



Motor Trade Association
of South Australia Inc.

Fair Work Australia
GPO Box 1994
Melbourne VIC 3001

Dear Sir or Madam,

Re: Notification of Changes

Please find enclosed notification of recent changes to the MTA Board of Management,. AGM Record and Certificate of President.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Frank Agostino'. The signature is stylized and somewhat cursive, with a large loop at the end.

Frank Agostino
President

29 July 2014

Postal address:

GPO BOX 2204
Adelaide SA 5001

Web: www.mta-sa.asn.au

Email: mta@mta-sa.asn.au

MTA House

Level 1, 81 Greenhill Rd
Wayville SA 5034

Ph: 08 8291 2000

Fax: 08 8291 2099

**MTA Training &
Employment Centre**

3 Frederick Rd
Royal Park SA 5014

Ph: 08 8241 0522

Fax: 08 8241 0388

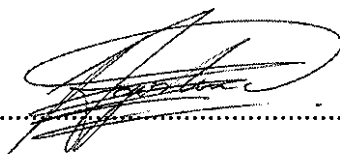
Certificate of President

s268 of Schedule 1 *Workplace Relations Act 1996*

I Frank Agostino being the President of the Motor Trade Association of South Australia Incorporated certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule;
- and that the full report was provided to members on Tuesday 15 June; and
- that the full report was presented to a general meeting of members of the reporting unit on 15 July 2014; in accordance with section 266 of the RAO Schedule.

Signature:

A handwritten signature in black ink, appearing to read 'Frank Agostino', is written over a dotted line. The signature is stylized and somewhat cursive.

Date: 29 July 2014



DECLARATION OF AN ASSOCIATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, FRANK AGOSTINO of Level 1, 81 Greenhill Road, Wayville in the State of South Australia, President, DO SOLEMNLY AND SINCERELY DECLARE as follows :

1. THAT I am the President of the Motor Trade Association of South Australia Incorporated (hereinafter referred to as MTA).
2. THAT the registered office of the MTA is Level 1, 81 Greenhill Road, South Australia, phone number (08) 8291 2000 and fax number (08) 8291 2099.
3. THAT the attached document titled "Consolidated Financial Report" contains "Board of Management Statement", "Statement of Comprehensive Income" (for the year ending 31st March 2014 and "Statement of Financial Position" (as at 31st March 2014) is a true and correct record of what it purports to be.
4. THAT the attached documents marked "Schedule A" are true and correct copies of the Minutes of the Annual General Meeting held on the 15th day of July 2014 and that I was present at this Annual General Meeting.

THAT of the 42 persons who were recorded in the attendance register, 16 recorded as nominated representatives for voting purposes and were members of MTA; there were 24 duly appointed representatives by proxy. THAT all persons were, at that time, financial members of MTA and the attached document marked "Schedule B" is a true and correct copy of the Attendance Register for the Annual General Meeting held on the 15th day of July 2014.

AND I MAKE THIS DECLARATION in accordance with subsection 233(1) of the Registration & Accountability of Organisations Schedule (Schedule 1B of the Fair Work (Registered Organisations) Act 2009), conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

At Wayville , South Australia

this 29th day of July 2014

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.....
}

31 MARCH 2014 -
CONSOLIDATED FINANCIAL REPORT
&
2013-14 MTA ANNUAL REPORT

The Motor Trade Association of SA Inc.

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2014

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Operating Report

I, Neville Gibb being the President of The Motor Trade Association of South Australia Inc., on behalf of the Association of the reporting unit present the operating report, for the financial year ended 31 March 2014.

The names of the Members of the Board of Management who held office at any time during or since the end of the year are:

Neville Gibb	John Jansse	
Frank Agostino	Dale John	
John Zulian	Robert Duns	
Clive Polley	Tracy Butler	
Peter Roberts	Brenton Stein	24 Aug 13 - current
Ron Lewis	Paul Page	24 Dec 13 - current
Danny Shane	Kym Webber	16 July 13 - current
Brian Weeks	Phillip Turner	19 Nov 13 - current
Jeff Williams	John Rowley	01 Apr 13 - 21 May 13
Colin Butcher	Roger Paech	01 Apr 13 - 16 July 13
Andrew Forrest	George Papillo	01 Apr 13 - 08 Aug 13
Martin Guppy	Hilar Puvi	16 Aug 13- 17-Oct 13

Principal Activities

The principal activities of the Consolidated Entity during the financial year were to serve the interests of employers and members of the Retail Motor Trade in SA by;

- Providing a political voice for the retail motor industry;
- Providing an industry voice in discussion with all levels of government;
- Providing industrial award advice, advocacy and representation;
- Providing technical information and specialized industry stationery; and
- Training apprentices for the retail motor industry.

No significant changes in the nature of these activities occurred during the year.

Operational and financial review

The financial statements and comparative figures for the Association and the Consolidated Entity are for the twelve months ended 31 March 2014.

Statement of profit or loss and other comprehensive income

The Associations deficit from ordinary activities in the financial year ended 31 March 2014 was (\$668,220), (2013: surplus of \$334,468) and for the Consolidated Entity surplus of \$245,653, (2013: \$153,973). The Association's deficit includes interest expense of \$737,925 paid to its controlled entity. Adjusting for this expense the Association reported a surplus of \$69,705.

Statement of Financial Position

Equity decreased to \$10,612,685 for the Association and increased to \$20,867,072 for the Consolidated Entity.

The Association's cash flow from operating activities was \$318,157 and the Consolidated Entity \$1,018,267.

Events since balance date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Members

Members' rights to resign is set out in Item 13 of the Constitution, in summary a member may resign from membership by written notice addressed and delivered to the offices of the Motor Trade Association of SA Inc.

At the end of the financial year there were 1,142 members of the Motor Trade Association of SA Inc, (2013: 1,160).

Staffing

The Association employed 52 staff at the end of the financial year, (2013: 57). The Consolidated Entity employed 548 staff at year end (2013: 612).

Trustee or Director of Superannuation Entity

Subsection 254(2)(d) of the Fair Work Australia (Registered Organisations) Act 2009 requires "details" (including details of the position held) of any officer or member of the reporting unit who is;

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme;
- or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation."

The Board is not aware of any officer or member of the Consolidated Entity holding a position as trustee or director of a company (that is a trustee of a superannuation entity or exempt public sector superannuation scheme) where the criterion for holding such position is that he or she is an officer or member of an organisation.

Director of a Company or Member of a Board

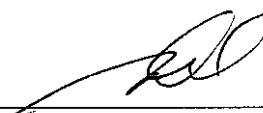
Name	Company Name	Principal Activities	Position
Neville Gibb	Gibb & Sons Pty Ltd	Automotive Sales	Director
Neville Gibb	Denpass Pty Ltd	Property	Director
Neville Gibb	Motor Trade Association of Australia Inc	Association	Director
Neville Gibb	MTAA House Pty Ltd	Property	Director
Neville Gibb	Australian Motor Industry Federation	Association	Director
Frank Agostino	Agostino Family Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Petroleum Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Group Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Resources Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Properties Pty Ltd	Retail/Property	Director
Frank Agostino	AM/PM Always Pty Ltd	Retail/Property	Director
Frank Agostino	Frank Agostino Nominees Pty Ltd	Retail/Property	Director
Frank Agostino	Glendambo Partners Pty Ltd	Retail/Property	Director
Frank Agostino	Harrow Road St Peters Pty Ltd	Retail/Property	Director
Frank Agostino	Hannah Georgia Pty Ltd	Property	Director
Frank Agostino	Justmar Nominees Pty Ltd	Retail/Property	Director
Frank Agostino	Talunga Properties Pty Ltd	Retail/Property	Director
Frank Agostino	Weeroona Holdings Pty Ltd	Retail/Property	Director
Frank Agostino	Weeroona Properties Pty Ltd	Retail/Property	Director
Frank Agostino	Weeroona Resources Pty Ltd	Retail/Property	Director
Frank Agostino	Willaston Property Investments Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Motors (City) Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Group Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Partners Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Investments Pty Ltd	Retail/Property	Director
Frank Agostino	492 Salisbury Highway Pty Ltd	Retail/Property	Director
Frank Agostino	77 Payneham Road Pty Ltd	Retail/Property	Director
Frank Agostino	111 Angas Street Pty Ltd	Retail/Property	Director
Frank Agostino	271 Pulteney Street Pty Ltd	Retail/Property	Director
Frank Agostino	603 Salisbury Highway Pty Ltd	Retail/Property	Director
Frank Agostino	65 Mount Barker Road Pty Ltd	Retail/Property	Director
Frank Agostino	Tatiara Olive Processors Pty Ltd	Olive Oil Production	Director
Frank Agostino	Australian Olive Association	Olive Oil Production	Director
Frank Agostino	Longridge Partners Pty Ltd	Farming	Director
John Zulian	I-Car Australia	Training	Director
John Zulian	Lass Investments Pty Ltd	Collision Repair	Director
John Zulian	Amlass Investments Pty Ltd	Retail	Director
John Zulian	Amzul Pty Ltd	Property	Director
Jeff Williams	Glenelg Crash Repairs Pty Ltd	Collision Repair	Director
Jeff Williams	Australian Motor Industry Federation	Association	Director
Brian Weeks	Western Auto Repairs Pty Ltd	Automotive Repair	Director
Peter Roberts	Peter Roberts Motors Pty Ltd	Automotive Sales	Director
Peter Roberts	Mt Gambier Trucks Pty Ltd	Automotive Sales	Director
Peter Roberts	P&K (STC) Pty Ltd	Property	Director
Peter Roberts	POR Nominees Pty Ltd	Property	Director
Peter Roberts	Roberts Nefyn Pty Ltd	Property	Director
Peter Roberts	John Terra Pty Ltd	Property	Director
Peter Roberts	Petbar Investments Pty Ltd	Property	Director
Clive Polley	KMN Nominees Pty Ltd	Automotive Sales	Director
Clive Polley	Independent Components Wholesale Pty Ltd	Automotive Sales	Director

Clive Polley	Van Works Pty Ltd	Automotive Sales	Director
Clive Polley	Freightliner Trucks Pty Ltd	Automotive Sales	Director
Clive Polley	Green Tanks Pty Ltd	Manufacturing	Director
Ron Lewis	Ballugan Pty Ltd	Property	Director
Ron Lewis	Beechmont Pty Ltd	Property	Director
Ron Lewis	Bulls Transport Pty Ltd	Transport	Director
Ron Lewis	Glynburn Contractors Pty Ltd	Transport	Director
Ron Lewis	Glynde Enterprises Pty Ltd	Automotive Sales	Director
Ron Lewis	JA Lewis Salvage (Salisbury) Pty Ltd	Automotive Sales	Director
Ron Lewis	JA Lewis Tourist Activities Pty Ltd	Tourism	Director
Ron Lewis	JA Lewis Tours Pty Ltd	Tourism	Director
Ron Lewis	JA Lewis Transport Industries Pty Ltd	Transport	Director
Ron Lewis	Lewis Bros Holdings Pty Ltd	Property	Director
Ron Lewis	MACS Travel Club Pty Ltd	Tourism	Director
Ron Lewis	TASC Pty Ltd	Automotive Sales	Director
Kym Webber	Wakerie Crash Pty Ltd	Collision Repair	Director
Kym Webber	District Council Loxton Waikerie	Local Government	Elected Member
Kym Webber	Regional Development Australia	Association	Board Member
Dale John	Ucal Pty Ltd	Automotive Sales	Director
Dale John	Motor Trade Association of Australia	Association	Board Member
Robert Duns	Duns Bros Pty Ltd	Automotive Repair	Director
Colin Butcher	Arno Bay Soldiers Memorial Hall Inc	Association	Chairman
Martin Guppy	Honda World Pty Ltd	Automotive Sales	Director
Phillip Turner	Mt Barker Truck and Bus Repairs Pty Ltd	Automotive Repair	Director

Signed in accordance with the resolution of the Board of Management.

President

Neville Gibb



Dated this 20th day of May 2014

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITY
ABN 65 767 492 138

**DISCUSSION AND ANALYSIS OF PRINCIPAL FACTORS AFFECTING THE FINANCIAL PERFORMANCE,
FINANCIAL POSITION AND FINANCIAL AND INVESTING ACTIVITIES**

A copy of the full financial report and auditor's report will be sent to all members, free of charge.

The following discussion and analysis is provided to assist the understanding of members of the Motor Trade Association of South Australia Inc. The discussion and analysis is based on the general purpose financial report of the Association and Consolidated Entity.

Operational and financial review

The financial statements from the Association and the Consolidated Entity are for the twelve months ended 31 March 2014, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2013.

Statement of profit or loss and other comprehensive income

The Associations surplus/ (deficit) for ordinary activities in the financial year ended 31 March 2014 was (\$668,220), (2013: \$334,468) and as a Consolidated Entity \$245,653, (2013: \$153,973). The Association's deficit includes interest expense of \$737,925 paid to its controlled entity. Adjusting for this expense the Association reported a surplus of \$69,705.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2014

	<i>Note</i>	MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Revenue					
Membership subscriptions		1,309,285	1,303,111	1,309,285	1,303,111
Commissions		251,804	299,182	251,804	299,182
Member function income		15,669	17,278	15,669	17,278
Rental income	2(a)	1,641,047	1,619,006	1,127,447	1,129,006
Sales – print & stationery		396,581	358,973	307,535	168,621
Apprentice income		-	-	16,686,433	15,455,214
Industry support		-	-	-	22,439
Other revenue	2(b)	3,445,622	3,547,869	272,446	485,998
Total revenue		7,060,008	7,145,419	19,970,619	18,880,849
Other Income					
Grants	2(c)	660,804	302,843	3,297,286	2,861,481
Total other income		660,804	302,843	3,297,286	2,861,481
Total income		7,720,812	7,448,262	23,267,905	21,742,330
Administration expenses		614,168	683,354	1,410,032	1,240,245
Advertising		143,697	148,199	277,628	289,586
Advocacy		19,495	11,039	19,495	11,039
Affiliation fees	3(a)	115,000	150,000	115,000	150,000
Apprentice training fees		-	-	194,593	170,868
Conferences and meeting expenses	3(b)	28,451	31,494	28,451	31,494
Cost of sales – print & stationery		167,557	181,220	167,557	181,220
Depreciation		473,775	458,470	979,400	937,919
Donations	3(d)	18,102	12,372	31,130	15,372
Employee expenses	3(e)	4,625,466	4,434,385	18,786,365	17,746,794
Grant expenses	3(c)	583,886	302,843	-	-
Insurance		92,555	90,103	177,857	167,180
Legal costs	3(f)	97,587	61,005	97,707	81,486
Motor vehicle costs		24,967	24,236	103,591	94,290
Motor trade journal		78,874	68,450	78,874	68,450
Property expenses		584,684	481,150	584,684	481,150
Telephone		67,476	67,696	114,276	110,440
Travel		22,590	42,589	52,267	68,921
Loss on sale of assets		13,309	-	28,041	-
Costs from ordinary activities		7,771,639	7,248,605	23,246,948	21,846,454
Operating surplus/(deficit) from operating activities		(50,827)	199,657	20,957	(104,124)
Net finance income	2(d)	(617,393)	134,811	224,696	258,097
Surplus for the period		(668,220)	334,468	245,653	153,973
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(668,220)	334,468	245,653	153,973

The Statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 10 to 36.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES
ABN 65 767 492 138

Statement of Changes in Equity

For the year ended 31 March 2014

	<i>Note</i>	MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Accumulated Surplus:					
Opening accumulated surplus		9,911,891	9,577,423	19,252,405	19,098,432
Surplus for the period		(668,220)	334,468	245,653	153,973
<u>Other comprehensive income</u>					
Items that will not be reclassified to profit or loss					
Fair value reserve		1,369,014	1,369,014	1,369,014	1,369,014
Total equity at the end of the year		10,612,685	11,280,905	20,867,072	20,621,419

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 10 to 36.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES
ABN 65 767 492 138

Statement of Financial Position

As at 31 March 2014

		MTA		Consolidated	
	<i>Note</i>	2014	2013	2014	2013
		\$	\$	\$	\$
Assets					
Cash	4	1,785,187	1,584,522	3,152,326	2,532,048
Trade and other receivables	5	822,941	828,278	2,318,592	2,118,364
Inventories	6	55,437	46,947	62,266	56,595
Investments	7	1,462,075	1,406,336	3,359,596	3,230,566
Total current assets		4,125,640	3,866,083	8,892,780	7,937,573
Trade and other receivables	5	160,000	160,000	-	-
Investments	7	2,037,014	2,037,014	2,182,515	2,182,515
Investment property	8	3,196,665	3,242,590	3,196,665	3,242,590
Property, plant and equipment	9	7,497,569	7,841,334	11,010,588	11,612,079
Total non-current assets		12,891,248	13,280,938	16,389,768	17,037,184
Total assets		17,016,888	17,147,021	25,282,548	24,974,757
Liabilities					
Trade and other payables	10	1,107,862	1,082,891	1,976,771	1,941,621
Employee benefits	11	607,391	675,486	1,274,528	1,303,978
Borrowings	12	4,524,773	3,000,000	1,000,000	-
Total current liabilities		6,240,026	4,758,377	4,251,299	3,245,599
Employee benefits	11	164,177	107,739	164,177	107,739
Borrowings	12	-	1,000,000	-	1,000,000
Total non-current liabilities		164,177	1,107,739	164,177	1,107,739
Total liabilities		6,404,203	5,866,116	4,415,476	4,353,338
Net assets		10,612,685	11,280,905	20,867,072	20,621,419
Equity					
Accumulated surplus		9,243,671	9,911,891	19,498,058	19,252,405
Fair value reserve		1,369,014	1,369,014	1,369,014	1,369,014
Total equity		10,612,685	11,280,905	20,867,072	20,621,419

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 10 to 36.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES**
ABN 65 767 492 138

Statements of cash flows
For the year ended 31 March 2014

	<i>Note</i>	MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		8,035,026	8,149,043	28,457,074	24,084,330
Cash paid to suppliers and employees		(7,577,612)	(7,637,505)	(27,614,822)	(23,056,589)
Cash generated from operations		457,414	511,538	842,252	1,027,741
Distribution from MTAA House		84,360	86,040	89,860	91,540
Interest received		66,349	74,674	142,969	131,489
Interest expense		(289,966)	(63,593)	(56,814)	(63,593)
Net cash from operating activities	<i>13</i>	318,157	608,659	1,018,267	1,187,177
Cash flows from investing activities					
Acquisition of investments		(1,426,434)	1,337,542	(3,284,788)	(2,575,564)
Proceeds from disposal of investments		1,406,336	(1,368,646)	3,230,566	2,517,031
Acquisition of property, plant and equipment		(132,627)	(423,516)	(494,998)	(1,005,991)
Acquisition of investment property		(10,659)	-	(10,659)	-
Proceeds from sale of property, plant and equipment		45,892	41,295	161,890	139,876
Net cash from investing activities		(117,492)	(413,325)	(397,989)	(924,648)
Net increase in cash and cash equivalents		200,665	195,334	620,278	262,529
Cash and cash equivalents at 1 April		1,584,522	1,389,188	2,532,048	2,269,519
Cash and cash equivalents at 31 March	<i>4</i>	1,785,187	1,584,522	3,152,326	2,532,048

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 10 to 36

Notes to the consolidated financial statements

1. Significant accounting policies

The Motor Trade Association of SA Inc. (the "Association") is a not for profit entity and the entity is domiciled in South Australia. The consolidated financial report of the Association for the year ended 31 March 2014 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 20th May 2014.

(a) Statement of compliance

The consolidated financial report of the Consolidated Entity and the financial report of the Association is a Tier 1 general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) adopted by the Australian Accounting Standards Board and the Associations Incorporation Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on an accrual basis and the historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Association and the Consolidated Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Accounting estimates are discussed in the following notes;

- Note 7 Investments
- Note 8 Investment Property
- Note 9 Property, Plant and Equipment

The accounting policies set out below have been applied consistently to all periods in the financial report.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(c) Going Concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The result for the Association for the year ended 31 March 2014 was a deficit of (\$668,220) (2013: surplus \$334,468) and a current asset deficiency of \$2,114,386 (2013: \$892,294). Included in current liabilities for the Association a \$3,524,773 loan due by the Association to The MTA Group Training Scheme Inc, a wholly owned entity, as disclosed in Note 12. Adjusting for these current liabilities, the Association has a surplus of current assets over current liabilities of \$1,410,387, (2013: \$2,107,706). The Board of Management believe the Association is a going concern due to the expected profitability of the business and the positive net operating cash flows generated from operating activities of \$318,157 (2013: \$608,659) continuing. It is on this basis the financial statements have been prepared on a going concern basis.

Other than the above, the reporting unit is not reliant on any agreed financial support from any other reporting unit to continue on a going concern basis.

The reporting units do not provide financial support to any reporting entities to ensure they can continue on a going concern basis.

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in all subsidiaries are carried at their cost of acquisition in the Association's financial statements.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(e) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation (see below) and impairment losses (see accounting policy I).

Where parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on fixed assets of less than \$300 is expensed when incurred.

Subsequent costs

The Consolidated Entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied within the item will flow to the Consolidated Entity and the cost of the item can be reliably measured. All other costs are recognised in profit and loss as an expense as incurred.

The Association has a policy of valuing property owned by the Association every three years unless there is an indication of impairment. An impairment loss will be reflected if the valuation represents a devaluation below the value carried in the Statement of Financial Position.

(ii) Depreciation

The depreciable amount of all fixed assets are depreciated over the estimated economic life of the asset to the Consolidated Entity commencing from the time the asset is held ready for use. Assets with a written down value of less than \$100 at the end of the year, are depreciated to nil value at the year end.

