



MTA

2015/16

ANNUAL

REPORT

MTA
MOTOR TRADE ASSOCIATION

83

81

Level 1

GOODRICH
LAND DEVELOPMENT

Business
ons

Motor Trade
Association of SA

Ground

Toyota Financial
Services

Hobbs
Accounting

EXIT ONLY

PRIVATE
PARKING
AREA

EXIT

90TH ANNUAL GENERAL MEETING

90th Annual General Meeting of the Motor Trade Association of South Australia Incorporated to be held on Tuesday, 19th July 2016 at 7pm at the National Wine Centre of Australia, Corner of Botanic and Hackney Roads, Adelaide

AGENDA

1. NOTICE OF MEETING AND RECORDING OF APOLOGIES
2. TO ADOPT THE MINUTES OF THE 89th AGM HELD 21st JULY 2015
3. TO RECEIVE THE FINANCIAL STATEMENT OF THE YEAR ENDED 31st MARCH 2016
4. TO RECEIVE THE REPORT OF THE BOARD OF MANAGEMENT ON THE AFFAIRS OF THE ASSOCIATION DURING THE PRECEDING YEAR
5. TO APPOINT AN AUDITOR OR AUDITORS, AND TO FIX HIS/HER REMUNERATION
6. TO DECLARE THE RESULTS OF THE ELECTION OF OFFICERS
7. TO CONSIDER ANY BUSINESS SUBMITTED BY THE BOARD
8. TO CONSIDER ANY OTHER BUSINESS (under Rule 32*)
9. CLOSURE

*Rule 32

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

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MTA BOARD OF MANAGEMENT



EXECUTIVE COMMITTEE & MTA GROUP TRAINING SCHEME BOARD

Frank Agostino
President and
MTA Group Training Scheme Chairman

Neville Gibb
Past President

Clive Polley
Members Representative

Peter Roberts
Board Representative

Ron Lewis
Board Representative

Martin Guppy
Board Representative



BOARD MEMBERS

Dale John
Lower North Zone

Brenton Stein
Service Station

Kym Webber
Riverland Zone

Bill Lane
Commercial Vehicle
Industry Association

David Vincent
Licensed Vehicle
Dealers

Mark McGuire
Southern Zone

Tracy Butler
Upper Spencer Gulf Zone



BOARD MEMBERS

Jeff Williams
Body Repair

Robert Duns
Lower Eyre Zone

Marcus Baldacchino
Tyre Dealers

Craig Gough
Auto Repair & Engineering

Brenton Caddle
Towing Services

Colin Butcher
Farm Machinery Dealers

Phil Turner
Central Zone

The MTA-SA Board of Management consists of the Executive Committee and Board Members as at 31 March 2016

PRESIDENT'S REPORT

FRANK AGOSTINO



As we enter the 90th year of the Motor Trade Association in South Australia, it is realistic to believe that the upcoming year will throw up more challenges than ever before.

Reflecting on the 2015/16 year, YourMTA has been active in representing members' interests to stakeholders both federally and locally on a number of key policy areas including personal imports, mandatory heavy vehicle inspections and transitional planning to ensure the automotive retail, service and repair industry can usher in a new era of prosperity.

Personal imports again came to national media attention in February 2016 with the Government unexpectedly announcing they would allow consumers to import new vehicles directly. YourMTA took a leadership position nationally with responses across the entire News Limited network. Because the decision to allow for personal imports of new cars and motorcycles is a bad decision in almost every way, especially for businesses who are already trying to maintain sales and keep staff, we engaged with every South Australian Federal MP and Senator, to explain to them the damage this decision would inflict on businesses and consumers. It was pleasing to receive indications from several MPs that they will not support this legislation.

We gained ground in advocating to government for mandatory vehicle inspections, and were invited by

Minister Mullighan to be on his six member working group to see the carrying out of a heavy vehicle inspection regime for South Australia. The working group has started to identify the key points required for a heavy vehicle inspection regime to be rolled out in 2017/18.

The government response to the transition of the end of manufacturing was in full swing, and in our dialogue with them we made it paramount that the automotive retail, service and repair industry is still here – and is the future of the industry.

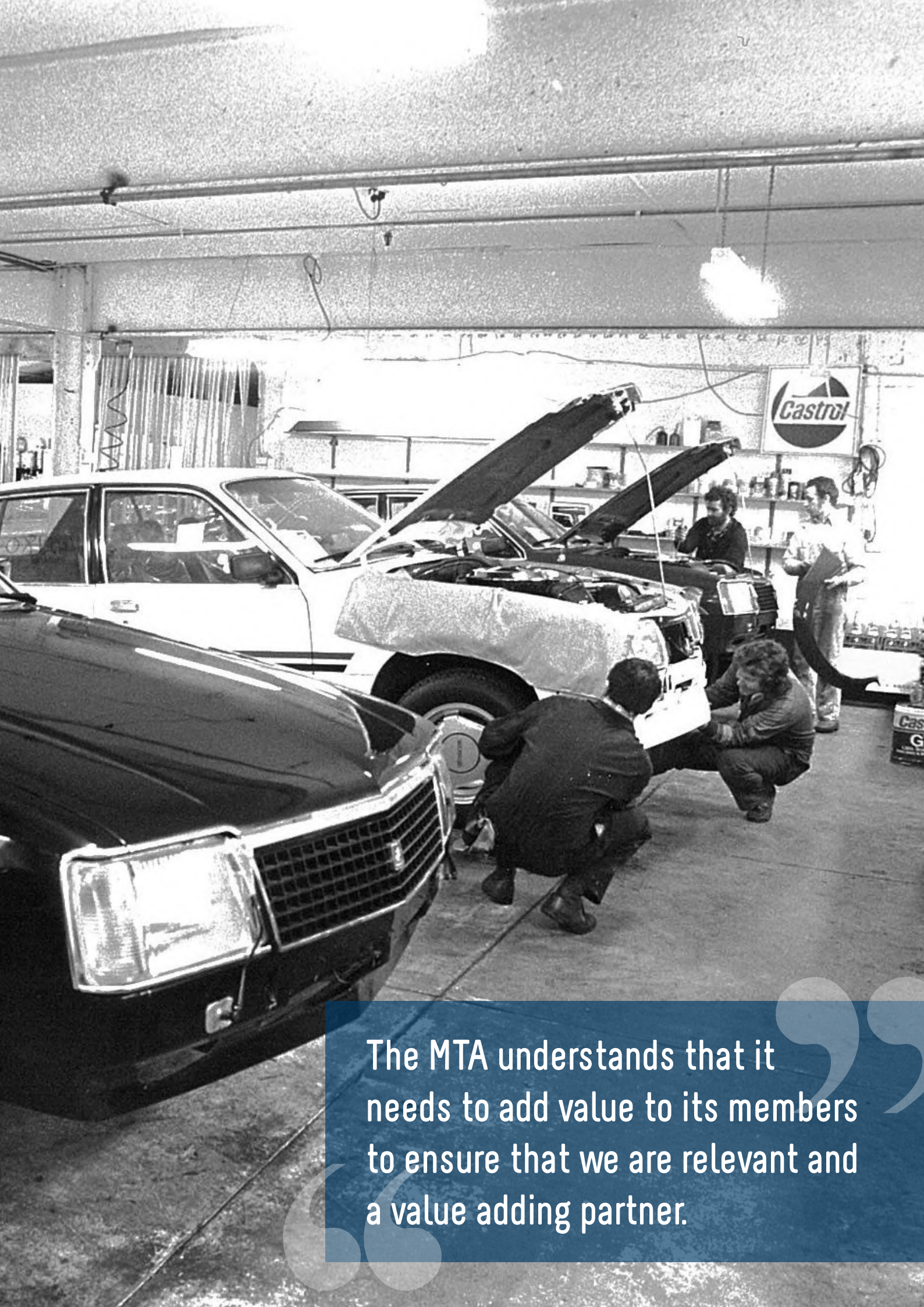
A delegation of eight member representatives participated in the Australian Automotive National Summit which laid the groundwork for the establishment of an Automotive Sector Taskforce to help drive a consistent and united policy platform required to face the challenges in the sector.

The handing down of The Senate Economic Committee's final report 'Future of Australia's Automotive Industry: Driving Jobs and Investment' made 20 recommendations to the Federal Government. Eighteen of these directly reflect the actions called for by the Motor Trades Association of Australia and YourMTA.

YourMTA is also continuing to work closely with stakeholders to identify ways which the retail sector can assist in the transition, and indeed how our Training & Employment Centre could assist with the

upskilling and skills recognition of Holden workers and the supply chain of those effected by the closure of Holden.

