments.

An important part of what MTAiQ can offer to new businesses is access to a vast network of contacts in government,

academia, industry and other automotive organisations – contacts that can tap a deep well of knowledge and expertise in bringing projects to fruition.

This network continues to grow through the endeavours of the MTAiQ team, in particular our Community Manager Nathan Nguyen who has worked extensively on promoting clients' projects and developing relationships with an array of like-minded institutions and organisations across the State. In the past year, MTAiQ has worked on some projects that are now reaching exciting stages of development. These include:

- e-Motion Concepts (eMC): A Brisbane-based mobility solutions company focused on first and last-mile transportation of goods in cities. The company is to become the exclusive importer, distributor and service agent for two electric, three-wheel mopeds – the CT-KARGO and CT-KUBE;
- ACE-EV Group: A new Australian business set on the mass assembly of a range of electric vehicles. The company's first delivery van was assembled at the MTA Institute and was publicly launched at the 2019 *Carmageddon* symposium;
- Support of various concepts that represent the future of mobility. We represent clients that are using cutting-edge technology and AI to develop autonomous ride-sharing and electric mobility options as well as wireless in-motion charging to power vehicles;
- Support of a smart app designed to streamline job reporting processes in mechanical workshops internally and also for the customer;
- Support of a smart app that is set to revolutionise car parking for consumers and councils. MTAiQ is involved in expanding the application via marketing and web development;
- Support of custom-built Intelligent Transport Systems that are capturing data for state-of-the-art transport technology. MTAiQ assists by retrofitting vehicles at the



MTA Institute which are to be used in trials in Queensland via the Queensland government's CAVI Project;

- Support of the first climate-positive, free-floating, electric vehicle car share service in Australasia. MTAiQ's role is to assist in bringing the electric vehicle car sharing project to major capital cities;
- Supporting a USA-based micro-manufacturing company focused on low-volume production of electric, autonomous buses and customised vehicle designs, using multiple micro factories;
- Support of apps connecting consumers and retailers for the sale of petrol. MTAiQ assists in profile building, marketing and connecting businesses.
- Assisting a 3D printing business in the automotive and mining sectors with marketing and promotion;
- Supporting AVR technology company developing, among other things, a virtual dealer showroom; and
- Supporting a motor dealer exchange business undertaking online auctions.

As well as these projects, in March we hosted the third *Carmageddon* automotive/mobility symposium. At that booked-out event, new automotive ideas and concepts were presented, developments within the industry were discussed, and on display at the event were a number of vehicles that represented the latest in cutting-edge technology, including several all-electric cars and the new Hyundai NEXO hydrogen fuel cell vehicle.

A high-quality group of presenters at *Carmageddon* included:

- Cat Matson, Brisbane's Chief Digital Officer;
- Dr Kellie Nuttall, Partner Deloitte;
- Prof Michael Milford, QUT Science and Engineering Faculty, Electrical Engineering, Computer Science, Robotics and Autonomous System;

- Dr Paul Sernia, Chief Product Officer and Founder, Tritium;
- Eden Spencer, Founder & CEO, Block2 Pty Ltd;
- Mark Dutton, Team Manager and Racing Engineer, Triple Eight Race Engineering;
- Scott Nagar, Public Relations and Manager of Future Mobility and Government Relations, Hyundai; and
- Graeme Manietta, Chairman Queensland Branch, Australian Electric Vehicle Council.

As an innovation hub, MTAiQ does, by definition, have a future-focused outlook and special interest in new technologies. However, it must be reiterated that this is always done with an eye on how these technologies can be used to assist businesses and keep the automotive industry thriving and healthy.

To that end, I must mention the launch of the 2mota online platform – a new initiative designed to deliver to members a wonderful opportunity for growth through business-to-consumer and business-to-business engagement.

The business-to-consumer marketplace enables consumers to get a quote for a vehicle repair or service from workshops in their area and then book in their vehicle for the work required. The business-to-business marketplace enables workshops to both hire qualified sub-contractors and sole traders, as well as hire out and/or rent tools and equipment to one another.

In an era of dramatic industry change, 2mota is one initiative that not only gives small businesses a presence online, which is essential, but does so on a platform that will have a substantial reach and allow for inter-business trading and asset sharing. It's a win-win proposition and one that has been developed with much industry input.

2mota represents the best of what MTA

Queensland, and MTAiQ, can do – research exciting concepts and ideas, support them, invest in them and reach out to a network to help develop the idea into a product that can really make a difference.

You can find out more about 2mota at www.2mota.com.au.

Engagement & Reputation

The reputation of MTAiQ and the MTA Group continues to grow, and our input is now often sought by governments and other institutions on technology matters and issues surrounding the automotive and mobility industry.

This reputation and the successes of the past two years have also translated into national recognition. This year, MTA Queensland was announced as an ABA100 winner for Business Innovation in The Australian Business Awards – a tremendous honour and one that can be directly attributed to the establishment of the MTAiQ innovation hub.

Finally

The automotive innovation landscape is exceptionally dynamic and we will continue to work to expand on MTAiQ's mission to both help develop new ideas and new products that can make a positive impact on the industry, while also being ready to support members by offering advice and access to resources, workshops and demonstrations that can help them adapt to the digital disruptions that lie ahead.

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

Kathy Winkcup

General Manager Innovation
MTAiQ Innovation Hub



Paul Kulpa

General Manager
MTA Institute



MTA Institute maintained its position as the largest private provider of automotive training in Queensland.

MTA Institute Report

It has been a very successful year for the MTA Institute in terms of progressing our strategy to be renowned as the premium provider of skills for our industry. After the implementation of the digital learning platform, the training team once again showed what they were capable of and serviced our clients without missing a beat. The additional system implementation of the "Organiser" at the start of 2019, provided a real-time opportunity to view trainers' schedules and provide immediate updates to help with our client service contacts. The new digital training schedules provided the results we were after to manage our training programs, which included greater flexibility, accessibility and accountability to our customers. The digital learning platform transformation for MTA Institute continues to evolve with the student and employer front and centre of its development.

