

The MTA logo is rendered in large, bold, white capital letters. It is positioned on the left side of the cover, partially overlapping a vertical white line and a grey rectangular element that resembles a door frame or vent.

MTA

ANNUAL REPORT

2016/17



91st Annual General Meeting of the Motor Trade Association of South Australia Incorporated

to be held on Tuesday, 18th July 2017 at 7pm at the Adelaide Oval, Ian McLachlan Room East, War Memorial Drive, North Adelaide

AGENDA

1. NOTICE OF MEETING AND RECORDING OF APOLOGIES
2. TO ADOPT THE MINUTES OF THE 90th AGM HELD 19th JULY 2016
3. TO RECEIVE THE FINANCIAL STATEMENT OF THE YEAR ENDED 31st MARCH 2017
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 THEIR 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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Executive Board



Frank Agostino
President & MTA Group Training Scheme Chairman



Neville Gibb
Past President



Clive Polley
Member's Representative



Ron Lewis
Board Representative & Automotive Dismantlers



Peter Roberts
Board Representative & South Eastern Zone



Colin Butcher
Board Representative & Farm & Industrial Machinery Dealers Assn.

Board Members



Marcus Balacchino
Tyre Dealers



Tracy Butler
Upper Spencer Gulf Zone



Brenton Caddle
Towing Services



Robert Duns
Lower Eyre Peninsula Zone



Mark Flynn
Motorcycle Dealers



Craig Gough
Automotive Repair



Dale John
Lower North Zone



Bill Lane
Commercial Vehicle Industry Association



Mark McGuire
Southern Zone



Brenton Stein
Service Station



Phil Turner
Central Zone



David Vincent
Licensed Vehicle Dealers



Kym Webber
Riverland Zone



Jeff Williams
Body Repair Specialists



PRESIDENT'S REPORT

Frank Agostino

Over the past two years, a number of issues were identified by the MTA executive team that required urgent attention for the long term benefit of both MTA members and in turn the broader automotive, retail, service and repair industry.

It was determined that the MTA would undergo a period of structural reform to ensure that it was in the best possible position to protect and grow the automotive industry into the future.

Change is never easy. During this time there have been a number of challenges, but the Board and the MTA Executive maintained their focus on doing what was necessary to achieve the goals set. I am happy to announce that as a consequence of the reforms made and the hard work that followed, this financial year has seen a turnaround of over \$800,000 to our bottom line.

With these major changes undertaken, the past year has been one of consolidation.

Not only is the bottom line looking much healthier, but the increased engagement, focusing on member outcomes and member services has seen the MTA deliver more value to members, increasing satisfaction in the automotive industry. Membership numbers are climbing and significantly fewer cancellations have been received.

The MTA and the automotive retail, service and repair industry will continue to face significant challenges, making it particularly important that we are best positioned to communicate with, and be heard by, all levels of government. We must ensure that they have a better understanding of how the decisions they make affect our industry and what they must do to secure industry sustainability and growth.

One area that must take priority for both State and Federal Government is the skills shortage. In spite of South Australia

consistently having the highest level of unemployment, youth unemployment and underemployment, as an industry we cannot find enough trained and qualified employees.

The shortage has been one of the driving forces behind the Board's sustained push to maintain the MTA's training numbers. This continued focus has seen significant changes in how the MTA recruit apprentices and has increased our flexibility in how we work with industry to deliver the training needed in the way that best suits business.

The results speak for themselves. The MTA has grown our market share, now training over 50 per cent of automotive apprentices in the four specialties we offer. This is more than double our position four years ago.

This year we will embrace the challenges encountered as we strive to deliver the results that matter for industry. These include, but will surely not be limited to the introduction of mandatory vehicle inspections, the exclusion of personal imports, right to repair and access to repair information, an effective code of conduct for body repairers and the fight against the deregulation of shop trading hours.

Finally, I would like to recognise the efforts and support of the Board of the MTA, the Executive Committee, MTA Management and Staff for their ongoing contribution to our Association.



CEO'S REPORT

Paul Unerkov

Keeping members' interests at the forefront of everything we do

This year, we have sought to consolidate the changes that have been implemented over the past two years, returning the Association to a profit and ensuring sustainability while focussing on member services, engagement and driving outcomes so you receive the very best value from your membership.

We will know we are getting that right when you all know that you cannot do without your MTA membership.

It is also pleasing to see the results of our latest member survey show that overall satisfaction with the MTA has increased by 32 per cent over the past two years. This is a significant improvement and is testament to the hard work of all teams at the MTA.

Many members commented on the increased availability of MTA staff in providing assistance, particularly in relation to the work done in the industrial department and within the divisions. Significant focus has been placed on identifying and achieving divisional outcomes this year. I cannot take you through all of the wins that we have had but I would like to highlight a few of particular significance.

- Stage 1 of the compulsory Heavy Vehicle Inspection Scheme has been rolled out with positive results. The success of this scheme will be instrumental for not just the heavy vehicle sector as it is likely to have a positive flow on effect for the light vehicles as well. As many of you know mandatory light vehicle inspections is something that this Association has been advocating for a number of years. We will continue to work with the Department of Planning, Transport and Infrastructure to ensure the remainder of the program is a success.
- The Coalition Government's proposal to allow new and near new cars into Australia is an issue that is largely being played out behind the scenes and we continue to engage with stakeholders and decision makers to highlight and advance our position. While we appear to have made inroads on this issue, having staved off the introduction of this scheme for over a year now, the Government remains at least publically committed to the changes.
- A significant amount of work has been undertaken by Jeff Williams on behalf of AMBRA and the MTA to negotiate the Motor Vehicle Insurance and Repair Industry Code of

Conduct with insurers. These negotiations have resulted in an agreement that commenced in May. While this is a major step forward, it will of course not see the end of our long running "negotiations" with insurers as we seek a fairer deal for collision repairers.

- The State Liberal Party has announced its intention to deregulate shop trading hours, allowing vehicles to be sold on Sundays should they form Government. The MTA has met with a number of Liberal MPs, including the Leader of the Opposition, to express the longstanding opposition of 87 per cent of our members to this policy and the negative impact it will have on both business and consumers should it be introduced. We will continue to resist this proposed change in order to protect the viability of businesses and the well being of those who work in this industry sector.
- As the skills shortage facing the automotive retail, service and repair industry continues to grow, we have invested heavily in training the next generation of technicians. The lack of skilled technicians is regularly brought up with me in discussions

with members and will be an ongoing focus for the MTA.

