

MOTOR TRADES ASSOCIATION OF QUEENSLAND

ANNUAL REPORT
2023





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Disclaimer: This Annual Report has been prepared for the 2022-2023 financial year which comprises the time period of 1 July 2022 to 30 June 2023. Activities, appointments, events and actions outside this timeframe will generally not be represented in this document.



Paul Peterson

Chair
MTA Queensland



The emerging electric vehicle industry is expected to drive revenue growth across the next five years. All in all, the industry outlook is positive.

Chair Report

Welcome to the 2023 MTA Queensland Annual Report.

The 2022/23 financial year proved to be a strong one for automotive businesses across the retail, service and repair sectors, as latent consumer demand continued to resurge following the COVID-19 pandemic.

The impacts of the pandemic continue to linger for some segments of the industry, most notably the availability of parts and several popular models. Demand for new cars is as strong as it has ever been, and while used car prices are still hovering above pre-pandemic prices, they are beginning to come back down as stock continues to improve. The emerging electric vehicle industry is expected to drive revenue growth across the next five years. All in all, the industry outlook is positive.

The ongoing nationwide skill and labour shortage crisis remains the industry's most critical challenge. The shortage, which encompasses all professions in the automotive industry, has expanded to in excess of 40,000 skilled professionals required across the country.

With a vision to be Queensland's most engaged industry body, MTA Queensland has placed a prominent focus this year on introducing programs to assist businesses in addressing this issue. New services delivering advice and support for addressing workforce challenges and diversifying the workplace to attract new cohorts of workers continue to promote outside-the-box thinking when it comes to recruiting and retaining staff.

We are also all in on nurturing the connection between schools and the automotive industry, driving opportunities for new and strengthened pathways to employment while promoting our industry as an exciting, viable career option.

This is an outlet that we look forward to expanding in the coming years.

I would also be remiss not to mention the ongoing electrification of the industry, which continues to march forward at an incredible rate.

In the first half of 2023, Battery Electric Vehicle sales are up 385% on 2022, with almost 50,000 vehicles sold. Tesla has become a mainstay at the top end of the sales charts, and there are now 27 brands offering a full-electric model, with many more to come.

At the policy level, the Federal Government has introduced the National Electric Vehicle Strategy to deliver a nationally consistent approach to driving zero-emission vehicle uptake and reducing greenhouse gas emissions.

These recent developments point to the fact that the electrified future of our industry is here now, which means businesses can no longer wait to decide how they want to navigate this period of transition. MTA Queensland has, and will continue to, provide strong leadership and guidance to support members through this transition successfully, and I have confidence that this will lead to a prosperous future.

Paul Peterson
Chair
MTA Queensland



James Robertson

Secretary
MTA Queensland



This year's consolidated profit position ending 30 June 2023, was \$1,306,346, excluding other comprehensive income, and \$2,495,337 including comprehensive income.

Secretary Report

I, James Robertson Secretary of the Motor Trades Association of Queensland, 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 Annual Report provides an unfiltered view of our Association's financial health, governance, structure and decision-making processes.

The financial report is prepared in accordance with the Fair Work (Registered Organisation) Act 2009 and complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and I confirm that the financial report is free of errors and omissions.

The financial accounts presented were audited by BDO Audit Pty Ltd. This report aims to provide you with a comprehensive overview of the financial position, financial performance, and cash flows for the year in accordance with Australian Accounting Standards and other relevant legislation.

Financial Results 30th June 2023

Profit attributable to Members of the Organisation

This year's consolidated profit position ending 30 June 2023 was \$1,306,346, excluding other comprehensive income, and \$2,495,337 including comprehensive income.

Our total equity position remains strong at \$27,289,383, increasing from \$24,793,946.

General Comments

Over the past year, MTA Queensland has achieved several notable milestones:

- Successful implementation of groundbreaking programs to build the skills and workforce planning capacity of the Automotive Industry.

These programs are funded through various contracts with the Queensland Government, Department of Youth Justice, Employment and Small Business (DYJESBT). This revenue is recognised in note 3A which represents \$493,421 and expenses associated with the programs are included in total expenses.

- Expansion and growth in our training operations, growing revenue by nearly 14% this financial year.
- Revaluation of Land and Buildings located at Eight Mile Plains. This saw an additional \$2,068,445 added to the assets value. Additionally, the write down of two investments in GDTC Pty Ltd and Block Two Pty Ltd have been recognised resulting in a total write down of \$1,110,000. Lastly, the movement in the realised gains of the Associations share portfolio was \$220,546. All these amounts have been recognised through Other Comprehensive Income in the consolidated statement of profit or loss.
- I extend my appreciation to all our members and stakeholders who have contributed to our collective success. Your continued support is invaluable to our industry.

Also, I would like to thank our CFO & GM Corporate Services Kathy Winkcup for her dedication to her role and ensuring our financials are always completed accurately and on time. I'm confident MTA Queensland will continue to achieve our goals whatever the next year brings.

James Robertson
Secretary
MTA Queensland



Rod Camm

Group Chief Executive
MTA Queensland



As the peak body representing employers across the Queensland automotive service, retail, and repair industry, MTA Queensland has led from the front in confronting these issues and delivering beneficial resolutions to members.

Group Chief Executive Report

It has been an honour to continue to lead

the MTA Group through what can only be described as a year of extraordinary change for the automotive landscape. The new car market supply shortage has slowly begun to rectify, with an influx of new overseas players bringing incredible new electric models to the Australian market for the first time, in the surest sign yet that the EV transition is upon us. Ongoing parts and labour shortages, however, continue to be a burden to progress for all businesses across the industry.

As the peak body representing employers across the Queensland automotive service, retail and repair industry, MTA Queensland has led from the front in confronting these issues and delivering beneficial resolutions to members. This effort has been underpinned by the five core pillars that encompass our Professional Circle - advocating on behalf of members and clients to state and federal government; providing leading workplace and industry services and intelligence; delivering world-class automotive training; offering a substantial knowledge base of support resources; and helping businesses adapt to a rapidly changing industry landscape through innovation.

Members continue to be at the centre of everything we do as an Association and the reason we exist, and I can say with confidence that our focus will always be on delivering outcomes that are beneficial to their ongoing viability and prosperity.

ENGAGEMENT

MTA Queensland is committed to continuously strengthening relationships with our members and providing opportunities to engage and discuss what each and every one of them wants from us as an Association. This has seen

the expansion of visits to the regions, with myself and other members of our executive team participating in a series of discussions in Toowoomba, Sunshine and Gold Coast, Mackay, Gladstone, Cairns, Townsville, Hervey Bay, and Bundaberg.

Getting on the ground is incredibly important as a way of gaining a more immersive understanding of the issues and topics at the heart of businesses in these areas, which enables us to shape our policy commitments accordingly. The social aspects of these evenings are certainly not lost on those who come along!

Another outlet for member engagement that we have put significant effort into promoting is our regular industry sector meetings. Held online, we have engaged with a range of guest speakers to provide real value to attendees, with experts in policy, fair trading, and IT among those who have come along and shared their expertise.

These sessions are designed to allow business owners to have their say on the agenda that guides MTA Queensland's advocacy pursuits to government and other regulatory bodies. As a result numerous issues have been identified that we continue to lead the charge on, including odometer fraud, catalytic converter and rare earth metal theft, 3-month vehicle registration, unfair contract terms, and written-off vehicles.

We have also continued to listen to members when it comes to understanding the services they require from us to help them thrive.

The single biggest issue that we constantly hear from members everywhere is workforce shortages. Businesses are struggling to find skilled staff, an issue that was exacerbated during the COVID-19 pandemic due to a lockdown on international and local migration.



MTA Queensland's top priority this year has been to introduce a range of support mechanisms to assist businesses in addressing their workforce challenges.

Understanding the severity of this issue, MTA Queensland's top priority this year has been to introduce a range of support mechanisms to assist businesses in addressing their workforce challenges. With the direct support of the Queensland Government, we have introduced nation leading programs to make a genuine difference to industry. As an Industry Workforce Advisor for the automotive industry, we are providing tailored workforce planning assistance and guidance to small and medium businesses. This dedicated support connects with businesses one-on-one to talk through the challenges they are dealing with and build a tailored plan to diversify their workforce and grow their business! From identifying expanded recruitment strategies to analysing the workforce for upskilling opportunities to submitting applications for

grants and other support, we are here to help your business. This program, together with other new approaches to recruitment can make a real impact on skills shortages.

TRAINING

The ongoing skill shortage is not an issue limited to automotive. Just about every skilled trade sector in Australia is in fierce competition to woo and recruit the next generation of talent and as a result, targeting new pools of talent is imperative.

MTA Queensland is nurturing the relationship between the automotive industry and schools, putting substantial resources into connecting with schools across the state to promote our industry as a prosperous, attractive career option, while also educating students on the many

exciting, opportunities available in our quickly evolving industry.

The relationship between our industry and high schools is a real opportunity to make a difference. Our School-to-Work Transition program aims to build supportive pathways that allow young Queenslanders to journey through the accredited training framework and into employment. Our dedicated Schools Guidance Counsellor is working hard with schools and employers to place students in school-based apprenticeships and I look forward to growing this area of our training offering in the future.

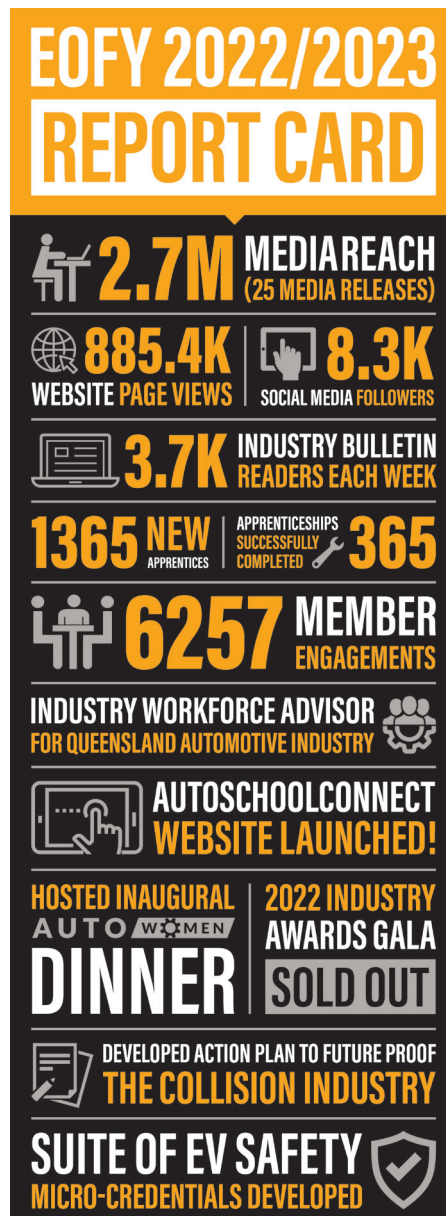
As Queensland's leading industry-owned provider of automotive training, we pride ourselves on delivering the highest quality training to clients across the state, and I am pleased to say that we have succeeded

in expanding our offering of recognised upskilling short courses to more locations.

