

2018 ANNUAL REPORT



Printing Industries
Association of
Australia



Table of Contents

The Board is pleased to present the **94th** Annual Report of the activities of the Association for the year ended 31 December 2018, together with the audited Income Statement, Cash Flow Statement and Balance Sheet for the year ended 31 December 2018.

Presented to the Annual General Meeting held on 9 May 2019, at Level 7 167 Macquarie Street , Sydney, 12:00 pm AEST.

Table of Contents.....	1
Mission Statement / Values.....	2
About Printing Industries	2
Leadership and Advocacy	2
Workplace Relations	2
Networking and Business Improvement events	2
Environmental Accreditation	2
Your Voice in the public arena.....	2
2018 Highlights	3
Advocacy	3
Workplace Relations	3
Events	3
Letter from the President	4
CEO's Report	5
Board Members 2018.....	6
Honour Roll.....	7
Workplace Relations Report.....	10
Office Locations.....	10
Annual Financial Report for the year ended 31 December 2018	11



Mission Statement / Values

PIAA Strives to give voice to Print and Packaging members across the visual communications sector.

We seek to create opportunities for;

1. Sustainability of the industry;
2. Stability of the operating environment, and;
3. For growth of the market

We do this through effective:

- Promotion of the benefits of the visual communications sector,
- Lobbying and Government Relations
- Industrial Relations, both transactional services for members and in public policy
- Socially responsible leadership decisions and activities benefitting society and the environment, via transparent and ethical behaviour guided by the expectations of stakeholders

About Printing Industries

The Printing Industries Association of Australia is your association, representing your business interests and passion for printing, packaging and visual communications at all levels.

Leadership and Advocacy

We are your voice at State and Federal level, campaigning tirelessly for business focussed policy implementation. We tackle the issues that affect your business, from skills shortages. TAFE cutbacks, energy and power prices, gas distribution and costs right the way through to poorly designed environmental policy.

Workplace Relations

Printing Industries has a dedicated hotline, and email helpline, as well as a well-used, and extensive online library of workplace relations and HR templates and information. We also continue to provide timely updates to members on changes in relevant legislation affecting their businesses.

Networking and Business Improvement events

We host a wide range of events, from large exhibitions such as Pacprint and Printex, well regarded events such as the prestigious National Print Awards, and smaller bespoke training seminars and networking events in each state.

Environmental Accreditation

Printing Industries proudly runs Sustainable Green Print, a globally recognised environmental certification. The program saves members money via reduced waste, and provides a verifiable industry specific environmental certification. SGP is tailored to meet the needs of Australian print businesses whilst still retaining an international competitive edge.

Your Voice in the public arena

We advocated strongly, in the public view against greenwashing, and tackled a host of misconceptions about the relevance and sustainability of print. We were and continue to be your voice in eyes of the public, promoting print at every opportunity.



2018 Highlights

Advocacy

Actively met with and lobbied Ministers, Shadow Ministers and other smaller party members throughout the year on policy issues affecting printing and visual communications.
Successfully lobbied for Print courses to remain fully funded in TAFE South Australia. Prepress included as an apprenticeship and a new standalone qualification in Digital Print.
PIAA actively participated in the Industry Skills Council throughout 2018
Actively lobbied the NSW government regarding TAFE funding for Printing specific apprenticeships
Funding obtained for print pre-apprenticeships as part of Skilling South Australia

Workplace Relations

Successful lobbying with the AMWU's printing division to ensure no adverse changes to the <i>Graphic Arts, Printing and Publishing Award 2010</i> in the Fair Work Commission's 4 yearly review
Introduced a Fair Work self-assessment checklist for members to self-assess compliance
Represented members at over 20 Fair Work Commission conciliations
Received and dealt with 663 inquires via the hotline and dedicated HR advice email address

Events

<i>Print 2 Parliament!</i> Showcasing the Gold winners of the National Print Awards in Parliament
Held the first truly national, National Print Awards with entries coming from all state PICA programmes
Bridging the Gap Breakfast
Sales Seminar with Shane Mahar
PrintMedia Management Conference in Sydney sponsored by PrintPromotion



Letter from the President

2018 continued to be a year of **change**, on the back of a difficult but productive year in 2017. Many of the difficult decisions made in 2017 for the improvement of the association's structure continued implementation in 2018, making the year another of transition and change.

The Association grappled with the ongoing question of who we are as an association, and where we fit into the evolving visual communications industry. Who we represent, however, has been unwavering, and will not change in the future. We represent our members, without whom we would not exist, and there can be no question that it is the stability and loyalty of these members that has been our lighthouse and beacon, keeping us laser focussed on our goals, as we have realigned operations around our new structure.

The PIAA accomplished significant achievements this year, in no small part due to the dedicated work of the Board, our CEO Andrew Macaulay, and the team working behind Andrew to ensure that goals were achieved and objectives met.

Whilst change can often be uncomfortable, it is important to acknowledge that change for the better requires working through this discomfort. We must forge ahead, sticking to the plans we have made, in order to achieve the stable, better future we have planned.

I was delighted this year to attend many functions and events across the country, meeting and engaging with our members. A highlight being the inaugural *Print 2 Parliament!* which showcased the best of our industry to sitting senators and members of parliament.

