



**MTA (NT)
PRESIDENTS' REPORT
FOR THE 2017 ANNUAL GENERAL MEETING
FOR 2016/2017 YEAR**

Continuing with tradition this Annual Report will reflect for the archives, the work your Association undertook on behalf of members and for the betterment of the Retail Motor Trades during in the 2016/17 financial year.

Throughout the 2016/17 period the Secretariat has continued to update members on a myriad of existing and emerging issues which may impact on members businesses. A number of these issues are controlled and driven by decisions made at a national level, either by our national representative body or by Federal politicians, whilst other issues are either NT Government based or are driven by issues effecting individual sectors of this industry.

National Context

In stating the above it is important to understand the size and impact this industry has, not only on an NT scale but in a National context.

The Northern Territory's automotive retail, service and repair (RS&R) sector is part of a nationwide industry and is Australia's largest small business sector. It has an aggregate annual turnover of +\$208 billion, is a significant contributor to the Australian economy. It is also a significant employer, with over 370,000 Australians employed across 52 recognised automotive trades and skills categories. Ranging from small 'Mum and Dad' businesses to medium sized multi-site operations, our sector sells, services, repairs and fuels Australia's 18 million strong motor vehicle fleet.

The retail motor trades industry in the Northern Territory contributes to the economy through a turnover of more than \$1.3 billion dollars with 1000 plus businesses and employs more than 4000 people.

At a national level MTA (NT) is represented by the Motor Trades Association of Australia (MTAA). MTAA is an association of the various state and territory motor trades associations and automobile chambers of commerce. Through its state and territory member bodies combined memberships, MTAA is the largest 'stand-alone' small business association in Australia.

Within the MTAA structure are a number of National Industry Sector Committees, each possessing knowledge and skills relevant to specific sectors within the broader retail motor trades.

Some of the key National Industry Sector Committees are as follows:



New Car Franchised Dealers

Australian Motor Body Repairers Association (AMBRA)
Australian National Towing Association (ANTA)
Auto Parts Recyclers Association of Australia (APRAA)
Automotive Repairers Association of Australia (ARAA)
Engine Re-Conditioners Association of Australia (ERAA)
Australian Tyre Dealers and Retreaders Association (ATDRA)
Australian Service Station and Convenience Store Association (ASSCSA)
Australian Motorcycle Industry Association (AMIA)
Farm and Industrial Machinery Dealers Association of Australia (FIMDAA)
National Rental Vehicle Association (NRVA)

Whilst the day to day activities are driven by local issues in the main, the Board of MTA (NT) is cognisant of the national agenda which in many ways affects the local issues.

With input from all industry sectors the following issues were identified to be affecting the industry as a whole. The issues below have formulated the basis of the specific agenda's which are dealt with in MTAA's strategic road map titled "AUTOMOTIVE 2018".

- Skills Shortages
- Training
- Skills Migration
- Apprentice training / retention
- Fair Trading & the Australian Consumer Law
- Unfair contracts / unconscionable conduct / Franchisee arrangements
- Taxation / Regulation
- Luxury Car Tax (LCT)
- Workplace Relations
- WH&S
- Environment
- End of Vehicle life policy
- Product stewardship

So critical are these issues and their impact on automotive industry sectors, that a 'status quo' or 'do nothing' option is unsustainable and irresponsible.

National Strategic Direction:

Out of the "AUTOMOTIVE 2018" strategic document three main strategies emerged and a recent review of the document in the face of the Senate enquiry into the Automotive Industry has validated that they are still relevant.

The strategies are:

-  **Awareness**
-  **Industry Self-regulation**
-  **Government Partnerships**



However MTAA does not believe that whole of industry issues can be fixed without significant industry investment and co contribution in these strategies. As such much time has been invested in calling for and orchestrating the correct conditions to occur for a Senate enquiry into the Automotive Industry to shape its future post December 2017 when manufacturing will cease in Australia.

The Industry now awaits for the outcomes and the recommendations from that enquiry to be implemented by the Federal Government.

Public policy in the context of the Australian automotive industry must be targeted, in order to:

- Quantify and qualify the real contribution of the entire automotive industry (not just the manufacturing sector) to the social and economic wellbeing of Australia;
- Identify inefficiencies, potential duplication, 'ad-hoc', piecemeal and uncoordinated policy responses to changing industry operations; identify the immediate actions required to assist industry and sector restructuring; and
- Identify longer-term policy framework for Government investment, regulation, and co-contribution to provide certainty and surety.