There was also a training package update for the automotive retail, service and repair industry (AUR V5), which required MTA Institute to update a number of units and qualifications. This body of work was necessary as a Registered Training Organisation (RTO) to remain compliant with the training package requirements. It was our first transition under the new digital platform, and it provided an efficient path of what needed to be done without too much disruption to the students and employers.

MTA Institute maintained its position as the largest private provider of automotive training in Queensland. This is due in large part to our consistency; we have had a significant core number of trainers, administration staff and managers over the years that have worked through major changes in the Vocational Education and Training (VET) landscape and throughout this time we have been able to maintain a consistent, high level of training delivery and service. This is an important factor as

an RTO responsible for training and skilling almost one-third of the total amount of automotive apprentices in Queensland.

As at the end of June 2019, MTA Institute had 30 per cent of the overall automotive apprenticeship market, delivering training throughout Queensland in these specific sectors:

- 32 per cent of the Light Vehicle Mechanical Technology;
- 28 per cent of the Automotive Electrical Technology;
- 29 per cent of the Agricultural Technology;
- 10 per cent of the Outdoor Power Equipment Technology;
- 51 per cent of the Motorcycle Mechanical Technology;
- 32 per cent of the Automotive Parts Interpreting;
- 21 per cent of the Heavy Commercial Vehicle Mechanical Technology;
- 51 per cent of the Automotive Body Repair Technology;
- 47 per cent of the Automotive Refinishing Technology; and
- 20 per cent of the Underbody Repair Technology.

However, it's not just about apprentice numbers, but also the quality of training provided and reputation that underpins MTA Institute's top position. We were pleased by the student outcome surveys conducted at the end of 2018 that showed great satisfaction results of students' training, including:

- 88.6 per cent of students were satisfied with the overall quality of their training;
- 91.4 per cent would recommend the training and 91.7 per cent would recommend MTA Institute; and
- In satisfaction outcomes, MTA Institute rated higher in average than all Vocational Education & Training providers in Australia.



... MTA Institute to be named as the winner of the Queensland Training Awards 2019 Small Training Provider of the Year.

These results reconfirmed the MTA Institute's position as the number one automotive training provider in Queensland and helped recognise MTA Institute to be named as the winner of the Queensland Training Awards 2019 Small Training Provider of the Year.

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 28 highly skilled and professional trainers, we offer on-site training almost anywhere in Queensland in order to provide the best education in the automotive industry.

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 in the future. However, this will only occur if employers take on apprentices. To assist this process, MTA Institute continues to support automotive workforce development by:

- Engaging in the MTA Queensland Industry Specialist Mentoring for Australian Apprentices (ISMMA). Utilising this program, MTA Institute aims to increase apprentice retention rates in the first two years of training to improve overall completion rates and support the supply of skilled workers in the automotive industry;
- Promoting the MTA Queensland Auto Camp, which received state government backing through the Advancing Apprentices Fund, to give 14-17 year old school students hands-on experience in a range of different automotive skills, from new technology to the principles and maintenance of a vehicle; and
- Delivering the MTA Institute Automotive Vocational Preparation programs to prepare learners for the work required in the automotive industry.

MTA Institute had also developed post-apprenticeship programs to allow recently qualified automotive tradespeople to access Higher Level Skill Sets. This will create a solution to provide additional skills portability for individuals and larger skills economy for the industry. The objective will be to have recently completed apprentices undertake a Skill Set within several months of finishing their trade. MTA Institute will offer Skill Sets to trade technicians in the following areas:

- Automotive Electrical Skill Set for Light Vehicle Technicians;
- Battery Electric Vehicle Inspection and Servicing Skill Set;
- Hybrid Electric Vehicle Inspection and Servicing Skill Set;
- Advanced Body Repair Skill Set;
- Advanced Body Repair Welding Skill Set; and
- Advanced Vehicle Refinishing Skill Set.

We also continue 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 achieve the following:

- The first trade RTO in Australia to be approved under the Independent Tertiary Education Council Australia (ITECA) Industry Certification Program. This program looked at our student-centric educational quality, ethical practices and behaviours, continuous improvement culture and professional student services. Feedback provided identified the MTA Institute as an outstanding training provider committed to providing quality results to our students;
- MTA Institute announced as the winner of the Queensland Training Awards 2019 Small Training Provider of the Year;
- MTA Institute remains on the Queensland state government's preferred training supplier list and holds contracts for User Choice and the Queensland VET Investment Plan;
- Welcomed over 1,015 new automotive apprentices across Queensland to begin their trades in the fields of Light Vehicle, Heavy Vehicle, Auto Electrical, Motorcycle, Mobile Plant, Agricultural, Parts Interpreting, Outdoor Power Equipment, Automotive Body Repair & Refinishing and Underbody;
- Offered nationally accredited Management and Leadership courses in conjunction with Jigsaw Training Group (RTO No. 32423) to assist with people seeking employment in a leadership or management role or to develop current skills;
- Offered nationally accredited courses to 55 learners to assist in licensing including Motor Salesperson, Motor Vehicle Dealers, Motor Dealer Wrecker and Motor Wrecker Salesperson courses;
- Successfully delivered Trade Recognition to 137 learners, which involved having their skills and work experience formally assessed against industry and educational requirements to gain a formal trade qualification;
- Ongoing professional development for over 44 learners in our non-accredited training products, including hybrid and electric technology and welding courses;
- Delivered our Automotive Pre-Vocational program to 36 learners to provide a comprehensive set of skills as a basic introduction to the automotive industry;
- Supported Auto Camp, which provided 79 school students hands-on experience in a range of different

automotive skills;

- Providing ongoing recognition of our apprentices through:
 - » Apprentice of the Month nominations, culminating with the winner of the Apprentice of the Year. Well done to Jack Goodrich on winning the 2018 Apprentice of the Year;
 - » The only Automotive apprentice graduation ceremony in Queensland. Held in August 2018 & February 2019, this provided a great opportunity to celebrate our apprentices finishing their training;
 - » Pathways to motorsports via the MTAQ Racing Team; and
 - » Overseas scholarship opportunities for automotive apprentices. Well done to Elliott Lemmon for receiving the 2018 Queensland Automotive Skills Alliance Queensland Overseas Foundation Industry Partnership Scholarship.

