



30 September 2015

Mr Frank Agostino
President
The Motor Trade Association of South Australia Incorporated
Level1, 81 Greenhill Road
WAYVILLE SA 5034

Dear Mr Agostino

The Motor Trade Association of South Australia Incorporated Financial Report for the year ended 31 March 2014 - [FR2015/60]

I acknowledge receipt of the financial report of the Motor Trade Association of South Australia Incorporated (MTA SA). The documents were lodged with the Fair Work Commission (FWC) on 27 July 2015. I also acknowledge the supplementary information provide on 23 and 30 September 2015 in relation to the accounting policy for member subscriptions and the auditor's declaration in relation to management use of the going concern basis.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 March 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Designated Officer's Certificate

Content of Designated Officer's Certificate

Section 268 of the RO Act requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

I note that although all of this information was provided in the Designated Officer's Certificate, the date that the Designated Officer's Certificate was signed was prior to these events occurring, that is the 26 May 2015, however the full report was not provided to members until the 19 June 2015 and then presented at the general meeting of members on the 21 July 2015.

As this certificate is certifying that the events did occur, please ensure that in future years the Designated Officer's Certificate is signed at the conclusion of these events.

Statement of financial position

Disclosure of employee provisions to office holders and other employees

Note 27 in the general purpose financial report provides additional disclosures which are required under the reporting guidelines for the purpose of section 253 of the RO Act. I note that a 'nil' disclosure is provided in relation to accrued expenses for separation and redundancies, however no such disclosure is provided for employee provision for other employees in relation to separation and redundancies.

In future years please ensure that employee provisions for other employees are disclosed correctly in accordance with the reporting guidelines.

Other

Reporting unit

Section 242 of the RO Act defines a reporting unit. Section 242(2) states that '*where a organisation is not divided into branches, the reporting unit is the whole of the organisation.*' Section 242(3) state '*where an organisation is divided into branches, each branch will be a reporting unit unless a certificate issued by the General Manager stating that the organisation is, for the purpose of compliance with the Part, divided into reporting units on an alternative basis is in force.*'

The MTA SA is not divided into branches therefore the definition under section 242(2) is relevant.

Throughout the MTA SA general purpose financial report, the MTA Group Training Scheme Inc. and the Retail Motor Trading Co. Pty Ltd are reported as 'other reporting units'. Although these entities would be deemed to be related parties, they are not however a reporting unit as defined under section 242 of the RO Act.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

From: Russell Smith <rsmith@mta-sa.asn.au>
Sent: Wednesday, 30 September 2015 9:53 AM
To: FENWICK, Joanne
Cc: Paul Unerkov
Subject: Motor Trade Association of South Australia FR2015/60

Hi Joanne

As discussed, please find detailed below, the accounting policy for membership subscriptions, for The Motor Trade Association of South Australia Inc.

Membership income from members is recognised in profit and loss on a straight- line basis over the financial year.

In future years the above accounting policy will be reflected in the notes of the Consolidated Financial Report

If you require any additional information, please do not hesitate to call.

Regards

Russell Smith

Russell Smith
Financial Controller

Level 1, 81 Greenhill Road, Wayville SA 5034
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Our ref 24618430_1

Contact Darren Ball | 08 8236 3197
Natalie Hing | 08 8236 3217

18 September 2015

Dear Joanne

Audit of the Motor Trade Association of South Australia Incorporated financial report for the year ended 31 March 2015

This letter has been prepared in response to a query received by management of the Motor Trade Association of South Australia Incorporated (MTA-SA) from the Fair work Commission (FWC) dated 5 August 2015, relating to the financial report of MTA-SA for the year ended 31 March 2015 which was lodged with the FWC on 27 July 2015.

In accordance with the Fair Work (Registered Organisations) Act 2009 (the Act) and Paragraph 39 of the fourth edition of the Reporting Guidelines as referred to under Section 255 of the Act, we understand that a statement with regards to the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial report is required.

In conjunction with our audit report dated 26 May 2015, with respect to the financial report of the Motor Trade Association of SA Inc. for the year ended 31 March 2015, in our opinion, in all material respects, management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Please do not hesitate to contact me should you wish to discuss any aspect of the letter.

Yours sincerely



Darren Ball
Partner

cc:

Mr Frank Agostino | President | Motor Trade Association of SA Inc.
Mr Russell Smith | Financial Controller | Motor Trade Association of SA Inc.

From: FENWICK, Joanne
Sent: Wednesday, 5 August 2015 11:33 AM
To: 'mta@mta-sa.asn.au'
Subject: The Motor Trade Association of South Australia Incorporated - FR2015/60
Attachments: MTA SA FR2014-58 filing.pdf

Mr Agostino

In the filing of the Motor Trade Association of South Australia Incorporated (MTA SA) financial report for the year ended 31 March 2014, correspondence from the Fair Work Commission (FWC) was sent to you on the 22 August 2014 identified a number of matters which would need to be address prior to the filing of the financial report for the year ended 31 March 2015.

The financial report for the MTA SA for the year ended 31 March 2015 was lodged with the FWC on 27 July 2015. During the initial assessment of this financial report I have noted that some of the matters contained in the above mentioned letter have not been addressed. The items in question relates to the inclusion of the accounting policy for member subscriptions and the declaration regarding the going concern of MTA SA in the Auditor's Report. I have attached last year correspondence which identifies these matters.

Please arrange for a copy of your accounting policy for member subscriptions and for your Auditor to email this declaration to me so this information can be placed on the MTA SA matter file. Once I have received this I will be able to proceed to filing this year financial report for MTA SA.

Regards

JOANNE FENWICK
Financial Reporting Specialist
Regulatory Compliance Branch

Fair Work Commission
Tel: (03) 8661 7886
Fax: (03) 9655 0410
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The Motor Trade Association of SA Inc.

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2015

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MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Operating Report

I, Frank Agostino, being the President of The Motor Trade Association of South Australia Incorporated (the Association), present for the reporting unit the operating report, for the financial year ended 31 March 2015.

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

Frank Agostino	Robert Duns	
Neville Gibb	Tracy Butler	
John Zulian	Brenton Stein	
Clive Polley	Paul Page	
Peter Roberts	Kym Webber	
Ron Lewis	Phillip Turner	
Martin Guppy	Bill Lane	23-12-2014 – 31-03-2015
Brian Weeks	David Vincent	17-02-2015 – 31-03-2015
Jeff Williams	Marcus Baldacchino	23-12-2014 – 31-03-2015
Colin Butcher	Andrew Forrest	01-04-2014 – 11-12-2014
John Jansse	Danny Shane	01-04-2014 – 05-11-2014
Dale John		

Principal Activities

The principal activities of the Association and its controlled entities, 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 2015.

Statement of profit or loss and other comprehensive income

The Associations surplus from ordinary activities in the financial year ended 31 March 2015 was \$182,813, (2014: deficit of \$668,220) and for the Consolidated Entity deficit of \$64,495, (2014: surplus of \$245,653).

Statement of Financial Position

Equity increased to \$10,795,498 (2014 \$10,612,685) for the Association and decreased to \$20,802,577, (2014 \$20,867,072) for the Consolidated Entity.

The Association's cash flow from operating activities was \$629,570, (2014 \$318,157) and the Consolidated Entity \$841,121 (2014 \$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.

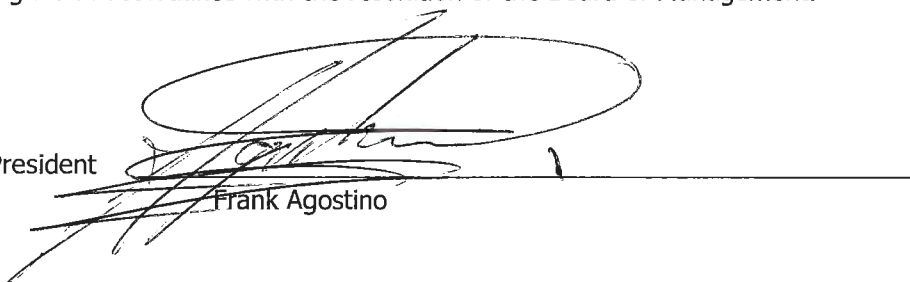
At the end of the financial year there were 1,102 members of the Motor Trade Association of SA Inc, (2014: 1,142).

Staffing

The Association employed 50 staff at the end of the financial year, (2014: 52). The Consolidated Entity employed 549 staff at year end (2014: 548).

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

President



Frank Agostino

Dated this 26th day of May 2015

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 Association). The discussion and analysis is based on the general purpose financial report of the Association and its subsidiaries (the Consolidated Entity).

Operational and financial review

The financial statements from the Association and the Consolidated Entity are for the twelve months ended 31 March 2015, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2014.

**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 2015

	<i>Note</i>	MTA		Consolidated	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue					
Membership subscriptions		1,329,419	1,309,285	1,329,419	1,309,285
Commissions		104,449	251,804	104,449	251,804
Member function income		28,180	15,669	28,180	15,669
Rental income	2(a)	1,736,143	1,641,047	1,203,143	1,127,447
Sales – print & stationery		289,687	396,581	208,451	307,535
Apprentice income		-	-	16,311,774	16,686,433
Industry support		-	-	-	-
Other revenue	2(b)	3,461,263	3,445,622	219,249	272,446
Total revenue		6,949,141	7,060,008	19,404,665	19,970,619
Other Income					
Grants	2(c)	522,067	660,804	2,977,599	3,297,286
Total other income		522,067	660,804	2,977,599	3,297,286
Total income		7,471,208	7,720,812	22,382,264	23,267,905
Administration expenses		664,427	614,168	1,361,611	1,410,032
Advertising		74,616	143,697	197,066	277,628
Advocacy		4,473	19,495	4,473	19,495
Affiliation fees	3(a)	153,125	115,000	153,125	115,000
Apprentice training fees		-	-	219,230	194,593
Conferences and meeting expenses	3(b)	37,128	28,451	37,128	28,451
Cost of sales – print & stationery		147,411	167,557	147,411	167,557
Depreciation		480,285	473,775	951,731	979,400
Donations	3(d)	5,938	18,102	5,938	31,130
Employee expenses	3(e)	4,474,679	4,625,466	18,678,866	18,786,365
Grant expenses	3(c)	419,446	583,886	-	-
Insurance		98,669	92,555	192,335	177,857
Legal costs	3(f)	67,184	97,587	67,184	97,707
Motor vehicle costs		18,853	24,967	95,013	103,591
Motor trade journal		14,261	78,874	14,261	78,874
Property expenses		416,319	584,684	416,319	584,684
Telephone		54,841	67,476	97,194	114,276
Travel		16,882	22,590	49,253	52,267
Loss on sale of assets		2,337	13,309	8,978	28,041
Costs from ordinary activities		7,150,874	7,771,639	22,697,116	23,246,948
Surplus/(deficit) from operating activities		320,334	(50,827)	(314,852)	20,957
Net finance income	2(d)	(137,521)	(617,393)	250,357	224,696
Surplus/(deficit) for the period		182,813	(668,220)	(64,495)	245,653
Other comprehensive income for the period		-	-	-	-
Total comprehensive income/(loss) for the period		182,813	(668,220)	(64,495)	245,653

The statement of comprehensive income should be read in conjunction with the note in the financial statement set out on pages 8 to 34.

**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 2015

	<i>Note</i>	MTA		Consolidated	
		2015	2014	2015	2014
		\$	\$	\$	\$
Accumulated Surplus:					
Opening accumulated surplus		9,243,671	9,911,891	19,498,058	19,252,405
Surplus/(deficit) for the period		182,813	(668,220)	(64,495)	245,653
Closing accumulated surplus/(deficit)		9,426,484	9,243,671	19,433,563	19,498,058
<u>Other comprehensive income</u>					
Items that will no 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		10,795,498	10,612,685	20,802,577	20,867,072

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 8 to 34.

