



# 2011/12 Annual Report



# 86TH ANNUAL GENERAL MEETING

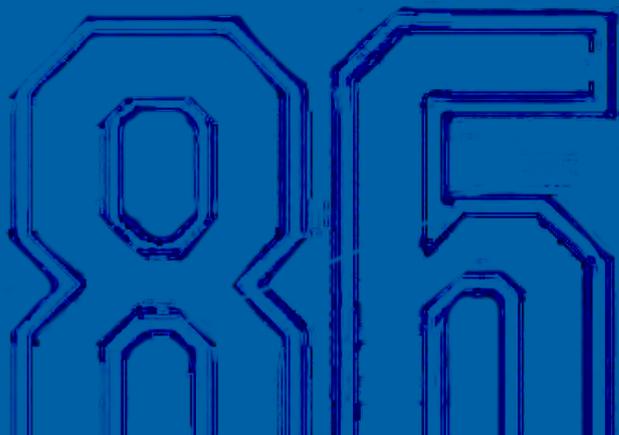
86th Annual General Meeting of the Motor Trade Association of South Australia Incorporated to be held on Wednesday 18th July 2012 at 7.30pm at the Arkaba Hotel, 150 Glen Osmond Road, Fullarton, SA 5063.

## AGENDA

1. Notice of meeting and recording of apologies
2. To adopt the minutes of the 85th AGM held 19th July 2011
3. To receive the Financial Statement of the year ended 31st March 2012
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 2011/2012

President:	Neville Gibb
Vice-President:	John Zulian
Past President:	Colin Clark/Frank Agostino <sup>1</sup>
Treasurer:	Marc Cheney
Representative of Members:	George Papillo
Trade Representative:	Clive Polley
Trade Representative:	Danny Shane

## Trade Divisions

Australia Automotive Dealers Association of SA	Marc Cheney
Automotive Dismantlers	George Papillo/Ron Lewis <sup>2</sup>
Auto Repair & Engineering	Brian Weeks
Body Repair	Jeff Williams
Commercial Vehicle Industry Association of SA	Clive Polley
Farm & Industrial Machinery Dealers Association of SA	Colin Butcher
Licensed Vehicle Dealers	Arch Boonen <sup>3</sup>
Motorcycle Industry Association of SA	George Bolton
Service Station	Theo Kruys
Towing Services	Harold Shipp/John Jansse <sup>4</sup>

## Country Zones

Central	Roger Paech
Lower North	Dale John
Riverland	John Rowley
South Eastern	Peter Roberts
Southern	Danny Shane
Lower Eyre Peninsula	Robert Duns
Upper Spencer Gulf	Tracy Butler

## Notes:

1. Colin Clark passed away October 2011. Frank Agostino was appointed in November 2011
2. Ron Lewis replaced George Papillo in August 2011
3. Arch Boonen resigned 21<sup>st</sup> February 2012
4. John Jansse replaced Harold Shipp in August 2011



**Board of Management February 2012**

(Back L to R): Theo Kruys, Paul Good (General Manager Training and Employment), John Jansse, Colin Butcher, Danny Shane, Jeff Williams, Robert Duns, Arch Boonen, Dale John, Ron Lewis, Brian Weeks, George Bolton, Clive Polley, John Rowley.

(Front L to R): Peter Roberts, Frank Agostino, Marc Cheney, Neville Gibb, John Chapman (Chief Executive Officer), Tracy Simpson (Minutes Secretary), George Papillo

(Absent) Tracy Butler, Roger Paech



My first year as President has been a big year for the Association with many initiatives undertaken and great work done on behalf of Members. It has been at times challenging with a tough economic environment and many changes that continue to effect how we are able to run our businesses. However, I believe that our interests and positions have been well represented throughout the year and that we developed and grew as an industry despite these challenges.

## VEHICLE INSPECTIONS AT CHANGE OF OWNERSHIP

The MTA renewed the push for Mandatory Vehicle Inspections at Change of Ownership. The push began when the State Government's only way to improve vehicle safety was to encourage people to purchase new vehicles with advanced safety features as part of its Draft 2020 Road Safety Strategy **Towards Zero Together**. The Government completely failed to address the number of defective vehicles on South Australian roads today!

After responding to this draft strategy, the MTA decided that a full position paper was needed and we engaged Deloitte to assist MTA Business Development Manager Jason Polgreen to develop it. The MTA now has a comprehensive position paper and an inspection model which will identify substantial defects that would warrant a car as unroadworthy, but at an appropriate cost to the consumer.

This culminated in my President's Lunch address in March 2012. We used the occasion to outline the case for mandatory vehicle inspections at

change of ownership to the Premier, Leader of the Opposition and a number of politicians and industry stakeholders.

The Premier claimed that he cannot support our position as "the evidence is that mandatory inspections would place a financial burden on the community without a compensating benefit."

The question back to the Premier is how much is he willing to pay to save a life?

This will remain on the agenda and we will continue to promote what we believe is a responsible and effective vehicle inspection regime for South Australia.

## AUSTRALIAN CONSUMER LAW

The last 12 months saw some of the biggest changes to the Australian Consumer Law and has meant that all businesses have had to change practices accordingly.

One of the biggest changes to business is the Consumer Guarantees and the written warranties against defects. All warranties must now have the prescribed text as determined by the Australian Consumer Law.

The other major change is the requirement of repairers to notify their consumers that their stored data could be lost in the repair process. As many modern vehicles have a large range of stored data, most automotive repairers should be providing this notice as standard practice.

The MTA has continued to keep Members up-to-date with this changing environment, and will continue to provide information as it arrives.



L to R: AADA National President Marc Cheney, MTA SA President Neville Gibb, VACC President Tony La Rosa, MTA WA President Pat Browne, MTA SA Chief Executive Officer John Chapman, MTA NSW President Maurie Pinfeld, MTA WA Executive Director Stephen Moir, VACC Executive Director David Purchase, MTA Q Executive Director Ian Field, Australian Motor Industry Federation Chief Executive Officer Richard Dudley, MTA ACT Executive Director Mick Gentleman, MTA NT President Catherine Phillips, MTA Q President David Fraser, MTA ACT President Christine Macaulay and MTA NT Executive Director Graeme Bevis at the Australian Motor Industry Launch in Melbourne July 2011.



L to R: The Premier the Hon. Jay Weatherill MP and MTA President Neville Gibb at the President's Lunch in March 2012 where vehicle inspections was the hot topic.



Shadow Treasurer Hon. Joe Hockey MP and MTA President Neville Gibb in September 2011.

# President's Report cont.

## PERSONAL PROPERTY SECURITY REGISTER

The Personal Property Security Register (PPSR) replaced more than 70 different State and Territory acts and registers. Importantly it replaces the South Australian Vehicle Securities Register and now is where you will find existing interests in a vehicle prior to providing clear title.

## NATIONAL REPRESENTATION

The MTA's national representation has been revitalized and refreshed with the official formation and launch of the Australian Motor Industry Federation in July 2011. At the event held in Melbourne, Australian Motor Industry Federation CEO Mr Richard Dudley said, "Australian Motor Industry Federation will provide the motor industry with a strong national voice and one which will positively engage with the Federal Government and Commonwealth Departments, proactively influence the development of policy, legislation and regulation and protect our industry's interests."

Former MTA President, the late Colin Clark, was the inaugural President of Australian Motor Industry Federation. Colin sadly passed away on 5<sup>th</sup> October 2012.

## RECOGNITION OF MEMBERSHIP

One initiative of the last 12 months was to recognise the service of our membership. When we went through our records, it was staggering to see that around 20 percent of our membership have been with the MTA for more than 25 years. This is

an outstanding achievement and a testament to the strength, relevance and importance of the Association.

It was a pleasure to recognise those Members who have been with the MTA for 50 and 75 years at the President's Forum in October 2011. It was great to see so many faces who have been involved with the industry for many years, and even more pleasing to see some old friendships reignite between Members who had not seen each other in years.

This recognition is vital to keep the Association strong. We have seen many industry association/business groups decline in membership and struggle to remain relevant on the business and political landscapes. The MTA continues to buck this trend and has again grown its Membership. This is a fantastic result and I thank all MTA staff who have worked hard over the last 12 months to secure this increase.

## CANCER COUNCIL PARTNERSHIP

The MTA has entered into a partnership with the Cancer Council SA in the last financial year. This decision was made after extensive consultation with staff and Members who both overwhelmingly decided on the Cancer Council. The partnership started with the free Bowel Cancer Screening kit promotion. This initiative allows Members to access the potentially life saving screening kits free of charge. It is especially relevant for the MTA with a large number of Members in the high risk category for Bowel Cancer.

I would like to thank the Cancer Council for teaming up with the MTA on this important initiative and I would particularly like to thank another business partner, Bupa, who enabled this initiative to be free for Members.

## NEW STRATEGIC PLAN

The MTA has also developed its new strategic plan to guide the Association's business activities over the next three years. The key initiatives which will be undertaken include:

- Quality expansion of our Group Training Scheme
- Expand training options for post trade, technological development, pre-vocational and legislative requirements
- Focus on improving the quality and breadth of apprentice applicants through marketing and partnerships
- Develop business relationships with Mining and Defence sectors
- Increase membership numbers
- Develop an employee Member group
- Develop new Member divisions where feasible
  - Gopher
  - Bicycles
  - Mobile Homes/Caravans
- Member Services – better link Association with training and apprentices
- Develop Business Succession/Transition Service

- Vehicle inspections at change of ownership
- Prevent adverse impact on industry due to environmental concerns
- Taxation and business imposts
- National advocacy consolidation
- Increase Member use of IT including website
- Improve communication through social media, effective segmentation and targeting of information delivery
- Branding – Improving the recognition of the MTA
- Develop master plan for Royal Park building replacement
- Improve internal productivity through training and technology
- Develop partnership with Cancer Council

I would like to thank the MTA Board of Management for their dedication and service over the last 12 months. I would also like to thank MTA CEO John Chapman and all the MTA's staff for the great work they have done for the Members over the last 12 months.

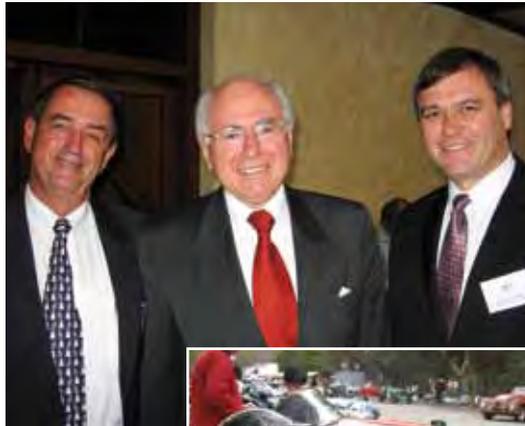
I look forward to the following 12 months and achieving the key initiatives we have set for ourselves.

Neville Gibb

**President**



Recognising members who have had continual Membership for 75 years: Grant Gilbert of Gilbert Motors, Luke Page of Peter Page Holden, Tom Rosewarne of Rosewarne's – Kadina, Roger Paech of Paech Motors, Ditmar Guehrer of Smiths, MTA President Neville Gibb and MTA CEO John Chapman.

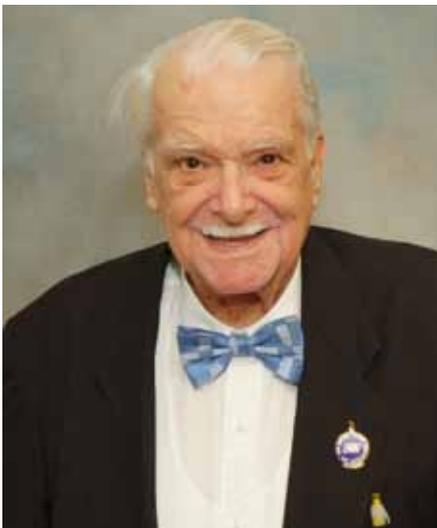


### VALE COLIN CLARK

The MTA would like to take the opportunity to reflect on Colin's contribution to the MTA and the industry.