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



Apprentice of the Month nominations, culminating with the winner of the Apprentice of the Year. Well done to Jack Goodrich on winning the 2018 Apprentice of the Year.





**MTA Institute
trainers abide by a
high professional
development framework
to ensure industry
currency and relevancy.**



in ongoing VET policy reforms, which includes our capacity to implement changes resulting from these reform initiatives.

The ongoing communication continues with PwC's Skills for Australia - Automotive Skills Service Organisation, via their Industry Reference Committees (IRC) to provide feedback to help shape and lead the training agenda. The IRCs established several Project Working Groups (PWGs) to help ensure training in the automotive sector is meeting industry needs. Participants of the PWGs provide technical advice and subject matter expertise to the IRC to translate what they hear, which in consultation is transferred into the automotive training products. IRCs and PWGs play a critical role in improving and shaping training products to meet the current and future needs of industry and MTA Institute will continue to provide support to these groups.

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

MTA Institute continues to promote itself as the automotive training provider of choice. Our continued increase in apprentice numbers is underpinned by ongoing engagement with Australian Apprentice Support Networks (AASNs), employers, Group Training Organisations (GTOs), and with government. MTA

Institute continues to liaise with and coordinate training agendas with professional bodies such as:

- The Institute of Automotive Mechanical Engineers (IAME);
- The Heavy Vehicle Industry Association (HVIA); and
- The Outdoor Power Equipment Association (OPEA).

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 and to maintain our strong training brand.

MTA Institute is also committed to ensure our trainers are the best in industry and all trainers undertake professional development throughout the financial year to ensure currency in the technical and training areas. MTA Institute trainers abide by a high professional development framework to ensure industry currency and relevancy. To ensure our trainers are up to date with VET currency, all trainers completed units in 'design and develop assessment tools' and 'address adult language, literacy and numeracy (LLN) skills'. MTA Institute also encourages technical professional development

opportunities through our own continuous professional development framework.

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 Scott Gehrke, who won our 2018 MTA Institute Trainer of the Year award. Also, congratulations to Terry Palfrey, who was nominated for the VET Teacher or Trainer of the Year, North Coast Region.

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 2018-2019 financial year consisted of:

- Ian Lawrence – Chair
- Professor Michael Milford – Director
- Paul Peterson - Director
- James Robertson - Director

I would like to take the opportunity to thank the MTA Institute Board, in particular Ian who finished his role as Chair at the end of July 2019, for all their support and direction over the last 12 months.

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

Paul Kulpa
General Manager
MTA Institute



Motor Trades Association of Queensland Financial Report

Financial Report For the year ended 30th June 2019



Kathy Winkcup

Chief Financial Officer
MTA Queensland

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Certificate by Prescribed Designated Officer

Certificate for the year ended 30th June 2019

I *James William George Robertson* being the Secretary of the *Motor Trades Association of Queensland Industrial Organisation of Employers* certify:

- that the documents lodged herewith are copies of the full report for the *Motor Trades Association of Queensland Industrial Organisation of Employers* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *16th October 2019*; and
- that the full report was presented to a general meeting of the reporting unit on *15th November 2019* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



James Robertson
Secretary

Dated: 10th October 2019

Auditor's Report



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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 and its subsidiary (the reporting unit), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

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

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

Other information

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

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

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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditor's Report continued

For the year ended 30th June 2019

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.

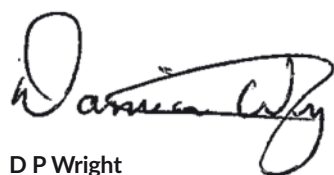
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

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, 10 October 2019

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

Report required under subsection 255(2A)

For the year ended 30th June 2019

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30th June 2019.

CATEGORIES OF EXPENDITURES	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	7,001,109	6,017,856
Advertising	101,914	207,402
Operating costs	1,873,371	2,223,027
Donations to political parties	–	–
Legal costs	28,333	20,230



James Robertson
Secretary

Dated: 10th October 2019

Operating Report

For the year ended 30th June 2019

The committee of management presents its operating report on the reporting unit for the year ended 30th June 2019.

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 2019.
- (d) The federal reporting unit has achieved satisfactory results from the above activities.

Significant changes in financial affairs

There was no significant change to the financial activities of the federal reporting unit for the financial year ended on 30th June 2019.

Right of members to resign

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

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

Number of members

The number of members recorded on the register of members as at 30th June 2019 was 1,411.

Number of employees

The federal reporting unit had 61 employees as at 30th June 2019.