YourMTA continued to have our members represent South Australia at the highest levels with Neville Gibb – President of the Motor Trades Association of Australia, Jeff Williams – Chairman of the Australian Motor Body Repairers Association, Colin Butcher – Acting Chairman of the Farm and Industrial Machinery Association of Australia, Clive Polley – Commercial Vehicle Industry Association of Australia, Martin Guppy – Australian Motorcycle Dealers Association, Marcus Baldacchino – Australian Tyre Dealer Retailers Association and Brenton Stein – Australian Service Station and Convenience Store Association. All members are represented through their divisional chairs/representatives attending national meetings, but we'd like to thank those in leadership positions for their continued service to our industry. I'd like to take the opportunity to thank all of my colleagues on the MTA Board of Management for their continued support, ideas and commitment to the Association. I'd also like to thank the MTA staff who have been working diligently in supporting all members. Going into the 2016/17 year, we must stay strong, focused and united so that we can get the best outcomes possible for our sector.



The MTA understands that it needs to add value to its members to ensure that we are relevant and a value adding partner.

CHIEF EXECUTIVE OFFICER'S REPORT

PAUL UNERKOV



The automotive, retail service and repair sector has had an interesting year and the challenges which have been felt across the sector have also been felt within the Motor Trade Association.

In tough times all businesses are looking at their bottom line and rationalising their expenditures. As I have said often, business can be put as a simple equation; revenue minus expenses equals a profit or a loss. With that in mind, the MTA understands that it needs to add value to its members to ensure that we are relevant and a value adding partner.

And we have begun putting the foundations together to achieve this. During the past year we have restructured the way we do business. We have put more focus towards our divisions and aligned them with our advocacy department to ensure that we are providing the best responses to government for real change. We have created a membership engagement team in response to our members wanting us to visit them in their workshops/business. We have also improved our print and stationery business with the addition of a graphic designer, adding more value to the members who use this service by saving time and money.

We commenced a review of our business partners to ensure that we have the relationships with businesses that will add value to our

members, their business and their staff. This will continue through the next financial year as we continue to improve our offering to members.

At the core of what we do is the member. We continue to entrench this mindset in our staff to ensure that whatever we do at the MTA it is done with the members' interests at the centre.

Whilst the MTA hasn't been a megaphone commenting publicly on every issue to hand, we have been strategically building our relationships with governments, oppositions, departments and other key stakeholders to further the agenda of the automotive retail, service and repair industry. We have met with Ministers and their shadows across both Federal and State Governments. It is critical that we maintain our relationship with these key decision makers to ensure we can advocate on our members' behalf.

In addition, there have been constant meetings with the Department of Planning, Transport and Infrastructure (DPTI) and Consumer and Business Services (CBS). Having good relationships with these departments means we have been able to achieve real change.

Our relationship with CBS has ensured that we can work together towards eradicating those unlicensed (backyard) car sellers who damage the integrity of licensed vehicle dealers and hurt consumers through

inferior products. CBS has been very successful with a number of prosecutions over the past 12 months with our assistance.

DPTI is a critical partner for the automotive, retail, service and repair sector. Through our constant dialogue and representations, we have been able to start the development of a heavy vehicle inspection scheme framework. This will take a number of years to be realised, but the work carried out over the last year means that a heavy vehicle inspection scheme will become a reality in South Australia.

It has been a tough year at the MTA where we have had to make some tough decisions to secure the long term success of the association and ensure that real value is achieved for our members. I'd like to thank all of the staff at the MTA and the management team for their continued dedication and contribution in achieving value for our members.

I'd like to thank most importantly our members. They are the lifeblood of the association and their support, passion and pride in the MTA brand is essential to us continuing what we do to make their businesses better.

FINANCIAL CONTROLLER'S REPORT

RUSSELL SMITH



The past financial year for the consolidated entity has been difficult for both the consolidated association and its members.

The Consolidated Entity made a deficit of \$553,434, comprising of a surplus from the Motor Trade Association of \$22,782 and a deficit from the MTA Group Training Scheme of \$576,216.

Declining trading conditions experienced by its members, has resulted in reduced revenues to the MTA and a significant reduction in apprentice numbers hosted from its Group Training Scheme. This has required the consolidated entity in conjunction with its Boards to cut its costs and improve its processes even further.

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

The MTA continued its long term partnership with Our Auto Insurance and Capricorn during the year which continues to support our members and the retail automotive industry, as well as providing commission and annual sponsorship income to the association.

The MTA also continues to deliver a number of business partnerships with the Commonwealth Bank, MTAA Super and BDO Accounting to improve the services for members.

The Audit Committee met three times during the year, providing oversight and advice on the governance and management of the Associations finances to the Board of Management.

The composition of the committee was:

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

The committee was also attended by our Auditors KPMG. On that note

on behalf of the Board I would like to thank KPMG Audit Partner Darren Ball and his team for their efforts, support and advice.

Finally, I must recognise the contributions and support of the MTA Board of Management, the Executive Committee, MTA Management and staff.

2015/16 CONSOLIDATED PERFORMANCE

Statement of Financial Performance as at 31 March 2016

	FY 2016 \$'000's	FY 2015 \$'000's
MTA Trading Income	6,780	7,471
MTA - GTS Trading Income	16,073	14,903
Retail Motor Trading Co. Income	5	8
Interest and Dividends Received	191	295
Total Consolidated Income	23,049	22,677
Staff Salaries and on costs	4,358	4,475
Apprentice Salaries and On costs	15,376	14,203
Depreciation	911	952
Training expenses	207	219
Operating costs	2,750	2,893
Total Consolidated Expenses	23,602	22,742
Surplus / (Deficit)	(553)	(65)

Statement of Financial Position as at 31 March 2016

	FY 2016 \$'000's	FY 2015 \$'000's
Total Current Assets	8,421	7,983
Total Non Current Assets	15,094	16,237
Total Assets	23,515	24,220
Total Current Liabilities	3,590	3,306
Total Non Current Liabilities	106	112
Total Liabilities	3,696	3,418
Net Assets	19,819	20,802

Key financial performance indicators (MTA)

	FY 2016 \$'000's	FY 2015 \$'000's
Net Surplus	23	183
Net Current Assets	1,907	1,485
Total Equity	10,389	10,795
Cash Held Including Investments	2,813	2,341

Other Performance Indicators

	Total	Total
Number of Members	1,068	1,102

For the complete financial performance, please email mta@mta-sa.asn.au and request the Consolidated Financial Report for the year ended 31 March 2016

HUMAN RESOURCES



51 Staff



46.75 Full-time equivalent



23.69% Staff turnover



4.65 Average days training per staff member

The 2015/16 year focused on ensuring staff had a clear understanding of key objectives, expectations and performance outcomes.

Quarterly briefings, department meetings and performance and development plans were undertaken to ensure staff had a consistent understanding of the services and products available across the organisation.

A restructure of the organisation occurred to maximise member services, support and advocacy. Restructures were also implemented in Print & Stationery and Training & Employment Centre Administration departments to enhance the effectiveness of these areas.

Overall, there was a reduction in staffing levels, headcount and full time equivalency (FTE). On average the MTA operated three FTEs below the previous year and an average of 6.6 FTEs below the 2015/16 budget. Staff turnover doubled that of the previous year; however voluntary turnover remained relatively

consistent at 14 per cent whilst involuntary turnover was 10 per cent.

There were two staff injuries during the year causing loss time injuries. Work Health Safety internal audits were completed at both sites and the WHS business plan was completed.

Staff learning and development remained a priority with employees receiving an average of 4.65 training days each during the year. All staff participated in 'building a better MTA' staff sessions and managers, field officers and trainers commenced mental health first aid training.

Two managers are continuing their Masters of Business Administration (MBA) studies. A leadership development program commenced during March which focuses on identifying managers' individual development requirements and the identification of development opportunities. This will continue during 2016/17.

