



Annual Report 2019/20

Agenda

Annual Report 2019/20 94th Annual General Meeting

1. Notice of meeting and recording of apologies
2. To adopt the minutes of the 93rd AGM held 23rd July 2019
3. To receive the financial statement of the year ending 31st March 2020
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 9.6*)
9. Closure

***Rule 9.6**

No business other than that stated in the notice of meeting may be transacted at a General Meeting, except in the case of an Annual General Meeting where other business may be proceeded with if consent is given by three-fourths of the Members present in person or proxy.

Event

Date: Tuesday 22nd September 2020

Time: 9:00a.m.

Location: Due to COVID-19 social distancing restrictions the AGM will be held online. Please contact mta@mtasant.com.au for further details.

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Board Members - 2019/20



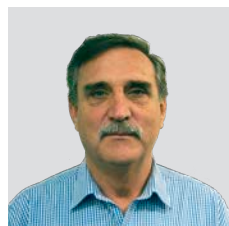
Frank Agostino

Executive Committee
President
Agostino Group



Neville Gibb

Executive Committee
Past President
Gibb & Sons Pty Ltd



John Hitchcock

Executive Committee
Towing Services
Dial A Tow Australia



Ron Lewis

Executive Committee
To 24/02/20
Automotive
Dismantlers
Glynde Auto Spares/
Adelaide Auto Parts



Mark McGuire

Executive Committee
Southern Zone
Adelaide Car Parts
Pty Ltd



Clive Polley

Executive Committee
Members
Representative
Independent
Components



Peter Roberts

Executive Committee
South Eastern
Zone
OG Roberts & Co



**Marcus
Baldacchino**

Tyre Dealers
Bob Jane T-Marts
Alberton



Mark Flynn

Motorcycle
Industry
Association
Coast Powersports



Bill Lane

Commercial
Vehicle Industry
Association
CMV Group



**Michael
McMichael**

Auto Repair &
Engineering
Michael McMichael
Motors



Tom Skothos

Body Repair
Specialists
From 25/06/19
Pro Paint 'n Panel



Brenton Stein

Service Stations
Weeroona Holdings
Pty Ltd



David Vincent

Licensed Vehicle
Dealers
Adelaide Vehicle
Centre



Jeff Williams

Body Repair
Specialists
To 25/06/19
Specific Prestige



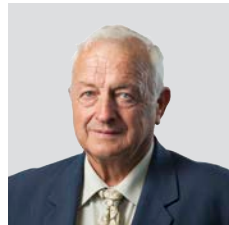
Tracy Butler

Upper Spencer
Gulf
Butler's Mechanical



Robert Duns

Lower Eyre Zone
To 25/06/19
Duns Bros Nominees
Pty Ltd



Dale John

Lower North
Zone
Ucal Pty Ltd



Phil Turner

Central Zone
To 24/02/20
Mount Barker Truck
& Bus Repairs



Kym Webber

Riverland Zone
Waikerie Crash
Pty Ltd



President's Report

Frank Agostino

Testing times ahead

The 2019/20 financial year has certainly been a year of unexpected and unwelcomed change but through it all, the MTA has continued to be by your side, providing your business with the same quality services we always have while keeping you informed.

In April 2019, we started the year positively and by March 2020, like all other Australian industries, we were trying to come to terms with a global pandemic that is still not resolved.

However, 2019/20 has also been one of achievement for the MTA, members and the automotive industry.

We expanded our services into the Northern Territory and welcomed many new members. We modernised our Constitution to streamline our decision making processes and improve governance by delivering a reorganisation of the Board of Management and Executive Committee into a single Board as the primary governing body of the MTA. An Industry Advisory Council has now been created to act as a policy advisory committee.

The MTA has continued our investment in the next generation with the growth of our Training and Employment Centre where we now employ over 500 apprentices and train over 1,000 MTA and industry employed apprentices and we actively engaged with all sides of politics and levels of Government to drive better outcomes for members.

Member input has been vital to our success and I thank everyone who has attended Divisional and Zone meetings or taken an active role in our advocacy.

Amidst these successes, however we also lost a number of significant contributors to the automotive industry and our association, with the passing of Executive Board Member, Ron Lewis, and Board Member for the Central Zone, Phil Turner.

Additionally, former Presidents and Life Members Arthur Walker and Len Miller, and Life Members Ian Brock and Brian Weeks passed away, all of whom made a significant contribution to the automotive industry and the MTA through their businesses but also in the way that they gave back through their service to the industry.

But undoubtedly, 2020 will be remembered for the global pandemic that is the Coronavirus.

While South Australia has managed to so far suppress the number of cases, we only need to look at Victoria to see how quickly the situation can change.

It would be fair to say that most of our future planning has been put on the back burner while we try to navigate the turbulent waters caused by the Coronavirus. However, the MTA continues to work to deliver the best outcome for members as we all face an uncertain future.

Frank Agostino
MTA President





AUTOMOTIVE INNOVATION HUB



"Thank you for your continued membership of the MTA."

Paul Unerkov - MTA CEO



CEO's Report

Paul Unerkov

As the President outlined, the MTA continues to work with members and all levels of Government for the betterment of the industry.

We seek to be a valued partner for your business. We do this through several different avenues by providing workplace relations assistance, government relations, divisional activities and training and employment of apprentices.

Since the outbreak of the Coronavirus, the MTA has been very proactive with workplace relations and grant assistance information to assist your business to get through the pandemic. The health and safety of your staff and customers, as well as business survival, are essential.

The MTA's Workplace Relations team continue to be one of the busiest areas of the Association with enquires peaking during the Coronavirus. The team continues to be available for members and I encourage you to utilise your membership and reach out to use their knowledge and experience to ensure your business meets the necessary requirements.

We employed 270 apprentices in 2019/20 as we continue to do what we can to address the skills shortage in the automotive industry. Once the market returns to the 'new normal' post Coronavirus, it would appear that skilled labour will be in greater demand with members looking for more and better skilled apprentices to help support them through this period.

The MTA continues to advocate on the issues identified by Divisional Committees, including vehicle inspections, stronger government recognition of automotive training and employment measures and assistance in fighting the skills shortage that continues to affect our industry. We have also been working with the MTAA and other State Automotive Associations and Chambers to push major national issues like an automotive specific Franchising Code, Access to Repair information and the Senate inquiry into General Motors Holden Operations in Australia.

We are constantly engaging with the Premier, key Ministers and the Opposition to highlight important measures for the automotive industry. It is essential that we identify issues affecting the automotive sector, so that we have the most relevant and accurate information to present to Government and I thank the Chairs and Committees for their continued input and commitment.

As we continue to face the challenges that the Coronavirus presents, the MTA will keep you updated with WR support, government grant assistance and the latest updated information. Thank you for your continued membership of the MTA.

Paul Unerkov
MTA CEO





Financial Controller's Statement & Report

Russell Smith

The focus of the 2019/20 financial year for the consolidated entity has been steady growth for both the MTA and to continue with the strategic plan of expanding the MTA Group Training Scheme to combat the skill shortages and shortfall of apprentices within the industry.

The MTA in the 2019/20 financial year made a surplus \$60,500 in comparison to last financial year of \$284,000.

The MTA Group Training Scheme, on the back of increasing apprentice numbers in the previous financial year, continued our growth strategy based on the significant demand for apprentices by industry and insufficient number of apprentices in the industry. During the year 270 apprentices were recruited and employed in comparison to 287 in 2018/19 and we have over 1,000 MTA and industry employed apprentices in training.

Training revenue fell slightly during the year to \$2,812,400 in 2019/20 from \$2,879,400 due to reduced training class sizes at the latter part of the financial year due to Covid 19.

The revenue of the MTA Group Training Scheme was further increased with government grants to assist with the recruitment and mentoring of apprentices. The revenues received from these grants contributed an additional \$1,848,000.

These increased apprentice numbers and additional government grants were offset by increased staff numbers, resulting in a surplus for the year of \$153,800 for the MTA Group Training Scheme in comparison to the surplus in 2018/19 of \$1,016,400.

The Consolidated Entity made a surplus of \$214,100 for the 2019/20 financial year in contrast to the 2018/19 surplus of \$1,300,400.