With demand for hybrid and electric vehicle training booming on the back of increased EV sales here in Queensland, we mobilised our accredited BEV/HEV Skill Set course this year, offering it to qualified technicians in Toowoomba and Cairns. In more exciting news, we now have capacity to offer training for accredited EV units through our apprenticeship model, meaning we can take this training directly to students in the workplace!

Our accredited introductory program for high-school students, Auto Ready, was also taken to new locations, with courses held in Mackay, Townsville, and Rockhampton in addition to the regularly scheduled offerings in Brisbane and Dysart. To celebrate the launch of the course in Mackay we hosted an Auto Careers Industry Evening, giving the 30 course participants an opportunity to meet with local employers and suppliers to discuss the careers available in the area. With over 70 people in attendance, the evening was a great success, and I am pleased to report that we have seen numerous work experience and apprenticeship opportunities offered as a result. I thank MTA Queensland Board Member Andrea McCarthy for allowing us to host the course at her workshop facility and also for her tireless efforts in making the careers evening a tremendous success!

At the heart of our training offering is our



apprenticeship offering, delivered into the workplace, and it is pleasing to see the Institute continue to grow. We have supported this through the recruitment of additional technical trainers in the field. With the industry in a constant state of technological advancement, the MTA Institute will continue to adapt to change to ensure it is delivering relevant, agile workforce skilling solutions.

INNOVATION

It is no secret that we are in the midst of an incredible transformation the likes of which we have not seen since the dawn of the Ford Model T back in 1908. In the same way that the Model T put the world on wheels and revolutionised mass production, electrified vehicles are changing the nature of mass transportation and altering the fabric of businesses in the automotive service, retail, and repair industry in the process.

Overseas, things have been changing fast. The list of manufacturers announcing a shift to electrified model line-ups continues to swell – Ford, Nissan, Audi, and Hyundai among the latest to do so – and the top-selling vehicle in Europe through the first six months of 2023 is the Tesla Model Y.

Locally, the Albanese Government has published the National Electric Vehicle Strategy, outlining a nationally consistent approach to driving the uptake of EVs, reducing emissions and delivering charging infrastructure upgrades. This is perhaps the biggest indicator that the direction of

“
MTA Queensland is nurturing the relationship between the automotive industry and schools, putting substantial resources into connecting with schools across the state to promote our industry ...



“

... whether or not you believe the future of our industry is electric, that future has arrived, and businesses must plan their own path forward now!

automotive is changing, given the lack of a coordinated, nationally driven approach previously. The number of electric models available to consumers under the \$40,000 price point is also on the rise, and there are now more than 25,000 EVs registered just in Queensland.

What this means is as the future of our industry is electric, and that future has arrived, businesses must plan their own path forward now!

International evidence suggests revenue from servicing electric vehicles is 42 per cent lower than internal combustion engines. Businesses will therefore need to think carefully about their next move. Will they dive headfirst into expanding to accommodate EVs or continue to specialise in the legacy internal combustion engine fleet, which is expected to remain in circulation for decades to come.

MTA Queensland has committed to supporting businesses through this journey and recently hosted a series of business transition workshops across the state to help business owners understand the current state of play and give them all the information they need to make informed decisions about their future.

With the pace of the transition constantly

increasing, our role has never been more clear. Supporting businesses and providing them with the necessary resources, information, and advice required to be at their best is our mantra, and members can be assured we are doing all we can to help them through this period.

THANKS

I would like to take a moment to recognise the contributions of former General Manager of the MTA Institute, Paul Kulpa, who departed the association this year after 12 years. Under Paul's strong guidance, the Institute has blossomed into Queensland's largest industry-owned provider of automotive training. From 1,100 apprentices and 25 trainers state-wide when he came on board, the Institute now boasts more than 2,450 apprentices, 40 trainers, and a suite of automotive short courses delivered to locations across Queensland.

In his final year, Paul was also instrumental in building our suite of government-funded programs and initiatives, moving into the position of Director of Industry Initiatives and overseeing the launch of the Industry Workforce Advisor program, Workforce Connect fund, and School-to-Work Transition. I thank Paul for his dedication to excellence and progress during his time here at MTA Queensland and wish him all

the best in his future endeavours.

Of course, such tremendous growth over a sustained period is only possible with the continued support and efforts of an entire team, and I would like to express my deepest thanks to our incredible trainers, administration staff, area managers, and everyone else who has contributed to MTA Queensland and the MTA Institute over the last year!

I also thank the members of the MTA Queensland and MTA Institute Boards for their ongoing leadership and support. I have every faith that we will continue to strive to deliver the highest level of training, support, and advocacy under your guidance and look forward to working with you in the coming year.

Rod Camm

Group Chief Executive
MTA Queensland



Kellie Dewar

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



As part of our continued investment in member engagement, this year we expanded our regional networking events schedule to promote increased discussions with our members right across Queensland.

Member Services Report

As part of our continued investment in member engagement, this year we expanded our regional networking events schedule to promote increased discussions with our members right across Queensland. I am pleased to say that visits to Bundaberg, Hervey Bay, Townsville, Cairns, Gladstone, Mackay, Toowoomba, and the Gold and Sunshine Coast were well attended and produced some incredibly insightful conversations that have helped set our agenda around the prominent issues affecting members in these areas.

Our divisional industry meetings also continue to gather momentum with members increasingly in attendance to deliver their views on the issues that matter to them. Our members are at the heart of what is happening in the automotive sector, and it is only with your participation and guidance that we can continue to set our policy agenda to advocate to government and push the automotive agenda.

On the back of extensive lobbying to government at all levels, we have achieved numerous successful outcomes this past year. You can see a full list of our submissions at mtaq.com.au/submissions.

Firstly, in late 2022, the Federal Government passed legislative changes to introduce penalties for businesses that include unfair contract terms into standard form contracts with small businesses. MTA Queensland made a substantive submission on this issue and we are happy to see reforms introduced to better protect small businesses from entering into contract negotiations and being taken advantage of.

The Parliamentary Transport and Resources Committee announced its findings of the review of the Liquid Fuel Supply (Minimum Biobased

Petrol Content) Amendment Bill 2022, recommending that the proposed amendment to increase the fine for businesses that do not comply with the four per cent biobased petrol mandate not be passed. The Queensland Government, in-line with MTA Queensland's position, supported this recommendation.

Another issue that has continued to receive substantial interest is that of odometer tampering and we were pleased to see the Office of Fair Trading (OFT) and Queensland Police take down a syndicate of backyard operators in a recent crackdown. MTA Queensland launched an online odometer tampering reporting platform to assist the OFT and we continue to push for regulatory change with the Department of Transport and Main Roads, although we are disappointed with the lack of concerted action.

We also continue to progress policy issues on three-month dealer registrations, catalytic converter theft, and the written-off vehicle scheme.

Collision Industry Forum

In late 2022, industry representatives from the collision industry came to us with a plan to drive engagement in the sector by bringing businesses together to discuss the critical issues impacting them. This idea was welcomed by the industry, with more than 70 businesses getting involved in a one-day forum full of wide-ranging, robust discussions. From this meeting, an industry action plan was developed to tackle the key issues identified and move the sector forward as a unified group. I congratulate the collision sector for their initiative in driving action for the betterment of their sector, and implore other sectors to consider something similar.



The Auto Women Initiatives' inaugural networking dinner was held in October 2022, with over 100 women (and male allies) from all facets of the automotive industry coming together ...

Industry Initiatives

MTA Queensland has been successful in securing contracts with the State Government to deliver workforce and skilling programs to automotive businesses across Queensland.

Industry Workforce Advisor

MTA Queensland was selected as the Industry Workforce Advisory organisation for the automotive industry, responsible for engaging with small and medium businesses across Queensland to deliver tailored workplace planning assistance. This program has enabled countless businesses to address workforce challenges already, from helping to identify new recruitment strategies to applying for funding programs to boost business productivity to providing high-quality advice for diversifying the workplace.

Building on from this program, we are excited to have secured funding to deliver the Opening Doors to the Automotive Industry initiative, reporting to the Department of Youth Justice, Employment, Small Business and Training. This project will support businesses to connect with new, non-traditional employment cohorts and drive innovative new recruitment and retention strategies.

VET Emerging Industries

As part of the Queensland Government's commitment to promoting skill development opportunities, we have launched subsidised electric vehicle technician safety training through the VET Emerging Industries fund. This training, which can be completed online through a series of micro-credentials, ensures that all technicians, vehicle drivers, and other employees based anywhere across Queensland have the knowledge to safely work around the growing number of electric vehicles entering the industry.

Industry Skills Advisor

Our ongoing role as Industry Skills Advisor continues to highlight the industry trends impacting automotive businesses. As a result of our engagement, we have successfully rolled out numerous initiatives to aid skill development and workforce opportunities, including the electric vehicle technician safety micro-credentials, EV business transition workshops, and the Opening Doors to the Automotive Industry program.

Auto Women

The Auto Women Initiatives' inaugural networking dinner was held in October

2022, with over 100 women (and male allies) from all facets of the automotive industry coming together to celebrate the significant contributions women make to the ongoing betterment of our industry. On behalf of our mentor team, I would like to thank everyone who has come along and supported the initiative in its first year. We have seen tremendous growth in engagement with women from across the state through the online platform, networking sessions, and scholarship opportunities, and I look forward to seeing the group continue to grow.

Membership Offerings

We continue to add to our member benefit offerings in order to more accurately reflect the needs of our member businesses and improve the value of membership. New offerings including an up-front energy audit and direct support to identify and recruit school-based apprentices have been warmly received by our members.

Kellie Dewar

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



Evangeline Kannis

Senior Workplace Relations Advisor
MTA Queensland



The change to a Labour federal government in May 2022 brought significant rapid changes to the Fair Work Act 2009 in the form of the Secure Jobs, Better pay amendments.

Workplace Relations Report

After the state borders opened, the hard felt impacts of COVID-19 on the community and workplaces eased, yet considerable pressure remains on business owners. Employers continued to suffer from lack of skilled employees and labour.

The implementation of changes to student visa holders allowed greater hours of work, however the number of migrant skilled workers remained far below the demands of business. Many employers engaged directly with migrant agents at great expense to bring workers from various countries to commence work. The changing face of the workforce showed the usefulness of cultural awareness training in workplaces to promote tolerance and understanding.

The change to a Labour federal government in May 2022 brought significant rapid changes to the Fair Work Act 2009 in the form of the Secure Jobs, Better pay amendments. These changes affected all businesses as they included:

- increased compliance about the prohibition of Pay Secrecy clauses in employment contracts,
- underpayment claims made easier to the Federal Circuit Court,
- Anti-discrimination provisions that allow the Fair Work Commission to make stop-sexual-harassment orders for conduct at work, and
- the sunseting of old Collective Agreements

Furthermore, the Modern Award Review introduced a new Family Domestic Violence leave up to 10 days paid per year; the business annual shut down provisions were amended to allow for extra paid annual leave; and flexible work provisions in awards were strengthened for employees to challenge reasonable business grounds if refused. Significantly, the introduction

of a psychosocial hazards at work code of practice gave more obligations to employers to manage safety risk.

Further significant changes to workplace laws and superannuation were signalled for late 2023.