Leasehold improvements are depreciated over the shorter of the leased term or estimated useful lives of the improvements.

Plant and equipment are depreciated from the date of acquisition. The reducing value method is used.

Buildings and improvements are depreciated over their expected useful economic life. The straight line method is used.

Motor vehicles are depreciated over their expected useful economic life. Diminishing value method is used.

Furniture and fittings are depreciated over their expected useful economic life. The straight line method is used.

The depreciation rates used for each class of depreciable asset vary dependent on the assessed economic life of each individual asset, and within each class the depreciation rates used are as follows:

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

<u>Asset Class</u>	<u>Depreciation Rate</u>	
	<u>2014</u>	<u>2013</u>
Plant & Equipment	9 to 36%	9 to 36%
Furniture & Fittings	11 to 30%	11 to 30%
Motor Vehicles	22.5%	22.5%
Buildings & Improvements	2.5 to 4%	2.5 to 4%

The residual value, if not insignificant, is reassessed annually.

(f) Expenses

Operating lease payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Net financing costs

Net financing costs comprise interest payable on borrowings and dividend, interest and distribution income. Interest income is recognised in profit and loss as it accrues, using the effective interest method. Dividend and distribution income is recognised in profit and loss on the date the Consolidated Entity's right to receive payments is established.

(g) Investments

The Consolidated Entity's non-current equity investments are classified as being available-for-sale and are carried at fair value. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost as this is considered the best estimate of fair value. At each reporting date the Consolidated Entity will assess whether there is objective evidence that an equity instrument is impaired. An impairment loss is recognised in profit or loss and reversed if there has been a favourable change in the estimate to determine the recoverable amount.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment property was originally recognised at fair value and subsequently measured at cost.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

<u>Asset Class</u>	<u>Depreciation Rate</u>	
	<u>2014</u>	<u>2013</u>
Buildings & Improvements	2.5 %	2.5 %

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(i) Trade and other receivables

Trade and other receivables, to be settled within 30 days are initially measured at their fair value and subsequently measured at amortised cost using the effective interest rate method less any impairment losses (see accounting policy l).

Bad debts are written off when they are identified.

(j) Inventories

Inventories consist of printing and stationery, raw and finished products, protective clothing, tool kits and educational resources and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank. Bank overdrafts that are repayable on demand and deposits at call that form an integral part of the Consolidated Entity's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

(l) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy j), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss.

Depreciated replacement cost is defined as the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in normal course of business.

(i) Calculation of recoverable amount

The recoverable amount of the Consolidated Entity's assets carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non significant receivables are not individually assessed.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, value in use means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily

dependent on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(ii) Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Income Tax

The Association is exempt from income tax pursuant to section 50 – 15 of the Income Tax Assessment Act 1997.

The MTA Group Training Scheme Inc, Controlled Entity, is exempt from income tax pursuant to section 50 -5 of the Income Tax Assessment Act 1997.

For the Retail Motor Trading Co. Pty Ltd, a controlled entity, tax effect accounting is applied using the balance sheet method. The income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The Retail Motor Trading Co. Pty Ltd had a tax loss of \$2,161 resulting from activities to the taxation year ended 31 March 2014, (2013: Loss \$3,828).

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(n) Employee benefits

Defined Contribution plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in profit and loss when incurred.

Long-term service benefits

The Consolidated Entity's net obligation in respect of long-term service benefits, other than defined contribution plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using rates attached to the Commonwealth Government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

Wages, salaries, annual leave and non monetary benefits

A provision is made for annual leave, wages and salaries and employment on costs of Payroll Tax, WorkCover and Superannuation that are expected to be settled within 12 months of the reporting date. Employment on-costs have been calculated on the basis that employees will take accumulated leave prior to retirement.

Vested entitlements are shown as current liabilities, measured at nominal wage rates.

Annual leave is provided for at current rates of pay plus employment on costs. The Consolidated Entity's experience is that the majority of Annual Leave is taken as accrued, and future wage increases are incorporated into the provision calculation.

No provision is made for sick leave, which although cumulative is non-vesting. However, it is vesting for apprentices in the final year of their apprenticeship. As per their employment contract, the apprentice is only entitled to a portion of sick leave upon completion of their apprenticeship.

Termination benefits are expensed when the consolidated entity can no longer withdraw the offer of these benefits and when the consolidated entity recognises costs for restructuring. If any benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(o) Provisions

A provision is recognised in the Statement of Financial Position when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Trade and other payables

Liabilities are initially recognised for amounts to be paid in future for goods and services received by the Consolidated Entity at fair value and subsequently measured at amortised cost. Trade payables, are normally settled within 30 days.

(q) Interest Rate Risk

The Consolidated Entity has exposure to interest rate risk through its term deposits and also borrowings held with financial institutions and related parties. Information about the term deposits are set out in note 7 and information about the borrowings are set out in note 12.

(r) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in profit and loss when significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at reporting date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when declared. Commissions are recognised when the Consolidated Entity has received a commission.

(ii) Rental income

Rental income from property is recognised in profit and loss on a straight- line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(iii) Government grants

Grants constituting non-reciprocal transfers received from the Government are recognised as income when the Consolidated Entity obtains control of the benefit. A non-reciprocal transfer is one in which the Consolidated Entity receives assets and services or has liabilities extinguished without giving approximately equal value in exchange to the other party or parties to the transfer. Grants in which the Consolidated Entity is required to repay unutilised funding are treated as reciprocal transfers and income is recognised by reference to the stage of completion of the transaction.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(s) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(t) Required Fair Work Australia Disclosures per Section 253

(i) Acquired assets

The individual entities have not acquired assets or liabilities during the financial year as a result of;

- a) an amalgamation under Part 2 of Chapter 3 of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- b) a restructure of the branches of the individual entities; or
- c) a determination by the General Manager under subsection 249(1) of the RO Act of an alternate reporting structure for the individual entities; or
- d) a revocation by the General manager under subsection 249(1) of the RO Act of a certificate issued by an organisation under subsection 245(1).

(ii) Acquired assets and liabilities as a result of a business combination

- a) The individual entities have not acquired assets or liabilities during the financial year as part of a business combination.

(u) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 April 2013 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Consolidated Entity are set out below. The Consolidated Entity does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is expected to have an impact on the Consolidated Entity's financial assets, but no impact on the Consolidated Entity financial liabilities. The Consolidated Entity is not planning on early adopting this standard.

Notes to the consolidated financial statements (continued)

(ii) AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated.

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Consolidated Entity is currently assessing the impact of AASB 10 and disclosure requirements for interests in subsidiaries in comparison with the existing disclosures. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for not for profit entities for annual periods beginning on or after 1 January 2014 with early adoption permitted, however the Consolidated Entity is not planning to early adopt.

(v) Changes in accounting policy

Presentation of transactions recognised in other comprehensive income

From 1 April 2013 the Consolidated Entity applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and had no impact on net income. The changes have been applied retrospectively and require the Consolidated Entity to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. The Consolidated Entity did not have any transactions through other comprehensive income in the current year and the fair value reserve in the Statement of Changes in Equity will not be reclassified to profit or loss.

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
2.a. Rental revenue				
Properties	1,641,047	1,619,006	1,127,447	1,129,006
	<u>1,641,047</u>	<u>1,619,006</u>	<u>1,127,447</u>	<u>1,129,006</u>
2.b. Other operating income				
Other services	4,566	10,379	126,675	95,294
Industrial services	145,771	390,704	145,771	390,704
Related party salaries and on costs recharge	2,602,785	2,696,786	-	-
Related party management fees	692,500	450,000	-	-
	<u>3,445,622</u>	<u>3,547,869</u>	<u>272,446</u>	<u>485,998</u>
2.c. Grants				
Government funds	660,804	302,843	3,297,286	2,861,481
	<u>660,804</u>	<u>302,843</u>	<u>3,297,286</u>	<u>2,861,481</u>
2.d. Net finance income				
Interest income	92,986	112,364	191,650	230,150
MTAA House distribution	84,360	86,040	89,860	91,540
Less interest expense	(56,814)	(63,593)	(56,814)	(63,593)
Less related party interest ⁽¹⁾	(737,925)	-	-	-
Net Finance Income	<u>(617,393)</u>	<u>134,811</u>	<u>224,696</u>	<u>258,097</u>
⁽¹⁾ At 31 March 2013 the loan from the controlled entity was an interest free loan at call.				
On 21 May 2013 the loan agreement between the Motor Trade Association of South Australia Inc. and the MTA Group Training Scheme Inc. was amended. Interest is being charged at the bank rate plus 1% retrospectively to when the loan commenced on 25 July 2011.				
3.a. Affiliation fees				
Motor Trades Association of Australia	25,000	120,000	25,000	120,000
Australian Motor Industry Federation	90,000	30,000	90,000	30,000
	<u>115,000</u>	<u>150,000</u>	<u>115,000</u>	<u>150,000</u>
3.b. Administration Expenses				
Conferences and meeting expenses	28,451	31,494	28,451	31,494
	<u>28,451</u>	<u>31,494</u>	<u>28,451</u>	<u>31,494</u>
3.c. Grants				
Grant income	583,886	302,843	-	-
	<u>583,886</u>	<u>302,843</u>	<u>-</u>	<u>-</u>

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
3.d. Donations				
Donations	2,352	4,672	15,380	7,672
Political Donations	15,750	7,700	15,750	7,700
	<u>18,102</u>	<u>12,372</u>	<u>31,130</u>	<u>15,372</u>
<u>Donations over \$1,000</u>				
Kids Alive - "do the Five"	-	2,000	-	2,000
Rotary Club of Adelaide	-	-	-	3,000
RUFUS Van	-	-	13,027	-
Australian Labour Party (SA Branch)	2,250	-	2,250	-
Liberal Party of Australia (SA Division)	12,500	7,700	12,500	7,700
Nick Xenophon Group	1,000	-	1,000	-
3.e. Employees Expenses				
<u>Holders of office</u>				
Other employee expenses	11,985	11,792	11,985	11,792
Employee expenses holders of office	<u>11,985</u>	<u>11,792</u>	<u>11,985</u>	<u>11,792</u>
<u>Employees other than office holders</u>				
Wages and Salaries	3,717,257	3,594,969	16,046,663	15,074,153
Superannuation	349,063	335,059	1,353,829	1,483,695
Leave and other entitlements	68,244	111,876	237,372	273,888
Separation and redundancies	160,846	78,213	160,846	78,213
Other employee expenses	318,071	302,476	975,670	825,053
Employee expenses holders of office	<u>4,613,481</u>	<u>4,422,593</u>	<u>18,774,380</u>	<u>17,735,002</u>
Total employee expenses	<u>4,625,466</u>	<u>4,434,385</u>	<u>18,786,365</u>	<u>17,746,794</u>
3.f Legal costs				
Other legal costs	97,587	61,005	97,707	81,486
	<u>97,587</u>	<u>61,005</u>	<u>97,707</u>	<u>81,486</u>
There has been no litigation expenditure and are no litigation claims				
4. Cash				
Cash and cash equivalents	1,785,187	1,584,522	3,152,326	2,532,048
	<u>1,785,187</u>	<u>1,584,522</u>	<u>3,152,326</u>	<u>2,532,048</u>

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
5. Trade and other receivables				
Current				
<u>Receivables from other reporting units</u>				
The MTA Group Training Scheme	498,206	485,062	-	-
Total receivables from other reporting units	498,206	485,062	-	-
<u>Other receivables</u>				
Trade and other receivables	304,880	307,770	2,230,903	2,009,226
Prepayments	39,103	35,446	106,937	109,138
/ess Provision for doubtful debts	(19,248)	-	(19,248)	-
Total other Receivables	324,735	343,216	2,318,592	2,118,364
Total trade and other receivables (net)	822,941	828,278	2,318,592	2,118,364
Non-current				
Loan due from controlled entity				
Retail Motor Trading Co. Pty Ltd	160,000	160,000	-	-
	160,000	160,000	-	-

The loan to Retail Motor Trading co. is payable with 12 months notice at an interest rate published by the Reserve Bank F5 Indicator lending Rates - large business

6. Inventories

Stationery	45,851	38,014	45,851	38,014
Printing	9,586	8,933	16,415	18,581
	55,437	46,947	62,266	56,595

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
7. Investments				
Current Investments				
Fixed term deposit	1,462,075	1,406,336	3,359,596	3,230,566
	<u>1,462,075</u>	<u>1,406,336</u>	<u>3,359,596</u>	<u>3,230,566</u>
<u>Details of Terms Deposits held</u>				
	Maturity	Amount		
<u>Motor Trade Association of SA Inc</u>		\$		
Westpac Banking Corporation	3 Jul 14	1,462,075		
<u>MTA Group Training Scheme Inc</u>		\$		
Westpac Banking Corporation	3 Jul 14	1,289,308		
Westpac Banking Corporation	20 Nov 14	608,213		
Shares in Non-Listed Investments				
MTAA Superannuation Fund Pty Limited (ACN 008 650 628)		1	1	1
		<u>1</u>	<u>1</u>	<u>1</u>
Non-current Investments				
Units in MTAA House Unit Trust		2,037,014	2,182,515	2,182,515
Total Non-current Investments		<u>2,037,014</u>	<u>2,182,515</u>	<u>2,182,515</u>

The Motor Trade Association of South Australia holds 14 units, 12.17% (twelve point one seven percent) of the issued units in the MTAA House Unit Trust. The Retail Motor Trading Co. Pty Ltd holds 1 unit, 0.87% (zero point eight seven percent) of the issued units in the MTAA House Unit Trust. These units do not have a quoted market price. A key input in to the valuation of these unit holdings is the market value of the major asset of the Trust, being MTAA House situated on Brisbane Avenue, Canberra. The units held are viewed as a long term investment.

8. Investment Property

Balance at 1 April	3,340,057	3,340,057	3,340,057	3,340,057
Acquisitions	10,659	-	10,659	-
Less: Accumulated depreciation	(154,051)	(97,467)	(154,051)	(97,467)
Balance at 31 March	<u>3,196,665</u>	<u>3,242,590</u>	<u>3,196,665</u>	<u>3,242,590</u>

The Association has a policy of dividing the initial value of property acquisitions and allocating one third of value to land and two thirds of value to buildings. The buildings component is then depreciated over the Board of Management assessed appropriate economic life of the buildings. This assessment takes into account the style, position and state of repair of the buildings concerned.

46 Fullarton Road Norwood was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$3,150,000. The cost of the investment property is \$3,340,057, includes the property purchase price of \$3,150,000 and capitalised transaction costs of \$190,057. We believe that there is no material change in market value at March 2014.

The Association has a policy of valuing property owned by the Association every three years unless there is an indication of impairment. An impairment loss will be reflected if the valuation represents a devaluation below the value carried in the Statement of Financial Position. The next valuation due is March 2015.

Notes to the consolidated financial statements (continued)

9. Property, plant and equipment

	MTA				Total
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	
Cost					
Balance at 1 April 2012	8,082,758	2,278,906	61,972	149,858	10,573,494
Acquisitions	-	355,574	1,325	66,617	423,516
Transfers	-	9,254	(9,254)	-	-
Disposals	-	-	-	(67,024)	(67,024)
Balance at 31 March 2013	<u>8,082,758</u>	<u>2,643,734</u>	<u>54,043</u>	<u>149,451</u>	<u>10,929,986</u>
Balance at 1 April 2013	8,082,758	2,643,734	54,043	149,451	10,929,986
Acquisitions	-	44,397	3,427	84,803	132,627
Disposals	-	(276,655)	-	(82,829)	(359,484)
Balance at 31 March 2014	<u>8,082,758</u>	<u>2,411,476</u>	<u>57,470</u>	<u>151,425</u>	<u>10,703,129</u>
Depreciation and impairment losses					
Balance at 1 April 2012	1,500,555	1,129,078	42,721	39,252	2,711,606
Depreciation charge for the year	166,084	201,035	5,558	30,098	402,775
Transfers	-	6,804	(6,804)	-	-
Disposals	-	-	-	(25,729)	(25,729)
Balance at 31 March 2013	<u>1,666,639</u>	<u>1,336,917</u>	<u>41,475</u>	<u>43,621</u>	<u>3,088,652</u>
Balance at 1 April 2013	1,666,639	1,336,917	41,475	43,621	3,088,652
Depreciation charge for the year	166,084	218,785	5,242	27,080	417,191
Disposals	-	(264,775)	-	(35,508)	(300,283)
Balance at 31 March 2014	<u>1,832,723</u>	<u>1,290,927</u>	<u>46,717</u>	<u>35,193</u>	<u>3,205,560</u>
Carrying amounts					
At 1 April 2012	6,582,203	1,149,828	19,251	110,606	7,861,888
At 31 March 2013	<u>6,416,119</u>	<u>1,306,817</u>	<u>12,568</u>	<u>105,830</u>	<u>7,841,334</u>
At 1 April 2013	6,416,119	1,306,817	12,568	105,830	7,841,334
At 31 March 2014	<u>6,250,035</u>	<u>1,120,549</u>	<u>10,753</u>	<u>116,232</u>	<u>7,497,569</u>

Notes to the consolidated financial statements (continued)

Property, plant and equipment (continued)

	Consolidated				
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	Total
Cost					
Balance at 1 April 2012	8,082,758	4,290,611	174,937	3,703,856	16,252,162
Acquisitions	-	651,174	11,928	342,889	1,005,991
Transfers	-	68,292	(9,254)	(59,038)	-
Disposals	-	(217,491)	-	(206,612)	(424,103)
Balance at 31 March 2013	<u>8,082,758</u>	<u>4,792,586</u>	<u>177,611</u>	<u>3,781,095</u>	<u>16,834,050</u>
Balance at 1 April 2013	8,082,758	4,792,586	177,611	3,781,095	16,834,050
Acquisitions	-	187,615	5,040	318,601	511,256
Disposals	-	(508,560)	(32,510)	(295,710)	(836,780)
Balance at 31 March 2014	<u>8,082,758</u>	<u>4,471,641</u>	<u>150,141</u>	<u>3,803,986</u>	<u>16,508,526</u>
Depreciation and impairment losses					
Balance at 1 April 2012	1,500,555	2,519,499	146,378	441,292	4,607,724
Depreciation charge for the year	166,084	427,375	16,017	272,748	882,224
Transfers	-	(888)	(6,804)	7,692	-
Disposals	-	(201,863)	-	(66,114)	(267,977)
Balance at 31 March 2012	<u>1,666,639</u>	<u>2,744,123</u>	<u>155,591</u>	<u>655,618</u>	<u>5,221,971</u>
Balance at 1 April 2013	1,666,639	2,744,123	155,591	655,618	5,221,971
Depreciation charge for the year	166,084	460,252	16,669	279,811	922,816
Disposals	-	(462,149)	(32,510)	(152,190)	(646,849)
Balance at 31 March 2014	<u>1,832,723</u>	<u>2,742,226</u>	<u>139,750</u>	<u>783,239</u>	<u>5,497,938</u>
Carrying amounts					
At 1 April 2012	<u>6,582,203</u>	<u>1,771,112</u>	<u>28,559</u>	<u>3,262,564</u>	<u>11,644,438</u>
At 31 March 2013	<u>6,416,119</u>	<u>2,048,463</u>	<u>22,020</u>	<u>3,125,477</u>	<u>11,612,079</u>
At 1 April 2013	6,416,119	2,048,463	22,020	3,125,477	11,612,079
At 31 March 2014	<u>6,250,035</u>	<u>1,729,415</u>	<u>10,391</u>	<u>3,020,747</u>	<u>11,010,588</u>

The Association has a policy of dividing the initial value of property acquisitions and allocating one third of value to land and two thirds of value to buildings. The buildings component is then depreciated over the Board of Management assessed appropriate economic life of the buildings. This assessment takes into account the style, position and state of repair of the buildings concerned.

81-83 Greenhill Road Wayville was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$6,750,000.

3 Frederick Road Royal Park was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$6,100,000.

3 Schenker Drive Royal Park was purchased in December 2011 for \$1,975,000.

We believe that there is no material change in market value at March 2014.

The Association has a policy of valuing property owned by the Association every three years unless there is an indication of impairment. An impairment loss will be reflected if the valuation represents a devaluation below the value carried in the Statement of Financial Position. The next valuation due is March 2015.

Notes to the consolidated financial statements (continued)

10. Trade and other payables

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Subscriptions in advance	258,711	229,523	258,711	229,523
Other trade payables	755,021	770,371	1,718,060	1,712,098
Subtotal trade creditors	1,013,732	999,894	1,976,771	1,941,621
<u>Payable to other Reporting Units</u>				
The MTA Group Training Scheme Inc.	94,130	82,997	-	-
Subtotal payables to other reporting units	94,130	82,997	-	-
Total trade payables	1,107,862	1,082,891	1,976,771	1,941,621

11. Employee benefits

Current

Office holders

The Board of Management receive no compensation for their roles.

Employee provisions - office holders

	-	-	-	-
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Employees other than office holders

Annual leave	255,910	273,732	917,336	898,295
Long service leave	515,658	507,965	515,658	507,965
Other	-	1,528	5,711	5,457
Employee provisions - other than office holders	771,568	783,225	1,438,705	1,411,717
Total Employee provisions	771,568	783,225	1,438,705	1,411,717

Current	607,391	675,486	1,274,528	1,303,978
Non- current	164,177	107,739	164,177	107,739
Total Employee provisions	771,568	783,225	1,438,705	1,411,717

Notes to the consolidated financial statements (continued)

12. Borrowings

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Current				
Receivables due to other reporting units				
MTA Group Training Scheme Inc. ⁽¹⁾	3,524,773	3,000,000	-	-
Other current borrowings				
Westpac mortgage on 3 Schenker Drive Royal Park	1,000,000	-	1,000,000	-
	<u>4,524,773</u>	<u>3,000,000</u>	<u>1,000,000</u>	<u>-</u>
Non –Current				
Westpac mortgage on 3 Schenker Drive Royal Park	-	1,000,000	-	1,000,000
	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
	<u>4,524,773</u>	<u>4,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

⁽¹⁾On 21 May 2013 the loan agreement between the Motor Trade Association of South Australia Inc. and the MTA Group Training Scheme Inc. was amended. Interest is being charged at the bank rate plus 1% retrospectively to when the loan commenced on 25 July 2011.