The Consolidated Entity continues to focus on strengthening our revenue opportunities and improve our key performance indicators by;

- increasing its membership,
- promoting its Group Training Scheme to apprentices and hosts
- providing training facilities to the industry,
- establishing strong relationships with government,

The purpose of this is to set the basis for sound financial performance in future periods.

Surpluses generated allow the MTA to re-invest back into both Associations for members and students, to provide improved services, facilities and technological improvements whilst keeping its costs down.

In mid March 2020 and prior to the release of various government incentives, the effects of Covid 19 were just starting to appear. This led to a significant increase in member contacts and an initial reduction in the demand for apprentices. With the assistance of Jobkeeper, we took the opportunity to reduce host fees to maintain employment of apprentices and apprentice numbers gradually increased to pre-Covid 19 levels.

The MTA continued its long term partnership with MTAA Super, Capricorn, Commonwealth Bank, Officeworks, BDO, Access Programs, Health Partners and SOS Signs who continue to support our members and the retail automotive industry, as well as providing commission and annual sponsorship income to the Association.

On behalf of the Board, I would like to thank the partners of BDO for their audit and compliance advice.

I thank all staff who have all been involved in the financial performance of both Associations, through supporting our existing members and securing new members for our organisation and growing our group training scheme to be the largest group training scheme in the state.

I particularly thank all members for their continued support of one of South Australia's leading business organisations.

Russell Smith
Financial Controller

Consolidated Performance - 2019/20

Consolidated Statement of Financial Performance	FY 2020	FY 2019
as at 31 st March 2020	\$'000's	\$'000's
MTA Trading Income	8,502	7,434
MTA - GTS Trading Income	20,972	20,926
Retail Motor Trading Co. Income	-	-
Interest and Dividends Received	118	164
Total Consolidated Income	29,592	28,524
Staff Salaries and on Costs	6,319	5,019
Apprentice Salaries and on Costs	18,538	17,882
Depreciation	807	901
Training Expenses	234	259
Operating Costs	3,480	3,193
Total Consolidated Expenses	29,378	27,254
Surplus on Revaluation of Investments	-	30
Surplus	214	1,300

Consolidated Statement of Financial Position	FY 2020	FY 2019
as at 31 st March 2020	\$'000's	\$'000's
Total Current Assets	12,645	13,318
Total Non Current Assets	12,855	12,723
Total Assets	25,500	26,041
Total Current Liabilities	4,323	5,103
Total Non Current Liabilities	117	92
Total Liabilities	4,440	5,195
Net Assets	21,060	20,846

For the complete financial performance, please email mta@mtasant.com.au and request the Consolidated Financial Report for the year ended 31st March 2020.



MTA Staff at the Christmas lunch



Human Resource Manager's Report

Emma Flenley

2019/2020 staffing numbers were stable with an overall increase of 1 staff member (at financial year end) and an overall decrease of 0.3 full time equivalent employees.

Whilst numbers remained stable overall, there were opportunities to strengthen Member Solutions, in regards to Policy and Advocacy and through the employment of Darrell Jacobs as General Manager Member Solutions. Jason Polgreen was internally appointed General Manager, Apprentice Employment Services and we increased staffing with our expansion into the Northern Territory and the employment of a Trainer/Assessor to support our Automotive Parts training.

Staff turnover

Staff turnover for 19/20 was 10%. This is a pleasing result as it meant two consecutive years of reduced levels of staff turnover.

Absenteeism

Absenteeism for 19/20 was approximately 20% less than 2018/2019. Employees had an average of 6 days personal leave (sick and carers' leave) compared to 7 in 18/19.

Gender Equality

The MTA continued to be compliant with both the Workplace Gender Equality Act 2012 and the Workplace Gender Equality (Minimum Standards) Instrument 2014.

Learning and Development

Employees received an average of 15 learning and development hours during the year, with our Registered Training Organisation staff engaging in the most development.

A number of our leaders attended the Company Directors Course to upskill and prepare them for the future and numerous staff completed their Certificate IV in Training and Assessment. Mental Health First Aid refresher training was attended by relevant Trainers, Field Officers and Managers. Subsequent feedback requested additional support in regards to drugs and their effects and specialised training workshops were provided.

Greenhill Road staff attended workshops to develop their skills in 'building a proactive approach' and all staff received bullying, harassment and discrimination refresher training and Work Health Safety refresher training.

We were pleased with the success of our Administration Trainees who achieved early sign-offs of their Traineeships and both have now commenced their Bachelor degrees, one in Information Technology and one in Human Resources.

Staff wellbeing

Staff wellbeing initiatives included flu injections, health assessments, healthy lunches, massages, a team being entered into the City to Bay, recognition of R U OK day and Mental Health Week activities. Staff also enjoyed Christmas and Easter gatherings.

MTA employees continued to enjoy an active Social Club as well as monthly casual days which fundraised in excess of \$700 to support staff nominated charities related to the automotive industry, youth, education, members in rural or remote locations and mental health and medical support.

We continued to provide access to a free employee assistance program to support staff with confidential counselling and assistance.

Workplace health and safety

There were 6 MTA staff incidents recorded in 2018/19. These were first aid injuries with none resulting in a WorkCover claim or lost time injury.

Staff recognition

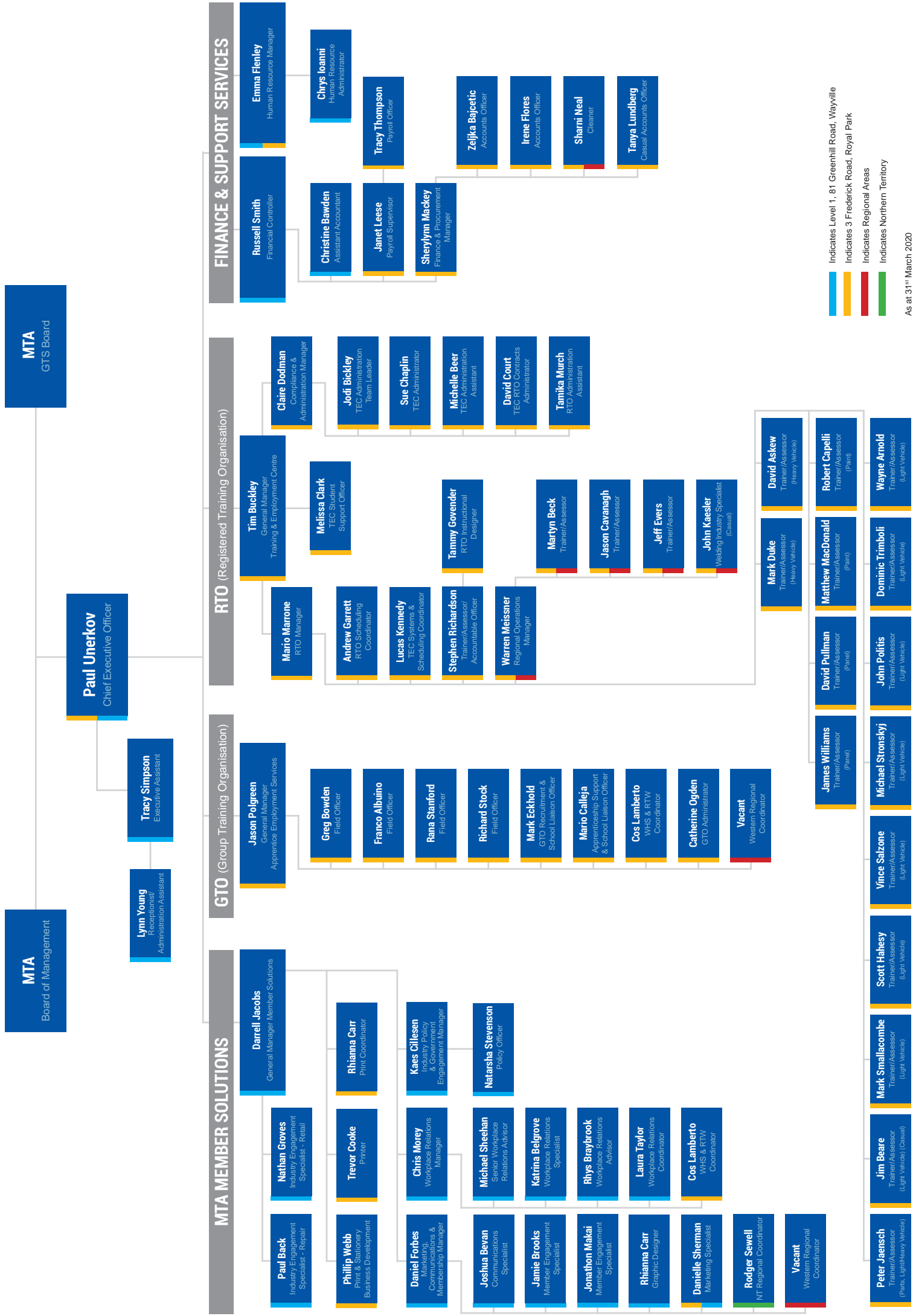
The MTA celebrated the 20 year anniversary of Jim Beare, Trainer/Assessor. The 10 year anniversaries of Emma Flenley, Human Resource Manager and Michael Sheehan, Senior Workplace Relations Advisor were also recognised.