Colin was well known throughout the industry, not only in South Australia but around the Nation. He gained the respect of his peers and colleagues throughout the industry for his down to earth, frank, and sensible approach to all issues. All who knew Colin appreciated his unique sense of humour.

Colin will be sadly missed but always remembered for his long and distinguished contribution to the automotive industry.



### VALE HAROLD SHIPP

In a sad year for the MTA, we also lost Life Member and Board Member of 55 years Harold Shipp. Harold was known to everyone in the towing industry and was a true industry pioneer.

Harold will be remembered for his unique colourful character and someone who brightened up the room with his presence especially when wearing his favourite illuminated bowtie.

He saw many changes in his industry over the years but kept pace with these changes. His long service to MTA and the towing industry is unsurpassed.

Harold will be fondly remembered by all in the industry.



# Treasurer's Report



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

Of particular note, is that the year marked the fourth successive period in which membership numbers increased.

Too often in this day and age we see membership organisations in decline. However, with the dedicated focus of MTA staff we have been able to positively address a trend of ongoing decline which commenced in the 1980's and coincided with consolidation in our industry particularly the service station sector. The low point was 964 in 2008.

Our membership now stands at 1150 as at 31<sup>st</sup> March 2012.

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

At a financial level, it has been a very satisfactory year for both the MTA and its subsidiary MTA-GTS.

I am pleased to report the MTA's surplus for the year is \$305,011 up 189% while MTA-GTS reported a surplus of \$897,467, up 180%.

During the year we made substantial shifts in our investment strategy with the purchase of two properties.

The property purchases are designed to produce income as well as long term capital growth to support the previous policy of investment in bank term deposits.

The first property, at 46 Fullarton Road, was bought at auction for \$3.15 million. This double story office building, covering 742 square metres of lettable area and land area of 1,716 sqm, is fully tenanted and was bought at a yield of 6.8%.

The second property, at 3 Schenker Drive Royal Park, was bought not only as a commercial investment but also as a strategic property due to it being adjacent to our Royal Park training centre.

The property was bought by private treaty for \$1.975 million after the MTA was approached by the owner. The return on investment based on the current lease is 8.0%.

The land is listed as 5065 square metres with an office and three warehouses.

The property is leased to a freight company.

From a strategic perspective, the property provides the ability for the MTA to expand its operations in a number of areas in the future if it wished to do so.

The property also provides direct internal access subject to the installation of a gate between the two properties.

As part of the investment strategy, the MTA through a wholly owned subsidiary, the Retail Motor Trading Co. Pty Ltd, purchased a unit in the building housing the Motor Trade Association of Australia and Australian Motor Industry Federation in Canberra.

The unit was purchased for \$145,501.

During the year the Chief Executive Officer applied for an exemption from land tax for the Association's assets which are used solely for employer association activities. This included 81 Greenhill Road Wayville and 3 Frederick Road Royal Park.

The State Revenue office approved our application and provided a refund of \$342,272 for overpayments from 2007/08.

Most of this one off gain was used to undertake some pressing repair and

# Treasurer's Report cont.

maintenance issues at the Training & Employment Centre at Royal Park.

This maintenance work was highlighted during the year as part of an asset review which was undertaken by two external consultants. A long term program has been put in place to ensure that the MTA's assets are properly maintained.

During the year, the MTA renewed its partnership agreement with SGIC Business Insurance. The agreement provides for a small commission to be paid to the MTA from each insurance policy underwritten in the retail automotive industry. The partnership agreement has been in place for many years and we thank SGIC for their ongoing support of our industry.

The MTA also formalised a long time partnership with Capricorn. Again I would like to thank Capricorn for their continued support of our Members and the retail automotive industry.

The MTA also continues to deliver a number of business partnerships across a range of services. During the year the MTA strengthened existing partnerships with the CBA and Bupa to improve the services for Members. We also added new partners with web development service provider Boylen Media and marketing/branding specialists Brandcell. These partnerships will be rolled out in the near future.

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

The composition of the committee was:

- Marc Cheney (Chair)
- George Bolton (Board Member)

- Arch Boonen (Board Member)
- Theo Kruys (Board Member)

The Committee was also attended by our Auditors KPMG.

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

The MTA also has a Remuneration Committee which reviews matters relating to the CEO and senior staff.

The Remuneration Committee was extended to include the full Executive Committee and met once during the year to consider the remuneration of the CEO.

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

The key financial results are:

A surplus in 2011/12 of \$305,011 for MTA (\$105,359 in 2010/11).

A consolidated surplus of \$1,202,269 (\$425,280 in 2010/11).

Total consolidated Members' equity of \$20,467,446 (\$17,896,163 in 2010/11).

The MTA income is now largely derived from:

- Membership
- Business Partners
- rental income on our Greenhill Road Wayville, Royal Park Training & Employment Centre, Schenker Drive Royal Park and Fullarton Road Norwood properties
- investment income (including MTAA House)
- Management and Administrative recoveries from the Group Training Scheme
- Printing and Stationery.

Membership income for the year was \$1,237,703 compared with \$1,194,258 in 2010/11.

Our investment in a Canberra office block which houses our national body, the Motor Trade Association of Australia, produced income of \$132,538 to the MTA in 2011/12.

Our current MTA asset profile as at 31st March 2012 shows:

MTAA House Canberra =	12.0%
Royal Park Training & Employment Centre =	5.7%
81 & 83 Greenhill Road Wayville =	20.8%
3 Schenker Drive Royal Park =	12.4%
46 Fullarton Road Norwood =	19.5%
Other Fixed Assets =	7.6%
Cash and Term Deposits =	16.1%
Others (receivables, stock etc) =	5.9%

The MTA has continued to expand the services to Members through its printing and stationery facility and I am pleased that the Board approved the purchase of a new high speed digital printer in December 2011. The printer will provide much more cost effective printing services to Members and also the MTA.

Finally, I must recognise the efforts and support of the Board of the MTA, the Executive Committee, MTA Management and Staff, and in particular, Financial Controller Russell Smith, who again delivered another positive year for our Association.

Marc Cheney

**Treasurer**

# Chief Executive Officer's Report



The 2011/12 year ended on a disturbing note for employers with the State Government securing passage of legislation which allowed for the introduction to two new part day public holidays on Christmas Eve and New Year's Eve.

The new public holidays were part of a "deal" which was struck in November 2011 between the State Government, the Shop, Distributive and Allied Employees Association (Shoppies' Union) and Business SA to allow trading in the Central Business District on other public holidays.

In this case, Business SA severely let down not only its own members, but other sections of the business community which it claims to represent. The MTA and a large number of other groups formed the SA Business Coalition to fight the changes. In total, 24 business and industry groups combined to lobby all political parties on the changes.

We mustered considerable resources and goodwill, and with the creative use of media and a "pig", we highlighted the stupidity of a deal which was not required. Remember, no other State had to create part day public holidays to allow trading to occur on normal public holidays.

Simply, the State Government had the power to allow trading to occur on public holidays in Rundle Mall. It did not need extra public holidays except that was a requirement of the Shoppies' Union.

Business SA appeared to forget that not only was it creating a whole raft of new red tape on businesses, it was also adding considerable costs to businesses (such as service stations, hotels, restaurants, take away food processors, transportation groups) which operate on Christmas Eve and New Year's Eve.

Despite strident opposition, we unfortunately fell short of the extra vote required to have this ridiculous legislation defeated. I would like to acknowledge the support of the Liberal Party and Leader Hon Isobel Redmond MP, Family First MLC's Hon Dennis Hood and Hon Robert Brokenshire and Independent MLC Hon Ann Bressington.

Our opposition did achieve some reduction in the impact on our



AHA|SA CEO Ian Horne, MTA SA CEO John Chapman, the SA Business Coalition "Pig Mascot", SA Tourism Council Chief Executive Ward Tilbrook, Restaurant and Catering Executive Officer Sally Neville, Baking Associations of Australia SA Executive Officer Lex Brown and Clubs SA General Manager Helen Martin on the steps of Parliament House as part of the campaign against additional part day public holidays.



ARGUMENT: Motor Trade Association SA executive director John Chapman, left, and RMMMA's Theo Maras face off in Rundle Mall yesterday. Photo: KELLY BARNES

**LAUREN NOVAK**  
POLITICAL REPORTER

THE rift between business leaders over planned changes to public-holiday trading led to two heavyweights arguing loudly yesterday in front of Rundle Mall shoppers.

Motor Trade Association SA executive director John Chapman and the Rundle Mall Management Authority's Theo Maras gestured at each other as they argued over the plan to create two half-day public holidays on Christmas Eve and New Year's Eve in exchange for allowing shopping in the CBD on most public holidays.

"I don't think it's unedifying," Mr Chapman said of their public spat.

"I think that we're putting a point of view... Theo's putting a point of view. We agree to disagree. We'll still be friends at the end of it."

Mr Chapman, a spokesman for the SA Business Coalition against the plan, said there was a "major rift in the business community" over the deal struck by Business SA and the Shop, Distributive and Allied Employees Association, and supported by government.

The business coalition

opposes the plan because it creates two new part-day public holidays - which it says will raise wage bills across the sector.

They say it will also cost workers badly needed income because they will not be employed, cost taxpayers more than \$5 million in extra payments to public servants, while aged and disabled people will be denied adequate care options because of the extra cost.

Yesterday, about 80,000 shoppers made their way into their CBD to collectively spend more than \$8 million.

But Premier Jay Weatherill warned the Government could not continue granting exemptions to allow trading on the holidays indefinitely.

His comments put a cloud over whether city shopping will be allowed on the Easter weekend if the laws do not pass Parliament beforehand.

Legislation will be introduced this week. However, it faces opposition from the Liberals over the new part-day public holidays.

The RMMMA has applied for an exemption to trade on Easter Sunday and Monday - drawing support from Opposition Leader Isobel Redmond.

"unintended movement" of a vehicle. MAC attempted to insert the example "Death or bodily injury caused by or arising out of the unintended movement of a motor vehicle while the vehicle is being displayed, serviced, repaired, restored or equipped."

This could have affected many Member businesses where an accident occurs in the workshop or out in the field.

Secondly, the proposal that MAC would be able to commence civil recovery proceedings against all parties involved in a "chain of responsibility" accident.

This meant Members could be dragged into a third party compensation claim for which their only involvement may have been to consign or receive goods.

The MTA's strong lobbying position was strengthened further when MAC conceded that it had no statistical or actuarial information to justify the changes. This was purely bad and self indulgent policy which deserved to be tossed out of the Parliament.

During the year, the legislation for the removal of registration labels from light vehicles was also enacted. The MTA was successful in securing amendments to protect Members and employees who unknowingly drive a customer's unregistered vehicle. The full impacts of the legislation will be felt on many unsuspecting motorists as new mobile technology, which matches registration plates with the registration database, is introduced in this State. The MTA has help fill the void left with the introduction of our own Registration Labels.

We were pleased to support the State

Members with the Parliament amending the legislation so that the new part day public holidays start at 7pm and run until midnight instead of the original 5pm start.

The shop trading hours debacle showed that Business SA no longer has the claim to represent business in this State because of its total failure to consult or understand the implications of its position on shop trading hours.

As a result, the groups which formed the SA Business Coalition are considering making their combined advocacy arrangements permanent.

During the year, we also had to put an end to another bout of silliness - this time put forward by the Motor Accident Commission.

After vigorous lobbying by the MTA, two critical changes to the Motor Vehicles Act which threatened to shift a major risk and potential massive cost to Members were overturned.

The MTA lobbied all members of Parliament over two main areas.

Firstly, the move by the Motor Accident Commission (MAC) to "shift" risk from itself to private insurers in relation to what is defined as

Government with its efforts to establish a Small Business Commissioner and to give the Commissioner powers to assist the sector in their dealings with big business such as franchisors as well as Government.