The State and Territory Motor Trades Associations and Automobile Chambers of Commerce have played a steady hand and strong influence over sector interests for, in many cases, almost 100 years. Those organisations, MTAA's members, of which MTA (NT) is one, have a practical and theoretical understanding of the past, present and future issues affecting industry built from years of advocacy and representation underpinned by the desire to ensure industry viability, professionalism, success and sustainability. These Motor Trades Associations and Automobile Chambers of Commerce are critical in the development, implementation, monitoring and continuous improvement of industry-driven solutions.

By studying the strategies in "AUTOMOTIVE 2018" and the issues listed as priorities by MTAA you will see a common thread between national and local issues that MTA (NT) is currently working on.

Whilst not all of the national sector committees are relevant in the NT, those that are, have been active in addressing issues both at a national and NT level. Following is a review of current activities.

Additionally through MTAA's National Industry Sector Committees MTA (NT) members can (and do) directly input and discuss industry specific issues.

National Sector Issues:

New Car Franchised Dealers

New Car Franchised Dealers across Australia have increasingly looked to MTAA for support as a myriad of issues continues to affect the sector the least of which is the imminent wind down in manufacturing. Whilst representation of the sector is now partially duplicated by the emergence of another national body representing a small number of dealers MTAA continues to lead by action and by its strong advocacy for new car dealers with the Federal Government.



The issues listed below are an example of issues on the national agenda for New Car Franchised Dealers:

- Fair Trading & the Australian Consumer Law
- Unfair contracts, Unconscionable conduct & Franchisee arrangements
- Taxation / Regulation
- Luxury Car Tax (LCT)
- Virtual Car Sales
- Holding of monies by Manufacturers

The position of New Car Franchised Dealers Chairperson is currently vacant.

Australian Motor Body Repairers Association (AMBRA)

The myriad of issues facing the Body Repair sector are complex and have implications beyond just this sector. Currently there are complex negotiations going on with work providers to determine how all parties can meet their obligations under the MOTOR VEHICLE INSURANCE AND REPAIR INDUSTRY CODE OF CONDUCT as well as meeting legal and regulatory obligations.

This is against a back drop where industry and the vehicles it repairs are facing exceptional change and the sector is now at a significant cross road in its lifecycle due to:

- Increasing technology
- Complicated manufacturing processes with an increasing use of exotic materials such as carbon fibre resulting in highly complex repair methods
- Rationalisation and consolidation
- Changing business models”

Safety and consumer protection is a hotly debated topic within the sector as work providers continually look to reduce costs while repairers strive to repair vehicles to adhere to a manufacturer’s methodology and not to a price.

AMBRA is currently chaired locally by Guido Merlo.

Auto Parts Recyclers Association of Australia (APRAA)

APRAA at a national level is becoming more active as a national sector committee and has been working on issues such as:

- National Theft Reduction Council Initiatives
 - Repairable write offs
 - WOVOR
- Restricted Refrigerant Recovery Training and License
- End of Life vehicles (ELV’s)

APRAA is currently chaired locally by Peter Donovan.



Australian Tyre Dealers and Retreaders Association (ATDRA)

The Tyre Product Stewardship Scheme is a voluntary, industry-led scheme that aims, primarily, to increase the recycling rate of end-of-life tyres.

Other issues ATDRA has been working on are:

- Green Stamp Program
- Imported tyre standards and the relationship to ADR's
- Off road tyre compliance with ADR's
- Tyre importers and vehicle manufacturers and importers

ATDRA is currently chaired locally by Peter Donovan.

Automotive Repairers Association of Australia (ARAA)

ARAA continues to actively work closely with government and others in dealing with training & educational standards, labour shortages and rapidly emerging technologies as core industry issues. Whilst these are closely aligned to issues across a number of sectors specific issues such as access to information continue to be problematic. Much work was done on this specific issue during this reporting period and as a result a voluntary code of practice was launched in January 2015.

An emerging issue is the loss of funding to Auto Skills Australia and the consolidation of all Skills Councils into Advisory Board with no specific Automotive Industry input

Other key issues on the agenda are:

- ✂ A national policy document on educational levels required as a base line to enter this sector are being developed. This document will be used to inform educators and school student what this industry will require as a minimum to enter and progress in this sector as a tradesperson
- ✂ An environmental scan of the technology being introduced into vehicles will be conducted in conjunction with the educational requirements to determine if the traditional career pathways and training pathways are suitable and relevant moving forward

ARAA has also been working on issues such as:

- Award reviews
- Training package development
- Access to Information
- National Roadworthy Tests / Certificates
- National Licensing of Repairers
- National position Electric / Hybrid / LPAGE vehicles
- Australian Consumer Law

ARAA is currently chaired locally by Peter Donovan.