Thank you to all our staff who live the MTA values of teamwork, achievement, accountability, respect and excellence. We thank you for your commitment and hard work throughout the year to protect and grow member businesses.

E Flenley

Emma Flenley
Human Resource Manager





Member Services

(L to R): Paul Back (MTA Industry Engagement Specialist - Repair) and Mark Nueckel from Nueckel Auto Care.

Member Services

The MTA exists to serve our members. We seek to provide the best advocacy, services and support for the automotive industry to be a valued business partner.

By delivering high quality workplace relations, advocacy, divisional activities and communications we continue to do all we can to meet members expectations and deliver satisfaction.



6,608

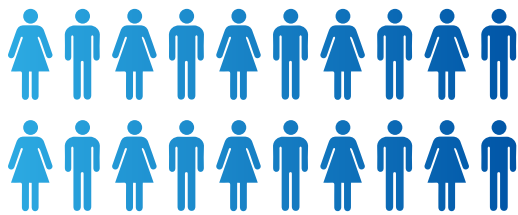
Member Engagements

Calls, individual emails and visits to members.
5,522 in 18/19 financial year.

Membership



NT Members



SA Members



1,230

Total Members
1,118 in 18/19 financial year.



209

New Members

142 new SA members & 67 new NT Members
138 in 18/19 financial year.

Communication from the MTA to members, apprentices and hosts was steady this financial year, maintaining the momentum achieved in previous years, with a focus on engagement and increasing our reach. The MTA continued its fortnightly electronic publications, MTA Torque and MTA TEC Torque, along with a weekly communique from the CEO. Frequent updates to members via News Alerts are proving to be very successful in providing members with critical Workplace Relations, industry, policy, advocacy and training updates. The quarterly Motor Trade magazine publication has continued highlighting recent advocacy, divisional news and membership profiles.

Meetings & Visits



Member Visits

1,368

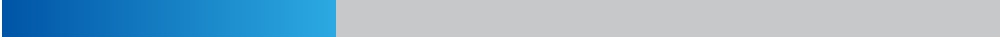


Communications

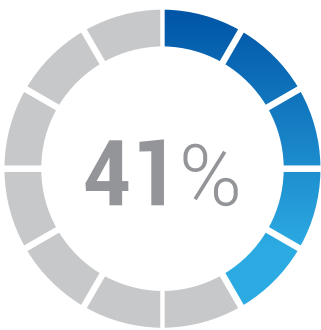
News Alerts Issued



CEO Updates Issued

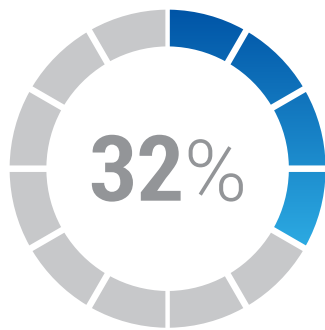


Average Readership



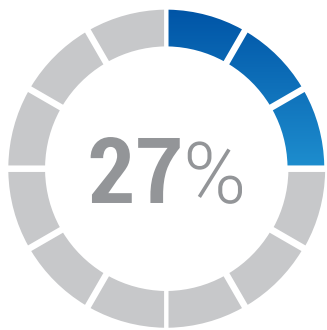
CEO Report

Open Rate
39% in 18/19 financial year.



MTA Torque

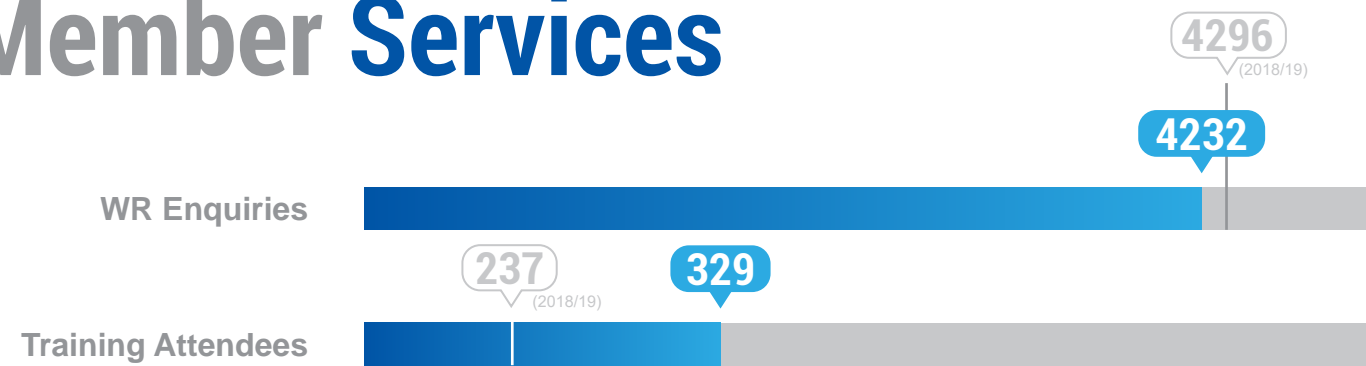
Open Rate
32% clicks per unique opens
30% open rate in 18/19 financial year.
29% clicks per unique opens in 18/19 financial year.



TEC Torque

Open Rate
21% clicks per unique opens
25% open rate in 18/19 financial year.
18% clicks per unique opens in 18/19 financial year.

Member Services



The Workplace Relations Department has seen some changes this year, with Gary Coppola resigning from the role of Workplace Relations Manager, and Chris Morey, an experienced workplace relations and commercial lawyer, commencing in the role in September. Chris is supported in this role by Michael Sheehan, Rhys Braybrook, Katrina Belgrove, Laura Taylor, and Cos Lamberto.

The team has continued to provide legal, WR, WH&S, RTW and Environmental support and advice internally for the MTA and members. This continues to be one of the most utilised areas by members as we continue to provide automotive specific and relevant advice to assist members.

The team has four core roles in providing services to members:



Major issues for members this year have been as a result of COVID-19, travel restrictions and changes in Awards and enforcing social distancing and good hygiene in the workplace. The team has worked hard to provide members with essential services and advice to keep them informed and protected.

Major highlights for the year have included the finalisation of the Modern Award review process, changes to the approach to provision of services and training to members and the addition of the NT jurisdiction and members. Both with the addition of numbers of members, and the increasing complexity of laws in this space, we have seen an increase in complexity of WR services, training attendee growth and advocacy from members, with a total of 4,232 contacts with members over this financial year, and 329 attending WR training.



(L to R): Michael Sheehan, Rhys Braybrook, Laura Taylor, Chris Morey, Katrina Belgrove and Cos Lamberto.



Member Services - Advocacy

The past year has generated significant activity, change and disruption but despite this, the MTA has maintained a powerful voice to all levels of government, making sure that decision makers recognise the value and importance of the local automotive industry.

While we have ended 2019/20 in a place few would have expected, it is important to recognise the considerable advocacy work the MTA has undertaken, as well as the outcomes we have achieved.