The concept is aimed at both dispute resolution by mediation, advocacy, representation, monitoring and investigative functions.

The MTA has been involved in ongoing discussions with the Minister for Small Business, Hon Tom Koutsantonis MP.

The MTA has supported the concept which offers our Members in franchise arrangements, considerable opportunities to fight unfair and lack of good faith negotiations.

Somewhat surprisingly, the Liberal Opposition opposed the legislation on supposed cost and red tape grounds. Efforts by the MTA to change the party's view were not successful.

As a result, the MTA heavily lobbied independent members in the Upper House and secured the support of Family First Hon Dennis Hood MLC and Hon Robert Brokenshire MLC, Dignity for Disability Hon Kelly Vincent MLC, Independent Hon John Darley MLC, Independent Hon Ann Bressington MLC and Greens Hon Mark Parnell MLC and Hon Tammy Franks MLC.

This was despite tremendous pressure which was brought to bear by one of the strongest lobbying campaigns in recent times undertaken by the Franchise Council of Australia (FCA).

The FCA failed because it was unable to provide any sustainable arguments as to why the behaviour of their members should not be regulated.



MTA CEO John Chapman presenting the Winner's trophy at the World Side Car Championship held at the Murray Brigde Speedway in November 2011.



Brenton Leitch delivering a business workshop at the Kangaroo Island Zone meeting February 2012.

It was interesting to note that many Upper House members of Parliament were well aware of the appalling way some franchisees have been treated by franchisors in the past.

The legislation also proposes the enshrining by regulation of key Codes of Conduct, and we will be working with the State Government to have the national voluntary Motor Vehicle

Insurance and Repair Industry Code of Conduct made mandatory in this state.

The State Government is to be commended for its refinement of its focus on small business assistance.

The MTA has continued to run small business training seminars for Members with State Government support during 2011/12.

# Chief Executive Officer's Report cont.

A total of nine courses were delivered and were attended by 140 Members which is a pleasing result.

Member interaction remains a critical and underlying foundation of the MTA, and during the year 29 zone and 41 divisional committee meetings were held.

The MTA continues to upgrade its marketing and Member services and in the last 12 months we saw a new MTA website developed. This is where we have a lot of useful information for Members in the secure Members' Website.

Member service additions have included the provision of OH & S audit inspections which support the three stage Greenstamp environmental accreditation program.

The introduction of a new Certificate IV OH & S course was particularly successful, and the MTA is offering this course not only to our Members but to employers in other industry sectors.

The MTA's sponsorship of speedway events at Murray Bridge is another big winner. We were fortunate to secure sponsorship of the 2011 World Speedway Sidecar Championships at Murray Bridge which provided tremendous positive exposure for the Association.

Drag racing was also on the agenda with the MTA taking out signage for the revival of the sport at Virginia.

The MTA has made a significant investment in our Print and Stationery department with the addition of the state-of-the-art Ricoh Digital Printer. The first of its kind in Australia, the printer will enable MTA to deliver high



L to R: MTA Printer Trevor Cooke and MTA Print and Stationery Supervisor Cass Clelland with the MTA's newest addition the Ricoh Digital Printer.

quality print jobs to Members and the general public more quickly than ever before, and at very competitive prices.

Building the capacity internally with MTA's staff is always a key priority for the Association. Many staff have taken the opportunity to attend relevant short and long-term training options to enhance their skills and ensure a more productive workforce. We also took the step to promote healthier living options for staff, and have provided free health checks with our Partner Bupa as well as flu vaccinations.

Unfortunately the great positives of the year for the MTA were offset by the loss of two long time and influential leaders.

The Past President Colin Clark suffered a stroke in May 2011 and despite his valiant efforts at recovery, died on 5th October 2011. I am proud

to say that Colin was a great President and a friend who is sadly missed.

Shortly thereafter, our longest serving Board and Life Member, Harold Shipp, also passed away. Harold will be remembered as a great leader in the towing industry and his memory lives on the road of South Australia with the Shipp Brothers' tow trucks extremely prominent.

In closing I would like to thank President, Neville Gibb, for his support, guidance and wisdom throughout the year.

My thanks also go to all Members of the Board of Management who worked tirelessly throughout the year and to the staff of MTA who continue to work hard to improve the motor trade industry.

John Chapman

**Chief Executive Officer**

# Legal, Workplace Relations, OHS and Environmental Services

## EMPLOYERS MUTUAL LIMITED (EML) PROJECT

The MTA was successful in securing funding from EML to develop and implement a range of strategies designed to reduce claims numbers and costs. In consultation with employers, it aimed to provide Members with a range of support tools to assist them in the implementation of rapid responses to identified concerns.

The program has now been successfully completed and includes three main components:

### **Assisted Occupational Health & Safety audits, inspections and advice.**

In total, 50 free audits were provided to both metropolitan and country Members over the past 12 months.

### **The creation, production and distribution of fact sheets to Members covering topics such as injury management, return to work, hazard management and injury prevention.**

These sheets are currently being distributed to Members. They are also available to Members upon request. For a full list of the fact sheets available please visit the MTA Member website.

### **An online self-paced Occupational Health & Safety and injury management learning package.**

This tool was specifically developed for those in remote areas or as an alternative to scheduled training workshops. These programs can be accessed through the Legal and Workplace Relations (Industrial Relations) department.

## NEW EMPLOYER INCENTIVE SCHEME

The new Employer Incentive Scheme introduced by WorkCover follows the abolition of the Bonus Penalty Scheme introduced by WorkCover some 20 years ago. This scheme was designed to be cost-neutral, but resulted in a \$47M cost to the WorkCover Scheme at the time of its abolition in June 2011.

The new scheme consists of two separate components, that being an Experience Rating System (ERS) and a Retro Paid Loss Arrangement for large employers. The ERS is of most relevance to MTA Members comprising a levy with two components. This results in levies calculated based on both the industry levy rate and the individual employer's actual claims experience through the use of a formula determined by WorkCover.

This new scheme is likely to result in something closer to a "user pays" system with employers, particularly those that are larger, having greater control over their levy payments dependent upon their claims history. It is due to commence 1st July 2012.

## TELEPHONE ADVISORY SERVICE AND IN-HOUSE TRAINING

Responding to telephone and e-mail enquiries continues to be the main service provided by the Legal and Workplace Relations department. Common enquiries include rates of pay, leave calculations, WorkCover, performance counselling, termination procedures and underpayment of wage claims.

In addition to these services the

# Legal, Workplace Relations, OHS and Environmental Services *cont.*



L to R: Marc Sanderson, Jennifer Neale, David Knight, Stephen Beaumont, Rachael Edwards, Katrina Belgrove and Iain Stewart were some of the participants who completed their Certificate IV in Occupational Health and Safety.



Senior Industrial Officer Michael Sheehan delivering one of the many IR presentations to Members at the Yorke Peninsula Zone Meeting in November 2011.

department also provides a range of training courses including bullying and harassment, risk management, responsible officer, fire warden and first aid training. Additional training is also provided for individual Members and tailored to meet their particular needs.

#### REVIEW OF APPRENTICE WAGES

Fair Work Australia (FWA) has announced a review of Apprentices, Trainees and Junior Rates as part of the two year Modern Award Review. The ACTU and other groups have commenced lobbying the Commission in relation to the review. It is clear that motor trade apprentices, particularly those in their first two years, are paid wages lower than an employee engaged as a trainee at the same age and without prior experience. Motor Trade Associations across Australia are in the process of preparing submissions aimed to reduce the impact of this claim on small business. This matter can only be progressed further once FWA issues a final statement on the timing and parameters of the review.

#### REVIEW OF TIME BASED APPRENTICESHIPS

The Training and Skills Commission (TASC) in SA has commenced a review of time based apprenticeships in selected trades. This is based on the principle that competency can be achieved at varying rates through a combination of theory, on the job training, specialist training and franchise technology. Auto Skills Australia is currently reviewing time based apprenticeships in the more

traditional areas of mechanical and collision repair with a view to having an increased flexibility in assessment at varying chronological stages of an apprenticeship.

#### AWARD MODERNISATION

FWA has now completed their mid term review of all modern awards that were drafted and implemented from January 2010. It was intended that a final review of these awards would occur in January 2014 to enable any necessary major structural changes.

The Motor Trade Associations across Australia have reviewed the Vehicle Manufacturing, Repair, Services and Retail Awards 2010 and the Clerks Private Sector 2010 Award identifying any obvious drafting errors, omissions or changes required to ensure smoother operation of these awards.

MTA has played a significant role in the preparation of the national Motor Industry application. The ACTU, AMWU together with other Unions have attempted to broaden the parameters of the mid term two yearly review. Once these awards are allocated to individual Commission members, MTA will be making submissions in response to their extended claims. It is likely that some matters will have to be part of a Full Bench hearing and may be listed jointly with other Union claims across a range of industries.

#### PRODUCTIVITY PLACES PROGRAM GRANT 2011/12 – CERTIFICATE IV OCCUPATIONAL HEALTH & SAFETY (CERT IV OHS)

MTA continues to deliver Cert IV in OHS to the motor trade industry, and to a lesser degree, an extended range of

# Legal, Workplace Relations, OHS and Environmental Services *cont.*

industries. A total of eight groups of 15 attendees will be run concurrently for the remainder of the year.

MTA has been able to deliver this extensive training by securing a grant from the Productivity Place Program through DFEEST which covers 90% of the cost of the course. An additional industry contribution of 10% allows MTA consultants to manage and deliver this Cert IV course through the Group Training Scheme at the training facility located on Greenhill Road.

## OCCUPATIONAL HEALTH AND SAFETY

In the last year MTA has conducted nearly 100 Occupational Health and Safety audits for Members across South Australia. This confidential service is helping Members improve their health and safety practices to comply with current Occupational Health and Safety laws. Many Members have been looking at requirements under the proposed Work Health and Safety laws which are yet to go before parliament. Until any new legislation is passed Members still need to comply with the current requirements.

## ENVIRONMENTAL MANAGEMENT

Members are increasingly taking advantage of MTA's confidential environmental assessments to help them identify environmental management improvements. The MTA Green Stamp Plus Environmental Accreditation program continues to grow with nearly 30 businesses enrolled in the program.

## ERIS

Over 100 Members subscribe to ERIS, MTA's online Employment Relations Information System. This system provides information and tools to assist with Occupational Health and Safety, industrial relations, human resources, payroll and more. With over 5000 pages of industry specific information, email reminders, policy builders, record keeping and workplace inspection tools, ERIS reduces paper work and streamlines processes. MTA will continue to offer subscribers free training on the use of ERIS throughout the year ahead.

## STAFF

The department continues to strengthen its services in response to a rapidly changing industrial relations environment over the past 12 months.

Anna Moeller (Rau) continues to lead the department into the future. Paul Eblen continues in his role of Specialist Industrial Relations, Health Safety Environment and Training Consultant, working on submissions and complex Member issues.

Michael Sheehan has expanded his expertise to cover Occupational Health & Safety and WorkCover matters.

Gail Sutherland continues to provide industrial support, specialising in leave entitlements and calculations.

Our Environmental Specialist, Carly Roworth, has also expanded her role to include Occupational Health & Safety.



# Australian Automotive Dealers Association of SA



Chairman and Board Representative	Marc Cheney
Vice Chairman	Michael Claridge
Committee	Frank Bamford Hillar Puvi Paul Page Leroy Uren Frank Torcaso Vince Petraccaro Peter Thomas Peter Roberts
Division Manager	Roger Ballantine

With the formation of the Australian Motor Industry Federation (AMIF) as our national body for motor industry associations, the focus for AADA activities has been very much at the national level.

All of the state and territory Associations/Chambers of Commerce now have AADA Directors participating in regular national meetings where funding and policy planning issues for the AADA are being formulated and progressed.

