



Australian Government

Registered Organisations Commission

26 July 2017

Mr Paul Peterson

Secretary

Motor Trades Association of Queensland Industrial Organisation of Employers

Sent via email: info@mtaq.com.au

Dear Mr Peterson

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 30 June 2016 (FR2016/313)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the Motor Trades Association of Queensland Industrial Organisation of Employers for the financial year ended 30 June 2016. The application was lodged with the Registered Organisations Commission ('ROC') on 7 July 2017.

I have granted the application. The certificate is attached.

I note your comments about the reasons for the delay in lodging the application. In circumstances where a reporting unit has to prepare a financial report that complies with the *Fair Work (Registered Organisations) Act 2009* for the first time, as will be the case for the year ending 30 June 2017, and where the reporting unit's affairs were for part of that year still encompassed by the now de-registered state counterpart association, I consider that it will be necessary for the reporting unit to consult as soon as possible with the ROC to ensure it correctly and fully complies with all the reporting requirements for that year. In the first instance the organisation should contact Ms Joanne Fenwick on (03) 9603 0731 at the earliest appropriate opportunity.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CE', with a small blue dot to the right.

Chris Enright

Delegate of the Registered Organisations Commissioner

Registered Organisations Commission



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.269(2)(a)—Reporting unit's financial affairs encompassed by associated State body

Motor Trades Association of Queensland Industrial Organisation of Employers
(FR2016/313)

MR ENRIGHT

MELBOURNE, 26 JULY 2017

Reporting unit's financial affairs encompassed by associated State body

[1] On 7 July 2017 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Motor Trades Association of Queensland Industrial Organisation of Employers (the reporting unit) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of Motor Trades Association of Queensland Industrial Organisation of Employers (the Association), an associated State body, in respect of the financial year ending 30 June 2016.

[2] On 7 July 2017, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] The application was made subsequent to the de-registration of the Association on 6 December 2016.¹

[4] I am satisfied that the Association:

- was registered at the relevant time under the *Industrial Relations Act 1999* (Qld) a prescribed State Act; and
- was, or purported to be, at the relevant time, composed of substantially the same members as the reporting unit; and
- had, or purported to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- was, at the relevant time, an associated State body.

[5] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;

¹ See De-registration Order [2016] QIRC 141

- any members of the reporting unit who were not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the reporting unit who were members of the Association; and
- a report under s.254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[6] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 30 June 2016, were, at the relevant time, encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE COMMISSIONER

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Mr Mark Bielecki
Registered Organisations Commissioner
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001



Dear Mr Bielecki,

Application for exemption pursuant to s.269 of the *Fair Work (Registered Organisations) Act 2009* (Cth) ('the Act') – year ending 30 June 2016

I am the Secretary of the Motor Trades Association of Queensland Industrial Organisation of Employers ("the reporting unit") and am authorised by the reporting unit to make an Application for a Certificate stating that:-

i. The financial affairs of the reporting unit are encompassed by the Motor Trades Association of Queensland Industrial Organisation of Employers, an industrial association of employers formerly¹ registered under the *Industrial Relations Act 1999 QLD* and being an associated state body.

[¹ This application post-dates the de-registration of the associated State body on 6 December 2016 and for accuracy uses the past tense to refer to the conditions that applied during the financial year from 1 July 2015 to 30 June 2016.]

The Grounds and reasons for this Application are as follows:

1. The Motor Trades Association of Queensland Industrial Organisation of Employers was, at the relevant time,¹ an industrial association of employers registered under the *Industrial Relations Act 1999* (QLD) ("the State Act") which is a prescribed State Act and was, at the relevant time, an associated State body to the reporting unit - hereafter "the associated State body".

2. The associated State body was composed substantially of the same members as the reporting unit.

3. The officers of the associated State body were substantially the same as designated officers of the reporting unit.

4. It is submitted that the reporting unit can be taken to have satisfied Part 3 of the Act, because of the following matters: -

- I. The financial affairs of the reporting unit were encompassed by the financial affairs of the associated State body;
- II. The associated State body has in accordance with the State Act, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited accounts with the Queensland Industrial Registry.

- III. The reporting unit attaches a copy of the audited accounts with this application (Attachment A);
- IV. Any members of the reporting unit who were not also members of the associated State body have been provided with a copy of the accounts, at substantially the same time as the members of the reporting unit who were members of the associated State body;
- V. A report under section 254 has been prepared in respect of the activities of the reporting unit and has been provided to members of the reporting unit with the copies of the accounts. A copy of the Operating Report is **attached** (Attachment B).

Timing of application

I acknowledge the significant lateness of this application. The circumstances are that the reporting unit lodged a copy of the audited accounts of the associated State body with the Fair Work Commission on 12 January 2017, in the belief that it had complied with the financial reporting requirements, due to a misapprehension of the implications of dual registration in the Commonwealth and State systems insofar as they applied to the reporting unit. I acknowledge that the Fair Work Commission and the Registered Organisations Commission subsequently provided advice on several occasions but the further delay has been principally due to the misunderstanding of the actual requirements in addition to what was already lodged.

I understand that a financial report will be required to be prepared and audited for the reporting unit for the year ending 30 June 2017 due to the de-registration of the associated State body in December 2016, and that there are prescribed time frames applying in relation to that report with which the reporting unit must comply.