- Finally, the MTA has long held a position that a business should have fair access to repair information for a fair price. 18 manufacturers are currently providing repair information through the FCAI website and a 'Report an Issue' portal has been created to action issues affecting the repair industry nationally. We will continue to work to ensure that all industry sectors are represented and protected in relation to this issue.

Moving forward the MTA will look to build on these and the success of the past year as we continue to that our Association is in the best possible position to deliver valued services and outcomes for members.

On a personal level, I would like to thank the Board and the staff at the MTA for all the hard work and sacrifices they have made over the last year. Thank you also to all our members for continuing to support the MTA; there are a lot of challenges facing businesses in South Australia and we will keep fighting for the best result for you. I look forward to working with you all this year.



FINANCIAL CONTROLLER'S REPORT

The focus of the 2016/17 financial year for the Consolidated Entity has been maximising revenue opportunities and cost reduction for both the Consolidated Entity and its members.

The Consolidated Entity made a surplus of \$286,884, comprising a surplus from both the Motor Trade Association of \$240,387 and from the MTA Group Training Scheme of \$46,497.

Despite difficult trading conditions amongst members resulting in reduced revenue to the MTA and a reduction in apprentice numbers hosted by the Group Training Scheme, a positive financial performance has been achieved. Whilst revenue declined overall, through a combination of significant cost reductions together with improvements in key performance indicators, particularly increased membership and training opportunities, the Consolidated Entity should remain sustainable into the future.

The MTA continued its long term partnership with Our Auto Insurance and Capricorn who continue to support our members and the automotive retail, service and repair sector, while also providing commission and annual sponsorship income to the Association.

The MTA also continues to develop its business partnerships with the Commonwealth Bank, MTAA Super and BDO Accounting among others to improve the services for members.

The Audit Committee met twice during the year, providing oversight and advice in relation to the governance and risk management of the Association's finances to the Board of Management.

The members of the Audit Committee included:

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

In addition to the above, BDO auditors also assisted the committee. On behalf of the President and the Board, I would like to thank BDO Audit Partner Paul Gosnold and his team for their efforts, support and advice.

Finally, I would like to thank the MTA Management and Staff for their focused activity involved in supporting our existing members and securing new members for our organisation while their continued efforts and support throughout the financial year has also been greatly appreciated. I particularly thank all members for their continued support of the Motor Trade Association of South Australia.

2016/17 CONSOLIDATED PERFORMANCE

Statement of Financial Performance as at 31 March 2017	FY 2017 \$'000's	FY 2016 \$'000's
MTA Trading Income	6,473	6,780
MTA - GTS Trading Income	15,577	16,073
Retail Motor Trading Co. Income	-	5
Interest and Dividends Received	145	191
Total Consolidated Income	22,195	23,049
Staff Salaries and On costs	4,231	4,358
Apprentice Salaries and On costs	14,346	15,376
Depreciation	726	911
Training expenses	161	207
Operating costs	2,444	2,750
Total Consolidated Expenses	21,908	23,602
Surplus / (Deficit)	287	(553)

For the complete financial performance, please email mta@mta-sa.asn.au and request the Consolidated Financial Report for the year ended 31 March 2017.

Consolidated Statement of Financial Position as at 31 March 2017	FY 2017 \$'000's	FY 2016 \$'000's
Total Current Assets	8,803	8,421
Total Non Current Assets	15,014	15,094
Total Assets	23,817	23,515
Total Current Liabilities	3,617	3,590
Total Non Current Liabilities	94	106
Total Liabilities	3,711	3,696
Net Assets	20,106	19,819

Key Financial Performance Indicators (MTA)	FY 2017 \$'000's	FY 2016 \$'000's
Net Surplus	240	23
Net Current Assets	2,062	1,907
Total Equity	10,629	10,389
Cash Held Including Investments	2,972	2,813
Number of Members	1,092	1,068

Focus our activity in those areas that were important to members.

Russell Smith



HUMAN RESOURCES



The focus of 2016/2017 has been ensuring that the MTA is well structured and staffed with engaged, effective people to achieve member satisfaction and to ensure effective service delivery for members.

52
Staff

45.2
Full-Time Equivalent

22%
Staff Turnover

2.6
Training Days

Levels of Employment

Overall, there was a reduction in total staff. On average the MTA operated 1.6 FTEs below the previous year and an average of 2.6 FTEs below the 2016/2017 budget. However, contractors were used at times to ensure we had the right skills during the year to supplement employees.

Staff Turnover

Staff turnover remained high with a voluntary turnover of 18 per cent and involuntary turnover of 4 per cent. The MTA's voluntary turnover is considerably higher than previous years and reflects the organisational changes and restructure during this period.

Absenteeism

Staff absenteeism decreased significantly with the average days absent per employee being 5.3 days across the 2016/2017 financial year. This rate of absenteeism is significantly less than the four previous financial years.

Equal Opportunity

The MTA continued to meet its obligations under the Workplace Gender Equality Act 2012 (Cth) and the standards set by the Workplace Gender Equality (Minimum Standards) Instrument 2014.

Learning and Development

Employees each received an average of 2.61 learning and development days during the year. This reflects a reduced level of staff learning and development when compared to previous years and is below key industry benchmarks. However, given the returned focus on delivering member benefit and the financial position of the Association, management determined this reduction was appropriate and did not impact the delivery or quality of services to members.

All staff participated in WHS, EEO, Bullying and Harassment refresher training and leaders, field officers and trainers continued to attend Mental Health First Aid training. Staff induction training was updated with new recordings of WHS, EEO, Bullying and Harassment and Risk Management inductions. Staff who required updated Childsafe Environment training, CPR, First Aid and Fire Warden Training also attended training sessions. Leadership surveys were conducted for all senior leaders which resulted in development opportunities being identified. One senior leader is continuing their Masters of Business Administration (MBA) studies.

Staff Welfare Initiatives

During the year, staff engaged in several wellness programs which included:

- a 10,000 steps program to increase activity;
- flu injections;
- free 'SA Get Healthy Coaching'; and,
- hearing and spirometry checks.