Members received advice and assistance in response to their broad range of wages, disciplinary and employment termination enquiries, along with representations in Fair Work Commission matters' and managing the risk of sexual harassment claims against members. Formal claims of underpayment increased, as have enquiries for employment contracts and clarification of bonus' and commission payments.

MTA Queensland's Workplace Relations Advisors regularly participated in the national IR group to discuss and support MTAA's submissions to the federal government that included the plain language shut down provisions.

MTA Queensland conducted a survey of members in May about proposed changes to paid parental leave that contributed to the MTAA submission resulting in an opt-in provision for payment by business, leaving the payment to be predominantly made by the government agency.

The Fair Work Commission announced its 2023 National Wage Decision in early June, that gave an increase of 5.75 per cent to the minimum award wages. In addition, a greater increase of 8.6 per cent to the National Adult Minimum wage caused significant confusion, disrupting the wage relativity of the lowest classification in our industry award.

Evangeline Kannis

Senior Workplace Relations Advisor
MTA Queensland



James Robertson

Chair
Australian Automotive Dealer
Association Queensland (AADA Qld)



In April the Federal Government released its long awaited National Electric Vehicle Strategy. The strategy is aimed at increasing supply and demand of EVs in Australia and establishing the infrastructure to enable rapid EV uptake.

Australian Automotive Dealer Association Queensland

Overview

COVID-19 related supply chain disruptions continue to affect new vehicle supply, however interest rate rises have reduced consumer demand for new vehicles. Dealers are now seeing their order bank reduce and some buyers are cancelling their orders because they can no longer afford a new vehicle.

Divisional Activities

In April the Federal Government released its long awaited National Electric Vehicle Strategy. The strategy is aimed at increasing supply and demand of EVs in Australia and establishing the infrastructure to enable rapid EV uptake.

The last few months has seen thousands of new vehicles held up at Australian ports due to contamination from bugs, seeds, and snails. The contaminations occurred because Vehicles were stored at overseas factories for longer than usual times waiting for COVID-19 delayed parts. Dealers therefore have had to manage another delay to their stock.

AADA has reported that Australian local governments have been using anonymised data from Connected Vehicles to check sudden braking hot spots, and whether drivers were using back roads instead of arterial roads. We will no doubt see more use of Connected Vehicle data in the future.

The Queensland Government has expanded its Zero Emissions Vehicle Rebate Scheme, increasing rebates from \$3,000 to \$6,000 for residents earning under \$180,000pa and increasing the eligibility of vehicles priced from \$58,000 to \$68,000 excluding dealer delivery.

In 2018, the proportion of new Chinese-made vehicles sold in Australia was 0.9%.

In 2022 they made up more than 11% of total new car sales. For the first two months of 2023, they make up more than 15% of total new car sales.

Dealers continue to watch as many manufacturers adopt agency models in some but not all countries. The move has the potential to dramatically change the industry in Australia as we know it. At the time of writing, we are waiting on judgement of the court case between Mercedes-Benz and its Australian dealers who are seeking damages following the manufacturer's adoption of an agency model. Honda and some smaller brands are adopting agency models and Tesla sells directly to its customers.

Divisional Activities

AADA (Qld) continues to lobby the Queensland Government for compensation for the costs associated with registering vehicles.

General

The AADA (Qld) and MTA Queensland will continue to advocate for the interests of Queensland Motor Dealers and promote the benefits Motor Dealers provide consumers including local, face-to-face sales, service, parts, warranty, finance and trade-ins – and quality local jobs.

I encourage all Queensland Motor Dealers to participate in AADA (Qld) activities and encourage non-members to join.

James Robertson

Chair
AADA Qld



Mark Dodge

Chair
Automotive Engineers Division
(AED)



The right to repair continues its implementation through Australian Automotive Service and Repair Authority (AASRA) ... Access to correct, timely and cost effective repair information is critical to the success of our members.

Automotive Engineers Division

Overview

AED members have again shown strong support and commitment to the division and to MTA Queensland in the 2022/23 FY, with strong attendance recorded at meetings leading to high quality, relevant discussions.

Divisional Activities

The Department of Transport and Main Roads recently called for feedback on a proposed training model for Approved Inspection Stations (AIS). Although the scope of the request was very narrow and linked only to the timeframe to complete training, it raised significant issues relating to the AIS scheme that support MTA Queensland's repeated requests for an urgent broader review of the scheme.

Issues highlighted include:

- AIS fees are too low and require review
- Poor integrity of inspections carried out
- Lack of audits, compliance or enforcement
- No flags or action for suspicious activity (it was hoped the online platform would assist with this)
- Operators intentionally doing the wrong thing
- The proposed mandatory training only impacts people who know what they are doing and are interested in doing it correctly.

In response to the proposed scheme, AED Committee Member Craig Baills initiated a Parliamentary e-petition calling for an immediate halt to the introduction of the training scheme until a comprehensive review of the system, including an analysis of the current audit process and fee structure is conducted. This e-petition attracted 877 signatures and I thank all who voiced their support.

As this is a longstanding policy issue for our members, we look forward to actively

participating in the review and would welcome any further information in due course.

The right to repair continues its implementation through the Australian Automotive Service and Repair Authority (AASRA). Built from scratch, the system initially experienced some delays in processing applications for accessing information. AASRA continues to work with industry to ensure the information is complete and has created a process to report missing information. There was also some confusion regarding the requirements to access hybrid and electric vehicle information. Access to correct, timely and cost effective repair information is critical to the success of our members.

Divisional Priorities

A lack of skilled workers still dominates discussion in the industry and I encourage you to consider the range of workforce planning programs that MTA Queensland offers to assist with staff recruitment and retention. We have to accept that for the short term at least, we need to reconsider recruitment strategies and our potential applicants.

General

Discussions continue around EV repair licensing and what the future requirements will look like. The recommendation from the recent review of the Electrical Safety Act that EVs should be repaired by the electrical industry would be a catastrophic outcome for our industry, not to mention the detrimental impacts it would have for consumers, and MTA Queensland will continue to advocate strongly against such recommendations.

Mark Dodge

Chair
AED



Lawrie Beacham

Chair
Automotive Parts Recyclers Division
(APRD)



When a consumer chooses recycled automotive parts in their mechanical and smash repairs, vehicle owners help preserve natural resources, reduce air, and water pollution, and divert material from landfills.

Automotive Parts Recyclers Division

Overview

The decline of businesses in this sector is still happening hopefully mainly from the increase in land values where in situ rather than other impacts, although the red tape and business costs seem to be still on the increase and greater than the CPI. Scrap prices are reasonably steady, but it is common knowledge that we will not see the spikes in precious metals like we did about 2 years ago. I, for one thought we would have some sharp rises due to the crisis in Ukraine and other instability in Africa, but it is not the case. Processors believe it will be steady for at least two more years.

Divisional Activities

The movement of the Auto Parts Recyclers Association of Australia (APRAA) secretariat to Queensland is a very exciting move for our industry. This will be headed by our own Kellie Dewar, and she has already been charged with spearheading a national conference in Queensland early 2024. This will be a great opportunity to advance the professional parts recycling industry and promote it to government and other industry sectors alike. Hopefully it will generate interest for membership growth across all regions in Queensland and beyond.

Divisional Priorities

Motor vehicles are amongst the most recycled products in the world. When a consumer chooses recycled automotive parts in their mechanical and smash repairs, vehicle owners help preserve natural resources, reduce air, and water pollution, and divert material from landfills. It is good for the earth, and good for the wallet. As the automakers work

towards zero gas emissions vehicles for the future, we want it to be known that professional automotive recyclers are part of the sustainability process.

General

The earlier uptake of alternative automotive power sources other than the internal combustion engine in other countries has been advantageous to safety planning and processes for Australia, especially the independent storage of batteries due to fire risk. There will be many changes for our industry in this new power concept and it will be more important to be a member of your industry Association to be up-to-date with what is happening and legislated.

Lawrie Beacham

Chair
APRD



Peter Dever

**Chair
Automotive Remarketing Division
(ARD)**



Uncertain supply of quality used vehicles at the wholesale levels has seen a boom in dealers attempting to source vehicles direct from the public instead of through traditional sources such as trade auctions and wholesalers.

Automotive Remarketing Division

Overview

The used car industry once again faced its fair share of challenges this past year. Uncertain supply of quality used vehicles at the wholesale levels has seen a boom in dealers attempting to source vehicles direct from the public instead of through traditional sources such as trade auctions and wholesalers.

Divisional Activities

It has been a year of paused reviews and commitments from the Queensland Government this past financial year period. The 2019 review on the future of repairable write-offs in Queensland recommended significant changes be introduced. Now, more than three years later, we are still awaiting a decision from the Minister on these proposed changes which, if implemented as recommended, would be a game changer for the Queensland used car industry and provide protection for consumers.

The withdrawal of a three-month registration option for licensed dealers by the Department of Transport and Main Roads (TMR), despite significant lobbying by MTA Queensland, has local dealers feeling discriminated against, whilst the public continues to enjoy a wide range of payment and renewal options.

Odometer tampering continues to be a major problem nationally, which has been highlighted by continued media interest. MTA Queensland continues to call on the State Government to significantly escalate the penalties for those found to be deceiving consumers and tampering with vehicle odometers. Looking to tackle 'backyard operators' head-on and stop them in their tracks, MTA Queensland launched an online reporting platform in late 2022, providing consumers and businesses with a method for reporting

evidence of a vehicle they believed had been tampered with to the Office of Fair Trading (OFT) for investigating. Members are reminded to be extra vigilant in thoroughly checking any vehicle they intend to purchase and re-sell, to ensure they do not fall victim to odometer fraud.

Divisional Priorities

Our divisional priorities for the next 12 months include:

1. Continue to lobby the State Government for three-month registrations for licensed dealers;
2. Further strengthen our relationship with the TMR and OFT;
3. Increase division member numbers.

General

The total number of used cars sold in Queensland for the financial year to 30 June 2023 was 420,714. Of this figure, 130,891, or just over 31 per cent were sold by Dealers. Total sales increased by two per cent from 2021/22, however, dealer sales declined by just over two per cent.

The sales split for dealer-to-private was 130,891, while private-to-private was 289,823, with almost half of private-to-private transactions related to vehicles valued at \$5,000 or less. These figures are based on used vehicle transfers processed for the state of Queensland.

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

Peter Dever
Chair
ARD



Mark Bryers

Chair
Engine Reconditioners Association
of Queensland (ERAQ)



With new car sales having witnessed a return to pre-pandemic levels so far in 2023, demand for engine repairs and reconditioning is as strong as ever.

Engine Reconditioners Association of Queensland

Overview

The engine reconditioning sector continues to experience large-scale impacts as a result of the supply shortages that were aggravated due to the outbreak of the COVID-19 pandemic. While many manufacturers are beginning to see light at the end of the tunnel when it comes to shortages of vehicles, the availability of parts for import remains a concern.

Divisional Priorities

With new car sales having witnessed a return to pre-pandemic levels so far in 2023, demand for engine repairs and reconditioning is as strong as ever. However, sourcing parts for these repairs remains an ongoing challenge, worsened by the fact that businesses must resort to dealing with numerous suppliers at a time to secure the correct parts in many instances, increasing costs and delays which impacts the consumer.