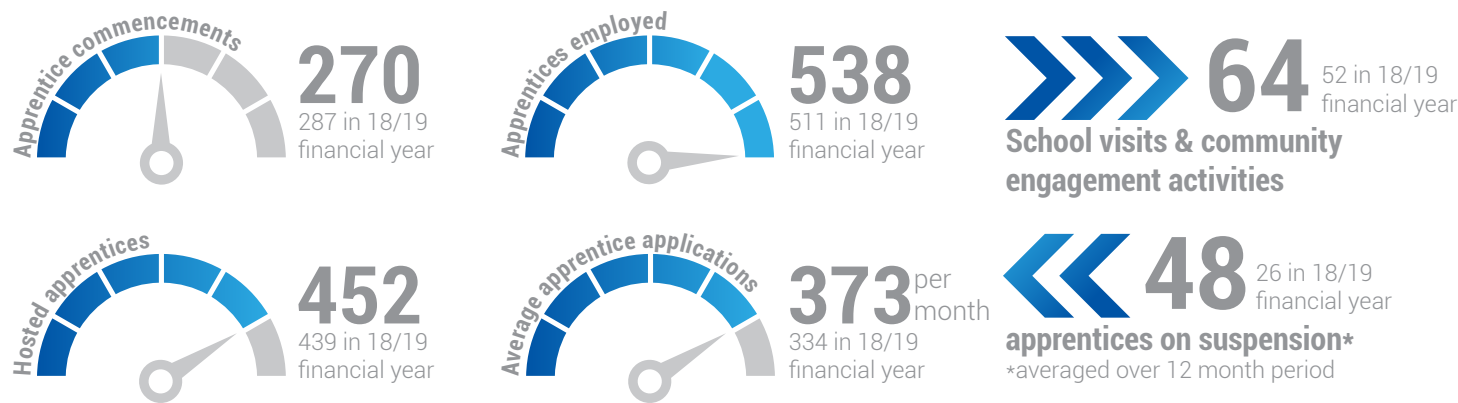
- ✓ In South Australia, we saw one of the most important moments for the Body Repair Division with a once in a generation opportunity for State Parliament to hold its Inquiry into the Motor Vehicle Insurance and Repair Industry in South Australia. The MTA made a submission to the inquiry and supported our members attending hearings. The Committee is due to hand down its findings in 2020.
- ✓ We also called upon the Federal Government to work with the automotive industry in developing a ten year Automotive Industry Growth Plan through an Industry-Government partnership. In the lead up to the 2019 Federal Election, the MTA forwarded to key Federal Government Ministers, our Australia's Automotive Industry, Driving our Future document, outlining priorities for government to address in relation to issues affecting our industry.
- ✓ As the MTA expanded its membership to the Northern Territory, one of the first tasks we undertook was to engage our new members in response to the NT Government's Electric Vehicle Discussion Paper. This work built upon a previous submission we had made to the Government of South Australia who have indicated they intend to release their electric vehicle plan in 2020.
- ✓ An End of Life Vehicle Policy remains a key issue at a national and state level, and we were pleased to host a roundtable event, bringing together MTA members, as well as the Chief Executive Officer of the Environment Protection Authority and MTAA CEO Richard Dudley.
- ✓ National Heavy Vehicle Law (NHVL) review was a significant body of work which has been reviewed in its entirety by the National Transport Commission (NTC). The MTA advocated on behalf of members on all aspects of heavy vehicle safety, arguing to ensure a more risk based approach rather than a prescriptive based approach for heavy vehicle operators.
- ✓ The announcement that General Motors would retire the Holden brand from sales in Australia and New Zealand sent shockwaves throughout the industry and throughout the journey, MTA SA/NT and its national body the MTAA have been working closely with the Prime Minister and Treasurer to ensure Holden dealers are treated fairly.
- ✓ The issue has also brought into sharp focus the significant power imbalance that exists in automotive franchise arrangements and we have lobbied extensively to have an automotive specific franchising code of conduct. We were pleased to see the Commonwealth Government commit to just that and while we continue to advocate for further measures within the code, it will be an important set of rules which guide issues such as capital expenditure and end of franchise arrangements.
- ✓ **2019/20 was the busiest year yet for the advocacy team and while it would be impossible to list all our achievements, some of the other highlights include:**
 - Waiving inspection requirements for interstate vehicles
 - Working with the EPA on licence fees for fuel retailers
 - Collaborating on fair access to Right to Repair and Servicing Information at a fair price
 - Advocating for businesses who choose to employ skilled migrants
 - Opposing the Government of South Australia's Land Tax Reforms
 - Raising member concerns over the South Road upgrade project
 - Providing input into the Graduated Licensing Scheme for motorcyclists

- ✓ The COVID-19 pandemic to date has undoubtedly been one of the most significant events most businesses have ever experienced. Throughout this time and against a backdrop of constant and overwhelming information, the MTA has placed a strong focus on getting out information which is timely, easy to understand and relevant to the automotive industry. Whether its advice from health authorities or maximising access to government grants and assistance, we continue to work together with our members to emerge stronger on the other side as we always have.



Stronger Together

MTA GTO



The MTA Group Training Organisation (GTO) has planned for and experienced a surge in activity in the school and community engagement space through the 'School Pathway Program'. The MTA GTO is delivering on the firm focus on both raising the profile of the automotive industry as a career choice for a broader cohort of young people, and growing the number of quality apprentices. The results this year were mixed with recognition of the MTA brand in schools increasing considerably. However, the number of suitable candidates applying reduced as evidenced by our reduced commencement figure (270 2019/20 vs 287 2018/19).

The university centric nature of most schools and increased competition from Defence and Industry 4.0 means the automotive industry and other sectors that rely on traditional trades need to work harder than ever to cut through the noise. We are playing a long game and the State Government's ambitious target of 21,800 new apprenticeships and traineeships over four years (announced in April 2018) has undoubtedly assisted our cause. However, there is still a great deal of work to do. The increased number of school engagements from 52 (2018/19) to 64 this year is a good start. It is not about the quantity but the quality of such meetings that count. The GTO's focus has been on interactive presentations and unique hands-on activations wherever possible.

Although the number of commencements reduced this year, the total number of apprentices employed by the MTA's GTO increased from 511 (2018/19) to 538 and a challenging trading environment saw the suspended

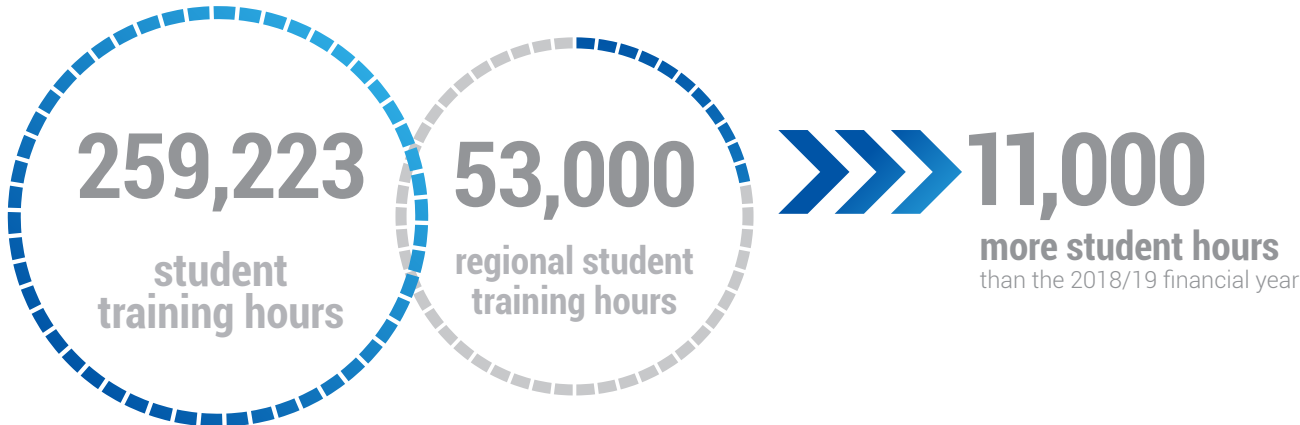
apprentice numbers increase to 48 at year-end compared to 26 the previous year.