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

Statement of Financial Position

As at 31 March 2015		MTA		Consolidated	
	<i>Note</i>	2015	2014	2015	2014
		\$	\$	\$	\$
Assets					
Cash	4	1,937,183	1,785,187	3,206,908	3,152,326
Trade and other receivables	5	780,444	822,941	2,367,465	2,318,592
Inventories	6	56,043	55,437	61,106	62,266
Investments	7	404,347	1,462,075	2,348,056	3,359,596
Total current assets		3,178,017	4,125,640	7,983,535	8,892,780
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	3,177,918	3,196,665	3,177,918	3,196,665
Property, plant and equipment	9	7,572,334	7,497,569	10,876,683	11,010,588
Total non-current assets		12,947,266	12,891,248	16,237,116	16,389,768
Total assets		16,125,283	17,016,888	24,220,651	25,282,548
Liabilities					
Trade and other payables	10	993,051	1,107,862	1,922,180	1,976,771
Employee benefits	11	698,547	607,391	1,382,480	1,274,528
Borrowings	12	1,000	4,524,773	1,000	1,000,000
Total current liabilities		1,692,598	6,240,026	3,305,660	4,251,299
Employee benefits	11	112,414	164,177	112,414	164,177
Borrowings	12	3,524,773	-	-	-
Total non-current liabilities		3,637,187	164,177	112,414	164,177
Total liabilities		5,329,785	6,404,203	3,418,074	4,415,476
Net assets		10,795,498	10,612,685	20,802,577	20,867,072
Equity					
Accumulated surplus		9,426,484	9,243,671	19,433,563	19,498,058
Fair value reserve		1,369,014	1,369,014	1,369,014	1,369,014
Total equity		10,795,498	10,612,685	20,802,577	20,867,072

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 8 to 34.

**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 2015**

	<i>Note</i>	MTA		Consolidated	
		2015	2014	2015	2014
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		8,265,076	8,035,026	24,566,730	28,457,074
Cash paid to suppliers and employees		(7,495,647)	(7,577,612)	(23,966,988)	(27,614,822)
Cash generated from operations		769,429	457,414	599,742	842,252
Interest expense		(326,956)	(289,966)	(44,622)	(56,814)
Interest received		77,395	66,349	175,439	142,969
Distribution from MTAA House		112,040	84,360	119,540	89,860
Net cash from operating activities	<i>13</i>	631,908	318,157	850,099	1,018,267
Cash flows from investing activities					
Payments for investments		(404,347)	(1,426,434)	(2,348,056)	(3,284,788)
Proceeds from settlement of investments		1,462,075	1,406,336	3,359,596	3,230,566
Payments for property, plant and equipment		(537,894)	(132,627)	(856,723)	(494,998)
Payments for investment Property		(38,016)	(10,659)	(38,016)	(10,659)
Proceeds from sale of property, plant and equipment		37,270	45,892	86,682	161,890
Net cash from investing activities		519,088	(117,492)	203,483	(397,989)
Cash flows from financing activities					
Loans from external parties		(999,000)	-	(999,000)	-
Net cash from financing activities		(999,000)	-	(999,000)	-
Net increase in cash and cash equivalents		151,996	200,665	54,582	620,278
Cash and cash equivalents at 1 April		1,785,187	1,584,522	3,152,326	2,532,048
Cash and cash equivalents at 31 March	<i>4</i>	1,937,183	1,785,187	3,206,908	3,152,326

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 8 to 34

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 2015 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 26th May 2015.

(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, the Associations Incorporation Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009 (RO Act).

(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 2015 was a surplus of \$182,813 (2014: deficit of \$668,220) and a net current asset surplus of \$1,485,419 (2014: net current asset deficiency of \$2,114,386). Included in last years current liabilities for the Association is a loan of \$3,524,773, due by the Association to The MTA Group Training Scheme Inc, a wholly owned entity, as disclosed in Note 12. The Association has adopted this year, that no settlement of the loan will occur in the next 12 months. 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 \$629,570 (2014: \$318,157) 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 is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 (l)).

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>2015</u>	<u>2014</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>2015</u>	<u>2014</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 profit of \$158 resulting from activities to the taxation year ended 31 March 2015, (2014: Loss \$2,161).

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 January 2014 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) IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments; Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.

The Consolidated Entity is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

Notes to the consolidated financial statements (continued)

(ii) IFRS 15 Revenue from Contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when, revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted

The Consolidated Entity is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

(v) Changes in accounting policy

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 has assessed the impact of AASB 10 and disclosure requirements for interests in subsidiaries in comparison with the existing disclosures and determined there is no change from the prior year. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
2.a. Rental revenue				
Properties	1,736,143	1,641,047	1,203,143	1,127,447
	<u>1,736,143</u>	<u>1,641,047</u>	<u>1,203,143</u>	<u>1,127,447</u>
2.b. Other operating income				
Other services	5,105	4,566	117,404	126,675
Industrial services	101,845	145,771	101,845	145,771
Related party salaries and on costs recharge	2,556,313	2,602,785	-	-
Related party management fees	798,000	692,500	-	-
	<u>3,461,263</u>	<u>3,445,622</u>	<u>219,249</u>	<u>272,446</u>
2.c. Grants				
Government funds	522,067	660,804	2,977,599	3,297,286
	<u>522,067</u>	<u>660,804</u>	<u>2,977,599</u>	<u>3,297,286</u>
2.d. Net finance income				
Interest income	77,395	92,986	175,439	191,650
MTAA House distribution	112,040	84,360	119,540	89,860
Less interest expense	(44,622)	(56,814)	(44,622)	(56,814)
Less related party interest ⁽¹⁾	(282,334)	(737,925)	-	-
Net Finance Income	<u>(137,521)</u>	<u>(617,393)</u>	<u>250,357</u>	<u>224,696</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	60,125	25,000	60,125	25,000
Australian Motor Industry Federation	93,000	90,000	93,000	90,000
	<u>153,125</u>	<u>115,000</u>	<u>153,125</u>	<u>115,000</u>
3.b. Administration Expenses				
Conferences and meeting expenses	37,128	28,451	37,128	28,451
	<u>37,128</u>	<u>28,451</u>	<u>37,128</u>	<u>28,451</u>
3.c. Grants or Donations				
Grants	419,446	583,886	-	-
	<u>419,446</u>	<u>583,886</u>	<u>-</u>	<u>-</u>

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
3.d. Donations				
Donations	938	2,352	938	15,380
Political Donations included as part of advocacy	5,000	15,750	5,000	15,750
	<u>5,938</u>	<u>18,102</u>	<u>5,938</u>	<u>31,130</u>
<u>Donations over \$1,000</u>				
RUFUS Van	-	-	-	13,027
Australian Labour Party (SA Branch)	-	2,250	-	2,250
Liberal Party of Australia SA (Division)	5,000	12,500	5,000	12,500
Nick Xenophon Group	-	1,000	-	1,000
3.e. Employees Expenses				
<u>Holders of office</u>				
Other employee expenses	9,949	11,985	9,949	11,985
Employee expenses holders of office	<u>9,949</u>	<u>11,985</u>	<u>9,949</u>	<u>11,985</u>
<u>Employees other than office holders</u>				
Wages and Salaries	3,776,077	3,717,257	16,277,532	16,046,663
Superannuation	359,572	349,063	1,399,262	1,353,829
Leave and other entitlements	59,108	68,244	118,722	237,372
Separation and redundancies	14,219	160,846	14,219	160,846
Other employee expenses	258,754	318,071	859,182	975,670
Employee expenses holders of office	<u>4,464,730</u>	<u>4,613,481</u>	<u>18,668,917</u>	<u>18,774,380</u>
Total employee expenses	<u>4,474,679</u>	<u>4,625,466</u>	<u>18,678,866</u>	<u>18,786,365</u>
3.f Legal costs				
Other legal costs	67,184	97,587	67,184	97,707
	<u>67,184</u>	<u>97,587</u>	<u>67,184</u>	<u>97,707</u>
There has been no litigation expenditure and are no litigation claims				
4. Cash				
Cash and cash equivalents	1,937,183	1,785,187	3,206,908	3,152,326
	<u>1,937,183</u>	<u>1,785,187</u>	<u>3,206,908</u>	<u>3,152,326</u>

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
5. Trade and other receivables				
Current				
<u>Receivables from other reporting units</u>				
The MTA Group Training Scheme	474,894	498,206	-	-
Retail Motor Trading Co. Pty Ltd	7,040	7,360	-	-
Total receivables from other reporting units	481,934	505,566	-	-
<u>Other receivables</u>				
Trade and other receivables	282,406	297,520	2,288,891	2,230,903
Prepayments	16,104	39,103	78,574	106,937
/less Provision for doubtful debts	-	(19,248)	-	(19,248)
Total other Receivables	298,510	317,375	2,367,465	2,318,592
Total trade and other receivables (net)	780,444	822,941	2,367,465	2,318,592
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	48,839	45,851	48,839	45,851
Printing	7,204	9,586	12,267	16,415
	56,043	55,437	61,106	62,266

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
7. Investments				
Current Investments				
Fixed term deposit	404,347	1,462,075	2,348,056	3,359,596
	<u>404,347</u>	<u>1,462,075</u>	<u>2,348,056</u>	<u>3,359,596</u>
<u>Details of Terms Deposits held</u>				
	Maturity	Amount		
		\$		
<u>Motor Trade Association of SA Inc</u>				
Commonwealth Bank	3 Jun 15	404,347		
<u>MTA Group Training Scheme Inc</u>		\$		
Commonwealth Bank	3 Jun 15	1,314,419		
Commonwealth Bank	21 Sep 15	629,290		
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.

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
8. Investment Property 2015				
Balance at 1 April	3,340,057	3,340,057	3,340,057	3,340,057
Acquisitions	48,675	10,659	48,675	10,659
Less: Accumulated depreciation	(210,814)	(154,051)	(210,814)	(154,051)
Balance at 31 March	<u>3,177,918</u>	<u>3,196,665</u>	<u>3,177,918</u>	<u>3,196,665</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 2015 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.

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 2018.

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 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>
Balance at 1 April 2014	8,082,758	2,411,476	57,470	151,425	10,703,129
Acquisitions	3,940	443,487	22,613	67,854	537,894
Disposals	-	(515)	-	(66,617)	(67,132)
Balance at 31 March 2015	<u>8,086,698</u>	<u>2,854,448</u>	<u>80,083</u>	<u>152,662</u>	<u>11,173,891</u>
Depreciation and impairment losses					
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>
Balance at 1 April 2014	1,832,723	1,290,927	46,717	35,193	3,205,560
Depreciation charge for the year	166,097	215,453	11,520	30,452	423,522
Adjustment	-	12,968	(12,968)	-	-
Disposals	-	(450)	-	(27,075)	(27,525)
Balance at 31 March 2015	<u>1,998,820</u>	<u>1,518,898</u>	<u>45,269</u>	<u>38,570</u>	<u>3,601,557</u>
Carrying amounts					
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>
At 1 April 2014	6,250,035	1,120,549	10,753	116,232	7,497,569
At 31 March 2015	<u>6,087,878</u>	<u>1,335,550</u>	<u>34,814</u>	<u>114,092</u>	<u>7,572,334</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 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	8,082,758	4,471,641	150,141	3,803,986	16,508,526
Balance at 1 April 2014	8,082,758	4,471,641	150,141	3,803,986	16,508,526
Acquisitions	3,940	675,944	35,475	141,364	856,723
Transfer in/(out)	-	(120,167)	69,247	50,920	-
Disposals	-	(428,766)	(3,177)	(134,606)	(566,549)
Balance at 31 March 2015	8,086,698	4,598,652	251,686	3,861,664	16,798,700
Depreciation and impairment losses					
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	1,832,723	2,742,226	139,750	783,239	5,497,938
Balance at 1 April 2014	1,832,723	2,742,226	139,750	783,239	5,497,938
Depreciation charge for the year	166,097	435,564	20,678	272,629	894,968
Transfer in/(out)	-	(55,631)	40,168	15,463	-
Disposals	-	(409,612)	(3,177)	(58,100)	(470,889)
Balance at 31 March 2015	1,998,820	2,712,547	197,419	1,013,231	5,922,017
Carrying amounts					
At 1 April 2013	6,416,119	2,048,463	22,020	3,125,477	11,612,079
At 31 March 2014	6,250,035	1,729,415	10,391	3,020,747	11,010,588
At 1 April 2014	6,250,035	1,729,415	10,391	3,020,747	11,010,588
At 31 March 2015	6,087,878	1,886,105	54,267	2,848,433	10,876,683

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 2015 at a "willing buyer/seller" market value of \$6,900,000.