If you require any further information in relation to this Application, please do not hesitate to contact me on (07) 3237 8777 or Ms Kathy Winkcup, Chief Financial Officer on (07) 3722 3091.

Regards



Paul Peterson

Secretary

OPERATING REPORT

This operating report covers the results of those activities that were provided for the Motor Trades Association of Queensland Industrial Organisation of Employers ('the federal reporting unit') for the financial year which ended on 30 June 2016.

1. Principal activities and results

(a) The federal reporting unit operates as an organisation of employers registered under the *Fair Work (Registered Organisations) Act 2009* (Cth).

(b) The federal reporting unit works closely with the Motor Trades Association of Queensland Industrial organisation of Employers, an organisation of employers registered under the *Industrial Relations Act 1999* and its successor the *Industrial Relations Act 2016* (QLD) which is the state registered counterpart ('the associated State body') of the federal reporting unit.

(c) The principal activities of the federal reporting unit fell into the following categories:

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

To advocate, advance and protect the interests of employers connected with the motor vehicle industry and associated trades or businesses in Queensland;

To consider and deal with any questions relevant to the motor vehicle industry and associated trades or businesses;

To participate in, promote and encourage all forms of education and training supportive of the development of the motor vehicle industry and associated trades or businesses in Queensland; and

To do any such other lawful things as may appear to be incidental or conducive to the above objects of any of them.

(e) There have been no significant changes in the nature of the principal activities of the federal reporting unit in the financial year ending 30 June 2016.

(f) The federal reporting unit has achieved satisfactory results from the above activities.

2. Significant Changes to the Financial affairs

There were no significant changes to the financial activities of the federal reporting unit for the financial year ended on 30 June 2016. They were, for that period, encompassed by the financial affairs of the associated State body.

3. Details of the right of members to resign

A member may resign in writing in accordance with Rule 3.8 of the Rules of the federal reporting unit, as follows:

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

4. Details of any officer or member who is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity

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

5. Number of members recorded on the register of members

The number of members recorded on the register of members as at 30 June 2016 was 1,206.

6. Number of employees (full-time equivalent basis)

The federal reporting unit did not have any employees in the reporting period. Employees of the associated State body provide services to the federal reporting unit in respect of its operations and activity as required from time to time.

7. Details of persons who were a member of the committee of management

For the period of 1 July 2015 to 30 June 2016 the federal reporting unit's Committee of Management comprised of the following persons:

Name **Position** **Period**

Name of officer (<i>in full</i>)	Title of office	Last date of election declaration or appointment
David Keith Fraser	Chairman MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2015 to 30 June 2016
Stephen John Eaton	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2015 to 30 June 2016
Benjamin Russell Chesterfield	Board Member MTAQ Chairman National Auto Collision Alliance	30 October 2015 to 30 June 2016
Paul John Peterson	Secretary MTAQ Chairman Qld Motorcycle Industry Division	1 July 2015 to 30 June 2016
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2015 to 30 June 2016
Rodney Graham Pether	Board Member MTAQ North Qld District Representative	1 July 2015 to 30 June 2016
John Frederick Ruddick	Board Member MTAQ Chairman Tyre and Undercar Division	1 July 2015 to 30 June 2016
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2015 to 30 June 2016
Charlie Joseph Serchen	Board Member MTAQ Chairman Automotive Engineers Division	1 July 2015 to 30 October 2015
Garth Thomas Scott Madill	Board Member MTAQ Chairman Australian Automotive Dealers Association Qld	1 July 2015 to 30 June 2016
Glen Rowan Ford	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2015 to 30 October 2015
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2015 to 30 June 2016
Michael Edward Kennedy	Board Member MTAQ Chairman Automotive Remarketing Division	1 July 2015 to 30 June 2016
Christopher Andrew Ching	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2015 to 30 June 2016
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2015 to 30 June 2016
James William George Robertson	Board Member MTAQ Central District Representative	30 October 2015 to 30 June 2016

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To consider and deal with any questions relevant to the motor vehicle industry and associated trades or businesses;

To participate in, promote and encourage all forms of education and training supportive of the development of the motor vehicle industry and associated trades or businesses in Queensland; and

To do any such other lawful things as may appear to be incidental or conducive to the above objects of any of them.

(e) There have been no significant changes in the nature of the principal activities of the federal reporting unit in the financial year ending 30 June 2016.

(f) The federal reporting unit has achieved satisfactory results from the above activities.

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Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2015 to 30 June 2016
James William George Robertson	Board Member MTAQ Central District Representative	30 October 2015 to 30 June 2016



Paul John Peterson
Secretary Dated: 05th July 2017

10 February 2017



FAIR WORK
COMMISSION

Mr Paul Peterson
Secretary
Motor Trades Association of Queensland Industrial Organisation of Employers
Sent via email: info@mtaq.com.au

Dear Mr Peterson

Re: Lodgement of Financial Statements and Accounts – Motor Trades Association of Queensland Industrial Organisation of Employers - for year ended 30 June 2016 (FR2016/313)

I refer to the financial report for the Motor Trades Association of Queensland Industrial Organisation of Employers. The report was lodged with the Fair Work Commission on 12 January 2017.