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

For the year of 1st July 2018 to 30th June 2019 the federal reporting unit's Committee of Management comprised of the following persons:

Name of officer	Position	Period
Paul John Peterson	Board Member MTAQ Chairman MTAQ Chairman Qld Motorcycle Industry Division	1 July 2018 to 09 November 2018 09 November 2018 to 30 June 2019
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2018 to 30 June 2019
James William George Robertson	Board Member MTAQ Secretary MTAQ Central District Representative	1 July 2018 to 09 November 2018 09 November 2018 to 30 June 2019
David Keith Fraser	Chairman MTAQ Board Member MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2018 to 09 November 2018 09 November 2018 to 30 June 2019
Benjamin Russell Chesterfield	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2018 to 18 July 2019
Rodney Graham Pether	Board Member MTAQ North Qld District Representative	1 July 2018 to 09 November 2018
Mark Billingsley	Board Member MTAQ North Qld District Representative	09 November 2018 to 30 June 2019
Brad Collett	Board Member MTAQ Chairman Tyre and Undercar Division	1 July 2018 to 30 June 2019
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2018 to 30 June 2019
James Sturges	Board Member MTAQ Chairman Australian Automotive Dealers Association Qld	1 July 2018 to 30 June 2019
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2018 to 30 June 2019
Peter Dever	Board Member MTAQ Chairman Automotive Remarketing Division	1 July 2018 to 30 June 2019
Grant Harrison	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2018 to 30 June 2019
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2018 to 30 June 2019



James Robertson
Secretary

Dated: 10th October 2019

Committee of Management Statement

For the year ended 30th June 2019

On 16 /10/2019 the MTA Queensland Board of the *Motor Trades Association of Queensland Industrial Organisation of Employers* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2019:

The MTA Queensland Board of the *Motor Trades Association of Queensland Industrial Organisation of Employers* declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Paul Peterson
Chairman

10th October 2019 Brisbane



James Robertson
Secretary

10th October 2019 Brisbane

Consolidated Statement of Comprehensive Income

For the year ended 30th June 2019

		Consolidated	
	Notes	2019 \$	2018 \$
REVENUE			
Membership subscription*		1,118,112	1,161,134
Investment income	3A	210,158	133,262
Rental revenue	3B	25,746	13,366
Other revenue		7,969,645	7,489,534
TOTAL REVENUE		9,323,661	8,797,296
Other Income			
Grants and/or donations*	3C	967,642	483,819
Net gains from sale of assets	3D	27,633	44,094
Total other income		995,275	527,913
TOTAL INCOME		10,318,936	9,325,209
EXPENSES			
Employee expenses	4A	(7,001,109)	(6,017,856)
Administration expenses	4B	(1,195,381)	(1,591,097)
Grants or donations	4C	(3,284)	(182)
Depreciation and amortisation	4D	(468,732)	(441,992)
Finance costs	4E	(6,029)	(6,285)
Legal costs	4F	(28,333)	(20,230)
Audit fees	14	(42,984)	(58,118)
Insurance		(67,984)	(62,687)
Motor Vehicle		(285,232)	(269,105)
Cost of goods sold		(380,421)	(449,240)
TOTAL EXPENSES		(9,479,488)	(8,916,792)
SURPLUS (DEFICIT) FOR THE YEAR		839,447	408,417
OTHER COMPREHENSIVE INCOME			
Items that will be subsequently reclassified to profit or loss			
Gain/(loss) on available for sale investments		(23,734)	79,636
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		5,327,393	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,303,659	488,053

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

Consolidated Statement of Financial Position

As at 30th June 2019

		Consolidated	
	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	6,037,075	4,560,952
Trade and other receivables*	5B	1,765,846	2,305,869
Other current assets	5C	201,373	266,548
Total current assets		8,004,294	7,133,369
Non-current Assets			
Land and buildings	6A	12,900,000	7,759,637
Plant and equipment	6B	748,103	860,107
Intangibles	6C	105,615	55,755
Other non-current assets	6D	2,256,682	1,924,683
Total non-current assets		16,010,400	10,600,182
TOTAL ASSETS		24,014,694	17,733,551
LIABILITIES			
Current Liabilities			
Trade payables*	7A	643,050	408,306
Other payables*	7B	1,791,045	1,988,683
Employee provisions	8A	783,009	708,235
Total current liabilities		3,217,104	3,105,224
Non-current Liabilities			
Employee provisions	8A	115,249	89,092
Total non-current liabilities		115,249	89,092
TOTAL LIABILITIES		3,332,353	3,194,316
NET ASSETS		20,682,341	14,539,235
EQUITY			
General funds	10A	289,982	313,716
Reserves	10A	5,327,393	-
Retained earnings (accumulated deficit)		15,064,966	14,225,519
TOTAL EQUITY		20,682,341	14,539,235

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

Consolidated Statement of Changes In Equity

For the year ended 30th June 2019

	Notes	General Funds \$	Consolidated Retained earnings \$	Total equity \$
Balance as at 1st July 2017		234,080	13,817,102	14,051,182
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	408,417	408,417
Other comprehensive income		79,636	-	79,636
CLOSING BALANCE AS AT 30 JUNE 2018		313,716	14,225,519	14,539,235
Surplus / (deficit)		-	839,447	839,447
Other comprehensive income		(23,734)	-	(23,734)
Transfer to/from reserves	10A	5,327,393	-	5,327,393
CLOSING BALANCE AS AT 30 JUNE 2019		5,617,375	15,064,966	20,682,341

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

Consolidated Statement of Cash Flows

For the year ended 30th June 2019

		Consolidated	
	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		11,392,293	10,266,819
Interest		118,633	60,058
Dividends		91,525	73,204
Cash used			
Suppliers and Employees		(9,612,379)	(9,542,130)
Finance costs paid		(6,029)	(6,285)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	11A	1,984,043	851,666
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investments		-	1,995,000
Proceeds from sale of plant and equipment		43,636	-
Cash used			
Purchase of plant and equipment		(219,557)	(433,416)
Other		(331,999)	(73,971)
NET CASH FROM (USED BY) INVESTING ACTIVITIES		(507,920)	1,487,613
Net increase (decrease) in cash held		1,476,123	2,339,279
Cash & cash equivalents at the beginning of the reporting period		4,560,952	2,221,673
CASH & CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	6,037,075	4,560,952

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



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For the year ended 30th June 2019

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Notes to the Financial Statements

For the year ended 30th June 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

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

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

1.2 Principles of Consolidation

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

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

- MTA Institute of technology Pty Ltd

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

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

1.3 Comparative amounts

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current reporting period amounts and other disclosures.