This issue also impacts business productivity, as vehicles are left sitting idle in the workshop for weeks, or even months at a time while parts come from overseas, which effects how many vehicles can be worked on. Business owners are needing to be as proactive as ever in order to identify the work required of a vehicle coming in, as well as how quickly they can turn it around. Being able to efficiently communicate with customers to inform them of the full extent of repair/restoration work as well as waiting times is also incredibly important when shipping delays are ongoing.

Divisional Activities

Like nearly all divisions, industry discussions have largely centred around skill and labour shortages. Due to country-

wide shortages, growing your own skilled workers through an apprenticeship or school-based apprenticeship is seen as one solution, however, we are still limited in how we can access training, particularly businesses located in the regions.

MTA Queensland has introduced a range of initiatives and programs to help source and retain employees, and identify alternative cohorts, and I encourage all businesses to consider these pathways where applicable. We have identified the need to attract young Queenslanders into the field and are looking at how we can best engage with this cohort to promote our sector as an enticing career pathway, whether that be through videos or schools.

Increasing engagement for both metro and regional businesses remains our number one priority. We have been excited to hear from special guest speakers at our industry meetings this year as a way of bringing increased benefit to attendees, and this is an avenue we will continue to explore, so if there is a business topic you would like to learn more about, please let MTA Queensland know.

General

Fast-paced technological advancement in the automotive industry continues to rapidly affect the training requirements for skilled workers. Introducing short, targeted, online training courses will go a long way towards rectifying this problem, as well as delivering training to businesses in all areas around the state.

Mark Bryers

Chair
ERAQ



Andrea McCarthy

Chair
National Auto Collision Alliance
(NACA)



... the NACA has placed the utmost importance on fostering relationships between members in an effort to connect the industry, drive engagement, and deliver a unified voice.

National Auto Collision Alliance

Overview

In light of ongoing issues that continue to present as barriers to progress, the NACA has placed the utmost importance on fostering relationships between members in an effort to connect the industry, drive engagement, and deliver a unified voice.

Divisional Activities

The collision industry has long made noise about the challenges businesses are facing - skill and labour shortages, modern training requirements, and relationships with insurance companies among them - however, when it comes to solutions, everyone has their own ideas on paths forward.

With this in mind, the NACA, along with a range of industry stakeholders, devised a plan to bring the industry together for a day of robust discussions, allowing attendees to air out any grievances they may have before developing a coordinated action plan to address the major issues going forward.

This industry forum was very well attended, and I am pleased to say we now have a comprehensive list of priorities to guide our efforts. The five critical issues we took away from the day include:

1. The need for comprehensive knowledge of the actual costs of doing business as the basis of resetting industry relationships
2. The industry continues to suffer from the overreach and lack of understanding from insurers
3. Critical skills and labour shortages are crippling the industry
4. The industry needs to significantly expand its school-to-work programs
5. An industry strategy is required to develop high-level skills and post-trade training

I thank MTA Queensland for helping to facilitate the event and look forward to working with them to deliver the actions outlined in the published plan.

The ongoing labour shortage has forced the collision industry to identify new and alternative markets to draw workers from, including promoting the industry as an attractive, prosperous field for young individuals. The collision sector is among the most technologically advanced and rapidly evolving in all of automotive, and it is our job to promote it as such to the next generation.

Divisional Priorities

With a platform for action set, our priority now is to get as many businesses involved as we can. We all want change, and the best way to bring this about is by working together and presenting a unified, committed front.

We will continue to work on the steps outlined in the action plan and keep industry well-informed every step of the way. I encourage all NACA members to attend our regular industry meetings to stay up to date on everything going on in real-time.

General

Continuing to educate consumers on hidden damages and in turn extended wait times for repairs continues to be a priority, particularly when considering the supply shortages that we still face for many parts.

Andrea McCarthy
Chair
NACA



Cameron Jordan

Vice Chair
Queensland Farm and Industrial
Machinery Dealers Division
(QFIMDD)



The farm machinery industry has largely enjoyed 2-plus years of favourable seasons and conditions in the lead up to the current climate we find ourselves in and therefore is positioned well to weather the current challenges.

Queensland Farm and Industrial Machinery Dealers Division

Overview

The farm machinery industry has seen a significant slowing since 30th June as a result of both the Federal Government's decision to end the Instant Asset Write-Off, and for many dealers in Queensland - not all - a less than favourable seasonal outlook. In the broadacre cropping areas, the drier crop growing season has meant yields are down, thankfully with a strong grain market this has been somewhat offset. Unfortunately, this is in contrast to the cattle and sheep market which has experienced a decline which could be the livestock industry's equivalent of the GFC. Prices have continued to fall consistently at the same time as the feed market is continuing to increase, creating a very difficult current and forward outlook for those in this industry.

The farm machinery industry has largely enjoyed 2-plus years of favourable seasons and conditions in the lead up to the current climate we find ourselves in and therefore is positioned well to weather the current challenges.

Divisional Activities

We continue to monitor the Motor Vehicle Service and Repair Information Sharing scheme and its requirements and implementation. Under the scheme, the definition of a motor vehicle does not include farm machinery. The ACCC considers that there are reasons to explore an expansion of the scheme to include agricultural machinery and recommends that this be considered at the first review of the scheme.

The Terms of Reference for the latest Franchise Code review has raised the issue of whether considerations for the protections available to automotive franchisees should be extended beyond the new car dealerships.

This follows concerns raised by MTA Queensland in their submission on behalf of the QFIMDD that the features of new vehicle dealership agreements are also applicable in other types of motor vehicle franchises.

The national safety standard for quad bikes has been in force since October 2021, with the findings from a 12-month compliance review released in November 2022. It was found that 94 per cent of new quad bikes assessed by the ACCC were compliant with the new national safety standards.

A series of surveillance activities were also undertaken as part of the review. Warnings were given for minor non-compliance issues, while a small number of investigations are ongoing due to potentially serious non-compliance issues identified.

Divisional Priorities

Increasing engagement across the farm and machinery sector remains our top priority as a division. Due to the vast distances between many businesses, hosting meetings online has been a beneficial method for increasing engagement and discussion at our industry meetings.

General

We will be holding an industry forum for the Farm and Industrial Machinery sector to determine and outline our priorities and action plan for the coming year. I encourage all businesses to participate in this discussion. We will also be creating a video highlighting potential careers in our industry to attract more students to consider our sector for employment.

Cameron Jordan
Vice Chair
QFIMDD



Paul Peterson

Chair
Queensland Motorcycle Industry
Division (QMID)



The post-COVID blues have continued to cause issues in certain areas of the motorcycle supply chain ... That being said, demand has remained strong, with both parts sales and mechanical workshops reporting strong growth.

Queensland Motorcycle Industry Division

Overview

The post-COVID-19 blues have continued to cause issues in certain areas of the motorcycle supply chain some years after the world opened back up. Some brands and regions remain worse affected than others, with products from China and India having the best supply rates across the board, while some supply out of Japan is still experiencing wait times of up to 12 months. That being said, demand has remained strong, with both parts sales and mechanical workshops reporting strong growth.

Divisional Activities

It has been a quiet year on the advocacy front for the QMID, with minimal pressing issues being faced. However, we have continued to push, in collaboration with MTA Queensland, on outcomes on wider issues including:

- inadequate pricing of safety certificates
- Approved Inspection Stations scheme
- odometer tampering
- parking
- written-off vehicles
- staff and skill shortages.

With the next state election 12 months away, you would hope to see some more interest from the government in this area.

Divisional Priorities

A review is required for Safety Certificates involving cost and the process of carrying out the inspections. The current fee schedule allows for \$58.40 charge, but this does not cover the time taken to complete the Certificate and administration. This is ongoing and MTA Queensland is beginning to get some traction in this area.

With a new committee, with a strong rural flavour, I hope to see a more whole of Queensland approach to motorcycle industry issues going forward. The QMID has historically been a metro group so this positive approach should have a whole suite of different ideas and outcomes.

General

New motorcycle sales have remained steady across this financial year, with the biggest increase coming through the scooter segment which continues to grow in popularity.

In Queensland, used motorcycle sales recorded minor growth for the quarter, with the breakdown of sales being private-to-private 82 per cent of sales, compared to 18 per cent for dealer-to-private.

Paul Peterson

Chair
QMID



Grant Harrison

Chair
Rental Vehicle Industry Division
(RVID)



Overall, the Rental industry performed well in 2023 in most rental sectors, with demand continuing to outstrip supply and only softening in the last quarter.

Rental Vehicle Industry Division

Overview

The automotive industry continues to evolve at a rapid pace and FY23 has been no exception. This year has been particularly dynamic in the rental industry, dealing with supply shortages, market uncertainty, increased vehicle and parts pricing, interest rate rises, insurance increases, unfair contract legislative changes and increases in vehicle and parts theft.

Overall, the rental industry performed well in 2023 across most sectors, with demand continuing to outstrip supply and only softening in the last quarter. The impacts of successive interest rate rises are having an impact on discretionary spending in both leisure and tourism spending and transport and freight movements. There are mixed forecasts for the trading environment for the remainder of calendar year 2023 and the market is expected to remain sensitive to any future rate rises.

The interest rate rises have softened demand for new vehicles, with availability improving for most OEM's toward the end of June. The used car market has likewise softened, albeit still well above pre-COVID-19 levels.

The industry continues to suffer from the theft of DPF/DPD/Catalytic Converters. Whilst the Queensland Police Service has had some success in arresting some alleged culprits, the issue is far wider due to the high value of the devices. As an industry we continue to work on both short and long term solutions and I would like to single out Kellie Dewar, Rod Camm, Peter Dever, Lawrie Beacham and the RVID membership for their support and efforts toward furthering an industry solution.

MTA Queensland has been providing support for RVID members to prepare for the Unfair Contract Terms that take effect in November 2023. It is critical for members

to be prepared for these legislative changes and the impact that it will have on businesses both as a supplier and consumer.

Divisional Activities

The RVID activity has been around ensuring relevant content for the membership. Sadly, most of 2023 RVID's meetings have been centred around the theft of DPF/DPD/Catalytic Converters and online fraud and scams. It is disappointing that such time needs to be taken to protect our businesses, but unfortunately this appears to be the new "norm".

We have also been fortunate to have subject matter experts present insights to RVID and other divisional representatives on new and used car trends and activity.

Divisional Priorities

Along with our standing priority of continuing to provide relevant information, support to industry and engage external stakeholders to maximise value to our membership, we also have an ongoing priority around curbing DPF/Catalytic converter thefts.

General

The first half of calendar year 2023 has evidenced an increased momentum towards rental market normalisation. Increased market volatility is expected for the balance of 2023 as supply and demand continue to equalise.

The labour market is expected to remain tight and the hope is that the RBA has applied the precise amount of fiscal policy to abate inflation.

Grant Harrison

Chair
RVID



Tim Kane

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



This past financial year was once again dominated by volatile fuel retail prices, with several factors continuing to play havoc on supply.