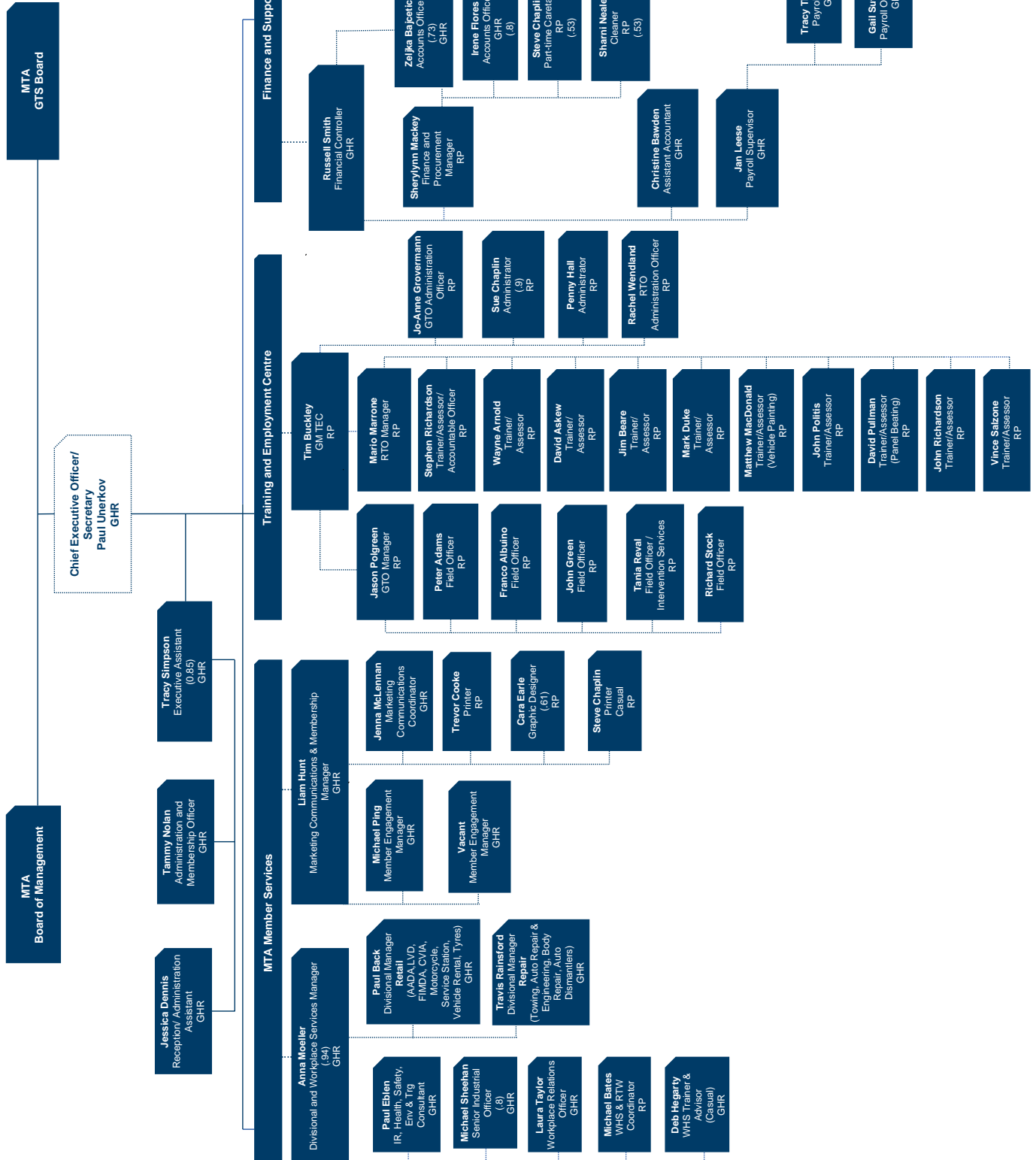
Staff engaged in wellness programs throughout the year which included flu injections, health checks, an

optimism and resilience seminar, cancer awareness and nutrition education.

The MTA celebrated the tenth anniversaries of Zeljka Bajcetic, accounts officer and Jason Polgreen, GTO manager.



A new staff reward and recognition program encouraging peer to peer recognition of behaviours which exemplify the MTA values was introduced during the year.



As at 31st March 2016

GHR = Level 1, 81 Greenhill Road, Wayville
RP= 3 Frederick Road, Royal Park

The Motor Trade Association
of South Australia Inc.



congratulates

Bollella Motors

on achieving 25 years of membership.



Frank Agostino
President

Paul Unerko
Chief Executive Officer

The Motor Trade Association
of South Australia Inc.



congratulates

Champion Crash Repairs

on achieving 25 years of membership.



Frank Agostino
President

Paul Unerko
Chief Executive Officer

This certificate was issued by the Motor Trade Association of South Australia Incorporated on 13 October 2015.

MEMBER
SERVICES

MEMBER SUPPORT & ADVOCACY


879 Member
IR Enquiries


15 An average of 15
minutes per enquiry


40 Work Health Safety
audits and reports conducted

The Industrial Relations Department has continued its focus on providing timely and effective core advisory and representation services to protect and support members. This support is provided across a suite of services including industrial relations, human resources, civil disputes, work health safety (WHS), workers compensation.

July 1 2015 saw the introduction of the most significant changes to workers compensation in 30 years. This followed some 12 months of intense lobbying by the MTA to ensure that the new scheme offered fairness and protection to employers, together with reduced premiums and an increased level of service. With the commencement of the Return To Work Act 2014 this financial year employers have already seen a significant reduction in premiums and an improved level of support within the scheme. With MTA having secured a position on the Minister's Return to Work Scheme Advisory Committee, members will continue to have a voice in relation to the

performance of the new scheme into the future

A range of products and services have also been available to members, with the most popular being resources to assist with compliance in the Work Health Safety area. WHS audits have continued to be a stalwart with members, with 40 having been conducted over the year. The newly developed Seven Steps to Safety online manual has been equally popular, with 35 members taking up the opportunity to purchase a manual that they can make their own.

GreenStamp accreditations have remained steady with members appreciating the value of being a part of a nationally harmonised and accredited scheme. ERIS continues to provide value for money to members, assisting with WHS and human resource compliance on a budget.

Member training has been supported by members with almost 150 participants enrolled in sessions tailored to industry. In addition

members have also taken the opportunity to participate in on site training developed for their business. Additional suites of training were also created to meet member demand. These sessions relating to customer service, workplace relationships and dangerous goods will be rolled out in the coming financial year.

Advocacy has seen an increased focus over the past year. In an increasingly difficult climate to do business it has become more important than ever for members to have a voice. Roundtable discussions throughout the year have provided a platform for members to tell us what is important to them and what they need. This increased engagement has made it easier for us to provide a stronger, confident voice on behalf of industry, driving divisional outcomes and working to achieve an improved business environment for industry as a whole.

The recent employment of a Policy and Research Adviser will enable MTA to continue to provide persuasive submissions to



16 National GreenStamp
Accreditations / Renewals



71 ERIS
Subscriptions



24 Cert IV
Participations



30 Submissions
Completed

government at both state and federal levels. The past year saw 30 submissions provided to government on behalf of members, and included lobbying in relation to competition policy, personal importation, competitive neutrality, tax reform and changes to franchising and work health safety laws. We will continue to work closely with government departments and developing positive and collaborative relationships with members of parliament to ensure the strongest voice possible for members.

increased engagement has made it easier
for us to provide a stronger, confident
voice on behalf of industry



AUSTRALIAN AUTOMOBILE DEALERS ASSOCIATION OF SA

VACANT



83 Members in Division

83



1 Meeting Held

1



198 Member Engagement

198

ACHIEVEMENTS

PERSONAL IMPORTS: took a national leadership position against the introduction of personal imports and the negative implications for dealer networks.

SENATE INQUIRY INTO AUTOMOTIVE INDUSTRY: investment in time, resources and priorities to support South Australian members.

REVIEW OF THE MOTOR VEHICLE STANDARDS ACT: active involvement in the review to reinforce the current protections for businesses and consumers offered under the Motor Vehicle Standards Act 1959 should be maintained.

STAKEHOLDER RELATIONSHIPS: regular meetings with DPTI and CBS are delivering good in-roads in to balancing the definition of fair trade between consumers and suppliers.