1.4 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Notes to the Financial Statements continued

For the year ended 30th June 2019

Impact on adoption of AASB 9

(a) Initial application

AASB 9 *Financial Instruments* (AASB 9) replaces AASB139 *Financial Instruments: Recognition and Measurement* (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Motor Trades Association of Queensland Industrial Organisation of Employers has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The Motor Trades Association of Queensland Industrial Organisation of Employers has not restated the comparative information, which continues to be reported under AASB 139. Motor Trades Association of Queensland Industrial Organisation of Employers made an irrevocable election on initial recognition to present gains and losses arising from investments in equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI') consistent with prior year, the application of the above standard did not have an impact on the financial position or performance in the previous financial year, no adjusted opening financial position or any other impacts are required to be disclosed. The Motor Trades Association of Queensland Industrial Organisation of Employers has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Motor Trades Association of Employers financial liabilities.

(i) Classification and measurement

In summary, upon adoption of AASB 9, the Motor Trades Association of Queensland Industrial Organisation of Employers applied the following required or elected reclassifications:

1 July 2018

	\$	Fair value through profit or loss \$	Amortised cost \$	Fair value through OCI \$
AASB 139 measurement category				-
<i>Loans and receivables</i>				
Trade and other receivables	2,305,869	-	2,305,869	-
<i>Available for sale</i>				
Other investments*	1,924,683	-	-	1,924,683
	-	-	-	-

*The change in carrying amount is a result of additional impairment allowance. See discussion on impairment below.

(ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the Motor Trades Association of Queensland Industrial Organisation of Employers accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the Motor Trades Association of Queensland Industrial Organisation of Employers to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Management has determined that assessment of expected credit loss associated with trade receivables is not material on 1 July 2018.

Future Australian Accounting Standards Requirements

AASB 16 Leases (AASB 16)

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, the Standard will replace current accounting requirements applicable to leases in AASB 117. AASB 16 introduces a single lessee accounting

model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new standard include: recognition of a right-to-use asset and liability for all leases; depreciation of right-to-use assets in line with AASB 116 in profit or loss and unwinding of the liability in principal and interest components; and additional disclosure requirements. As at the reporting date, the Motor Trades Association of Queensland Industrial Organisation of Employers has non-cancellable undiscounted operating lease commitments of \$267,369. However, the Motor Trades Association of Queensland Industrial Organisation of Employers has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Association's profit and classification of cash flows.

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

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Motor Trades Association of Queensland Industrial Organisation of Employers plans to adopt AASB 15 on the required effective date 1 July 2019 of using modified retrospective method.

The Motor Trades Association of Queensland Industrial Organisation of Employers continues to evaluate the overall impact of AASB 15 and AASB 1058 on the financial statements. The key area of impact for the Association will be the recognition of subscription, grants and revenue from training.

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

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

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

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

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

1.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Motor Trades Association of Queensland Industrial Organisation of Employers 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

Notes to the Financial Statements continued

For the year ended 30th June 2019

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.

1.9 Gains

Sale of assets

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

1.10 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.

1.11 Employee benefits

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

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

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

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

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

1.12 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.

1.13 Borrowing costs

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

1.14 Cash

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

1.15 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.

1.16 Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Derecognition

A financial asset is derecognised when:

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

Notes to the Financial Statements continued

For the year ended 30th June 2019

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

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

Offsetting

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

Impairment

(i) Trade receivables

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

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

1.17 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

Financial liabilities at amortised cost

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

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

Derecognition

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

1.18 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.

1.19 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:

	2019	2018
Land & buildings	40 years	40 years
Plant and equipment	2 to 7 years	2 to 7 years
Motor Vehicles	3 years	3 years
Leased Assets	5 years	5 years
Fixture and Fittings	5 years	5 years

Derecognition

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

Notes to the Financial Statements continued

For the year ended 30th June 2019

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:

	2019	2018
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.

1.23 Taxation

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

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

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

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

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

1.24 Fair value measurement

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

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

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

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.

Notes to the Financial Statements continued

For the year ended 30th June 2019

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2019, 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

	Consolidated	
	2019	2018
	\$	\$
NOTE 3A: INVESTMENT INCOME		
Interest		
Deposits	118,633	60,058
Dividends	91,525	73,204
TOTAL INVESTMENT INCOME	210,158	133,262
NOTE 3B: RENTAL REVENUE		
Properties	25,746	13,366
TOTAL RENTAL REVENUE	25,746	13,366
NOTE 3E: GRANTS OR DONATIONS*		
Grants	967,642	483,819
Donations	-	-
TOTAL GRANTS OR DONATIONS	967,642	483,819
NOTE 3C: NET GAINS FROM SALE OF ASSETS		
Plant and equipment	27,633	(38,924)
Intangibles	-	83,018
TOTAL NET GAIN FROM SALE OF ASSETS	27,633	44,094

NOTE 4: EXPENSES

	Consolidated	
	2019	2018
	\$	\$
NOTE 4A: EMPLOYEE EXPENSES*		
Holders of office		
Wages and salaries	938,486	822,103
Superannuation	84,826	92,435
Leave and other entitlements	24,886	24,096
Separation and redundancies	-	-
Other employee expenses	22,955	22,279
Subtotal employee expenses holders of office	1,071,153	960,913
Employees other than office holders		
Wages and salaries	5,377,850	4,480,300
Superannuation	430,056	496,254
Leave and other entitlements	76,047	46,423
Separation and redundancies	-	-
Other employee expenses	46,003	34,966
Subtotal employee expenses employees other than office holders	5,929,956	5,056,943
TOTAL EMPLOYEE EXPENSES	7,001,109	6,017,856
NOTE 4B ADMINISTRATION EXPENSES		
Conference and meeting expenses*	4,611	1,621
Contractors/consultants	267,763	211,834
Property expenses	215,516	183,964
Office expenses	292,864	353,944
Information communications technology	211,939	226,315
Other	202,688	613,419
Subtotal administration expense	1,195,381	1,591,097
Operating lease rentals		
Minimum lease payments	-	-
TOTAL ADMINISTRATION EXPENSES	-	-