Service Station and Convenience Store Association of Queensland

Overview

This past financial year was once again dominated by volatile fuel retail prices, with several factors continuing to play havoc on supply. This was worsened by the 22 cents per litre fuel excise cut being reinstated in September 2022, while the falling Australian dollar and ongoing conflict in Ukraine continue to impact prices. Further instability of the wholesale market has been driven by fluctuating production levels across the year, with the wholesale price of unleaded rising by 22 cents per litre, and diesel by 33 cents per litre since the middle of June this year. Thankfully, we have not reached the soaring retail prices witnessed in New Zealand, where unleaded is now over \$3 per litre.

With Viva Energy acquiring Coles Express earlier this year, and 7-Eleven being offered for sale, competition in the retail market is currently fierce. Our division was optimistic that the Federal Government's review of the Australian migration system, which was long overdue, would address the ongoing issues with the current system, which is fundamentally broken. Unfortunately, it looks like our sector will not be impacted by any changes to the system, as customer service officers are not classified as skilled workers for visa purposes. Maximum student hours also continue to be restrictive when considering the ongoing labour shortages and students looking for additional work to meet the rising costs of living.

Divisional Activities

MTA Queensland produced an extensive submission on behalf of members on the Inquiry into the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022. The Bill centred

on two points – increased penalties for non-compliance, and minimum ethanol requirements. We staunchly fought against increased penalties for petrol retail businesses, arguing that it will not lead to increased biobased petrol sales. The Bill also proposed the introduction of a minimum of nine per cent ethanol level in biobased petrol, where no minimum currently exists. The aim is to improve consumer confidence in biobased petrol, ensure they receive no less than a nine per cent ethanol blend, and increase biobased petrol sales. However, this is more an issue at the supply level as opposed to the retail level. From the findings, the Queensland Government supported the recommendation that the Bill not be passed.

Divisional Priorities

Our focus continues to be on retaining and growing our member base and effectively representing the interests of our entire industry. We are looking at ways to drive increased engagement for our division, with Microsoft Teams serving as a solution for connecting our members and ensuring there are no limits for our regional members.

General

Our division just completed its bi-annual committee election, and I have again been elected unopposed for the position of Chair. This is my 22nd year in the position, with another two years now confirmed. I would like to welcome long-standing Committee Member and valued contributor, Glen Lynch to the position of Vice-Chair. I look forward to working with Glen and the rest of the Committee going forward.

Tim Kane
Chair
SSCSAQ



Michael Hart

Chair
Tyre and Undercar Division of
Queensland (TUDQ)



Solid growth in sales and servicing was reported across the first half of the year, before the pain of the slowing economy hit the hip pockets of the average Australia, resulting in a flat second half.

Tyre and Undercar Division of Queensland

Overview

The past year can be described as a tale of two halves. We are fortunate to have moved beyond lockdowns and travel restrictions, however, we are now feeling the brunt of rising interest rates and a cost-of-living crisis. The performance of the tyre sector reflected that of the economy in general. Solid growth in sales and servicing was reported across the first half of the year, before the pain of the slowing economy hit the hip pockets of the average Australian, resulting in a flat second half.

The stock and labour shortages we experienced last year have mostly been rectified. The supply of stock is continuously improving; however, inflation and the global economic downturn have seen some substantial price increases. Tyre manufacturing and supply is looking positive at the top end, but it is the entry level products where we are still struggling to keep up with demand. The cost of tyre disposal remains the biggest issue among businesses as we head into the new financial year, and unfortunately, we have seen multiple reports of used tyre stockpiles causing significant fires. MTA Queensland has reacted publicly to this issue, calling on the Federal Government to deal with the growing environmental problem that is end-of-life tyre management in an effort to avoid more catastrophic events, and will continue to place pressure on policy makers to invoke change. Following the decision to ban exports of whole-baled tyres in 2021, making Australia the first country to ban the practice, the automotive industry has been left to deal with the estimated 26 million tyres sent to waste each year with minimal regulatory intervention.

Divisional Activities

Tyre Stewardship Australia (TSA)

attended our divisional industry meeting to brief industry on the Tyre Product Stewardship Scheme. Led and funded by representatives from the tyre supply chain, TSA aims to introduce sustainable methods for managing, recycling, and re-using end-of-life tyres and reducing the environmental footprint of the industry sector. They do this by seeking out and investing in projects that research the productivity of new uses for products derived from end-of-life tyres. To this point, they have committed more than \$9 million to approximately 60 projects through the Market Development Fund to assess potential solutions in areas including advanced manufacturing, civil infrastructure, explosives, rail, and road.

Divisional Priorities

Engaging with members will always be our priority. Microsoft Teams has been a great asset in connecting with members in country areas. We hope to increase meeting attendance and participation moving forward utilizing the technology we have available.

General

Ongoing issues with entry level tyre supplies is constraining progress in the tyre industry. Finding and retaining quality staff and labour is getting better, however, cost of freight and manufacturing and shipping issues continue to worsen in Queensland and Australia. Small business profitability is a focus for most stores in this current economic climate. Finally, I would like to thank all Committee Members for their time and input over this last year.

Michael Hart

Chair
TUDQ



Marcello Riotta

Director
MTA Institute



FY2023/24 will see MTA Institute significantly escalate school engagement, with the development of a comprehensive state-wide multi-tiered strategy ...

MTA Institute Director Report

As Queensland's largest "industry owned"

automotive training provider, MTA Institute is committed to continuing the delivery of high-quality industry standard training across Queensland. Quality, flexibility, responsiveness and adaptability are the tenants of our success. Industry's insatiable demand for an ever-increasing skilled workforce will continue to drive our direction to ensure the automotive industry is positioned for ongoing success.

I'm pleased to report that we've been able to mobilise some of our traditionally institutional courses into the regions. Most notable was delivering our Electric Vehicle course in Toowoomba and Cairns, an EV short course on the Gold Coast and delivering our Auto Ready program in Deception Bay, Rockhampton, Townsville, Mackay and Logan.

FY2022/23 is certainly a milestone as we experienced significant growth in apprenticeship training, exceeding 2,500 for the first time. While enrolments are now starting to soften, we are still seeing a steady rate of new apprentices commencing.

This increase has a dedicated response to assure our quality benchmarks and necessitated the recruitment of new trainers throughout QLD to assist our obligation of supporting all our students through their skilling journey. In an unprecedented tight labour market, the challenge of recruiting new trainers continues.

To help alleviate ongoing skills shortages, we are delivering the following programs above and beyond our traditional trainees and apprenticeship programs:

- Auto Ready: Auto Ready is a five-day school holiday immersion in an automotive training workshop. The program, designed by MTA Institute and supported by Government aims to:

- increase understanding of the automotive industry
- increase knowledge and greater awareness of career pathways
- motivate students on the high likelihood of employment in the industry.

The program enhances the understanding of the skills required in the automotive sector and directly connect participants to employers as a part of the course.

- Automotive Vocational Preparation: Delivered at the Institute, the Automotive Vocational Preparation program prepares learners for the work required in the automotive industry. These programs provided a comprehensive set of skills to introduce learners into the automotive industry with over half achieving gainful employment.
- Vocational Education in Schools (VETiS): Delivered in schools, the Automotive Vocational Preparation program provides entry level skills and knowledge to introduce learners into the automotive industry.
- Trade Skills and Gap Training Program. This program enables automotive businesses to develop a qualified workforce and build individual skills to support their career goals.
- Upskilling technician programs to support qualified automotive tradespeople to access Higher Level Skill Sets, including Hybrid Electric Vehicle and Battery Electric Vehicle technology.
- professional development for learners in non-accredited training products, including vehicle maintenance, Advanced Driver Assistance Systems (ADAS) and welding courses; and
- Micro-credentials to offer short, affordable, and immediate skill upgrades in an industry-focused area. Ranging from ADAS, hybrid and battery electric



FY2022/23 is certainly a milestone as we experienced significant growth in apprenticeship training, exceeding 2500 for the first time.

vehicle basics, workplace relations and customer service, each micro-credential is designed to meet current industry needs.

The ongoing development of our trainers is a constant process, to ensure their skills remain contemporary. Trainers meet bi-annually at the trainers' conference to develop skills, attend professional development programs and enhance their knowledge of the requirements of national training package. This year trainers participated in Carmageddon, an innovation symposium hosted by MTA Queensland, which was a key feature of an intense 3-day professional development program aimed at keeping our trainers current and engaged with industry.

MTA Institute participated at the 2023 Autocare in Brisbane, delivering Electric Vehicle technical seminars and attended the 2023 Truck Show in Southbank where it became very evident that EV adoption is not only on the rise in the light vehicle sector, but also in the heavy sector.

This year also saw the introduction of two new qualifications: a Certificate II in Automotive Accessory Fitting and the

Certificate III (apprenticeship) Automotive Electric Vehicle Technology, both rapidly growing sectors.

FY2023/24 will see MTA Institute significantly escalate school engagement, with the development of a comprehensive state-wide multi-tiered strategy incorporating a number of key elements:

- development of a 2024 "Calendar of Events" identifying programs and specific events, including scheduling and locations
- leveraging school to work transition programs
- attending school career expos around Queensland to promote careers in the Automotive Industry in partnership with industry, facilitating trade expos in regional Queensland
- offering Auto Camps, profiling the careers available, on school holidays where we have access to facilities.
- delivering and further developing VET in Schools' opportunities to schools with trade facilities and a genuine interest in automotive.

FY2023/24 will see significant capital investment in the institute in terms of contemporary training equipment as well as learning resources.

We would also like to acknowledge the MTA Institute Board for their support and direction over the last 12 months. The Board of Directors over the 2022/23 financial year consisted of:

- Sue Davies – Chair, (04/01/2021 - 23/11/2022)
- Professor Michael Milford – Director
- Paul Peterson - Director
- James Robertson – Director.

We also welcome the new Chair of MTAI on the 18th of May 2023, Ms Terri Butler.

In closing, a big thank you to all MTA Institute and MTA Queensland staff for their hard work and dedication and a farewell to long term employees of the Institute, Paul Kulpa and Anthony Bonaccorso.

Marcello Riotta
Director
MTA Institute



Motor Trades Association of Queensland Industrial Organisation of Employers Financial Report

Financial Report For the year ended 30th June 2023



Kathy Winkcup

Chief Financial Officer
MTA Queensland

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Auditor's Report



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

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 (MTAQ) (the reporting unit), which comprises the consolidated statement of financial position as at 30 June 2023, 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 financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report of Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2023 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 (including Independence Standards) (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 Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ) operating report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

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

This description forms part of our auditor's report.

Declaration by the auditor

I, L G Mylonas, declare that I am a registered auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd

BDO


L G Mylonas

Director

Brisbane, 03 October 2023

Registration number (as registered by the RO Commissioner under the Act): AA2021/5

Report required under subsection 255(2A)

For the year ended 30th June 2023

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30th June 2023.

CATEGORIES OF EXPENDITURES	2023 \$	2022 \$
Remuneration and other employment-related costs and expenses – employees	8,616,904	7,552,497
Advertising	173,612	67,947
Operating costs	2,541,234	2,246,328
Donations to political parties	–	–
Legal costs	28,051	36,097



James Robertson
Secretary

Dated: 03 October 2023

Operating Report

For the year ended 30th June 2023

The committee of management presents its operating report on the reporting unit for the year ended 30th June 2023.

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 30th June 2023.
- (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 2023.