Workplace Health and Safety

There were two staff injuries with one being a loss time injury. Numerous Work Health and Safety inspections were completed for both Greenhill Road and Royal Park including:

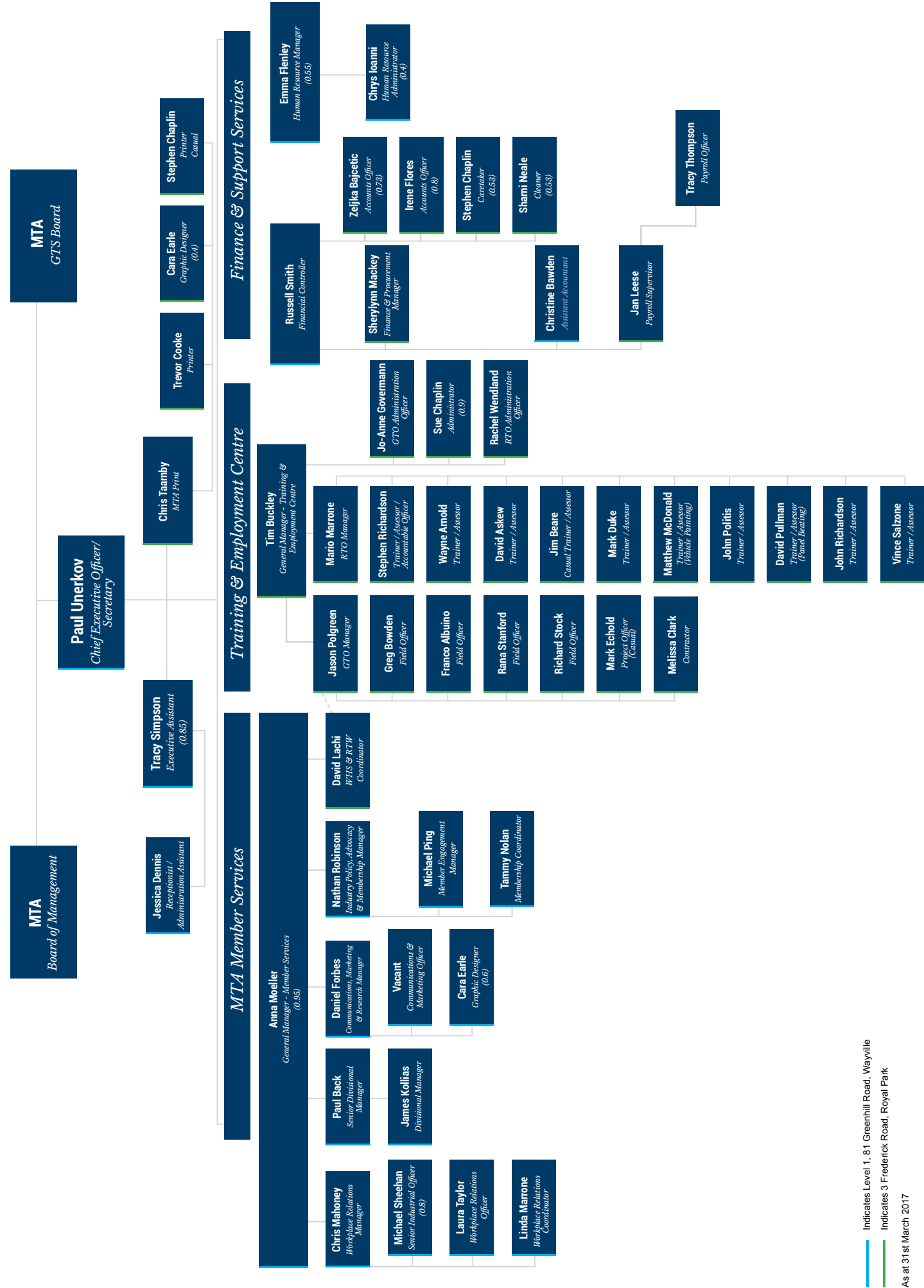
- Quarterly WHS workplace inspections;
- an internal system and compliance audit; and,
- Staff conducted observation tours to identify issues.

As a result of the above audits, a revised Work Health Safety Business Plan was completed.

Staff Recognition

The MTA celebrated the twentieth anniversary of Mario Marrone, RTO Manager and Tim Buckley, General Manager Training and Employment Centre. The MTA recognised the contributions Paul Eblen made to the MTA, over 36 years, and wished him all the best as he finishes his time at the MTA. Also, Jim Beare, Trainer/ Assessor has retired but continues to assist the MTA with his wealth of experience on a casual basis.

As the longest serving employee of the MTA since its establishment in 1926, Paul Eblen has earned the trust, respect and admiration of both members and colleagues.



— Indicates Level 1, 81 Greenhill Road, Wayville
— Indicates 3 Frederick Road, Royal Park
As at 31st March 2017

MEMBER SERVICES

We exist to protect and grow the industry for our members by helping to make your business better.

MEMBER SUPPORT - IR

2355

Member Enquiries

50

WHS Audits

52

ERIS Subscriptions

The workplace relations team continues its focus on assisting members through the timely delivery of accurate advice, representation and services.

The team has worked hard to increase the scope of workplace relations services available to members while ensuring that all enquiries are responded to promptly.

In January 2017, Mr Christopher Mahoney was appointed as the new Workplace Relations Manager. Chris is dedicated to continuing the great work of Mr Paul Eblen who is finishing his time at the MTA following 36 years of dedicated service.

The 2016/17 year has been an eventful year in the industrial relations sphere. The Penalty Rates decision saw the first reduction in penalty rates in modern industrial relations and the Registered Organisations Commission was established. The Workplace Relations Team made submissions on the 2016/2017 annual wage review decision arguing against the Fair Work Commission increasing the minimum wage by 14% as requested by the unions.

In furthering the delivery of a safe, effective and responsible work, health and safety environment, the workplace relations team has commenced the training of SafeWorkSA Inspectors who will be servicing the automotive industry. The team has also worked tirelessly to renew and improve the WHS services offered to members with new and improved programs such as 'Dangerous Goods, Hazardous Chemicals', 'Establish Effective Workplace Relationships' and 'Address Customer Needs' are now available.