Contrary to the reduced commencement figures, applications increased on average from 334 per month for 2018/19 to 373 per month this year. This increase was due to an increased online marketing presence with our 'Future Filled with Opportunity' video series and other online initiatives.

The figures highlight a challenging period for the MTA's GTO in terms of commencements and the number of suspended apprentices. We will continue to refine our recruitment and marketing activities to ensure we reach the right people, through the right channels, at the right time. One of the most notable improvements during this period was the introduction of the recruitment program 'Expr3ss'. This program has allowed the GTO to improve the applicant experience from initial application to the interview and allowed GTO administration to have a greater focus on customer service. We look forward to further refining this program over the 2020/21 period and integrating additional programs that focus on better servicing our apprentices and host employers.

There is a great deal of uncertainty ahead as we move into the new financial year with the effects of Covid-19 hitting the MTA's GTO mid-way through the final month of this reporting period (March 2020). The full results of this global pandemic are unknown at the time of writing this report. However, we will meet the challenge head-on, supporting our apprentices and host employers whatever the future holds.

MTA RTO



The reality of this report on the MTA's Registered Training Organisation (RTO) is that it has achieved very good results in the number of students trained across a range of automotive qualifications in metropolitan and regional locations.

The RTO delivered 259,223 training hours in the 2019/20 financial year, which is 11,000 more than last year. Training was delivered across five sites and there was an increase of on the job training and assessing through our Automotive Parts Sales course and other qualifications. Fifty three thousand (53,000) training hours were delivered across our four regional areas.

Typically, training remains strong in the popular trade qualifications of light and heavy vehicle and body repair trades making up the bulk of apprenticeship training. Our regional areas have a strong focus on agricultural training and other popular trades and a decision was made by the MTA's Board to purchase a standalone training facility in Cleve to house training equipment and deliver training to

the Eyre Peninsula region in a quality environment.

Our work providing third party agreements with key state high schools delivering automotive training remains a focus to benefit school students considering the motor industry as a career pathway. Urrbrae, Underdale and Port Broughton high schools benefit by operating under the umbrella of an MTA RTO auspice arrangement.

This year also saw MTA become the sole provider of automotive body repair and refinishing technology trade training in this state.

It is fair to say that while the RTO has delivered the valued training and assessment needed by industry we are always seeking to improve. That is why we are transitioning our Student Management System (SMS) to a new operating system expected to be up and running by the end of 2020. We expect our new SMS to streamline the student scheduling process and be responsive to all stakeholders needs greatly improving everyone's interactions with training scheduling and student call-ups.





Divisional Reports

(L to R): Nathan Groves (MTA Industry Engagement Specialist - Retail) and Darrell Wadsworth from Newspot Motors.



Divisional Report Australia Automotive Dealers Association



Vacant*



With many issues at a federal level affecting members, it was valuable to engage with James Voortman from the Australian Automotive Dealer Association this year to align our strategies. He attended our November divisional meeting and heard from members on issues such as franchising, ASIC powers, cyber cars, access to repair information and the Luxury Car Tax.

Announcements from General Motors and Honda have certainly had an impact on the industry. It has further solidified the need for a robust and fair automotive-specific Franchise Code of Conduct. The draft regulations were mostly met with a positive response from members as they included much of what was identified through our member consultation. However, there were some elements that we were disappointed to see missed, such as insecurity of tenure and clarity on warranty obligations. In our submission we have recommended that the new legislation provides a mechanism for review after 12 months of operation with a view to expand provisions as needed.

After the Banking Royal Commission recommendations were released in February 2019, the Federal Government announced that it would be abolishing the Point of Sale (POS) exemption, which allows Dealers to facilitate finance on behalf of an Australian Credit License holder. The Motor Trades Association of Australia (MTAA), on behalf of SA and other states, attended a specially convened roundtable early this year to discuss this issue. The MTAA used the roundtable opportunity to reiterate the impacts, implications and unintended consequences that any changes could have on dealers.

We were pleased to be notified by FCAI that as of January 1 this year, the VFACTS reporting system is being verified against the national registration database, giving a truer reflection of sales data. We, amongst other automotive industry bodies, have advocated for a truer representation of new vehicle sales data and we should now see a more accurate reflection of the market. Analysis by way of our monthly Vehicle Registration Report has assisted this advocacy and the report also continues to provide valuable insights to members.

This is an extremely disruptive time for new car dealers and the MTA remains committed to advocating for members' interests, as well as providing one on one support in any way possible.

The MTAA warned that if these concerns were not mitigated and the regulatory and legal burdens become too great, this would likely translate into business closures, particularly placing greater pressure on smaller dealers in rural and regional centres.

Key Achievements

- Consultation and member feedback on national issues affecting new car dealers
- Engagement with AADA (national) to align advocacy strategies
- Successful advocacy to the FCAI to attempt to stamp out "Cyber Cars"
- Continued production and development of the monthly Vehicle Registration Report

*Mark Papillo from North East Mitsubishi and Ditmar Guehrer from Smith Motor Group have been elected Chair and Deputy Chair respectively for the 2020/21 Financial Year.



Hugo Pellegrini from Paradise Auto Parts.

Divisional Report Automotive Dismantlers Division



Darran van der Woude
River Murray Auto Wreckers



I would like to begin by thanking all members of the Automotive Dismantling division for their support and encouragement this year.

The last 12 months has seen a lot of affected Takata airbag Inflators (ATAI) removed from SA roads and yards. Many dismantlers have received compensation for these ATAIs including offering evidence of crushed or deployed ATAIs. Having a strong inventory and yard management system has proved invaluable in being able to easily identify which vehicles need to be flagged and ATAI removed. I am of the belief, as we move forward, and more recalls happen for whatever reason, having accurate and up to date electronic records will be crucial. I also believe this may become legislation in the future to aid the ease of identifying affected vehicles or parts.

Members continue to use the Dob in a Backyarder portal on the MTA's website trying to get non-compliant or illegal operators to comply with necessary standards that we expect of our industry. These have netted strong results and although we are still a long way from having the industry free of these operators, we continue to close in on a blue print that we can hand to necessary authorities for them to act.

COVID-19 restrictions hit like a tonne of bricks, catching a lot of people off guard and either unprepared or under prepared. Less vehicles on the road means less maintenance required and less breakdowns and accidents having a flow on effect into the auto dismantling industry. Many yards have reported significant down turn in sales into the trade. The MTA have access to resources and can offer advice, I urge members to reach out to the MTA and seek help. Our industry is well positioned to prosper when restrictions (hopefully) have been eased, the lack of servicing starts to show effects and people are looking for a way to save money on repairs.



(L to R): Shaun Van Malsen and Rodger Day from Darwin 4X4 Centre.

51
Members

2
Meetings held

235
Member
engagements

Key Achievements

- Continued efforts in removing Takata aigbags off our roads
- Continued efforts in reporting illegal automotive dismantling operations



Rino Compare from RC Automotive Solutions.

Divisional Report Auto Repair & Engineering Division



Michael McMichael
Michael McMichael Motors



Our priorities included a number of initiatives targeted towards improving industry standards and growing the profile of automotive trades and apprenticeships.

Addressing the skills shortage is a priority for all of us and attracting fresh talent is a very competitive environment for many industries. Despite the challenges and competition for young apprentices, we were determined to increase our intake by continuing the apprenticeship retention program and maximising the opportunities within the training centre to make talented young individuals available to help you grow your business.

Nationally, we have been focusing on projects including the revitalisation of the Australian Standard for Vehicle Service and Repair and Automatic Transmissions, to design a modern level of service and repair in line with customer expectations. We anticipate the new standard will be voluntary but provides the opportunity to remarket your business focussing on specialised services or all aspects vehicle service and repair.

We are also waiting for the government to release its draft version of the mandated Right to Repair Scheme, after many hours lobbying the Federal Assistant Treasurer, Michael Sukkar MP, and trying to collaborate with other industry associations to meet the request of demonstrating how industry can run it together to minimise further government intervention and red tape.