Richard Dudley is the AADA CEO and Secretary and I have been elected as President/Chairman and SA Director.

I am very pleased to report that everyone involved is keen to address past issues in a progressive manner under the guidance of Richard Dudley who has, in a short period of time, identified some of the areas of concern:

- Future income streams
- 2012 AADA Convention and beyond
- Federal Budget submissions
- Luxury Car Tax
- Franchise Code
- Internet advertising
- Consumer Guarantees.

As an industry, we have many challenges to deal with. Not only the government level (State and Federal), but also the manufacturers' side can

threaten the viability of our businesses and the large investments our dealers have.

The message for all concerned is that we are back as a strong and united national lobby group on behalf of all of our members.

This voice is vitally important given some of the issues we are facing such as the introduction and the impact of the Carbon Tax, Personal Property Securities Law, Franchising, Australian Consumer Laws and Consumer Credit Reform.

The introduction of the Personal Properties Security Register (PPSR) appears to have transitioned reasonably smoothly with very few reports of any issues other than at the initial launch.

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

The unfortunate fact is that the consumer guarantee legislation does not take in to account the unique circumstances associated with vehicle retailing and in particular any question of a refund or replacement vehicle. A \$60 electric jug or a \$1600 television is a much simpler decision than that of a \$60,000 motor vehicle!

AADA nationally will be approaching the Federal Government to review the application of this legislation and its impact on motor vehicle retailing.

#### LUXURY CAR TAX (LCT)

It should be recognised by all that this is a tax that has bi-partisan support and complete abolition is unlikely to be entertained by any political party. However, there will be a national campaign with the aim of lifting the LCT threshold and fixing a reduced tax rate to bring a semblance of fairness to the application of this tax.

#### AADA NATIONAL CONVENTION

For some time now there has been a concern that AADA National

Conventions have been less relevant to the primary target audience of Dealer Principals/Business Owners.

The AADA national delegates met in Adelaide on 29 March 2012 and received a presentation on the 2012 AADA Convention to be held at the Marriot Surfers Paradise Resort on 5-7 September 2012.

Whilst an agenda for this event is in place Members can expect to see some changes occurring in the future.

Marc Cheney

**Chairman**

### STATE NEW VEHICLE REGISTRATIONS

	2009	2010	2011	Variances	%
Passenger	47,775	52,565	50,565	2,000	-3.80%
Commercial	13,066	13,462	12,028	1,434	-10.7%
<b>Total Market</b>	<b>60,841</b>	<b>66,027</b>	<b>62,593</b>	<b>3,434</b>	<b>-5.2%</b>

### FIRST QUARTER COMPARISONS 2012

	2010	2011	2012	Variances	%
Passenger	12,787	12,211	14,609	2,398	+19.6%
Commercial	3,341	3,094	2,418	676	-20.2%
<b>Total Market</b>	<b>16,128</b>	<b>15,305</b>	<b>15,285</b>	<b>20</b>	<b>-0.1%</b>

# Automotive Repair and Engineering Division



<b>Chairman and Board Representative</b>	Brian Weeks
<b>Vice Chairman</b>	John Eglezos
<b>Committee</b>	Peter Stewart Daryl Siggs Craig Gough Bruce Cussans Michael Cini Scott Colmer Peter Young Mark Podlewski John Hurley
<b>Division Manager</b>	Jason Polgreen

The Automotive Repair & Engineering Division has been very active throughout the last 12 months as MTA's push for mandatory vehicle inspections gained renewed interest from Members.

This was an issue from my report last year which remains high on the Automotive Repair & Engineering Committee's agenda.

Members are becoming increasingly frustrated with the poor condition of vehicles entering our workshops for servicing and leaving in the same condition they arrived. Economic

pressures are causing customers to re-prioritise where their money is spent and the family car is well down the list of priorities. Many members are reporting an increase in vehicles arriving by tow truck as customers avoid having their cars serviced and quite literally driving them until they stop. At this time the repair bill is substantially more than the regular servicing would have amounted to.

This phenomenon is by no means restricted to the private road users. Road freight operators are resorting to the very same lengths in an effort to offset the impact of tough economic times. The result of such neglect could result in dangerous and costly consequences. It has been reported that items such as tyres, are being pushed as much as 20,000km beyond the safe wear limit to reduce costs.

Progress has been made in this area with meetings including key stakeholders held throughout the year. We've met with Assistant Police Commissioner Tony Harrison, former Road Safety Minister Tom Kenyon, current Road Safety Minister Jennifer Rankine, Road Transport Minister Pat Conlon, Deputy Premier John Rau, Premier Jay Weatherill and Opposition Leader Isobel Redmond to name a few.

During this process the MTA prepared a comprehensive submission, with the help and resources of Deloitte. It details the ideal mandatory vehicle inspection scheme at change of ownership for South Australia.

Assistant Police Commissioner Harrison also met with the Auto Repair Committee and assured those present that if a repairer were to report a defective vehicle leaving their premises, the owner will receive a visit from an officer or a warning letter at the minimum. As mentioned by MTA President Neville Gibb at the recent President's Lunch this issue will not go away and the MTA is prepared to commit significant resources to get

the message through that a vehicle roadworthiness is not an optional extra.

Beyond the issue of mandatory vehicle inspections, the Committee is tackling a range of issues affecting independent repairers, including access to technical information, hybrid and electric vehicle training and of course vehicle inspections.

Nationally, the inaugural meeting of the Australian Automotive Repair Association Committee was held in Brisbane in February. This is the first time the Automotive Repair Division has had a national voice. I look forward to working with our state counterparts to protect the interests of the Auto Repair Division.

There has been many upskilling training opportunities for independent automotive repairers over the last year through the MTA's Training and Employment Centre at Royal Park. I encourage all of our Automotive Repair & Engineering Members to take advantage of the current and future courses on offer.

Visit the MTA website at [www.mta-sa.asn.au](http://www.mta-sa.asn.au) or contact the MTA Training Centre on 8241 0522 for more information.

I would like to take this opportunity to thank our Division Manager Jason Polgreen for all his work over the past year, and in particular his efforts regarding the vehicle inspection campaign. I would also like to thank all of our Committee for their continued attendance and input at our regular meetings.

I encourage all of our Auto Repair & Engineering Members to come along to our Committee meetings and discuss the issues we are all facing in this sector of the industry. I look forward to the challenges and opportunities the 2012/2013 period will no doubt bring.

Brian Weeks

**Chairman**

# Auto Parts Recycler Division

As many Members are fully aware, our industry has been subject to a slow down across many areas. Competition has been tough with Original Equipment Manufacturers cutting prices, and aftermarket parts also selling into some of our traditional market segments, adding to the pressures of running a business.

I have often heard many of my fellow parts recyclers commenting how hard it is in the market place and pondering what they should do. We as an industry are not unique in this space, with other retail and wholesale businesses also suffering over the last couple of years.

Now is the time to take action. The MTA has been and continues to run business workshops which give Members the opportunity to attend and work on how to build a better and more profitable business. Participation from the Auto Parts Recycler Division needs to improve to help gain an advantage in these tough times.

These fantastic seminars are free. Yes that's right, FREE! The only cost is our time, and as a business owner you could find an edge or that little piece of information that can make a huge difference to your business. I would strongly encourage Members to take these opportunities as they present themselves.

Networking is also key to our industry. Recently the MTA held its annual go kart night for Members of the Auto Parts Recycler and Body Repair Divisions. The Auto Parts Recycler Division Members who attended used the time to do some valuable networking with Body Repairers for the benefit of their business.

I do have to cover a very important issue for the industry and that is OHS.

This one key component is vital for this industry to proceed successfully. It is possible that later this year the Work Health Safety Laws will be in place. These new laws are likely to provide greater powers to inspectors to visit businesses and to make sure they comply with related legislation. The MTA is there to help with advice, audits and products to help businesses comply. Those who wish to run the gauntlet will face large fines.

In closing, I would like to highlight the outstanding service to our industry by my predecessor George Papillo. George was the Division Chairman for over three years and also the Chairman of our National Association - Auto Parts Recyclers Association Australia. He was instrumental in getting APRAA back on track and George's tireless work should be applauded by all in our industry.

Finally, to my fellow Committee Members I pass on my many thanks for giving up your time for our industry, and also to Division Manager Peter McMahon who remains passionate about the recycling industry.

John Hitchcock

**Chairman**



**Chairman** John Hitchcock

**Board Representative** Ron Lewis

**Vice Chairman** Anthony Norris

Darren Mansell

Mick Cavanagh

Mark Kraulis

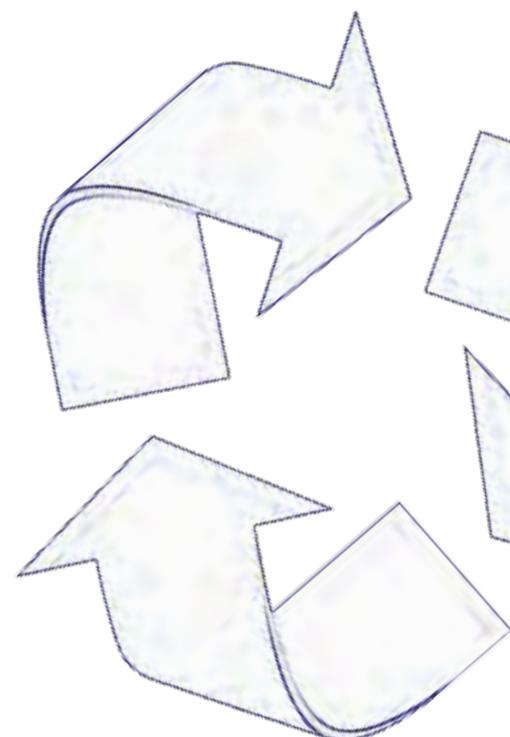
Stuart Cawthorne

Brad Harmer

Hugo Pellegrini

Darran van der Woude

**Division Manager** Peter McMahon



# Body Repair Division



**Chairman and Board Representative** Jeff Williams

**Vice Chairman** Brenton Caddle

**Committee** Tom Campaniello

Olivia Colangelo – Couch

Jason Miller

Vince Dilena

Joe Artini

Rob Sharpen

Kym Rundle

Larry Napoli

Stephen Fisher

John Jakutavicius

**Division Manager** Peter McMahon

It seems every time I write my Chairman's report I look back at what has been achieved, and every year we achieve so much.

While the industry experienced a slow down locally in late 2011 for the first time in many years, we were not alone with the rest of the country feeling it too. The body repair industry has rebounded and is enjoying very busy times again to start 2012.

We must as an industry congratulate those insurers in the market who have acknowledged the concept of realistic times and rates and have been prepared to work with the industry to achieve this goal for the benefit of the industry as a whole.

RAA insurance is doing particularly well and rated as the best insurer of both the MTA Body Repair Division Survey and the consumer group's Choice.

The survey results reflect positively for those insurers who have remained committed to Choice of Repairer policies and a one quote system.

As a division we must congratulate RAA and the other insurers who remain committed to these policies and practices. As many Members would agree dealing with a fair and transparent insurer is beneficial to the policy holder, the insurer and the repairer. It's a win-win for all parties. The insurer retains a policy holder, the repairer retains their customer and the policy holder drives away happy.

What has been disappointing is that some of the repair industry continue to believe they must win all jobs at any cost, as it could be their last. With continued strong vehicle sales over the last ten years, reaching up to a million a year in some years, and with only

40 percent being removed from our roads there are more than enough potential clients to go around.

The 'lets work together' and 'we know your business' insurers are always going to drive costs down to a point of no return. As we know, some insurers have their own repair facilities, which are not subject to the same criteria when it comes to competing in the so called 'partnership' competitive tendering models. These have effectively removed the small quick turn around repairs that are profitable to the industry. Instead we are left with the 'heavy hits' which in the competitive tendering model prove difficult to profit from.