3 Frederick Road Royal Park was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2015 at a "willing buyer/seller" market value of \$5,900,000.

3 Schenker Drive Royal Park was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2015 at a "willing buyer/seller" market value of \$1,600,000. 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 2018.

Notes to the consolidated financial statements (continued)

10. Trade and other payables

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Subscriptions in advance	196,604	258,711	196,604	258,711
Other trade payables	739,290	755,021	1,725,575	1,718,060
Subtotal trade creditors	935,894	1,013,732	1,922,179	1,976,771
<u>Payable to other Reporting Units</u>				
The MTA Group Training Scheme Inc.	57,156	94,130	-	-
Subtotal payables to other reporting units	57,156	94,130	-	-
Total trade payables	993,050	1,107,862	1,922,179	1,976,771

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	264,102	255,910	939,602	917,336
Long service leave	546,859	515,658	546,859	515,658
Other	-	-	8,433	5,711

Employee provisions - other than office holders	810,961	771,568	1,494,894	1,438,705
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Total Employee provisions	810,961	771,568	1,494,894	1,438,705
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Current	698,547	607,391	1,382,480	1,274,528
Non Current	112,414	164,177	112,414	164,177
Total Employee provisions	810,961	771,568	1,494,894	1,438,705

Notes to the consolidated financial statements (continued)

12. Borrowings

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Current				
<u>Receivables due to other reporting units</u>				
MTA Group Training Scheme Inc.	-	3,524,773	-	-
<u>Other Current Borrowings</u>				
Westpac mortgage on 3 Schenker Drive Royal Park	-	1,000,000	-	1,000,000
Commonwealth mortgage on 3 Schenker Drive Royal Park	1,000	-	1,000	-
	1,000	4,524,773	1,000	1,000,000
Non -Current				
MTA Group Training Scheme Inc.	3,524,773	-	-	-
	3,524,773	-	-	-
	3,525,773	4,524,773	1,000	1,000,000

⁽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.

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

	Note	MTA		Consolidated	
		2015	2014	2015	2014
		\$	\$	\$	\$
Cash and cash equivalents					
Cash on hand		1,937,183	1,785,187	3,206,908	3,152,326
Total cash & cash equivalents		1,937,183	1,785,187	3,206,908	3,152,326
Cash flows from operating activities					
Profit for the period		182,813	(668,220)	(64,495)	245,653
<i>Adjustments for:</i>					
Loss on disposal		2,337	13,309	8,978	28,041
Non-cash interest earned on investments		-	(35,641)	-	(74,808)
Non-cash interest payable on related party loans		-	524,773	-	-
Depreciation		480,285	473,775	951,731	979,400
Government asset contribution		-	-	-	(16,258)
Operating profit before changes in working capital and provisions		665,435	307,996	896,214	1,162,028
(Increase)/decrease in trade and other receivables		42,497	5,337	(48,873)	(200,228)
(Increase)/decrease in inventories		(606)	(8,490)	1,160	(5,671)
(Decrease)/increase in trade and other payables		(114,811)	24,971	(54,591)	35,150
Increase in provisions and employee benefits		39,393	(11,657)	56,189	26,988
Cash generated from the operations		631,908	318,157	850,099	1,018,267

Notes to the consolidated financial statements (continued)

Financing Facilities

A Line of Credit facility of \$1,000,000 (2014- \$0), is available to the Motor Trade Association of South Australia at 31 March 2015. At that date, \$1,000 of this facility was in use (2014 - \$Nil).

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

13b. Reconciliation of cash flows from operating activities

Cash inflows	MTA		Consolidated	
	2015	2014	2015	2014
MTA Group Training Scheme Inc	4,586,921	4,308,869	-	-
Retail Motor Trading Co. Pty Ltd	7,360	9,040	-	-
Total Cash inflows	4,594,281	4,317,909	-	-

14. Contingencies

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	399,000	366,000	2,180,000	2,082,000

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 \$1,781,000 (2014:\$1,716,000), whilst the cost to the Association for training staff entitlements would be \$399,000 (2014:\$366,000).

15. Consolidated entities

Parent entity	Australian Business Number	Ownership interest	
		2015	2014
The Motor Trade Association of South Australia	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

Statement of Comprehensive Income

	2015	2014
	\$	\$
Management Fees	798,000	692,500
Staff Salaries and on costs	2,556,313	2,602,785
Rental of 3 Frederick Road	533,000	513,600
Printing sales	81,236	89,046
Staff Training	15,810	-
Provision of services for governments grants	419,446	583,886
	<u>4,403,805</u>	<u>4,481,817</u>

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

Statement of Comprehensive Income

	2015	2014
	\$	\$
Interest on loan for \$160,000 receivable from Retail Motor Trading Co Pty Ltd	7,040	7,360
Interest on Loan of \$3,000,000 payable to MTA Group Training Scheme	(282,334)	(737,925)
	<u>(275,294)</u>	<u>(730,565)</u>

Statement of Financial Position

	2015	2014
	\$	\$
Trade and other receivables	481,934	658,010
Trade and other payables	(57,156)	(94,130)
Borrowings	(3,524,773)	(3,524,773)
	<u>(3,099,995)</u>	<u>(2,960,893)</u>

Statement of Financial Position

	2015	2014
	\$	\$
Borrowings	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

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 Paul Unerkov 05-05- 2014 - current
 Emma Flenley John Chapman 01-04- 2013 - 31-01-2014
 Liam Hunt

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<u>Short term employee benefits</u>				
Salary (including annual leave taken)	919,280	889,072	918,280	889,072
Annual leave accrued	68,214	52,152	68,214	52,152
Performance Bonus	58,618	33,220	58,618	33,220
Total employee provisions	1,046,112	974,444	1,046,112	974,444
<u>Post - employment benefits</u>				
Superannuation	92,171	85,651	92,171	85,651
Total post- employment benefits	92,171	85,651	92,171	85,651
<u>Other long term benefits</u>				
Long service leave	36,433	50,626	36,433	50,626
Total post- employment benefits	36,433	50,626	36,433	50,626
<u>Termination benefits</u>				
Termination	-	160,846	-	160,846
Total termination benefits	-	160,846	-	160,846
18. Remuneration to Auditors				
<u>Value of services to Auditors</u>				
Financial statement audit services	34,244	38,350	63,674	59,500
Other assurance services	2,600	-	13,400	2,500
Tax services	2,936	75,497	2,936	75,497
Advisory Services	-	-	-	2,200
Total remuneration to auditors	39,780	113,847	80,010	139,697

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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash and Cash Equivalents	1,937,183	1,785,187	3,206,908	3,152,326
Trade and other receivables - current	780,444	822,941	2,367,465	2,318,592
Investments - current	404,347	1,462,075	2,348,056	3,359,596
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>5,318,988</u>	<u>6,267,217</u>	<u>10,104,944</u>	<u>11,013,029</u>

The Ageing of the Consolidated trade and other receivables at the reporting date was as follows

	MTA				Consolidated			
	2015		2014		2015		2014	
	\$	\$	\$	\$	\$	\$	\$	\$
	Carrying Value	Provision	Net Value	Net Value	Carrying Value	Provision	Net Value	Net Value
Current	760,375	-	760,375	818,646	2,289,935	-	2,289,935	2,171,555
Past Due 0-30 days	1,721	-	1,721	2,950	56,534	-	56,534	87,331
Past Due 31-60 days	4,500	-	4,500	541	5,587	-	5,587	41,404
Past Due 61- 90 days	7,889	-	7,889	804	9,450	-	9,450	8,939
More than 90 days	5,959	-	5,959	-	5,959	-	5,959	9,363
	<u>780,444</u>	<u>-</u>	<u>780,444</u>	<u>822,941</u>	<u>2,367,465</u>	<u>-</u>	<u>2,367,465</u>	<u>2,318,592</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	
		2015	2014	2015	2014
		\$	\$	\$	\$
Cash and Cash Equivalents	4	1,937,183	1,785,187	3,206,908	3,152,326
Retail Motor Trading Co Pty Ltd Loan non-current	5	160,000	160,000	-	-
Investments - current	7	404,347	1,462,075	2,348,056	3,359,596
Receivables due to other reporting units non-current	12	(3,524,773)	(3,524,773)	-	-
Secured mortgage on 3 Schenker Drive	12	(1,000)	(1,000,000)	(1,000)	(1,000,000)
		<u>(1,024,243)</u>	<u>(1,117,511)</u>	<u>5,553,964</u>	<u>5,511,922</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 2015				
Cash and Cash Equivalents	19,372	(19,372)	19,372	(19,372)
Retail Motor Trading Co Pty Ltd Loan non-current	1,600	(1,600)	1,600	(1,600)
Investments - current	4,043	(4,043)	4,043	(4,043)
Receivables due to other reporting units non-current	(35,247)	35,247	(35,247)	35,247
Commonwealth mortgage on 3 Schenker Drive	(10)	10	(10)	10
	<u>(10,242)</u>	<u>10,242</u>	<u>(10,242)</u>	<u>10,242</u>
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 current	(35,247)	35,247	(35,247)	35,247
Westpac mortgage on 3 Schenker Drive	(10,000)	10,000	(10,000)	10,000
	<u>(11,175)</u>	<u>11,175</u>	<u>(11,175)</u>	<u>11,175</u>
	Consolidated			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2015				
Cash and Cash Equivalents	32,069	(32,069)	32,069	(32,069)
Investments - current	23,481	(23,481)	23,481	(23,481)
Commonwealth mortgage on 3 Schenker Drive	(10)	10	(10)	10
	<u>55,540</u>	<u>(55,540)</u>	<u>55,540</u>	<u>(55,540)</u>
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>

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	More than 12 months	Carrying Amount	Contractual cash flows	6 months or less	12 months or less	
	\$	\$	\$			\$	\$	\$		
31 March 2015										
Accounts payable	993,050	993,050	993,050	-	-	1,922,179	1,922,179	1,922,179	-	-
Borrowings - current	1,000	1,000	1,000	-	-	1,000	1,000	1,000	-	-
Borrowings from related parties - non-current	3,524,773	3,524,773	-	-	3,524,773	-	-	-	-	-
	<u>4,518,823</u>	<u>4,518,823</u>	<u>994,050</u>	<u>-</u>	<u>3,524,773</u>	<u>1,923,179</u>	<u>1,923,179</u>	<u>1,923,179</u>	<u>-</u>	<u>-</u>
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 - current	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>-</u>	<u>2,976,771</u>	<u>2,976,771</u>	<u>1,976,771</u>	<u>1,000,000</u>	<u>-</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 2015				
Cash and Cash Equivalents	1,937,183	1,937,183	3,206,908	3,206,908
Trade and other receivables - current	780,444	780,444	2,367,465	2,367,465
Investments - current	404,347	404,347	2,348,056	2,348,056
Investments - non-current	2,037,014	2,037,014	2,182,515	2,182,515
Retail Motor Trading Co Pty Ltd Loan non-current	160,000	160,000	-	-
Trade and other payables	(993,050)	(993,050)	(1,922,179)	(1,922,179)
Receivables due to other reporting units non-current	(3,524,773)	(3,524,773)	-	-
	<u>801,165</u>	<u>801,165</u>	<u>8,182,765</u>	<u>8,182,765</u>