We prepared a position statement on a Light Vehicle inspection Scheme for South Australia and will be using this at any opportunity to advocate for inspections and improve the vehicle fleet condition for improved safety outcomes and to lower the accident statistics due to unsafe or un-roadworthy vehicles.

By now you should all be using some form of Repair Notice on all of your work orders because you might recall we sent you a notice back in August last year about changes to Regulation 90 which requires mandatory text on warranties, loss of data and use of reconditioned parts. Members are finding value from the MTA Repair Authority, with a number of members now having some rights and legal protections when it comes to terms on completion of work.

643
Members

2
Meetings held

2345
Member
engagements

Key Achievements

- Reviewed Australian Standards for Automotive Service and Repair and Automatic Transmissions
- Development of the Right to Repair Scheme (in progress)
- 143 Light Vehicle Technicians employed by the GTO

(L to R): Les Khabbaz and Ray Khabbaz from Finishline Collision.



Divisional Report Body Repair Specialists Division



Tom Skothos
Pro Paint n Panel



In my first full year as Chair for the Body Repair Division, the bar was set pretty high by my predecessor, the highly regarded, Mr Jeff Williams. Jeff laid the foundation for where we are today. I speak on behalf of all of us when I reflect on how grateful we are for his efforts in championing the Body Repair Division and AMBRA.

As Deputy Chair for the Body Repair Division in recent years, I felt it was imperative that we maintain the momentum that Jeff and the committee had created, to drive the MTA's priorities forward rather than let it lapse and move us backwards.

I continue represent us nationally, as the Deputy Chair of AMBRA, and Chair of the SA Body Repair Division, with the BRD committee to help provide the strategic direction to guide the MTA during some critical times. This will ensure we come out the other side with our independence intact, and sustainable business conditions to allow us to be proud of our industry and what we represent.

We've started the first ever Parliamentary Inquiry into the Collision Repair and Insurance Industry in South Australia. We appreciate the great contribution from the members to provide submissions, evidence and appearances at hearings to the inquiry. We think the Parliamentary Committee is becoming well educated about the issues we are describing.

We have been referring to the statements made by insurers during the inquiry to maintain customers' freedom to choose their own repairer. We have been using Code determinations and AFCA decisions to help guide dispute outcomes and we now need to implement some long overdue new business rules. We need to abandon funny time / funny money and we cannot do anything to a customer's car that differs from our original estimate without their authority.

I look forward to working with the industry to endeavor to seize the moment and take advantage of the opportunities that lie within.



Key Achievements

- Securing the Parliamentary Inquiry into the Collision Repair and Insurance Industry



Donna Childs from Island Panel Works.



Divisional Report Commercial Vehicle Industry Association

Sarbjit Singh from Pipli Automotive Solutions.



MTA Member, Farmers Centre in Keith.

Divisional Report Farm & Industrial Machinery Dealers



Bill Lane
CMV Group



When the State Government introduced significantly increased penalties for heavy vehicles caught speeding on the South Eastern Freeway, there was a bit of confusion in the industry. The MTA provided much needed clarity after numerous communications with the State Government resulted in a clarification statement being published. Further advocacy followed to reduce the severity of the penalties and in December we were pleased to see those reductions.

New Chain of Responsibility laws have now been in place for well over a year. The MTA continues to provide support for members through one-on-one advice, training sessions and Workplace Relations packages.

The review of the Heavy Vehicle National Law provided members with the opportunity to have their say on elements such as fatigue management, vehicle standards and safety compliance. Thank you to those members who provided feedback and contributed at various working groups. Your voices have been heard.

Our Bus and Coach members have been expecting a review of the regional and metropolitan school bus contracts. Unfortunately this has not occurred yet but the MTA and the committee will be involved as more information comes to hand.

Available bus parking spaces in the city have been getting less and less. For a number of decades the Torrens Parade Ground has been made available for operators to set down and pick up school students for city excursions. The management of the grounds changed government departments during the year resulting in a change in policy to remove that privilege. After consultation and MTA lobbying efforts, that has been overturned and a booking system has been put in place for operators – another example of work done behind the scenes by your MTA specialists.

Lastly, Stage 2 of the Heavy Vehicle Inspection Scheme has been a topic on our agenda for some time. The South Australian Department of Planning, Transport and Infrastructure, has decided to cease procurement activities and will not proceed with Stage Two periodic heavy vehicle inspections and the provisioning of the Heavy Vehicle Inspection Scheme (HVIS) at this time. It is disappointing that after three years, the State Government's requirements for the scheme could not be achieved by tendering parties and that no recommendation was made to award a contract for Stage Two annual heavy vehicle inspections. The MTA will continue to call for strong action on vehicle inspections from the State Government, not more delays, in the interests of saving lives on our roads.

56
Members

2
Meetings held

403
Member
engagements

Key Achievements

- Clarity on South Eastern Freeway fines
- Continued support for members regarding Chain of Responsibility
- Input into the Heavy Vehicle National Law review
- Torrens Parade Ground decision for Independent Bus & Coach Operators



Malcolm Eglinton
Eglinton Bros Pty Ltd



Late last year, the MTA and I met with the NHVR, the Transport Minister's office and DPTI to discuss the movement of agricultural machinery. This is an ongoing conversation and MTA staff and I have had numerous contacts with government departments to seek clarity and advocate for better outcomes.

There has been further development in our advocacy for an industry-specific Franchising Code of Conduct. The draft regulations were published in February and contained some positive inclusions relating to end of term obligations, capital expenditure requirements, penalty provisions, and dispute resolution. While this draft relates only to new car franchises our advocacy continues on the need to see it expanded to include farm machinery dealers.

I would like to thank Matt East for his time as Chair in pursuing the needs of the Farm Machinery Industry. I am new to the role of Chairman but have been actively advocating for our industry for over 20 years and enjoy the challenge. I will always stand up for your rights to sensible regulation. Stay engaged with your MTA. With specialised and knowledgeable staff available, there has never been a more important time to take advantage of that relationship.

51
Members

2
Meetings held

472
Member
engagements

Key Achievements

- Engagement with NHVR for clarity on Chain of Responsibility obligations, issues with permits, Movement of Oversize and Overmass equipment
- Input into the proposed automotive-specific Franchise Code of Conduct



(L to R): Norm Hood, Malcolm Eglinton, Davide Feltrin and Nigel Phillips.



Mark Ackland from South Central Motors.

Simon Ebel from Get Cars Direct.



Divisional Report Licenced Vehicle Dealers Division



David Vincent
Adelaide Vehicle Centre



Without a doubt, the change to allow all licensed vehicle dealers to perform identity inspections on interstate vehicles has created significant operating efficiencies for dealers across the state. The MTA's persistence with DPTI to lobby for this change has been acknowledged by the division.

The MTA has been lobbying for a review of the Second-hand Vehicle Dealers Act. In February of this year we were told that Consumer & Business Services (CBS) was seeking necessary approvals from the Government to be able to draft recommended legislative amendments. This is a positive step forward that has unfortunately stalled due to COVID-19. Rest assured that this will be high on our priority list as business gets back to some kind of normal.

The MTA has continued regular meetings with senior CBS personnel to discuss their operations as they relate to licensed vehicle dealers. As well, at one of our divisional meetings we had CBS's Director, Regulation & Advice in attendance to provide members with an opportunity to provide feedback and ask questions on its enforcement and compliance strategy. This will continue to be a positive relationship going forward.

With overall registrations of second-hand cars decreasing from 2018 to 2019 it is great to see that at least the dealer share of the market increased slightly from 27% to 29%. This number has held firm for the first quarter of 2020. The monthly Vehicle Registration Report produced by the MTA is proving to be an informative and handy tool for dealers.

With COVID-19 affecting our division so harshly there has never been a more important time to lean on the MTA and use its resources. Qualified staff in specialist roles are ready to assist you at a time when you may need it most.

Key Achievements

- LVDs now have the ability to perform identity inspections on interstate vehicles
- Successful advocacy to CBS to begin a review on the Second-hand Vehicle Dealers Act
- Engagement with CBS to continue fight against unlicensed sellers and non-compliant activity
- Continued production and development of the Vehicle Registration report



Todd Quigley from High Quality Car Sales.