The loan from the MTA Group Training Scheme Inc. is repayable within 90 days upon a written request being made by the lender.

Westpac mortgage loan on 3 Schenker Drive is due for payment or renewal on 23 December 2014. The Westpac mortgage loan is secured by 3 Schenker Drive.

13(a). Reconciliation of cash flows from operating activities

	Note	MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash and cash equivalents					
Cash on hand		1,785,187	1,584,522	3,152,326	2,532,048
Total cash & cash equivalents		<u>1,785,187</u>	<u>1,584,522</u>	<u>3,152,326</u>	<u>2,532,048</u>
Cash flows from operating activities					
Profit for the period		(668,220)	334,469	245,653	153,973
<i>Adjustments for:</i>					
Loss on disposal		13,309	-	28,041	-
Non-cash interest earned on investments		(35,641)	(37,691)	(74,808)	(98,661)
Non-cash interest payable on related party loans		524,773	-	-	-
Depreciation		473,775	458,470	979,400	937,919
Government asset contribution		-	-	(16,258)	-
Operating profit before changes in working capital and provisions		<u>307,996</u>	<u>755,248</u>	<u>1,162,028</u>	<u>993,231</u>
(Increase)/decrease in trade and other receivables		5,337	(40,041)	(200,228)	152,515
(Increase)/decrease in inventories		(8,490)	(2,121)	(5,671)	5,890
(Decrease)/increase in trade and other payables		24,971	(139,391)	35,150	(64,992)
(Decrease)/increase in provisions and employee benefits		(11,657)	34,964	26,988	100,533
Cash generated from the operations		<u>318,157</u>	<u>608,659</u>	<u>1,018,267</u>	<u>1,187,177</u>

Notes to the consolidated financial statements (continued)

13b. Reconciliation of cash flows from operating activities

	MTA		Consolidated	
	2014	2013	2014	2013
Cash inflows				
MTA Group Training Scheme Inc	4,308,869	4,128,556	-	-
Retail Motor Trading Co. Pty Ltd	9,040	9,061	-	-
Total Cash inflows	4,317,909	4,137,617	-	-

14. Contingencies

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	366,000	309,000	2,082,000	3,324,000

In the event of the winding up of the Motor Trade Association of Australia Limited, the Motor Trade Association of South Australia Inc. has a limited liability of \$100.

During a period of an economic downturn, it is appropriate to provide for a contingent liability which may arise for the return of apprentices and trainees from host employers and not being able to place those apprentices and trainees with alternate host employers. Should this occur and all apprentice and trainees are returned, the cost to the consolidated entity would be \$1,716,000 (2013:\$1,656,000), whilst the cost to the Association for training staff entitlements would be \$366,000 (2013:\$309,000).

15. Consolidated entities

	Australian Business Number	Ownership interest	
		2014	2013
Parent entity			
The Motor Trade Association of South Australia Inc.	65 767 492 138	100%	100%
Controlled entities			
The MTA Group Training Scheme Inc.	36 459 968 347	100%	100%
Retail Motor Trading Co. Pty Ltd	ACN 008 166 194	100%	100%

Notes to the consolidated financial statements (continued)

16. Related party transactions

The Associations transactions receivable from MTA Group Scheme

	2014	2013
	\$	\$
Management Fees	692,500	450,000
Staff Salaries and on costs	2,602,785	2,696,786
Rental of 3 Frederick Road	513,600	490,000
Printing sales	89,046	190,352
Provision of services for governments grants	583,886	302,843
	<u>4,481,817</u>	<u>4,129,981</u>

Management fees relate to time spent by MTA staff on MTA- GTS related issues.

Statement of profit or loss and other comprehensive income

	2014	2013
	\$	\$
Interest on loan for \$160,000 receivable from Retail Motor Trading Co. Pty Ltd	7,360	9,040
Interest on Loan of \$3,000,000 payable to MTA Group Training Scheme	(737,925)	-
	<u>(730,565)</u>	<u>9,040</u>

Statement of Financial Position

	2014	2013
	\$	\$
Trade and other receivables	658,010	485,062
Trade and other payables	(94,130)	(82,997)
Borrowings	(3,524,773)	(3,000,000)
	<u>(2,960,893)</u>	<u>(2,597,935)</u>

Statement of Financial Position

	2014	2013
	\$	\$
Borrowings	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

	2014	2013
	\$	\$
Mr Roger Paech		
- Provision of services for ride on lawn mower	-	159

Notes to the consolidated financial statements (continued)

17. Key management personnel for the reporting period

The following were key management personnel of the Motor Trade Association of South Australia during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Tim Buckley	Tracy Simpson	
Russell Smith	Mario Marrone	
Anna Moeller	John Chapman	01 Apr 2012 - 31 Jan 2014
Emma Flenley	Paul Good	01 Apr 2012 - 29 Nov 2012
Liam Hunt		

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
<u>Short term employee benefits</u>				
Salary (including annual leave taken)	889,072	951,747	889,072	951,747
Annual leave accrued	52,152	45,580	52,152	45,580
Performance bonus	33,220	19,450	33,220	19,450
Total Employee provisions	974,444	1,016,777	974,444	1,016,777
<u>Post - employment benefits</u>				
Superannuation	85,651	88,850	85,651	88,850
Total post- employment benefits	85,651	88,850	85,651	88,850
<u>Other long term benefits</u>				
Long service leave	50,626	46,265	50,626	46,265
Total post- employment benefits	50,626	46,265	50,626	46,265
<u>Termination benefits</u>				
Termination	160,846	47,721	160,846	47,721
Total termination benefits	160,846	47,721	160,846	47,721

18. Remuneration to Auditors

<u>Value of services to Auditors</u>				
Financial statement audit services	38,350	31,568	59,500	51,900
Other assurance services	-	-	2,500	1,700
Tax services	75,497	45,675	75,497	45,675
Advisory Services	-	-	2,200	-
Total remuneration to auditors	113,847	77,243	139,697	99,275

Notes to the consolidated financial statements (continued)

19. Financial Risk Management Objectives and Policies

The Consolidated Entity activities expose it primarily to the financial risks in credit, liquidity and market risk.

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments.

The Consolidated Entity's financial assets consist mainly of cash and short term bank secured investments, available for sale assets, trade and other receivables and investments in a Unit Trust. The Consolidated Entity's financial liabilities comprise trade and other payables. The main purpose of these financial instruments is to invest surplus member funds in order to maximise returns while not exposing the Consolidated Entity to a high level of risk.

The Board of Management has established an investment policy designed to establish controls and monitor these risks. The Consolidated Entity's Audit Committee oversees how management monitors compliance with these policies.

a. Credit Risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has established a credit policy under which new customers are analysed individually for credit worthiness before being offered standard credit terms. The Consolidated Entity's exposure is continuously monitored and limits reviewed. Trade receivables consist of a large number of members and customers spread across diverse trades within South Australia. The Consolidated entity does not have any significant credit risk exposure to any single party. The credit risk on liquid funds is mitigated by ensuring that authorised bank deposits are held with major banking institutions.

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum credit risk exposure at the reporting date was:

Credit Risk Exposure

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash and Cash Equivalents	1,785,187	1,584,522	3,152,326	2,532,048
Trade and other receivables - current	822,941	828,278	2,318,592	2,118,364
Investments - current	1,462,075	1,406,336	3,359,596	3,230,566
Investments - non current	2,037,014	2,037,014	2,182,515	2,182,515
Trade and other receivables - non current	160,000	160,000	-	-
	<u>6,267,217</u>	<u>6,016,150</u>	<u>11,013,029</u>	<u>10,063,493</u>

The ageing of the trade and other receivables at the reporting date was as follows;

	MTA			Consolidated				
	2014		2013	2014		2013		
	\$	\$	\$	\$	\$	\$	\$	\$
	Carrying Value	Provision	Net Value	Net Value	Carrying Value	Provision	Net Value	Net Value
Current	818,646	-	818,646	810,739	2,174,555	-	2,174,555	2,052,548
Past Due 0-30 days	2,950	-	2,950	4,969	84,331	-	84,331	29,166
Past Due 31-60 days	541	-	541	1,733	41,404	-	41,404	5,101
Past Due 61- 90 days	804	-	804	8,686	8,939	-	8,939	9,686
More than 90 days	19,248	(19,248)	-	2,151	28,611	(19,248)	9,363	21,863
	<u>842,189</u>	<u>(19,248)</u>	<u>822,941</u>	<u>828,278</u>	<u>2,337,840</u>	<u>(19,248)</u>	<u>2,318,592</u>	<u>2,118,364</u>

Notes to the consolidated financial statements (continued)

b. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices in particular interest rates. The Consolidated Entity manages the financial risk relating to its investments set out in accordance with its Investment Policy and is reviewed annually.

(i) Exposure to interest rate risk

At the reporting date the interest profile of the Consolidated Entity's interest bearing financial instruments was:

		MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash and Cash Equivalents	4	1,785,187	1,584,522	3,152,326	2,532,048
Retail Motor Trading Co Pty Ltd Loan - non-current	5	160,000	160,000	-	-
Investments - current	7	1,462,075	1,406,336	3,359,596	3,230,566
Receivables due to other reporting units	12	(3,524,773)	(3,000,000)	-	-
Westpac mortgage on 3 Schenker Drive Royal Park	12	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
		<u>(1,117,511)</u>	<u>(849,142)</u>	<u>5,511,922</u>	<u>4,762,614</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

	MTA			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2014				
Cash and Cash Equivalents	17,852	(17,852)	17,852	(17,852)
Retail Motor Trading Co Pty Ltd Loan non-current	1,600	(1,600)	1,600	(1,600)
Investments - current	14,620	(14,620)	14,620	(14,620)
Receivables due to other reporting units	(35,247)	35,247	(35,247)	35,247
Westpac mortgage on 3 Schenker Drive Royal Park	(10,000)	10,000	(10,000)	10,000
	<u>(11,175)</u>	<u>11,175</u>	<u>11,175</u>	<u>(11,175)</u>
31 March 2013				
Cash and Cash Equivalents	15,845	(15,845)	15,845	(15,845)
Retail Motor Trading Co Pty Ltd Loan non-current	1,600	(1,600)	1,600	(1,600)
Investments - current	14,063	(14,063)	14,063	(14,063)
Receivables due to other reporting units	(30,000)	30,000	(30,000)	30,000
Westpac mortgage on 3 Schenker Drive Royal Park	(10,000)	10,000	(10,000)	10,000
	<u>(8,492)</u>	<u>8,492</u>	<u>(8,492)</u>	<u>8,492</u>
	Consolidated			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2014				
Cash and Cash Equivalents	31,523	(31,523)	31,523	(31,523)
Investments - current	33,596	(33,596)	33,596	(33,596)
Westpac mortgage on 3 Schenker Drive	(10,000)	10,000	(10,000)	10,000
	<u>55,119</u>	<u>(55,119)</u>	<u>55,119</u>	<u>(55,119)</u>
31 March 2013				
Cash and Cash Equivalents	25,320	(25,320)	25,320	(25,320)
Investments - current	32,305	(32,305)	32,305	(32,305)
Westpac mortgage on 3 Schenker Drive	(10,000)	10,000	(10,000)	10,000
	<u>47,625</u>	<u>(47,625)</u>	<u>47,625</u>	<u>(47,625)</u>

Notes to the consolidated financial statements (continued)

c. Liquidity Risk Liquidity Risk is the risk that the Consolidated Entity does not have sufficient resources to meet its obligations when they become due and payable, or will have to do so at excessive cost. The Consolidated Entity's policy is designed to ensure that there are sufficient funds to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

	MTA				Consolidated			
	Carrying Amount	Contractual cash flows	6 months or less	12 months or less	Carrying Amount	Contractual cash flows	6 months or less	12 months or less
	\$	\$	\$		\$	\$	\$	
31 March 2014								
Accounts payable	1,107,862	1,107,862	1,107,862	-	1,976,771	1,976,771	1,976,771	-
Borrowings from related parties	3,524,773	3,524,773	3,524,773	-	-	-	-	-
Borrowings - current	1,000,000	1,000,000	-	1,000,000	1,000,000	1,000,000	-	1,000,000
	<u>5,632,635</u>	<u>5,632,635</u>	<u>4,632,635</u>	<u>1,000,000</u>	<u>2,976,771</u>	<u>2,976,771</u>	<u>1,976,771</u>	<u>1,000,000</u>
31 March 2013								
Accounts payable	1,082,891	1,082,891	1,082,891	-	1,941,621	1,941,621	1,941,621	-
Borrowings from related parties	3,000,000	3,000,000	3,000,000	-	-	-	-	-
Borrowings - non-current	1,000,000	1,000,000	-	1,000,000	1,000,000	1,000,000	-	1,000,000
	<u>5,082,891</u>	<u>5,082,891</u>	<u>4,082,891</u>	<u>1,000,000</u>	<u>2,941,621</u>	<u>2,941,621</u>	<u>1,941,621</u>	<u>1,000,000</u>

d. Fair Values

Fair Values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows:

	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
31 March 2014				
Cash and Cash Equivalents	1,785,187	1,785,187	3,152,326	3,152,326
Trade and other receivables - current	822,941	822,941	2,318,592	2,318,592
Investments - current	1,462,075	1,462,075	3,359,596	3,359,596
Investments - non-current	2,037,014	2,037,014	2,182,515	2,182,515
Receivables from other reporting unit non-current	160,000	160,000	-	-
Trade and other payables	(1,107,862)	(1,107,862)	(1,976,771)	(1,976,771)
Receivables due to other reporting units current	(3,524,773)	(3,524,773)	-	-
	<u>1,634,582</u>	<u>1,634,582</u>	<u>9,036,258</u>	<u>9,036,258</u>

Notes to the consolidated financial statements (continued)

31 March 2013	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and Cash Equivalents	1,584,522	1,584,522	2,532,048	2,532,048
Trade and other receivables	828,278	828,278	2,118,364	2,118,364
Short Term Bank Secured Investments	1,406,336	1,406,336	3,230,566	3,230,566
Investments - non-current	2,037,014	2,037,014	2,182,515	2,182,515
Receivables from other reporting unit - non-current	160,000	160,000	-	-
Trade and other payables	(1,082,891)	(1,082,891)	(1,941,621)	(1,941,621)
Receivables due to other reporting units- current	(3,000,000)	(3,000,000)	-	-
	1,933,259	1,933,259	8,121,872	8,121,872

e. Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2014	MTA				Consolidated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment in Unit Trust	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515
	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515

31 March 2013	MTA				Consolidated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment in Unit Trust	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515
	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515

These investments do not have a quoted market price and fair value is limited by restrictions on disposal options. The method for valuing unlisted equity investments is reviewed annually.

Fair Values

For Financial assets and Financial liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

e. Capital risk management

The Consolidated Entity's policy is to maintain a strong capital base for its members confidence and future development of the industry and to ensure the Consolidated Entity will be able to continue as a going concern. The Consolidated Entity's overall strategy remains unchanged from 2013.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Notes to the consolidated financial statements (continued)

20. Operating leases as lessor

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are receivable as follows;

	2014	2013
Less than one year	792,600	855,168
Between one and five years	1,077,278	1,384,240
More than five years	-	-
	<u>1,869,878</u>	<u>2,239,408</u>

The Association leases out a number of offices under operating leases. The leases typically run for a period of three to five years, with an option to renew the lease after that date. Lease payments are increased every year to reflect market rentals based on a fixed annual percentage increase or CPI.

21. Subsequent events

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

22. Information to be provided to members or registrar

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

- (1) A member of a reporting unit, or the General Manager, 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).

23. Association details

The principal place of business of the Association is:

81 Greenhill Road, Wayville, Adelaide, South Australia.

MTA's print and stationery department is located at its 3 Frederick Road, Royal Park, South Australia premises.

The MTA Group Training Scheme Inc. is located at 3 Frederick Road, Royal Park, South Australia.

24. Principal activities

The principal activities of the Association during the financial year were:

To protect and promote the interests of members by:-

- Providing a political voice for the retail motor industry;
- Providing an industry voice in discussion with all levels of government;
- Providing industrial award advice, advocacy and representation;
- Providing technical information and specialized industry stationery; and
- Training apprentices for the retail motor industry.

25. A Melville Memorial Fund

Funds amounting to \$3,776 are held on behalf of the A Melville Memorial Fund and invested with the Association funds as interest earning deposits.

Notes to the consolidated financial statements (continued)

26. Members of Board of Management

The names of the Members of the Association's Board of Management who held office at any time during or since the end of the year are:

Neville Gibb	John Jansse	
Frank Agostino	Dale John	
John Zulian	Robert Duns	
Clive Polley	Tracy Butler	
Peter Roberts	Brenton Stein	24 Aug 13 - current
Ron Lewis	Paul Page	24 Dec 13 - current
Danny Shane	Kym Webber	16 July 13 - current
Brian Weeks	Phillip Turner	19 Nov 13 - current
Jeff Williams	John Rowley	01 Apr 13 - 21 May 13
Colin Butcher	Roger Paech	01 Apr 13 – 16 July 13
Andrew Forrest	George Papillo	01 Apr 13 – 08 Aug 13
Martin Guppy	Hilar Puvi	16 Aug 13- 17-Oct 13

The names of the Members of the MTA Group Training Scheme's Board of Directors who held office at any time during or since the end of the year are:

Neville Gibb	Danny Shane	
Frank Agostino	Ron Lewis	19 Nov 13 – 31 Mar 14
John Zulian	Hilar Puvi	16 Aug 13- 17-Oct 13
Clive Polley	George Papillo	01 Apr 13 – 08 Aug 13
Peter Roberts		

No member of the Board of Management of the Association receives any remuneration (except travel cost reimbursement).

27. Other disclosures required by Fair Work Australia

The following disclosures are made for the purposes of section 253 of the Fair Work Australia (Registered Organisations) Act 2009.

The reporting unit has not received revenue for;

- Capitation fees
- Donations
- Compulsory levies

The reporting unit has not paid expenses for;

- Capitation fees
- Compulsory levies
- Consideration to employees for payroll deductions
- Penalties - via RO Act of RO Regulations

The reporting unit has not accrued expenses for;

- Separation and redundancies
- Legal costs

The reporting unit has not accrued expenses for

- Separation and redundancies

The reporting unit has no recovery of wages activity.

**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.
BOARD OF MANAGEMENT STATEMENT**

On 20th of May 2014 the Board of Management of the Motor Trade Association of SA Inc. passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 March 2014.

The Board of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of, the financial performance, financial position and cash flows on 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 Board of Management were held in accordance with the rules of the organisation including the rules of the 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 the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 to each of the other reporting units of the organisation; and
 - (v) where information sought in any request of a member of the reporting unit or a General Manager duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or the General Manager of FWA; and
 - (vi) where any orders for inspection of financial records have been made by the Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period there has been compliance during the period.
- (vii) The Association has not undertaken any recovery of wages activity.

For Board of Management

Name and Title of Office held: Neville Gibb, President



Signature:

20 May 2014

**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.**

STATEMENT BY THE BOARD OF MANAGEMENT

As required by Section 35 (2) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Management, it is stated that:-

- [i] the accounts present fairly the results of the operations of the Association for the financial year and the state of affairs of the Association as at the end of the 2013/2014 financial year;
- [ii] the Board of Management has reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due;
- [iii] that the Association has subsidiaries as detailed in the accounts; and;
- [iv] that the Association is not a trustee of a trust.

Signed pursuant to a resolution of the Board of Management.



Neville Gibb



John Zulian

Dated this 20th day of May 2014

**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.**

REPORT BY THE BOARD OF MANAGEMENT

As required by Section 35 (5) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Management, it is stated that:-

- [a] No benefit has been received as a result of a contract between an officer, firm or corporate (in which an officer or member of the association, is a member or has a substantial financial interest), and the Association.
- [b] No officer of the Association has received any payment or benefit of a pecuniary value other than as part of a negotiated remuneration package as an employee of the Association.

[c] Remuneration (including fringe benefits) received or due and receivable, by officers of the Association.	2014	2013
	\$	\$
	-	-

Signed pursuant to a resolution of the Board of Management.



Neville Gibb



John Zulian

Dated this 20th day of May 2014

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

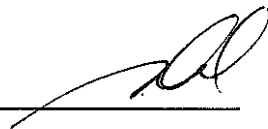
s. 268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 31 March 2014

I, NEVILLE GIBB being the President of The Motor Trade Association of South Australia Inc. certify:

- that the documents lodged herewith are copies of the full report for The Motor Trade Association of South Australia Inc. for the period ended 31 March 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report will be provided to members of the reporting unit on 15 June 2014; and
- that the full report will be presented to a general meeting of members of the reporting unit on Tuesday, 15 July 2014 in accordance with s. 266 of the Fair Work (Registered Organisations) Act 2009.



Signature of prescribed designated officer

NEVILLE GIBB

Name of prescribed designated officer

PRESIDENT

Title of prescribed designated officer

20 MAY 2014

Dated



Independent auditor's report to the members of The Motor Trade Association of SA Inc.

Report on the financial report

We have audited the accompanying financial report of The Motor Trade Association of SA Inc. (the Association), which comprises the statement of financial position as at 31 March 2014, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 27 comprising a summary of significant accounting policies and other explanatory information and the Statement by the Board of Management of the Association and the Group comprising the Association and the entities it controlled at the year's end or from time to time during the financial year.