Notes to the consolidated financial statements (continued)

31 March 2014	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and Cash Equivalents	1,785,187	1,785,187	3,152,326	3,152,326
Trade and other receivables	822,941	822,941	2,318,592	2,318,592
Short Term Bank Secured Investments	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- non-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>

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 2015	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
	<u>-</u>	<u>-</u>	<u>2,037,014</u>	<u>2,037,014</u>	<u>-</u>	<u>-</u>	<u>2,182,515</u>	<u>2,182,515</u>

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
	<u>-</u>	<u>-</u>	<u>2,037,014</u>	<u>2,037,014</u>	<u>-</u>	<u>-</u>	<u>2,182,515</u>	<u>2,182,515</u>

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;

	2015	2014
Less than one year	882,002	792,600
Between one and five years	597,063	1,077,278
More than five years	-	-
	<u>1,479,065</u>	<u>1,869,878</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 that 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:

Frank Agostino	Robert Duns	
Neville Gibb	Tracy Butler	
John Zulian	Brenton Stein	
Clive Polley	Paul Page	
Peter Roberts	Kym Webber	
Ron Lewis	Phillip Turner	
Martin Guppy	Bill Lane	23-12-2014 – 31-03-2015
Brian Weeks	David Vincent	17-02-2015 – 31-03-2015
Jeff Williams	Marcus Baldacchino	23-12-2014 – 31-03-2015
Colin Butcher	Andrew Forrest	01-04-2014 – 11-12-2014
John Jansse	Danny Shane	01-04-2014 – 05-11-2014
Dale John		

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:

Frank Agostino	Ron Lewis	
Neville Gibb	Martin Guppy	17-02-2015 – 31 March 2015
John Zulian	Danny Shane	01-04-2014 – 05-11-2014
Clive Polley		
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 26th of May 2015 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 2015.

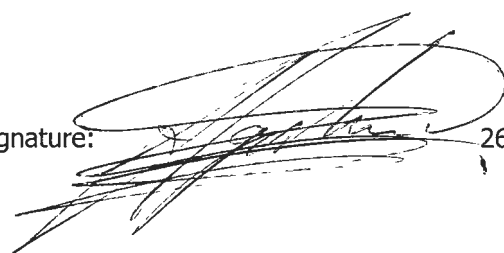
The Board of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and Associations Incorporation Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009 (RO Act);
- (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 RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member by a member of the reporting unit or General Manager duly made under Section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - (vi) where any orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
 - (vii) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

For Board of Management

Name and Title of Office held: Frank Agostino, President

Signature:



26 May 2015

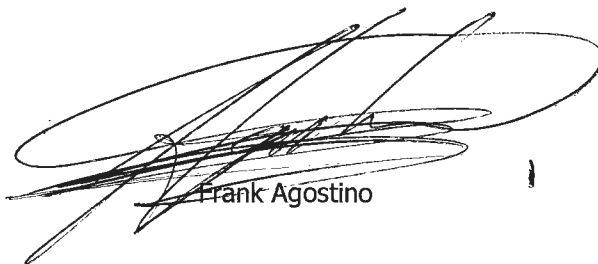
**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.**

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 2014/2015 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.



Frank Agostino



John Zulian

Dated this 26th day of May 2015

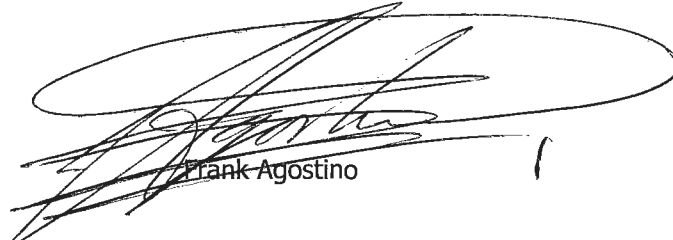
**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.**


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.
- | | 2015 | 2014 |
|--|------|------|
| | \$ | \$ |
| | - | - |

Signed pursuant to a resolution of the Board of Management.


Frank Agostino


John Zulian

Dated this 26th day of May 2015

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 2015

I, FRANK AGOSTINO 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 2015 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 19 June 2015; and
- that the full report will be presented to a general meeting of members of the reporting unit on Tuesday, 21 July 2015 in accordance with s. 266 of the Fair Work (Registered Organisations) Act 2009.


Signature of prescribed designated officer

FRANK AGOSTINO

Name of prescribed designated officer

PRESIDENT

Title of prescribed designated officer

26 MAY 2015

Dated



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

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 2015, 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 and fair presentation 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 2015 and of their financial performance and their 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*.

A handwritten signature in black ink, appearing to be 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to be 'Darren Ball', enclosed in a circular scribble.

Darren Ball
Partner

Adelaide

26 May 2015

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MTA Annual Report 14/15



89TH ANNUAL GENERAL MEETING

89th Annual General Meeting of the Motor Trade Association of South Australia Incorporated to be held on Tuesday, 21 July 2015 at 7:00pm in the Ian McLachlan Room, Adelaide Oval, War Memorial Drive, Adelaide.

AGENDA

1. Notice of meeting and recording of apologies
2. To adopt the minutes of the 88th AGM held 15 July 2014
3. To receive the Financial Statement of the year ended 31 March 2015
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 2014 /2015

The MTA-SA Board of management consists of the Executive Committee and Board Members as at 31 March 2015

Executive Committee and MTA Group Training Scheme Board



Frank Agostino
President and
MTA Group Training Scheme Chairman

Neville Gibb
Past President

John Zulian
Vice President

Clive Polley
Members Representative

Peter Roberts
Board Representative

Ron Lewis
Board Representative

Martin Guppy
Board Representative

Board Members



Dale John

Brian Weeks

Brenton Stein

Danny Shane

Bill Lane

David Vincent

Tracy Butler



Kym Webber

Jeff Williams

Robert Duns

Marcus Baldacchino

Paul Page

John Jansse

Colin Butcher

Phil Turner

President's Report



Frank Agostino

The past year has been one where the MTA has often been a barometer of the South Australian economy. We have members who are doing well, and many that are not. We have refocused the Association to be better equipped to deal with these challenges as we support members through these uncertain times.

We welcomed the addition of Mr Paul Unerkov as our CEO in May 2014. Under Paul's leadership, we have seen a strong focus on the member and the MTA team adjusted the Association's goals towards one simple application, adding value to the membership. This was a continual theme through the year and has built a foundation on which the Association can continue to benefit its members.

Although the end of manufacturing in Australia was announced in the 2013/14 reporting period, we saw the impact and government response to the transition start to unfold. The MTA is working closely with stakeholders to identify ways which the retail sector can assist in the transition, and indeed how our Training & Employment Centre could assist with the upskilling and skills recognition of Holden workers.

The MTA was extremely active in representing members' interests to stakeholders both federally and locally in South Australia. While we contributed to more than 50 formal consultations and submissions, we also continued to maintain open dialogues on a number of key issues.

The year saw the new Federal Government look at a number of key policy areas

including: competition review, productivity review, Motor Vehicle Standards Act (parallel imports), Senate Inquiry into the automotive sector, the Franchise Code and Right to Repair.

We vehemently opposed the Federal Government decision to look at parallel imports of both new and used vehicles. The government backed away from used vehicles, but a decision is yet to be made on new vehicles. As we have said many times, this is bad for consumers, bad for jobs and bad for our industry. We will continue our efforts on ensuring the government does not allow parallel imports.

The Senate Inquiry into the automotive sector comes on the back of the work from the Australian Motor Industry Federation (AMIF) regarding our sector, which is at a crossroad in terms of supportive government policy as the industry transforms.

At the state level the re-elected Weatherill Government, announced a once in a generation tax review. For the MTA, this was an opportunity to voice many member concerns around the efficiencies, competitiveness and fairness lacking from the state taxation regime. Our submission struck the delicate balance between realising an efficient and competitive taxation system which frees business up to do business and allowing the government to gain the revenue it needs to provide the state with appropriate services. It was well received by the government and we look forward to the next steps.

We continued to have our members represent South Australia at the highest levels with Neville Gibb – President of the Australian Motor Industry Federation, Jeff Williams – Chairman of the Australian Motor Body Repairers Association and Colin Butcher – Acting Chairman of the Farm and Industrial Machinery Association of Australia.

All members are represented through their divisional chairs/representatives attending national meetings, but we'd like to thank those in leadership positions for their continued service to our industry.

I'd like to take the opportunity to thank all of my colleagues on the MTA Board of Management for their continued support, ideas and commitment to the Association. I'd also like to thank the MTA staff who have been working diligently in supporting all members.



"We saw members engage with the MTA for the first time in years, and in some cases decades."

Divisional Roundtables



Chief Executive Officer's Report



Paul Unerkov

My first year at the MTA has been without question a learning experience. The industry continued to face a wide range of challenges, which meant that at the MTA we faced those same challenges. We had an overall decline in membership numbers and financially it has been a difficult year as well. However, we have not let that deter us, and there is a lot that we have achieved in the face of these difficult circumstances.

The Association has focused its efforts towards how can we add value to the members and their business. It has been the cornerstone of everything we do at the MTA, and we have been rewarded with some positive results.

We continued with our regional zone meetings throughout the year, but we improved the way in which they were delivered. We tailored the information to those members attending, and followed up the entire zone with an eNews communication after the meeting. We saw a trend of improved attendances throughout the year and better engagement from our regional members.

Our divisional meetings provided members with the opportunity to work on issues affecting our diverse membership. It enabled us to gain feedback on over 50 consultations/submissions we participated in and provided critical information regarding changes in each sector.

A new initiative we introduced was the divisional roundtables. These were held for a number of divisions across both regional

and metropolitan locations. Through these roundtables we saw members engage with the MTA for the first time in years and in some cases decades.

In February, we held the Adapting to Change Seminar, as a result of a member's idea. With the members' vision at hand, we were able to create an event that participating members not only enjoyed, but also gained some valuable insights to take back and apply in their businesses.

We looked at the range of services offered to members and how they could be improved. Our Training & Employment Centre worked with a body repair subcommittee to ensure training developed is relevant to industry. This has proved to be productive and useful to all involved and will continue to ensure ongoing benefits for the industry.

With a newly re-elected state government, we also undertook a deliberate strategy to develop good working relationships with the state government departments throughout the year. Many departments went under significant changes and with the addition of new leadership, we have been presenting MTA members' challenges and ideas they face. In particular, we have continued to work closely with Consumer and Business Services, Department of Planning Transport and Infrastructure, Skills for All (WorkReady), Services SA and Department of Education and Children Services.

We have also continued to work with Return to Work to understand how the new Return to Work legislation (previously WorkCover)

will impact our industry. This change in direction has been welcomed by our industry and will see a reduction in premiums for many members.

In addition to this, we began the process of evaluating the effectiveness of our Business Partners. We have been able to develop better offers with existing partners, such as Commonwealth Bank and establish new business partners like OurAuto, offering members an online technical information service and business insurance products.

It was a year where the MTA built a platform based on members; focusing on adding value and improving engagement.

I'd like to thank our management team and all the staff for their valued contribution, enthusiasm and drive to achieve real value for the members.

I am confident the MTA can continue to grow, continue to be a valued partner to members, and continue to be a relevant voice for the automotive industry in South Australia.

Financial Controller's Report



Russell Smith

The past financial year for the Consolidated entity has been one of steady achievement in a fairly difficult environment.

I thank all staff who supported our existing members and securing of new members for our organisation. I particularly thank all members for the continued support of one of South Australia's leading business organisations.