The financial report has not been filed. This is because the report represents the financial affairs of the Motor Trades Association of Queensland Industrial Organisation of Employers as registered under the *Industrial Relations Act 1999* ('the IR Act') and not as registered under the *Fair Work (Registered Organisation) Act 2009* ('the RO Act'). For the period during which both registrations operated concurrently, i.e. from 26 November 2014¹ until 6 December 2016², two separate legal entities existed, by the separate incorporating effects of each registration. I have been advised that both entities shared a common membership and officers, that members' subscriptions were paid to the state-registered entity and that the federally-registered entity did not conduct any separate financial affairs.

The situation appears to be therefore that during the financial year ended 30 June 2016 the financial affairs of the federally-registered entity may be said to have been encompassed wholly within the affairs of the state-registered entity ('the state counterpart association'). Under these circumstances, the correct course should have been for the federally-registered entity to have applied for a certificate under section 269 of the RO Act.

Section 269 provides for an exemption - from having to prepare a separate financial report - to be granted to a federally registered entity which did not have separate financial affairs from those of its state-registered counterpart association. An application consists of, and must include:

- (1) a declaration by a prescribed officer of the federally-registered organisation as to the matters set out in subsection 269(1);
- (2) a copy of an Operating report that has been prepared under section 254 of the RO Act and provided to the members;
- (3) a copy of the audited financial report for the counterpart state-registered association that has been prepared and provided to the members and lodged with the State authority (i.e. here the Queensland Industrial Registry); and
- (4) confirmation that the aforementioned reports have also been provided to any members of the federally-registered organisation who are, and/or were, not also members of the state counterpart association.

¹ [2014] FWC 8223

² De-registration Order [2016] QIRC 141

Accordingly, the Fair Work Commission will require the organisation to lodge an application under section 269. In view of the fact that the application will be made outside the prescribed time, the organisation should in a covering letter set out the circumstances of the lateness.

It is the Commission's understanding or expectation that following 6 December 2016 when the state counterpart association de-registered under the IR Act its assets and liabilities were transferred to the federally-registered entity.

This means that the federally-registered entity was from that date the only operating organisation and so the financial report which is to be prepared for the year ending 30 June 2017 will have to present financial information that reflects such transfers. The Commission will correspond separately to provide advice and assistance in the preparation of compliant documentation for that period at the appropriate time.

I attach illustrative material which should assist you to prepare the section 269 application. If you have any questions, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, reading "Stephen Kellett", with a long horizontal flourish extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: Kathy Winkcup [mailto:kathyw@mtaq.com.au]
Sent: Thursday, 12 January 2017 11:41 AM
To: Orgs
Cc: KELLETT, Stephen
Subject: MTAQ Financials 2015/16

Kathy WINKCUP
Chief Financial Officer

kathyw@mtaq.com.au

Tel: 07 3237 8777 | Mob: 0418 985 815 | Fax: 07 3722 3030

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**MOTOR TRADES ASSOCIATION
OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

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**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenues	2	9,061,310	9,887,438
EXPENSES			
Employee benefits expense	3	(5,789,400)	(5,985,644)
Freight and cartage	3	(48,719)	(43,401)
Depreciation and amortisation expenses	3	(472,680)	(493,447)
Commissions paid	3	(20,475)	(6,879)
Impairment Expense	3	-	(474,585)
Other expenses	3	(3,301,246)	(3,558,987)
Total Expenses		(9,632,520)	(10,562,943)
PROFIT/(LOSS) BEFORE INCOME TAX		(571,210)	(675,505)
INCOME TAX EXPENSE	1(b)	-	-
PROFIT/(LOSS) FOR THE YEAR		(571,210)	(675,505)
OTHER COMPREHENSIVE INCOME <i>Items that may be reclassified subsequently to profit or loss</i>			
Revaluation of available for sale investments	15	(50,703)	(16,841)
		-	(16,841)
Total comprehensive income/(loss) for the year		(621,913)	(692,346)
Profit attributable to:			
Members of the Organisation		(621,913)	(675,505)
Total Comprehensive Income attributable to :			
Members of the Organisation		(621,913)	(692,346)

The accompanying notes form part of the financial report

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,187,836	431,175
Short Term Deposit	5	754,116	1,690,019
Trade and other receivables	6	1,785,305	1,444,751
Inventories	7	104,588	91,773
Other	8	152,645	316,375
Total Current Assets		3,984,490	3,974,093
Non-current assets			
Intangible asset	9	1,089,861	1,079,704
Other financial assets	10	3,516,128	3,468,494
Property, Plant & Equipment	11	8,976,126	9,269,285
Total non-current assets		13,582,115	13,817,483
TOTAL ASSETS		17,566,605	17,791,576
LIABILITIES			
Current liabilities			
Trade and other payables	12	913,900	856,994
Provisions	13	225,910	160,519
Other liability	14	1,132,771	881,704
Total current liabilities		2,272,581	1,899,217
Non-current liabilities			
Provisions	13	112,074	88,496
Total non-current liabilities		112,074	88,496
TOTAL LIABILITIES		2,384,655	1,987,713
NET ASSETS		15,181,950	15,803,863
MEMBERS' FUNDS			
Reserves	15	55,762	106,465
Retained Earnings	16	15,126,188	15,697,398
TOTAL MEMBERS' FUNDS		15,181,950	15,803,863