Board of Management's responsibility for the financial report

The Board of Management of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Associations Incorporation Act 1985* (as amended) and *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Board 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Associations Incorporation Act 1985* (as amended), *Fair Work (Registered Organisations) Act 2009* and Australian Accounting Standards, a view which is consistent with our understanding of the Association's and the Group's financial position and of their performance.

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



Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion the financial report of The Motor Trade Association of SA Inc. is properly drawn up so as to present fairly, in all material respects, the financial position of the Association and the Group as at 31 March 2014 and of their financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the *Associations Incorporation Act 1985* (as amended) and *Fair Work (Registered Organisations) Act 2009*.


KPMG



Darren Ball
Partner

Adelaide

20 May 2014



MTA Annual Report

2013-
2014

88th Annual General Meeting

88th Annual General Meeting of the Motor Trade Association of South Australia Incorporated to be held on Tuesday 15th July 2014 at 7.00pm at the Motor Trade Association of SA, MTA House, Level 1, 81 Greenhill Road, Wayville, SA 5034.

AGENDA

1. Notice of meeting and recording of apologies
2. To adopt the minutes of the 87th AGM held 16th July 2013
3. To receive the financial statement of the year ended 31st March 2014
4. To receive the report of the Board of Management on the affairs of the Association during the preceding year.
5. To appoint an auditor or auditors, and to fix his/her remuneration
6. To declare the results of the election of officers
7. To consider any business submitted by the board
8. To consider any other business (under Rule 32*)
9. Closure

*Rule 32

No business shall be transacted at any general meeting except that stated on the notice convening such meeting unless in the case of the Annual General Meeting such business may be proceeded with if three fourths of the Members present in person or by proxy shall consent thereto.

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MTA Board of Management 2013/2014

President

Neville Gibb

Vice-President

John Zulian

Past President

Frank Agostino

Representative of Members

George Papillo/Clive Polley (casual)¹

Trade Representative

Clive Polley/Hilar Puvi/Ron Lewis²

Trade Representative

Danny Shane

Trade Representative

Peter Roberts

TRADE DIVISIONS

Australia Automotive Dealers Association of SA

Hilar Puvi/Paul Page³

Automotive Dismantlers

Ron Lewis

Auto Repair & Engineering

Brian Weeks

Body Repair

Jeff Williams

Commercial Vehicle Industry Association of SA

Clive Polley⁴/vacant

Farm & Industrial Machinery Dealers Association of SA

Colin Butcher

Licensed Vehicle Dealers

Andy Forrest

Motorcycle Industry Association of SA

Martin Guppy

Service Station

Vacant/Brenton Stein⁵

Towing Services

John Jansse

COUNTRY ZONES

Central

Roger Paech/Phil Turner⁶

Lower North

Dale John

Riverland

John Rowley/Kym Webber⁷

South Eastern

Peter Roberts

Southern

Danny Shane

Lower Eyre Peninsula

Robert Duns

Upper Spencer Gulf

Tracy Butler

¹ George Papillo resigned 8th August 2013; Clive Polley elected 20th August 2013

² Hilar Puvi elected 20th August 2013 and resigned 17th October 2013; Ron Lewis elected 19th November 2013

³ Hilar Puvi resigned 17th October 2013; Paul Page elected 24th December 2013

⁴ Clive Polley resigned 16th September 2013

⁵ Brenton Stein elected 20th August 2013

⁶ Roger Paech resigned 16th July 2013; Phil Turner elected 19th November 2013

⁷ John Rowley resigned 21st May 2013; Kim Webber elected 16th July 2013



MTA Board of Management – February 2014

Standing L to R: Tracy Butler, Robert Duns, Clive Polley, Kym Webber, Colin Butcher, Brenton Stein, Phil Turner, Ron Lewis, Paul Page, Andy Forrest, Brian Weeks, John Jansse and Martin Guppy.

Sitting L to R: Dale John, Past President Frank Agostino, Vice-President John Zulian, President Neville Gibb, Acting CEO Tim Buckley, Danny Shane and Minutes Secretary Tracy Simpson.

Absent: Peter Roberts and Jeff Williams.

President's Report



Neville Gibb

PRESIDENT REPORT ANNUAL REPORT 2014

The 2013/14 year is possibly best summed up as one of transition for the MTA.

The federal and state election added extra excitement to the mix, and the Association once again delivered some outstanding results.

STAFFING

After eight years of service, MTA CEO John Chapman resigned effective from 31 January to pursue new challenges in South Australia.

John has made an enormous contribution to the MTA in terms of its political advocacy and the development of its Group Training Scheme which employs and trains more than 500 automotive Apprentices.

Under his tenure, the Association's financial position continued to strengthen with increasing membership and the achievement of financial surpluses in every year.

The Executive Committee and Board of Management would like to acknowledge John's service and wish him the best for his future endeavours.

General Manager of Services and Recruitment, Tim Buckley, accepted the Acting CEO position while the recruitment of a new CEO took place. At the end of the reporting period the MTA was still undertaking its recruitment process with a new CEO expected to be appointed early in the new reporting period.

I would like to thank Tim and the entire MTA team for their hard work

and dedication throughout the year, but particularly in the last quarter of the year where we were in a state of transition.

The staff of the MTA continues to work hard and effectively manage the business of the Association for the benefit of the Members.

Below I have outlined some of the key outcomes from the reporting year:

VEHICLE INSPECTIONS AT CHANGE OF OWNERSHIP AND THE STATE ELECTION

With the state election held on 15 March, it was an extremely busy period for our staff to put forward the Members' voices to both major parties. As we are well aware, we now have a minority Labor Government. This will no doubt have an impact on our policy platforms presented prior to the election, and how we go about continuing to pursue our policy agenda.

Our headline policy was vehicle inspections at change of ownership. Through our lobbying efforts we were able to get a commitment from the Labor party to begin the work needed to implement a voluntary inspection scheme.

While this is not the complete scheme we were looking for, it is a huge improvement on where we have been over many years. The State Government has proposed an accreditation system for MTA Members and the RAA, which will allow mechanical repairers to identify themselves as a "government approved" vehicle inspection centre.

A working group of senior Government officials, the MTA and the RAA will be set up to develop criteria to determine accreditation processes, the scope of the inspection and costs.

The State Government has committed to promoting the voluntary scheme through publicity and advertising. The aim is to encourage potential second hand vehicle buyers to demand that sellers have a "government approved" inspection report prior to the purchase. We will be continuing work on this with stakeholders in the coming year.

Red tape reduction, payroll tax and WorkCover reforms were also key policy platforms for the MTA in the lead-up to the state election. We will continue to pursue these issues with the Government and the opposition to help foster the best working environment for our Members to prosper in.

Another key platform of interest to our membership was the announcement of a permanent motorsport park for the state, most likely at Tailem Bend. This is something which the MTA has continuously called for, and with the new Government's commitment to its development in the election, we should see this take place in the future.

FEDERAL ELECTION – FRINGE BENEFIT TAX

Federally, it was one of the most interesting years politically. We saw three Prime Ministers, an ever changing political and policy



Peter Roberts, Frank Agostino with Hon. Tom Koutsantonis MP.

landscape and the eventual federal election held in September. A key issue which evolved throughout the year was proposed changes in Fringe Benefit Tax (FBT) regime on leased vehicles.

The announcement was quick, and the negative impact on our Members immediate, with orders cancelled or suspended within hours of the announcement. Our voice was also immediate, with the MTA going on the front foot with lobbying occurring publicly and behind the scenes. This was to ensure that the policy announcement, which would dramatically change FBT arrangements on salary packaged and business owned vehicles, was reversed.

We were fortunate enough to secure a meeting with the then Shadow Treasurer, Joe Hockey, and our automotive dealers. At this meeting we were able to convey the issues that the announcement of changes to the FBT has caused the industry.

In particular, the lack of confidence consumers had in purchasing vehicles with the uncertainty of what future FBT arrangements would be. With the Coalition ultimately winning the Federal Election, the changes to the FBT were immediately reversed with no legislation required. Since this time Members have reported that orders on salary packaged and business owned vehicles have normalised.

AMIF – AUTOMOTIVE 2018 (AN INDUSTRY AT CROSSROADS)

At last year's Annual General Meeting, we were privileged to have our national association, the Australian Motor Industry Federation (AMIF) Chief Executive Officer Richard Dudley present the discussion paper, *Automotive 2018 – an industry at crossroads*, which was also presented to at the National Press Club in Canberra. The focus of these addresses was

to highlight the plight of the retail automotive sector, rather than that of the manufacturing sector which receives a disproportionate amount of attention from policy makers and the media.

This discussion paper outlines what it calls "a perfect storm" which the retail automotive sector will face if an urgent and whole-of-industry approach is not taken with regards to policy development for our sector. Importantly, our sector employs over 320,000 in 100,000 thousand businesses and is an extremely important contributor to the national economy.

The discussion paper outlines the generational change in the retail automotive sector. On average 450 automotive businesses are closing annually, and the acute shortage of skilled workers is affecting the productivity and continued viability of many sectors within the retail automotive sector.

President's Report Continued

Critically, recent research highlighted there is a shortage of 19,000 skilled mechanics in Australia. These shortages, coupled with the effects of globalisation, environmental protection policy, rapid technological advances, shifting consumer behaviour and the maturation or decline of business life-cycles are creating a maelstrom that could have catastrophic consequences on the entire industry, unless a different approach to policy planning is introduced.

We will continue to work with our national association on this critical issue. We have begun the conversation, now we must continue it to ensure our sector meets the challenges of the changing environment.

Your voice at a national level has never been stronger. I was fortunate enough to be elected by my national colleagues as the national President of the Australian Motor Industry Federation in November.

We have a strong history of national representation. The late Colin Clark, inaugural President of AMIF in 2011, and I look to continue this legacy. We will continue to have a strong and vibrant national association to lobby work on our behalf in Canberra; protecting our interests on the national scene.

END OF AUTOMOTIVE MANUFACTURING

Sadly, we saw announcements from Ford, Holden and Toyota that they would all end their manufacturing operations in Australia, transitioning to marketing and sales operations in the coming years.

As I stated through the year, this



MTA President Neville Gibb with Treasurer Hon. Joe Hockey MP.



AMIF CEO Richard Dudley.

is a huge loss to our country. We have had a proud automotive manufacturing tradition, and through that tradition have built an enormous amount of skilled tradespeople whose ingenuity will now be lost, potentially forever.

With Holden's manufacturing operations in our state, and the hundreds of local component manufacturers affected as well, we must now work on how our sector can support these workers.

At the time of writing this report, we are working on how the MTA can be part of this transition and this will remain a focus for our Association in the coming financial year.

A year of transition can be difficult

for all involved. However, I am hopeful we are in a place where we can build on the excellent platform we have, to continue to deliver excellent results for our Members.

I would like to thank my fellow colleagues on the Board of Management for their passion and dedication to the industry. This will be my final report as President, and as such, I would like to thank you all for your support over my tenure. I believe we have continued to work hard as a group and continued to improve the Association for the benefit of our Members.

Neville Gibb
PRESIDENT

Chief Executive Officer's Report



Tim Buckley

As seems to be the norm for our industry over recent years, the previous year has been up and down, with some businesses thriving and others just surviving.

Our industry is experiencing change. The end of vehicle manufacturing is one indicator of this. But critically, the technological advancements in vehicles means we have to be on our toes more than ever. Not to mention the changes to the business environment through new governments, new legislations and new ways of doing business. Our Members are on the frontline trying to successfully navigate this.

Membership continues to be a challenge for our industry for many reasons, but more than ever there appears to be a higher level of consolidation. Despite the strong efforts of our 'on-the-road' staff we finished the year with a slightly decreased membership of 1142 compared to 1160 at the end of the 2012/13 year.

Financially, the MTA performed strongly in the 2013/14 year.

At a consolidated level the overall result was \$245,653 surplus.

TRAINING AND LOBBYING

The MTA remains resolute in servicing our Members' needs. From representing interests to government, working with the Small Business Commissioner and other government agencies, to educating South Australians on issues of public

importance or providing Members information through our increasing training and events schedule, the MTA is there.

We held 67 industry training sessions and 52 industry division meetings. We continue to modernise how and when we communicate with Members, and have completed much of the required groundwork to transition from paper based Member communications to online communications (email and website). This will include for the first time online registration, payments for events/training and eventually an online shop.

At a divisional and lobbying level, we have once again punched above our weight in helping achieve fantastic results for Members.

The service station sector has long been one where we have lobbied and represented our Members' interests, in particular to the ACCC over the market dominance of Coles and Woolworths. This year saw the ACCC for the first time take real action to improve market dominance through an undertaking between ACCC Coles and Woolworths. In the undertaking, fuel discount offers were limited to four cents per litre and all offers must be funded from their respective fuel retailing operations.

Lifeline for small petrol retailers

The Motor Trade Association welcomed the Australian Competition and Consumer Commission's acceptance of pledges by Coles and Woolworths to cease petrol discount offers funded by the supermarket arms of their businesses and to limit cuts to four cents a litre.

The association has been advocating on behalf of independent fuel retail owners for the "shopper docket" decade that the "shopper docket" discount scheme was causing small independent retailers to close and lessening competition in the sector.

Association chief executive officer John Chapman is happy to see that the commission has finally taken the industry's concerns seriously and launched action.

"In recent years the association, on behalf of its members, has provided the commission with significant amounts of data and evidence to support its concerns of anti-competitive behaviour in the retail fuel market of South Australia," he said.

"With this undertaking, the independent retail fuel sector may have a fighting chance to survive.

"While it may not be an eradication of

the discount schemes, the decision will mean that the big supermarket chains will need to be more transparent on how and where they are funding their discount scheme.

"We also welcome the comments from the commission which puts the supermarket giants on notice that they will still monitor and take appropriate action to deal with any businesses engaging in anti-competitive behaviour.

The association said that these needs to be this enforcement on anti-competitive behaviour so that the retail fuel market does not become a duopoly to the detriment of consumers.

"Consumers will be the ultimate winners by this announcement," Mr Chapman said.

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Source: Flinders News
11th December 2013 pg 18.

The ACCC's investigation into the anti-competitive effect in retail fuel markets concluded that Coles and Woolworths were in breach of the Competition and Consumer Act 2010.

The ACCC's engagement with a range of fuel industry stakeholders including fuel retailers, wholesalers and industry associations confirmed the competition concerns that the fuel discounts would create long term effects on industry structure and short term effects on pump prices.

This is a significant change in approach from the ACCC and very welcomed by the MTA and our Members. We will continue to monitor this landscape to ensure that we continue to see a sustainable independent sector. We also saw the introduction of price board regulations from the SA Government which regulates the display of discounted fuel prices.

Chief Executive Officer's Report Continued



AMBRA National Shop Grading Program.

The MTA worked closely with the Government to ensure the regulations were suitable for industry, and that there was an appropriate transition arrangement for service stations to comply. The Government began enforcing the regulations from 1st January 2014.

AMBRA NATIONAL SHOP GRADING PROGRAM

For our body repair industry, an enormous amount of work has been completed with release the AMBRA national shop grading program during the year.

Developed over 18 months by the industry for the industry, it represents feedback by the repair industry to produce a minimum level of accreditation that the industry and repairers should meet.

Providing three levels of accreditation, the program gives repairers the choice of level they wish to achieve that best suits their business model. The program has a twofold purpose. It provides protection for repairers who have the correct equipment,

training and a facility, to engage in repairs suited to these attributes and also offers surety to work providers that the repairer meets a minimum industry standard.

The program is just one step needed to develop a professional industry undergoing rapid change, due to both technology and rationalisation.

APPRENTICE WAGES

In August, the Fair Work Commission handed down its decision on Apprentice wages which was part of the two year modern award review. The decision saw an increase for first year auto Apprentices of up to \$94.20 per week to be phased in over two years.

Second year Apprentices also get a significant rise of \$72.45 per week which will also be phased in over two years.

Third and fourth year rates remain unchanged.

The MTA and its interstate counterparts spent an enormous amount of time preparing the case for employers.

Importantly, the MTA's case argued that some rise was warranted. What the MTA proposed was still a considerable increase, but fell well short of the Australian Manufacturing Workers Union claim of \$136.15 per week for a first year.

Automotive employer bodies argued a rise was warranted as it was becoming harder to attract high quality applicants to apprenticeships; other trades had higher pay, Apprentices were older and had often worked in other areas of retail earning higher pay.

Our position on an increase was backed by survey data from our Members.

We pointed out the importance of the Apprentice structure of education, highlighting that the remuneration was in fact a training wage.

A number of MTA Members gave up their time to appear before the Fair Work Commission to argue their case regarding the impact that the rise sought by unions would have on their business.

I would like to thank those Members for taking the time to stand up for not only themselves, but all Members of the MTA.

WorkCover continues to be an area where there are a lot of changes. Ultimately, we have been working with other industry associations and the Government to help review the entire system with a view of complete overhaul. This work has led to a number of improvements to the scheme including the triaging of claims, mediation, increased timeliness of independent medical

examinations, an extension of time for employer early reporting and the introduction of an in house psychologist to assist in the management of primary psychological claims. New leadership has been installed which has already led to positive changes. It is our understanding that this is the beginning of the complete overhaul and review of WorkCover. The MTA will continue to be involved as the new minority Labor Government continues to work towards improving the system.

Industrial Relations (IR) continues to be an area where our Members require assistance. With new privacy laws, the ever evolving Work Health Safety (WHS) area and the environmental sector, our IR staff are kept busy assisting Members.



New business partner, Tindo Solar's Adrian Ferraretto speaks at the President's Invitational.

BUSINESS PARTNERSHIPS

As part of growing the benefits for our Members, we saw the addition of a number of new business partnerships and renewal of old ones. Commonwealth Bank refreshed its offer to Members and Bupa restructured the process and package. We saw the addition of Tindo Solar, Kemps National Debt Recovery, BDO Accountancy and Advisory and Wicked Consulting Business Improvement Advisors. Our

business partners continue to add value to many of our Members and we will continue to look for new and exciting partnerships into the future.

MY BUSINESS INITIATIVE PROGRAM

The MTA in partnership with the Office of the Small Business Commissioner were pleased to introduce the new My Business Initiative program for Members.

The program provides Members with access to a panel of business owners and selected MTA partners to assist them as their Mentors.

Ideal for Members who are starting out or looking to grow their business, the aim of the program is to develop an on-going relationship between the Member and Mentor to achieve the goals the Member has for their business.

Many prosperous business owners credit a mentor's guidance in their success, as having an experienced person in the background that is completely removed from the business is invaluable. There to act as a guide, open up new networks and listen to ideas; there is much to gain from having a mentor. The program provides funding for Members to access mentors for three one hour sessions. The initial session will be at the Members cost, with the following two sessions funded by the Office of the Small Business Commissioner and MTA.

With the program commencing late in this reporting period, I am sure that there will be a number of Members excited to take the opportunity in the new reporting year.

CANCER COUNCIL SA BOWEL CANCER SCREENING CAMPAIGN

The MTA together with Cancer Council SA again ran its bowel cancer screening campaign as previously done in 2011. This



The electronic update.

campaign saw 43 per cent more Members request the FOBT screening kits and a six per cent increase in the number of kits returned. Importantly, three tests returned positive results and those affected have been provided the information needed to seek further medical advice and treatment if required. This is a great partnership and it is important to see that Members are continuing to partake in the campaign in greater numbers.

SUMMARY

I would like to thank our Board of Management for their ongoing commitment to ensuring the MTA remains a strong and influential organisation. Governance of the MTA remains a priority with all Board Members taking part in an annual session on this important corporate area. Information is also distributed to Board Members regularly on key issues which may affect their future deliberations.

Finally, I would like to thank each and every MTA Member for their support of the Association and its activities.

Your continued support is vital to our industry maintaining a strong political voice on your behalf.

Tim Buckley

ACTING CHIEF EXECUTIVE OFFICER

MTA Financial Report



Russell Smith

The past financial year has been one of steady achievement of the MTA.

For the first time in six years membership numbers marginally decreased from 1160 to 1142 as at 31st March 2014. This reduction was due to retirement of Members from the industry and degrading economic conditions

I thank all staff who have been involved in supporting existing Members and securing new Members for our organisations and I particularly thank all Members for their support of one of South Australia's leading business organisations.

Through the years the Australian Taxation Office handed down a requirement which meant there was a retrospective interest charge on a loan of \$3,000,000 that was previously interest free.

As a result of the interest adjustment MTA produced a deficit for the year of (\$668,220). Prior to adjusting for the interest expense on the loan the MTA reported a surplus of \$69,705. The MTA-GTS reported a surplus of \$916,034. Prior to the adjustment for the interest received on the on the loan the MTA- GTS reported a surplus of \$178,109.

The Consolidated Entity made a surplus of \$245,653.

During the year, the MTA continued its partnership agreement with SGIC

Business Insurance. The agreement provided for small commission to be paid to the MTA from each insurance policy underwritten in the retail automotive industry.

The MTA continues a long time partnership with Capricorn during the year which provides an annual sponsorship fee. Again I would like to thank Capricorn for their continued support of our Members and the retail automotive industry.

The MTA also continues to deliver a number of business partnerships across a range of services. During the year the MTA strengthened existing partnerships with the Commonwealth Bank and Bupa to improve the services for Members. We also added a new business partner, Kemps National Debt Recovery, BDO Accounting, Tindo Solar and Wicked Biz Advisors.

The audit committee met three times during the year as it provided oversight and advice on the governance and management of the Association's finances to the Board of Management.