Showcasing the best productions of our industry directly to policy makers represents the achievement of an ambitious goal, to ensure that our collective success as an industry is placed foremost in the minds of key policy makers.

In workplace relations, we achieved key wins in several areas, such as our successful negotiation with AMWU's Printing Division to ensure no adverse changes were made to the *Graphic Arts, Printing and Publishing Award 2010* as part of the Fair Work Commission's 4 yearly review of modern awards.

The Association's VET lobbying was remarkably successful, noting a key win with the outcome of the *South Australian Industry Priority Qualifications Information, Media and Telecommunications Moderation Meeting*, this last year in which it was decided that TAFE print courses would remain fully funded, Prepress made a comeback as an apprenticeship and not a traineeship, and finally a new standalone qualification was added for digital print.

I thank the Board with whom I have served this year, for their service, acknowledging their years of experience, contribution. These generous people take time away from their own businesses, and family and dedicate their resources because of their passion for our industry and their commitment to the members and our association.

I can only be confident and delighted by what I see in the year ahead – 2019 - for *Printing Industries* and our members.

Walter Kuhn
President – PIAA



CEO's Report

The key theme of 2018 for the Association was **focus on service delivery** and **resilience**. Despite many challenges in the industry, the PICA's and NPA's produced an incredible showing of the most creative print entries and culminated in the highlight of the year - the inaugural *Print 2 Parliament!* (*P2P!*)- where Gold medal winning printed pieces were displayed in Parliament House.

P2P! followed the first, truly national, National Print Awards, with entries to that programme coming from all State PICA programmes.

2018 was a year of unique collaborations and connections enabled by the PIAA on behalf of our members, from the *P2P!* showcase inside Parliament House allowing unprecedented direct conversations with senators and cabinet members to the **Bridging the Gap Breakfast**. The breakfast was a resounding success, bringing together print business owners, research academics, representatives from the CSIRO and government.

At this first of its kind event, members of the PIAA had the opportunity to hear about cutting edge research directly from the researchers who presented, and then were able to immediately engage with government representatives in regards to government grants available for implementation.

We were, and continue to be your voice at State and Federal level, campaigning tirelessly for business focussed policy implementation. We tackle the issues that affect your business, from skills shortages, TAFE cutbacks, and energy and power prices, gas distribution and costs right the way through to poorly designed environmental policies.

Through 2018 we met with Ministers, Shadow Ministers and various smaller party members relevant to the policy issues affecting the broader printing industry and our members specifically.

Our IR hotline handled 663 calls from members, with a number of members moving to use the online HR portal via the member website, substantially reducing the number of phone calls for advice compared to previous years.

We continued to provide an ongoing commentary in the trade media and advice to our full service members on topical issues throughout the year.

Our VET lobbying, continued through the year, including our active participation on the **Industry Skills Council**. A key achievement in VET in South Australia resulted in all print courses remaining fully funded, Prepress is now included as an apprenticeship, and a new standalone qualification for digital print in TAFE South Australia was created.

The Association displayed a strong financial turnaround in 2018, with a reduction in losses of \$40 000. Reduction in Income was offset by a reduction in expenses.

The Association's focus in 2019 will be firmly setting our sights on **member growth, and income stability and expansion**. This will be achieved by delivering consistent value to members via both our lobbying efforts, as well as a concerted and deliberate step to inhabit and be the voice of sustainability and tackling greenwashing in the Australian public eye.

The association will continue to collaborate with key partners and sponsors to deliver services that have measurable business value to business owners in the visual communications sector.



We advocated strongly, in the public view against greenwashing, and tackled a host of misconceptions about the relevance and sustainability of print. We were and continue to be your voice in eyes of the public, promoting print at every opportunity, and ensuring that the messaging around paper and print is aligned with the keywords of sustainable, renewable, biodegradable and recyclable.

Andrew Macaulay
Chief Executive Officer

Board Members 2018

- Walter KuhnPresident
- Chris SegartSecretary
- Ron Patterson Treasurer
- Peter Clark TAS
- Theo PettarasNSW
- Anthony PittawayWA
- Sarah Leo SA
- John GeorgantzakosNSW



Honour Roll

Presidents of the Federation

- 1924-25 Dr G ANDERSON (Victoria)
- 1925-26 Mr WC PENFOLD (New South Wales)
- 1926-27 Mr EC VARDON. (South Australia)
- 1927-28 Mr WH CUMMINS (Tasmania)
- 1928-29 Mr W CHRISTIE (Western Australia)
- 1929-30 Mr WA CRICHTON (New South Wales)
- 1930-31 Mr D MACDOUGALL (Victoria)
- 1931-32 Mr GR SAYLE (Queensland)
- 1932-33 Mr FW DINNIS (South Australia)
- 1933-34 Mr H NORMAN (Victoria)
- 1934-35 Mr CW FOX (Tasmania)
- 1935-36 Mr W CHRISTIE (Western Australia)
- 1936-37 Col RS SANDS (New South Wales)
- 1937-38 Mr F BESLEY (Queensland)
- 1938-39 Mr RH COTTON (South Australia)
- 1939-40 Mr AR STEWART (Victoria)
- 1940-41 Mr GC TAYLOR (Tasmania)
- 1941-42 Mr ES WATT (Western Australia)
- 1942-43 Mr ADG STEWART (New South Wales)
- 1943-44 Mr FW HASSELL (South Australia)
- 1944-45 Mr A ROWAN (Queensland)
- 1945-46 Mr WG ANDERSON (Victoria)
- 1946-47 Mr CD STEVENS (Tasmania)
- 1947-48 Mr FH VAN HEURCK (Western Australia)
- 1948-49 Mr RV VERNON (New South Wales)
- 1949-50 Mr DA DUNSTAN (South Australia)
- 1950-51 Mr SK BIGGS (Queensland)
- 1951-52 Mr KD MACDOUGALL (Victoria)