During the year, members have continued to have employees experience accidents or injuries in the workplace. The Workplace Relations Team has continued to support members in meeting their worker's compensation and return to work obligations. The

team has challenged the decisions of the compensating authority where appropriate and otherwise assisted members to work with SafeWorkSA to rectify causes of injury in the workplace. This has helped to establish improved relationships with SafeWork SA and ReturntoWorkSA.

The Workplace Relations Team continues to deliver a wide range of training tailored to the automotive industry for members. This training has been designed to allow members to meet their ongoing WHS and Fair Work Act obligations in an efficient and affordable manner. Throughout the year, the team delivered training across a wide range of subjects, assisting members in meeting the requirements of becoming RAA approved repairers and passing SafeWork SA inspections.

Due to the high profile underpayment of wages cases involving large companies such as BP, Domino's, Coles and Woolworths, the workplace relations team introduced IR/HR audits as a new service for members. Since the introduction of this service, the team has already assisted multiple members in meeting their pay obligations and avoiding prosecution by the Fair Work Ombudsman.

Numbers:

- 555 Industrial matters resolved
- 247 human resources disputes resolved
- 72 WHS issues assisted with
- 304 legal claims advised on
- 32 workcover claims resolved
- 142 graduates of MTA delivered training

MEMBER ADVOCACY

Influencing Government to make member Businesses better

In the 2016/2017 financial year, the MTA has made major strides in influencing government to achieve divisional objectives that will help improve the businesses of our members. The MTA's government advocacy program has focused on engaging at national, state and local levels to build positive relationships and deliver improvements to industry.

To achieve this, the MTA has written 40 submissions and held 113 meetings with senior government and departmental officers to progress issues such as leading the country in the fight against personal imports of new vehicles, bringing more balance to the Australian Consumer Law for business, protecting repairers and dealerships through the ACCC New Car Market Study and improving the operation of the Work Health and Safety Act. The MTA has successfully driven these issues for members and ensured that the interests of members continue to be front of mind for State and Federal Governments.

As the 2018 State Election approaches, we are building on our success to continue delivering results to protect and grow the automotive industry in South Australia.

In conjunction with MTAA, other State Bodies and Associations, there have been a number of achievements including:

State Achievements:

- Introduction of Stage 1 of mandatory heavy vehicle inspections
- Securing 16 measures from the State Government to make interacting with government easier and cheaper for businesses
- Agreement to help design the tender process for bus route service contracts
- Stopped the introduction of new Industrial Manslaughter legislation
- Extension of Payroll Tax Reductions to 2020

Federal Achievements:

- Securing funding to help address the skills shortage through the introduction of the PaTH program
- Introduction of an 'effects' test into competition law
- Introduction of laws against unfair contract terms
- Introduction of Small Business Tax Reductions through the Enterprise Tax Plan

Regular Meetings held to progress member issues with:

- Department of Premier and Cabinet
- Federal Treasury and Finance
- Federal Department of Education
- Department of Planning, Transport and Infrastructure
- Consumer and Business Services
- South Australian based Members of Parliament
- Australian Competition and Consumer Commission
- State Government Small Business Roundtable
- Office of the Small Business Commissioner





AUSTRALIAN AUTOMOTIVE DEALERS ASSOCIATION OF SA

Vacant

83

Members

2

Meetings Held

151

Member Engagements

Key Achievements

Active participation to protect members interests through the ACCC New Car Retailing Market Study, ASIC Investigation into flex commissions and insurance add-ons, Motor Vehicle Standards Review to stop Personal Imports and review ACL to halt Lemon Laws.

Streamlining registration forms

New Car retailing is being seriously tested at present with a number of reviews looking into the activities of dealerships. Motor Vehicle Standards Act review has determined no real boundaries on Personal Imports and the ACL review's final report had some positives for the automotive industry but there remain other areas we need to keep working on.

Add the ACCC market study into new car retailing with recommendations to abolish flex commissions and limit other add-on value products and 2016/17 has been the year where regulators look to reshape the new car market.

Another significant challenge for members is the difficulty in managing the franchisee/franchisor relationship. The changes in 2016/17 to franchising laws had little or no benefit to franchisees as we are seeing further examples of unfair contract terms being tested by the ACCC.

Deregulation of shop trading hours has become a State Election issue and with 87% of effected car dealer members opposed to Sunday trading, the MTA has been working to remove the threat of this policy for members.

The MTA has submitted many submissions in these areas in 2016/17 and has reiterated the view to members that there is significant change happening. Now, more than ever, is the time to ensure your views are known and we all take every opportunity to speak up for industry and the significant role new car dealerships play in Australia's economy.

While the MTA has played a significant role in supporting many National issues, protection from over regulation and market intervention remain our priority for this year.

* Member Engagements refers to face to face contact with members

AUTOMOTIVE DISMANTLERS DIVISION

Darran Van Der Woude



46

Members

3

Meetings Held

59

Member Engagements

Key Achievements

Established new reporting mechanisms for non-compliant businesses

The Automotive Dismantlers Division has taken some positive steps in the last year. We have continued to assist in improving the image of industry in every way, particularly through environmental and WHS compliance.

A priority for this year has been building on the improved relationship with the auction houses, in particular Pickles Auctions - who generously offered to host our last meeting in their boardroom.

The "dob in a backyarder" campaign has already led to an increase in dialogue with ARC, DPTI and SAPOL, with each of these agencies supporting the prosecution of backyarders.

Two members are currently contributing information to a National project to analyse the costs associated with processing End of Life vehicles. The aim is to determine some benchmark figures

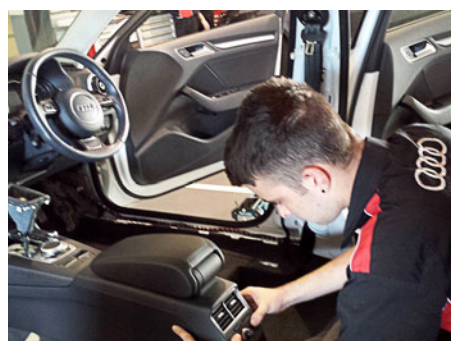
reflecting the true cost associated with dismantling any vehicle.

We have continued to further develop our relationships with SafeWork SA and the EPA to ensure we reduce non-compliant behavior in the parts recycling industry. Our continued dialogue with these agencies has resulted in proactive compliance campaigns being undertaken to eliminate non-compliant individuals.