The composition of the committee was:

- Russell Bates Financial Controller CMI
- Clive Polley (Board Member)
- Ron Lewis (Board Member)

The committee was also attended by our auditors KPMG.

On that note on behalf of the Board

of Management of the MTA, I would like to express my appreciation to KPMG Audit Partner Darren Ball and his team for their efforts, support and advice.

The MTA also has a remuneration committee which reviews matters relating to the Chief Executive Officer and senior staff.

The remuneration committee comprises of the full executive committee and met once during the year to consider the remuneration of the Chief Executive Officer.

The recommendation was then submitted to the full Board of Management for approval.

The key financial results are:

- A deficit in 2012/13 of \$658,220 for MTA (surplus \$334,468 in 2012/13)
- A consolidated surplus of \$245,653 (\$153,973 in 2012/13)
- Total consolidated Members' equity of \$20,867,072 (\$20,621,419 in 2012/13)

The MTA income is now largely derived from:

- Membership
- Business partners
- Rental income on our Greenhill Road Wayville, Royal Park Training Centre Schenker Drive Royal Park and Fullarton Road Norwood properties
- Investment income (including MTAA House)

- Management and administrative recoveries from the Group Scheme
- Printing and stationery

Membership income for the year was \$1,309,285 compared with \$1,303,111 in 2012/13.

Our investment in a Canberra office block which houses our national body, the Motor Trade Association of Australia, produced income of \$84,360 to the MTA in 2012/13.

Our current MTA asset profile as at 31st March 2014 shows:

MTAA House Canberra	12.0%
Royal Park Training Centre	5.0%
81 & 83 Greenhill Road Wayville	19.9%
3 Schenker Drive Royal Park	11.9%
46 Fullarton Road Norwood	18.8%
Other fixed assets	7.3%
Cash and term deposits	19.1%
Others (receivables, stock etc)	6.1%

The MTA continues to expand the services to Members through its printing and stationery facility which provides cost effective printing services to Members and also the MTA.

Finally I must recognise the efforts and support of the Board of the MTA, the executive committee, MTA management and staff who have again delivered another positive year for our Association.

Russell Smith

FINANCIAL CONTROLLER

Legal, Workplace Relations, WHS & Environmental Services

STAFF

The department has continued to respond to a rapidly changing and challenging business and employment environment.

Anna Moeller continues to lead the department of six which spans both Greenhill Road and Royal Park sites. Paul Eblen remains in his role of specialist industrial relations, health safety environment and training consultant, working in particular on government submissions and complex Member issues. He is strongly supported by Michael Sheehan who specialises in award enquiries, performance management and matters of national industry concern.

Gail Sutherland continues to provide administrative assistance to the team, specialising in leave entitlements and calculations. She has recently expanded her role to include WHS, environmental, auditing and Greenstamp accreditations. Gail also provides back up support to the WHS Coordinator at Royal Park.

Deb Hegarty remains with the team on a part time basis and is located at Royal Park. Her focus remains on Certificate IV WHS training and the review and implementation of internal WHS policies and practice.

Laura Taylor is located at the Royal Park site continuing in her role as WHS Coordinator. Laura has responsibility for all Apprentice

injuries, WorkCover and managing rehabilitation/effective return to work. She also coordinates and implements the WHS business plan, WHS policies and procedures across the organisation.

WORKCOVER

The Industrial Relations (IR) department has continued to lobby the Minister for IR in relation to an ongoing review of the administrative and operational aspects of the South Australian Workers Compensation scheme. This has led to changes in relation to premium calculations, the complexity of claim forms, rehabilitation costs and claims management.

The State Government has now announced an overhaul of the legislative aspect of the scheme and lobbying has already begun. MTA has been, and will continue to urge the Government to base any changes to the legislation and the scheme on known model outcomes. MTA has also made clear its position that any reform of the scheme must result in the eradication of the unfunded liability and a reduction in employer premiums to an average of 1.7 per cent.

RETURN TO WORK FUND

The IR department has been successful in obtaining funding to create and launch a set of job dictionaries tailored for use in the motor trade industry. Job dictionaries assist employers,

workers and their medical practitioners to identify suitable alternate duties within the work place to facilitate a rapid, safe and sustained return to work. This project will continue through to March 2015.

TELEPHONE AND ELECTRONIC ADVISORY SERVICE

Responding to telephone and e-mail enquiries continues to be the main service provided by the department. Common enquiries include rates of pay, leave calculations, WorkCover, WHS obligations, performance counselling and termination procedures. A number of Members also require assistance with customer disputes, privacy issues, warranty claims and contractual agreements.

TRAINING

The IR department has continued to coordinate and deliver both accredited and non accredited training. The sessions conducted by or through the department are outlined as follows:

- Certificate IV WHS (accredited)
- Bullying and harassment
- Risk management
- Policies and procedures
- WHS legislative compliance for officers
- WHS for managers and supervisors



Brenton and Michael Caddle with their Greenstamp accreditation.

- WorkCover basics for employers
- Spill kit use
- Manual handling
- Electrical test and tagging
- Fire warden
- Privacy reform
- IR basics
- Environmental basics
- Use of ERIS
- Conducting workplace inspections

Tailored educational and practical courses are also available upon request. The majority of courses are able to be delivered on site or in regional areas by arrangement.

In addition to external training the IR department provides internal training services both directly and on behalf of the HR manager.

REVIEW OF APPRENTICE WAGES

Fair Work Australia (FWA) has now completed its review of Apprentices, Trainees and junior rates as part of the 2 year modern award review.

MTA and VACC conducted the case for the motor trade. This included independent research, surveying of Members, the sourcing and provision of evidence of non-wage benefits by employers/government allowances and providing the largest group of witnesses of any of the 33 industries represented.

The full bench considered the evidence of MTA SA regional and metropolitan witnesses as to the

impact of the ACTU claims on small business and group training placements. It was apparent in the final decision that the evidence of the state motor trade associations and VACC significantly contributed to the reduction in travel and other costs sought by the ACTU. The final wage increase to be applied to Apprentices engaged after 1 January 2014 reflected a mid point between the motor trade associations' proposal and those of the ACTU. It is of note that motor trade associations across Australia were the only organisations to put in a counter proposal in relation to Apprentices wage and allowances.

REVIEW OF TIME BASED APPRENTICESHIPS

The Training and Skills Commission (TASC) in South Australia has commenced a review of time based apprenticeships across selected trades. MTA Members in the identified trades were contacted and feedback was provided.

The attempt to reduce the duration of particular apprenticeships is based on the principle that on the job competency can be achieved using various methodologies. This includes theoretical learning, on the job training, specialist training and franchise training. MTA has argued that trades such as agricultural and heavy/light vehicle mechanical trades should not be part of this review as little or no statistical data exists evidencing early sign offs.

It was further argued by the MTA that the need for this amendment to time based apprenticeships was unnecessary as legislation enabling early sign off already exists, where 75% of the term has been completed.

The national training body for the motor industry, Auto Skills Australia (ASA), is currently reviewing time based apprenticeships in mechanical and collision repair trades. ASA has a view that increased flexibility in assessment of skill at varying stages of an apprenticeship is important as some eastern state training authorities such as Queensland have already moved to competency based training creating a continual lobby for a nationally consistent competency based scheme.

AWARD MODERNISATION

FWA has completed their mid-term review of all modern awards that were drafted and implemented from January 2010. While that review did include the above Apprentice review, its other focus was to identify and resolve any practical problems arising out of the intense program of drafting 120 awards to replace the several thousand awards and agreements in place prior to 2010.

As a part of this exercise the motor trade organisations across Australia shared responsibility for reviewing the Vehicle Manufacturing, Repair, Services and Retail Awards 2010

Legal, Workplace Relations, OHS and Environmental Services Continued

and the Clerks Private Sector 2010 Award. They identified obvious drafting errors, omissions or changes required to ensure the smoother operation of these awards and attempted to broaden the parameters of the mid term two yearly review.

In 2014, some four years after the introduction of the modern awards, the final and comprehensive review of specific award standards has commenced with completion possibly two years away. This review will impact on all industry in varying degrees exploring issues such as flexible work arrangements, leave, shift work, casual work arrangements and penalties.

Skills For All Funding – Certificate IV Work Health Safety

MTA has expanded its scope to deliver the upgraded Cert IV in WHS to the motor trade and broader industry. A total of nine groups of approximately 10 attendees have commenced training over the past calendar year. The number of registrants more than doubled the conservative estimates that had been based on the reduction and capping of *Skills For All* funding.

WORK HEALTH AND SAFETY AUDITING AND SERVICE PROVISION

The IR department continues to conduct WHS audits for both metropolitan and regional Members under the program originally established in 2011. This confidential service is offered at a highly

subsidised rate to assist Members to understand and meet their WHS obligations. The service continues to be popular with Members and is of even greater importance with the end of the grace period in relation to the new harmonised WHS legislation.

The IR department also continues to provide a general advisory service to Members in relation to WHS. IR staff are able to assist with SafeWork prosecutions and notices, develop workplace policies and create and deliver tailored onsite WHS training and advice.

ENVIRONMENTAL MANAGEMENT

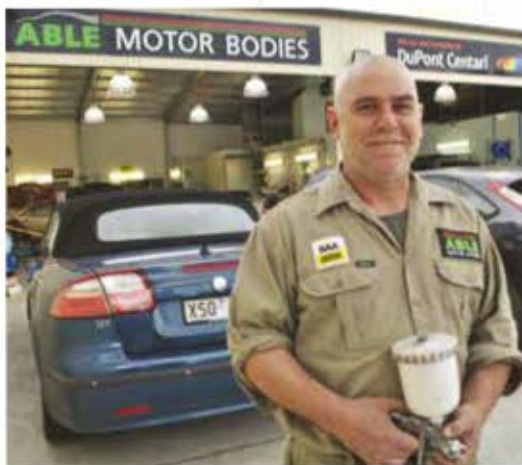
The demand for environmental assessments and Greenstamp accreditation has continued to increase over the past 12 months. This is likely to increase even further with the introduction of the new shop grading program and the attendant environmental requirements. The Greenstamp program has now achieved national harmonisation with new branding and consistent accreditation standards.

In addition to accreditations and auditing the IR department provides environmental advice and training. Environmentally friendly spill kit products and training at discounted rates is also offered to Members.

ERIS

Over 120 Members now subscribe to ERIS, MTA's online employment relations information system. This system provides information and

tools to assist with WHS, IR, human resources and payroll. With over 5000 pages of industry specific information, email reminders, policy builders, record keeping and workplace inspection tools ERIS reduces paper work and streamlines processes. MTA will continue to offer subscribers free training on the use of ERIS throughout 2014.



TRADE DIVISIONS MTA

2013- 2014

Australian Automobile Dealers Association of SA



Paul Page

Chairman

Hilar Puvu May – Dec 13
Paul Page Dec 13 – current

Vice Chairman

Paul Page May – Dec 13
Michael Claridge Dec 13 – current

Committee

Neville Gibb
Gino Raschella
Shaun Swift
Leroy Uren
Ditmar Guehrer
Peter Thomas

Division Manager

Roger Ballantine

The focus for the Australian Automobile Dealers Association of SA (AADA) activities has been at the national level from around September last year.

All of the state and territory associations (MTA's and VACC) have focused on addressing the necessary changes due to the creation of the 'new AADA'.

As a new entity, AADA promises to represent new car franchise dealers on national policy and franchisor relationship issues.

Hillar Puvu resigned as the Chairman of AADA in October 2013 and as an MTA Board Member, to allow himself to participate fully in the establishment of the 'new AADA' and its ideals.

A series of meetings have been held in each capital city to outline the structure, funding requirements and proposed activities.

It is clear that the 'normal' functions and activities of the state associations such as federal/state issues, industrial relations, WorkCover, environmental and training will not be addressed by the new group.

NATIONAL ISSUES - AMIF

Richard Dudley, CEO of the Australian Motor Industry Federation (AMIF) has addressed the following issues in the past year:

- Access to technical information
- Personal property security register
- Federal budget submissions
- Luxury car tax (with the federal election announced)
- Franchise code
- Internet advertising
- OPEL exit from the Australian market
- Fringe benefit tax changes

AADA/AMIF has reacted with a submission to an ongoing project by the Productivity Commission who is evaluating the impact of red tape on small business.

Of recent concern is a continuing move by Federal Treasury to re-introduce an Australian financial services license requirement for all point of sale 'vendor introducers'.

A dealer voice nationally is vitally important given some of the issues

we are facing such as the impact of the Carbon Tax, personal property securities law, franchising, Australian consumer laws and consumer credit reform.

The Australian consumer law 'warranties against defects' requirements and the previously introduced 'consumer guarantees' have an increasing potential to impact on business as consumer awareness grows.

Unfortunately, the consumer guarantee legislation does not allow for the unique circumstances associated with vehicle retailing - in particular the question of a refund as a result of a 'major failure'.

On behalf of the state MTA's/VACC, Mr Richard Dudley has approached the Federal Government to review the application of this legislation and its impact on motor vehicle retailing.

AUTOMOTIVE MANUFACTURING CLOSURE

As an industry we have many challenges to deal with, not only at a government level, but also from the manufacturer side. These challenges can threaten the viability of our businesses with the large investments dealers have. The recent announcements reporting the cessation of motor vehicle manufacturing in Australia brings a level of uncertainty to all sectors including car buyers.

What impact this will have in the long term to the economy remains to be seen. Despite the relatively low number of people directly employed



AADA meeting July 2013.

in the manufacture of passenger vehicles in Australia, it is difficult to place a positive spin on this announcement.

FEDERAL AND STATE ELECTIONS

The past 12 months has seen the election of a Liberal Coalition Federal Government with an announced plan by Prime Minister, Tony Abbot, to abolish the Carbon Tax. This is a welcome step towards reducing ever growing business overheads.

The recent re-election of a State Labor Government bring with it some changes to the Ministry. This includes a new Minister for Transport, Stephen Mulligan, who we hope to establish a good working relationship with.

MARKET

Total new registrations in SA for the year ending December 2013 totalled 69,820 units (including commercial vehicles) which was an increase of +4.2 per cent when compared to 2012.

SUMMARY

I would like to thank former CEO John Chapman for his untiring efforts in lobbying on behalf of this industry. I also wish to thank Roger Ballantine, MTA staff and our AMIF staff in Canberra for their ongoing dedication.

Paul Page

CHAIRMAN

Automotive Repair & Engineering Division



Brian Weeks

(Incorporating the Automatic Transmission, Steering and Suspension, Brake Specialist, Radiator Repairer, Auto Electrical and Engine Reconditioning Divisions)

Chair, Board Representative & State Delegate AARA

Brian Weeks

Vice Chair

John Eglezos

State Delegate Engine Reconditioning Association of Australia (ERAA)

Peter Cox

Committee

Peter Stewart

Darryl Siggs

Craig Gough

Matthew Gough

Michael Eglezos

Phil Turner

Phil Turner Jnr

Danny Shane

John Hurley

Peter Cox

Scott Colmer

Division Manager

Michael Ping

AUTOMOTIVE REPAIR DIVISION MEETINGS

The Automotive Repair and Engineering Division met twice during the 2013/14 period. The meetings for the period were well attended.

The February meeting was also an Annual General Meeting with Brian Weeks being re-elected as the Chairman and John Eglezos re-elected as the Vice Chairman.

The committee continues to tackle a range of ongoing issues affecting independent repairers including Arctick auditing, vehicle registration stickers and access to technical information.

VEHICLE INSPECTIONS

The Minister for Transport and Infrastructure Hon Tom Koutsantonis presented the option of a voluntary inspection system for vehicle inspections to the MTA Board in late 2013.

The Minister outlined the proposal which would allow MTA members to receive a government endorsement which they could use to promote their vehicle inspection credentials.

In addition the Government would promote the value of vehicle inspections to the wider community and the need for safer vehicles.

A working group was established to work out the finer details for the Voluntary Vehicle Inspections Scheme. Tabled at the March 2014 meeting was the discussion paper on the Voluntary Vehicle Inspection Scheme and the Unroadworthy Vehicle Report which the MTA had put together. The meeting was represented by the MTA Acting Chief

Executive Officer, Tim Buckley and its Division Manager, Michael Ping, Department of Planning, Transport and Infrastructure (DPTI), RAA, SAPOL and Consumer and Business Services (CBS). The positive outcome from the meeting was that the MTA will provide Consumer and Business Services (CBS) with a light vehicle inspection form that provides minimum safety standards that light vehicles would have to meet. Once a suitable safety standard can be agreed upon, Consumer and Business Services (CBS) will work with the MTA to promote the scheme as a matter of public interest.

CLOSE

I would like to thank our outgoing Division Manager Jason Polgreen who has moved to the Operations Manager role at MTA Royal Park and our new Division Manager Michael Ping, Vice Chair John Eglezos and all of our committee members for their continued attendance and input at our regular committee meetings.

Brian Weeks

CHAIRMAN

Auto Parts Recycler Division



John Hitchcock

Chairman

John Hitchcock

Vice Chairman & Board Representative

Ron Lewis

Committee

Anthony Norris

Mark Kraulis

Michael Cavanagh

Brad Harmer

Stuart Cawthorne

Darran Van Der Woude

Robert Nash

Hugo Pellegrini

Division Manager

Peter McMahon

Another 12 months has passed and the industry is facing increasing pressure from many sides. From panel sales to the crash industry, we are seeing price matching from all sectors in the market including aftermarket parts, OEM parts from dealers and parallel parts.

This climate is driven of course by the motor vehicle insurance companies, who not unlike other very large multi-national type companies operating in Australia are shareholder profit driven and industry sustainability is not a high priority.

Other impacts have been sales online. While many Members operate on Gumtree and Ebay, they still have to comply with Government red tape and the cost of running a business in this state, but individuals are free to sell whatever they want online.

We also face competition from businesses who operate outside the system. This includes businesses that appear to not be registered, do not comply with any council by-laws or environmental laws, and do not adhere to WHS requirements.

The industry is changing faster than many can keep up with. For example, LKQ one of the world's biggest suppliers of second hand and aftermarket parts has arrived in Australia in a joint venture with Suncorp – one of the country's largest insurers. Owing brands such as AAMI, APIA and Shannon's will present another impact on our sales volumes, prices, stock value and retention of clients.

The committee has been raising issues on behalf of the industry such

as land tax, payroll tax, predatory pricing and issues with auction houses.

Auction houses is one that effects a large number of Members who seem to have no rights if there are issues concerning purchases and items arriving 'not as shown'. The MTA is taking this issue through the proper channels of investigation by our Federation in Canberra.

Lastly, a big thank you to the committee, who always make time for our industry, and to our Division Manager Peter McMahon, who continues to work for the recycling industry.

John Hitchcock
CHAIRMAN

Body Repair Division



Jeff Williams

Chairman

Jeff Williams

Vice Chairman

Olivia Colangelo Couch

Committee

Jason Miller

Joe Artini

John Jakutiavicius

Tom Campaniello

Daryl Morgan

Rob Ephgrave

Board Representative

Jeff Williams

Division Manager

Peter McMahon

I would like to start this year's annual report to the Body Repair Division on a national theme and in particular, the industry's national representative body, the Australian Motor Body Repairers Association (AMBRA).

AMBRA is made up of body repairers from each state association. Over the last few years, AMBRA, a group passionate about our industry has been collectively working on initiatives for industry with the future in mind.

One of those initiatives is the AMBRA national shop grading program – a program designed by repairers for repairers. All states and territories have agreed for the introduction of the program to be staged gradually. The Northern Territory and Queensland have been the first

states to launch the program, with some major insurers in each jurisdiction including it as part of their network agreements. AMBRA representatives have also met with most insurers to advise them of the industry's initiative.

While AMBRA is well aware of a major insurers 'standard' being introduced to their network of repairers, the AMBRA program has been designed to provide business owners with the choice to choose if they wish to be part of the program, and at what level of involvement.

Our clients should expect that the repair industry has a minimum standard, and price shouldn't be the major criteria when repairing their investment safely regardless of who they are insured with.

The real time real money era is here. We have seen Suncorp release Thatcham escribe which has real times in the online package, Youi are using Audatex and if you ignore the rate allowed by Youi and concentrate on the times, these are real manufacturer times, which leads me to e-mta.

It has been a long time coming, but there is light ahead with the politics which have delayed this industry based initiative now out of the way.

So if you haven't done so already get your shop rate done and see how much you are really missing out on.

The external review of the MVIRI Code of Conduct has been carried out with over 30 recommendations; the changes proposed and if agreed

to by both sides of industry, will radically change this document.

The Small Business Commissioner of South Australia is another initiative available to repairers. Providing an industry with Dispute Resolution Code accessible by all small businesses inSA, this comes on top of the MVIRI Code of Conduct and is another protection for repairers.

In the Adelaide market or South Australia in general it's been very patching for a long time now, with equipment sales sluggish except where repairers have been able to be part of Suncorp's reduced network.

I-Car training numbers have been down on previous years and we have also seen some rationalisation in our market. While this period has been flat, the insurance industry has been capitalising on a depressed market, driving repairers average repair cost and profit margins down as they are searching for work.

There is no insurer which dominates the SA market, as might be the case in the eastern states, so the playing field is a little fairer, but not by much and for how long is anyone's guess. With this in mind the industry cannot afford to compromise on repairing vehicles safely and efficiently. Therefore, we should also not compromise on the return on our investment.

One repairer once said to me, "I am quite capable of going broke by myself, I don't need an insurer to help me."

These words have stayed with me



I-Car CEO Richard Pratt with Body Repair Division Chair Jeff Williams.

because he was absolutely right, why should I compromise my investment, my family's income and what I have worked for all my life to keep an insurers KPI where they need it.

Where over the last 20 or so years it has been the repair industry under cutting each other now it's the insurers in a war amongst themselves all trying to match each other's average repair cost demanded by their boards and the casualty of this war is the repairer again, the small business owner the one with a family at home not a shareholder.