- 1952-53 Mr CE WALCH (Tasmania)
- 1953-54 Mr CH LAMB (Western Australia)
- 1954-55 Mr JH HOLMAN (New South Wales)
- 1955-56 Mr KJ LEAL (South Australia)
- 1956-57 Mr JJ RAWLINGS/Mr RH BESLEY . . . (Queensland)
- 1957-58 Mr TM COSH (Victoria)
- 1958-59 Mr KR GOURLAY (Tasmania)
- 1959-60 Mr LJH PORTER (Western Australia)
- 1960-61 Mr CE CLAYTON (New South Wales)
- 1961-62 Mr AT TROEDEL (Victoria)
- 1962-63 Mr SC JAMES (Queensland)
- 1963-64 Mr HK FROST (South Australia)
- 1964-65 Mr JG COOPER (Tasmania)
- 1965-66 Mr WT HOLYWELL (Western Australia)
- 1966-67 Mr EH BOOTH (New South Wales)
- 1967-68 Mr JR WRIGHT (Victoria)
- 1968-69 Mr DE PENMAN (Queensland)
- 1969-70 Mr PM COTTON (South Australia)
- 1970-71 Mr NA CRICHTON (New South Wales)

National Presidents

- 1972 Mr EH BOOTH (New South Wales)
(Inaugural National President reconstituted PATEFA)
- 1973-74 Mr KL BROWN (Victoria)
- 1975-76 Mr PJ OWENS (South Australia)
- 1977-79 Mr PK MACDOUGALL (Victoria)
- 1980-81 Mr BCF PRICE (South Australia)
- 1981-84 Mr GA LUKE (Victoria)
- 1985-86 Mr NT CORVISY (New South Wales)
- 1987-88 Mr DM BALL (New South Wales)
- 1989-90 Mr WA POWELL (South Australia)



- 1991-92 Mr AC LAMB (Western Australia)
- 1993-94 Mr MR SINNOTT (Victoria)
- 1995-96 Mr P LANE (South Australia)
- 1997-99 Mr TS HONE (Victoria)
- 2000-01 Mr J FLYNN (Victoria)
- 2002-04 Mr C SEGAERT (New South Wales)
- 2005-07 Mr P LANE OAM (South Australia)
- 2008-10 Mr J ATKINSON (Tasmania)
- 2011-13 Ms S HEANEY (Queensland)
- 2013-15 Mr D Leach...(New South Wales)
- 2015 -16 Mr R Black (Victoria)
- 2016 -17 Mr K May (Australian Capital Territory)
- 2017-18 Mr W Kuhn (Queensland)

Life Members

- Mr ADG STEWART (New South Wales)
- Mr KJ LEAL (South Australia)
- Mr WT HOLYWELL (Western Australia)
- Mr SP OWEN (New South Wales)
- Mr RA DIX (Western Australia)
- Mr NA CRICHTON AM (New South Wales)
- Mr K LAW (New South Wales)
- Mr J FISHER (New South Wales)
- Mr TS HONE (Victoria)



Workplace Relations Report

Through this year, our hotline, took 663 inquiries via phone. This was a substantial drop from previous years, and is attributed to members making active use of the online portal on the PIAA website.

20 Fair Work Commission conciliations were performed through the year by our in-house Industrial Advocate, providing immeasurable value to the members concerned.

To streamline our IR inquiries process, a Fair Work self-audit checklist was created to enable members to self-assess their compliance with workplace laws under the *Fair Work Act 2009*, quickly and easily.

Office Locations

Sydney

Level 7, 167 Macquarie Street, Sydney 2000, NSW

Melbourne

Suite 3, 5-7 Compark Circuit , Mulgrave VIC 3170



Annual Financial Report for the year ended 31 December 2018

Printing Industries Association of Australia

For the year ended 31 December 2018

Annual Financial Report

Contents:

Expenditure Report	2
Operating Report	3
Committee of Management Statement	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Officer Declaration Statement	47
Independent Auditor's Report	48

Expenditure Report

For the year ended 31 December 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Printing Industries Association of Australia for the year ended 31 December 2018.