During the year the MTA welcomed a new joint venture partnership agreement with Our Auto Insurance. Our Auto Insurance is the new and exciting arrangement between the Motor Trade Association of SA and joint ventures, VACC and JLT Pty Ltd.

The MTA continued its long term partnership with Capricorn. 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 with the Commonwealth Bank, BUPA, MTAA Super and BDO Accounting to improve the services for members.

The Audit Committee met three times during the year as it provided oversight and advice on the governance and management of the Associations 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 I would like to thank KPMG Audit Partner Darren Ball and his team for their efforts, support and advice.

The Consolidated Entity made a deficit of \$64,495, comprising of a surplus from the Motor Trade Association of \$182,813 and a deficit from the MTA Group Training Scheme of \$247,308.

Finally I must recognise the efforts and support of the Board of the MTA, the Executive Committee, MTA Management and staff for their contributions for our Association.



2014/15 CONSOLIDATED FINANCIAL PERFORMANCE

Statement of Financial Performance as at 31 March 2015	FY 2015 \$'000's	FY 2014 \$'000's
MTA Trading Income	7,471	7,721
MTA - GTS Trading Income	14,903	15,541
Retail Motor Trading Co. Income	8	6
Interest Received	175	191
Total Consolidated Income	22,557	23,459
Staff Salaries and on costs	4,475	4,625
Apprentice Salaries and On costs	14,203	14,161
Depreciation	950	979
Training expenses	189	202
Operating costs	2,805	3,246
Total Consolidated Expenses	22,622	23,213
Surplus / (Deficit)	(65)	246

Statement of Financial Position as at 31 March 2015	FY 2015 \$'000's	FY 2014 \$'000's
Total Current Assets	7,983	8,893
Total Non Current Assets	16,237	16,389
Total Assets	24,220	25,282
Total Current Liabilities	3,306	4,251
Total Non Current Liabilities	112	164
Total Liabilities	3,418	4,415
Net Assets	20,802	20,867

2014/15 THE MOTOR TRADE ASSOCIATION OF SA FINANCIAL PERFORMANCE

The Motor Trade Association surplus for the year ended 31 March 2015 was \$182,813 in a difficult market. The primary areas of income, being membership subscriptions, commissions, property rental, industrial training fees, printing and stationery sales, were below the previous year by 5.4% resulting in a continuing review of expenditures through increased use of technology and renegotiation of contracts held with suppliers.

Membership income for the year was \$1,329,419 compared with \$1,309,285 on a reduced member base. This is primarily as a result of consolidation of member businesses.

Our investment in a Canberra office block which houses our National Bodies of Motor Trade Association of Australia and Australian Motor Industry Federation produced income of \$112,000 in 2014/15.

Current asset profile at 31 March 2015:

MTAA House Canberra	12.6%
Royal Park Training Centre	4.8%
81 & 83 Greenhill Road Wayville	20.5%
3 Schenker Drive Royal Park	12.2%
46 Fullarton Road Norwood	19.6%
Other Fixed Assets	2.6%
Cash and Term Deposits	14.5%
Others (receivables, stock)	13.2%

Key Financial Performance Indicators	FY 2015 \$'000's	FY 2014 \$'000's
Net Surplus	183	70 ¹
Net Current Assets	1,485	1,410 ²
Total Equity	10,795	10,613
Cash Held Including Investments	2,341	3,247
Extrenal Borrowings	-	1,000

1. Before Interest Expense Paid To Controlled Entity

2. Including Adjustment To Loan Payable As Non Current To Controlled Entity

Other Performance Indicators

Number of Members	1,102	1,142
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HUMAN RESOURCES



56

Staff



48.5

Full-time
equivalent

12.7%

Staff turnover



5.4

Average days training
per staff member

The 2014/15 financial year saw relatively stable staffing levels in headcount and full time equivalency, with slight variations month to month. The low percentage of staff turnover (12.7 per cent) added to the stability in the MTA's workforce.

There was a change in leadership in May 2014, with the commencement of Paul Unerkov as Chief Executive Officer. The focus has been on developing a clear annual management plan for 2015/16, and importantly, ensuring all staff understand the MTA's member focus and services aligned to adding value for member businesses.

The MTA is committed to staff development. This is exemplified through all staff having performance and development plans, followed by mid-year and full-year performance reviews where learning and development opportunities were identified and scheduled. In the instance of an employee performing below expectations, performance improvement plans were developed and regularly reviewed.

Staff learning and development remained a priority with employees receiving an average of 5.4 training days each during the year. All staff participated in work health safety training, equal opportunity training, bullying/harassment training and privacy training. In addition to this, managers and supervisors received

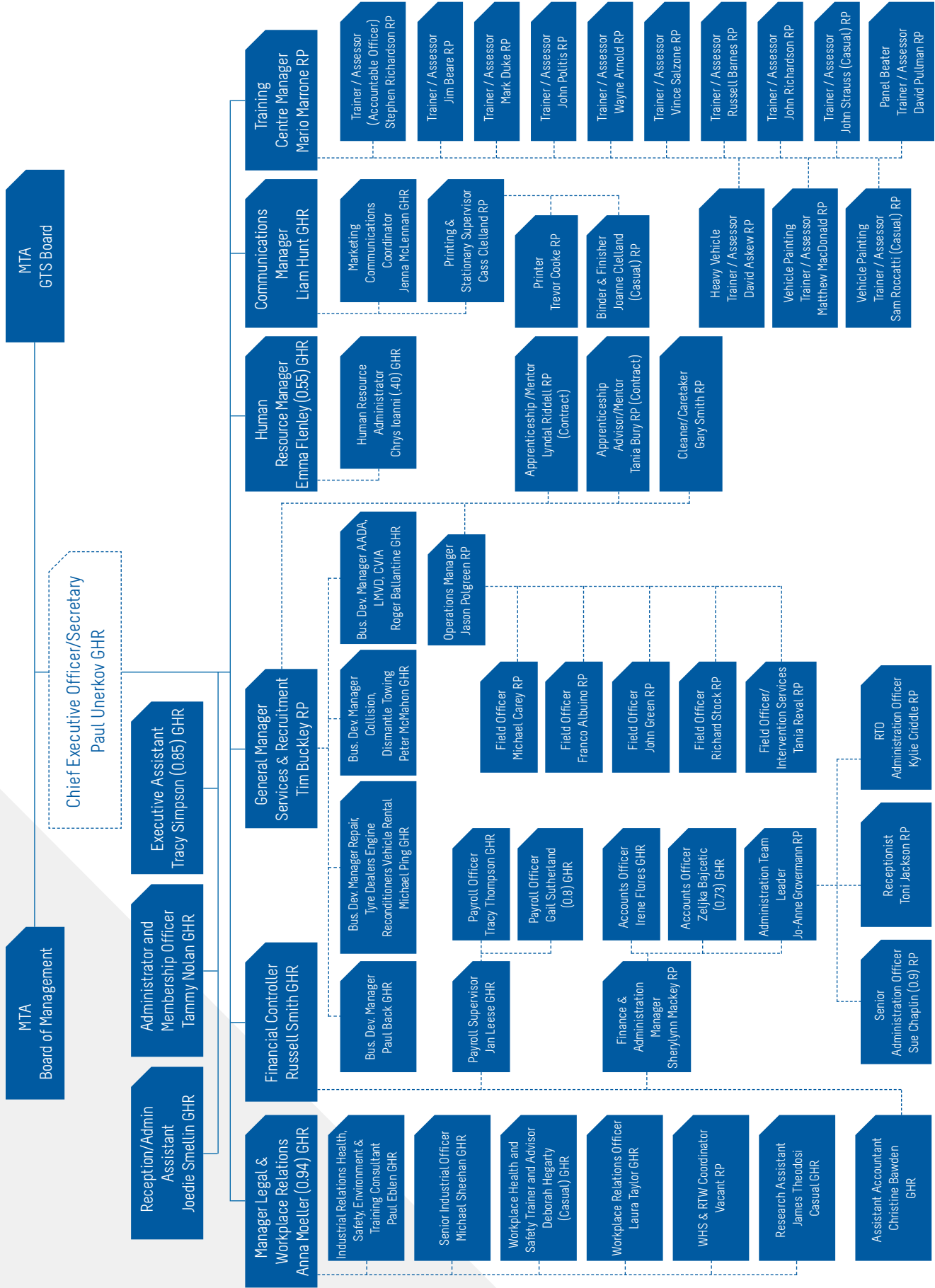
specific equal opportunity and bullying/harassment training. Two staff members are also currently studying their masters of business administration (MBA).

There were two new staff injuries during the year and no loss time injuries.

The MTA celebrated the twentieth anniversary of Joanne Clelland as a casual binder in the Printing and Stationery Department and also wished Roger Ballantine well for his retirement as Business Development Manager, after twenty six years of employment.



Roger Ballantine



MEMBER SERVICES




1102

Year end memberships


67

New members


106

Resignations


2096
Total member engagement
(Excluding Industrial Relations)

The increasingly difficult economic conditions over the last two and half years have seen an impact on new membership growth, with membership declining to 1102 members.

While economic conditions were a major factor in this reduction, consolidation and mergers have also played their part in the decline. The 2014/15 financial year recorded 106 resignations from the MTA and 67* new memberships.

In the MTA's business review, there was a strategic shift for member engagement; a move to put the member at the central focus in everything the Association delivers.

With this focus, attendances are steadily increasing at the regularly scheduled division and zone meetings. In the 2014/15 year, 79 meetings were held with 1070 attendees.

Members received greater benefits from business partners throughout 2014/15 year. Commonwealth Bank developed an improved offering to members that includes a 0.63% fee on standard MasterCard credit card transactions.

BDO awarded a \$15,000 scholarship to MTA member Rowell & Searle and put on four relevant member events, including digital strategy workshops to assist members with business operations.

ACHIEVEMENTS



Membership promotional campaigns: 30 new members joined the MTA during the three month member promotional campaign period during January to March 2015.



Adapting to Change Seminar: Over 60 members attended with positive feedback received about the 'high calibre speakers'.



BDO Scholarship: Rowell & Searle received a \$15,000 BDO business scholarship to implement succession planning strategies and a long-term business plan.



President's Invitational: 80 members attended this event that formally recognised the MTA's outstanding members who have reached 25, 50 or 75 year membership milestones.



Small Business Mentoring Program: 23 members have taken part in the program that pairs members with an industry mentor from the marketing, financial and productivity backgrounds, as well as current and former successful members of the MTA.

*includes one re-instatement

INDUSTRIAL RELATIONS

 **1696**

Member IR enquiries

 **16**

Average minutes of an enquiry

 **34**

Work Health Safety audits and reports conducted

 **21**

National GreenStamp accreditations

 **96**

ERIS subscriptions

 **44**

BSB 414126 Certificate IV Work Health and Safety participants

 **52**

State and Federal submissions (June 14 – March 15)

The 2014/15 year has seen the continued delivery of traditional IR services to members, including a free telephone advisory service, drafting of contracts of employment and other documentation, policy creation, work health (WHS) safety advice, support and representation and assistance with workers compensation disputes. Members have accessed both verbal and written advice and representation in relation to franchise and consumer disputes, award disputes and enquiries, long service leave and magistrates court matters.

The department has increased its emphasis on the provision of human resources services to members through the introduction of human resource auditing, reporting and package development, all tailored to individual business.

Auditing and training has been a feature of the services provided by the department. The number of training sessions conducted and the range of topics covered has steadily increased to include both accredited and non-accredited training in relation to WHS, privacy reform, environmental, human resources and risk management.

Auditing and reporting has been expanded to address both industrial relations and human resources. The department continues to promote and conduct nationally harmonised GreenStamp

accreditations on behalf of members.