NT Context:

NT Automotive Review:

In the lead up to the sale of TIO the Board of MTA (NT) worked closely with the NT Government in highlighting a number of issues facing the industry at a local NT level. After some intense lobbying the then Chief Minister announced a review into the Automotive Industry in the NT.

The scope of the review was to focus on consumer protection, adherence to pricing and national competition principles, business growth opportunities, and minimising red tape.

It has been disappointing to see that the recommendations contained within the Review Report have in the main been left dormant despite lobbying by MTA (NT) for their implementation.

This report and the recommendations can be found on our website at www.mtant.com.au.

NT Issues:

The Board and the Secretariat staff are continually working on a range of issues with NT Government and other stakeholders which affect our members. On a day to day basis these matters take up much of the work of the Secretariat and through this work members continue to have real access to information and input to National, Territory and Regional matters.

Some of the local NT issues and activities are:

- Australian Consumer Law & the ACCC
- MTA (NT) / MVR Working Group
 - The MVR Customer Centre
 - The Policy Group
- Tow Truck Roster
- Regulatory issues such as Licensed Motor Vehicle Licensing

Australian Consumer Law & the ACCC

The ACCC continues to monitor activity in the Automotive Sector at national level with the trickledown effect that has at an NT level. Whilst MTAA/MTAA campaigned hard for members to have more in depth guidance material explaining the Australian Consumer Law (ACL) there still remains perceived ambiguity in the interpretation of how the ACL's apply to issues relating to motor vehicles. As a result MTA (NT) still plays an active role in mediation with consumers and members even though it is acknowledged that this is not an official role.

With the introduction of the NT Civil and Administrative Tribunal (NTCAT) the amount of time spent by the Secretariat in assisting members with consumer complaints has increased significantly. Whilst we have been successful in getting positive outcomes in all cases the amount of time and the drain on the Associations resources will need to be carefully managed in coming years. This issue has been flagged at recent Management Committee meetings and will need to be considered by the Board in the near future.



MTA (NT) / MVR Working Groups

During the course of 2016/17 much of the Secretariat's time when working with MVR has been divided into dealing with two areas:

- The MVR Customer Centre
- The Policy & Compliance Group

MVR Customer Centre:

Through its long standing working relationship with the MVR Customer Centre MTA (NT) has made significant progress for members and the likely hood of dealers being able to do transactions online within the term of the current government is a reasonable likely hood.

This group is currently worked on:

- Online registration for dealers **(In progress)**
- Authorised Inspectors lodging RCW's online **(In Progress)**
- Expanding the trial of AI's to lodge RCW's online to include all AI's **(In Progress)**

Policy & Compliance Group:

There were a number of changes introduced during 2016/17 through the policy and compliance side of MVR that had a range of impacts on how members interacted with the test shed at Goyder Rd. Like all change there were different impacts on different businesses. The move to an online booking system for interstate compliance checks and the ability for new car dealerships to process compliance checks has significantly decreased wait times at Goyder Rd. MTA (NT) will continue to work with policy and compliance side of MVR to ensure further initiatives are finalised such as giving Authorised Inspectors the ability to carry out Compliance checks and have them lodged online.

Tow Truck Roster

MTA (NT) continues to successfully oversee the operational side of the Tow Truck Roster Scheme which it has done since the early 1990's and that was no different this year. The main aim of the scheme is to prevent tow trucks "racing" to accident scenes with consequent harassment of accident victims in order to secure a towing job (as happens in some other states).

Whilst there have been no consumer complaints lodged about the operation of the Tow Truck Roster Scheme, MTA (NT) has received complaints from operators about the suitability of some trucks/operators on the roster and MTA (NT) is consulting with the Justice Department to recall the Tow Truck Authority to strengthen the scheme and to provide further benefits to the members involved.

Some of the key points of the scheme are:

- MTA (NT) has operational responsibility for the operation of the Towing Roster
- In 2016/17 the level of tow allocations through the scheme has remained consistent with



previous years

- There have been no consumer complaints lodged about the operation of the Tow Truck Roster Scheme

A continuing issue with the scheme and one with no visible solution insight is the increased percentage of vehicles being towed from accident scenes that the owners subsequently abandon or simply refuse to pay the towing fee. Due to the low value (or in most instance no value) of the wreck for either recycling purposes or scrap tow operators are left out of pocket because the commercial reality of taking a customer through NTCAT or applying to take possession of the wreck through the Uncollected Goods Act far outweighs the value of the outstanding debt.