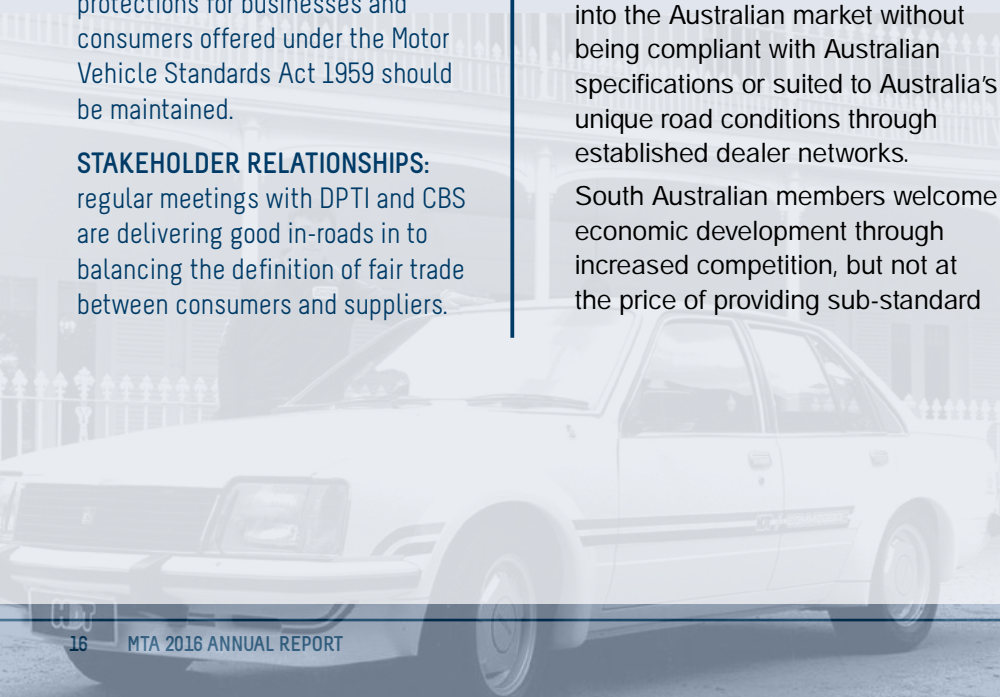
The 2015/16 year has been of significant importance for the division. The MTA has been continually advocating to government that allowing for personal imports of new vehicles will have legislative consequences for consumers and for employment in South Australia.

The minimal savings made on the initial purchase price are more than offset by the cost of service, repair, seek warranties, insure, and manage the risk of mechanical failure that will arise from allowing these vehicles into the Australian market without being compliant with Australian specifications or suited to Australia's unique road conditions through established dealer networks.

South Australian members welcome economic development through increased competition, but not at the price of providing sub-standard

products and services at levels where price reflects the buyer beware hazards associated with low cost/low value alternatives.

The future of the industry in South Australia is now about providing our members with a level of confidence that small to medium business has a chance of finding prosperity in a globalised and nationalised economic market.



AUTO PARTS RECYCLER DIVISION

DARRAN VAN DER WOUDE



45 Members in Division



2 Meetings Held



66 Member Engagement

There are many and varied challenges facing Auto Parts Recycler operators, large and small, now and into the future.

Scrap metal prices continued their downward trend throughout 2015/16. This has negatively influenced businesses' cash flow, forcing many in our industry to find money saving efficiencies in their workplace, or seek to alternate revenue streams to continue business growth.

Auction house descriptions of written off vehicles is an ongoing concern and raised on a weekly basis by members. The Committee has visited Pickles Salisbury branch having honest and open dialogue with the management staff about our concerns. A visit to Manheim has been requested and is expected in the near future.

As the year progresses we look forward to the challenges presented and the rewards that come with finding solutions to these problems. This will allow our industry to grow in a sustainable way with benefits to all members.

We acknowledge the knowledgeable and supportive committee who donate their time to the continued improvement of the industry to the benefit of all members, large and small.

ACHIEVEMENTS

END OF VEHICLE LIFE PILOT PROGRAM: two members have begun working on the program to evaluate the actual costs involved with decommissioning vehicles in an environmentally sustainable and safe manner.

AUCTION HOUSE DIALOGUE: the Committee has visited Pickles Salisbury branch where we an honest and open dialogue with the management staff about our concerns.

UNLICENSED SELLING: charged by SAPOL with support of MTA.



AUTOMOTIVE REPAIR DIVISION

CRAIG GOUGH



467 Members in Division



2 Meetings Held



681 Member Engagement

ACHIEVEMENTS

DIVISIONAL MEETINGS: the first MTA Divisional meeting incorporating discussion around training curriculum was held at the Royal Park training facility and included a tour of the site and meet and greet with MTA trainers.

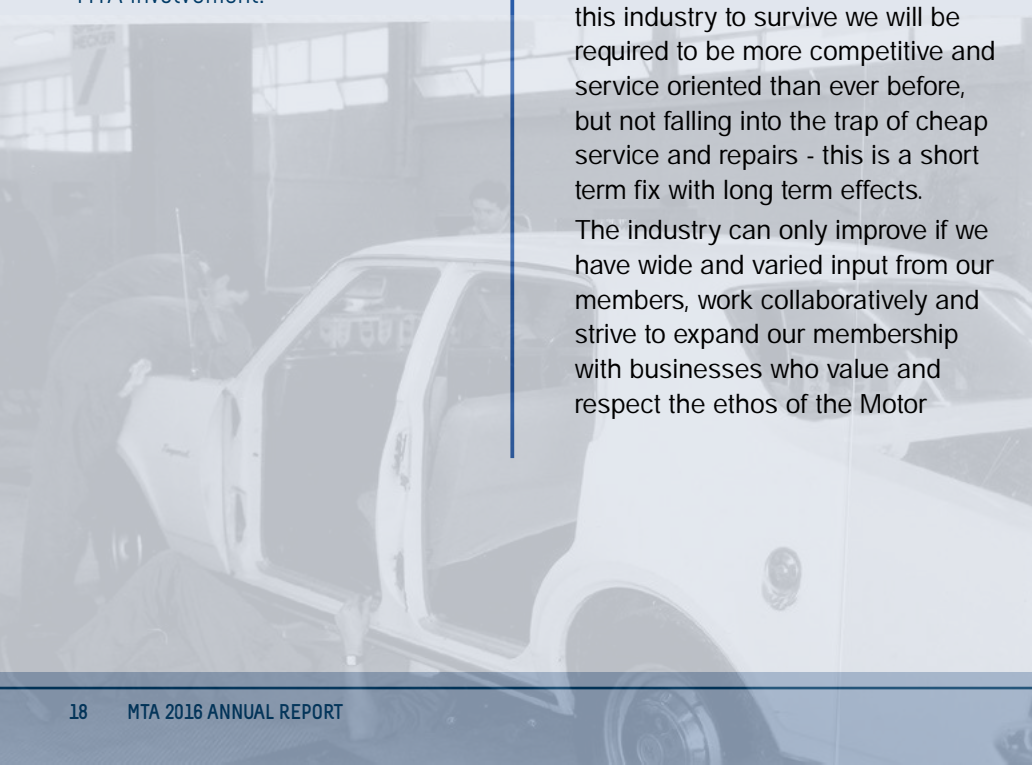
BOSCH TRAINING NIGHT: held in conjunction with the RAA was the first of its kind with both RAA and MTA involvement.

The 2015/16 year focused on the committee included increasing member numbers and engagement. The vehicle inspection scheme is progressing with the introduction of compulsory heavy vehicle inspections annually. Hopefully, this will carry through to light vehicles in the near future.

The auto repair industry is facing some economic challenges with customers expecting more "value added" from small business. For this industry to survive we will be required to be more competitive and service oriented than ever before, but not falling into the trap of cheap service and repairs - this is a short term fix with long term effects.

The industry can only improve if we have wide and varied input from our members, work collaboratively and strive to expand our membership with businesses who value and respect the ethos of the Motor

Trades Association of South Australia. In the 2016/17 year, the division hopes to raise the bar for the automotive repair industry, so we are valued as professional technicians who are committed to the continuous improvement of our skills and knowledge to keep abreast of the ever changing motor vehicle industry.



BODY REPAIR DIVISION

JEFF WILLIAMS



238 Members in Division



8 Meetings Held



371 Member Engagement

The SA market has been changed forever with the introduction by IAG insurance of the fixed/predictive price model. The body repair division in general has seen an increase in business since the start of 2016 so any effect these high volume low margin repairs may have on the BRD landscape, or the consumer, may take some time to surface.

Insurers are looking to reduce costs and any repairer considering entering into this model needs to do so with caution as it is based on volumes and not all repairers are set up to achieve this. Repairers need to be aware that whilst insurers may guide your customer to these facilities, the consumer still has a freedom to choose policy so market yourself and be the first one they call before they give away their rights to choose you as their nominated repairer.

The MVIRI code of conduct has been revised starting January 2016. This document is there to help members as its purpose is to change the behaviours in our daily dealings with the insurers.

The national body, AMBRA, has released the updated shop grading document which is currently available on the AMBRA web site www.ambra.org.au. It contains an audit tick sheet for a clear picture on your current investment, the future preparation towards training and equipment levels required to gain a higher category. The insurers interest in having a minimum standard will only gain momentum.