It is important for members to get involved in the industry at large in order to make a difference. We need to continue the positive work we are doing to assist the MTA to achieve our outcomes as we will only get out of the MTA what we put in.

I would like to thank the committee who all take time away from their families to assist the MTA as we continue to work towards a safe and profitable future for members.

* Member Engagements refers to face to face contact with members





AUTOMOTIVE REPAIR DIVISION

Craig Gough

447 Members
3 Meetings Held
514 Member Engagements

Key Achievements

Making substantial progress with vehicle inspections

This year the Automotive Repair Division continued our focus on increasing membership with the support of MTA staff who make themselves available to members through increased member visits.

The RAA's compliance audits for 'approved repairers' have led to increased awareness of members' WHS obligations. The MTA continued to assist members with Standard Operating Procedures, evacuation maps, WHS audits, policy generation and much more to ensure compliance with the latest checklist.

We have made some inroads this year in regards to member access to manufacturer service and repair information. 18 manufacturers have committed to the voluntary code of conduct through the FCAI website. While there remains plenty of work still to do, it's a step in the right direction.

The next stage of the Heavy Vehicle Inspections Scheme is being rolled out following a successful trial which has assisted our endeavours to progress mandatory roadworthy inspections for light vehicles. In South Australia, we have some of the oldest vehicles on the road. Mandatory Inspections have been shown to provide benefits for road safety and industry.

This coming year we will continue to raise the bar for the repair industry. With technology continuously evolving, we will endeavour to keep members and their staff up to speed with the latest repair information.

BODY REPAIR SPECIALISTS DIVISION

Jeff Williams



230 Members
3 Meetings Held
379 Member Engagements

Key Achievements

Promoting the Internal Dispute Resolution (IDR) process which played an integral part of the recent Motor Vehicle Insurance and Repair Industry (MVIRI) Code Of Conduct review
Distributing Product Disclosure Statement (PDS) choice of repairer chart to members

The past year has seen the unusual hailstorm event in November 2016 which affected many consumers and motor vehicle dealers adding to an already busy sector. Insurers continue to place pressure on profit margins and members are well aware of the need to keep improving their business practices by finding new ways to improve efficiency.

Upskilling our existing trades through the many and varied MTA and I-CAR courses being offered remains a high priority. However, members should be aware of the need to employ more apprentices to fill the skilled trade shortage that is paramount to our future viability.

The MTA is continuing to educate the industry on the MVIRI code with assistance from the South Australian Small Business Commissioner, John Chapman. Through the use of the code and IDR's, the MTA has assisted members in addressing the

anti-competitive practices such as steering which continue to affect repairers.

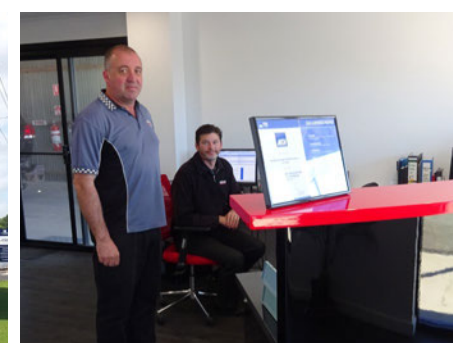
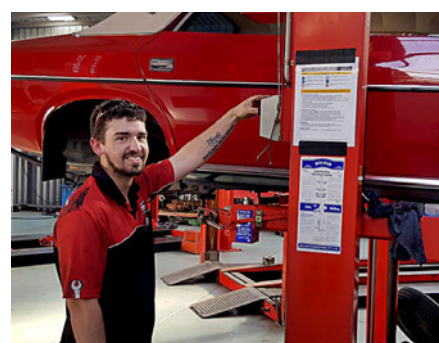
The National body AMBRA has actioned MTA members' concerns with a major insurer revising their terms of authority and looking to introduce an exclusive parts trial. Meetings and further discussions are being held and the MTA will keep you updated.

I take this opportunity to thank all of the MTA team for their efforts including Paul Back and James Kollias along with the dedicated BRD committee under the support of Paul Unerkov. The MTA continues to represent members' goals and achieve real outcomes. To keep up to date with the latest developments, be sure to read MTA communications.

Finally, as a valued member of the Body Repair Division, get to know who your support team are by attending divisional and zone meetings.

* Member Engagements refers to face to face contact with members

* Member Engagements refers to face to face contact with members





COMMERCIAL VEHICLE INDUSTRY ASSOCIATION OF SA

Bill Lane

53

Members

3

Meetings Held

67

Member Engagements

Key Achievements

Participation in the development of mandatory Inspections for SA

CVIAA (National) meetings October & March on representation of VSB 6 Nationally

Last year we reported that a Heavy Vehicle Inspection Scheme (HVIS) was commencing in 2018. However, Stage 1 started at the end of 2016 with four Adelaide sites assessed as suitable and equipped with roller brake testers to provide a comprehensive examination of roadworthiness using the National Heavy Vehicle Regulator's (NHVR) Inspection Manual version 2.1.

Over 700 inspections have taken place to deliver safer vehicles on our roads. The results from Stage 1 have identified a failure rate of 50 per cent which demonstrates the need for an ongoing scheme.

It has been great to see a strong contingent of members providing questions and feedback for DPTI at the meetings, and DPTI have taken note of industry concerns and priorities. Everyone wants to see a successful HVIS scheme that delivers safer

heavy vehicles on our roads and with confidence in industry to deliver the scheme.

The good engagement we have received from industry stakeholders has been strengthened by the positive input that has been provided by members for the HVIS. We will work to continue the positive dialogue as the HVIS is further rolled out.

The Bus and Coach operators have also taken on their biggest challenge, with the opportunity to provide input on what the metro and regional bus service contracts should look like and refining responsibilities in Department of Education contracts and accreditation areas.

FARM & INDUSTRIAL MACHINERY DEALERS ASSOCIATION OF SA

Mathew East



52

Members

3

Meetings Held

43

Member Engagements

Key Achievements

Streamline registration

Participation in review of 90 Day Survey to highlight industry priorities

Movement of oversize and over mass machinery continues to be the biggest concern for FIMDA members with the DPTI 90 Day survey failing to address the issues affecting members.