(L to R): Peter Hoeymakers and Donna Hoeymakers from Hoey Racing.



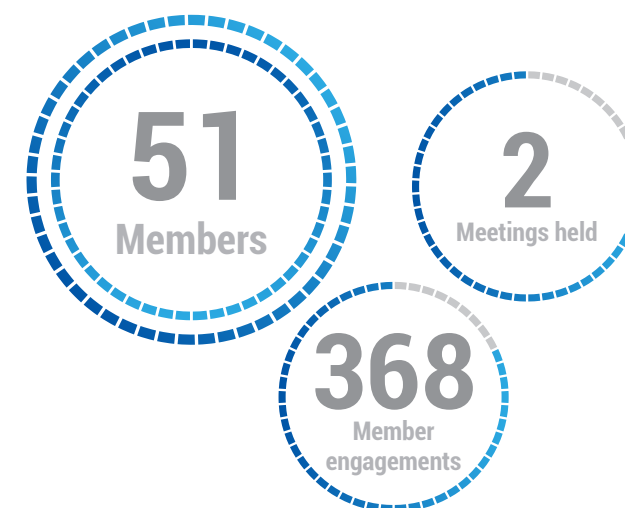
Travis Chamings from Moto Factory.



Divisional Report Motorcycle Industry Association



Mark Flynn
Coast Powersports



Key Achievements

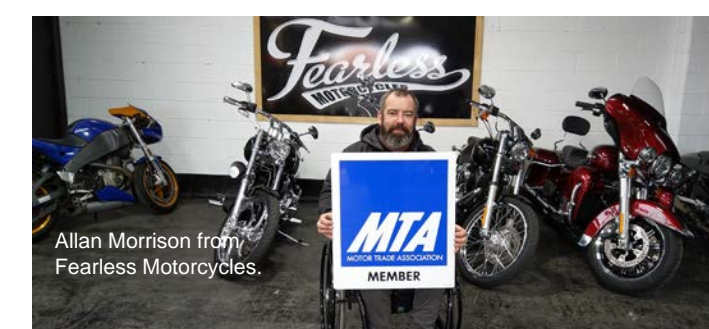
- Continued input into the proposed Graduated Licensing Scheme
- Input into the proposed automotive-specific Franchise Code of Conduct
- Regular communication to members on the ACCC's quad bike decision

With new bike sales decreasing by 14% from 2018 to 2019 it has been a tough year in sales. Pleasingly, though, the used bike market has seen a 13% increase in dealer sales. The monthly Vehicle Registration Report produced by the MTA is proving to be an informative and handy tool for dealers.

There has been further development in our advocacy for an industry-specific Franchising Code of Conduct. The draft regulations were published in February and contained some positive inclusions relating to end of term obligations, capital expenditure requirements, penalty provisions, and dispute resolution. While this draft relates only to car franchises our advocacy continues on the need to see it expanded to include motorcycle franchises.

The ACCC's quad bike decision to mandate safety processes, including the requirement for all new quad bikes imported from October 2021 to be fitted with rollover protection devices, was met with disappointment throughout the industry. The MTA's tireless efforts included member consultation, formal submissions and teleconferences with the ACCC's Quad Bike Taskforce to advocate against this change. Unfortunately it was a losing battle despite the warning, which turned into reality, that some manufacturers would withdraw from the Australian market.

The Government's proposed Graduated Licensing Scheme continues to develop. Two elements of the proposal – the increase of the minimum licence age to 18 and a requirement for moped riders to obtain a motorcycle licence – have been strongly opposed by MIAA members. With the MTA, I attended a meeting with the Transport Minister to put across industry views on these recommendations and the conversations ended on a positive note with hopes of a compromise. The proposal has since stalled due to COVID-19. Rest assured that this will be high on our priority list as business gets back to some kind of normal.



Allan Morrison from
Fearless Motorcycles.

Divisional Report Towing Services Division



John Hitchcock
Dial A Tow Australia



The Towing Division has become quite proactive in advocacy and member engagement in the current industry environment with a number of key issues and activities addressed by the Towing Committee and the MTA.

Members were provided sufficient detail about exemptions in place for Tow Truck drivers where they are considered exempt from a number of road rules as a breakdown worker for the purpose of recovering disabled vehicles and where they can conduct a U-turn despite no U-turn signs as they are considered maintenance vehicles.

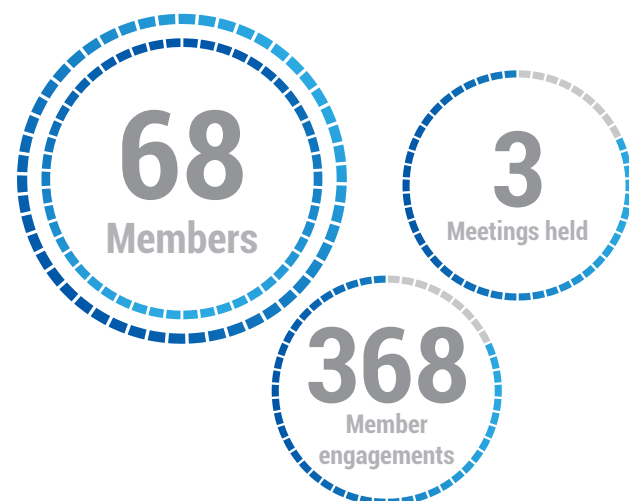
In addition to the numerous individual workplace relations support provided to members, we put together a Safe Operating Procedures Sheet for towing and are helping members with Traffic Management plans and Evacuation Maps across their sites.

While governments around the country are talking about reducing speed limits at accident scenes, the MTA is taking every opportunity to highlight the importance of including tow trucks in the laws because there is no difference between a tow truck operator and police or emergency services officers exposure to Workplace Health and Safety risk at the scene of an accident or breakdown recovery.

The latest response from the Federal Minister for Transport has taken note of the MTA's request, but is relying on the states and territories to come up with a solution at a National level for South Australia to adopt. The MTA will keep this topic as a high priority for further lobbying.

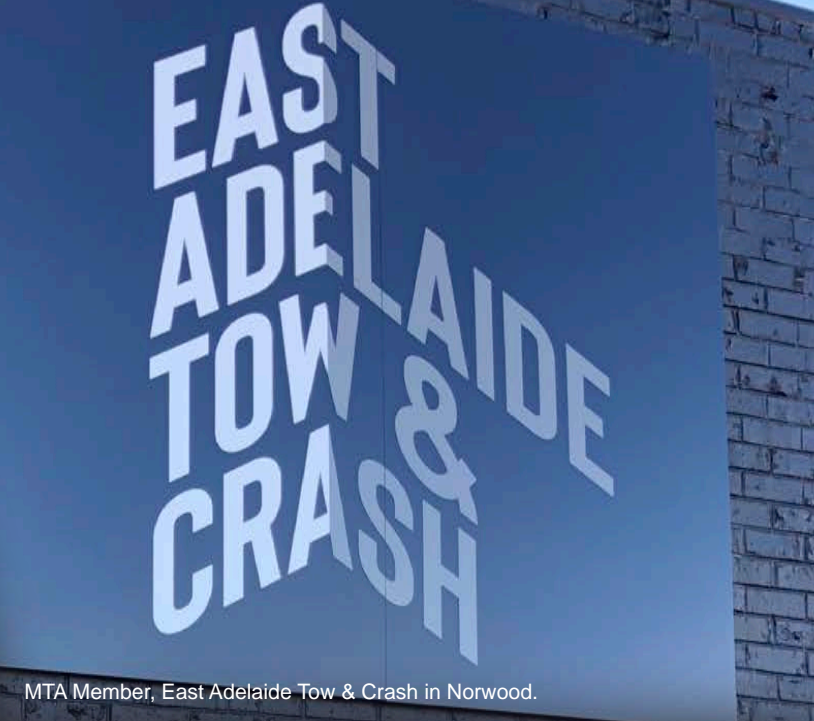
Our advocacy stepped up on chasing exemptions for Heavy Tow Trucks while the Department of Transport reduced city bridge limits and revised mass dimension limits for Heavy Tow Trucks in South Australia. While the MTA recognises the importance of protecting historic infrastructure assets and the city bridges, we advocated that if a heavy vehicle breaks down and the only available path is straight over them, members can't wait for exemptions from the NHVR before removing the disabled vehicle from holding up traffic directly affected by its position.