And regardless of what you are told the insurers don't care if you are profitable or not nor do they care if you can meet their sometimes unreachable targets, they will just find someone else to repair their cars and fill it up with their brand,

while you are left saying where did every one go?

We have been aware for some time that a changing environment was coming, at various MTA meetings and gatherings around Adelaide we have discussed that there appears to be less accidents, more road works, and better vehicle technology. With this collision avoidance we need to be proactive.

The days of being force fed vehicles by work providers is over. The new era of being proactive and selling ourselves is upon us, and we need to change. We need to market ourselves, look at the numbers constantly and develop strategies to keep our customers in our shops. We also need to fully inform our customers about the insurer they have chosen.

We need to develop business plans not for next week, but for the next

five years. We need to know exactly what it costs us to open the doors each day. Knowing this will help in how we write an estimate.

We are nearing the time where we need to be business people - not just a panel beater or spray painter who also owns and runs a small business.

In closing, I must thank the support given to me by the MTA Board and the Body Repair Division Committee. These Members give up their time to provide input and feedback because they believe in our industry.

A special note to John Jakutavicius, who at his own expense commutes to Adelaide from Mount Gambier. We would not have achieved so much over the last two years without John's dedication.

I would also like to pass on my many thanks to Peter McMahon, our Divisional Manager who continues to fight for our industry.

Service Station Division



Brenton Stein

**Chair/Board Representative/
State Delegate ASSCSA**
Brenton Stein

Committee

Frank Agostino

Jack Lawson

Malcolm Keast

Stamatis Karalis

Peter Samuels

John Teague/Scott Teague

Jim McGuire

Division Manager

Michael Ping

- The oil code review – a formal review conducted in 2014 by the federal department of industry.
- ACCC update - supermarkets have quickly offered up to 14 cents a litre fuel discount where groceries are purchased at a supermarket run service station convenience store.
- Predatory pricing issue/below cost selling.
- State service station fuel theft and 'drive off' update.
- Fuel quality standards – ASSCSA has applied to join the Commonwealth fuel standards consultative committee.
- Underground petroleum storage systems – fuel monitoring legislation by state.
- Vapour recovery one and two - state update.

This meeting was held, and with no clear agreement on a national code for petrol price board regulations, the State Government has notified us of the commencement date of the enforcement period.

The South Australian Fuel Industry Code 2013 (price board regulations) will be enforceable as of 1 January 2014.

Key elements which you must comply with are:

- Prohibition of displaying discounted petrol prices
- The display price at the bowser must be lower than the advertised fuel price board where there is a pricing discrepancy between the two.
- The expiation fee for the breach of the Code is \$6,000 for a corporation and \$1,200 for a person.
- We will be monitoring those retailers who use discounting systems and would encourage Members to notify the MTA or the Office of Business and Consumer Affairs if you notice retailers breaching the regulations.

The Service Station Division held one meeting in June for the 2013/14 period. The meeting was also an Annual General Meeting with Brenton Stein elected as the Chairman. The committee continues to tackle a range of ongoing issues affecting independent service stations, with some significant wins over the 2013-2014 period.

NATIONAL SERVICE STATION DIVISION MEETING

The Australian Service Station and Convenience Store Association (ASSCSA) met on 27 March 2014 for an AGM in the MTA SA Boardroom. Items discussed included:

FUEL PRICE BOARD REGULATIONS

On 1 October 2013, the new State Government petrol price board regulations which commenced and aims to eradicate the display of discounted fuel prices on price boards. However, the State Government informed us that there would be a transitional arrangement which included a non-enforcement period.

At the time the non-enforcement period was left open-ended awaiting the Federal Legislative and Governance Forum on Consumer Affairs (CAF) November meeting.

SHOPPER DOCKETS

The MTA has made repeated requests to the ACCC to investigate the market dominance of supermarket chains in the retail fuel market over the last few years.

Undertakings provided to the ACCC by Coles and Woolworths with regard to their fuel discount offerings will come into effect on



New price board regulations supported by MTA has seen the removal of discounted unleaded prices from South Australian price boards.

1 January 2014. This seeks to ensure that the discounts offered by Coles and Woolworths are capped at four cents per litre for the next five years. Any discounts offered will only be funded by that party's respective fuel retailing operations. This has the effect of terminating the cross-subsidisation that was understood to have been occurring between those fuel retailing operations and other entities under the 'parent body' corporate umbrella. In January and February, Woolworths and Coles continued to offer eight cent and 14 cent discounts respectively.

On 25 February 2014 the ACCC issued a release regarding court action ACCC is taking against Coles and Woolworths over breaches to undertakings made by them last December.

The directions hearings for the ACCC action against Coles and Woolworths are set for 3 April 2014 in the Federal Court Sydney.

VEHICLE THEFT REDUCTION / PETROL DRIVE OFFS

The MTA continues to represent the industry with State Police in a variety of forums, through the vehicle theft reduction committee and the petrol

drive offs and on sole operator safety meetings.

CLOSE

I would like to thank our outgoing Division Manager, Liam Hunt who has moved back to his full time role as Communication Manager with the MTA, our new Division Manager, Michael Ping and all our committee Members for their continued attendance and input at our regular committee meetings.

Brenton Stein
CHAIRMAN

Commercial Vehicle Industry Association of SA



Clive Polley

Chairman

Clive Polley

Committee

Bill Lane

Darryl Smith

Shane McEvoy

Peter Morelli

Division Manager

Roger Ballantine

ECONOMIC OUTLOOK

South Australian new commercial vehicle registrations for the year ending 2013 increased by 9.2 per cent.

For the first quarter of this year, new registrations for light and heavy commercial vehicles were up by +1.5 per cent overall, when compared to the same period last year.

While there have been excellent returns from this year's crop harvest and several big projects nearing completion, the recent announcements regarding the end of passenger vehicle manufacturing has had an effect on the state economy.

HEAVY VEHICLE TRAINING

The MTA Training and Employment Centre at Royal Park continues to grow the heavy vehicle training facility. We can now conduct diesel technician training up to Stage III.

The MTA has also added common rail diesel to its up-skilling training schedule for industry professionals to increase their skills in this area.

MTA is also in consultation with the

mining and civil construction industries with a view to training people.

NATIONAL HEAVY VEHICLE REGULATOR (NVHR)

As we now know the introduction of the national heavy vehicle laws did not progress smoothly as a result of several deficiencies within the processes, the primary one being the issuing of permits.

MTA sought clarity on the requirement for everyone in the sales/service sector to 'carry certain documents' when driving an accredited vehicle under mass or maintenance. This is now revoked.

Members also received a hard copy of the Vehicle Standards Bulletin (VSB6) and the procedure involved in obtaining Registered Engineering Status (RES) for a suitably qualified employee.

VEHICLE ROADWORTHY INSPECTIONS

Members need to be alert to the fact that roadside inspections by SA Police and the Department of Transport, Planning & Infrastructure (DPTI) of the heavy vehicle truck fleet are unlikely to diminish and an investigation into a serious road crash could link the servicing dealership under 'chain of responsibility' legislation.

COMMERCIAL VEHICLE INDUSTRY ASSOCIATION OF AUSTRALIA (CVIAA)

CVIAA members (state CVIA's) continue to meet twice yearly to discuss issues of national interest.

Suncorp Joint-Venture with LKQ will likely have an impact in the areas of crash, mechanical/engine repairs and spare part supplies.

NATIONAL WRITTEN OFF VEHICLE REGISTER (WOVR)

The Australian Heavy Vehicle Repairers Association (AVHR – a Division of MTA-NSW) is seeking to have all written off heavy vehicles recorded on the WOVR as a statutory write-off. There does not appear to be any state support for this extreme view they have taken.

AUSTRALIAN CONSUMER LAWS (ACL)

The CVIAA will vote in April 2014 on a proposal to seek legal advice on an action plan to have the definition of a 'consumer' as it relates to acquiring a vehicle or trailer (at any price) for use principally in the transport of goods on a public road altered. It is expected that this proposal will be endorsed.

SUMMARY

This past year has seen significant changes within this industry. With the resignation of the MTA CEO, John Chapman, and the resignation of the NHV Regulator, Richard Handcock.

MTA has formed a new section of the CVIA division (meeting separately) and is providing a forum for bus and coach owner operators.

I would like to thank committee members for their contributions throughout the year, former MTA Chief Executive Officer, John Chapman, Business Development Manager, Roger Ballantine and MTA staff for their ongoing assistance.

Clive Polley

CHAIRMAN

Farm & Industrial Machinery Dealers Association of SA



Chairman

Mathew East

Vice Chairman

Malcolm Eglinton

Board Representative

Colin Butcher

Committee

Roger Paech

Norm Hood

Darren Graetz

Roger Vater

Division Manager

Roger Ballantine

FIMDA members completed the 2013 calendar year, with varying results largely dependant upon where they were located and what particular type of agricultural activity their business catered for.

Our member business success is most often directly proportional to the seasonal success of our constituent farmer customer base.

Last year I reported that used machinery inventory build-up was becoming a problem and this continues to be a large ongoing concern. Along with the erosion of margins, this provides the greatest challenge for farm machinery dealerships.

The ever present and exponential growth in the amount of government imposed red tape is another major factor in accounting for a diminishing bottom line in most FIMDA member businesses.

As MTA Members we appreciate that we are made aware of our obligations in regard to complying with these regulations. However, I would like the industry to have a more active voice in participating in discussion with government prior to the introduction of new laws or regulations. It is important that we dealers are not left with the dilemma of making our business operate around laws that in practice are either unnecessary, time consuming or serve no practical purpose.

With the recent state election and the announcement of Independent MP, Geoff Brock, being included in the Labor Government ministry as Minister for Regional Development

it does now give us an avenue to highlight the areas of bureaucratic regulation that are an impediment to our business operations on a daily basis.

In addition with the selection of a new Minister for Transport, Stephen Mulligan, I hope that we can get action on some of the red tape issues relating to machinery registration and transport/movement on public roads.

I intend to continue to provide a forum where members are free to express your views without prejudice and where you can discuss problems and draw on the experience of other dealer members.

I would like to thank Business Development manager Roger Ballantine, former CEO John Chapman, member Colin Butcher for his work as the FIMDA representative on the MTA Board and as our representative on the national body, FIMDAA and all of MTA staff for their support and guidance over the past 12 months.

Mathew East

CHAIRMAN

Motorcycle Industry Association of SA



Chairman & Board Representative

Martin Guppy

Vice Chairman

Mark Flynn

Committee

Doug Pitman

Richard White

Nigel Agar

Peter Forster

Bill Norman

Evan Byles

Alan Ashmoore

Mick Tucker

John Barnsley

Division Manager

Roger Ballantine

ECONOMY

The national motorcycle, ATV and scooter market year ending December 2013 (113,289 units) decreased by (-2.2 per cent) over the 2012 result according to FCAI figures. In SA, new registration figures of 4041 units had a slight increase of (+0.5 per cent) when compared to 2012. There were mixed fortunes for the established Japanese brands in relation to market share with Honda being the overall market leader.

NATIONAL MOTORCYCLE FORUM - AMIA

A teleconference was held on 17 September 2013 for the Annual General Meeting. All states were represented with Paul Peterson (MTA-Q Delegate) accepting the nomination for the position of Chairman, with MTA-Q providing the secretarial function.

Items discussed included: The legal opinion re warranty reimbursement, state motorcycle licensing requirements, growth in grey imports, franchising issues, helmet standards and unassembled 'crate' motorcycles.

OFF-ROAD RECREATIONAL RIDING FACILITIES

The MIASA Division, through MTA, continues to lobby the State Government for support in establishing suitable off-road areas for recreational riding to match other progressive state governments.

The Victorian State Government has the 'Trail Bike Initiative', with \$5 million of funding which has included, as one of its recommendations, the construction of '12 purpose built trail bike areas in state forests.'

MTA supported three forest trail Rides held in the Mount Crawford, Wirrabara and Second Valley Forest areas. The events were well organised and strongly supported, demonstrating the suitability of our forest areas to trail riding on motorcycles. As a result of this, three more events are planned for this coming year. Ultimately, we hope that the forest areas will be opened up as in other states.

INTERNET SELLING

One of the biggest threats to traditional retailing in this country is the continuing growth of internet selling. Members would be aware of the impact this is having on the financial viability of their business, with diminishing parts and accessories sales. I think we all will have observed 'customers' trying on branded clothing for fit, examining accessories/parts all without a direct sale being made.

The Australian Design Rule (ADR's) compliance requirements on new road motorcycles does maintain new sales in Australia. However, everything else is a target for overseas operations.

With the announced closure of vehicle manufacturing in the near future there is a push for the



Trail bike ride in November 2013.

Productivity Commission to abolish ADR's and utilise international standards. Should this be adopted, it would have an impact on new motorcycle retailing to some degree.

MOTORCYCLE LICENSING

On 5th January 2014 the Sunday Mail published an article 'Licence to end easy ride'. This was aimed at riders of 50cc restricted scooter riders. MTA immediately responded to the Government on the issues and the ramifications of such a proposal.

Minister for Road Safety, Ian Hunter responded by saying "no decision has been made to introduce specific licensing and training requirements for riders."

CEO RESIGNATION

On behalf of members of the Motorcycle Industry Association I would like to acknowledge the support of the former MTA CEO John Chapman in promoting motorcycling.

CONCLUSION

In conclusion, I wish to thank the division committee, Division Manager, Roger Ballantine and all MTA staff for their efforts during the past year. Let us hope that our economy can improve substantially in the coming months.

Martin Guppy
CHAIRMAN

Licensed Vehicle Dealers Division



Andy Forrest

Chairman
Andy Forrest

Committee
Norm Cooper
Jay Richards
David Vincent
Andrew Holdich
Derryn Ising

Division Manager
Roger Ballantine

Trading conditions for the year have not seen any measurable improvement over the previous year for the majority of independent used car retailers. Used car retailing has been the toughest in living memory with consumer spending down and with slim margins.

Small to medium independent dealer operations have continued to close their operations largely due to the decline in sales, slimmer margins and the overall costs of being in business today.

The auctioning of State Government owned vehicles is another example of the continuing competition for late model vehicle sales that dealers face. The growing number of consumers purchasing vehicles this way indicates confidence in the product and a willingness to take a chance at auction knowing of the security of a manufacturer warranty. The growth in internet marketing

and the direct sale of used vehicles has changed the face of dealer retailing forever. The impact of fixed price auction selling, both at auction houses and over the internet.

Unless your vehicle is exceptionally rare or in demand, to receive enquiries you must have a price point which is at the lower end for that particular vehicle.

Dealers need to remain vigilant for flood damaged vehicles from Queensland and New South Wales that will eventually find their way onto the market by 'private sale/backyarder' operators.

Another area that dealers need to be very aware of is the Australian Consumer Laws (ACL) and the potential impact should a consumer have an issue with a vehicle they have purchased, regardless of its age or kilometers travelled.

Members still need to be mindful of exercising care when offering employment to a salesperson. It is an offence to employ a salesperson with a dishonesty conviction in the past 10 years.

MTA staff and committee members continue to meet with various government departments to discuss industry related matters as well as pressuring for Tax Reform.

We have continued to hold regular meetings with Consumer and Business Services (CBS), Commissioner Paul White, to ensure that they are made aware of any irregular activities and to make sure that compliance efforts are focused

in the right areas. Unfortunately, the Commissioner has announced he will be retiring in early April 2014. Paul White has demonstrated a genuine interest in understanding the complex nature of our regulated industry and the issues created when other parties are allowed to compete unfairly. We do wish him well in his retirement.

The recent announcement of the cessation of vehicle manufacturing in the near future in Australia is going to have an impact that will be felt for many years to come.

An interesting development is a push by motoring organisations (AAA) for the Productivity Commission to remove import tariffs on both new and used vehicles. Dealers will need to be alert to any impending changes as existing used vehicle values will be affected.

Another concern with an open market would be large operators taking advantage of relaxed importation laws and flooding our market with used imports.

Finally, I would like to sincerely thank the committee, Business Development Manager Roger Ballantine, former CEO John Chapman and all MTA staff for their efforts during the year.

Andy Forrest
CHAIRMAN

Towing Services Division



John Jansse

Chairman & Board Representative

John Jansse

Vice Chairman

Robin Pitchers

Committee

Brenton Caddle

Kevin Mullen

Ralph Scuttela

John Hitchcock

Division Manager

Peter McMahon

The past 12 months has seen the Tow Division committee discuss a more ambitious and optimistic outlook. We have addressed the issue of parking tow trucks in some council areas and seek to gain an exemption under Australian Road Rule 312.

This work is ongoing for all councils and with the Government returned and the Minister responsible changed, the MTA and the committee will continue to lobby for this reform.

The 2013/14 review of tow fees saw an increase to charges of approximately 2.4 per cent or just over \$8 on average. Looking ahead,

after the 2014/15 tow fee review the current system will be reviewed by independent external consultants working with the MTA Tow Division committee, the Accident Tow Inspectorate and the Registrar of Motor Vehicles.

I believe the next 12 months will be a period of tougher market conditions and Members are strongly advised to ensure they are compliant with all legislated requirements such as WHS and environmental law.

Finally, I wish to thank the committee for their support over the last 12 months and Divisional Manager Peter McMahon, for all his assistance.



John Jansse, Kevin Mullen and John Hitchcock.



Marcus Baldacchino

Tyre Dealers Division

Chairman

Marcus Baldacchino

Committee

Jon Coupe

Graham Stewart

Tim Knott

Simon Gliessert

Arthur Pashalis

Peter Routley

Division Manager

Michael Ping

sent to landfill, exported as baled tyres or illegally dumped.

TSA will be responsible for administering the scheme and conducting education, communication and market development activities.

THE TYRE PRODUCT STEWARDSHIP SCHEME

Guidelines outlining the operations of the industry-led tyre product stewardship scheme for end-of-life tyres were established in consultation with industry and Australian state/territory governments.

Key features of the scheme are:

- Any stakeholder in the tyre supply chain – including tyre and vehicle importers, retailers, fleet operators, local governments, collectors, recyclers and the mining industry, may apply to become a participant in the voluntary scheme.
- Participants commit to play their part in ensuring end-of-life tyres go to an environmentally sound use.
- The guidelines for the tyre product stewardship scheme are available on the SCEW website.

The scheme will impose a levy on participating tyre importers to fund the operation of the scheme, including market development and research. The collection and recycling costs associated with ensuring end-of-life tyres go to an environmentally sound use which are likely to be passed on to consumers at around the same level as disposal charges that are paid by many tyre consumers now.

ACCC AUTHORISATION

The Australian Tyre Industry Council applied for authorisation of the scheme on 28 September 2012. The Australian Competition and Consumer Commission (ACCC) has granted authorisation for the scheme for five years until 3 May 2018.

CLOSE

I would like to thank the outgoing Division Manager, Jason Polgreen who has taken up a new role as Operations Manager at MTA Royal Park and Michael Ping the new Division Manager for all his efforts over the past year.

I encourage Members to voice your concerns regarding any matters relating to our industry so that we can discuss these issues at our regular division meetings.

I look forward to working further with Michael throughout the 2014/2015 period as we continue to build the Tyre Division to past attendance and activity levels.

Marcus Baldacchino

CHAIRMAN

MEETINGS

The Tyre Dealers Division met for the first time in a number of years on 27 February 2013. The meeting was an Annual General Meeting where I was officially appointed to the role of Tyre Division Chair. Meetings were scheduled for 18 July 2013, and 11 December 2013 but cancelled due to a lack of numbers.

TYRE STEWARDSHIP AUSTRALIA

Tyre Stewardship Australia (TSA) has been established by tyre importers to administer a national tyre product stewardship scheme. Minister for the Environment, the Hon. Greg Hunt MP, launched TSA on behalf of the tyre industry on 20 January 2014.

Through the scheme, TSA aims to increase domestic tyre recycling, expand the market for tyre-derived products and reduce the number of Australian end-of-life tyres that are

Vehicle Rental Division



Rob Davey

Chairman

Rob Davey

Committee

David Beard

Tony Harris

Paul McGinity

Division Manager

Michael Ping

DIVISION MEETINGS

The Vehicle Rental Division met in June 2013 and had a very productive meeting. Items discussed included stolen vehicles, Kemps debt recovery, international drivers licence, vehicle inspections, registration of pressure vessels and stolen vehicles.

SOUTH AUSTRALIAN VEHICLE THEFT REDUCTION COMMITTEE SAVTRC BRAINSTORMING SESSION

Michael Ping arranged for Rob Davey to attend a brainstorming session involving people from various industries to discuss how to minimise theft.

The agenda for the meeting included topics such as:

- Objectives
- Key statistics
- What works
- Future risks
- Strategies

WHAT WORKS

- Anti-theft technology
GPS tracking
- Statutory write-off criteria
- End of life system
- Second hand goods act
- Vehicle security awareness
- Police presence
- Visual deterrence
- CCTV
- Four E's – education, enforcement, engineering and evaluation
- DPTI cameras
- Identity checks
- Intervention programs

FUTURE RISKS

- Shift in cultural groups
- Information easily accessible
- Technology – false documentation
- Manufacturer responsibility
- Parts and repairs costs
- Disposable vehicles
- Lack of funds – car theft 'low priority'
- Privacy legislation
- Connected car technology risks
- What we don't know

POSSIBLE STRATEGIES

- Use road safety funding to combat issues (re-birthing, youth offenders)
- Mandated tracking devices
- Tougher penalties for vehicle theft
- Changes to ADR's

- Provide discount for GPS tracking
- Include heavy vehicles/plant equipment/off road bikes on wrecked/written off register
- Promote the right messages
- Working with other high risk industries to educate on strategies

CLOSE

I would like to take this opportunity to encourage all committee members and members of the division to make the effort to attend the Vehicle Rental Division meetings. I wish to thank outgoing Division Manager, Jason Polgreen who has taken up a new role as Operations Manager at MTA Royal Park and new Division Manager, Michael Ping for all his assistance over the past 12 months.