However, there does appear to be progress as DPTI and industry stakeholders including PIRSA, SA Power Networks and Grain Producers SA continue to meet with the MTA to resolve the issues affecting farmers and dealers alike.

There has been significant progress with improvements to registering Special Purpose Vehicles including the removal of the requirement for authorised persons, the introduction of a single form for new and used equipment and reducing the forms required for SPV's to a single form.

Thank you to members for the time you have taken out of your business to travel to Adelaide to attend the meetings. When other

industry stakeholders attend our meetings it demonstrates the commitment of members, provides valuable knowledge of the issues affecting the industry and results in practical suggestions which lead to reasonable solutions.

The Government needs to acknowledge the technological changes that are occurring in our industry and work with us to deliver solutions that cut red tape and deliver opportunities for our customers to be more productive. We will continue to work with Governments to create responsible solutions to the problems we are facing. However, we need active member engagement to provide a voice to our industry.

* Member Engagements refers to face to face contact with members

* Member Engagements refers to face to face contact with members





LICENSED VEHICLE DEALERS DIVISION

David Vincent

153

Members

4

Meetings Held

236

Member Engagements

Key Achievements

Reporting of unlicensed selling activity

Consumer Education Campaign consultation & development

Inclusion of the Vehicles History on Form 1 and Streamlining Registration Forms

In the last 12 months progress has been made in addressing issues concerning Licenced Vehicle Dealers but there remains a lot of work still to do.

After the Heavy Vehicle Inspections trial recorded a 50 per cent failure rate of inspected vehicles, the likelihood of Light Vehicle inspections continues to grow.

We have been working with Consumer and Business Services (CBS) to ensure the Second-hand Vehicle Compensation Fund is utilised for the benefit of consumers and the industry. Over the last few years, the administration costs of this fund have significantly exceeded the payment of claims, requiring more accountability of the management and use of the fund.

Discussions continue with CBS regarding a campaign to highlight the risks associated with purchasing a vehicle privately as opposed to the protections offered by purchasing from a Licenced Vehicle Dealer. The messages are targeted to certain markets and demographics and are aimed at helping consumers make

informed decisions about their vehicle purchase to reduce Private to Private sales.

A big change for this year is the new Form 1's (Display notice) we are all using. The Form provides information about the vehicle's history and a clearer description about duty to repair OEM fitted accessories. Administration times for dealers have been cut with registration forms significantly simplified, with only one form now needed for registration of new or used vehicles.

Many members utilised the legal services our membership provides to resolve customer disputes. While we all need a good knowledge of the Second-hand Vehicle Dealers Act and Australian Consumer Law, the MTA should be the first place to call for help in resolving disputes.

Stay engaged with MTA. Consider attending divisional and zone meetings to help us achieve even better outcomes for members in the coming financial year.

* Member Engagements refers to face to face contact with members



MOTORCYCLE INDUSTRY ASSOCIATION OF SA

Mark Flynn



45

Members

1

Meetings Held

61

Member Engagements

Key Achievements

Participation in Motorcycle Reference Group meetings to provide a voice for industry on government initiatives

Lane filtering implementation

Standard Form Test ride Agreements

It has been a busy year for the motorcycle industry in South Australia but our priorities remain relatively unchanged this year.

A new Federal Franchising Code of Conduct came into effect in November. We continue to hear of dealer disputes and this will be a core focus for the Division locally and at a national level through the Australian Motorcycle Dealers Association (AMDA).

In a win for motorcyclists, the State Government announced restricted lane filtering would begin in April and the ongoing push to harmonise laws relating to helmet standards was resolved earlier this year.

The recommendation of WorkSafe Victoria to fit Operator Protective Devices (OPD's or CPD's) when using an ATV is an issue that industry in South Australia will need to follow closely.

* Member Engagements refers to face to face contact with members

The recommendation is currently being challenged in the Supreme Court by the FCAI.

Where an ATV is used in accordance with a manufacturer's safe operating guidelines, MIAA disputes the evidence provided to support SafeWork's recommendation. On the contrary, there is evidence that suggests OPD's may cause as many new injuries as they seek to prevent. We will continue to work with other associations to address this issue.

Keep in touch with the MTA this year as we continue to progress Franchisee issues, ATV safety, improved opportunities for riding and perceptions around safety.

I look forward to working with you next year.





TOWING DIVISION

Brenton Caddle

61

Members

3

Meetings Held

70

Member Engagements

Key Achievements

Played a pivotal role in resisting the expansion of the Heavy Vehicle Towing Roster

It's been a positive year from a membership perspective and hopefully this will continue as other businesses see the benefits of the MTA.

For the first time in a long while, heavy vehicle towing has dominated the towing division this year. There was a proposed change to the heavy vehicle towing roster which resulted in a meeting being held at the MTA involving all industry stakeholders and current roster holders. DPTI is currently working through this and we will keep working with them to get a positive result for members.

We are continuing to progress a number of long term issues including truck parking in residential areas and interstate trucks crossing the border to take work. These issues remain outstanding and our concern for driver safety at the scene of accidents remains a high priority.

The Division also continues to work closely with all government bodies in relation to towing fees and charges and the annual review is due again mid-year.

Moving forward, I have decided to stand down as Towing Divisional Chairman and wish the division all the best for the future. I would like to personally thank Paul Unerkov, James Kollias and the committee for its support during my tenure.



* Member Engagements refers to face to face contact with members



SERVICE STATION DIVISION

Brenton Stein

50

Members

1

Meetings Held

45

Member Engagements

Key Achievements

SA Petrol Theft Council meetings

Promoting Auror Theft reporting software as an efficient platform for reporting fuel theft

Members and MTA staff have attended petrol theft meetings last year with SAPOL and other industry stakeholders. These meetings are an opportunity to hear from SAPOL and we were introduced to a petrol theft reduction platform from New Zealand called Auror that assists with the fast reporting of petrol drive off offences.

The Auror system has a paid and free option that assists members with the reporting of petrol theft and early recognition of previous offenders or alleged thieves. While there are still issues with the system, this is one of several ways SAPOL has demonstrated their commitment to reducing drive-offs and maintaining dialogue and networking opportunities within the industry.

The MTA has also been providing support to Service Station members by way of industrial support and training to ensure businesses understand Award changes including changes

to penalty rates, stay up to date with contemporary human resources practices and assisting members with navigating the difficult regulatory landscape.