The accompanying notes form part of the financial report

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Receipts from customers		9,738,354	9,920,200
Dividends received		47,500	51,039
Interest received		43,619	51,819
Payments to suppliers and employees		(9,751,749)	(10,282,486)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19 (b)	77,724	(259,428)
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		-	9,090
Proceeds from sale of investments		-	720,686
Payment for property, plant and equipment		(222,710)	(133,618)
Payments for Investments		(34,256)	(757,961)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(256,966)	(161,803)
Net Increase / (Decrease) in cash and cash equivalents		(179,242)	(421,231)
Cash and cash equivalents at the beginning of the period		2,121,194	2,542,425
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19 (a)	1,941,952	2,121,194

The accompanying notes form part of the financial report

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
BALANCE AT 1 JULY 2014		123,306	16,372,903	16,496,209
Comprehensive Income				
Net Profit for the year attributable to the Members of the entity		-	(675,505)	(675,505)
Transfer of retained earnings		-	-	-
Other comprehensive income	15	(16,841)	-	(16,841)
Total comprehensive income for the year Attributable to the members of the entity		(16,841)	(675,505)	(692,346)
BALANCE AT 30 JUNE 2015	15,16	106,465	15,697,398	15,803,863
Comprehensive Income				
Net Profit/ (loss) for the year attributable to the Members of the entity		-	(571,210)	(571,210)
Transfer to retained earnings		-	-	-
Other comprehensive income	15	(50,703)	-	(50,703)
Total comprehensive income for the year attributable to the members of the entity		(50,703)	(571,210)	(621,913)
BALANCE AT 30 JUNE 2016	15,16	55,762	15,126,188	15,181,950

The accompanying notes form part of the financial report

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards.

The Motor Trades Association of Queensland is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers the Motor Trades Association of Queensland as an individual entity. Motor Trades Association of Queensland is a Union of Employers governed by the Industrial Relations Act 1999 within Queensland and the Fair Work (Registered Organisations) Act 2009 at a national level.

The financial report of Motor Trades Association of Queensland complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The amounts presented in the financial statements are presented in AUD and have been rounded to the nearest dollar.

Accounting Policies

a. Associated Entities

Motor Trades Association of Queensland owns and controls a number of associated entities.

The following are the associated entities:

MTAQ Ltd
MTA Institute of Technology Pty Ltd
MTAQ Management Pty Ltd

All entities have a June financial year end. Transactions which relates to these entities are conducted on trust for Motor Trades Association of Queensland and are brought to account by the Motor Trades Association of Queensland.

b. Income Tax

The association is exempt from income tax under section 50-40 of the Australian Income Tax assessment Act 1999.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d. Business Combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity and transaction costs arising on the issue of debt as part of the consideration are accounted for in accordance with note 1(m).

e. Intangible Assets

Goodwill

Goodwill is measured as described in note 1(d). Goodwill on acquisitions of subsidiaries is included in goodwill as intangible assets and on acquisitions of associates is included in the investment in associate. Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Impairment losses on goodwill cannot be reversed.

f. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property, Plant and equipment

Property, Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of buildings is depreciated on a straight line basis with all other fixed assets and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the association commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	15 – 60%
Motor Vehicles	30%
Leased Assets	20%
Fixtures and Fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

The balance of capital works in progress is carried at cost and upon completion will be transferred to the appropriate class of assets.

g. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of *AASB 139: Financial Instruments: Recognition and Measurement*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

h. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Employee Benefits

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

Other long-term employee benefit obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

j. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

l. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

p. Comparative Figures

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

q. Capital Management

The directors of the association control the capital to ensure that the association can fund its operations and continue as a going concern. The association manages capital primarily through receipt of membership and training revenue and profits generated from business activities. There has been no change in the current year to this approach.

r. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 28th October 2016 by the board of directors.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
NOTE 2: REVENUES		
Revenues From Operating Activities		
Commissions received	41,535	883
Industrial services income	29,823	27,674
Training services	7,199,750	7,376,455
Grant income	-	632,428
Sale of publications	134,225	161,764
Sale of stationery	236,185	258,875
Interest from other persons	43,619	50,240
Members subscriptions & entrance fees	1,025,295	1,031,543
MTAA House dividend	47,500	163,400
Rent	3,173	4,009
Sundry income	328,496	179,487
NET REVENUE FROM OPERATING ACTIVITIES	9,089,601	9,886,758
Gain/(loss) on disposal of asset	(28,291)	680
TOTAL REVENUE FROM OPERATING ACTIVITIES	9,061,310	9,887,438
NOTE 3: EXPENSES		
Expenses From Operating Activities		
Accounting & Audit Fees	39,112	38,527
Advertising & Promotion	89,490	245,657
Accommodation/Travel Staff	75,139	132,674
Bad & Doubtful Debts	(3,001)	-
Bank Charges	10,316	9,842
Building Fees	-	5,890
Body Corporate	22,437	18,672
Cleaning	59,197	47,816
Cost of goods sold – Publications	115,948	117,096
Cost of goods sold – Stationery	102,725	128,433
Cost of goods sold - Training	647,382	734,366
Commissions	20,475	6,879
Computer Upgrades	95,806	100,999
Consultants fees	612,103	445,271
Depreciation & Amortisation	472,680	493,447
Director Fees	236,109	248,136
Donations*	949	200,500
Divisional Expenses	11,465	14,074
Entertainment	5,404	5,835
Fees	22,109	20,420
Fringe Benefits Tax	66,080	59,386
Insurance	66,023	61,958