Rob Davey

CHAIRMAN

Zone Report 2013/14

The Country Zone Meeting Program is an important part of the Association's activities and provides Members with the opportunity to network with other businesses, raise any issues and participate in training/business workshops supported by the State Government.

The Association's Members cover a large majority of South Australia, from small rural towns to the larger regional centres. The Country Zone meetings ensure that all Members get the opportunity to meet face-to-face with the MTA.

Over the past 12 months, the MTA has conducted a total 28 Country Zone meetings. Over 470 Members have attended Zone meetings, with an average of 17 Members per meeting.

Annually the Association holds a President's Invitational held every October. Open to all Members to attend, this year it was attended by 85 Members and was a fantastic opportunity for all Members to meet. The keynote speaker for the evening was Adrian Ferraretto from Tindo Solar, with a Membership recognition ceremony also included on the night.

The MTA would like to acknowledge and thank the Zone Office Bearers for their contribution in making the Zone meetings a success.

ZONE OFFICE BEARERS

ADELAIDE HILLS

Chair

Phillip Turner

Mount Barker Truck & Bus Repairs

Vice-Chair

Ashley Harris

Charleston Garage & Farm Services

KANGAROO ISLAND

Chair

Phil Neindorf

Nepean Motors

Vice-Chair

Jason Milhouse

Turner's Tyre Service

LOWER EYRE

Chair

Robert Duns

Duns Bros

Vice-Chair

Wade Grey

Frank Garveys Crash Repairs

Secretary

Scott Bascombe

Bascombe AutoAg

LOWER NORTH

Chair

Wayne Marschall

Wayne Marschall Crash Repairs

Vice-Chair

Gordon Alderslade

Barossa Valley Toyota

MID NORTH

Chair

Butch Bennett

Butch Bennett Crash Repairs

MURRAY BRIDGE

Chair

Paul Blenkiron

Blenks Automotive & Performance

Vice-Chair

Frank Furfari

Frank Furfari Motors

RIVERLAND

Chair

Kym Webber

Waikerie Crash Repairs

Vice-Chair

Stuart McKay

McKays Auto Centre

Secretary

Carolyn Morelli

Morelli's Allweld Repair Service

SOUTH EAST

Chair

Peter Roberts

O.G Roberts & Co

Vice –Chair

Paul Gazzard

Carlin & Gazzard

Secretary

John Jakutarvicius

SOUTHERN

Chair

Anthony Norris

Grand Auto Wreckers

Vice –Chair

Steve Braun

Steve's Body Shop

UPPER NORTH

Chair

Neville Gibb

Gibb & Sons Pty Ltd

Vice-Chairman

Richard Boston

Boston Ford

UPPER SPENCER GULF

Chair

Darren Willis

D & G Tyre Sales

YORKE PENINSULA

Chair

Tom Rosewarne

Rosewarne's

Secretary

Peter Miller

Rosewarne's



THE MTA GROUP TRAINING SCHEME INC.



2013-
2014

Chairman's Report



There is nothing pedestrian in the training environment. That can be said without question.

The MTA's Group Training Scheme (GTS) made up of the Group Training Organisation (GTO) and the Registered Training Organisation (RTO) is the State's largest industry based automotive private training provider and Apprentice employer, operating from our Training and Employment Centre (TEC) located at Royal Park.

In the past year alone, our RTO delivered over 138,000 training hours in automotive apprenticeship training for motor mechanics, diesel mechanics, panel beating and vehicle painting. This included over 6,000 hours in up-skilling courses direct to industry personnel.

The GTO conducted over 300 interviews from 1600 applicants and commenced 138 new contracts of training. On top of this, 2,541 Field Officer visits were made to our 500 Apprentices in the field hosted at our 250 Host employer sites. During this, all of regulatory requirements were met. This included consulting regularly with industry to ensure we deliver the most relevant training inline with current national training packages.

However, to remain a leader in automotive training and employment requires constant monitoring of our business practices. This ensures our organisation is compliant in meeting the national standards for Group Training Organisations (GTO's) or being adjudicated as compliant by the Australian Skills Quality Authority

(ASQA), the national regulator of the Vocational Education and Training (VET) sector.

AUDITS

It is pleasing to report that during the year MTA GTO stood up to the rigours of both a desktop and site audits against the National Standards for GTO's. By passing both of these audit processes the MTA GTO meets the National Standards for GTO's which provides a formal framework that promotes national consistency and quality for group training across Australia.

Similarly, it is pleasing to report that our internal audit for the RTO has identified areas of non-compliance, and while they are not threatening to our ongoing operation due to their unremarkable nature, it ensures that an improvement plan is put in place. Nothing escapes our attention for compliance and continual improvement.

I would like to thank all staff involved in the audit processes. They are time consuming and exhaustive exercises, but necessary to ensure we remain a respected leader in Apprentice and Trainee training and employment.

REVENUE 2013-14

General trading revenue for the period was \$407,531. This does not include interest earned, nor a retrospective interest payment adjustment received on a previous non-interest bearing loan. A full financial report is presented separately to this report.

UP-SKILLING COURSES

The *Skills in the Workplace* grant

from DEFEEST for up-skilling courses has allowed MTA to deliver Member requested training in Kadina and soon in Mt Gambier as well as Royal Park. Course topics include Wheel Alignment, Hybrid BEV, Common Rail Diesel, Remove & Replace SRS, Welding and the most popular courses, Forklift and Air Conditioning training.

Up-skilling training is a result of State Government funding; allowing industry to take advantage of heavily subsidised course costs to ensure a knowledgeable and skilled workforce exists to meet current and future workplace demands.

In addition to this, the quality of our training is receiving recognition from outside of SA. For the first time, we had an Alice Springs based Charles Darwin University Automotive Lecturer travel to Adelaide to participate in the MTA's Hybrid Course. With no local training provider in Alice Springs, the participant took to the internet in a bid to find an appropriate course in the Service and Repair of Hybrid Electric and Battery Electric Vehicles. While a number of providers presented themselves, the quality of the training offered by the MTA is what sealed the deal. This is a great testament to the development of our coursework and its professional delivery.

AUR12 TRAINING PACKAGE

The development of the AUR12 training package was a comprehensive job that required re-writing workbooks to match new unit changes. This included the



Rob Tucker and MTA Trainer Stephen Richardson.



Neville Gibb.

re-writing of session plans/ assessments, the development of summative skills assessments, writing new units and reviewing all training resources.

This has been an expensive and exhaustive task on our resources, but essential to our ongoing training compliance. I would like to thank TEC staff for their dedication in seeing this project through to completion. Our training materials are now far superior in the learning text as well as the quality of the finished publication.

CLIPSAL 500

The Clipsal 500 continues to be a highlight on our annual calendar as we provide the opportunity for a number of Apprentices to experience the life of a Motor Sport Mechanic/Repairer. We also saw a former Apprentice, Joshua Rust, gain a position with Lucas Dumbrell Motorsport as a direct result of the Clipsal 500 event. Josh was placed with Lucas Dumbrell Motorsport for the two years where he was able to show his talent and ultimately offered a full-time job.

HOST AND APPRENTICE SURVEYS

The Host and Apprentice surveys provided valuable information on where we are performing well and where we can improve. Analysing stakeholder/client feedback and satisfaction data on the services we provide reflects our commitment as a GTO to continuously improve our policies and procedures.

104 Hosts responded to our

survey which gave qualitative and quantitative results. I am pleased to report that generally we performed very well, but areas of improvement include:

- Information not being provided to Hosts in terms of Apprentice Field Officers not visiting.
- Not enough information given for off-the-job training requirements of Apprentices.
- Phone or email enquiries not responded to or followed up.
- The off-the-job training provided to the Apprentice was also an issue that gathered quite a few disagree/strongly disagree answers and comments.

From this we have formulated a number of strategies to improve our performance.

Our Apprentice concerns were mainly about range of on-the-job training available, how to make a complaint, how to raise WHS concerns, training aids at the RTO needing updating and how to access counselling services. Measures have been put in place to address these issues. Ultimately, improved communication will overcome these issues.

END OF HOLDEN MANUFACTURING IN AUSTRALIA

The announcement of Holden ceasing manufacturing in Australia and in particular from their Elizabeth Plant from 2017 is a huge disappointment to the MTA GTS. Over many years, we have built a close working relationship with

the organisation and the Elizabeth plant. They have been superb with donating much needed training aids, including full working vehicles. Again, last year Holden donated two vehicles for us to use as aids to train our Apprentices, Trainees and to assist in our post-trade training. I would like to thank the entire team at Holden for their continued support, and although their business model is changing, I hope we can continue a strong relationship in the future.

SUMMARY

Thank all our TEC staff based at Royal Park. It was a year of transition, but they have come through building stronger processes and continuing to improve our business. I also wish to thank our Apprentices. They continue to impress me with their dedication, skills and passion for the industry.

Neville Gibb

CHAIRMAN



MTA Apprentices thankful for the SA Government's donation.



MAAP Advisors Tania Bury and Lyndal Riddell.

MTA Registered Training Organisation

MTA Registered Training Organisation (RTO) has had a difficult year in 2013/2014, due to the employment trends of the industry being unpredictable in the last 12 months. We delivered 138,076 training hours in the four main qualifications and up skilling courses.

In September 2013 the RTO was granted its re-registration as a national training provider for another five years from ASQA. In November we applied for the new AUR12 training package to be on it's scope of registration and were successful.

The RTO is currently in the process of reviewing, updating and writing new training materials from the AUR05 to AUR12 training package. This is to ensure we align ourselves with the changes applied to existing units and develop training material and resources for the new units added to the AUR12 training package.

The MTA motorsport repair team supported the 2014 Adelaide Clipsal 500 motorsport event with a team of selected apprentices and trainers along with our promotional drawcard, project Monaro. A team of 11 MTA apprentices were also hosted to V8 Supercar teams for the four day event in their pit garages.

The RTO has expanded its delivery of heavy vehicle road transport training to include Stage III in 2014. We are continuing to build our resources in the heavy vehicle training that was introduced in 2011/2012.

The RTO continues to support and build partnerships with vehicle



Rob Tucker participated in the Hybrid Upskilling Course.

manufacturers. Currently, KIA, Nissan and I Car use the training centres facilities to deliver training. These partnerships are important to the organisation giving us access to latest technology that is introduced in new vehicles.

IF YOU'RE EMPLOYING AN AUTOMOTIVE APPRENTICE DIRECT THEN MAKE SURE YOU SELECT MTA AS YOUR TRAINING PROVIDER

The MTA has been the leading industry association for the retail automotive trades since 1926 currently representing over 1100 Members.

In 1983 it was decided that the industry needed to have training which was run by industry for

industry and The MTA Group Training Scheme (GTS) and subsequently the RTO was established.

The RTO has been specifically training South Australians in:

- Light vehicle technicians (motor mechanics)
- Heavy vehicle technicians (diesel/commercial mechanics)
- Body repair technicians (panel beaters)
- Refinishing technicians (spray painters)

For more information go online today:
www.mta-sa.asn.au/RTO or contact
 Telephone: (08) 8241 0522

Mario Marrone
TRAINING CENTRE MANAGER



MTA apprentices Alex Saracini and Daniel Smith worked in the winning Red Bull team at the Clipsal 500.

MTA Group Training Organisation

There is no doubt that the 2013/14 reporting period has been difficult in the recruiting and placing of automotive Apprentices. The MTA Group Training Organisation (GTO) fell short of recruiting 230 Apprentices for the year by 92 commencements. While this may reflect poorly on not achieving a budget it is a result of applying more discerning recruitment practices to ensure MTA recruits and trains industry desired Apprentices. *Figure 1* gives a graphic explanation on the trends between the number of Apprentices employed and the actual number working in comparison to our prescribed budget.

Generally speaking, the employment results also reflect a quieter or 'softer' trading environment. In this case, it is about adjusting supply to meet demand requirements.

Overall, 77 motor mechanics, 30 diesel mechanics, 11 panel beaters, nine vehicle painters, seven school based apprentices, three other trades and one trainee commenced with MTA. The total number of cancellations for the year was 94 which is eight better than budget of 102.

The administration and operation departments have worked diligently at ensuring compliance requirements are met and processes/procedures

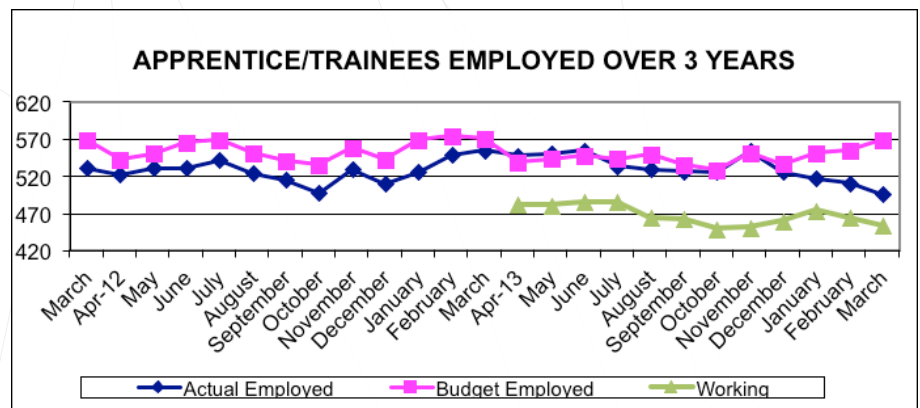


Figure 1

are streamlined to ensure efficiencies and effectiveness are improved. Our achievements in attention to detail and the development of appropriate policies were rewarded with passing the DFEEST audits this year.

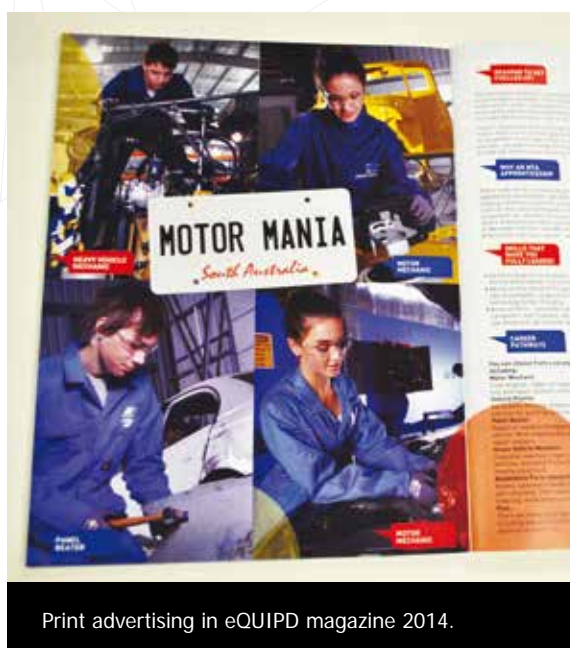
A total of 82 Apprentices engaged with some 250 Hosts from across the state completed their training. 278 Apprentices were placed with Hosts and 2,541 Apprentice visits were made by MTA Field Officers during the year.

As an education and training institution, it is beholding of us to ensure our staff receive regular training to ensure our knowledge and skill base continues to improve in accordance with our work environment. Various staff received formal and informal training in legislative compliance for officers,

EEO & values, privacy, compliance training for national standards, bullying and harassment, certificate IV in governance, enhancing leadership, fire warden, child safe environment, risk assessment, WHS, first aid and certificate IV WHS training.

As a requirement of the national standards for Group Training Organisations, MTA surveyed Hosts and Apprentices to collect and analyse stakeholder, client feedback and satisfaction data on the services MTA provides as the basis for continuous improvement to its policies and procedures. The invaluable responses have been analysed and actions have commenced to address clients concerns and improve our service levels.

EMPLOYED	ACTUAL 2011/12	ACTUAL 2012/13	ACTUAL 2013/14	BUDGET 2013/14
April	528	523	548	538
May	527	531	550	543
June	544	531	555	548
July	541	542	534	543
August	521	524	529	549
September	516	515	527	535
October	516	498	526	528
November	539	530	554	551
December	522	510	526	536
January	540	543	517	551
February	534	549	511	554
March	532	555	496	568
March	532	555	496	568



Print advertising in eQUIPD magazine 2014.

It is pleasing to report that during the year GTO stood up to the rigours of a desktop and site audits against the national standards for GTO's. By passing both of these audit processes, the GTO meets the national standards for Group Training Organisations – a formal framework that promotes national consistency and quality for group training across Australia.

Attracting Apprentice applications is very challenging given the highly competitive environment of VET. Once again our marketing mix

has involved print media, internet, radio, direct mail marketing, our attendance at over 40 school information or career events throughout the state and various school excursions of our training facility at Royal Park. This year with schoolies in mind, an advertising campaign was conducted at Victor Harbour by placing venue advertising in a number of hotels in the district. Strategically this is about ensuring every possible marketing opportunity is used to give MTA an advantage of attracting apprentice applicants.

Overall, I am pleased to report that the GTO stood up to a testing and demanding year, punctuated with the rigours of audits and a flat trading environment. With an Apprentice base of around 500, it takes a lot of dedication and effort from the staff to keep things in order and moving in the right direction. Therefore, thank you to all MTA staff who have helped during the year.

Tim Buckley
GENERAL MANAGER
SERVICES AND RECRUITMENT

Work Health Safety

The MTA WHS Coordinator and WHS Manager under the direction of the MTA WHS group developed a business plan incorporating strategies, KPI's and targets for the 2013/14 period. The plan consisted of six strategies that targeted issues highlighted from the previous year's injury data, WHS external audit and input from staff.

Some of the strategy outcomes implemented for the 2013/14 period included:

- All policy procedure documentation and host employer site assessments updated to reflect the new WHS legislation.
- All inspection checklists were

updated to reflect changes to legislation.

- WHS added to all meeting agendas.
- WHS training for all staff carried out on an annual basis.

Some initiatives from the WHS Group for the 2013/2014 year include:

- Implementation of new scarper tool for vehicle painters due to excessive laceration injuries caused by using razor blades.
- Research into new safety goggles for the panel beating Apprentices to minimise injuries involving foreign bodies entering the eye area.
- New plant and hazardous chemical risk assessment

procedures created and issued out to managers to complete, including Greenhill Road.

A target was set by the WHS group to reduce the compensable injury rate from 11% in 2012/13 to less than eight per cent during 2013/2014.

This target was not met with the compensable injury rate for the 13/14 year at 11.5 per cent. There was a total of 68 injuries compared to the 63 injuries for the 12/13 year with seven of those being lost time injuries (more than 10 days lost). This is a disappointing result. It will be set as a goal in the 2014/2015 business plan to reduce this number to meet the eight per cent compensable injury rate. The

OVERALL INJURIES 2013/14

MONTH	08/09	YTD 08/09	09/10	YTD 09/10	10/11	YTD 10/11	11/12	YTD 11/12	12/13	YTD 12/13	13/14	YTD 13/14	TARGET
April	9	9	5	5	8	8	6	6	6	9	9	7	Less Overall Injuries in 2013/2014 by 10% Current YTD = 68 Target = 57 2012/2013 Total = 63
May	8	17	7	12	5	13	8	14	14	9	18	8	
June	6	23	4	16	11	24	7	21	21	5	23	7	
July	15	38	12	28	6	30	5	26	26	6	29	6	
August	4	42	8	36	5	35	9	35	35	6	35	4	
September	7	49	11	47	5	40	12	47	47	6	41	10	
October	9	58	6	53	8	48	7	54	54	2	43	5	
November	8	66	9	62	5	53	3	57	57	4	47	7	
December	9	75	4	66	7	60	4	61		3	50	3	
January	10	85	5	71	3	63	5	66	61	4	54	3	
February	6	91	8	79	8	71	9	75	66	4	58	4	
March	4	95	8	87	12	83	8	83	75	5	63	4	
Total =	95		87		83		83		83	63		68	
Number of App/Trn Per Year	488		507		519		532		555		568		

apprentice numbers did, however, increase from 555 in the 12/13 year to 568 in the 13/14 year.

The months of May and September 2013 proved to be where the highest injuries occurred, while the lowest number of injuries occurred in December 2013 and January 2014, with three injuries for both months.

A target was set by the WHS Group to reduce manual handling injuries by 10 per cent for the reporting period.

During the April 2012 – March 2013 period, five injuries were reported.

For the period of April 2013 to March 2014, 10 injuries were recorded.

This highlights a significant increase from the previous reporting period, doubling the previous figure.



Mark Ward, Tammy Dunbar and MTA WHS Coordinator Laura Taylor.

Although the number of Apprentices has increased, the amount is still disappointing. However, the target for the awkward positioning injuries was met, with only four being recorded for the period.

Manual handling has always been an issue within the automotive industry

– with Apprentices in particular. The WHS Group will continue to strive towards lowering these particular injury rates. Possible implementations include; more specific industry training, mechanical aids, working with Host employers to foresee the risks and refresher training.