Notes to the Financial Statements continued

For the year ended 30th June 2019

	Consolidated	
	2019	2018
	\$	\$
NOTE 4C: GRANTS OR DONATIONS*		
Grants		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations		
Total expensed that were \$1,000 or less	3,284	182
Total expensed that exceeded \$1,000	-	-
TOTAL GRANTS OR DONATIONS	3,284	182
NOTE 4D: DEPRECIATION AND AMORTISATION		
Depreciation		
Land & buildings	187,030	185,470
Property, plant and equipment	247,701	208,002
Total depreciation	434,731	383,472
Amortisation		
Intangibles	34,001	48,520
Total amortisation	34,001	48,520
TOTAL DEPRECIATION AND AMORTISATION	468,732	441,992
NOTE 4E: FINANCE COSTS		
Overdrafts/loans	6,029	6,285
TOTAL FINANCE COSTS	6,029	6,285
NOTE 4F: LEGAL COSTS*		
Litigation	-	-
Other legal costs	28,333	20,230
TOTAL LEGAL COSTS	28,333	20,230
NOTE 5: CURRENT ASSETS		
NOTE 5A: CASH AND CASH EQUIVALENTS		
Cash at bank	859,626	2,588,101
Cash on hand	700	700
Short term deposits	5,176,749	1,971,851
TOTAL CASH AND CASH EQUIVALENTS	6,037,075	4,560,952

	Consolidated	
	2019	2018
	\$	\$
NOTE 5B: TRADE AND OTHER RECEIVABLES		
Receivables from other reporting unit*	-	-
Trade Receivables	1,162,623	1,578,930
TOTAL RECEIVABLES	1,162,623	1,578,930
Less allowance for expected credit losses*		
Receivables from other reporting unit*	-	-
Trade Receivables	(25,502)	(31,594)
Total allowance for expected credit losses	(25,502)	(31,594)
TOTAL NET TRADE AND OTHER RECEIVABLES	1,137,121	1,547,336
Other receivables		
Other	628,725	758,533
Total other receivables	628,725	758,533
TOTAL TRADE AND OTHER RECEIVABLES (NET)	1,765,846	2,305,869

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	(31,594)	(31,594)
Provision for expected credit losses	-	-
Write-off	6,092	-
At 30 June	(25,502)	(31,594)

NOTE 5C: OTHER CURRENT ASSETS

Prepayments	152,802	213,795
Inventory	48,571	52,753
TOTAL OTHER CURRENT ASSETS	201,373	266,548

NOTE 6: NON-CURRENT ASSETS

NOTE 6A: LAND AND BUILDINGS

Land and buildings

Fair value	12,900,000	8,981,209
Accumulated depreciation	-	(1,221,572)
TOTAL LAND AND BUILDINGS	12,900,000	7,759,637

Notes to the Financial Statements continued

For the year ended 30th June 2019

	Consolidated	
	2019	2018
	\$	\$
NOTE 6A: LAND AND BUILDINGS continued		
Reconciliation of opening and closing balances of land and buildings		
As at 1 July		
Gross book value	8,981,209	8,981,209
Accumulated depreciation and impairment	(1,221,572)	(1,036,101)
NET BOOK VALUE 1 JULY	7,759,637	7,945,108
Revaluations	5,327,393	-
Depreciation expense	(187,030)	(185,471)
NET BOOK VALUE 30 JUNE	12,900,000	7,759,637
Net book value as of 30 June represented by		
Gross book value	13,087,030	8,981,209
Accumulated depreciation and impairment	(187,030)	(1,221,572)
NET BOOK VALUE 30 JUNE	12,900,000	7,759,637

The revalued land and buildings consist of land \$2.15m and buildings \$10.75m at Building 8, 2728 Logan Road, Eight Mile Plains Q 4113. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

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

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

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

NOTE 6B: PLANT AND EQUIPMENT

Plant and equipment		
at cost	2,206,716	2,149,324
accumulated depreciation	(1,458,613)	(1,289,217)
TOTAL PLANT AND EQUIPMENT	748,103	860,107

Reconciliation of opening and closing balances of plant and equipment

As at 1 July		
Gross book value	2,149,324	2,010,890
Accumulated depreciation and impairment	(1,289,217)	(1,272,219)
NET BOOK VALUE 1 JULY	860,107	738,671

	Consolidated	
	2019 \$	2018 \$
NOTE 6B: PLANT AND EQUIPMENT continued		
Additions	159,156	369,473
Depreciation expense	(247,701)	(208,001)
Disposals	(23,459)	(40,036)
NET BOOK VALUE 30 JUNE	748,103	860,107
Net book value as of 30 June represented by		
Gross book value	2,206,716	2,149,324
Accumulated depreciation and impairment	(1,458,613)	(1,289,217)
NET BOOK VALUE 30 JUNE	748,103	860,107
NOTE 6C: INTANGIBLES		
Computer software at cost		
Purchased	235,047	104,275
accumulated amortisation	(129,432)	(48,520)
TOTAL INTANGIBLES	105,615	55,755
Reconciliation of opening and closing balances of intangibles		
As at 1 July		
Gross book value	104,275	74,810
Accumulated amortisation and impairment	(48,520)	(15,064)
NET BOOK VALUE 1 JULY	55,755	59,746
Additions	83,861	65,055
Amortisation	(34,001)	(48,520)
Disposals	-	(20,526)
NET BOOK VALUE 30 JUNE	105,615	55,755
Net book value as of 30 June represented by		
Gross Book value	235,047	104,275
Accumulated amortisation and impairment	(129,432)	(48,520)
NET BOOK VALUE 30 JUNE	105,615	55,755
NOTE 6D: OTHER NON-CURRENT ASSETS		
Other	2,256,682	1,924,683
TOTAL OTHER NON-CURRENT ASSETS	2,256,682	1,924,683