We must then support those insurers who support the industry by being fair and transparent in their assessing, have freedom of choice for the policy holder, who allow for the correct repair methodology and the correct time to repair vehicles to manufacturers' specifications. Importantly, the practices of cutting the estimate to win the job at any cost is an outdated practice which must stop.

Competition is healthy for our industry as long as the rules are clear, transparent and adhered to. Everyone will be better off.

Our clients generally don't read the policy disclosure statements of their policy as we all know. They rely on us, the experts in the industry, to guide them and advise them as to who the best insurer is.

We have an industry in South Australia that is strong and has committed repairers and insurers who serve their clients to achieve safe, quality and correct repairs. As repairers we need to be one voice and stop those who want

to take away our rights as business owners and employers.

So the message remains that repairers need to continue the support for each other and the industry, continue networking, continue learning new business practices, learn better ways of achieving good profitable outcomes and to keep improving our professionalism.

As we move forward, a “real time” future is fast approaching. Members should have started or completed a review of our hourly shop rates as it is a vital and important step to keep business profitable. We also need to look at how we market ourselves. Many repairers do not have a website and in the digital age where the first thing a potential customer will do is go online to search for a business. The MTA can help with a new business partnership created in this area last year.

The Body Repair Division Committee have also been working on a *Shop Grading* program for South Australia. This aims to reward Members who have made a commitment to reach higher standards in both service, equipment, facilities, training and repairs.

The Committee again committed to I-CAR training in 2011 and saw South Australia lead the nation in participation. More I-CAR training will occur throughout the next 12 months. The Committee has also provided opportunities for Members in frontline management, business development seminars, estimating sessions and round table forums for our rural Members. All these great opportunities will continue as the Committee strongly believe that the ‘front of house’ is where your business makes its profits.

In closing, I must say a very big thank you to the Committee (both present and past members). These Members have committed their time to improve of the industry for all. I would like to also thank Peter McMahon who commits so much of his time and has a passion to make a better, stronger and more unified repair industry.

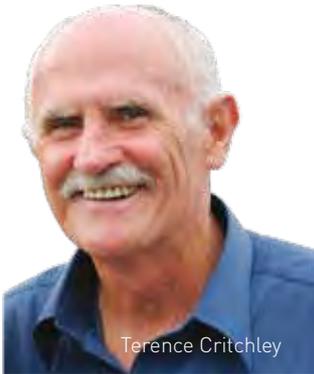
Lastly, I would like to thank John Chapman MTA CEO. John has attended all of our meetings both here in South Australia and nationally at the Australian Motor Body Repair Association. He has made sure our voice is heard and without his and the Board’s support, many of the outcomes could have been very different.

Jeff Williams

**Chairman**



# Commercial Vehicle Industry Association (SA)



Terence Critchley



Bill Lane

<b>Chairman</b>	Bill Lane (Apr - Sept 11) Terence Critchley (Sept 11 >)
<b>Board Representative</b>	Clive Polley
<b>Committee</b>	Bill Morrow Darryl Smith Peter Morelli
<b>Division Manager</b>	Roger Ballantine



In South Australia, the total market for the year ending 2011 in the commercial vehicle sector declined by 10.7%.

The first quarter of 2012 has seen new registrations for light and heavy commercial vehicles down by -21.9% overall when compared to the same period last year.

The unknown factor is the actual impact the Carbon Tax will have on the economy on both for consumers and the transport service industry.

Having said this, SA is well placed to grow our economy with:

- An excellent crop harvest result for last year
- Mining infrastructure and the associated activities – ports etc
- Large government infrastructure expenditure on the Adelaide Oval Redevelopment and the new Royal Adelaide Hospital.

The MTA Training and Employment Centre continues to grow the Heavy Vehicle training facility with the acquisition of a second Prime Mover training aid and Trailer. We can now conduct Diesel Technician training and have two full time heavy vehicle lecturers employed.

There is also a potential opportunity for training inspectors under the National Heavy Vehicle Regulator program, which will require state police agencies (officers) and transport inspectors to have a uniform approach when inspecting heavy vehicles.

MTA is also in consultation with the Mining and Civil Construction industries with a view to training people.

A proposal by MTA to outsource heavy vehicle Defect removal to authorised dealer Members is still an ongoing project. Members will be well aware of the media publicity involving heavy

vehicle transport companies and their vehicle fleets, and the number of vehicles being defected.

As a result of "Chain of Responsibility" legislation, Members servicing heavy vehicles should have a policy in place that outlines the company procedures on the detection of a non-compliant vehicle in reference to ADR 65/00.

The DPTI released a "Code of Practice" for Prescriptive B-Triples late last year for industry comment.

The Code is for the operation of prescriptive 35 metre long B-Triples in SA to promote common design standards, encourage transport efficiency, reduce red tape and paperwork related to the issue of Permits. The vehicle specifications in this Code align with the NTC proposed modular B-Triple concept, but with some additional dimension requirements to ensure compliance with the swept vehicle path.

Our national reprehensive body, CVIAA, continues to meet twice yearly to discuss issues of national interest. The most significant item, for monitoring and providing input, is the National Transport Commission (NTC) and the progress on the National Heavy Vehicle Regulator Project due to be implemented on 1<sup>st</sup> January 2013. The stated intention of this project is to "harmonise" existing state/territory laws based on model law developed by the NTC over a 20 year period.

I would like to thank Committee Members for their contributions throughout the year and also MTA CEO, John Chapman and Business Development Manager Roger Ballantine for their ongoing assistance.

Bill Lane / Terence Critchley

**Chairman**

# Engine Reconditioning Division

With all states back at the table as a national association under the Australian Motor Industry Federation banner, the Engine Reconditioners Association of Australia (ERAA) has become active once again, with a meeting and teleconference held throughout the last reporting period.

Items high on the agenda for the ERAA include, the ability to move Autospecs from a CD based program to online, National Training, Australian Standards, and a proposed ERAA Conference with New Zealand in 2013. I look forward

to future meetings to discuss these agenda items in greater detail.

I would like to take this opportunity to thank our Division Manager Jason Polgreen for his support and work behind the scenes over the last twelve months. I look forward to the future challenges and opportunities that 2012/2013 may bring.

Peter Cox  
**Chairman**



**Chairman** Peter Cox  
**Division Manager** Jason Polgreen

# Farm and Industrial Machinery Dealers Association of SA

The second season in a row of good winter rains gave hope for another year of better than average crop yields. However, the dry spell in September did cause problems for some farmers. Later crops benefitted immensely from the good October rains throughout most of the state.

Header sales have been very good with a number of new machines delivered. This has resulted in there not being many good, popular brand used machines in the \$40K > \$60K price bracket available for sale, for farmers who sow less than 1,500 acres.

Business apart from Header sales and servicing has been surprisingly slow, and has remained so since seeding finished around the end of last financial year. Weather conditions do play a part in buyer confidence in this industry. Farmers, like others in the business community, are concerned with the impact of the Carbon Tax on themselves and their community.

Takeovers, ownership changes, and mergers are still very commonplace in our industry and undoubtedly

consolidation will continue with the global economy as it is.

On the national front FIMDAA met in Adelaide in August 2011 where I accepted the nomination as Chairman for a period of two years. Under the new AMIF structure the role of Chairman will pass to each state in rotation.

From a state perspective we will have issues that will require our ongoing attention this year; the problems associated with the growing size of machinery and its legal movement on our road networks, and the push for an industry regulator to address problems caused by machinery failure and warranty issues. With the creation of the Office of Small Business Commissioner in South Australia, it is hoped that we can address this last issue without resorting to costly legal proceedings

I trust all farm machinery dealer Members have had a successful past year and will continue to do well this coming season. With all the subsoil moisture on the land we should expect a better than average season!



**Chairman** Colin Butcher  
(1 Apr - Nov 2011)  
Mathew East  
(Nov 2011 >)

**Board Representative** Colin Butcher

**Vice Chairman** Malcolm Eglinton

**Committee** Elizabeth Fricker  
Peter Hood  
Norm Hood  
Roger Paech  
Mathew East

**Division Manager** Roger Ballantine

My thanks go to John Chapman, Roger Ballantine and all of the MTA staff for their continued assistance and input on behalf of the membership. I would like to wish newly appointed Chairman Mathew East all the best in the role.

Colin Butcher  
**Chairman**

# Licensed Vehicle Dealers Division



<b>Chairman and Board Representative</b>	Arch Boonen
<b>Committee</b>	Norm Cooper Andrew Forrest Jay Richards David Vincent Andrew Holdich Derryn Ising
<b>Division Manager</b>	Roger Ballantine

The 12 months trading conditions for the year ending 31st March 2012 for independent used car retailers can only be described as poor to average at best, with consumer spending in retail areas still to recover to pre Global Financial Crisis levels.

We continued to see a decline in the numbers of small to medium independent dealer operations, largely due to declining sales, slimmer margins and the overall costs of being in business today.

According to figures obtained from motor registration statistics, the private sale market accounts for approximately 62% of annual used vehicle sales with Licensed Dealers in competition with auction houses for something less than 40% of the used car market.

Fixed price auction selling both at auction houses and over the internet is having a growing impact on traditional caryard selling. We are yet to see what the long term effect will be of flood damaged vehicles from Queensland and New South Wales brought onto the market by the "private sale/backyarder" operators.

The State Government auctions are another example of the continuing competition for late model vehicle sales that Dealers face. Their online auction website allows anyone to access a catalogue, conduct an individual vehicle search, check on the previous selling price of similar vehicles and then bid online. The growing number purchasing vehicles this way indicates changing consumer behaviour as a result of confidence in the product along with the security of a manufacturer warranty.

The "cooling-off" legislation appears to have had minimal impact on used vehicle selling. Members do

need to exercise care when offering employment to a salesperson with the new offence of employing a salesperson with a dishonesty conviction in the past ten years.

MTA staff and Committee Members continue to meet with various government departments to discuss industry related matters as well as pressuring for Tax reform on the perennial issues of:

- Payroll Tax reduction
- Land Tax relief
- Stamp Duty.

We have continued to hold regular meetings with the Commissioner for Consumer and Business Affairs, Paul White, to ensure that they are made aware of any irregular activities and to make sure that compliance efforts are focused in the right areas. I am pleased to report that the Commissioner has shown a genuine interest in understanding the complex nature of our regulated industry and the issues created when other parties are allowed to compete unfairly.

This is my last report as Chairman of the Division, as the time has come to announce my retirement from this industry as a Licensed Vehicle Dealer, MTA Board Member, Division Chairman and Committee Member. To all of the many friends, colleagues and acquaintances I have made, I will take this opportunity to thank you and wish you every success in the future.

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

Arch Boonen

**Chairman**

# Motorcycle Industry Association of SA

The lasting effects of the Global Financial Crisis finally eased and reversed the downward sale of Motorcycles, Scooters and All-Terrain Vehicles (ATV) throughout Australia. Figures released from FCAI show that the total market of 109,067 units was up by 3,226 units or 3.05% compared to 2010. Scooter sales increased by 8.9%, ATV by 18.4%, road by 1.4% and off-road decreased by 4.5%.

There were 3,941 new registrations for South Australia which was only down 1.16% compared to 2010.

The Personal Property Security Scheme finally came into operation on the 1<sup>st</sup> February 2012 replacing the VSR system we have used for many years. Despite a few initial problems the new system is working satisfactorily.

The Australian Consumer Law's "warranties against defects" requirements and "consumer guarantees" will have an impact on dealer Members particularly as consumers become more aware of their rights in relation to consumer guarantees. What this will do, over the longer term, is also reduce the incentive for the "backyard" type operator to import and sell cheap, poor quality product from the marketplace.

Members will also need to exercise careful judgement when selling off-road use vehicles that are likely to be abused!

To continue the lines of communication on national issues open, following a National Forum in 2010, I chaired a meeting in Sydney of the newly restructured group of the AMIA which was attended by representatives of all the mainland states.