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
NOTE 3: EXPENSES CONTINUED		
Interest	73	-
Impairment of MTAA House Unit Trust	-	474,585
Legal Costs	36,678	25,152
Light & Power	51,865	45,148
Meetings – Catering Staff	3,998	5,666
Meetings – Catering Board	6,261	7,699
Travel Board – Airfares/Accommodation	12,619	8,105
Motor Vehicle	226,222	297,901
Management Fee	15,524	13,762
Office Supplies	39,646	26,883
Freight & Cartage	48,719	43,401
Payroll Tax	283,426	272,041
Personnel – Engagement	22,595	3,510
Personnel – Long Service	88,969	(11,737)
Personnel – Salaries & Wages	4,710,396	4,945,907
Personnel – Salary Sacrifice	38,693	73,772
Personnel – Superannuation	667,915	705,661
Personnel – Uniforms	2,963	194
Personnel – Training	27,410	20,446
Printing & Stationery	14,951	18,482
Rates & Taxes	56,399	19,989
Rental on operating leases	74,606	96,750
Repairs & Maintenance Other	36,229	21,716
Security	600	1,062
Sponsorships	3,890	4,845
Staff Amenities	23,472	16,239
Subscriptions	57,775	53,545
Technical Journals	-	150
Telecommunications	160,759	171,669
Web Site	127,306	40,581
Workers Compensation	24,613	23,941
TOTAL EXPENSES FOR OPERATING ACTIVITIES	9,632,520	10,562,943

*Donation of \$200,000 was made to AADA Limited at 30 June 2015

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	700	700
Cash at Bank	1,187,136	430,475
	1,187,836	431,175

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
NOTE 5: SHORT TERM DEPOSIT		
Term Deposits greater than 3 months	<u>754,116</u>	<u>1,690,019</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

Accounts Receivable	692,073	674,281
Less: Provision for impairment of trade receivables	<u>(51,758)</u>	<u>(62,689)</u>
	640,315	611,592
 Sundry Debtors	 <u>1,144,990</u>	 <u>833,159</u>
Total Receivables	<u>1,785,305</u>	<u>1,444,751</u>

	2016			2015		
	Total \$	Amount Impaired \$	Amount not impaired \$	Total \$	Amount Impaired \$	Amount not impaired \$
Not past due	584,551	-	584,551	316,954	-	316,954
Past due [30] days	27,676	-	27,676	145,556	-	145,556
Past due [30-60] days	13,540	-	13,540	54,550	-	54,550
Past due [60-90] days	14,548	-	14,548	32,859	-	32,859
Past due [>90] days	51,758	51,758	-	124,362	62,689	61,673
Total	<u>692,073</u>	<u>51,758</u>	<u>640,315</u>	<u>674,281</u>	<u>62,689</u>	<u>611,592</u>

Analysis of Impairment Account

	2016 \$	2015 \$
Opening Balance	62,689	79,986
Provisions for doubtful receivables	(3,004)	-
Receivables written off during the year	<u>(7,927)</u>	<u>(17,297)</u>
Closing balance	<u>51,758</u>	<u>62,689</u>

NOTE 7: INVENTORIES

Finished Goods – Stationery	<u>104,588</u>	<u>91,773</u>
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NOTE 8: OTHER ASSETS

General Prepayments	<u>152,645</u>	<u>316,375</u>
	<u>152,645</u>	<u>316,375</u>

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 9: INTANGIBLE ASSETS

	2016	2015
	\$	\$
Goodwill	1,020,143	1,020,143
Less: Accumulated Impairment Loss	-	-
Written Down Value	1,020,143	1,020,143
Software	116,947	139,274
Less: Accumulated Amortisation	(47,229)	(79,713)
Written Down Value	69,718	59,561
Total Written down Value of Intangible Assets	1,089,861	1,079,704

(a) Movement in carrying amounts

Goodwill

Balance at the beginning of the year	1,020,143	1,020,143
Acquisitions through business combinations (refer note 26)	-	-
Impairment Losses	-	-
Carrying amount at the end of the year	1,020,143	1,020,143

Software

Balance at the beginning of the year	59,561	55,002
Additions	80,423	50,250
Disposals	(28,291)	-
Amortisation/Write offs	(41,975)	(45,691)
Carrying amount at the end of the year	69,718	59,561

(b) Impairment Testing of Cash-generating Units Containing Goodwill with Indefinite Useful Lives

Goodwill has been allocated to the following cash-generating unit

Carrying amounts of goodwill

Paint and Panel Training	1,020,143	1,020,143
	1,020,143	1,020,143

The recoverable amount of all cash-generating units is based on value-in-use calculations which use cash flow projections based on budgets approved by management covering a 5 year period. The growth rate used in these budgets does not exceed the long-term average growth rate for the business in which cash-generating units operate.

Recoverable amounts of goodwill

Paint and Panel Training	1,021,651	1,389,098
	1,021,651	1,389,098

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 9: INTANGIBLE ASSETS CONTINUED

Key assumptions used for value-in-use calculations are as follows:

The value in use calculation assumes that 40% of the Paint and Panel Training cash flows relate to the goodwill on the purchase of the Auto Trade College. A discount rate of 10% has been applied to the value in use calculation for budgeted revenues and expenditure greater than 1 year after reporting date. As well as a growth rate of 2.7% in determining future year projected cash flows.