<i>Categories of expenditures</i>	<i>2018</i>	<i>2017</i>
	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,041,376	1,973,710
Advertising	12,188	22,212
Operating costs	825,706	850,430
Donations to political parties	-	-
Legal costs	30,479	17,608

Signature of prescribed designated officer:



John Georgantzakos

Honorary Treasurer

16 April 2019

Operating Report

For the year ended 31 December 2018

The Committee of Management presents its operating report on the Printing Industries Association (“the Association”) of Australia for the year ended 31 December 2018.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

During the year the Printing Industries Association of Australia continued to assist its members with specialty services, advice, support and representation. As a result of these activities, the Printing Industries Association of Australia generated a loss of \$785,601 during the year. There were no significant changes in the nature of the activities of the Printing Industries Association of Australia during the year.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Printing Industries Association of Australia during the year.

Right of members to resign - (Section 174) and clause 8 of the Printing Industries Association of Australia Constitution

1) A member of the Printing Industries Association of Australia may resign by written notice addressed and delivered to a person designated for the purpose in the rules of the Printing Industries Association of Australia.

2) This resignation will take effect from:

- a. Where the member ceases to be eligible to be a member of the Association:
 - i) On the day on which the notice is received by the Association; or
 - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to be a member, whichever is later; or
- b. in any other case:
 - i) at the end of two weeks, or such shorter period as is specified in the rules of the Printing Industries Association of Australia, after the notice is received by the Printing Industries Association of Australia; or
 - ii) On the day specified in the notice, whichever is later.

3) Any dues payable but not paid by the former member of the Printing Industries Association of Australia in relation to a period before the member’s resignation from the Printing Industries Association of Australia took effect, may be sued for and recovered in the name of the Printing Industries Association of Australia, in a court of a competent jurisdiction as a debt due to the Printing Industries Association of Australia.

4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the Printing Industries Association of Australia when it was delivered.

5) A notice of resignation that has been received by the Printing Industries Association of Australia is not invalid because it was not addressed and delivered in accordance with subsection (1).

Operating Report (continued)

For the year ended 31 December 2018

6) A resignation from membership of the Printing Industries Association of Australia is valid even if it is not affected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer or member of the Printing Industries Association of Australia is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Susan Heaney is a member of the Printing Industries Association of Australia and directors of a company that is a trustee of Media Super a superannuation entity.

Number of members

There were 762 members recorded in the register of members and who are taken as members at the end of the financial year.

Number of employees

There were 5 full time equivalent employees of the Printing Industries Association of Australia at the end of the financial year.

Operating Report (continued)

For the year ended 31 December 2018

Names of Committee of Management members and period positions held during the financial year

For the duration of the financial year (unless indicated otherwise) Board members during the year were:

Director	Appointed	Resigned	Board Meetings	
			A	B
Anthony Pittaway	12 June 2018	-	3	4
Chris Segart	-	31 December 2018	6	6
Graham Jamieson	-	1 June 2018	2	2
John Georgantzakos	1 June 2018	-	4	4
Matt Aitken	-	30 April 2018	2	2
Peter Clark	-	31 December 2018	5	6
Ron Patterson	-	31 December 2018	6	6
Sarah Leo	-	-	6	6
Walter Kuhn	-	-	6	6

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

Signature of prescribed designated officer:



John Georgantzakos

Honorary Treasurer

16 April 2019

Committee of Management Statement

For the year ended 31 December 2018

On the 16th of April 2019, the Committee of Management of the Printing Industries Association of Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2018:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Printing Industries Association of Australia for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Printing Industries Association of Australia will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Printing Industries Association of Australia have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Printing Industries Association of Australia have been kept and maintained in accordance with the RO Act; and
 - (iv) where information has been sought in any request by a member of the Printing Industries Association of Australia or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of prescribed designated officer:



John Georgantzakos

Honorary Treasurer

16 April 2019

Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	2018	2017
Revenue			
Membership subscription		1,054,763	1,324,288
Capitation fees	3a	-	-
Levies	3b	-	-
Interest	3c	32,514	48,521
Rental revenue	3d	148,911	137,164
Other income	3f	33,905	690,264
Gain on revaluation of investment property	3g	-	68,380
Total revenue		1,270,093	2,268,617
Other Income			
Grants and/or donations	3e	-	-
Total other income		-	-
Total income		1,270,093	2,268,617
Expenses			
Employee expenses	4a	1,041,376	1,973,710
Capitation fees	4b	-	-
Affiliation fees	4c	47,035	44,721
Administration expenses	4d	766,478	799,967
Grants or donations	4e	-	-
Depreciation and amortisation	4f	145,945	145,510
Finance costs	4g	6,531	7,854
Legal costs	4h	30,479	17,608
Audit fees	14	17,850	20,100
Write-down and impairment of assets	4i	-	89,698
Net losses from sale of assets	4j	-	1,277
Total expenses		2,055,694	3,100,445
Deficit for the year		(785,601)	(831,828)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation loss on land and buildings		-	(571,645)
Total comprehensive income (loss) for the year		(785,601)	(1,403,473)

The notes on pages 11 to 46 are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2018