Items discussed included: the continuance of a National Group,

impact of internet selling, Trade Practices, PPSR, Australian Consumer Law – re: warranties against defects, Franchise Code, finance regulation, rider training, cooling-off, removal of government registration labels, ATV ROP, motorcycle safety, overseas supply issues, crash repairs – nominated repairer, 50cc and road safety issues, and work Health & Safety legislation.

The MIASA Division, through the MTA, continues to lobby the State Government for support in establishing a suitable off-road area for recreational riding to match what other enlightened Governments have done in other states.

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

The Tailem Bend Motorsport Park consortium has an ambitious plan to develop the parcel of land (former Mitsubishi Test Facility) into a complex catering for all forms of motorsport and recreational riding. Progress is still continuing with drags and super motard meetings having been conducted there this year.

Late in March Motorcycling SA (MSA) met with MTA to discuss participation in an "Off Road Motorcycling Strategy and Facilities Master Plan". MSA have received funding from the Department of Recreation and Sport and have engaged a consultant with previous experience in this area to develop a strategic plan.

One of the biggest threats to traditional retailing in this country is the growth of internet sales. Members would be well



Chairman and Board Representative	George Bolton
Vice Chairman	Martin Guppy
Committee	Mark Flynn Doug Pitman Richard White Nigel Agar Peter Forster Evan Byles John Barnsley Alan Ashmoore
Division Manager	Roger Ballantine



# Motorcycle Industry Association of SA cont.

aware of the impact this is having on the financial viability of their business with the loss of parts and accessories sales. I think we all will have observed customers trying on branded clothing for fit, examining accessories/parts all without a direct sale being made. The one saving grace (unintentional) has been ADR compliance on new road motorcycles. However, everything else is a target for overseas operators.

It will need to be the focus of every retail operation in Australia to ensure that the Federal Government understands and takes the appropriate corrective measures to ensure a level playing field. Retailing as we have known it, will never be the same again.

The MIASA Division endorses any initiatives in relation to an advertising campaign for motorcycle safety and awareness. In addition MIASA supports motorcycle awareness in road traffic design which meets the needs of motorcycle riders in relation to road design, surfacing, maintenance, landscaping, roadside furniture, shoulder sealing and lighting, as published by the State Government in the Motorcycling Road Safety Strategy 2005 – 2010. Unfortunately this Motorcycling dedicated strategy has come to an end and has been absorbed into an overall Road Safety Plan. The Motorcycle Task Force which had been meeting regularly for many years was disbanded by the State Government this year with nothing at this stage to replace it.

The Oaklands Park rider training facility was closed in September 2011, leaving just the St Agnes site which is a distinct disadvantage for the growing southern suburb areas. Current waiting

times are 2-3 weeks for weekend training and 2 weeks for times during the week. The State Government should consider the need for a facility to service the southern areas.

In conclusion, I wish to thank the Division, Division Manager Roger Ballantine and CEO John Chapman for their efforts during the past year. Let us hope that the market continues to improve in the coming months, through what has been a difficult period particularly for retailers.

George Bolton

**Chairman**

# Service Station Division

It was another interesting year for independent service stations with great fluctuations in both the global oil prices and the bowser prices for consumers seeing some of the highest prices in recent times.

The Service Station Division was again very active as the actions of some of the major retail chains continue to hurt the local independent operators. The MTA's compliant with the ACCC still remains ongoing which is less than satisfactory. We had hoped with the new Commissioner, Mr Rod Sims, there would be more a proactive approach to these matters. Unfortunately he had declined to meet with us regarding the issue. Interestingly we have a Petrol Commissioner, who says he isn't the Petrol Commissioner. This farcical approach by the ACCC cannot remain and we will continue to apply pressure where available.

On a positive note the ACCC will be conducting an investigation in to the industry, although we believe that the scope of the investigation is too narrow and without a timeframe on the delivery, we are a little skeptical as to the benefits of the investigation.

The MTA also took on the issue regarding the two extra part-day public holidays on behalf of service station Members. While the legislation creating the additional part-day public holidays went through, the MTA was able to, along with a newly formed group of associations with a shared interest in the issue – the SA Business Coalition, successfully reduce the part-day public holidays down from 7 hours to 5 hours. The MTA will continue to

work with the SA Business Coalition on this issue next year.

Drive offs are an ongoing problem and in particular the varying responses Members have received from the Police. SAPOL has meet with the Division in the last year and provided useful tools to help Members. They have committed to ongoing dialogue and meetings to ensure that we continue to work together to hold those individuals who commit these crimes accountable. Issuing expiation notices for drive off offences has been raised and will be looked at in the new year.

There were also changes to the way Members can display and advertise cigarettes and other tobacco products. While Members have been making a concerted effort to comply with the new regulations, some other operators have been seeking to stretch the boundaries for commercial gain in this area. The MTA has written to the Minister on this issue and will continue to ensure that there is a equal playing field between the bigger operators and the smaller independents.

The next 12 months will provide many challenges such as increased electricity charges and other operating costs including increased card merchant fees and taxes. It will be most important that we know about all increased costs and request that all Members keep the MTA up-to-date on any such increases in operating costs in order to assist Members in opposing them.

Finally, it is great to see that there is a Committee once again established for the Division. It is also great to see that there are representatives from both metropolitan and regional businesses.



## Chairman and Board

Representative Theo Kruys

Vice Chairman Frank Agostino

Committee  
Brenton Stein  
Jim McGuire  
Yoshiko Isopani  
Wayne Harris  
Peter Samuels  
John Rowley

Division Manager Liam Hunt

I would like to thank the Committee for their work and commitment over the last 12 months and look forward to the coming year.

I would also like to take the opportunity to thank CEO John Chapman and Division Manager Liam Hunt for their commitment to the Division and the effort put in to making a better industry for independent service station operators.

Theo Kruys

**Chairman**

# Towing Division



**Chairman and Board Representative** John Jansse  
**Vice Chairman** Robin Pitchers  
**Committee** Ralph Scutella  
Brenton Caddle  
Kevin Mullen  
John Hitchcock  
**Division Manager** Peter McMahan

The past 12 months has seen the Committee preside over an industry that has seen stability for some time. With that in mind the Committee has been focusing on developing best practice models for the industry.

For those Members who have used the MTA's new webpage, they would find a Safe Operating Procedure designed by the Committee and the MTA, which can assist business owners in ensuring their employees are following the correct procedures when operating a tow truck.

The Committee is also involved in the revamp of the Tow Truck Handbook, a booklet that has not seen a revision in many years, in conjunction with the Accident Tow Inspectorate, Mr Trevor Barry. It is hoped the new handbook will assist the industry in meeting any of the requirements currently in place.

On the topic of tow fees and reviews, the

MTA, working with Registrar of Motor Vehicles and the Accident Tow Authority, continue to review the fees annually using the agreed formula. As previously stated to Members the review is subject to some key parameters which provide the scope for fees to rise or fall depending on economic conditions.

The last 12 months saw the sad passing of Harold Shipp. Harold was an industry stalwart, and we are all grateful for Harold's work in paving the way for the rest of the industry.

I would like to acknowledge my fellow Committee Members for their counsel during the last 12 months and also to MTA CEO John Chapman for his support and that of Peter McMahan our Divisional Manager.

John Jansse

**Chairman**

# Tyre Dealers Division



**Chairman** Marcus Baldacchino  
**Division Manager** Jason Polgreen

This is my first report as Tyre Dealer Division Chair and I would like to first acknowledge the work of the previous Chair Colin Clark who we tragically lost late last year. Although I did not have the pleasure of knowing Colin personally, I do know he worked tirelessly to protect the interests of our Division at both a state and federal level.

The Australian Tyre Dealers and Retreaders Association (ATDRA) held two teleconferences during the 2011/2012 period with the first face to face meeting to be held in Sydney later this year. Current agenda items

include the Waste Tyre Stewardship Program, Greenstamp Accreditation for tyre dealers, the future of the 'Australian Tyre Dealer' magazine, ATDRA financials and an issue dear to my heart, the importation of poor quality tyres.

With the ATDRA now up and running we need an active state Committee if MTA-SA is to have a clear position regarding the range of issues currently under consideration. I know some of you have provided Jason Polgreen with feedback to his emails in the past and I thank those of you who have done so, often in very tight time frames. My main

# Tyre Dealers Division cont.

goal for the 2012/2013 period is to host at least one Tyre Division Committee meeting.

Training is always high on the Division's agenda. Our wheel alignment training package is up and running and is conducted at the MTA Training & Employment Centre, Royal Park using the latest Beissbarth equipment.

A number of tyre retailers and tyre franchises have used this training for their employees with one franchise using our training package exclusively for all of its outlets.

I would like to take this opportunity to thank our Division Manager Jason Polgreen for all his efforts over the past year. I look forward to working further with Jason throughout the 2012/2013 period as we take our national association's lead and get the MTA-SA Tyre Dealers Division Committee active again.

Marcus Baldacchino

**Chairman**



# Vehicle Rental Division

The vehicle rental division met with representatives from Tourism SA and the Department for Transport, Energy and Infrastructure last year. The state government were seeking to engage with the vehicle rental Committee to find ways of better educating foreign tourists on the dangers associated with our roads. A number of initiatives from the meeting have been implemented by the state government including driver education handouts, signage at major tourism attractions and information on the SA Tourism website. It is hoped that these new initiatives will go one step further in eliminating fatal or serious injury accidents involving foreign tourists.

I would like to take this opportunity to encourage all of our Committee Members and Members of the Division to make the effort to attend the next Vehicle Rental Committee AGM.

The nature of our industry makes it very difficult to attend meetings particularly during the holiday periods (as we all know). However without your participation our Division ceases to exist.

I look forward to our first meeting for the 2012/2013 period and would like thank Divisional Manager Jason Polgreen for all his efforts over the past twelve months.

David Beard

**Chairman**



**Chairman**

David Beard

**Committee**

Rod Davey

Tony Harris

Paul McGinity

**Division Manager**

Jason Polgreen

# Zone Office Bearers

## COVERAGE

A total of 29 MTA Country Zone meetings were held with a total attendance of 570 Members which was an increase in the total number of meetings and attendance on the previous year.

Adelaide metropolitan Members able to attend the President's events, held twice throughout the year.

This was done to encourage networking and Member participation, while informing Members of current matters of interest.

## PURPOSE

Country Zone meetings are an important function of our overall communication process with Members.

It is our opportunity to meet face to face and deliver news and catch-up in regional Members own locations minimising the down time caused through travel.

These meetings also benefit Members by allowing time to catch-up and network within their own community. It also gives MTA the opportunity to provide training and business workshops to regional Members. Last year MTA was able to provide workshops on a range of topics including the MTA's new website, changes to the Industrial Relations system, ERIS and various business workshops for Members.

Without the hard work of the Zone Officer Bearers none of these great events and workshops would happen and MTA would like to thank them for their continued dedication to their Zones.

### ADELAIDE HILLS

Chairman	Mr Phil Turner
Vice Chairman	Mr Ashley Harris

### KANGAROO ISLAND

Chairman	Mr Phil Neindorf
Vice Chairman	Mr Jason Milhouse

### LOWER EYRE

Chairman	Mr Robert Duns
Vice Chairman	Mr Andrew Pelham
Secretary	Mr Scott Bascombe

### LOWER NORTH

Chairman	Mr Wayne Marschall
Vice Chairman	Mr Gordon Alderslade
Secretary	Ms Bev Waters

### MID NORTH

Chairman	Mr Butch Bennett
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### MURRAY BRIDGE

Chairman	Mr Paul Blenkiron
Vice Chairman	Mr Frank Furfari

### RIVERLAND

Chairman	Mr Kym Webber
Vice Chairman	Mr Stuart McKay
Secretary	Ms Carolyn Morelli

### SOUTH EAST

Chairman	Mr Peter Roberts
Vice Chairman	Mr Paul Gazzard
Secretary	Mr Jon Jakutavicus

### SOUTHERN

Chairman	Mr Anthony Norris
Vice Chairman	Mr Stephen Brown

### UPPER NORTH

Chairman	Mr Neville Gibb
Vice Chairman	Mr Richard Boston

### UPPER SOUTH EAST

Chairman	Mr Peter Roberts
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### UPPER SPENCER GULF

Chairman	Mr Leon Jarvis
----------	----------------

### YORKE PENINSULA

Chairman	Mr Tom Rosewarne
Vice Chairman	Mr Peter Miller



**THE MTA  
GROUP  
TRAINING  
SCHEME INC**

# MTA-GTS Chairman's Report



The MTA Group Training Scheme continues to operate as the largest automotive group training scheme in South Australia.