It is important for independent petrol retailers to maintain their independence and stay competitive in the market. The MTA continues to support members by adding value to our businesses and helping us to keep petrol prices down.

* Member Engagements refers to face to face contact with members





TYRE DEALERS DIVISION

Marcus Baldacchino

94

Members

1

Meetings Held

109

Member Engagements

Key Achievements

Identified differences between the States to push for National Code of Practice for replacement wheels & tyres

Following the increase to tyre diameters on 4WD passenger vehicles, we have requested the adoption of section LS in VSB 14 Replacement wheels and tyres to become the sole source of standards for South Australia.

There are flow on effects from the introduction of the 50mm tyre sizes with other affected areas requiring change. This includes where to find the rules and regulations and other technical limits including wheel offset, which need to change as a result of the new law.

The above changes will harmonise South Australia's laws with the rest of the country so that anybody entering or leaving South Australia can do so with the knowledge that their vehicle is legal and compliant.

This year, we are focused on achieving the key goals for the division including adding wheels and tyres to Australia's product

safety regime. This will help to protect consumers from unsafe products entering the market. This includes lobbying for tighter regulation of wheel and tyre repair practices.

Members have asked us to highlight the issue of tyre age limits, with most manufacturers recommending a service life of 10 years. The key goal of the Division is to increase consumer awareness to the dangers of long term deterioration of un-used or old tyres.

Tyre members are encouraged to attend meetings and support MTA initiatives. To achieve our goals and deliver higher standards in the industry we all need to participate.

* Member Engagements refers to face to face contact with members



VEHICLE RENTAL DIVISION

Rob Davey



8

Members

4

Meetings Held

11

Member Engagements

Key Achievements

Clarifying registration differences between states

An uneven playing field in the rental industry appears to have been created with allegations of several national businesses registering vehicles interstate while domiciled here. This is due to interstate registration fees and on road charges being higher in South Australia. Not only would this activity be a loss of revenue for DPTI but it also disadvantages SA owned and operated businesses without a national footprint. The MTA has written to the Treasurer on our behalf and we will keep pushing this issue.

Car sharing and personal renting services officially arrived in South Australia last year. With new ways for people to get from A to B, the professionalism of our industry and differentiation between different segments of the demand has proven to identify our market segment.

The Rental Division has a number of ongoing challenges including registration categories and the associated insurance.

We are continuing to proactively work with Government on this issue.

It would be great to see more MTA members from other Divisions talk to us about rental cars for their customers. There are significant advantages for MTA members to work together to add value to their membership. MTA members can find Rental Division members through the MTA website in the 'Find a MTA member' section.

* Member Engagements refers to face to face contact with members



MEMBER ENGAGEMENT, INFORMATION & VALUE

For more than 90 years, the MTA has provided the security, protection and knowledge to help make automotive businesses better.

MEMBER ENGAGEMENT

1425
Member Engagements

1092
Total Members

93
New Members

69
Resignations

Be uncompromising in our pursuit of member satisfaction

Our members continue to be the heart of the MTA. Ensuring that the MTA is engaged, responsive and focused on the needs of our members has continued to be our focus for 2016/17.

To ensure we achieve this, we have expanded our capacity and refined our approach to ensure the MTA is more accessible to members than ever. In addition to our divisional managers, we have two dedicated member engagement staff working to meet with and discuss the issues that matter most to members, while also seeking to attract new members to strengthen our collective voice.

Our goal of meeting all metropolitan members face to face was achieved and 82 per cent of all members were personally visited by a MTA representative this year. The purpose of these visits was to hear how we can help make your business better and the feedback received has helped to improve the services the MTA provides and informed the positions we have taken to government on behalf of the industry.

These visits provide members the opportunity to inform the MTA directly on the issues they are facing in their businesses and to provide the MTA an opportunity to promote our activities and services while demonstrating the value associated with being a MTA member.

These efforts are delivering results with more than 93 businesses becoming MTA members while only 69 did not continue with membership, almost a total reversal of the 2015/16 result. New strategic partnerships, particularly with the Caravan and Camping Industries Association of South Australia, have been signed to provide services to their members and increase the resources available to MTA members and leverage the common interests of both associations to make the automotive industry stronger.

COMMUNICATING WITH MEMBERSHIP

398

Likes

Increase of 178

1135

MTA Likes

Increase of 876

2357

MTA Apprentice Likes

Increase of 1656

Communication from the MTA to members changed during this financial year with the creation of two alternate fortnightly emails, MTA Torque and MTA TEC Torque, along with a weekly communiqué from the CEO.

MTA Torque's mission is to communicate to members the Divisional activities and Industrial Relations news for the automotive industry. The MTA has broadened our content to share good news stories which recognise industry excellence and long standing contributions.

MTA TEC Torque aims to highlight training initiatives, new trends in industry along with information for members on available events. This has been used to communicate new information to apprentices and hosts alike on upcoming courses including the new Certificate II courses that we have introduced.

The CEO Report is an update on the weekly activity for Members to gain an understanding of how the MTA has progressed in assisting the automotive retail, service and repair industry each week.

Since the new communications have been introduced, readership has increased above the previous levels.

The MTA continues to produce the Motor Trade magazine, a broader coverage publication that helps the MTA to spread the word and promote industry, advocacy and divisional activities that have occurred.

The MTA's page on Facebook has increased the number of likes by more than 800 to be more than four times the level it was last financial year. The MTA's Apprentice page on Facebook has increased the number of likes by more than 1600 to be more than three times the level it was last financial year.

The MTA has embraced new technology to transform how we communicate and engage with members, to deliver quality content not just quantity.



*better quality content,
not quantity*

BUSINESS PARTNERS

Delivering Real Benefits to members



The MTA has worked hard to ensure that Business Partners are delivering real benefits for members.

2016/17 has seen the transition to Health Partners, which has delivered up front value to members through increased discounts for member businesses. The MTA also successfully secured continued benefits for members from our previous business partner until June 30 2017.

Ensuring members have access to business partner programs that help them has resulted in greater engagement by Business Partners in Zone Meetings and increased promotion through our electronic communications.