Management determined budgeted gross margins based on past performance and its expectations for the future. The weighted average growth rates used are consistent with those used in industry reports. Discount rates used are pre-tax and are specific to relevant segments and countries in which they operate.

The recoverable amount of the goodwill of \$1,020,143 is estimated to be \$1,021,651 which exceeds the carrying amount at 30 June 2016 by \$1,508. If a discount rate of 11.5% was used instead of 10%, the recoverable amount of goodwill would equal the carrying amount.

NOTE 10: OTHER FINANCIAL ASSETS

Non-Current	2016	2015
Investments in Listed & Unlisted Entities classified as available for sale	\$	\$
Units in MTAA House Unit Trust at directors' valuation	2,181,084	2,181,084
Dalton Nicol Reid Portfolio	1,335,044	1,287,410
	3,516,128	3,468,494

The basis of valuation of Units Held in MTAA House is at fair value based on the latest sale of the units in the trust made during the 30 June 2016 financial year. MTAQ Ltd holds 19 units of a total 115 units.

The Dalton Nicol Reid portfolio comprise of investments in ordinary shares listed on the Australian Securities Exchange. This investment portfolio has been valued at 30 June 2016.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
NOTE 11: PROPERTY, PLANT & EQUIPMENT		
Land & Buildings	8,981,209	8,981,209
Less: Accumulated Depreciation	(850,630)	(665,159)
Written Down Value	8,130,579	8,316,050
Fixtures & Fittings at cost	95,644	95,644
Less: Accumulated Depreciation	(50,087)	(37,781)
Written Down Value	45,557	57,863
Plant & Equipment at cost	1,624,026	1,563,672
Less: Accumulated Depreciation	(944,432)	(737,271)
Written Down Value	679,594	826,401
Motor Vehicles at cost	176,621	94,687
Less: Accumulated Depreciation	(56,225)	(25,716)
Written Down Value	120,396	68,971
Total Property, Plant & Equipment	10,877,500	10,735,212
Less: Accumulated Depreciation	(1,901,374)	(1,465,927)
TOTAL WRITTEN DOWN VALUE OF PROPERTY, PLANT & EQUIP.	8,976,126	9,269,285

a) Movement in carrying amounts.

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2016	Land and Buildings	Fixtures & Fittings	Plant & Equipment	Motor Vehicles	Total
Opening Balance	8,316,050	57,863	826,401	68,971	9,269,285
Additions	-	-	60,353	81,934	142,287
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluations	-	-	-	-	-
Depreciation	(185,471)	(12,306)	(207,160)	(30,509)	(435,446)
Carrying amount at the end of the year	8,130,579	45,557	679,594	120,396	8,976,126

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 11: PROPERTY, PLANT & EQUIPMENT CONTINUED

2015	Land and Buildings	Fixtures & Fittings	Plant & Equipment	Motor Vehicles	Total
Opening Balance	8,501,520	72,605	993,680	74,240	9,642,045
Additions	-	-	64,472	18,896	83,368
Disposals	-	(1,450)	(6,922)	-	(8,372)
Transfers	-	-	-	-	-
Revaluations	-	-	-	-	-
Depreciation	(185,470)	(13,292)	(224,829)	(24,165)	(447,756)
Carrying amount at the end of the year	8,316,050	57,863	826,401	68,971	9,269,285

2016
\$

2015
\$

NOTE 12: TRADE AND OTHER PAYABLES

Current

Accounts Payable	224,091	280,575
Accrued Expenses	272,053	158,851
GST Payable	33,100	49,707
Provision for Employee Benefits	384,656	367,861
	913,900	856,994

NOTE 13: EMPLOYEE BENEFIT PROVISION

Current

Provision for Long Service Leave	225,910	160,519
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Non-Current

Provision for Long Service Leave	112,074	88,496
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**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
NOTE 14: OTHER LIABILITIES		
Current		
Other Payables	1,619	1,510
Subscriptions and Unearned Income Received in advance	1,131,152	880,194
	1,132,771	881,704

NOTE 15: RESERVES

Balance at beginning of financial year	106,465	123,306
Transfer to accumulated surplus upon sale of held for sale asset	-	-
Revaluation decrements - Dalton Nicol Reid Portfolio	(50,703)	34,801
Revaluation decrements – MTAA House Unit Trust	-	(51,642)
Asset Revaluation Reserve	55,762	106,465

NOTE 16 ACCUMULATED SURPLUSES / (DEFICIT)

Accumulated surpluses at the beginning of the year	15,697,398	16,372,903
Transfers from reserves	-	-
Net profit/ (loss) attributable to the association	(571,210)	(675,505)
Accumulated surpluses at the end of the year	15,126,188	15,697,398

NOTE 17: CONTINGENT ASSETS/LIABILITIES

Contingent Liabilities

There are no contingent liabilities at 30 June 2016 (2015: nil).

Commitments

Capital Expenditure The entity has no capital expenditure commitments at 30 June 2016 (2015: nil).

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 18: CONTINGENT ASSETS/LIABILITIES CONTINUED

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2016	2015
	\$	\$
Within one year	191,511	192,403
After one year, but not more than five years	138,838	170,352
	330,349	362,755

The computer and motor vehicle lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statement with a three-year term.