As at 31<sup>st</sup> March 2012 we employed 223 new apprentices and trainees who were hosted to employers throughout the state, for a minimum of three months or for the full term of their Contract of Training. This brings the total number of apprentices and trainees employed to 532.

This year we delivered 201,167 training hours at the MTA Training and Employment Centre, Royal Park.

During this last reporting period we have noticed an increased interest in the diesel mechanic sector with the majority of applicants sitting the pre-selection test giving diesel mechanic as their first preference. We have employed 58 diesel mechanic apprentices this year compared to 55 employed last year.

To reflect this increase demand, we purchased a 1990 Kenworth Prime Mover T600 complete with a Detroit series 60 425hp engine, and a 15 speed deep reduction gearbox. This addition will help our trainers deliver greater training opportunities to the diesel mechanic apprentices long into the future.

We also purchased a 2003 Vawdrey drop deck trailer with all round disc brakes and air bag suspension which has an "as new" turntable with mezzanine floor. This valuable training aid will assist our trainers in the delivery of a number of heavy vehicle competencies to our diesel mechanic apprentices.

We continue to look at ways we can meet

the changing industry. Later this year we will broaden our scope to include the delivery of Hybrid Electric Vehicle and Battery Electric Vehicle training. The courses have been developed over the last few years and I thank the trainers who have spent a lot of time working on these courses. This training will be delivered at the MTA Training & Employment Centre.

We were very privileged to have the Prime Minister the Hon. Julia Gillard MP visit the Training and Employment Centre in early May 2011. The Prime Minister took the time to talk with apprentices about their current training activities and how they were finding their apprenticeships. The Prime Minister didn't hesitate to take the opportunity offered by one of our trainers, Sean Leckie, to apply her skills to polishing a panel.

During her visit, the Prime Minister announced that the 2011 budget would honour a promise to increase the bonuses that apprentices get for completing their apprenticeship by \$1,700.

We again had a successful Graduation and Award Ceremony held at the AAMI Stadium with a combined total of 98 apprentices and trainees graduating. Highlights of the night included the announcement of the Apprentice of the Year, Brock Rothe, and former V8 supercar champion Mark Skaife. Skaife entertained the apprentices with stories of his career, but he reinforced that his motor mechanic apprenticeship helped to set him up for a lifetime of success as a V8 supercar driver.

I would like to sincerely thank each and every one of our host employers who continue to support us in providing

the hosting and on-the-job training to our apprentices and trainees to ensure we have skilled tradespeople for the future.

I'd also like to take this opportunity to thank our sponsors for the year who were:

- MTAA Superannuation
- MEGT Australian Apprenticeship Centre
- Capricorn Society
- Bupa
- SGIC Business Insurance
- Crash Supplies
- Teng Tools
- PPG Industries

Our significant project for the year was the Monaro Project Car, which aims to promote the great work that the MTA and our apprentices do at the Employment and Training Centre. I congratulate all who were involved with this great project and the result is absolutely stunning.

The car was debuted at Clipsal 500 in March. It certainly met its objective of promoting the MTA with large crowds surrounding the car every time it was started. You can go and see for yourself by watching a short video on our website [www.mta-sa.asn.au](http://www.mta-sa.asn.au).

The MTA and MTA-GTS remain committed to working with the community on projects, and we are pleased to be restoring a Mercedes van for a group which supports homeless people in Adelaide's south parklands.

The van is for the group RuFus and will be refurbished and fitted with refrigeration and food heating equipment as well as



2010 Apprentice of the Year Brock Rothe and former V8 Supercar Champion Mark Skaife at the MTA GTS 2011 Graduation.



MTA Trainer Sean Leckie and The Prime Minister the Hon. Julia Gillard polishing a panel while Federal Member for Hindmarsh Steve Georganas, Federal Member for Port Adelaide the Hon. Mark Butler MP and MTA CEO John Chapman watch on.

special storage space for the "swags" which are distributed each night.

It is our way of putting a little back into the community and, in this case, a group of disadvantaged people who are on our doorstep given our Greenhill Road offices front the South Parklands.

In concluding, I'd like to take this opportunity to thank the Chief Executive Officer John Chapman, General Manager Training & Employment Paul

Good and General Manager Services & Recruitment Tim Buckley, as well as the trainers, apprentice coordinators and administration team, accounting and payroll staff, who all play a major role in the success of the work we do at the MTA Training and Employment Centre.

Neville Gibb  
**Chairman**

# Chief Executive Officer's Report



New training, new equipment, new projects and a visit by the Prime Minister Hon. Julia Gillard MP have dominated a busy year for the MTA Group Training Scheme.

The Prime Minister visited our Royal Park Training and Employment Centre in May 2011, and used the occasion to make a pre-budget announcement in relation to apprentice support.

We are proud to showcase what is a unique training centre to politicians, business and community leaders regularly. It is important that the benefits of integrated apprentice employment and training under a dedicated industry association banner are known.

The Federal Shadow Minister for Employment Participation Sussan Ley MP visited the centre in January of 2012.

State Minister for Employment, Higher Education and Skills Hon. Tom Kenyon MP was also a distinguished visitor to the centre in February 2012.

The MTA-GTS received strong support from the State Government to deliver pre-vocational courses throughout the year.

A total of 48 individuals participated in five pre-vocational courses. This program was a great success with 25 going onto full time apprenticeships with the MTA.

The State Government support also extended to those already employed in our industry with upskilling through our post trade training.

A total of 266 people undertook courses over the past 12 months at heavily subsidised rates.

I would particularly like to acknowledge the support of the State Government through the Department of Further Education, Employment, Science

and Technology and CEO Raymond Garrard and Director Industry Skills Development, Phil Tyler, for their support in these projects.

Our heavy vehicle training took another step forward with the development of stage 2 diesel training. This has been supported by the purchase of additional training aids including a 1990 Kenworth Prime Mover T600 and an A section of a B double trailer.

We continue to invest in training aids across all trades to ensure our apprentices have access to relevant training equipment and to maximise their learning outcomes.

Our apprentice placement through the year was at times difficult and directly mirrored the uncertainty in the retail environment.

In the 2011/12 financial year we recruited 223 apprentices (including school-based apprentices) in light and heavy vehicle motor mechanics, vehicle painting, panel beating, marine mechanics, auto electrics and auto parts interpreting trades.

Maintaining a rein on business costs is always important and after sustained lobbying (three years) we were pleased that the State Government through the Training and Skills Commission agreed to adjust apprentice visits which are required every eight weeks (they were three monthly).

The Government agreed to allow apprentice contact via electronic means in some circumstances, which is of considerable assistance when we have apprentices placed across South Australia.

The quality of the pool of apprentice applicants continues to cause concern with literacy and numeracy skills often well below acceptable levels.

We will continue to work with the Government to address this shortfall and seek to develop specific programs to assist those who fall short of the required standards.

The quality of the work undertaken at our Royal Park Training and Employment Centre by our apprentices and talented training staff is second to none.

This has been exemplified by the development of "Project Monaro". Using a Monaro shell donated by Holden, the team have built one of the most extraordinary high powered vehicles in South Australia.

The project began with the shell of a VZ-CV8 Holden Monaro and was completed with a Chevy small block, blown and injected engine which is mildly tuned producing around 1,000 horsepower. It has a two speed power glide transmission, custom extractors and exhaust systems, Lamborghini style door hinges and carbon fibre trim.

It is an absolute credit to the Royal Park team and in particular, the training staff who continue to present an extremely professional approach to any visitors to the complex, who are always impressed by the quality of the work being undertaken.

That project complete, the team now has a task to rebuild a vehicle to exacting standards demanded by one of Australia's leading vehicle manufacturers.

In August 2011, the Melbourne based Chairman and Managing Director of Holden, Mike Devereux and Executive Director Human Resources, Mark Polglaze visited the Royal Park Training Centre.

It is fair to say that Mr Devereux was



L to R: MTA CEO John Chapman watches on as GM Holden Chairman and Managing Director Mike Devereux chats to MTA Apprentices Mel Moroney and Blake Raymond.

expecting a much smaller operation than what he found.

During the tour he was shown various vehicles which had either been repaired/restored along with the various vehicles which Holden had donated over the years.

He jokingly said that he wanted to restore a Holden EK sedan as it was like a "mini 57 Chevy." Not afraid of a challenge, we said we could do this for him.

Our team has sourced a very "sweet" EK which was resident in the Adelaide Hills and work is now underway in conjunction with Mr Devereux, his cheque book and Holden's design team!

The MTA-GTS graduation on Tuesday 17<sup>th</sup> May 2011 was another outstanding success with several hundred apprentices, family, friends, host employers and industry representatives attending the event at AAMI stadium.

Renovations were undertaken at Royal Park with the building of two new classrooms and the new lunch area for the training staff. The trainers' old lunchroom was demolished to allow for the upgrade of the classroom in building block C.

At the completion of all renovations the



(Inside the car) MTA CEO John Chapman in the driver's seat of the Monaro Project Car while MTA Trainer John Politis watches on at Clipsal 500 March 2012.

classrooms were furnished with new desks, chairs and also Smartboards.

During the latter part of 2011 a review of the administration office was undertaken by Montebello Strategies. The review involved the investigation and analysis of procedures and processes to improve the efficiency of that area. As a result a number of recommendations were given which related to the structure, scope of work and positions and responsibilities of the administration department. That department now operates with four full time staff; an Administration Team Leader, Senior Administration Officer, RTO Administration Officer and Receptionist.

I would like to thank all the Board of the Group Training Scheme for their dedication to the business throughout the last 12 months. I would also like to thank Paul Good, Tim Buckley and all the staff at the Training and Employment Centre for their work over the last year.

John Chapman

**Chief Executive Officer**

# Selection and Recruitment

Key to a successful year for the MTA-GTS has been the recruitment and retention of our 532 apprentices. While other industry sectors, particularly building and construction, have struggled with a downturn in activity during the past year, the motor trade has at least fared slightly better which underpins our success in automotive apprentice employment and placement.

During the year we actively recruited 223 apprentices and trainees against a budget of 252. Of this 108 were light vehicle mechanics, 58 diesel mechanics, 15 panel beaters and 15 spray painters. We also employed 11 School Based apprentices, 2 trainees and 4 in other trades.

The number of apprentices not completing their indenture was 93, or 17.5% of our total workforce. The majority of non-completions were first year apprentices who discovered they did not wish to continue with the trade through lack of interest.

It is pleasing to report that 111 apprentices completed their apprenticeship during the year.

Apprentice Coordinators made 2,111 visits to apprentices in the field as part of our pastoral care requirements.

On the placement front, Coordinators made over 3,396 cold calls placing 188 new apprentices. 187 returned apprentices were placed and 82 new hosts were found to round the year out with 255 total hosts.

The Coordinators' work is valuable in cementing our reputation across

the state as the leading automotive apprenticeship employer. As part of their staff development Coordinators also completed their Certificate IV in Field Officer Training.

There was a strong focus on marketing the Scheme to prospective apprentices during the year. This involved attending over 55 career or school events. We also decided that we would hold our own Career Expo at the Training and Employment Centre in Royal Park. This event was a great success with approximately 100 year 11/12 students attending and getting a first hand look at the professionalism of the MTA's facilities. Hopefully, some of these attendees will now become apprentices as they finish High School.