In addition to the traditional services delivered, the department has assumed responsibility for coordinating federal and state government submissions relating to issues affecting the motor trade. In the period since June 2014 a total of 52 submissions have been lodged

with the state or federal governments, giving members a strong voice on issues including: WHS reform, award modernisation, the franchising code and chain of responsibility, new workers compensation scheme and state and federal tax reform.

ACHIEVEMENTS



Long Service Leave: Federal Court appeal succeeded in overturning the previous decision to grant long service leave to a full time employee under the more generous state provisions.



Return to Work SA: MTA was instrumental in the design and effective passage of the new injury management scheme and legislation through SA parliament.



WHS legislation review: Successful lobbying resulted in officers regaining the right to silence protections for officers in the event of a prosecution.



Modern Award Review: Continuation of representations, along with MTA's state counterparts against significant claims to increase employee's entitlements and conditions of employment.



Advocacy: Coordinated/wrote in excess of 50 submissions to both state and federal governments in relation to a broad range of issues impacting on the motor trade industry, including: WHS, WorkCover, SafeWork, skilled migration, chain of responsibility and VET training/funding.

Website:**100**

Average member logons/month

**7,000**

Average visits/month

**5200**

Average unique visits/month

**65%**

New visitors

eNEWS:**121**

Total campaigns

**103,241**Total individual emails sent
(97.7% delivery rate)**34,589**Total emails opened
(33.5% of emails delivered)**7966**Total unique links clicked
(23% of emails opened)**Social Media:**

	Apprenticeship Facebook	MTA Facebook	Twitter	YouTube
Audience	474 Likes	181 Likes	158 Followers	11 Subscribers
Engagement	5938 users	3155 users	17 retweets/mentions	1122 views
MTA activity	54 posts	82 posts	49 tweets	4 videos

There have been many changes to MTA communications in the reporting period that have attributed to an increase in contact with members.

MTA invested resources in connecting with members through social media, which saw improvements in member engagement. We continued our focus of electronic information distribution through our weekly eNews, with increases in open and click rates highlighting an increase in member participation.

There was also a concerted effort to focus on content delivered to members, improve the readability of the content and support content with beneficial links and images.

The year saw two audits conducted; the first of the MTA website and the second of MTA's marketing materials.

The website audit included focus groups with members, staff and apprentices to understand the issues, needs and wants of each group. This has been fed into a report of

issues and fixes for the website which will be undertaken in the new year.

The second audit was of MTA's marketing materials. To date this has led to the theme of *YourMTA* and the development of a new suite of promotional materials for the MTA's upskilling trade training.

Overall, it has been a successful year for MTA communications, with the information flow to members improving through the continued transition to digital communications.

ACHIEVEMENTS

Audits conducted of the MTA marketing materials and MTA website.



Website visitor growth of 26 per cent and unique visits growth of 40 per cent.



47 media mentions across South Australian mainstream media.



Six Motor Trade Journals published and distribution increased to include the Qantas Club at Adelaide Airport.



Social media audience growth of 58 per cent.

PRINT AND STATIONERY

 **447,336**

Digital print passes

 **614**

Print jobs

 **56**

New customers

Print and Stationery had a reasonable year and finished with just over a \$2,000 loss compared with a budgeted loss of \$10,000. Total revenue was approximately eight per cent under target, whilst expense control was good being 13 per cent below target.

The trend of fewer stationery sales continued, as customers continued to find online/electronic means, and as local competitors squeezed margins through a reduction in some retail pricing.

To counteract this, the department conducted a competitive analysis of the marketplace and price comparison. As a result of this analysis a new pricing strategy was agreed to and plans implemented for an April 1 2015 launch. This strategy removed the member/non-member pricing model, and simplified it to a single Recommended Retail Price model, with members receiving a 20 per cent discount on all items.

The department completed all the preparatory work for an online store which will launch in the new year.

Customised printing represented over 70 per cent of the department's revenue and achieved better profits than budgeted. This mainly came from internal customers with only 31 per cent being external customers.

A greater focus on external customers for second half of the year, including site visits and relevant promotions, netted an increase

in new clients using MTA's printing services.

Print also increased its capabilities with the purchase of a folding machine enabling more specialised products such as trifold marketing flyers.

Top five selling products:

1. Rego Due Stickers
2. Job Cards
3. Contract for Sale (Form 5)
4. Display Copy (Form 1)
5. Waiver of Cooling Off.

ACHIEVEMENTS



Created online store which will enable members/non-members to purchase stationery items online.



Completed a competitive analysis of the marketplace resulting in new pricing model increasing value to members.



Held a planning day for the first time solely focussed on the strategic direction of the department to enhance benefits to members.



Developed on-road prospectus and commenced customer visits at their premises improving services to members.



24

Meetings held



346

Attended



14

People per meeting

Approximately 50 per cent of the MTA's membership is located in the regional areas of South Australia.

As regional members have limited access to MTA's Adelaide facilities, a selection of MTA staff visit the regional areas throughout the year, including the CEO, BDMs, Industrial Relations team and Field Officers.

In 2014/15 a total of 24 country zone meetings were held at locations including: Barmera, Berri, Clare, Jamestown, Kingscote, Laura, Mt Compass, Mt Gambier, Murray Bridge, Naracoorte, Nuriootpa, Penola, Port Augusta, Port Lincoln, Renmark, Tanunda, Verdun, Victor Harbor, Waikerie and Wallaroo.

2014/15 also saw the introduction of roundtable forums for divisions. Held in metropolitan and country areas, the purpose of the roundtable forums was to give members the opportunity to attend a less formal presentation on division activities, and openly participate in discussions about the direction of their division and industry. The MTA thanks the Zone Office Bearers for their contribution in making the meetings a success.

ACHIEVEMENTS



eNews updates: Distributed an eNews to members after Zone meetings. This included a summary of the topics discussed, PowerPoint presentation slides and a survey link for members to provide constructive feedback.



Zone meeting format: Piloted a new forum based Zone meeting style for the Southern Zone, with positive feedback from attendees received.



Zone presentations: Updated the PowerPoint presentation to have an individualised focus on the members in each Zone.



Divisional roundtables: Introduced regional divisional roundtables to improve industry specific engagement with Zones.

DIVISION REPORTS





Paul Page

Australian Automobile Dealers Association of SA



85

Members in Division



3

Meetings held



219

Member engagement

Chair

Paul Page

Committee

Mike Claridge

Neville Gibb

Vince Petraccaro

Gino Raschella

Peter Roberts

The industry environment throughout the 2014/15 financial year has required retailers to think economically. Margins are being squeezed, the economic outlook has not been entirely optimistic and the impact of three major manufacturers announcing their plans to cease manufacturing within Australia has sparked debate about deregulation of the industry.

As a result advocacy and transformation have been the main themes for the dealers.

The MTA continued to be a proactive voice against the Federal Government's suggestion of parallel imports and have supported Dealer members through participating in the Government's consultation process and speaking out to the media on the dangers for consumers and retail business if this were allowed.

We were successful in arguing the case for amendments to the Franchising Code, which saw improvements to Franchise Agreements from 1 January 2015 making the playing field more equitable between franchisors and franchisees.

We ensured Dealers' interests have been heard in the negotiation of an agreement on access to repair information by recognising dealer's investment in equipment and training. This was adopted as part of the agreement signed on 16 December 2014.

Critically, as is for all members, the State Tax Reform Review was an important opportunity dealers took advantage of to provide ideas on a better way of making South Australia's

tax regime competitive in particular to stamp duties on vehicle sales.

The MTA also increased engagement with Dealer members through the introduction of divisional roundtables held in regional areas in the 2014/15 year. These meetings gave local members the opportunity to come together and discuss national, state and local issues. From parallel imports to unlicensed selling of vehicles on the side of the road, these meetings have proved to be extremely productive.

ACHIEVEMENTS



Worked with Australian Motor Industry Federation on the national franchise code seeing improvement in Franchise Agreements from 1 January 2015.



Coordinated a South Australian response into the Federal Governments review of the Motor Vehicle Standards Act, including participation in the South Australian workshop.



Took a national leadership position against parallel importation of new cars and received national media as a result.



John Hitchcock

Auto Parts Recycler Division



47

Members in Division



8

Meetings held



51

Member engagement

Chair

John Hitchcock

Deputy Chair

Ron Lewis

Committee

Anthony Norris

Mark Kraulis

Brad Harmer

Stuart Cawthorne

Mick Cavanagh

Hugo Pellegrini

Rob Nash

Darran Van Der Woude

The 2014/15 year has been challenging for the auto parts recycling division with downward pressure on sales into the wholesale market and new players entering into the traditional markets.

The joint venture between Suncorp Insurance and American giant LKQ increased competition and the market demand for acquiring quality stock. Added to this, new entrants such as Triple S appear to have implemented loss leader pricing strategies on aftermarket parts and parallel parts which has impacted some members and reduced profit margins.

The insurance industry is also putting pressure on collision repairers to cut costs. This has flowed down to the recycling industry with sales and margins reducing. Members have also reported indirect competition from online sites such as Ebay and Gumtree.

The committee has met with representatives from Consumer and Business Services (CBS) about online selling and unlicensed sellers operating outside normal business practices.

The industry activities over the past year indicate the industry is changing and members will need to adapt to the changes. This will continue in the 2015/16 year and the committee will be working with AMIF to investigate an End of Life pilot scheme and investigate the effects of a tighter licensing regime and accreditation scheme.

ACHIEVEMENTS



Formed an end of life sub-committee in conjunction with APRAA.



Conducted an APRAA workshop about the Senate Inquiry into the automotive industry.



Formed a sub-committee to work on an accreditation scheme.



MTA members Mark Kraulis (U-Pull-It) and Hugo Pellegrini (Paradise Auto Parts) received awards at the APRAA National Conference. Mr Kraulis received the Bob Scott Memorial for Industry Contribution and Mr Pellegrini received the Frank Nacastri Memorial Award for the Most Environmentally Aware Recycler.



Brian Weeks

Automotive Repair Division



428

Members in Division



3

Meetings held



613

Member engagement

Chair

Brian Weeks

Deputy Chair

John Eglezos

Committee

Peter Stewart

Darryl Siggs

Craig Gough

Brian Weeks

Phil Turner

Phil Turner Jnr

Chris Tune

Peter Cox

Scott Colmer

During the 2014/15 year, the auto repair division tackled a range of ongoing issues affecting independent repairers including vehicle inspections, access to technical information, telematics, capped price servicing, longer service intervals, longer manufacturer warranties, online service schedules and online service recording of history.

The main focus for the division was continued work towards a voluntary vehicle inspection scheme as agreed to by the Government in the lead up to the 2014 state election.

An industry working group was established including the MTA, Department of Planning Transport and Infrastructure (DPTI), RAA, SAPOL and Consumer and Business Services (CBS).

The outcome from the meeting was for the MTA to provide CBS with a light vehicle inspection form that provides minimum safety standards that light vehicles have to meet.

The committee met several times to formalise a light vehicle inspection form and a MTA accredited vehicle inspection service centre application form. The MTA form consisted of business and technician requirements that members would be required to meet to keep the integrity and high quality standards in place. After a market review, we continue to work with CBS and DPTI on a way forward.

Another critical issue for the division was sharing of technical information. The division held discussions on the issue and provided feedback into the national process for

securing an industry wide agreement. With the unanimous endorsement of 14 principles for sharing vehicle repair and service information, the rights of consumers and businesses have been enhanced.

The MTA established a business partnership with OurAuto to provide members the opportunity to purchase technical repair information through a web based technical information service Tech-Online. This has been successful with 85 members taking up the trial offer and 40 becoming full subscribers.

ACHIEVEMENTS



Continued work on vehicle inspection form and accredited vehicle inspection service centre application form.



Continued relationships with Department of Planning, Transport and Infrastructure and Consumer and Business Services.



Business partnership with OurAuto to provide Tech-Online saw 40 members become subscribers.