Value for your membership

MTAA Super, the leading industry fund for the motor trades

Our Auto Digital provide 10% off the customer purchase price

Our Auto Tech Centre provides a 20% discount on Tech Centre on-line tech information and call centre

Commonwealth Bank offers ultra-competitive EFTPOS transaction rates for members

Capricorn makes running your business easier with exclusive services for the automotive industry

Health Partners offers a 6% discount on any health insurance product when paid for by a direct debit

The MTA has further informed members of the benefits offered by Business Partners through divisional meetings.

In particular, the MTA has enjoyed strong relationships with MTAA Super, Our Auto Digital, Our Auto Insurance, Our Auto Tech Centre, Commbank and Capricorn, amongst others.

The MTA is continuing to work towards a structure that will improve the member benefits our business partners offer.



Delivering savings for MTA members to provide more value for your membership

MTA GROUP TRAINING SCHEME INC.

*Our goal, is to remain the
first consideration for
automotive training in SA*



CHAIRMAN'S REPORT

Frank Agostino

The past year has seen a new milestone achieved by the MTA Group Training Scheme, for the first time industry's own and operated training and employment organisation has grown ahead of other training providers for automotive trade training.

Overall, there has been an increase in total apprenticeship commencements for the key automotive trades and 53 per cent of these new apprentices were trained at the MTA Group Training Scheme.

Industry now recognises our hard work as we continue to integrate our training delivery and support services with industry to position the MTA as the leading automotive training organisation in South Australia in the four key automotive trades.

The MTA Group Training Scheme achieved the following trade training commencements:

- 60 per cent of Body Repair Apprentices
- 71 per cent of Refinishing Apprentices
- 57 per cent of Light Vehicle Mechanic Apprentices and
- 35 per cent of Heavy Vehicle Mechanic Apprentices.

On another note, our recruiting process for apprenticeships has undergone a transformation with the MTA Group Training Scheme regularly attracting in excess of 300 applicants a month for apprenticeships. This has given us a solid platform when recruiting to find the best apprentices for our hosts and has enabled us to offer assistance to businesses who wish to employ their own apprentice while undertaking their training through our Registered Training Organisation.

Introduced during this year was Certificate II in Automotive

Servicing Technology and Automotive Body Repair Technology. Both courses are proving to be highly successful in delivering upfront training and work experience to unemployed participants that has eventuated in a number of apprenticeship commencements.

While the skills shortage exists, these initiatives will help to drive the number of apprentices as we continue to sell the rewards and benefits of a career in the automotive retail, service and repair sector.

Post trade training for industry has remained a focus in the past year, with many automotive businesses increasing their staff upskilling training at Royal Park. Our HEV & BEV course continues to increase in popularity with visitors from interstate and overseas undertaking the course.

The MTA Group Training Schemes combined efforts in increasing employment and training numbers has meant a successful financial performing year.

I'd like to thank our hosts and the wider industry who continue to use the MTA Group Training Scheme for their training and employment needs. This year we have been able to consolidate many of the positive changes that have occurred and next year will be another big year to ensure we remain the first consideration for automotive training in SA.



We have interviewed an average of 79 prospective apprentices each month for the last six months.

MTA GTO

The MTA GTO has undergone significant changes this financial year and an increased focus has been placed on apprenticeship recruitment. This has resulted in 201 apprentices commencing with the GTO against a budgeted figure of 175 and an improved quality of applicant.

The attrition rate of apprentices, particularly in the first year of employment remains a challenge. To address this we have implemented systems including independent career consulting and performance management, interview techniques and mock interview training.

Also, this year a substantial amount of work has gone into the development of new hosts. Many automotive businesses who have never utilised the services of the GTO have been visited to help them understand how we can better service their needs and help to address the industry skills shortage. The program will continue this year and is already delivering results with an increase number of new hosts in the latter part of the financial year.

This has been introduced at the same time as a quality control system for visits to hosts to ensure that businesses are getting the service they want and apprentice issues are dealt with promptly.

The MTA GTO is committed to increasing our working number with increased apprentice numbers and improved retention of apprentices just two of the issues already addressed. An improved working number will support the GTO and RTO, but also help to address the automotive industry's skills shortage.

Key Facts

- *Apprentice intake is 201 EOY against a budget of 175;*
- *426 total apprentices employed EOY to a budget of 482;*
- *19 apprentices are currently on suspension against a budget of 45;*
- *145 apprentices released to industry EOY*
- *Average in excess of 300 apprenticeship applicants a month*

Industry apprentice enrolments are double the result of any of the last three years.

MTA RTO

The MTA RTO in 2016/2017 delivered 152,719 training hours in the four key automotive trades and the Industry Up-Skilling courses.

Industry apprentice enrolments were double the mark of the previous three years to 60 and Up-Skilling course enrolments were 159. GTO Field Officers and MTA BDM's generated 329 RTO referrals and the Trainer/Assessors conducted 50 Industry visits.

The two major events held during the year were the automotive career Expo and the Catholic Education/Independent Schools VET Coordinator Day. A number of interactive displays were developed for both events which included a showcase of vehicles for the Expo and the hands on nature has been a real hit with many participants providing great feedback about the events.

The Clipsal 500 in 2017 was another success with 10 apprentices hosted out to Supercar teams for the weekend and a further 13 apprentices were with the trainers at the Motor Sport Repair Team carrying out repairs to the support category vehicles.

Thanks to trainers John Politis, Vince Salzone, David Pullman, Matthew MacDonald and the 23 apprentices for their commitment and dedication towards this event, without them it would not be possible.

The RTO is working together with MTAQ and MTAWA on the new AUR16 Training Package. In 2017/18 the RTO will be launching an e-learning platform that will introduce a blended learning model for the apprentices. This will allow the Trainer/Assessors to engage more with industry and create efficiencies within the RTO operations.

The RTO continues to maintain positive relationships with vehicle manufacturers and other automotive groups with KIA, Nissan, Fiat/Chrysler, Repco and I-CAR utilising our facilities to deliver technical training.

Thank you to GM Holden for their continued support of the Training and Employment Centre vehicle donations and PPG, Henkel/Teroson and 3M Australia for products and training.

Key Facts

- *Exceeding three KPI's in a challenging market.*
- *TEC Expo was a success with the Catholic Education VET co-ordinators and Schools.*
- *Repco Training conducted at TEC.*
- *Project Monaro facelift.*
- *Increased market share in the Paint, Panel and Light Vehicle Mechanics new apprentice training.*



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