NOTE 19: CASH FLOW INFORMATION

a) Reconciliation of Cash

Cash on hand	700	700
Cash at bank	714,732	430,475
Cash on deposit	1,226,520	1,690,019
	1,941,952	2,121,194

b) Reconciliation of net cash provided by operating activities to operating surplus after income tax:

Operating Surplus / (Deficit)	- 571,010	(675,505)
Non-cash flows in operating profit:		
Impairment	-	474,585
Depreciation	477,421	493,447
Loss (Profit) on sale of assets	28,291	(718)
Loss (Profit) on sale of Investments	- 64,081	(33,224)
Changes in assets and liabilities:		
Decrease / (Increase) in trade and other receivables	- 176,824	48,174
Decrease / (Increase) in inventory	- 12,815	(9,012)
Decrease / (Increase) in interest receivable	-	1,585
Increase/ (decrease) in payables	- 73,091	78,582
Increase / (decrease) in provisions	105,764	(60,455)
Increase/ (decrease) in unearned income	251,067	(417,258)
Increase / (decrease) in other liabilities	113,202	(159,629)
Net cash provided by / (used in) operating activities	77,924	(259,428)

c) **Credit-Standby Arrangement & Loan Facilities**

MTAQ has a bank overdraft facility amounting to \$2,500,000. At 30 June 2016 the facility remained unused. The facility is renewed annually and interest rates are variable.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 20: RELATED PARTIES

a) Officers' Remuneration and Other Transactions

The Board Members' businesses are all current members of the association and also purchase Stationary from the association which are on standard terms.

Director fees paid during the financial year were \$236,109 (2015: \$248,136).

Apart from the above, there was no other Related Party Transaction during the financial year ended 30 June 2016.

Names of Officers who held office during the year are:

David Fraser
James Robertson
Mark Dodge
Tim Kane
Paul Peterson
Chris Ching
Michael Kennedy

John Ruddick
Lawrie Beachman
Rod Pether
Steve Eaton
Mark Bryers
Mark Brady
Garth Madill

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 21: FAIR VALUE MEASUREMENT

a) The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Available for sale financial assets

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed are categorised according to the fair value hierarchy as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

The following table sets out the group's assets and liabilities that are measured and recognized at fair value in the financial statements.

30 June 2016	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Available-for-sale financial assets					
- Units in MTAA House Unit Trust		-	-	2,181,084	2,181,084
- Dalton Nicol Reid Share Portfolio		1,335,044	-	-	1,335,044
Total financial assets		1,335,044	-	2,181,084	3,516,128
	Note	Level 1	Level 2	Level 3	Total
30 June 2015					
Recurring fair value measurements					
Available-for-sale financial assets					
- Units in MTAA House Unit Trust		-	-	2,181,084	2,181,084
- Dalton Nicol Reid Share Portfolio		1,287,410	-	-	1,287,410
Total financial assets		1,287,410	-	2,181,084	3,468,494

There were no transfers during the year between Level 1 and Level 3 for recurring fair value measurements. The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Disclosed fair values

The group also has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes to the financial statements. The fair value of short term deposits as disclosed in note 5 were determined by reference to published price quotations in an active market (Level 1). Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values. The carrying amount of current trade and other payables disclosed in note 12 are assumed to approximate their fair values because the impact of discounting is not significant.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 21: FAIR VALUE MEASUREMENT CONTINUED

Reconciliation of Level 3 fair value movements

The following table sets out the movements in Level 3 fair values for recurring measurements.

	Units in MTAA House Unit Trust	Total
	\$'000	\$'000
Opening balance 1 July 2015	2,181,084	2,181,084
Revaluation Decrements – MTAA House Unit Trust	-	-
Impairment of MTAA House Unit Trust	-	-
Closing balance 30 June 2016	<u>2,181,084</u>	<u>2,181,084</u>

Valuation processes for Level 3 fair values

MTAQ's investment in the MTAA House Unit Trust is valued by reference to the latest sale of units in the trust made during the 30 June 2016 financial year. The majority of the net assets within the MTAA House Unit Trust relate to investment property, of which the Unit trust regularly engages external, independent and qualified valuers to determine the fair value of the investment property.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 22: FINANCIAL RISK MANAGEMENT

a. General objectives, policies and processes

Motor Trades Association of Queensland (MTAQ) is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The maximum exposure to credit risk at balance date is as follows:	2016	2015
	\$	\$
Receivables	692,073	674,281

b. Liquidity Risk

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

c.

Maturity Analysis – 2016

	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years
	\$	\$	\$	\$	\$
Financial Liabilities					
Trade and other payables	692,073	692,073	692,073	-	-
Lease liability	-	-	-	-	-
Bank Loan	-	-	-	-	-
TOTAL	692,073	692,073	692,073	-	-

Maturity Analysis – 2015

	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years
	\$	\$	\$	\$	\$
Financial Liabilities					
Trade and other payables	674,281	674,281	674,281	-	-
Lease liability	-	-	-	-	-
Bank Loan	-	-	-	-	-
TOTAL	674,281	674,281	674,281	-	-

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 22: FINANCIAL RISK MANAGEMENT CONTINUED

d. Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non-Interest Bearing		Total	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash & deposits	1,941,952	2,121,194	-	-	1,941,952	2,121,194
Receivables	-	-	1,785,305	1,444,751	1,785,305	1,444,751
Total Financial Assets	1,941,952	2,121,194	1,785,305	1,444,751	3,727,257	3,565,945
Financial Liabilities						
Trade & other payables	-	-	913,900	856,994	913,900	856,994
Lease liability	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-
Total Financial Liabilities	-	-	913,900	856,994	913,900	856,994

e. Sensitivity Analysis

Management has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	Short-term benefits \$	Post employment benefit \$
NOTE 23: KEY MANAGEMENT PERSONNEL COMPENSATION		
2016		
Total compensation	637,511	89,323
2015		
Total compensation	681,946	134,002

NOTE 25: ACCOUNTING STANDARDS ISSUED NOT YET EFFECTIVE

There are a number of accounting standards that have been issued but are not yet effective. The organisation does not expect any material impact on financial statements from the impending changes. However, various additional disclosures will be required in the financial statements in future periods.