Jeff Williams

Body Repair Division



220

Members in Division



19

Meetings held



385

Member engagement

Chair

Jeff Williams

Deputy Chair

Olivia Colangelo - Couch

Committee

Tom Campaniello

Jason Miller

Ashley Bartholomew

Joe Artini

Rob Ephgrave

John Jakutavicius

Andrew Pelham

Daryl Morgan

The body repair division committee has been proactive throughout the 2014/15 year, with involvement in the review of the MVIRI Code of Conduct, the State Government's tax review and contributions to the AMIF Senate Inquiry into the automotive industry.

The division also played a key role in the development of the Australian Motor Body Repairer's Association (AMBRA) Shop Grading Program that was released. MTA member Fleurieu Crash Repairs was the first business in Australia to be accredited in the AMBRA Shop Grading Program, and a number of members are in the process of getting ready to be audited for the Program.

Member engagement in the division continues to grow. The division committee has an expansive representation across membership. This includes regional members from Mt Gambier, Port Lincoln and the Adelaide Hills. In addition to this, the committee includes members from a range of business models, including multi-site, rural, prestige and multi-purpose businesses.

In the 2014/15 year, division sub-committees were formed to establish new events for the Association, and work with the MTA Registered Training Organisation (RTO).

The division sub-committee established with the RTO has addressed the training needs of members in the body repair industry to make it more relevant. I-CAR

modules and Thatcham's escribe methods of repair have been introduced.

ACHIEVEMENTS



The division sub-committee established with the RTO an Australian first agreement with I-CAR to provide specialist training.



Division sub-committees established new events for the Association, including the Adapting to Change seminar and a spray booth safety information day.



Fleurieu Crash Repairs became the first repairer in Australia to be accredited in the AMBRA Shop Grading Program.



58 members responded to the division survey. This provided insights into the preferred work providers and strategic operations of body repair businesses.



Divisional Chair Jeff Williams was elected as the Chair of the Australian Motor Body Repairers Association in October 2014.



Bill Lane

Commercial Vehicle Industry Association of SA

 **46**
Members in Division

 **2**
Meetings held

 **100**
Member engagement

Chair

Bill Lane

Committee

Peter Morelli

Clive Polley

Darryl Smith

Brian Haller

Chris Morrison

Steven Godbald

David Reid

The commercial vehicle industry association division met regularly throughout 2014/15.

The MTA posted a submission on behalf of the division to the National Heavy Vehicle Regulator in relation to the Regulatory Impact Statement January 2015.

A number of fatal crashes involving heavy vehicles highlighted South Australia's weak road worthiness regulations. Heavy vehicle roadworthiness and safety is an issue in the industry and for state government Ministers of Transport and Road Safety.

On a number of occasions, the division has highlighted to government that South Australia is out of step with every other mainland state. South Australia does not have a heavy vehicle inspection regime, and a significant majority of the heavy vehicle fleet outside of the Mass Management Accreditation Scheme have never been subject to any kind of inspection.

The MTA visited the Regency Park vehicle inspection facility and discussed members' difficulties and significant costs in getting inspections and defect removal.

The independent bus and coach operators' section of the division have continued to be very active. The MTA has continued

to make representation on their behalf regarding police checks and other red tape burdens.

ACHIEVEMENTS



Worked with stakeholders and government to highlight the need for a standardised National Heavy Vehicle Inspection regime in response to fatal accidents on the South Eastern Freeway down track.



Successfully protected repairers and service agents with a submission opposing chain of responsibility extending to members.



Department of Education and Child Development submission on extending spread of school bus services to include private schools.



Mathew East

Farm & Industrial Machinery Dealers Association of SA



53

Members in Division



1

Meetings held



176

Member engagement

Chair

Mathew East

Deputy Chair

Malcolm Eglington

Committee

Colin Butcher

Malcolm Eglington

Darren Graetz

Norm Hood

Roger Paech

In the 2014/15 year, the farm and industrial machinery division was a useful forum for the farm machinery dealers of South Australia to air their opinions and gain some traction with government departments and politicians at both a state and federal level.

However, to continue to be useful in the coming year and the future, the division does require some revitalisation.

The MTA has continued to hold divisional meetings, and continues to see the same machinery dealers in attendance. The MTA thanks these members, but in moving forward, strongly encourages more members to attend as this will add more value for the entire division.

The divisional meetings are valuable as they discuss the issues that affect the prosperity of farm and industrial machinery businesses. In 2014/15, the division devoted time to numerous key issues including; privacy law compliance, movement of agricultural machinery, the harmonisation of Work Health Safety, the dangers of trading of farm machinery across borders, the reduction of business red tape (particularly in regard to WHS), registration/licensing and privacy laws as they apply to farm and industrial machinery businesses.

ACHIEVEMENTS



Developed an electronic survey for members to provide feedback about the 90 Survey on Movement of Agricultural machinery. This resulted in further strategy meetings planned with PIRSA to consult industry on the implementation of changes.



Hosted FIMDAA Meeting for interstate delegates.



Worked with the Small Business Commissioner to provide members with support to tackle business red tape and privacy laws.



Andy Forrest

Licensed Vehicle Dealers Division

 **145**
Members in Division

 **4**
Meetings held

 **264**
Member engagement

Chair

Andy Forrest

Committee

Norman Cooper
Andrew Holdich
David Vincent
Danny Vaughan
Phillip dePinto

In 2014/15, the licensed vehicle dealers committee has continued its good rapport with the Consumer and Business Services (CBS) department, meeting on a regular basis with open and frank discussions.

The Commissioner has continued to provide members with regular updates through his column in the *Motor Trade*.

The MTA is focussed on self-regulation and is proactive to continually strive for higher standards of compliance by all its members. As a result, the opinions expressed by the MTA are valued and sought after by CBS, being used to assist in policy direction.

The issue of unlicensed car selling is continually discussed with CBS. Through member feedback, CBS are making some positive steps in this area by understanding where the hotspots are for the unlicensed selling, leading to an increase in the number of prosecutions throughout the year.

The retail motor vehicle dealers have faced increased competition from the auction houses Australia wide, who now have become car dealers in their own right as they seek to increase their profitability.

The issue of compliance by the auction houses has been problematic to the dealer group who believe it is an uneven playing field. The LVD committee has been active in discussion with CBS to promote the

dealer's concern, and has sought out Philip DePinto (partner Universal Motor Auction) to join the committee to get an informed perspective.

Both sides believed it would be beneficial to have an auction representative present to understand the MTA's points in regards to promoting compliance and customer satisfaction in retail sales.

ACHIEVEMENTS



Regular meetings with CBS and the Commissioner.



CBS acted on unlicensed car selling with prosecutions in December 2014.



Agreement with CBS to review Compensation Fund.



Meetings with DPTI to address industry specific issues including registration, licencing and vehicle inspections.



Martin Guppy

Motorcycle Industry Association of SA

 **49**
Members in Division

 **1**
Meetings held

 **83**
Member engagement

Chair

Martin Guppy

Deputy Chair

Mark Flynn

Committee

Nigel Agar

Alan Ashmoore

John Barnsley

Mark Boag

Evan Byles

Mark Flynn

Martin Guppy

Bill Norman

Michael Tucker

Richard White

Vivienne Hoffman

Roger Kessner

Doug Pitman

Motorcycle dealers in SA are facing unprecedented change. The cost of doing business is increasing, and there is pressure from manufacturers and distributors seeking to improve brand penetration and facility standards.

The major issues covered by the motorcycle industry association of South Australia in 2014/15 included discussion into private importation of new motorcycles, current ATV safety dealer responsibilities and licensing/registration matters.

Sales volumes have not been increasing. Dealers are being forced to find revenue derived through efficiencies in other parts of their businesses. Examples of this include workshop activities, accessory selling and installation, spare parts sales and improved finance and insurance premiums.

In the 2014/15 year, the formation of a new national body, The Australian Motorcycle Dealers Association (AMDA), was a highlight. This body is now the national conduit for federal issues affecting South Australian motorcycle dealers.

The aim of this new national body is to proactively, effectively and efficiently represent the Australian motorcycle retail sector, in a timely manner, with all levels of government, business and the community.

The appointed Chairman of AMDA is Mr Stuart Strickland. A former Honda motorcycles CEO, Mr Strickland is a well-respected and long serving motorcycling identity who will provide a significant voice to the industry.

ACHIEVEMENTS



Formation of national AMDA.



Participation in Motorcycle Reference Group to promote the dealer associations interests across road safety, rider training, road infrastructure maintenance and motorcycle laws.



John Jansse

Towing Division



55

Members in Division



5

Meetings held



119

Member engagement

Chair

John Jansse

Deputy Chair

Robin Pitchers

Committee

Ralph Scutella
Brenton Caddle
John Hitchcock
Kevin Mullen

The towing division committee focused on maintaining the current system of the Accident Tow Authority Scheme in 2014/15.

The Regulatory Impact Statement provided the industry with an opportunity to take part in the review of the current legislation to safeguard what is arguably the best roster system in Australia.

The committee engaged the services of Mr Mark Priadko to review the current fee structure and develop an independent report for the Registrar of Motor Vehicles. The report outlined the value for money gained by the current system, and proposed the indexation of some of the parameters used to calculate the tow fees.

The MTA also met with representatives of the Department of Planning Transport and Infrastructure (DPTI) to ensure the excellent working relationship between the industry and government continues.

A key issue discussed was need for on-street parking for tow drivers to provide efficiency for businesses and reduction in red-tape. Discussions on this issue will continue in 2015/16.

ACHIEVEMENTS



The MTA and DPTI continue to work together to review annual tow fees.



Completed a five year review of tow fees to confirm the model is valid and meets expectations for the future.



Completed a regulatory impact statement submission to the Registrar of Motor Vehicles on the Accident Tow Roster Scheme legislation.



Met with Registrar of Motor Vehicles to discuss on-street parking for on call tow truck vehicles.



Established a committee of industry stakeholders including the Department of Planning Transport and Infrastructure, Registrar of Motor Vehicles, Accident Tow Inspectorate and MTA.



Brenton Stein

Service Station Division

 **77**
Members in Division

 **2**
Meetings held

 **135**
Member engagement

Chair

Brenton Stein

Committee

Frank Agostino

Jack Lawson

Malcolm Keast

Stamatis Karalis

John Teague/Scott Teague

Jim McGuire

The service station division tackled a range of ongoing issues affecting independent service stations throughout the 2014/15 year.

The division participated in national discussions through the Australian Service Station Convenience Store Association (ASSCSA) on Vapour Recovery 2 Legislation.

This resulted in lobbying the EPA NSW government in an attempt to stop VR2's introduction in their state from 2017. This was a win for the division, as members were concerned that once another jurisdiction implemented this legislation, it would be introduced locally.

South Australia continued to lead the way with policing tactics for fuel theft by drive offs. At national meetings, South Australia's model was keenly observed by the other states and has led to state delegations coming to South Australia to meet with stakeholders to identify how they can improve their systems.

The major item for the year has been the commencement of the national Oilcode Review. Consultation at both state and federal levels established the key issues for service station members. Include were the 30 or 60 day complaint process,

number of uncompleted disputes, terms and conditions for franchise operators and lack of transparency in the current Oilcode.

ACHIEVEMENTS



Supported member's interests through media mentions.



Developed South Australian input into the national Oilcode Review.



Represented division members on SAPOL's Petrol Theft Reduction working group.



Marcus Baldacchino

Tyre Dealers Division



102

Members in Division



2

Meetings held



98

Member engagement

Chair

Marcus Baldacchino

Committee

Graham Stewart
Simon Gliessert

The tyre dealers division increased member engagement in 2014/15 with increased member visits and robust discussion on a range of topics at divisional meetings.