Membership Support

In the last few years a lot of work has been done on increasing MTA (NT)'s portfolio of products and services to our membership. In addition other activities such as the

TIO Automotive Apprentice of the Year Awards has raised the profile of our industry not only within the NT but nationally.

Below is a summary of the activities conducted to support members only.

- ✂ MTA (NT) Website members only section
- ✂ MTA (NT) Stationary
- ✂ TIO/MTA (NT) Automotive Apprentice of the Year Awards
- ✂ Training Courses
- ✂ Member Benefits

MTA (NT) Website

The original MTA (NT) website launched in 2011/12 MTA (NT) has been significantly upgraded to be interactive with devices such as mobiles, tablets and work pads which are the most used platforms to conduct internet research. The new look website was re-launched in September 2014. Our Facebook page numbers continue to climb steadily and events such as the Apprenticeship Awards and topical issues of the day are actively promoted on this platform.

MTA (NT) Stationary

The sale of MTA (NT's) range of stationary continued to be static. This is another revenue stream which is set to decline with no alternative readily identifiable in a small market place as members and non-members reproduce them electronically by-passing the need for printed copies.

TIO / MTA (NT) Automotive Apprentice of the Year Awards

The TIO Automotive Apprentice of the Year Awards was introduced by MTA (NT) in 2013 because until then there hasn't been a mechanism for the Northern Territory Automotive Industry to recognise and reward apprentices. The Board of MTA (NT) has recognised that in the face of a skills shortage, low attraction rates to the industry and generally low retention rates for apprentices, the Automotive Industry cannot continually ask the Government to solve the problem



without being proactive in promoting itself.

MTA (NT) has gained significant support from a range of other industry partners besides TIO with companies such as, MTAA Super, Triple Eight Race Engineering, OurAuto, NT Government, CDU, the Transport Engineering, Automotive Training Advisory Council (TEATAC), Hidden Valley Ford, Darwin Motor Group, Channel 9, Capricorn, Motorsports NT, GTNT and industry supplies such as PPAGE, Palmerston Paint Group, Wurth, Cooldrive Distributors, Ashdown Ingram, Burson Auto Parts, All Tools NT, SP Tools, I-Car and Car-O-Liner,

Over 300 guests attended the Award ceremony which was held in the Main Hall at Parliament House and the awards ceremony was well received by all who attended.

The overall Apprentice of the Year, won a trip to Bathurst and will be embedded with the Triple Eight Race Engineering team for the 2017 event.

2016 TIO Automotive Apprentice of the Year Award Recipients:

1st Year Heavy Diesel Apprentice of the Year

- Thomas Mitchell (Cummins Darwin)
- Jaala Alley (Energy Resources of Australia) Judges Commendation & Runner up

2nd Year Heavy Diesel Apprentice of the Year

- Edge Bolton (Vanderfield North West)

3rd / 4th Year Heavy Diesel Apprentice of the Year

- Tobias Micek (Hastings Deering Aust)
- Joshua Wallace (NT Link) Judges Commendation
- Mitchell Halse (Ostojic Group) Runner up

1st Year Light Vehicle Mechanical Apprentice of the Year

- Elliott Williams (Kerry's Automotive Group)
- Lachlan Mattner (GTNT) Runner up

2nd Year Light Vehicle Mechanical Apprentice of the Year

- Dylan McPharlin (GTNT)
- Beckie Kernich (Berry Springs Mechanical) Runner up

3rd/ 4th Year Light Vehicle Mechanical Apprentice of the Year

- Zach Davis (Paul's Service Centre)
- Talon Dobson (Kerry's Automotive Group) Runner up

1st Year Panel Beater of the Year

- David Endenburg (Al's Panel Shop)

1st Year Spray Painting Apprentice of the Year

- Ethan McAllister (Al's Panel Shop)

2nd Year Spray Painting Apprentice of the Year

- James Lally (PK Crash Repairs)



3rd/ 4th Year Spray Painting Apprentice of the Year

- Hardeep Singh (Al's Panel Shop)

1st Year Auto Electrical Apprentice of the Year

- Alexander Couzens (Vanderfield North West)

3rd/ 4th Year Auto Electrical Apprentice of the Year

- Mitchell Vanetie (A&C Auto Electrics)