The IAG roadshows have visited our state and further information days are to be announced, and whilst NTAR is not the only Realistic Times guide available it is worth a look as our industry needs to change.

ACHIEVEMENTS

- Marketing Toolkit released.
- Divisional Chairman Jeff Williams being AMBRA Chairman.
- **MTA Members Winning National Paint and Panel Awards:**
 - HOUGHTON AUTO BODY – BEST BOUTIQUE SHOP**
 - KEVIN MULLEN JNR OF ME DALE CRASH – RISING STAR AWARD**
 - FLEURIEU CRASH REPAIRS – BEST COUNTRY REPAIRER**



COMMERCIAL VEHICLE INDUSTRY ASSOCIATION OF SA

BILL LANE



51 Members in Division

(including 15 Independent Bus & Coach Operators)



2 Meetings Held

(+7 Independent Bus & Coach Operators)



119 Member Engagement

ACHIEVEMENTS

PROTECTION: assisted repairers and service agents with a submission opposing Chain of Responsibility extending to our members.

CVIAA MEETINGS: worked with States and Territories across borders on national industry issues.

HEAVY VEHICLE INSPECTIONS: collaboration with the State Government resulted in the announcement of mandatory inspections to commence in 2018.

The Commercial Vehicle Industry Association Division met regularly throughout the 2015/16 year, engaging the State Government on the need for annual roadworthy inspections a spate of tragic and high profile accidents involving trucks during 2014/15.

The division highlighted that unlike other States, South Australian locally registered heavy goods vehicles and trailers did not need annual road worthy inspections. We sought to have this deficiency fixed, via the introduction of a heavy vehicle inspection regime.

Consequently, the State Government gave an "in principal" agreement that the introduction of a heavy vehicle inspection regime was a sensible and desirable objective.

We are very pleased that there

will be a heavy vehicle inspection regime commencing in 2018. Engagement is still ongoing with the CVIA SA and other stakeholders, as to the finer detail of how the scheme will work.

The independent bus and coach operators section of the division once again were active participants in the Association, with the MTA making various representations on their behalf throughout the year.



FARM & INDUSTRIAL MACHINERY DEALERS ASSOCIATION OF SA

MATHEW EAST



53 Members in Division



2 Meetings Held



204 Member Engagement

The Farm & Industrial Machinery Dealers Association of SA continues to meet biannually to discuss matters of particular relevance within our farm machinery dealerships.

We spent a significant amount of time dealing with issues around the movement of farm machinery. MTA responded on behalf of our membership to a discussion paper put out by DPTI regarding movement of machinery at night with all members invited to give input. We had significant success in identifying the priorities for the members and captured the opportunity to develop a strong sense of urgency for change.

We are hoping to help with a more collaborative approach to machinery movement issues involving membership from PPSA, TMA and PIRSA as our problems in relation to this are common.

Thank you to the small group of attendees who regularly attend the meetings and give solid input into discussion and resolutions that benefit all members. I implore other members to make time in their schedules to attend our meetings and contribute to the benefit of all membership.



ACHIEVEMENTS

MOVEMENT OF AGRICULTURAL MACHINERY: engaging members to provide feedback and participate in the night travel discussion paper.

STAKEHOLDER RELATIONSHIPS: worked with DPTI to improve registration forms for special purpose vehicles.

D-SHACKLE REQUIREMENTS: investigated issues with the requirements for attaching safety chains to vehicles.

SA BIO SECURITY REQUIREMENTS: developed a fact sheet with PIRSA to highlight and understand issues with the requirements.



LICENSED VEHICLE DEALERS DIVISION

DAVID VINCENT



151 Members in Division



5 Meetings Held



340 Member Engagement

ACHIEVEMENTS

UNLICENSED SELLING: 91 fines issued along Salisbury Highway and a further 57 cautionary notices issued.

REGISTRATION REPORT: development of a monthly registration report that combines data from sources including DPTI and the ABS to identify the share of vehicles that are being registered to private buyers, business, dealers and government and between who they registered.

COMPENSATION FUND: agreement with CBS to utilise the fund to educate consumers.

While the market indicators provide signs of increasing car sales, the contemporary process of buying a car means less walk in traffic to inspect vehicles in yards and dealerships and more players in the market that are both licensed and unlicensed, all competing for the same customer.

In 2015/16 we faced difficult challenges in attracting customers to inspect vehicles beyond the virtual showrooms.

Issues affecting the Division include the increasing expectations under the guise of Australian Consumer Law and statutory warranty, the lack of consumer understanding of the protections not offered to them buying privately or direct at auction, the risks and legal responsibilities of unlicensed sellers, the administration of the

Dealer Compensation Fund and the increasing demand on compliance and administrative tasks with running a business in a competitive market.

The MTA is holding regular meetings with government to make our industry voice louder and clearer, ensuring issues affecting the Division are addressed. Along with open communication with CBS, MTA also has good working relationships with DPTI, Service SA, Return to Work, and are actively participating in developing relationships with RAA, industry suppliers and other industry bodies to prioritise our concerns.

MOTORCYCLE INDUSTRY ASSOCIATION OF SA

MARTIN GUPPY



53 Members in Division



2 Meetings Held



133 Member Engagement

This financial year it was great to see a community of businesses from the same industry rise above their day to day competitive situations to focus on achieving greater outcomes for the industry as a whole. MIASA members promoted sport and recreation through support of trail ride events through "Find n Tax" organised rides, and actively participated in submissions to protect our value to enthusiasts or those seeking more economical methods of transport.

The division is watching developments in other states on the recommendation to use Crush Protection Devices as recommended by WorkSafe in Victoria, and wrote a submission to the Federal Government on the impact of mandating ABS braking systems for motorcycles. Whilst we support measures to improve rider safety we believe it is important to understand the sectors of the market where ABS on their bikes would be inappropriate

including off road riders, or retro fitting to existing motorcycles.

We also have just welcomed the South Australian Government gazettal of European Helmet Standards to be used in South Australia. This is an example of harmonisation with other states and being able to provide a greater choice of product to the market.

Test ride agreements were developed in consultation with industry to provide further protection to our legal rights and responsibilities when customers go for a test ride.

We also stay connected with government departments through MTA's relationship and networking through DPTI, CBS and attending the Motorcycle Reference Group meetings on an ongoing basis.

ACHIEVEMENTS

Member Networking and strong meeting participation.

ABS effectiveness discussion paper.

Participation in Motorcycle Reference Group to promote the dealer associations interests across Road Safety, Rider Training, road Infrastructure maintenance, motorcycle laws.

Implementation of ECE helmet standards.

Test ride agreement.

Review of the Motorcycle Riders Handbook.





TOWING DIVISION

BRENTON CADDLE



55 Members in Division



4 Meetings Held



106 Member Engagement

ACHIEVEMENTS

TOW FEES: continuing to work with DPTI to review annual tow fees.

TOWING REGULATIONS: surveillance of insurance company practices in regards to the state's towing regulations.

COMPLIANCE: a letter was sent to the Insurance Council of Australia by the registrar, at the request of the MTA, to ensure compliance is understood by all their members.

The Towing Committee underwent change in the 2015/16 year with a reshuffle seeing a number of new members join.

The Regulatory Impact Statement is now a foregone conclusion. The government saw fit to reduce red tape, which was widely welcomed by the industry with only subtle changes required to its current format.

As part of its ongoing commitment to work with government, the committee has been meeting with DPTI to discuss key issues and ensure positive outcomes for consumers.

One of the key issues raised was in regards to the insurance industry and its understanding of how the roster system works in South Australia. It was agreed with the

Registrar to subsequently write to the Insurance Council of Australia highlighting the recent changes and to make sure its members adhere to the legislation, as it does differ between states.

The committee is also working closely with other divisions in providing feedback for the new heavy vehicle inspection scheme to be implemented in 2018.



SERVICE STATION DIVISION

BRENTON STEIN



90 Members in Division



2 Meetings Held



143 Member Engagement

The Service Station Division has tackled a number of issues in 2015 and seen progress to improve conditions for independent Service Station Operators in South Australia. MTA provided a submission in relation to the Oil Code review that highlights member concerns in protecting their rights in franchise terms, and a lack of transparency in dispute resolution through the code. We also were involved in supporting NSW through the national association (the Australia Service Station and Convenience Store Association (ASSCA) in opposing vapour recovery legislation being introduced (starting in New South Wales).

Locally, we are providing a voice for members in the midst of larger retailers making the industry uncompetitive and having a negative impact for consumers. Through this work, the consumers' voice, the RAA have turned their attention to supporting independents for providing competition to the major national retailers.