	Note	2018	2017
Assets			
Current assets			
Cash and cash equivalents	5a	370,703	216,352
Trade and other receivables	5b	264,193	78,806
Other current assets	5c	135,524	105,527
Investments	5d	681,961	1,740,647
Total current assets		1,452,381	2,141,332
Non-current assets			
Land and buildings	6a	4,287,158	4,340,000
Plant and equipment	6b	90,337	166,400
Investment property	6c	750,000	750,000
Intangibles	6d	196,358	174,714
Other investments	6e	-	20,000
Other non-current assets	6f	121,594	123,378
Total non-current assets		5,445,447	5,574,492
Total assets		6,897,828	7,715,824
Liabilities			
Current liabilities			
Trade payables	7a	37,264	131,364
Other payables	7b	402,510	330,847
Employee provisions	8a	41,309	13,034
Total current liabilities		481,083	475,245
Non-current liabilities			
Other non-current liabilities	9a	55,046	93,279
Total non-current liabilities		55,046	93,279
Total liabilities		536,129	568,524
Net assets		6,361,699	7,147,300
Equity			
Asset revaluation reserve	10a	1,866,610	1,866,610
Retained earnings	10b	4,495,089	5,280,690
Total equity		6,361,699	7,147,300

The notes on pages 11 to 46 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2018

	Asset revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2017	2,925,121	5,625,652	8,550,773
Deficit for the year	-	(831,828)	(831,828)
Transfer to retained earnings on reclassification to investment property	(486,866)	486,866	-
Other comprehensive income for the year	(571,645)	-	(571,645)
Balance as at 1 January 2018	1,866,610	5,280,690	7,147,300
Deficit for the year	-	(785,601)	(785,601)
Closing balance as at 31 December 2018	1,866,610	4,495,089	6,361,699

The notes on pages 11 to 46 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018	2017
Cash flows from operating activities			
Cash receipts from customers		1,221,308	2,564,371
Cash payments to suppliers and employees		(2,139,473)	(3,333,167)
Net cash from (used in) operating activities	11a	(918,165)	(768,796)
Cash flows from investing activities			
Disposal of held to maturity assets		1,078,686	522,392
Interest received from held to maturity assets		32,514	53,761
Proceeds from sale of plant and equipment		-	29,000
Purchase of plant and equipment		(38,684)	(174,046)
Net cash from (used in) investing activities		1,072,516	431,107
Net increase (decrease) in cash and cash equivalents		154,351	(337,689)
Cash and cash equivalents at 1 January 2018		216,352	554,041
Cash and cash equivalents at 31 December 2018	5a	370,703	216,352

The notes on pages 11 to 46 are an integral part of these financial statements.

Index to the Notes of the Financial Statements

Notes

1	Summary of significant accounting policies
2	Events after the reporting period
3	Income
4	Expenses
5	Current assets
6	Non-current assets
7	Current liabilities
8	Provisions
9	Non-current liabilities
10	Equity
11	Cash flow
12	Contingent liabilities and commitments
13	Related party disclosures
14	Remuneration of auditors
15	Financial instruments
16	Fair value measurements
17	Section 272 Fair Work (Registered Organisations) Act 2009

Notes of the Financial Statements

Note 1. Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Printing Industries Association of Australia is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

The committee of management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates

Impairment

The freehold land and buildings and investment property were independently valued in 2017. Fair value of the properties was determined by using market comparable method. The valuations performed by the valuers were based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property.

At 31 December 2018, the committee of management reviewed the key assumptions made by the valuers in 2017. They have concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings and investment property at 31 December 2018.

Notes of the Financial Statements

1.3 Significant accounting judgements and estimates (continued)

Useful lives of property, plant and equipment

As described in Note 1.17, the entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Notes of the Financial Statements

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The entity has decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the entity but applicable in future reporting periods is set out below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the committee of management anticipate that the adoption of AASB 16 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes of the Financial Statements

1.4 New Australian Accounting Standards (continued)

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*.

Although the committee of management anticipate that the adoption of AASB 1058 may have an impact on the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and AASB Interpretation 13 Customer Loyalty Programmes. Although the committee of management anticipate that the adoption of AASB 15 may have an impact on the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes of the Financial Statements

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Printing Industries Association of Australia will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Printing Industries Association of Australia recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Printing Industries Association of Australia should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Printing Industries Association of Australia with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Notes of the Financial Statements

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

Notes of the Financial Statements

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when the Printing Industries Association of Australia becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Notes of the Financial Statements

1.14 Financial assets (continued)

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Printing Industries Association of Australia manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Printing Industries Association of Australia's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 9 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Printing Industries Association of Australia has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Notes of the Financial Statements

1.14 Financial assets (continued)

Available-for-sale

Listed shares and listed redeemable notes held by the Printing Industries Association of Australia that are traded in an active market are classified as available-for-sale and are stated at fair value. The Printing Industries Association of Australia also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Printing Industries Association of Australia right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Notes of the Financial Statements

1.14 Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Printing Industries Australia of Australia's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes of the Financial Statements

1.14 Financial assets (continued)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

De-recognition of financial assets

The Printing Industries Association of Australia derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.15 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Printing Industries Association of Australia manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Printing Industries Association of Australia's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

Notes of the Financial Statements

1.15 Financial liabilities (continued)

Fair value through profit or loss (continued)

- it forms part of a contract containing one or more embedded derivatives, and AASB 9 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