MANUAL HANDLING INJURIES 2013/14

MONTH	08/09	YTD 08/09	09/10	YTD 09/10	10/11	YTD 10/11	11/12	YTD 11/12	12/13	YTD 12/13	13/14	YTD 13/14	TARGET
April	3	3	2	2	3	3	1	1	1	1	1	1	Less Overall Injuries in 2013/2014 by 10% Current YTD = 10 Target = 4 2012/2013 Total = 5
May	1	4	5	7	1	4	1	2	0	1	3	4	
June	2	6	0	7	1	5	0	2	1	2	0	4	
July	1	7	3	10	0	5	0	2	0	2	1	5	
August	0	7	2	12	1	6	4	6	1	3	0	5	
September	1	8	0	12	1	7	1	7	0	3	3	8	
October	2	10	2	14	3	10	1	8	0	3	0	8	
November	3	13	1	15	0	10	2	10	0	3	1	9	
December	0	13	2	17	1	11	1	11	1	4	1	10	
January	1	14	2	18	0	11	1	12	0	4	0	10	
February	3	17	0	18	0	11	0	12	1	5	0	10	
March	2	19	4	22	3	14	2	14	0	5	0	10	
Total =	19		22		14		14		5		10		
Number of App/Trn Per Year	488		507		519		532		555		568		

AWKWARD POSITIONING INJURIES 2013/14

MONTH	12/ 13	YTD 12/ 13	13/ 14	YTD 13/ 14	TARGET
April	0	0	0	0	Less Overall Injuries in 2013/ 2014 by 10% Current YTD = 4 Target=4
May	0	0	0	0	
June	0	0	0	0	
July	1	1	0	0	
August	1	2	0	0	
September	0	2	3	3	
October	0	2	1	4	
November	1	3	0	4	
December	0	3	0	4	
January	0	3	0	4	
February	1	4	0	4	
March	0	4	0	4	
Total =	4		4		
Number of App/Trn Per Year	555		568		

A target was set by the WHS Group to reduce laceration injuries by 10 per cent for the reporting period.

This target was not met. There was a zero per cent decrease in laceration injuries for the 2013/2014 period, with zero less reported injuries than the previous reporting period. Yet, this is still a great result from previous years considering the extra number of Apprentices employed in the 2013/2014 period. This result shows that the implementation of gloves and extensive WHS training to all of our Apprentices appears to have helped control the laceration injuries. Further work into different scraper ideas should reflect positive results in the 2014/2015 year.

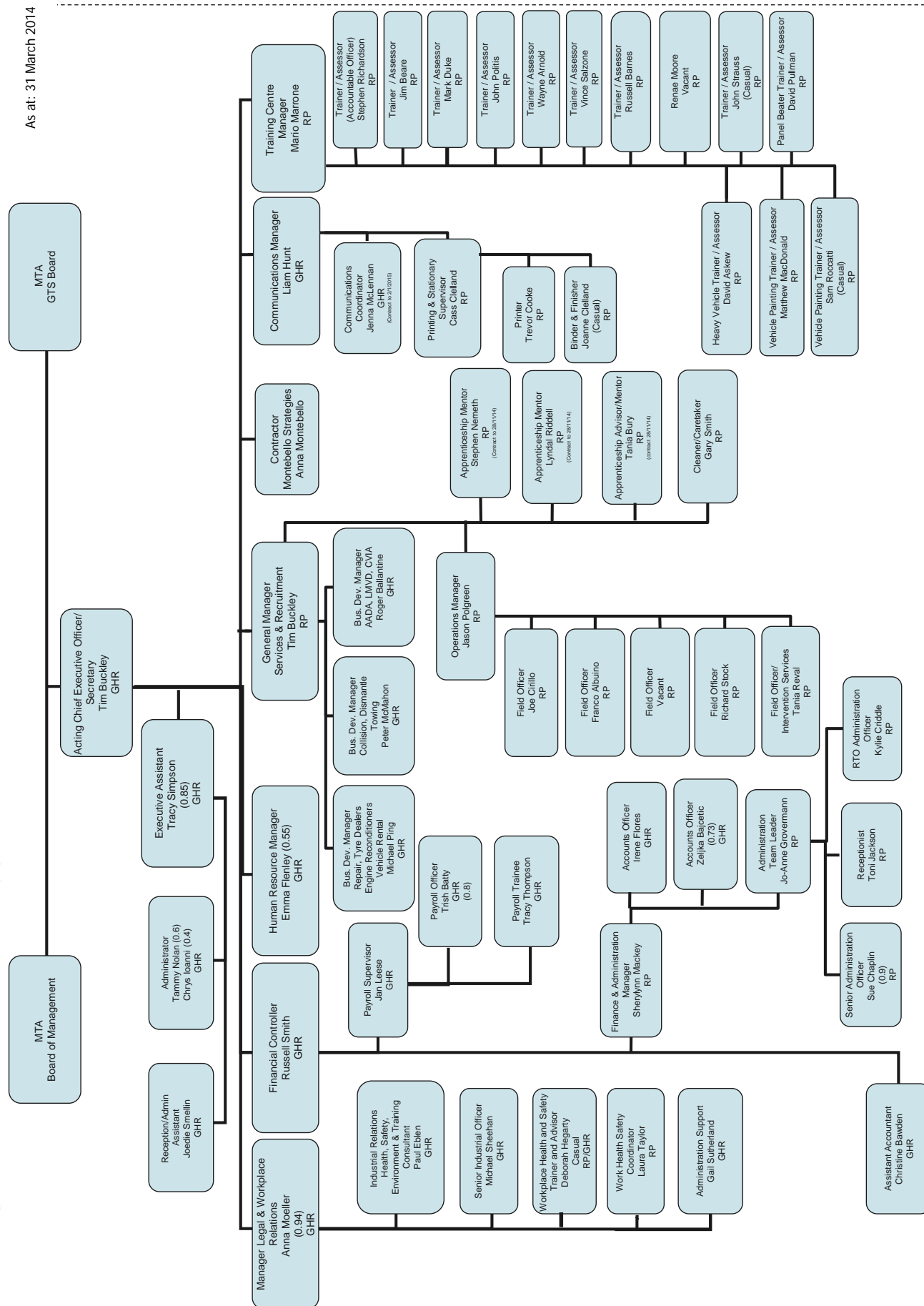
A number of changes in the WHS legislation and internal WHS systems in the past year have begun to take effect. Improvements have been seen in the WHS of the MTA and all Host employer sites. The MTA will continue to look towards the future and strive to lower injury rates of all workers, and WHS Group has a positive outlook for the 2014/2015 year.

LACERATION INJURIES 2013/2014

MONTH	08/ 09	YTD 08/ 09	09/ 10	YTD 09/ 10	10/ 11	YTD 10/ 11	11/ 12	YTD 11/ 12	12/ 13	YTD 11/ 12	13/ 14	YTD 13/ 14	TARGET
April	1	1	1	1	3	3	1	1	3	3	1	1	Less Overall Injuries in 2013 2014 by 10% Current YTD = 17 Target = 15 2012/ 2013 Total = 17
May	4	5	2	3	1	4	3	4	2	5	1	2	
June	1	6	2	5	2	6	2	6	1	6	1	3	
July	6	12	6	11	2	8	0	6	1	7	0	3	
August	1	13	3	14	3	11	2	8	3	10	3	6	
September	2	15	1	15	2	13	1	9	3	13	0	6	
October	1	16	1	16	2	15	3	12	0	13	2	8	
November	2	18	2	18	4	19	1	13	1	14	3	11	
December	5	23	0	18	2	21	0	13	1	15	1	12	
January	4	27	0	18	1	22	2	15	0	15	1	13	
February	1	28	2	20	3	25	2	17	2	17	3	16	
March	0	28	2	22	3	28	4	21	0	17	1	17	
Total =	28		22		28		21		17		17		
Number of App/Trn Per Year	488		507		568		519		532		555		

Organisational Chart

AS at: 31 March 2014



GHR = MTA HOUSE Level 1, 81 Greenhill Road, Wayville SA 5034
 RP = MTA Training & Employment Centre
 3 Frederick Rd, Royal Park SA 5014



Motor Trade Association of South Australia Incorporated

MTA HOUSE

Level 1, 81 Greenhill Road
Wayville SA 5034

Telephone (08) 8291 2000
Facsimile (08) 8291 2099
Web www.mta-sa.asn.au
Email mta@mta-sa.asn.au





The MTA Group Training Scheme Incorporated

MTA Training & Employment Centre

3 Frederick Road
Royal Park SA 5014

Telephone (08) 8241 0522
Facsimile (08) 8241 0388

Connect Online

 facebook.com/MTAAprenticeship
 facebook.com/MotorTradeAssociationSA
 twitter.com/MTAofSA
 youtube.com/MotorTradeAssnSA

SCHEDULE 'A'

Minutes of the Annual General Meeting –
15 July 2014



**MINUTES OF THE 88th ANNUAL GENERAL MEETING OF THE
MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
HELD AT HELD AT MTA HOUSE, LEVEL 1, 81 GREENHILL ROAD, WAYVILLE, SA 5034
ON 15th JULY 2014 AT 7.00PM**

ATTENDANCE

42 members, associates, business partners of the MTA and guests attended the Annual General Meeting, 16 were members, 6 were Life Members of the Association and 24 proxies were noted.

1. NOTICE OF MEETING AND RECORDING OF APOLOGIES

The CEO, Mr Paul Unerkov welcomed members and guests to the 88th Annual General Meeting of the Association and declared the meeting open at 7.12pm.

He extended a special welcome to Life Members and members present. A special thank you was extended to MTA Group Managers and Business Development Managers for their work and support given to the members over the last year. Thanks was also given to the Board of Management for their participation and hard work for the organisation.

Mr Unerkov then introduced the President, Mr Neville Gibb. The President said there were 41 apologies in total received; 37 of these were members, 24 proxies were recorded.

2. TO ADOPT THE MINUTES OF THE 87th AGM HELD 16th JULY 2013

The President called for the minutes of the 87th Annual General Meeting held on 16th July 2013 be adopted.

Moved Colin Butcher (Eastern Eyre Machinery), Seconded Danny Shane (South Coast Auto Repairs)
THAT THE MINUTES OF THE 87th ANNUAL GENERAL MEETING BE ADOPTED

CARRIED UNANIMOUSLY

3. TO RECEIVE THE FINANCIAL STATEMENT OF THE YEAR ENDED 31st MARCH 2014

Mr Smith, Financial Controller went over the financial report and referred to the consolidation of MTA and MTA GTS. He reported the following key items:

- Due to the new Fairwork Australia reporting requirements, the reports are now required to be prepared at Tier 1 level

- Australian Taxation Office required the MTA and the MTA Group Training Scheme to convert an interest free loan of \$3,000,000 between the two associations into an interest bearing loan from the date the loan was taken out.
- MTA produced a deficit of (\$668,220) for the year. Prior to the ATO interest adjustment the MTA would have produced a surplus of \$69,705 for the period.
- MTA Group Training Scheme produced a surplus of \$916,034. Prior to the adjustment of interest the MTA Group Training Scheme reported a surplus of \$178,109.
- This year, the consolidated entity produced a surplus of \$245,653 which is up from the 2012/13 surplus of \$153,973.
- The total consolidated Member's equity increased to \$20,867,000 from \$20,621,000 in 2012/13

At the conclusion of the report, the President called for the financial report for the year ended 31st March 2014 to be received.

Moved John Zulian (Keswick Crash Repairs), Seconded Ron Lewis (Glynde Auto Spares)

THAT THE FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2014 BE RECEIVED

CARRIED UNANIMOUSLY

4. TO RECEIVE THE REPORT OF THE BOARD OF MANAGEMENT ON THE AFFAIRS OF THE ASSOCIATION DURING THE PRECEDING YEAR

The President delivered a summary of the 2013/14 Annual Report and then moved that the report of the Board of Management for the 2013/14 Year be received.

Moved Neville Gibb (Gibb and Sons Pty Ltd), Seconded Danny Shane (South Coast Auto Repairs)

THAT THE REPORT OF THE BOARD OF MANAGEMENT FOR THE 2013/14 YEAR BE RECEIVED

CARRIED UNANIMOUSLY

At this point, the President gave thanks to the staff, Board and members of the MTA for their help and support whilst completing his role as President for the last three years. He said that it had been very enjoyable and he was proud of what he had achieved on behalf of the organisation in this time. He stated the future looked bright under the guidance of the new President, Frank Agostino and CEO, Paul Unerkov and wished them well.

5 TO APPOINT AN AUDITOR OR AUDITORS, AND TO FIX HIS/HER REMUNERATION

The President gave thanks to the KPMG Audit Partner, Darren Ball, for their work during the year and sought a mover to the following motion:

That KPMG be appointed as Auditors and their Remuneration to be Determined by the Board of Management

Moved Frank Agostino (Agostino Group), Seconded Colin Butcher (Eastern Eyre Machinery)
THAT KPMG BE APPOINTED AS AUDITORS AND THEIR REMUNERATION TO BE DETERMINED BY THE BOARD OF MANAGEMENT

CARRIED UNANIMOUSLY

6. TO DECLARE THE RESULTS OF THE ELECTION OF OFFICERS

The Chief Executive Officer thanked all the Board members for their commitment over the previous year and read out the results of the election provided by the Australian Electoral Commission. List attached.

7. TO CONSIDER ANY BUSINESS SUBMITTED BY THE BOARD

THE CONSIDERATION OF ANY CANDIDATE FOR LIFE MEMBERSHIP RECOMMENDED BY THE BOARD.

The President addressed the members and reported that he had great pleasure in putting forward one nomination for Life membership of the MTA which had been unanimously endorsed by the Executive Committee and the full Board of Management of the MTA.

The nomination was Peter Roberts and he gave the following reasons as to why the Board of Management unanimously endorsed this nomination;

Peter Roberts and O G Roberts & Co is a mainstay of Mount Gambier and the South East. The family Dealership was started by his father in 1956, and Peter has been the owner/dealer principal for over 33 years with the support of his wife Karyn and their family. While Peter himself has taken on the new venture of OG Trucks, his son Bryce has now taken on the responsibilities of running the car dealerships.

Over the years, Peter has been an enormous contributor to the MTA. A Board member now for 30 years, Peter has held a number of roles, including being our President and Director of MTAA from 2002 – 2005.

He is a strong supporter of our Dealers and is a familiar face at the National Level. He is a strong advocate for the industry on a range of issues including luxury car tax, GST, stamp duty reduction and franchising agreements. "Who could forget the campaign Peter launched against the Government on the ridiculous country road speed limit reductions. Keep up the good fight Peter."



He is constantly looking at ways of improving his business and has a strong belief that the evolution of his staff, facilities, products and equipment systems, and processes keeps his company at the forefront of the motor industry.

It is this dynamism, passion and intellect, which he has applied to his state and national industry roles and which we as an Association have been the ultimate beneficiary.

The President moved that Peter Roberts be awarded life membership of the Motor Trade Association of South Australia.

Moved Neville Gibb (Gibb and Sons Pty Ltd), Seconded John Zulian (Keswick Crash Repairs)
THAT PETER ROBERTS BE AWARDED LIFE MEMBERSHIP OF THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA.

CARRIED UNANIMOUSLY

The President advised that there was no other business submitted by the Board.

8. THE CONSIDERATION OF ANY BUSINESS NOTICE OF WHICH HAS BEEN GIVEN IN ACCORDANCE WITH RULES 32 AND 34.

The President advised that there was no business submitted for consideration in accordance with Rules 32 and 34.

9. CLOSURE

The President invited the CEO, Paul Unerkov to close the Annual General Meeting.

The CEO then closed the formal part of the evening by thanking everyone for attending and invited the incoming President, Mr Agostino, to say a few words on behalf of the Board to the departing President, Mr Gibb.

10. CONCLUSION

The formal part of the evening closed at 7.38pm.

Confirmed this day of 2015.

President

**The Motor Trade Association of South Australia Inc
Board of Management 2014**

DECLARATION OF RESULTS FOR UNCONTESTED OFFICES

Results of the election for the following offices conducted in accordance with the provisions of the Workplace Relations Act 1996 and the rules of the organisation.

E2014/66

Motor Trade Association of SA

President

Candidate

AGOSTINO, Frank

Past-President

Candidate

GIBB, Neville

Representative of Members

Candidate

POLLEY, Clive

Board of Management Representative from Automotive Dismantlers

Candidate

LEWIS, Ron

Board of Management Representative from Commercial Vehicle Industry Association (SA)

Candidate

POLLEY, Clive

Board of Management Representative from Motorcycle Industry Association of SA

Candidate

GUPPY, Martin

Board of Management Representative from Service Station

Candidate

STEIN, Brenton

Board of Management Representative from Tyre Dealers

Candidate

No nomination was received

Board of Management Representative from the Lower North Country Zone

Candidate

No nomination was received

Board of Management Representative Southern Country Zone

Candidate

SHANE, Danny

Board of Management Representative Upper North Country Zone

Candidate

No nomination was received

Board of Management Representative Upper Spencer Gulf Country Zone

Candidate

BUTLER, Tracy

DECLARATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, FRANK AGOSTINO of Level 1, 81 Greenhill Road, Wayville in the State of South Australia, President, DO SOLEMNLY AND SINCERELY DECLARE as follows:

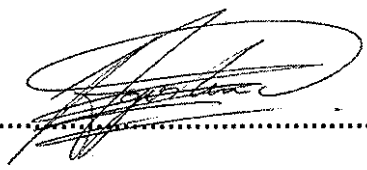
1. THAT I am the President of The Motor Trade Association of South Australia Incorporated (hereinafter referred to as MTA).
2. THAT the registered office of the MTA is Level 1, 81 Greenhill Road, Wayville, South Australia, phone number (08) 8291 2000 and fax number (08) 8291 2099.
3. THAT certain offices in the MTA have changed and pursuant to s233(2) of the Fair Work (Registered Organisations) Act 2009, the attached list contains the names, postal addresses and occupations of those persons holding offices in the MTA. The attached information [Schedule C] contains the AEC's election results;
4. THAT the Board of Management Representative-of the CVIA Division has resigned. [Schedule D] contains the name, postal address and occupation of the person CVIA Division offices in the MTA

I MAKE THIS DECLARATION by virtue of the provisions of subsection [s233(1)(b)] of the Fair Work (Registered Organisations) Act 2009, conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

at Wayville, South Australia

this 29th day of July 2014


.....

SCHEDULE 'C'
AUSTRALIAN ELECTORAL COMMISSION
MTA BOARD OF MANAGEMENT ELECTION
RESULTS



Reference: 2014/11

Mr Neville Gibb
President
The Motor Trade Association of South Australia Inc
Level 1, 81 Greenhill Rd
WAYVILLE SA 5034

Dear Mr Gibb,

**The Motor Trade Association of South Australia Inc
Board of Management election 2014
Scheduled Election E2014/66**

I refer to my letter of 17 April 2014 concerning the arrangements for me to conduct an election for various positions in your Organisation and wish to advise that a ballot will not be necessary.

The declaration of the uncontested offices is attached.

The election is now complete.

Yours sincerely

Natalie Williams
Returning Officer

12 June 2014

cc all uncontested nominees

- The Motor Trade Association of South Australia Inc Scheduled Election E2014/66

Declaration of Results for Uncontested Offices

Below are the results of the election for the following offices, conducted in accordance with the provisions of the *Fair Work (Registered Organisations) Act 2009* and the rules of the organisation.

Motor Trade Association of SA

President

Candidates

AGOSTINO, Frank

Past-President

Candidates

GIBB, Neville

Representative of Members

Candidates

POLLEY, Clive

Board of Management Representative from Automotive Dismantlers

Candidates

LEWIS, Ron

Board of Management Representative from Auto Repair & Engineering

Candidates

WEEKS, Brian

Board of Management Representative from Commercial Vehicle Industry Association (SA)

Candidates

POLLEY, Clive

Board of Management Representative from Farm Machinery Dealers Association (SA)

Candidates

BUTCHER, Colin

Board of Management Representative from Motorcycle Industry Association of SA

Candidates

GUPPY, Martin

Board of Management Representative from Service Station

Candidates

STEIN, Brenton

Board of Management Representative from Tyre Dealers

Candidates

No nomination was received

Board of Management Representative from Lower North Country Zone

Candidates

No nomination was received

Board of Management Representative from Southern Country Zone

Candidates

SHANE, Danny

Board of Management Representative from Upper North Country Zone

Candidates

No nomination was received

Board of Management Representative from Upper Spencer Gulf Country Zone

Candidates

BUTLER, Tracy

As the number of nominations accepted did not exceed the number of positions to be filled, I declare the above candidates elected.



Natalie Williams
Returning Officer

12 June 2014

SCHEDULE 'D'
CVIA BOARD REPRESENTATIVE
RESIGNATION

CHANGES TO THE MTA BOARD OF MANAGEMENT

Clive Polley tendered his resignation on the 17th July '14.

Results from the recent elections had Mr Polley being elected to two positions on the Board. In line with MTA Rule 43 (j) rule, Mr Polley tendered his resignation from the CVIA Representative position on the 17th July '14.

Members will be notified of this vacancy in our next member communication which is scheduled to be sent out on the 5th of August and asked for any interested parties to contact the CVIA Division Chair.

Mr Clive Polley (resigned as CVIA Division Representative)
The Motor Trade Association
Level 1, 81 Greenhill Road, WAYVILLE SA 5000



INDEPENDENT COMPONENTS

A DIVISION OF K.M.N. NOMINEES PTY. LTD.
ACN 008 051 429 ABN 39 795 863 152

Head Office: South Australia
3 Henschke Street, Dry Creek 5094
South Australia

POSTAL ADDRESS:
PO Box 141, Glen Osmond 5064
South Australia

Phone (08) 8349 7446
Fax (08) 8262 8939
International Phone +61 8 8349 7446
International Fax +61 8 8262 8939
Email indcomp@adam.com.au

SCHEDULE 'D'

Mr Paul Unerkov
Motor Trade Association
Level 1, 81 Greenhill Road
WAYVILLE SA 5034

17th July 2014

Dear Paul,

I wish to inform you that I hereby resign my position as CVIA Representative on the Board of the MTA to take up my newly appointed position of Members Representative on the Board of the MTA and the Executive.

Yours sincerely

Clive R Polley
Managing Director