We are helping members become more visible delivering an online retailer map on the MTA website and driving web traffic to visit it so consumers can find their nearest independent. We are helping members adapt to contemporary fuel retailing conveniences and to deliver competitive strategies to grow and compete.

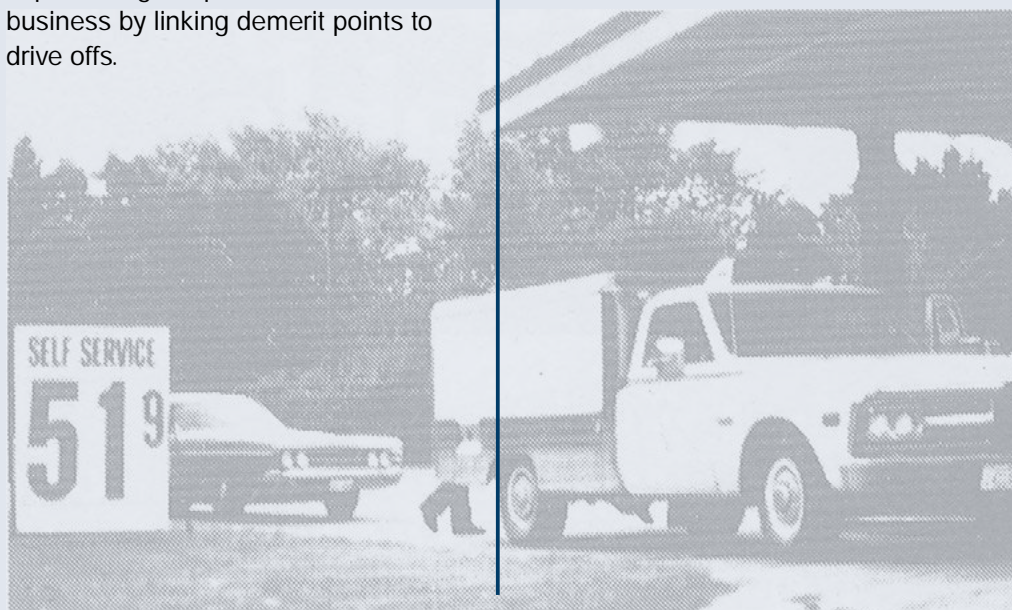
Finally, we have a voice to the new Police Minister, Peter Malinuskas in promoting the protection of small business by linking demerit points to drive offs.

ACHIEVEMENTS

RETAILER PROMOTION: Independent fuel retailer promotion through map on the MTA website and promoted through social media.

OIL CODE: Submission to the oil code putting forward members' interest.

INDUSTRY NETWORKING: regular meetings with SAPOL on drive offs and other issues.





TYRE DEALERS DIVISION

MARCUS BALDACCHINO



96 Members in Division



2 Meetings Held



146 Member Engagement

ACHIEVEMENTS

HARMONISATION: 50mm Tyre Diameter in line with other states.

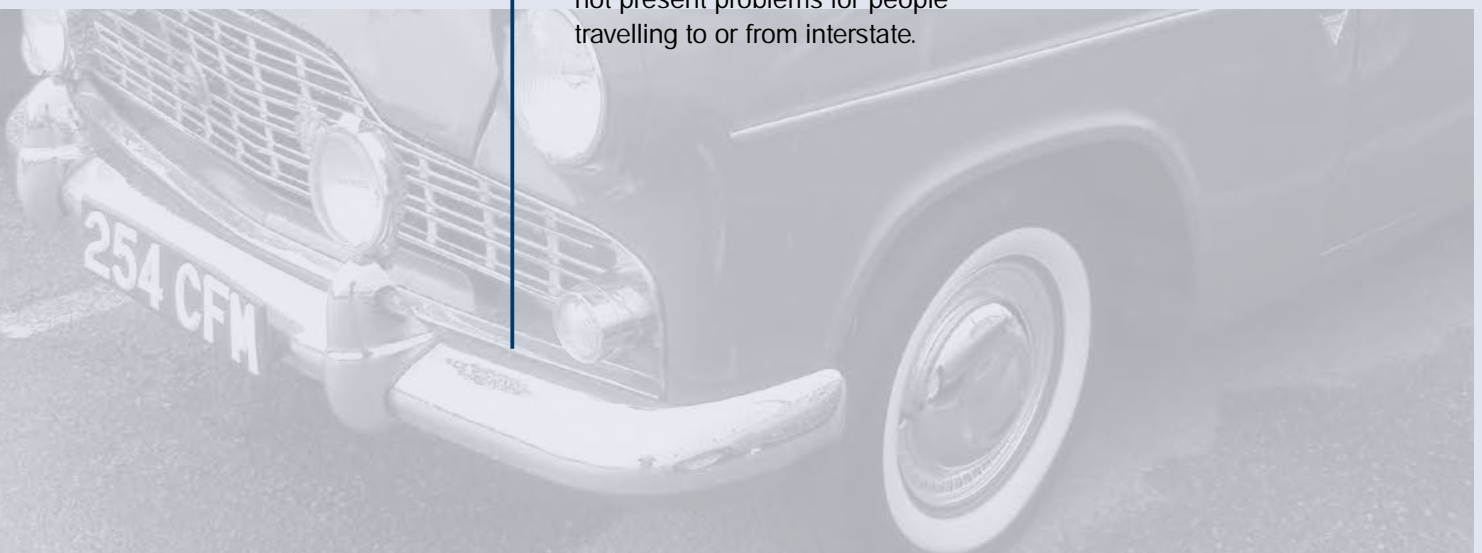
WHEEL REPAIR STANDARDS: clarification received from DPTI senior engineer.

NATION TYRE STEWARDSHIP PROGRAM: Bob Jane joined the Program which is an important project of the national Association ADTRA.

In the 2015/16 year, South Australia finally adopted the same approach to other states in relation to tyre size. We seized an opportunity with the incoming CEO of the Department for Transport to highlight the major concerns of industry in an effort to identify quick wins.

There is more work to be done - a number of other irregularities exist within the national code of practice (VSB14) that will be within the sights of the division in the 2016/17 year. If South Australia adopted VSB14 in full, then more of these issues would not present problems for people travelling to or from interstate.

It's important for the division to stay connected to our sister MTAs and the Australian Tyre Dealers Retailers Association, to keep identifying our issues and how they relate with our interstate counterparts.



VEHICLE RENTAL DIVISION

ROB DAVEY



7 Members in Division



4 Meetings Held



13 Member Engagement

South Australian rental businesses are facing intense to competition from interstate registered rental vehicle with differences in registration costs and the type of registrations applicable to vehicles.

With emerging micro businesses in the market for personal rentals the members need to protect their businesses with superior levels of service, simple agreement wording, and transparency in their services.

MTA will be supporting members by highlighting the registration imbalance to policy makers and asking enforcement authorities to look at the number of vehicles garaged in South Australia but registered through interstate addresses. Secondly, through the divisional meetings we are reviewing personal rental emerging businesses to maintain the government's priorities of protecting vulnerable renters from unfair contract terms

and excessive hidden fees or charges.

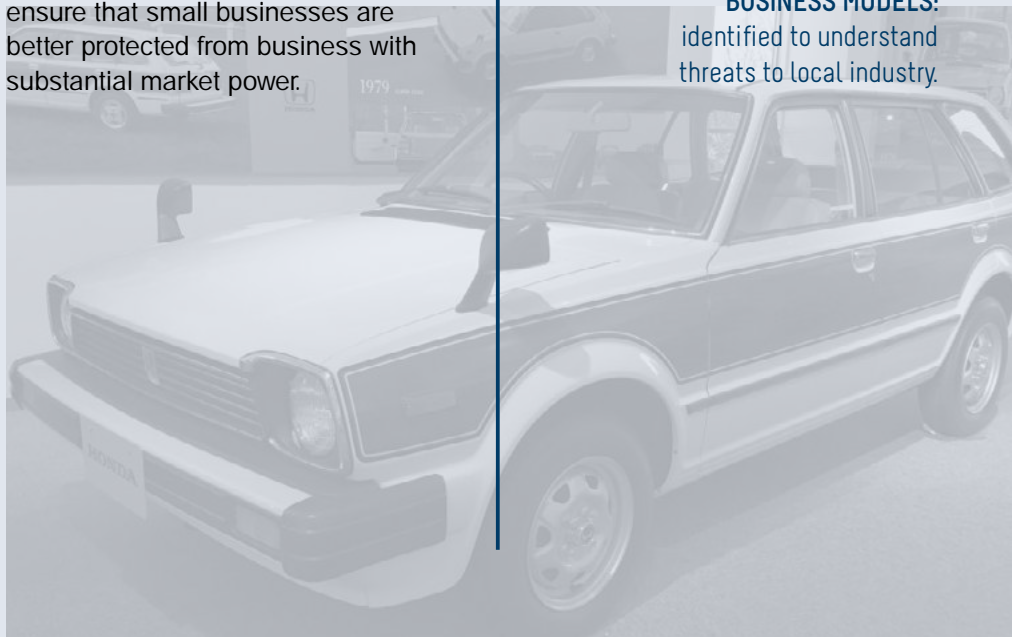
The Rental Division will be actively participating in discussion of the Australian Consumer Law review. Of particular interest is the Federal Government's announcement to introduce an effects test under of section 46 of the Australian Competition and Consumer Act to ensure that small businesses are better protected from business with substantial market power.