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.

Operating report

"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 2023 was 1,108.

Operating Report continued

For the year ended 30th June 2023

Number of employees

The federal reporting unit had 78 employees as at 30th June 2023.

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

For the year of 1st July 2022 to 30th June 2023 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 2022 to 30th June 2023
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2022 to 30th June 2023
James William George Robertson	Board Member MTAQ Secretary MTAQ Central District Representative	1 July 2022 to 30th June 2023
Bruce Sommerfeld	Board Member MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2022 to 2nd December 2022
Andrea McCarthy	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2022 to 30th June 2023
Mark Billingsley	Board Member MTAQ North Qld District Representative	1 July 2022 to 30th June 2023
Rodney Pether	Board Member MTAQ North Qld District Representative	1 July 2022 to 30th June 2023
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2022 to 30th June 2023
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2022 to 30th June 2023
Peter Dever	Board Member MTAQ Chairman Automotive Remarketing Division	1 July 2022 to 30th June 2023
Grant Harrison	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2022 to 30th June 2023
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2022 to 30th June 2023
Michael Hart	Board Member MTAQ Chairman Tyre and Undercar Division of Queensland	1 July 2022 to 30th June 2023

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

For the year of 1st July 2022 to 30th June 2023 Board of Directors of MTA Institute of Technology Pty Ltd comprised of the following persons:

Name of officer	Position	Period
Susan Davis	Director – Chair	1 July 2022 to 23 November 2022
James William George Robertson	Director – Deputy Chair	1 July 2022 to 30th June 2023
Paul John Peterson	Director – Acting Chair	1 July 2022 to 30th June 2023
Terri Butler	Director	18th May to 30th June 2023
Michael Milford	Director	1 July 2022 to 30th June 2023



James Robertson
Secretary

Dated: 03 October 2023

Committee of Management Statement

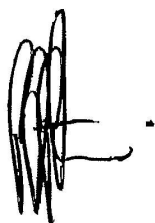
For the year ended 30th June 2023

On 03/10/2023 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 2023:

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

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

03 October 2023 Brisbane



James Robertson
Secretary

03 October 2023 Brisbane

Consolidated Statement of Profit or Loss and Comprehensive Income

For the year ended 30th June 2023

		Consolidated	
	Notes	2023 \$	2022 \$
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Membership subscription		1,241,880	1,201,042
Training		10,816,623	9,496,925
Other sales of goods or services to members		286,715	251,105
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	3	12,345,218	10,949,072
INCOME FOR FURTHERING OBJECTIVES			
Grants and/or donations	3A	493,421	28,448
TOTAL INCOME FOR FURTHERING OBJECTIVES		493,421	28,448
OTHER INCOME			
Investment income	3B	342,487	501,960
Rental revenue		10,136	15,616
Net gain/(loss) from sale of assets	3C	8,747	-
Other revenue		249,357	185,001
TOTAL OTHER INCOME		610,727	702,577
TOTAL INCOME		13,449,366	11,680,097
EXPENSES			
Employee expenses	4A	(8,616,904)	(7,552,497)
Administration expenses	4B	(1,756,020)	(1,513,346)
Grants or donations	4C	(15,860)	(21,600)
Depreciation and amortisation	4D	(802,029)	(765,335)
Finance costs	4E	(15,404)	(18,803)
Legal costs	4F	(28,051)	(36,097)
Audit fees	14	(58,669)	(56,084)
Insurance		(111,459)	(85,363)
Motor Vehicle		(253,543)	(198,054)
Cost of goods sold		(485,081)	(439,828)
TOTAL EXPENSES		(12,143,020)	(10,687,007)
SURPLUS (DEFICIT) FOR THE YEAR		1,306,346	993,090
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss			
Revaluation of land & buildings		2,068,445	-
Changes in the fair value of unlisted equity investments at fair value through other comprehensive income		(1,100,000)	-
Changes in the fair value of listed equity investments at fair value through other comprehensive income		220,546	(309,862)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,495,337	683,228

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

Consolidated Statement of Financial Position

As at 30th June 2023

		Consolidated	
	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	9,258,583	7,237,234
Trade and other receivables	5B	2,462,723	2,327,083
Inventory	5C	87,013	99,467
Other current assets	5D	235,002	308,785
Total current assets		12,043,321	9,972,569
Non-current Assets			
Land and buildings	6A	13,900,000	12,093,750
Plant and equipment	6B	954,004	916,541
Intangibles	6C	35,624	62,225
Right-of-use assets	6D	125,459	191,096
Other non-current assets	6E	4,260,828	5,021,741
Total non-current assets		19,275,915	18,285,353
TOTAL ASSETS		31,319,236	28,257,922
LIABILITIES			
Current Liabilities			
Trade payables	7A	650,906	660,735
Other payables	7B	2,155,151	1,531,073
Employee provisions	8A	995,436	1,031,027
Lease liabilities	6D	61,309	135,102
Total current liabilities		3,862,802	3,357,937
Non-current Liabilities			
Employee provisions	8A	106,294	60,659
Lease liabilities	6D	60,857	45,380
Total non-current liabilities		167,151	106,039
TOTAL LIABILITIES		4,029,953	24,793,946
NET ASSETS		27,289,283	24,793,946
EQUITY			
Reserves	10A	7,000,933	5,960,416
Retained earnings		20,288,350	18,833,530
TOTAL EQUITY		27,289,283	24,793,946

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

Consolidated Statement of Changes In Equity

For the year ended 30th June 2023

	Notes	General Funds/ Reserves \$	Consolidated Retained earnings \$	Total equity \$
Balance as at 1 July 2021		6,270,278	17,840,440	24,110,718
Adjustment for changes in accounting policies				
Surplus / (deficit)		-	993,090	993,090
Other comprehensive income		(309,862)	-	(309,862)
Total comprehensive income		(309,862)	993,090	683,228
Transfer to/from reserves		-	-	-
CLOSING BALANCE AS AT 30 JUNE 2022		5,960,416	18,833,530	24,793,946
Surplus / (deficit)		-	1,306,346	1,306,346
Other comprehensive income		1,188,991	-	1,188,991
Total comprehensive income		1,188,991	1,306,346	2,495,337
Transfer to/from reserves	10A	(148,474)	148,474	-
CLOSING BALANCE AS AT 30TH JUNE 2023		7,000,933	20,288,350	27,289,283

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

Consolidated Statement of Cash Flows

For the year ended 30th June 2023

		Consolidated	
	Notes	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		14,917,614	12,624,482
Donations and grants		15,860	32,803
Interest		173,000	30,000
Dividends		169,487	196,223
Other		-	-
Cash used			
Suppliers and Employees		(12,575,320)	(10,900,355)
Interest payments		(16,616)	(18,802)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	11A	2,684,025	1,964,351
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investments		1,453,162	1,123,122
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment and intangibles		(401,734)	(234,347)
Payment for investments		(1,571,702)	(1,546,530)
NET CASH FROM (USED BY) INVESTING ACTIVITIES		(520,274)	(657,755)
FINANCIING ACTIVITES			
Cash used			
Repayment of lease liabilities		(142,402)	(175,445)
Net cash from (used by) financing activities		(142,402)	(175,445)
Net increase (decrease) in cash held		2,021,349	1,101,972
Cash & cash equivalents at the beginning of the reporting period		7,237,234	6,135,262
CASH & CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	5A	9,258,583	7,237,234

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





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Notes to the Financial Statements

For the year ended 30th June 2023

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 (RO Act). 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, except cash flow information, 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.

Wholly owned subsidiaries of the Motor Trades Association of Queensland Industrial Organisation of Employers:-

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

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the Group. There are no restriction on the Group's ability to access or use assets and settle liabilities of the subsidiary 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. There were no change in the control of the subsidiaries during the year and the subsidiaries continue to 100% owned by the Group consistent with prior year.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". There are no non-controlling interest to report for the current or prior year as the Group owns 100% of the subsidiaries.

1.3 Comparative amounts

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

There was no new or revised accounting standards applicable to the organisation this financial year.

Future Australian Accounting Standards Requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Organisation for the annual reporting period ended 30 June 2023. The Organisation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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

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

1.6 Current versus non-current classification

Motor Trades Association of Queensland Industrial Organisation of Employers presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Motor Trades Association of Queensland Industrial Organisation of Employers classifies all other liabilities as non-current.

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 Revenue

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

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

Revenue from contracts with customers

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

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

Membership subscriptions

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

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

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

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

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

Capitation fees

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

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

Levies

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

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

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

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

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

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

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

Income recognised from transfers

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

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 Revenue continued

Revenue recognition policies applicable to comparatives

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

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

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

Donation income is recognised when it is received.

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

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

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

Gains from sale of assets

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

Interest income

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

1.8 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.

1.9 Leases

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

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

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

Right-of-use assets

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

	2023	2022
Plant and equipment	3 to 5 years	3 to 5 years

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

Lease liabilities

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

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

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.10 Borrowing costs

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

1.11 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.

1.12 Financial instruments

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

1.13 Financial assets

Contract assets and receivables

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

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

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

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

Expected credit losses ("ECL")

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

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Motor Trades Association of Queensland Industrial Organisation of Employers applies a simplified approach in calculating expected credit losses 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.

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.14 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 Financial Instruments 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.

1.15 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

1.16 Contingent liabilities and contingent assets

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

1.17 Land, buildings, plant and equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date. It is the policy of the Organisation to have an independent valuation at least every five years.

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:

	2023	2022
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 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.18 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:

	2023	2022
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.

1.19 Impairment of non-financial assets

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

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

1.20 Non-current assets held for sale

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

1.21 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.

1.22 Fair value measurement

The Motor Trades Association of Queensland Industrial Organisation of Employers measures financial instruments, such as, financial assets 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.

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.23 Going concern

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

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

1.24 Comparatives

Where required, comparative figures have been updated to conform to changes in presentation for the current financial year.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Motor Trades Association of Queensland Industrial Organisation of Employers, the results of those operations, or the state of affairs of the Motor Trades Association of Queensland Industrial Organisation of Employers in subsequent financial periods.