NOTE 26: EVENTS AFTER BALANCE SHEET DATE

The directors are not aware of any significant event since the end of the reporting period.

NOTE 27: REGISTERED OFFICE

Building 8
2728 Logan Road
Eight Mile Plains
QLD 4113

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

DECLARATION BY MEMBERS OF THE BOARD OF MTA-Q

In the opinion of the board of MTA Queensland the financial report as set out on pages 1 to 25.

1. Present fairly the financial position of the Motor Trades Association of Queensland Industrial Organisation of Employers as at 30 June 2016 and the results and cash flows of the association for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.
2. Confirms, that at the date of this statement, there are reasonable grounds to believe that Motor Trades Association of Queensland Industrial Organisation of Employers will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board of MTA Queensland and is signed for and on behalf of the Committee by:



President
David Fraser



Secretary
Paul Peterson

Dated this 6th October 2016

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Report

We have audited the accompanying financial report of MTAQ, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and declaration by the Members of the Board.

The Members of the Boards' Responsibility for the Financial Report

The Members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Industrial Relations Act 1999*, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Board also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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 Australian professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of MTAQ as of 30 June 2016 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report.

Report on Other Legal and Regulatory Requirements

In our opinion:

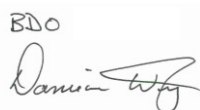
- (a) the organisation has kept satisfactory accounting records for the financial period ended 30 June 2016, including records of:
 - (i) the sources and nature of the organisations' income including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the organisations' expenditure;
- (b) the financial report for the year ended 30 June 2016 is properly drawn up to give a true and fair view of the organisations':
 - (i) financial affairs as at the end of the year; and
 - (ii) the income and expenditure and surplus or deficit for the year
- (c) the financial report has been prepared in accordance with *Industrial Relations Act 1999*, Australian Accounting Standards and other mandatory professional reporting requirements.
- (d) the financial disclosure statement and mid-year financial disclosure statement for the year were prepared under this Act; and
- (e) the organisation has the policies it is required to have under section 553A(1)

Where necessary, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the *Industrial Relations Act 1999* financial reporting requirements. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 6 October 2016

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

ACCOUNTING OFFICER'S CERTIFICATE

I, Kathy Winkcup, being the officer responsible for keeping the accounting records of the Motor Trades Association of Queensland Industrial Organisation of Employers, certify that as at 30 June 2016 the number of financial members of the Association was 1,206, and the number of non-financial members was nil.

In my opinion:

- (i) the attached financial report shows a true and fair view of the financial affairs of the Association as at 30 June 2016;
- (ii) a record has been kept of all moneys paid by, or collected from, members and all moneys so paid and collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- (iii) expenditure incurred by the Association was approved under the Association's Rules before it was incurred.
- (iv) with regard to the funds of the Association raised by compulsory levies from members, or funds other than the General Fund operated in accordance with the rules, no payments were made of any such fund for purposes other than those for which the fund was operated;
- (v) all financial benefits granted to employees were allowed under the Associations rules. There were no loans or financial benefits given to persons holding office in the Association;
- (vi) the register of members of the Association was maintained in accordance with the Act.



Kathy Winkcup
Chief Financial Officer

Dated this 6th October 2016

**MOTOR TRADES ASSOCIATION OF QUEENSLAND
INDUSTRIAL ORGANISATION OF EMPLOYERS**

CERTIFICATE BY MEMBERS OF THE BOARD OF MTA-Q

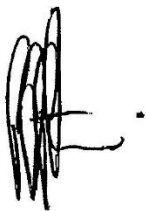
In the opinion of the board of management the financial report:

1. Present fairly the financial position of the Motor Trades Association of Queensland Industrial Organisation of Employers as at 30 June 2016 and the results and cash flows of the association for the year ended on that date in accordance with Australian Accounting Standards and the Industrial Relations Act 1999.
2. Confirms that, at the date of this statement, there are reasonable grounds to believe that Motor Trades Association Queensland Industrial Organisation of Employers will be able to pay its debts as and when they fall due.
3. Confirms that meetings of the Board of MTA Queensland were held during the year ended 30 June 2016, in accordance with the rules of the association.
4. Has, to the knowledge of the Board of Management, no instances where records, rules or copies of them have not been given to the Association's members under the Act.
5. Confirms that the Audit report and accounts for the Association's financial year ended 30 June 2015 have been presented to an annual general meeting of the Association and given to all financial members at that time.

This statement is made in accordance with a resolution of the board of MTAQ and is signed for and on behalf of the Committee by:



President
David Fraser



Secretary
Paul Peterson

Dated this 6th October 2016