The major issue identified by members was the inconsistency in tyre diameter regulations in South Australia compared to the national standard. Locally, a wheel and tyre fitted to a 4WD vehicle must not be more than 15mm greater than the tyre size listed on the tyre placard. However, the national Vehicle Service Bulletin allows for a 50mm variance.

The MTA has taken this issue on and discussed member concerns with the Department of Planning, Transport and Infrastructure. A resolution is yet to be found, but the MTA will continue to promote members' interests.

Another issue identified by members was the unacceptable standard of tyre repairs from other service outlets. As a result, the division developed an MTA eNews article on unsafe puncture repairs for improved standards and procedures to assist in raising standards across the industry.

The division continued to support and promote members who participate in the National Tyre Product Stewardship Scheme. This is a vital program that helps in the

reduction of dumped and landfilled tyres. The Scheme also promotes alternative repurposing, including the manufacture of new rubber products, road construction as a constituent in asphalt roads and surface materials such as playground surfaces.

ACHIEVEMENTS



Promoted members' concerns regarding inconsistencies between state and national regulations.



Developed educational eNews on unsafe puncture repair.



Continued promotion of National Tyre Product Stewardship Scheme to members.



Rob Davey

Vehicle Rental Division



5

Members in Division



4

Meetings held



7

Member engagement

Chair

Rob Davey

Committee

David Beard
Tony Harris
Paul McGinity

The major issue identified in the 2014/15 year for the vehicle rental division was the emerging trend of interstate registered rental vehicles used throughout nationalised vehicle rental firms.

The division identified that one of the major inhibitors to vehicles being purchased and registered in South Australia was due to Stamp Duty and other costs being cheaper in other states.

The division fed its concerns into the MTA's consultation for the State Tax Review, which recommended the abolition of vehicle stamp duties in South Australia. Membership of the vehicle rental division continues to be proactive, with division meetings held four times throughout the 2014/15 year. Each meeting proved to be productive, and many issues were raised by those in attendance.

Rental vehicles are continuing to be stolen by customers, and members have established a best practice when it comes to customer identification to help alleviate the issue.

International renters also continue to be a concern, particularly with the verification process of international driver identification. Continued shared knowledge in this area has improved members' processes.

There also remains the risk of having bad hirers. Again, continued best practice identification and process reviews have helped reduced the impact on members.

ACHIEVEMENTS



Improved member engagement with three more divisional meetings held in 2014/15 from the previous year.



Input into MTA's consultation for the State Tax Review which recommended the abolition of vehicle stamp duties in South Australia.



Membership continues to be proactive, with the issues of interstate registered rental vehicles, stolen registered vehicles, international renters and bad hirers identified.



Brian Rippon of Mercedes-Benz Adelaide, Host Employer of MTA Apprentice Lewis Hvalica.



THE MTA GROUP TRAINING SCHEME INC





Frank Agostino

Chairman's Report

During the 2014/15 year, the MTA, like many other group training business, faced a difficult climate. This has been on a number of fronts, with weak business and consumer confidence having an impact on the demand for apprentices, and an increase in regulatory requirements and changing funding models from governments.

That being said, it was in many ways a positive year despite the challenges faced. As the department reports indicate, our four year apprentice retention rate of 65 per cent is better than the national average of 52 per cent. We have also increased our total training hours delivered from just over 138,000 in 2013/14 to 145,000 in 2014/15. These are just two indicators which highlight the positive work being achieved by the MTA Group Training Scheme.

A large focus for the MTA throughout the year was conducting internal audits of both the Registered Training Organisation (RTO) and Group Training Organisation (GTO). The results of the audits have been pleasing with minimal issues identified and a strong response to rectify those areas for improvement.

To strengthen our services to the industry we again conducted surveys of our apprentices and host employers. From this process the MTA has improved the support provided to first year apprentices with more frequent visits and improved the call-up process for trade school training.

What was most pleasing is that our apprentices have indicated an improvement on the already quality training provided on-the-job by host employers. This is a fantastic reflection on the quality of our host employers, apprentices and the MTA.

During 2014/15 we strengthened links between the Training & Employment Centre and industry. We formalised input into training material development from industry through working with various divisional committees.

One example of this was the open forum for automotive repairers where industry was able to provide MTA their insights into apprenticeships and training. The main outcome of the meeting was a pathway to allow industry input into shaping future training packages. This is now happening for the body repair sector, with a sub-committee formed and working with the Training & Employment Centre for both our body repair and refinishing (spray painting) training packages.

The reporting year commenced just after the State Election, and with a re-elected Weatherill Labor Government refreshing its Ministry, it has been important to highlight the MTA's capacity in automotive skills training.

We were fortunate enough to have Hon. Zoe Bettison, MP in her capacity as the Minister for Communities and Social Inclusion and Minister for Youth tour the facilities. We also had Hon. Susan Close, MP in her capacity as Automotive Transformation Minister visit the Training & Employment Centre. Both Ministers were impressed by the MTA's facilities and capacity to train current and future automotive tradespeople.

The MTA has been working on how to assist Holden Workers, the supply chain and the wider Adelaide community transition from automotive manufacturing. During the 2014/15 year, we have been working with the relevant departments (Federal and State) in

promoting what assistance we may provide. Our Recognition of Prior Learning and Gap Training programs have been offered to a number of workers as well as our upskilling trade training. We will continue to work with Holden and the Automotive Transformation Taskforce to provide practical assistance where possible.

We also continued to strengthen our ties with manufacturers who continue to use our facilities to train their workforce. During the 2014/15 year we had Nissan, Kia, Mazda and Chrysler take advantage of our facilities to train their local workforce. This is an important component of our Training & Employment Centre as it enables the MTA to have direct access to the latest training aids and techniques offered by these manufacturers.

I'd like to finish by thanking the staff of the Training & Employment Centre for their continued diligent work throughout the year, our host employers for their continued support of our services and our apprentices for their dedication towards achieving a sustainable and fulfilling career in the retail automotive sector.

2014/15 THE MTA GROUP TRAINING SCHEME FINANCIAL PERFORMANCE

The MTA Group Training Scheme incurred a deficit for the year ended 31 March 2015 of \$247,466 in a difficult market. The primary areas of income, being host income from placement of apprentices, government training incomes for training of apprentices, governments subsidies for commencement and completion of apprentices and other government subsidies.

Operating revenues were below the previous year of 3.5%

Current asset profile at 31 March 2015

Cash and Term Deposits	26.1%
Receivables	17.9%
Fixed Assets	27.1%
Intercompany Loan	28.9%

Key Financial Performance Indicators	FY 2015 \$'000's	FY 2014 \$'000's
Net (Deficit)/ Surplus	(247)	178 ¹
Net Current Assets	3,174	3,213
Total Equity	10,003	10,250
Cash held including Investments	3,188	3,239

1. Before interest received from parent entity

Other key Indicators	FY 2015	FY 2014
Number of apprentices	499	496
Number of Hosts	233	248





MTA apprentices working on John Bowes' Mustang Sally at Clipsal 500 February/March 2015

MTA GROUP TRAINING ORGANISATION



The MTA Group Training Organisation commenced the year with a target to recruit 228 apprentices. The year ended with 194 new apprentices recruited including: 110 light vehicle mechanics, 51 diesel mechanics, 10 panel beaters, 13 vehicle painters, six school based apprentices and four other trades.

Overall, this was a satisfactory result for recruiting, although in some cases placement of apprentices has been difficult due to the fluctuating demands from industry.

The total number of working apprentices performed well in comparison to budget, and

at times exceeded the target. Apprentice cancellations performed to budget with 91 cancellations to a budgeted 92.

The latest data shows MTA's retention over the last five years is on average 62.41 per cent. This is higher than both the national non GTO completion rate of 53.2 per cent and the GTO completion rate of 51.4 per cent.

Field operations during the year were hampered by a limitation in resources. This was identified and the MTA did gain the opportunity to recruit and commence two new Field Officers.

During the year Field Officers' conducted

1,895 host and apprentice visits, 192 host risk assessments, placed 125 new apprentices, found 87 placements for suspended apprentices and made 2,243 cold calls.

The annual apprentice and host surveys provided valuable feedback. Generally the results were good, but there have been number suggestions for improvement which have added to the continual improvement process. Critical improvements such as host notification of training call-ups and investigating tool/equipment requirements have been implemented.

ACHIEVEMENTS



Apprentice placements: Achieved 212 apprentice placements, 125 new apprentice positions were filled and 87 suspended apprentices were placed with host employers.



Improved field services: The employment of two new Field Officers has increased resources, improving services for apprentices and hosts.



2014 MTA Graduation and Awards Night: Over 300 people attended, including Ford Pepsi Max V8 Supercars driver Chaz Mostert who was an engaging guest speaker on the night.



Clipsal 500: 30 apprentices worked at the Clipsal 500. Six worked with V8 Supercar teams, 10 worked with the Stadium Trucks and 14 worked alongside MTA trainers in the MTA Motorsport Repair Team.

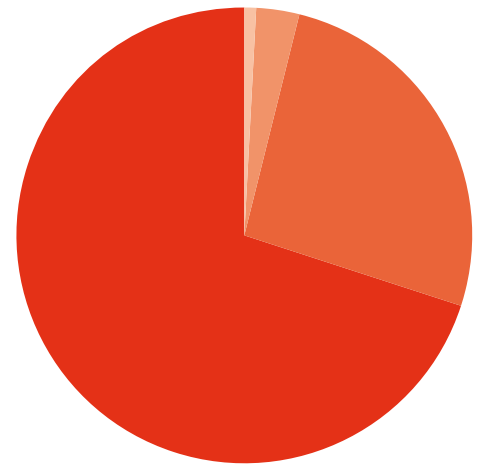


Retention rate: MTA GTO still trends above national average for apprentice retention. MTA GTO's success over a four year term runs at around 65 per cent compared to the national average around 52 per cent.



MTA REGISTERED TRAINING ORGANISATION

Training hours by Trade



 **145k**

Training hours delivered

 **105**

Up Skilling Enrolments

 **32**

Non-MTA apprentice enrolments

70% – MTA Light Vehicle
26% – MTA Heavy Vehicle
3% – Non-MTA Light vehicle
1% – Body Repair/Vehicle Painting

The MTA Registered Training Organisation (RTO) has had a challenging year in 2014/15 due to unpredictable industry employment trends.

The RTO has continued to review, update and write new training materials to contribute to the AUR12 training package. Both light vehicle and heavy vehicle training packages were completed during the year. Practical training and resource development in panel beating and vehicle painting has also progressed with the competencies written materials. This is an ongoing process that allows for the RTO to remain in line with

any currently existing unit alterations, while further developing the training materials.

Up-skilling existing tradespeople continued to be an important element of the RTO. We had 105 enrolments with 50 completing air conditioning training and 33 forklift training. The remaining 22 enrolments were across our two hybrid courses, wheel alignment and SRS Airbag. We spent the last quarter of the financial year updating our marketing materials and strategy to improve the result in the new financial year.

There were 32 non-MTA apprentice enrolments; 17 in light vehicle, six body

repair, five vehicle painting and four in heavy vehicle. In the latter half of the reporting year, the RTO implemented cold calling of industry and trainers commenced visiting businesses in the field which proved successful with a greater uptake of MTA training.

The RTO continues to maintain excellent relationships with vehicle manufacturers KIA, Nissan, Chrysler and Mazda continuing to use the Training & Employment Centre's facilities to deliver their in-house training. I-CAR is another important partner who uses the facilities for training.

ACHIEVEMENTS



Delivered 145,000 training hours in the four main qualifications and up-skilling courses.



Introduction of I-CAR training into the Panel and Paint curriculum.



Light Vehicle and Heavy Vehicle AUR12 Training package completed.



Worked with Body Repair Sub-Committee and improved uptake of training services by sector.



Heavy Commercial Vehicle stage III training package completed and running.



Industry visit by trainers and cold calling increased non-MTA enrolments.



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