1st Year Marine Apprentice of the Year

- Drew Blair (Territory Powersports Group)
- Jet Wyles-Kelly (In & Outboard Marine) Judges Commendation

2nd Year Marine Apprentice of the Year

- Luke Hadfield (Territory Powersports Group)

3rd /4th Year Marine Apprentice of the Year

- Kyle Piccinelli (In & Outboard Marine)
- Daniel Finocchiaro (Quality Marine) Runner Up

The School Based Apprentice of the Year

- Brock Hope (Energy Resources of Australia)

The VET Automotive Student of the Year

- Jacob Baird (Taminmin College)

The MTA (NT) President's Award

- Jessica Bailey (Hastings Deering Aust)

The Employer of the Year

- Cummins Darwin

Joshua Jeffkins Memorial Award

- Elliott Williams (Kerry's Automotive Group)

The Indigenous Automotive/Trainee of the Year Award

- James Lally (PK Crash Repairs)

The Overall Automotive Apprentice of the Year

- Tobias Micek (Hastings Deering Aust)



Member Benefits

Over the last 4 years a lot of work has been done on increasing MTA (NT)'s portfolio of products and services to our membership. There are two drivers for this service, supply of goods and services to members at a reduced cost than they could otherwise access and to provide a small passive income to the association after costs.

Currently there are a number of distinct Product and Service lines:

- Tech Centre
- Stationary (Form 10's, diaries etc)
- Merchandise (Rego sticker reminders, windscreen display stickers etc)
- WH&S and IR Solutions

- **Existing Membership Benefits:**

- ➔ Bupa
- ➔ St John Ambulance training and products
- ➔ Harvey Distributors
- ➔ National Insurance deal through OurAuto & JLT
- ➔ Commonwealth Bank EFTPOS Deal
- ➔ Departure Lounge Accommodation Deal
- ➔ RSEA

Training

During 2012/13 the Board took the decision to actively pursue revenue from other sources such as Training. This was to offset revenue shortfalls created by cuts to our yearly government grant. Whilst industry recognises the need for training, uptake by industry to undertake training not mandated by legislation is directly related to the current economic conditions. As a result there was only a small amount of training conducted during 2016/17 despite an inordinate amount of work undertaken to secure both funding and industry support.

Training in the following areas is still being organized and run to ensure industry continues to be upskilled.

- Common Rail Diesels
- Advanced Scan Tool Diagnostics
- I-Car Welding & Theory preparation
- Various automotive skill set

Project Partners

During 2014/15 MTA (NT) successfully partnered with the Department of Correctional Services to deliver an automotive flavoured Indigenous Employment Program for prisoners in Alice Springs and Darwin. This program won an NT Training Award for Industry Collaboration.

During 2016/17 MTA (NT) was approached by Corrections to tender for Round two of the Empowering YOUTH grant through the Commonwealth Department of Employment. After looking at the tender it was decided to form a partnership with Scouts NT where it was subsequently determined that Scouts NT would take the lead in terms of the tender bid and MTA (NT) would



become the major sub-contractor within the bid to deliver all of the automotive and work skills components.

The tender bid was successful and was awarded in March and was becoming operational just before 30 June 2017.

The \$3.3 million Commonwealth grant will fund a 2-year training program designed to provide at-risk, Indigenous and disadvantaged youth ages 15 to 24 years with an engaging, skills-based automotive program that will increase their likelihood of obtaining and sustaining employment throughout their lives.

The initiative, dubbed MotoScouts, will provide basic work skills and VET training to more than 180 participants over the 2-year duration of the program. Each participant will receive, among other things, a Certificate I in Automotive Vocational Preparation, Driver Training and employment skills training. In addition, participants will participate in a Scouts life skills and recreation program.

Summary

At the conclusion of my first year as President I firmly believe the direction the Association is taking to deal with the issues confronting our industry across its many and varied sectors is correct.

All members need to continue to look forward and work with our Secretariat to maximise the opportunities that are being created for our organisation.

I would especially like to thank the members of this current Board, I have appreciated your support and encouragement during this year.

Quite often the work of the Board and the Secretariat (and staff) goes un-noticed and un-rewarded but this will never dent the resolve of Board members to ensure our Industry and our members are protected from issues that can potentially impact on the sustainability of their businesses.

I would like to formally thank Peter and his team for their continued focus and drive in an ever changing business landscape.

I trust that our members will continue to support the Association, the Board and the Secretariat to ensure that matters of interest and threat can be adequately dealt with on your behalf.

Tim Johnston

President (2016/17)

MTA (NT)