De-recognition of financial liabilities

The Printing Industries Association of Australia derecognises financial liabilities when, and only when, the Printing Industries Association of Australia's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.16 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Notes of the Financial Statements

1.17 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations — land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018	2017
Land & buildings	40 years	40 years
Plant and equipment	5 to 13 years	5 to 13 years

De-recognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Notes of the Financial Statements

1.18 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.19 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Printing Industries Association of Australia intangible assets are:

	2018	2017
Intangibles	3 to 5 years	3 to 5 years

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.20 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the Printing Industries Association of Australia were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Notes of the Financial Statements

1.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.22 Taxation

The Printing Industries Association of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.23 Fair value measurement

The Printing Industries Association of Australia measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes of the Financial Statements

1.23 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Printing Industries Association of Australia. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Printing Industries Association of Australia uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Printing Industries Association of Australia determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Printing Industries Association of Australia has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Notes of the Financial Statements

Note 2. Events after the reporting period

There were no events that occurred after 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Printing Industries Association of Australia.

Note 3. Income

	2018	2017
3a - Capitation fees		
Capitation fees	-	-
	<hr/>	<hr/>
3b – Levies		
Levies	-	-
	<hr/>	<hr/>
3c - Interest		
Deposits	32,514	48,521
	<hr/>	<hr/>
3d – Rental revenue		
Properties	148,911	137,164
	<hr/>	<hr/>
3e - Grants or donations		
Grants	-	-
Donation	-	-
	<hr/>	<hr/>
Total grants or donations	<hr/>	<hr/>

Notes of the Financial Statements

Note 3. Income (continued)

	2018	2017
3f - Other income		
Regional events and awards	1,787	558,586
Sponsorship	-	61,667
Certifications and Sustainable Green Print	12,484	28,908
Staff services	-	10,834
Commissions	-	9,352
Sundry	19,634	20,917
Total other income	33,905	690,264

3g – Gain on revaluation of investment property

Gain on revaluation of investment property	-	68,380
--	---	--------

3h – Revenue from recovery of wage activity

Amounts recovered from employees in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

Note 4. Expenses

4a - Employee expenses

Holders of office:	-	-
Employees other than office holders:		
Wages and salaries	840,454	1,650,137
Superannuation	75,983	132,724
Leave and other entitlements	28,275	(130,983)
Separation and redundancies	57,152	159,614
Recruitment	3,394	65,733
Other employee expenses	36,118	96,485
Subtotal employee expenses other than office holders	1,041,376	1,973,710
Total employee expenses	1,041,376	1,973,710

4b - Capitation fees

Capitation fees	-	-
-----------------	---	---

Notes of the Financial Statements

Note 4. Expenses (continued)

	2018	2017
4c - Affiliation fees		
Australian Chamber of Commerce and Industry	38,535	34,964
Two Sides Australia	7,500	7,500
Victorian Congress of Employer Association	1,000	1,000
The Federal Forum	-	750
The Centre for Independent Studies	-	227
The Sydney Institute	-	90
Institute of Public Affairs	-	190
Total affiliation fees	47,035	44,721
4d - Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Bad debts	-	122,154
Doubtful debts	-	(155,860)
Conference and meeting expenses - staff	5,286	-
Board meeting expenses	16,502	39,225
Contractors and consultants	198,054	52,987
Property expenses	96,969	86,993
Office expenses	50,809	50,958
Repairs and maintenance	4,962	9,501
Travel	79,347	152,368
Information technology	106,793	129,379
Insurance	22,219	18,065
Subscriptions	3,836	18,072
Exhibitions	2,377	32,440
Entertainment	4,123	28,633
Equipment rental	12,439	31,045
Other	18,844	50,903
Subtotal administration expense	622,560	666,863
Operating lease rentals:		
Minimum lease payments	143,918	133,104
Total administration expenses	766,478	799,967

Notes of the Financial Statements

Note 4. Expenses (continued)

	2018	2017
4e - Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants and donations	-	-
4f - Depreciation and amortisation		
Depreciation		
Land and buildings	64,500	71,063
Property, plant and equipment	28,938	48,706
Total depreciation	93,438	119,769
Amortisation		
Software and websites	52,507	25,741
Total amortisation	52,507	25,741
Total depreciation and amortisation	145,945	145,510
4g - Finance costs		
Bank charges	6,531	7,854
4h - Legal costs		
Litigation	-	11,752
Other legal matters	30,479	5,856
	30,479	17,608

Notes of the Financial Statements

Note 4. Expenses (continued)

	2018	2017
4i - Write-down and impairment of assets		
Other (investment and loan to Intech Australia Pty Ltd)	-	89,698
	<hr/>	<hr/>
4j - Net losses from sale of assets		
Plant and equipment	-	1,277
	<hr/>	<hr/>
4k - Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes of the Financial Statements