NOTE 3: REVENUE AND INCOME

Disaggregation of revenue from contracts with customers

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

	2023	Consolidated	2022
	\$		\$
Type of customer			
Members subscriptions	1,241,880		1,201,042
Other reporting units	-		-
User choice fees	9,855,609		8,676,770
Members training	961,014		820,155
Other parties	286,715		251,105
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	12,345,218		10,949,072

NOTE 3A: GRANTS OR DONATIONS

Grants	493,421	28,448
Donations	-	-
TOTAL GRANTS OR DONATIONS	493,421	28,448

	2023 \$	Consolidated	2022 \$
NOTE 3B: INVESTMENT INCOME			
Interest	173,000		30,000
Deposits	-		-
Other Income	-		275,737
Dividends	169,487		196,223
TOTAL INVESTMENT INCOME	342,487		501,960

NOTE 3C: NET GAIN/(LOSS) FROM SALE OF ASSETS

Plant and equipment	8,747		-
Intangibles	-		-
TOTAL NET GAIN FROM SALE OF ASSETS	8,747		-

NOTE 4: EXPENSES

NOTE 4A: EMPLOYEE EXPENSES

Holders of office:			
Wages and salaries	1,418,970		1,185,182
Superannuation	118,948		115,500
Leave and other entitlements	(12,780)		13,835
Separation and redundancies	-		-
Other employee expenses	51,561		28,824
Subtotal employee expenses holders of office	1,576,699		1,343,341
Employees other than office holders:			
Wages and salaries	6,249,928		5,600,574
Superannuation	664,297		543,936
Leave and other entitlements	43,924		13,577
Separation and redundancies	-		-
Other employee expenses	82,056		51,070
Subtotal employee expenses employees other than office holders	7,040,205		6,209,156
TOTAL EMPLOYEE EXPENSES	8,616,904		7,552,497

Notes to the Financial Statements continued

For the year ended 30th June 2023

	2023	Consolidated	2022
	\$		\$

NOTE 4: EXPENSES CONTINUED

NOTE 4B: ADMINISTRATION EXPENSES

Conference and meeting expenses	25,052		7,407
Contractors/consultants	363,974		315,521
Property expenses	188,473		174,508
Office expenses	213,822		276,891
Information communications technology	344,885		297,802
Other	619,814		441,217
TOTAL ADMINISTRATION EXPENSE	1,756,020		1,513,346

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	1,000		1,080
Total expensed that exceeded \$1,000	14,860		20,520
TOTAL GRANTS OR DONATIONS	15,860		21,600

NOTE 4D: DEPRECIATION AND AMORTISATION

Depreciation

Land & buildings	268,750		268,750
Property, plant and equipment	356,954		286,619
Leases	149,724		180,787
TOTAL DEPRECIATION	775,428		736,156

Amortisation

Intangibles	26,601		29,179
Total amortisation	26,601		29,179
TOTAL DEPRECIATION AND AMORTISATION	802,029		765,335

NOTE 4E: FINANCE COSTS

Overdrafts/loans	16,616		18,803
TOTAL FINANCE COSTS	16,616		18,803

	2023	Consolidated	2022
	\$		\$
NOTE 4F: LEGAL COSTS			
Litigation	-		-
Other legal costs	28,051		36,097
Total legal costs	28,051		36,097

NOTE 5: CURRENT ASSETS

NOTE 5A: CASH AND CASH EQUIVALENTS

Cash at bank	1,511,344		2,173,228
Cash on hand	11,300		500
Short term deposits	7,735,939		5,063,506
TOTAL CASH AND CASH EQUIVALENTS	9,258,583		7,237,234

NOTE 5B: TRADE AND OTHER RECEIVABLES

Receivables from other reporting unit	-		-
Trade Receivables	1,106,790		1,098,622
TOTAL RECEIVABLES	1,106,790		1,098,622

Less allowance for expected credit losses

Receivables from other reporting unit	-		-
Trade Receivables	(10,002)		(10,739)
Total allowance for expected credit losses	(10,002)		(10,739)
TOTAL NET TRADE AND OTHER RECEIVABLES	1,096,788		1,087,883

Other receivables:

Other	1,365,935		1,239,200
Total other receivables	1,365,935		1,239,200
Total trade and other receivables (net)	2,462,723		2,327,083

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

At 1 July	(10,739)		(17,490)
Provision for expected credit losses	737		6,751
Write-off	-		-
At 30 June	(10,002)		(10,739)

Notes to the Financial Statements continued

For the year ended 30th June 2023

	2023	Consolidated	2022
	\$		\$

NOTE 5: CURRENT ASSETS CONTINUED

NOTE 5C: INVENTORY

Current			
Inventory	87,013		99,467
TOTAL CURRENT INVENTORIES	87,013		99,467

NOTE 5D: OTHER CURRENT ASSETS

Prepayments	235,002		308,785
TOTAL OTHER CURRENT ASSETS	235,002		308,785

NOTE 6: NON-CURRENT ASSETS

NOTE 6A: LAND AND BUILDINGS

Land and buildings:			
Fair value	13,900,000		12,900,000
Accumulated depreciation	-		(806,250)
TOTAL LAND AND BUILDINGS	13,900,000		12,093,750

Reconciliation of opening and closing balances of land and buildings

As at 1 July

Gross book value	12,900,000		12,900,000
Accumulated depreciation and impairment	(806,250)		(537,500)
NET BOOK VALUE 1 JULY	12,093,750		12,362,500

Revaluations	2,068,445		-
Additions	6,555		-
Depreciation expense	(268,750)		(268,750)
NET BOOK VALUE 30 JUNE	13,900,000		12,093,750

Net book value as of 30 June represented by:

Gross book value	13,900,000		12,900,000
Accumulated depreciation and impairment	-		(806,250)
NET BOOK VALUE 30 JUNE	13,900,000		12,093,750

	2023	Consolidated	2022
	\$		\$

The revalued land and buildings consist of land \$2,375,000 and buildings \$11,525,000 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 4th April 2019. The valuation was adopted by management on 4th April 2023. The valuation was performed by CBRE Valuation Pty Limited an accredited independent valuer (Registered Valuer No.1735). The Group is satisfied that there has been no significant movement in the fair value since the last independent valuation performed and the carrying value represents the fair value.

Significant unobservable valuation input	Range
Value \$ per square meter of Net Lettable Area	\$5,200 - \$5,600

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	3,361,403	2,992,183
Accumulated depreciation	(2,407,399)	(2,075,642)
TOTAL PLANT AND EQUIPMENT	954,004	916,541

Reconciliation of opening and closing balances of plant and equipment

As at 1 July

Gross book value	3,089,504	2,889,434
Accumulated depreciation and impairment	(2,172,963)	(1,886,344)
NET BOOK VALUE 1 JULY	916,541	1,003,090

Additions	395,179	200,070
Depreciation expense	(356,955)	(286,619)
Disposals	(761)	-
NET BOOK VALUE 30 JUNE	954,004	916,541

Net book value as of 30 June represented by:

Gross book value	3,483,932	3,089,504
Accumulated depreciation and impairment	(2,529,928)	(2,172,963)
NET BOOK VALUE 30 JUNE	954,004	916,541

Notes to the Financial Statements continued

For the year ended 30th June 2023

	2023	Consolidated	2022
	\$		\$

NOTE 6: NON-CURRENT ASSETS CONTINUED

NOTE 6C: INTANGIBLES

Computer software at cost:

Purchased	298,502		298,502
Accumulated amortisation	(262,878)		(236,278)
TOTAL INTANGIBLES	35,624		62,225

Reconciliation of opening and closing balances of intangibles

As at 1 July

Gross book value	298,502		235,046
Accumulated amortisation and impairment	(236,277)		(207,098)
NET BOOK VALUE 1 JULY	62,225		27,948

Additions	-		63,456
Amortisation	(26,601)		(29,179)
Disposals	-		-
NET BOOK VALUE 30 JUNE	35,624		62,225

Net book value as of 30 June represented by:

Gross Book value	298,502		298,502
Accumulated amortisation and impairment	(262,878)		(236,277)
NET BOOK VALUE 30 JUNE	35,624		62,225

NOTE 6D: LEASES

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

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

	Motor vehicles \$	Printers \$	Total \$
As at 1 July 2022	178,710	12,386	191,096
Additions	84,087	-	84,087
Depreciation expense	(139,815)	(9,909)	(149,724)
Disposals	-	-	-
Impairment	-	-	-
AS AT 30TH JUNE 2023	122,982	2,477	125,459

	2023	Consolidated	2022
	\$		\$
Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:			
As at 1 July	180,482		262,130
Additions	84,086		93,797
Payments	(142,402)		(175,445)
AS AT 30TH JUNE 2023	122,166		180,482
Current	61,309		135,102
Non-current	60,857		45,380

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

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	149,724	180,787
Interest expense on lease liabilities	6,530	11,473
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
TOTAL AMOUNT RECOGNISED IN PROFIT OR LOSS	156,254	192,260

For the year ended 30th June 2022, the Motor Trades Association of Queensland Industrial Organisation of Employers made fixed rental payments of \$180,787.

NOTE 6E: OTHER NON-CURRENT ASSETS

Investments	4,260,828	5,021,741
TOTAL OTHER NON-CURRENT ASSETS	4,260,828	5,021,741

NOTE 7: CURRENT LIABILITIES

NOTE 7A: TRADE PAYABLES

Trade creditors and accruals	650,906	660,735
Operating lease rentals	-	-
Subtotal trade creditors	650,906	660,735
TOTAL TRADE PAYABLES	650,906	660,735

Settlement is usually made within 30 days.

Notes to the Financial Statements continued

For the year ended 30th June 2023

	2023	Consolidated	2022
	\$		\$

NOTE 7: CURRENT LIABILITIES CONTINUED

NOTE 7B: OTHER PAYABLES

Wages and salaries	-		-
Superannuation	-		-
Prepayments received/unearned revenue	1,951,954		1,327,771
GST payable	82,842		60,548
Other	120,355		142,754
TOTAL OTHER PAYABLES	2,155,151		1,531,073

Total other payables are expected to be settled in:

No more than 12 months	2,155,051		1,531,073
More than 12 months	-		-
TOTAL OTHER PAYABLES	2,155,051		1,531,073

NOTE 8: PROVISIONS

NOTE 8A: EMPLOYEE PROVISIONS

Office holders:			
Annual leave	71,921		78,107
Long service leave	111,493		107,489
Subtotal employee provisions—office holders	183,414		185,596
Employees other than office holders:			
Annual leave	456,316		402,618
Long service leave	462,000		503,472
Subtotal employee provisions—employees other than office holders	918,316		906,090
TOTAL EMPLOYEE PROVISIONS	1,101,730		1,091,686
Current	995,436		1,031,027
Non-current	106,294		60,659
TOTAL EMPLOYEE PROVISIONS	1,101,730		1,091,686

NOTE 9: NON-CURRENT LIABILITIES

Non-current liabilities	-		-
TOTAL EMPLOYEE PROVISIONS	-		-

	2023	Consolidated	2022
	\$		\$
NOTE 10: EQUITY			
NOTE 10A: RESERVES			
Revaluation increments/(decrements) – Listed and unlisted equity			
Balance as at start of year	633,023		942,885
<i>Listed equity - Dalton Nicol Reid Portfolio</i>			
Fair value increase of listed equity investments at fair value through other comprehensive income	220,546		633,023
Transfer of fair value movement of listed equity to retained earnings on sale of listed equity	(148,474)		(942,885)
<i>Unlisted equity</i>			
Fair value decrease of unlisted equity investments at fair value through other comprehensive income - GDTC Investment	(500,000)		-
Fair value decrease of unlisted equity investments at fair value through other comprehensive income - Block Two Investment	(600,000)		-
Balance as at end of year	(394,905)		633,023
Revaluation increments/(decrements) – Land & Buildings			
Balance as at start of year	5,327,393		5,327,393
Revaluation increment	2,068,445		-
Balance as at end of year	7,395,838		5,327,393
TOTAL RESERVES	7,000,933		5,960,416

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	9,258,583	7,237,234
Balance sheet	9,258,583	7,237,234
DIFFERENCE	-	-

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

Profit/(deficit) for the year	1,306,346	993,090
Adjustments for non-cash items		
Depreciation/amortisation (includes lease liability)	802,029	765,335
Gain/(loss) on disposal of assets	761	-

Notes to the Financial Statements continued

For the year ended 30th June 2023

	2023	Consolidated	2022
	\$		\$
NOTE 11: CASH FLOW CONTINUED			
Changes in assets/liabilities			
(Increase)/decrease in net receivables	(61,857)		152,957
(Increase)/decrease in inventory	12,454		(49,303)
Increase/(decrease) in supplier and other payables	614,248		(23,233)
Increase/(decrease) in provisions	10,044		125,505
NET CASH FROM (USED BY) OPERATING ACTIVITIES	2,684,025		1,964,351

NOTE 12: CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

NOTE 12A: COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies.