ACHIEVEMENTS

STRONG NETWORKING:
four divisional meetings with strong networking between members.

STRATEGIC DEVELOPMENT:
on ways to combat issues around rental vehicle registrations.

BUSINESS MODELS:
identified to understand threats to local industry.





MEMBER
ENGAGEMENT,
INFORMATION
& VALUE

MEMBER ENGAGEMENT



1068 Year End Membership
7% Decrease



63 New Members



97 Resignations



2096 Total Member Engagement
(Excluding Industrial Relations) 39% Increase



26 Zone Meetings Held
8% Increase



412 Zone Meeting Attendances
19% Increase



16 Average Attendances/Zone
14% Increase

The trend of current market conditions continues to have an impact on the MTA membership and in turn is reflected in the lower than expected membership numbers at end of year being 1068. We had fewer resignations (97) in the reporting year, than 2015/16, but were unable to acquire the levels needed with only 63 new members signed.

The MTA continued its move to put the member as the central focus of everything the association delivers.

After listening to members' requests for more engagement, a restructure was completed in November with the addition of a membership engagement team. This greater focus on visiting members in their own business has seen substantial growth in the total member engagement for the year.

Zone meetings were revamped in the last quarter to become more networking focused and aimed to deliver meaning and value to the attendees. With this new format, MTA

has engaged local MPs and keynote speakers to aid engagement with the zones.

Members received greater benefits from business partners throughout 2015/16 with OurAuto delivering Insurance, Digital and TechCentre; CBA offering very competitive eftpos rates.

Sponsorship arrangements entered into with Capricorn Society Limited and MTAA Super to provide greater benefits for members.

NEW MEMBERSHIP ENGAGEMENT TEAM: visiting members in their business increasing engagement.

REVAMPED RENEWAL CAMPAIGN: introduced member services voucher booklet to add value to members.

DEVELOPED MEMBERSHIP CERTIFICATES: increasing pride in the MTA sign and adding brand awareness.

IMPROVED BUSINESS PARTNER RELATIONSHIPS: adding value to members through using partners such as CBA's eftpos deal and OurAuto Insurance.

REVITALIZED ZONE MEETINGS: formats changed to encourage more networking between members and the addition of guest speakers.

MEMBER INFORMATION



103,241 individual emails sent
97.7% delivery rate



34,589 emails opened
33.5% of emails delivered



12.7% total unique links clicked
23% of emails opened

The focus in the 2015/16 year was getting relevant information to the right people, and although there are improvements to be made, the focus on targeting emails to specific divisions and zones is proving to be effective with overall increases in open and click rates.

The role of targeting EDMs is highlighted in the 24.9 per cent increase in the number of campaigns, and the smaller 8.9 per cent increase in overall emails sent. This means that means that members are being sent more information relevant to their division and zone.

Connecting with members and apprentices through social media channels is continuing to grow, with increases in audience and user engagement for all MTA's social media channels.

The 'MTA Apprenticeships' Facebook page has shown significant growth and increases in engagement over the 2015/16 year, and is a key tool for communicating with both apprentices and stakeholders of the GTO.

Going forward, the information flow to members will continue to improve through the continued transition to digital communications. There will

be an emphasis on increasing the engagement levels for the YourMTA social media channels, developing more video content and creating a regular schedule for posts.

It has been a year of growth for MTA communications. MTA's marketing materials have significantly improved with the new direction that focuses on simplifying content to the key messages and presenting them visually. This has come to fruition in collaboration with MTA's in-house graphic designer.

NEW LOOK & FEEL: development of new house style for MTA marketing materials.

NEW MATERIALS: IR course flyers were created for the first time.

INCREASED ONLINE PRESENCE: the event hashtag #mtagrad was used at the MTA Graduation & Apprentice Awards night to bring together the online discussions around the event. The number of users engaged with the MTA Apprenticeships Facebook page increased by 85 per cent during May 2015 when the event was held.

NEW ONLINE CHANNELS: Instagram was implemented to connect with the apprenticeship demographic and LinkedIn to connect with the membership demographic.

229 Followers
31% increase

**46 Retweets/
Mentions**

MTA
270 Likes
48% increase

4915 users engaged
55% increase

MTA Apprenticeships
765 Likes
38% increase

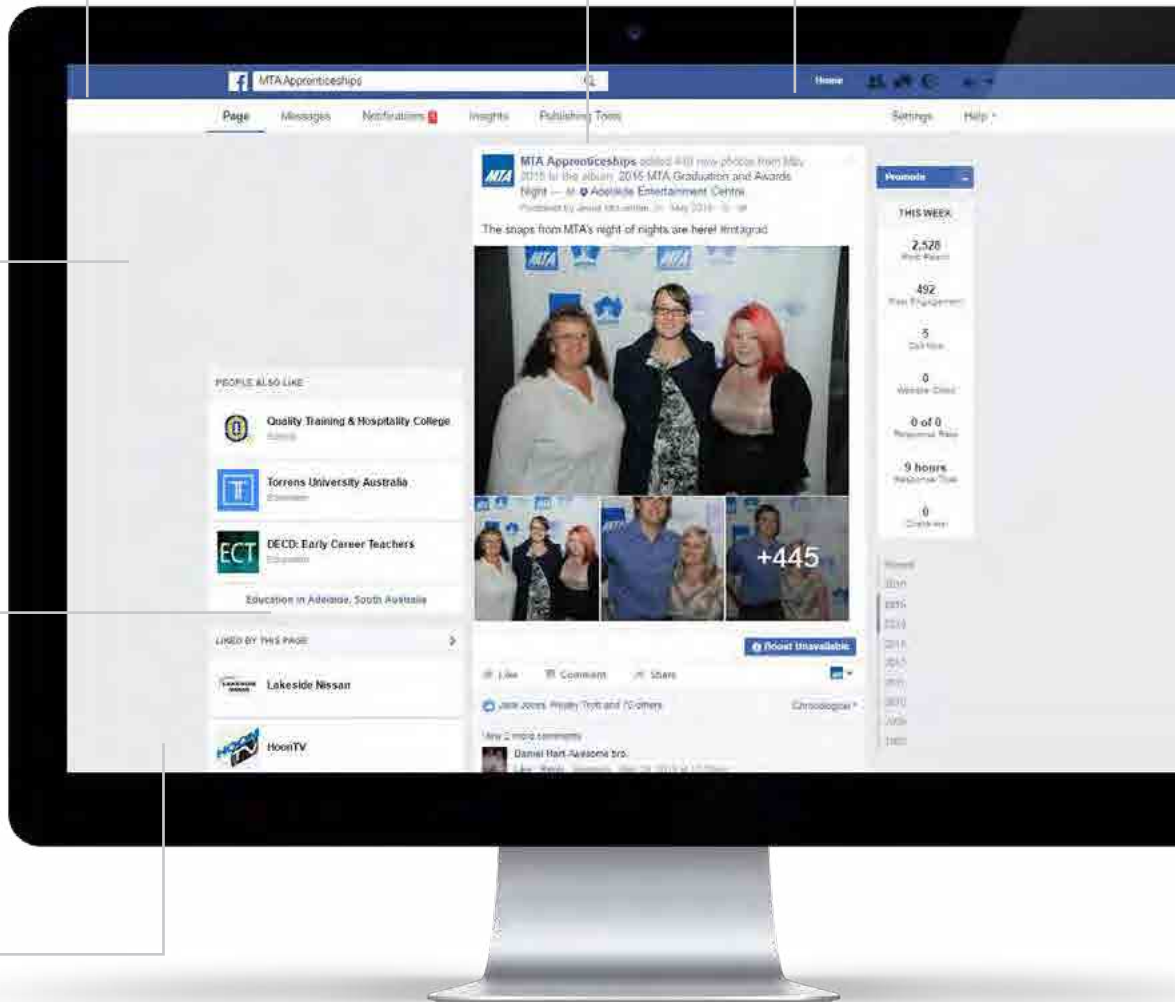
19,771 users engaged
233% increase

141 Followers
22 Posts

2129 Views
89% increase

7 Videos

202 Followers
13 Posts



MEMBER VALUE



447,336 digital print passes



315 Members using CBA



567 Members using Bupa



67 OurAuto Tech Centre subscriptions



16 OurAuto Digital packages purchased



16 OurAuto Insurance premiums purchased

MTA continues to deliver value through a number of avenues to members including its business partner relationships and our internal print and stationery department.