Note 5. Current assets

	2018	2017
5a - Cash and cash equivalents		
Cash at bank	<u>370,703</u>	216,352
5b - Trade and other receivables		
Trade receivables		
Trade receivables	237,486	356,322
Allowance for doubtful debts	-	(288,975)
Total trade receivables	<u>237,486</u>	67,347
Other receivables		
Other receivables	1,551	1,551
GST receivable	25,156	9,908
Total other receivables	<u>26,707</u>	11,459
Total trade and other receivables	<u>264,193</u>	78,806
5c - Other current assets		
Prepayments	77,627	81,292
Regional Activities (PICA / NPA)	41,971	-
Landlord lease incentive receivable	15,926	24,235
Total other current assets	<u>135,524</u>	105,527
5d - Other investments		
Held-to-maturity investments – term deposits	<u>681,961</u>	1,740,647

Notes of the Financial Statements

Note 6. Non-current assets

	2018	2017
6a - Land and buildings		
Land and buildings:		
At fair value	4,521,658	4,510,000
Accumulated depreciation	(234,500)	(170,000)
Total land and buildings	4,287,158	4,340,000

Reconciliation of the Opening and Closing Balances of Land and Buildings:

As at 1 January		
Gross book value	4,510,000	5,765,000
Accumulated depreciation and impairment	(170,000)	(100,672)
Net book value 1 January	4,340,000	5,664,328
Additions:		
Revaluation decrement recognised in other comprehensive income	-	(571,645)
By purchase	11,658	-
Transfer to investment property	-	(681,620)
Depreciation expense	(64,500)	(71,063)
Net book value 31 December	4,287,158	4,340,000
Net book value as of 31 December represented by:		
Gross book value	4,521,658	4,510,000
Accumulated depreciation and impairment	(234,500)	(170,000)
Net book value at 31 December	4,287,158	4,340,000

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation, the properties' fair values are based on valuations performed by various accredited independent valuers, summarised below.

Details of valuation are as below:

Property at	Valuer	Valuation date	Valuation
South Australia	Australian Valuation Group Pty Ltd	14 September 2017	\$620,000
Western Australia	Garmony Property Consultants	21 November 2017	\$2,200,000
Victoria	Herron Todd White	16 February 2018	\$1,520,000

Notes of the Financial Statements

Note 6. Non-current assets (continued)

	2018	2017
6b - Plant and equipment		
Plant and equipment:		
At cost	308,423	355,548
Accumulated depreciation	(218,086)	(189,148)
	90,337	166,400

Reconciliation of the opening and closing balances of plant and equipment:

As at 1 January		
Gross book value	355,548	479,317
Accumulated depreciation and impairment	(189,148)	(207,526)
	166,400	271,791
Additions:		
By purchase	2,193	63,779
Transfer to intangible assets	(49,318)	(90,188)
Depreciation expense	(28,938)	(48,706)
Disposals	-	(30,276)
Net book value 31 December	90,337	166,400
Net book value as of 31 December represented by:		
Gross book value	308,423	355,548
Accumulated depreciation and impairment	(218,086)	(189,148)
Gross book value 31 December	90,337	166,400

Notes of the Financial Statements

Note 6. Non-current assets (continued)

	2018	2017
6c – Investment property		
Opening balance as at 1 January	750,000	-
Additions		
Transfers from property, plant and equipment	-	681,620
Net gain from fair value adjustment	-	68,380
Closing balance as at 31 December 2018	750,000	750,000

Reconciliation of the opening and closing balances of investment property:

As at 1 January		
Gross book value	750,000	-
Additions		
Transfers from property, plant and equipment	-	681,620
Net gain from fair value adjustment recognised in profit and loss	-	68,380
Net book value 31 December	750,000	750,000

The valuations were performed by an accredited independent valuer (LandMark White (Brisbane) Pty Ltd on 9 November 2017) with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables. Inputs used include price per square metre and capitalisation rate.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment properties during the year was \$63,250.

Notes of the Financial Statements

Note 6. Non-current assets (continued)

	2018	2017
6d - Intangibles		
Software and website:		
At cost	274,607	200,448
Accumulated amortisation	(78,249)	(25,734)
	196,358	174,714
	196,358	174,714

Reconciliation of the opening and closing balances of intangibles:

As at 1 January		
Gross book value	200,448	-
Accumulated amortisation and impairment	(25,734)	-
Net book value 1 January	174,714	-
Additions:		
By purchase	24,833	110,267
Transfer from property, plant and equipment	49,318	90,188
Amortisation expense	(52,507)	(25,741)
Net book value 31 December	196,358	174,714
Net book value as of 31 December represented by		
Gross book value	274,607	200,448
Accumulated depreciation and impairment	(78,249)	(25,734)
Net book value 31 December	196,358	174,714

6e – Other investments

Shares in Intech Australia Pty Ltd	-	20,000
------------------------------------	---	--------

Notes of the Financial Statements

Note 6. Non-current assets (continued)

	2018	2017
6f - Other non-current assets		
Security deposits	113,594	111,378
Make-good provision	8,000	12,000
	<u>121,594</u>	<u>123,378</u>

Note 7. Current liabilities

	2018	2017
7a - Trade payables		
Trade creditors and accruals	37,264	131,364
Settlement is usually made within 30 days.		