There is always more work that needs to be done on these issues and others we are working on such as the definition of an accident relied on by the accident towing regulations and expanding zones for the accident towing roster scheme because of the significant growth of urbanised settlement since the regulations were implemented. The regulator did take of the accident definition in a November 2019 newsletter but MTA will need to keep it on the agenda because at the end of the day the confusion arises in customer frustration only experienced by the tow truck driver at the scene of recovery.



Key Achievements

- Close examination of legislation to determine exemptions for breakdown vehicles
- Annual tow fee review
- Consultation to Operation of Heavy Tow Trucks in South Australia
- Advocacy for Tow trucks to recognised within reduced speed limits for emergency vehicles
- Lobbying for revised City Bridge Limit Exemptions
- Accident Definition Advocacy
- Safe Loading SOP



MTA Member, East Adelaide Tow & Crash in Norwood.

Divisional Report Service Station Division



John Antoniadis
Agostino Group Pty Ltd



John Antoniadis from
Agostino Group.

Last year began with service station owners being told that they would have to pay for yet another licence – this time to the Environment Protection Authority to cover compliance and enforcement costs for Underground Petroleum Storage Systems. It soon became clear that there was no stopping this licence but your MTA was heavily involved in efforts to argue for a fee that was as fair as possible across the board. A three-tiered fee structure was negotiated which ensured that smaller operators, some of which do not have fuel sales as the predominant part of their business, are not unfairly burdened by this fee.

The fight against fuel theft from members continues. This year saw SAPol trial a site signage campaign to ascertain whether a prevention strategy would be more successful than the current reactive one. Indications are that the results were mixed when compared to the same month in the previous year. There has not been an official release on these results so at this stage I urge members to continue to report every incident – the more reports they get, the more serious SAPol must take it.

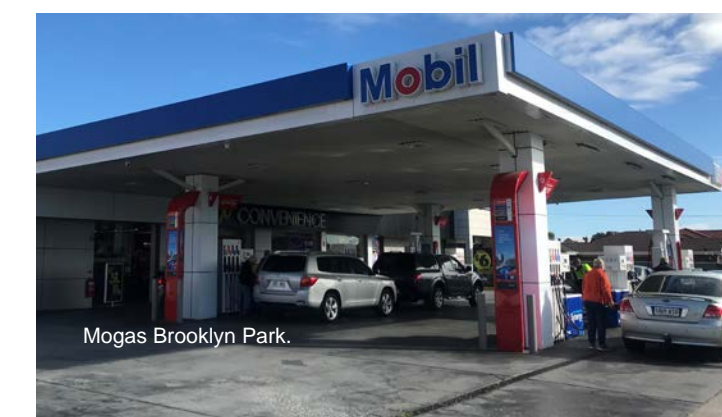
Early this year the Premier asked the South Australian Productivity Commission to investigate and report on potential models that would increase the transparency of fuel prices in South Australia. After consultation with members and research of other jurisdictions that have models in place, the MTA provided a submission. If there needs to be a model we have suggested one based on elements of other models that would cause the least amount of disruption to members.

Lastly, members should feel confident that the MTA has the resources to provide up to date advice and assistance to get you through this unprecedented time.



Key Achievements

- Successful negotiation with EPA for a fair outcome for members regarding licensing
- Continued engagement with SAPol on fuel theft
- Fuel Watch submission



Mogas Brooklyn Park.



Divisional Report Tyre Dealers Division



Marcus Baldacchino
Bob Jane T-Marts Alberton



We had a strong attendance at our division meeting in May last year where we were able to get a good sense from many brand representatives in the room about support for two major divisional issues:

- Maximum tyre age limits
- Licensing for tyre retailers

The lobbying for tyre age limits has sparked some robust discussion. While there is broad support from many stakeholders there needs to be obvious consideration for certain exemptions; for example, tyres used on some farm and industrial equipment and commercial tyres with low speed uses. However, there are genuine concerns for the safety of all light vehicles, as well as caravans and trailers. Of particular concern is those that have been sitting around deflated and unused for many years, some of which with weather exposure, suddenly being put in to service with load, pressure and speed factors. These are the biggest risk and it is these vehicles we want to make safe. This won't be a quick win, so we will keep it as a divisional priority and leverage the support from members to use any opportunity to bring this issue to the fore.

Licensing for tyre retailers is another area that requires a considered strategic approach: there are pros and cons. The motivation for licensing of repairers is simply to increase safety for consumers, but more regulatory burden or red tape is not going to help members, particularly where there is little enforcement on backyarders or unskilled operators. Licensing could penalise us further, and potentially increase the cost difference between us and them.

While we continue to work on these issues, your MTA has now submitted to the State Government a formal position statement recommending light vehicle inspections at change of ownership. If recognised, this would address the major roadworthiness issue that contributes to serious accidents and fatalities – worn, damaged or poorly maintained tyres. Based on national research, this contributes to half of all defect related accidents. A significant issue!

Please stay engaged. Let us know if you have something to say about these issues, because it is the combined voice of all of us that the MTA is here to represent.



Key Achievements

- Continued advocacy for a mandatory tyre age limit and potential licensing or Code of Conduct for tyre retailers



Patty Wadsworth (centre left) and team from Access Rent-a-Car.

Divisional Report Vehicle Rental Division



Rob Davey
Complete Ute and Van Hire



Our divisional meetings this year brought some additional value for members with Workplace Relations specialists providing Q&A sessions. Topics such as payroll, the new Award, Work Cover and casual staff were all discussed with some revelations on member obligations causing some interesting discussion. This was a huge benefit to members as it provided them with face to face interaction with some of the MTA's specialist staff.

During the year we identified an opportunity to approach the State Government to ask to align vehicle stamp duty costs with other jurisdictions. We have completed the analysis and our intention is to make a submission to the State Budget at the right time.

We have historically been active with the S.A. Vehicle Theft Reduction Council in putting across the industry's issues relating to the non-return of vehicles at the expiry of a rental contract. Unfortunately the Council has not sat this year so we have been unable to contribute. However, discussions have continued at our meetings and as business gets back to some kind of normal we will once again engage SA Police with a view to developing a process or protocol that is mutually beneficial to industry and SAPol.

Never has there been a more important time to be engaged with the MTA. Specialists and MTA business partners are on hand to assist in all aspects of your business.



Key Achievements

- Continued engagement with SAPol on vehicle theft
- Facilitated Workplace Relations Q&A sessions with members at divisional meetings
- Workplace relations upskilling with members at divisional meetings



Business Partners

The MTA has continued to ensure that our business partners are delivering benefits for our members.

We connect you with partners that will save you time and money.

The MTA continues have strong relationships with MTAA Super, Commonwealth Bank, Capricorn, Health Partners, MTA Print, GreenStamp, ACCESS, Working Capital Finance, The Qantas Club and BDO.

Our business partners and their services:



MTAA Super, the **leading industry fund** for the motor trades



Commonwealth Bank offers **competitive EFTPOS transaction rates** for members



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



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



MTA Print offers printing needs, in house graphic design for logos, printing, digital advertising and social media, special products, books, pads, business cards, flyers, stickers, booklets and training manuals. MTA members receive a **20% discount** on all products

Working Capital Finance

Working Capital Finance, the MTA's partner in working capital services, offers MTA members factoring at a **discounted rate of 1.75%**



The MTA Corporate Qantas Club membership scheme offers **considerable savings**



ACCESS Programs Employee Assistance Program provides **services to MTA members at the seasonal rate of \$130** (plus GST) without any retainer at five convenient locations around Adelaide



The Officeworks partnership gives **business pricing only available to MTA members**



Free accountancy consultation



SOS Signs for all your **safety signage needs**



James Dix from Pro Auto Glynde & Glynde Radiators.



Annual Report

— 2019/20 —



Motor Trade Association of SA/NT



MTA Apprenticeships

Motor Trade Association of SA/NT

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MTA Training & Employment Centre

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