Print and stationery had a restructure which included the addition of a graphic design service. The department also refitted its internal stationery storage to enable more efficient order delivery. Critically, work continued on the online store which received progressively more orders throughout the year. With this expansion, we also received orders were received from the NT and WA.

The department continues to service members and the MTA, but has also successfully won the business of some key non-member clients. This is where the potential growth is for the department which will add more benefit to members through increased revenue.

Work continued on promoting the value offered through our business partners. A significant roll out of the Commonwealth Bank eftpos offer saw members gain value through reduced charges on transaction as well as lower fees on accounts. The OurAuto offering has grown in

popularity and as the membership realises the benefits of the three products.

The MTA has also begun evaluating all business partners with a view of looking at better arrangements to offer more value to members. A number of these will be available in the new year as the programs are evaluated.

GRAPHIC DESIGNER EMPLOYED: members have enhanced quality and service at the Print and Stationery department with the addition of a qualified Graphic Designer.

ONLINE STORE: an online stationery store was launched on 1 April 2015 to improve members access to stocked stationery items.

CBA OFFERING: rolled out the CBA's discounted eftpos rates to all members through a proactive promotion.

OurAuto: increased the products offered by OurAuto to include Insurance and Digital/Websites.



THE MTA GROUP TRAINING SCHEME INC



We have already started to develop deeper relationships with schools and with the apprenticeship broker network. This will ensure that as young South Australians look to a career in the automotive trades, they think of the MTA.

CHAIRMAN'S REPORT

FRANK AGOSTINO



The pressures on private training organisations continue to mount and the MTA Group Training Scheme has not been immune to these pressures. It has been a particularly difficult year which has seen a loss financially to the MTA Group Training Scheme.

This can largely be attributed to the declining market of automotive apprentices across South Australia which is down over 30 percent year on year. Whilst the market for total automotive apprentices commenced has been in decline for the last three years, the MTA Group Training Scheme has been holding its own in terms of its commencements. In fact we now represent around 42 percent of the entire market compared with around only 19 percent some three years ago.

Despite us holding our own, we need to face the challenges that the market presents and do business differently. And we will.

We have already started to develop deeper relationships with schools and with the apprenticeship broker network. This will ensure that as young South Australians look to a career in the automotive trades, they think of the MTA. We continue to

grow the awareness by our members and the wider industry so that we can train the apprentices they employ directly and we can save them money in the process.

In order to look at expense management we have reviewed our relationship with some key suppliers. During that process we have changed our tools supplier to SP Tools which will see benefits beyond just the financial. We also have established a new relationship with MAS National to provide Australian Apprenticeship support services to our apprentices employed.

In what was a difficult year there was one shining light being our post-trade training or upskilling courses aimed at providing industry training opportunities to develop their staff's skills. During the reporting year we over delivered on the number of training hours in our upskilling courses which is a pleasing result.

Our relationships with the wider industry also remain critical to the ongoing benefit of the Training and Employment centre. Our relationships with manufacturers and franchise groups continue to grow as we see a number of organisations use our

facilities for their training needs.

We need to continue to highlight the valuable contribution that the MTA Training and Employment centre provides the South Australian economy. We continue to work with the Government on how we can have an appropriate funding model which is equal for private and non-private training providers.

I'd like to thank our Host employers and the wider industry for their continued support of their industry training provider. Their continued belief in training by industry for industry ensure that's we are able to provide skilled technicians for today and the future automotive industry. I'd also like to thank the staff of the Training and Employment centre for their continued hard work and dedication to the industry.

While it was a difficult year, I believe that we have a better understanding of the challenges we and the entire industry face and are better prepared to meet these challenges head on.



The GTO's performance in relation to apprentice retention remains well above the national average at 66 percent compared to 52 percent.

MTA GROUP TRAINING ORGANISATION


461 Apprentices
Employed


172 New Intakes


105 Completions


66% Four Year
Retention Rate


2030 Apprentice
& Host Visits

The MTA Group Training Organisation started the 2015/16 with a targeted intake of 220 apprentices. This budget was later reforecast to a target of 202 given what proved to be a difficult trading environment, with an end of year result of 172 apprentices recruited.

This lower number was due to a combination of lower than expected numbers of applicants and of these applicants - only 20 percent proved to be successful in meeting the selection criteria.

In total 105 light vehicle mechanics, 31 heavy vehicle mechanics, 9 body repair technicians, 17 automotive refinishers, nine school based

apprentices and one auto parts interpreter were recruited. The total working number of apprentices was close to revised budget throughout the year however, a large number of completions and cancellations in the months of February and March coupled with a decline in host employer activity caused a sharp drop in working apprentices with an end of year result of 417 compared to a budget of 461. The numbers of recruited and working apprentices reflects the difficult trading environment currently being experienced by the motor industry.

The GTO's performance in relation to apprentice retention remains well above the national average at 66 percent compared to 52 percent. This can be attributed to better selection criteria and an improved flow of information between the GTO and RTO during the initial 10 week training program.

The host employer and apprentice surveys provided valuable feedback with concerns regarding the quality of the apprentice tools addressed through the change of supplier to SP Tools. The chosen supplier was a result of an extensive tender process which included a high level of stakeholder consultation.

APPRENTICE PLACEMENTS: achieved 150 new apprentice placements, 241 host employers serviced and 107 suspended apprentices placed with host employers.

2015 MTA GRADUATION AND AWARDS EVENING: over 300 guests in attendance with past apprentice and now small business owner Cameron Lees and up and international drift motorsport driver Jake Jones providing inspiring and engaging speeches.

RETENTION RATE: the MTA GTO continues to trend above the national average for retention at 66 per cent over four years compared to the national average of around 52 percent.

MTA ALUMNI NETWORK: this year marked the foundation of the MTA Alumni Network, a project developed to engage with both past and present MTA apprentices with the first event, a 'Dyno Day' held on the 12 March 2016.

SCHOOL ENGAGEMENT: relationships with schools continue to be a focus with 50 school career events attended which included presentations, career nights, mock interviews and tours of the MTA Training and Employment Centre.



The apprentices in the Motorsport Repair Team this year were outstanding and showed a lot of enthusiasm and commitment when it came to repairing the vehicles.

MTA REGISTERED TRAINING ORGANISATION



170,687 Training Hours



29 Industry Apprentice Enrollments



120 Upskilling Course Enrollments



83 Industry visits from Trainers



23 Vehicles Repaired by the Motorsport Repair Team at the Clipsal 500

MTA's Registered Training Organisation has had another challenging year in 2015/16 and the employment of new apprentices into the industry has been down on previous years. Going forward, MTA will be allocating more resources into attracting more industry apprentices to complete their training at the RTO. The 170,687 training hours included the four main qualifications (light

vehicle, heavy vehicle, vehicle painting, panel beating) and the variety of industry Upskilling courses. We had another successful year at the Clipsal 500 event showcasing apprentices' skills in the V8 Supercar Teams. The apprentices in the Motorsport Repair Team this year were outstanding and showed a lot of enthusiasm and commitment when it came to repairing the vehicles

as quick as possible, getting them scrutineered and back on the track. Thanks to the trainers and the 19 apprentices for their commitment and dedication towards this event.

I-CAR ACCREDITED: the MTA RTO is accredited to deliver the welding qualification preparation course and the welding qualification test.

AUR16 AUTOMOTIVE TRAINING PACKAGE: endorsed in March 2016.

MTA TRAINING CENTRE: vehicle manufacturers KIA, Nissan, Fiat/Chrysler and I-CAR continued to use MTA's facilities to deliver their in-house technical training.



MTA House

Level 1, 81 Greenhill Road WAYVILLE SA 5034

☎ (08) 8291 2000

MTA Training & Employment Centre

3 Frederick Road ROYAL PARK SA 5014

☎ (08) 8241 0522

🌐 www.mta-sa.asn.au

Level 1

LEED

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RGH Ac
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Carrin
Accounting