Notes to the Financial Statements continued

For the year ended 30th June 2019

NOTE 7: CURRENT LIABILITIES

	Consolidated	
	2019 \$	2018 \$
NOTE 7A: TRADE PAYABLES		
Trade creditors and accruals	643,050	408,306
Subtotal trade creditors	643,050	408,306
TOTAL TRADE PAYABLES	643,050	408,306

Settlement is usually made within 30 days.

NOTE 7B: OTHER PAYABLES

Wages and salaries	6,370	49,176
Superannuation	1,520	44,095
Prepayments received/unearned revenue	1,644,266	1,772,729
GST payable	62,378	118,698
Other	76,511	3,985
TOTAL OTHER PAYABLES	1,791,045	1,988,683
Total other payables are expected to be settled in		
No more than 12 months	1,791,045	1,988,683
More than 12 months	-	-
TOTAL OTHER PAYABLES	1,791,045	1,988,683

NOTE 8: PROVISIONS

NOTE 8A: EMPLOYEE PROVISIONS*

Office holders		
Annual leave	88,160	68,591
Long service leave	89,000	74,796
Subtotal employee provisions—office holders	177,160	143,387
Employees other than office holders		
Annual leave	288,601	274,631
Long service leave	432,497	379,309
Subtotal employee provisions—employees other than office holders	721,098	653,940
TOTAL EMPLOYEE PROVISIONS	898,258	797,327
Current	783,009	708,235
Non-current	115,249	89,092
TOTAL EMPLOYEE PROVISIONS	898,258	797,327

NOTE 9: NON-CURRENT LIABILITIES

	Consolidated	
	2019 \$	2018 \$
NOTE 9A: OTHER NON-CURRENT LIABILITIES		
Non-current liabilities	-	-
TOTAL OTHER NON-CURRENT LIABILITIES	-	-

NOTE 10: EQUITY

NOTE 10A: RESERVES

Revaluation increments/(decrements) – Dalton Nicol Reid Portfolio		
Balance as at start of year	313,716	234,080
Transferred to reserve	289,982	313,716
Transferred out of reserve	(313,716)	(234,080)
Balance as at end of year	289,982	313,716
Revaluation increments/(decrements) – Land & Buildings		
Balance as at start of year	-	-
Transferred to reserve	5,327,393	-
Balance as at end of year	5,327,393	-
TOTAL RESERVES	5,617,375	-

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	6,037,075	4,560,952
Balance sheet	6,037,075	4,560,952
DIFFERENCE	-	-

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

Profit/(deficit) for the year	839,447	408,417
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Adjustments for non-cash items

Depreciation/amortisation	468,732	441,992
Gain on disposal of assets	(23,735)	-

Notes to the Financial Statements continued

For the year ended 30th June 2019

	Consolidated	
	2019	2018
	\$	\$
NOTE 11A: CASH FLOW RECONCILIATION continued		
Changes in assets/liabilities		
(Increase)/decrease in net receivables	557,380	(691,773)
(Increase)/decrease in inventory	4,182	13,882
Increase/(decrease) in supplier and other payables	234,744	608,629
Increase/(decrease) in provisions	100,933	70,519
NET CASH FROM (USED BY) OPERATING ACTIVITIES	1,984,043	851,666

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	155,492	144,763
After one year but not more than five years	111,877	148,308
More than five years	-	-
	267,369	293,071

NOTE 13: RELATED PARTY DISCLOSURES

NOTE 13A: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD

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

Director fees paid during the reporting period were \$152,260 (2019), \$148,400 (2018).

Apart from the above, there are no other Related Party Transaction during the financial year ended 30 June 2019.

Names of Officers who held office during the year are

David Fraser	Peter Dever	Paul Peterson	James Sturges
Rodney Pether	Grant Harrison	James Robertson	Mark Billingsley
Mark Bryers	Mark Dodge	Robert Lawrence	Ben Chesterfield
Timothy Kane	Lawrence Beacham	Brad Collett	

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have

been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Motor Trades Association of Queensland Industrial Organisation of Employers has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	Consolidated	
	2019	2018
	\$	\$
NOTE 13B: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD		
Short-term employee benefits		
Salary (including annual leave taken)	882,181	822,103
Annual leave accrued	12,703	12,316
Performance bonus	56,305	-
Other FBT	22,955	22,279
TOTAL SHORT-TERM EMPLOYEE BENEFITS	974,144	856,698
Post-employment benefits		
Superannuation	84,826	92,435
TOTAL POST-EMPLOYMENT BENEFITS	84,826	92,435
Other long-term benefits		
Long-service leave	12,183	11,780
TOTAL OTHER LONG-TERM BENEFITS	12,183	11,780
Termination benefits	-	-
TOTAL	1,071,153	960,913

NOTE 14: REMUNERATION OF AUDITORS

Value of the services provided		
Financial statement audit services	42,500	41,200
Other services	-	-
TOTAL REMUNERATION OF AUDITORS	42,500	41,200