NOTE 13: RELATED PARTY DISCLOSURES

NOTE 13A: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD

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

Director fees paid during the reporting period were \$170,492 (2023) \$179,000 (2022).

Apart from the above, there are no other Related Party Transaction during the financial year ended 30th June 2023.

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

Committee of management

Peter Dever	Michael Hart	Paul Peterson	Bruce Sommerfeld
Grant Harrison	James William Robertson	Mark Bryers	Mark Dodge
Andrea McCarthy	Timothy Kane	Lawrence Beacham	Rodney Pether
Mark Billingsley			

Board of Directors of MTA Institute of Technology Pty Ltd

Paul John Peterson	Michael Milford	James William Robertson	Susan Davis
Terri Butler			

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 30th June 2023, 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 (2022: \$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.

	2023	Consolidated	2022
	\$		\$
Note 13B: Key management personnel remuneration for the reporting period			
Short-term employee benefits			
Salary (including annual leave taken)	1,251,946		1,064,252
Annual leave accrued	(178)		4,168
Performance bonus*	143,332		120,931
Other FBT	51,561		28,824
TOTAL SHORT-TERM EMPLOYEE BENEFITS	1,446,661		1,218,175
* These figures include only formally approved amounts accrued and paid which are relevant to the current financial year to which they relate.			
Post-employment benefits:			
Superannuation	118,948		115,500
TOTAL POST-EMPLOYMENT BENEFITS	118,948		115,500
Other long-term benefits:			
Long-service leave	(12,602)		9,666
Total other long-term benefits	(12,602)		9,666
Termination benefits	23,692		-
TOTAL	1,576,699		1,343,341

NOTE 14: REMUNERATION OF AUDITORS

Value of the services provided

Financial statement audit services	58,669	56,084
Other services	-	-
TOTAL REMUNERATION OF AUDITORS	58,669	56,084

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

NOTE 15: FINANCIAL INSTRUMENTS

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

Notes to the Financial Statements continued

For the year ended 30th June 2023

	2023	Consolidated	2022
	\$		\$
NOTE 15: FINANCIAL INSTRUMENTS CONTINUED			
NOTE 15A: CATEGORIES OF FINANCIAL INSTRUMENTS			
Financial assets			
Fair value through other comprehensive income:			
Dalton Nicol Reid Share Portfolio	3,860,828		3,521,741
Fair value through profit and loss:			
Block Two Pty Ltd	-		500,000
GDTC Ltd	400,000		1,000,000
Total	4,260,828		5,021,741
Cash at bank:			
Cash and cash equivalents	9,258,583		7,237,234
Total	9,258,583		7,237,234
Loans and receivables:			
Trade and other receivables	2,462,723		2,327,083
Other current assets	235,002		308,785
Total	2,697,725		2,635,868
CARRYING AMOUNT OF FINANCIAL ASSETS	16,217,136		14,894,843
Financial liabilities			
Other financial liabilities:			
Trade payables	650,096		660,735
Other payables*	203,197		203,302
Total	853,293		864,037
CARRYING AMOUNT OF FINANCIAL LIABILITIES	853,293		864,037
*Excluding unearned income			
NOTE 15B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS			
Held-to-maturity			
Interest revenue	173,000		30,000
Net gain/(loss) held-to-maturity	173,000		30,000
Financial assets at fair value through other comprehensive income under AASB 9			
Interest revenue	-		-
Dividend revenue	169,487		471,960
Net income/(expense) from financial assets at fair value through other comprehensive income	169,487		471,960
Fair value gain/loss recognised in other comprehensive income under AASB 9	220,546		(309,862)
	220,546		(309,862)

	2023	Consolidated	2022
	\$		\$

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	1,096,788	1,087,883
TOTAL	1,096,788	1,087,883

Financial liabilities

Nil	-	-
TOTAL	-	-

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

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

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

30 June 2023

Trade and other receivables

	Days past due					Total \$
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	
Expected credit loss rate	0%	100%	0%	0%	0%	100%
Estimate total gross	-	1,101,356	3,677	1,756	-	1,106,789
Carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	(4,568)	(3,677)	(1,756)	-	(10,001)
	-	1,096,788	-	-	-	1,096,788

30 June 2022

Trade and other receivables

	Days past due					Total \$
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	
Expected credit loss rate	0%	0%	41%	0%	100%	1%
Estimate total gross	50,561	1,031,873	11,751	4,437	-	1,098,622
Carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	(6,302)	(4,437)	-	(10,739)
	50,561	1,031,873	5,449	-	-	1,087,883

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 30th June 2023 and 2022 is the carrying amounts as illustrated in Note 15D.

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 15: FINANCIAL INSTRUMENTS CONTINUED

NOTE 15D: LIQUIDITY RISK

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

Contractual maturities for financial liabilities 2023

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	650,906	-	-	-	650,906
Other payables*	-	203,197	-	-	-	203,197
TOTAL	-	854,103	-	-	-	854,103

Contractual maturities for financial liabilities 2022

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Trade and other payables	-	660,735	-	-	-	660,735
Other payables*	-	203,302	-	-	-	203,302
TOTAL	-	864,037	-	-	-	864,037

*Excluding unearned income

Lease liability maturities for 2023

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Motor Vehicles	-	66,176	37,382	19,424	-	122,982
Computer equipment	-	2,477	-	-	-	2,477
TOTAL	-	68,653	37,382	19,424	-	125,459

Lease liability maturities for 2022

	On demand \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
Motor vehicle	-	135,480	33,877	9,353	-	178,710
Computer equipment	-	9,909	2,477	-	-	12,386
TOTAL	-	145,389	36,354	9,353	-	191,096

NOTE 15E: MARKET RISK

Interest rate risk

The branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk. As at 30th June 2023, 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 2023

	Risk variable	Change in risk variable %	Effect on profit and loss \$	Effect on equity \$
Interest rate risk	9,258,583	[+ 2%]	185,172	185,172
Interest rate risk	9,258,583	[- 2%]	(185,172)	(185,172)

Sensitivity analysis of the risk that the entity is exposed to for 2022

	Risk variable	Change in risk variable %	Effect on profit and loss \$	Effect on equity \$
Interest rate risk	7,237,234	[+ 2%]	144,745	144,745
Interest rate risk	7,237,234	[- 2%]	(144,745)	(144,745)

Due to the changes in interest rates over the last financial year trending downwards, the interest rate risk exposure for 2023 has been based on 2% which was the same as last years.

NOTE 16: FAIR VALUE MEASUREMENT

NOTE 16A: FINANCIAL ASSETS AND LIABILITIES

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

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

- Fair value of listed financial assets carried at fair value through other comprehensive income is derived from quoted market prices in active markets.
- Fair value of unlisted financial assets carried at fair value through profit or loss is derived from previous sales transactions.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Motor Trades Association of Queensland Industrial Organisation of Employers based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30th June 2023 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 16: FAIR VALUE MEASUREMENT CONTINUED

NOTE 16A: FINANCIAL ASSETS AND LIABILITIES CONTINUED

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

	Carrying amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
Financial assets				
Dalton Nicol Reid Share Portfolio	3,860,828	3,860,828	3,521,741	3,521,741
Block2	-	-	500,000	500,000
GDTC Ltd	400,000	400,000	1,000,000	1,000,000
TOTAL	4,260,828	4,260,828	5,021,741	5,021,741

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 2023

	Date of valuation 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$
Dalton Nicol Reid Share Portfolio		3,860,828	-	-
Block Two Pty Ltd		-	-	-
GDTC Ltd		-	-	400,000
Land and buildings		-	-	13,900,000
TOTAL		3,860,828	-	14,300,000

Liabilities measured at fair value

Nil	-	-	-
TOTAL	-	-	-

Fair value hierarchy – 30 June 2022

	Date of valuation 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$
Dalton Nicol Reid Share Portfolio		3,521,741	-	-
Block Two Pty Ltd		-	-	500,000
GDTC Ltd		-	-	1,000,000
TOTAL		3,521,741	-	1,500,000

Liabilities measured at fair value

Nil	-	-	-
TOTAL	-	-	-

Level 3 financial assets include investments in Block Two Pty Ltd, Green Distillation Technologies Corporation Limited and valuation of land and buildings.

Unlisted equity

Fair value has been determined on the basis of the last capital transactions conducted by the investee with external parties as this is the best evidence of fair value. Where capital transaction is greater than 12 months or there are no recent capital transactions with external parties, alternative methods have been used including comparable recent transactions of similar companies or maintainable earnings valuation methods. For the current year, the last capital transaction occurred on 19 July 2023 for Green Distillation Technologies Corporate Limited and the pricing of those transactions are the basis for determination of fair value. Fair decline of \$500,000 was recorded for investment in Block Two Investments Pty as the investee was in a net asset deficient position at 30 June 2023 and a fair value decline of \$600,000 was also recorded for Green Distillation Technologies Corporate Limited due decline in fair value of shares.

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

Land and buildings

Refer note 6A for valuation methodology.

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).

NOTE 19: INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2023 %	2022 %
MTA Institute of Technology Pty Ltd	Australia	100.00%	100.00%
Motor Trades Association of Queensland Ltd	Australia	100.00%	100.00%
MTAQ Management Pty Ltd	Australia	100.00%	100.00%
MTA Global Pty Ltd	Australia	100.00%	100.00%
MTAQ Trust	Australia	100.00%	100.00%
MTA Institute of Technology Pty Ltd	Australia	100.00%	100.00%

Notes to the Financial Statements continued

For the year ended 30th June 2023

NOTE 20: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income.

	2023 \$	Parent 2022 \$
Surplus for the year	(1,600,760)	(1,540,310)
Other comprehensive income	1,188,991	309,862
TOTAL COMPREHENSIVE INCOME	411,769	(1,230,448)
Statement of financial position		
Total current assets	4,101,397	3,938,948
Total assets	17,719,273	21,807,934
Total current liabilities	(3,466,579)	(3,701,857)
Total liabilities	(3,752,021)	(7,280,438)
NET ASSETS	13,967,252	14,527,496
Equity		
General funds	705,095	633,023
Asset Revaluation Reserve	6,295,838	5,327,393
Retained earnings	6,966,319	8,567,080
TOTAL EQUITY	13,967,252	14,527,496

Contingent liabilities

The parent entity had no contingent liabilities as at 30th June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30th June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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 2023.

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

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- 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)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



James Robertson
Secretary

Dated: 03 October 2023





CAR-O-LINER

WAKEFIELD
CASTROL
BRITISH MOTOR OIL