Ongoing revision and updating of corporate collateral and the website has been conducted to ensure currency and relevance. The majority of apprentice advertising has been through print media, although we also ran two radio campaigns. This delivered a mixed result, with a great response to our diesel mechanic advertising but little take-up on the light vehicle mechanic radio advertising.

The investment of Job Ready, a new software system, now allows all staff to easily track apprentice placements. Apart from storing all essential data, Job Ready is a CRM system that allows the addition of notes and follow-ups as required, as well as diarising future visits and host risk assessments.



L to R: MTA Training Centre Manager Mario Marrone, with RTO Administration Officer Kylie Criddle and Administration Team Leader Alison MacKay.



Career Expo: MTA Apprentice Coordinator Franko Albino showcasing the facilities to a group of high school students at the MTA Career Expo in May 2011.

# Selection and Recruitment *cont.*

Anna Montebello of Montebello Strategies conducted a very thorough and rigorous review of the Administration Department. This was part of our continuous improvement strategy to identify gaps in our service levels in respect of our system practices

and procedures. As expected the review did identify a number of issues around staff levels and experience, and job requirements. It is now pleasing to report that under Ms Montebello's recommendations and guidance we have restructured the department and employ

four full-time staff. We now have a more professional department providing greater service levels and effectiveness across the whole organisation.

The number of apprentices and trainees employed from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 are as follows:

<b>APPRENTICES</b>	<b>2011/12</b>
Motor Mechanic	108
Diesel Mechanics	58
Trailer Mechanics	0
Panel Beaters	15
Vehicle Painters	15
School Based Apprentices (SBA's)	11
Other	14
Trainees	2
<b>TOTAL NUMBER OF APPRENTICES</b>	<b>223</b>

<b>MAR-11</b>			1st Year	2nd Year	3rd Year	4th Year	<b>MAR-12</b>		<b>MAR-12</b>		Variation from budget
Actual Total	%						Actual	%	Budget	%	
271	52	Motor Mechanic	100	68	64	47	279	52	296	52	<b>-17</b>
112	22	Diesel Mechanics	59	36	12	27	134	25	114	20	<b>20</b>
1	0	Trailer Mechanics	0	0	0	0	0	0	5	1	<b>-5</b>
37	7	Panel Beaters	12	8	10	5	35	7	38	7	<b>-3</b>
36	7	Vehicle Painters	10	9	3	11	33	6	36	6	<b>-3</b>
39	8	Other	11	12	5	9	37	7	36	6	<b>1</b>
18	3	SBA's	13	0	0	0	13	2	33	6	<b>-20</b>
514	99	Apprentice total	205	133	94	99	531	100	558	98	<b>-27</b>
5	1	Trainees	1				1	0	10	2	<b>-9</b>
519	100	Combined Total	206	133	94	99	<b>532</b>	<b>100</b>	<b>568</b>	100	<b>-36</b>
10	2	Less Suspended	25	9	3	0	37	7	17	3	<b>20</b>
13	3	Less Not Hosted	5	1	1	0	7	7	11	2	<b>-4</b>
496	95	Total Working	176	123	90	99	<b>488</b>	86	<b>540</b>	95	<b>-52</b>
	%		33	23	17	19	92				

# Occupational Health, Safety & Welfare

Health, Safety and Compliance Coordinator Laura Taylor, under direction of the MTA-GTS OHS&W Committee developed a business plan incorporating strategies, KPI's and targets for the 2011/12 period. The plan consisted of 13 strategies that targeted issues highlighted from the previous year's injury data and input from staff.

Some of the strategies implemented for the 2011/12 period included:

- Integrating Host Employer Risk Assessments and Workcover injuries into JobReady

- Developing a Risk Assessment procedure to ensure Host Employer Risk Assessments are completed every 12 months and followed up accordingly.

A target was set by the OHS&W Committee to reduce the overall number of injuries by 10 percent.

There were 83 injuries over the 2011/12 year which was the same as 2010/11.

While the 10 percent target was not met, when the number of apprentices employed is taken into consideration (an increase from 519 in 2010/11 to 532

in the 11/12), the proportional number of injuries has decreased from that of the previous period, which is pleasing. This is an area which will be focused on again in the next year.

The months of August and September in 2011 and February 2012 proved to be where the highest number of injuries occurred with the lowest number of injuries for the year occurring during November 2011.

## OVERALL INJURIES 2011/12

MONTH	06/07	07/08	08/09	09/10	10/11	11/12	TARGET
April	8	11	9	5	8	6	
May	10	7	8	7	5	8	
June	9	3	6	4	11	7	
July	13	11	15	12	6	5	2011/2012
August	7	9	4	8	5	9	<u>Target =75</u>
September	6	5	7	11	5	12	
October	7	10	9	6	8	7	
November	10	7	8	9	5	3	2011/2012
December	8	8	9	4	7	4	<u>Total = 83</u>
January	4	8	10	5	3	5	
February	10	6	6	8	8	9	
March	12	7	4	8	12	8	
<b>Total =</b>	<b>104</b>	<b>92</b>	<b>95</b>	<b>87</b>	<b>83</b>	<b>83</b>	

No. Apprentices/ Trainees per Year	<b>520</b>	<b>507</b>	<b>488</b>	<b>507</b>	<b>519</b>	<b>532</b>
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A target was set by the OHS&W Committee to reduce manual handling injuries by 10 percent for the reporting period.

For the period of April 2011 to March 2012, 14 injuries were recorded. There was no decrease from the previous

reporting period. However, with the increase in the number of apprentices employed, there is a slight proportional decrease.

The implementation of additional manual handling refresher training given during the last week of trade

school appears to have helped with this reduction. A plan to refresh the Manual Handling Training throughout an individual's apprenticeship has been put in place to further reduce the Manual Handling injuries.

# Occupational Health, Safety & Welfare *cont.*

## MANUAL HANDLING INJURIES 2011/12

MONTH	06/07	07/08	08/09	09/10	10/11	11/12	TARGET
April	1	2	3	2	3	1	
May	1	2	1	5	1	1	
June	2	1	2	0	1	0	2011/2012
July	1	2	1	3	0	0	<u>Target=13</u>
August	2	3	0	2	1	4	
September	0	2	1	0	1	1	
October	2	1	2	2	3	1	
November	2	1	3	1	0	2	2010/2011
December	1	4	0	2	1	1	<u>Total = 14</u>
January	2	0	1	2	0	1	
February	4	0	3	0	0	0	
March	0	1	2	4	3	2	
<b>Total =</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>22</b>	<b>14</b>	<b>14</b>	
No. Apprentices/ Trainees per Year	<b>520</b>	<b>507</b>	<b>488</b>	<b>507</b>	<b>519</b>	<b>532</b>	

A target was set by the OHS&W Committee to reduce laceration injuries by 10 percent for the reporting period.

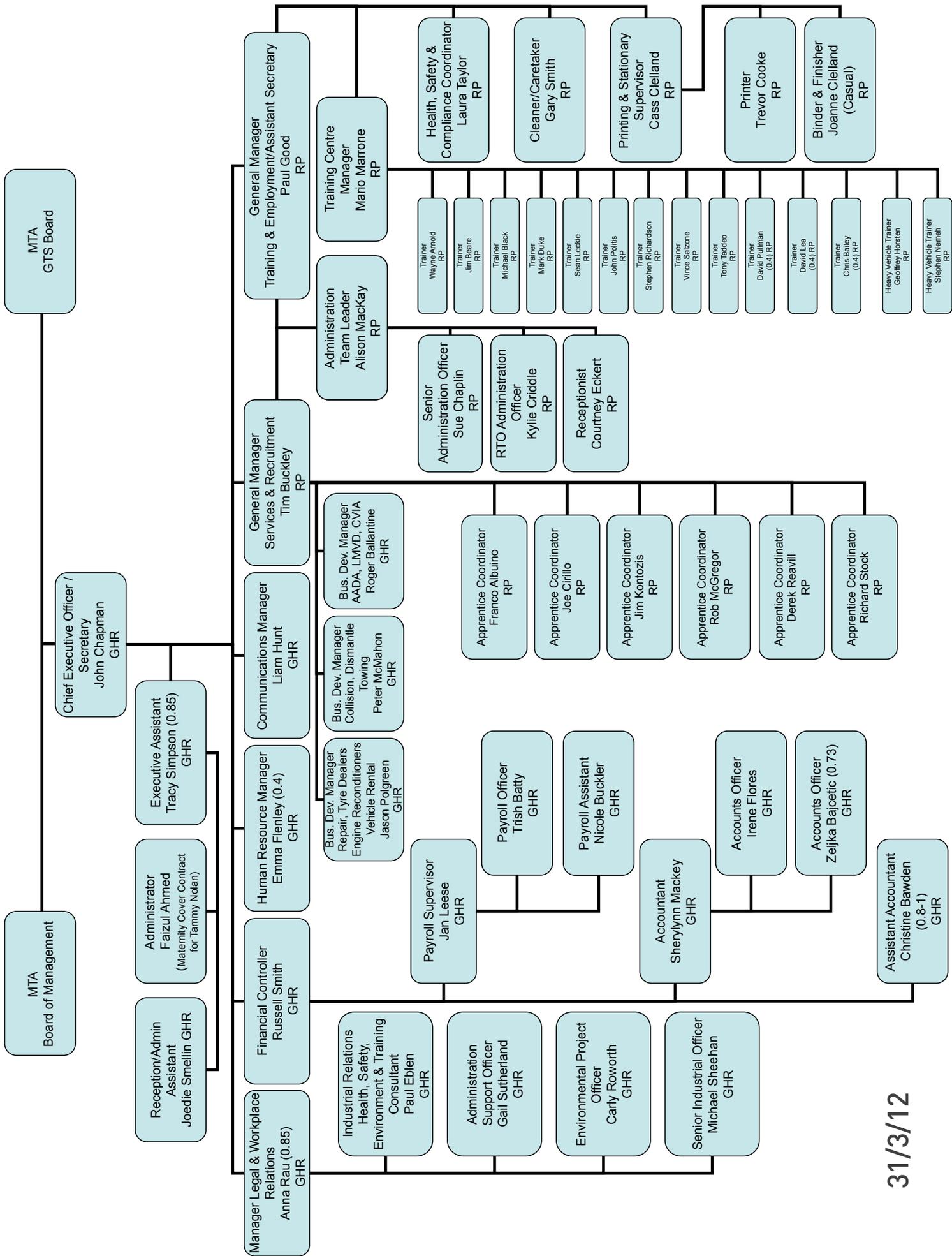
It was pleasing that this target was

met and exceeded with a 25 percent decrease in laceration injuries for the 2011/2012 period. There were seven less reported injuries than the previous reporting period. This decrease shows

that the implementation of gloves, extensive OH&S training and continual promotion of the steps to reduce lacerations to all apprentices appears to have helped.

## LACERATION INJURIES 2011/2012

MONTH	06/07	07/08	08/09	09/10	10/11	11/12	TARGET
April	2	4	1	1	3	1	
May	5	2	4	2	1	3	
June	3	0	1	2	2	2	
July	4	4	6	6	2	0	2011/2012
August	2	3	1	3	3	2	<u>Target = 25</u>
September	0	3	2	1	2	1	
October	2	1	1	1	2	3	
November	3	4	2	2	4	1	2011/2012
December	2	1	5	0	2	0	<u>Total = 28</u>
January	0	1	4	0	1	2	
February	3	3	1	2	3	2	
March	5	6	0	2	3	4	
<b>Total =</b>	<b>31</b>	<b>32</b>	<b>28</b>	<b>22</b>	<b>28</b>	<b>21</b>	
No. Apprentices/ Trainees per Year	<b>520</b>	<b>507</b>	<b>488</b>	<b>507</b>	<b>519</b>	<b>532</b>	



31/3/12



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