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

Notes to the Financial Statements continued

For the year ended 30th June 2019

NOTE 15: FINANCIAL INSTRUMENTS

MTA Queensland is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

	Consolidated	
	2019	2018
	\$	\$
NOTE 15A: CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial assets		
Fair value through other comprehensive income		
Dalton Nicol Reid Share Portfolio	2,006,682	1,924,683
Block2	250,000	-
Total	2,256,682	1,924,683
Held-to-maturity investments		
Cash and cash equivalents	6,037,075	4,560,952
Total	6,037,075	4,560,952
Loans and receivables		
Trade and other receivables	1,765,846	2,305,869
Other current assets	152,802	213,795
Total	1,918,648	2,519,664
CARRYING AMOUNT OF FINANCIAL ASSETS	10,212,405	9,005,299
Financial liabilities		
Other financial liabilities		
Trade payables	643,050	408,306
Total	643,050	408,306
CARRYING AMOUNT OF FINANCIAL LIABILITIES	643,050	408,306
NOTE 15B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS		
Held-to-maturity		
Interest revenue	118,633	60,058
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
NET GAIN/(LOSS) HELD-TO-MATURITY	118,633	60,058

	Consolidated	
	2019	2018
	\$	\$
NOTE 15B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS continued		
Available for sale under AASB 139		
Interest revenue	-	1,137
Dividend revenue	-	72,832
Exchange gains/(loss)	-	59,010
NET GAIN/(LOSS) FROM AVAILABLE FOR SALE	-	132,979
Financial assets at fair value through other comprehensive income under AASB 9		
Interest revenue	1,296	-
Dividend revenue	91,525	-
Exchange gains/(loss)	51,269	-
NET INCOME/(EXPENSE) FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	144,090	-
Fair value gain/loss recognised in other comprehensive income under AASB 9	23,734	-
Fair value gain/loss recognised in other comprehensive income under AASB 139	-	79,636
	23,734	79,636

NOTE 15C: CREDIT RISK

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

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

Financial assets		
Trade Receivables	1,137,121	1,547,336
TOTAL	1,137,121	1,547,336
Financial liabilities		
Nil	-	-
TOTAL	-	-

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

Notes to the Financial Statements continued

For the year ended 30th June 2019

NOTE 15C: CREDIT RISK continued

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

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

	Trade and other receivables					Total \$
	Days past due					
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	
Expected credit loss rate	0%	0%	0%	0%	2%	
Estimate total gross carrying amount at default	1,365,382	29,979	33,592	21,071	128,906	1,578,930
Expected credit loss	-	-	-	-	(31,594)	(31,594)
	1,365,382	29,979	33,592	21,071	97,312	1,547,336

The Motor Trades Association of Queensland Industrial Organisation of Employers maximum exposure to credit risk for the components of the statement of financial position at 30 June 2019 and 2018 is the carrying amounts as illustrated in Note 15D.

NOTE 15D: LIQUIDITY RISK

Liquidity risk is the risk that the entity may encounter difficulties raising funds to meet commitments associated with financial instruments. It is the policy of the Board of Directors of MTA Queensland to maintain adequate committed credit facilities. The unused bank overdraft credit facility at balance date was \$2,500,000. The bank overdraft facilities may be drawn down at any time but may be terminated by the bank without notice.

	Contractual maturities for financial liabilities 2019					Total \$
	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	
Trade and other payables	-	643,050	-	-	-	643,050
Other payables*	-	146,779	-	-	-	146,779
TOTAL	-	789,829	-	-	-	789,829

NOTE 15D: LIQUIDITY RISK continued

Contractual maturities for financial liabilities 2018						
	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	408,306	-	-	-	408,306
Other payables*	-	215,954	-	-	-	215,954
TOTAL	-	624,260	-	-	-	624,260

*Excluding unearned income

NOTE 15E: MARKET RISK

Interest rate risk

The Association 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:

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

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

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on profit and loss \$	Effect on equity \$
Interest rate risk	4,560,952	[+ 2%]	(91,219)	(91,219)
Interest rate risk	4,560,952	[- 2%]	91,219	91,219

NOTE 16: FAIR VALUE MEASUREMENTS

NOTE 16A: FINANCIAL ASSETS AND LIABILITIES

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

Notes to the Financial Statements continued

For the year ended 30th June 2019

NOTE 16A: FINANCIAL ASSETS AND LIABILITIES continued

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30th June 2019 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 Motor Trades Association of Queensland Industrial Organisation of Employers based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30th June 2019 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:

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial assets				
Dalton Nicol Reid Share Portfolio	2,006,682	2,006,682	1,924,683	1,924,683
Block2	250,000	250,000	-	-
TOTAL	2,256,683	2,256,682	1,924,683	1,924,683
Financial liabilities				
Nil	-	-	-	-
TOTAL	-	-	-	-

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 2019

Date of valuation 30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Dalton Nicol Reid Share Portfolio	2,006,683	-	-
Block 2	-	-	250,000
TOTAL	2,006,683	-	250,000
Liabilities measured at fair value			
Nil	-	-	-
TOTAL	-	-	-

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

	Fair value hierarchy – 30 June 2018		
Date of valuation 30 June 2018	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Dalton Nicol Reid Share Portfolio	1,924,683	-	-
TOTAL	1,924,683	-	-
Liabilities measured at fair value			
Nil	-	-	-
TOTAL	-	-	-

Level 3 financial asset is an investment in Block Two Pty Ltd which is a non-listed company. The valuation technique used is based on the price paid to acquire the investment on 28th February 2019 and the price paid is the unobservable input. Significant increase or decrease in the growth of the Block two Pty Ltd will have an impact on the fair value of the investments.

NOTE 17: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

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

NOTE 18: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or Commissioner:

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

Officer Declaration Statement

I, James William George Robertson being the Secretary of the Motor Trades Association of Queensland Industrial Organisation of Employers, declare that the following activities did not occur during the reporting period ending 30th June 2019.

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 or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



James Robertson
Secretary

Dated: 10th October 2019



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