7b – Other payables

Superannuation	5,005	7,113
Group tax and payroll tax	34,148	26,477
Unearned revenue	293,921	259,024
GST payable	31,203	-
Lease incentive liability	38,233	38,233
Total other payables - current	<u>402,510</u>	<u>330,847</u>

Notes of the Financial Statements

Note 8. Provisions

	2018	2017
8a – Employee provisions		
Office holders:	-	-
Employees other than office holders:		
Annual leave	41,309	13,034
Long service leave	-	-
Separations and redundancies	-	-
Subtotal employee provisions - employees other than office holders	41,309	13,034
Total employee provisions	41,309	13,034
Represented as:		
Current	41,309	13,034
Non-current	-	-
Total employee provisions	41,309	13,034

Note 9. Non-current liabilities

9a – Other non-current liabilities

Lease incentive liability	35,046	73,279
Make good provision	20,000	20,000
Total other non-current liabilities	55,046	93,279

Notes of the Financial Statements

Note 10. Equity

	2018	2017
10a – Asset revaluation reserve		
Balance as at start of year	1,866,610	2,925,121
Other comprehensive income/(loss)	-	(571,645)
Transfer from asset revaluation reserve to retained earnings	-	(486,866)
Balance as at end of year	<u>1,866,610</u>	<u>1,866,610</u>
10b – Retained earnings		
Balance as at start of year	5,280,690	5,625,652
Loss for the year	(785,601)	(831,828)
Transfer to retained earnings from asset revaluation reserve	-	486,866
Balance as at end of year	<u>4,495,089</u>	<u>5,280,690</u>
10c: Funds		
Compulsory levy/voluntary contribution fund	<u>-</u>	<u>-</u>

Notes of the Financial Statements

Note 11. Notes to the Statement of Cash Flows

	2018	2017
11a - Cash flow reconciliation		
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	(785,601)	(831,828)
Less items classified as investing/financing activities:		
Interest on held to maturity asset	(32,514)	(53,761)
Adjustments for non-cash items:		
Depreciation and amortisation	145,945	145,510
Net write-down of non-financial assets	-	89,698
Revaluation increment recognised in profit and loss	-	(68,380)
(Gain) loss on disposal of assets	-	1,277
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(185,387)	55,366
(Increase)/decrease in other assets	(28,212)	(2,792)
(Increase)/decrease in other payables	(95,568)	(47,140)
(Increase)/decrease in unearned revenue	34,897	112,469
(Increase)/decrease in provisions	28,275	(169,215)
Net cash from (used in) operating activities	(918,165)	(768,796)
11b - Cash flow information		
Cash inflows - Printing Industries Association of Australia	1,221,308	2,564,371
Cash outflows - Printing Industries Association of Australia	(2,139,473)	(3,333,167)

Notes of the Financial Statements

Note 12. Contingent liabilities and commitments

	2018	2017
--	------	------

12a - Commitments and contingencies

Operating lease commitments—as lessee

Office Equipment leases

Future minimum rentals payable under non-cancellable operating leases:

Within one year	14,700	14,700
After one year but not more than five years	15,005	14,700
More than five years	-	15,005
	29,705	44,405

Office Premises leases

Future minimum rentals payable under non-cancellable operating leases:

Within one year	168,366	174,538
After one year but not more than two years	154,335	168,366
Later than two years but not later than 5 years	-	154,335
Later than 5 years	-	-
	322,701	497,239

Other contingent assets or liabilities

Not applicable.

Notes of the Financial Statements

Note 13. Related party transactions

2018 2017

13a - Related party disclosures

The Board members of the Printing Industries Association of Australia act in an honorary capacity and receive no remuneration.

Each Board member is a representative of an organisation who is itself, a member of the Printing Industries Association of Australia and who pays an annual subscription for that membership under normal commercial conditions.

13b - Key management personnel compensation

Short-term employee benefits:

Salary (including annual leave taken)	416,473	718,953
Annual leave accrued	21,116	(36,481)
Long service leave paid	-	23,678
Performance bonus	61,220	127,000

Total short-term employee benefits	498,809	833,150
---	----------------	---------

Post-employment benefits:

Superannuation	43,259	68,143
----------------	---------------	--------

Total post-employment benefits	43,259	68,143
---------------------------------------	---------------	--------

Other long-term benefits:

Long-service leave accrued	-	(22,969)
----------------------------	---	----------

Total other long-term benefits	-	(22,969)
---------------------------------------	---	----------

Termination benefits

Redundancy	39,345	26,442
------------	---------------	--------

Total termination benefits	39,345	26,442
-----------------------------------	---------------	--------

13c - Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
--	---	---

Other transactions with key management personnel	-	-
--	---	---

Notes of the Financial Statements

Note 14. Remuneration of auditors

	2018	2017
Value of the services provided:		
Financial statement audit services	17,850	20,100
Other services	-	-
Total remuneration of auditors	17,850	20,100

No other services were provided by the auditors of the financial statements.

Note 15. Financial instruments

	2018	2017
15a – Categories of financial instruments		
Financial assets		
Cash and cash equivalents	370,703	216,352
Held-to-maturity investments:		
Term deposits	681,961	1,740,647
Total	1,052,664	1,956,999
Loans and receivables:		
Trade debtors	237,486	67,347
Total	237,486	67,347
Carrying amount of financial assets	1,290,150	2,024,346
Financial liabilities		
Trade creditors	37,264	131,364
Total	37,264	131,364
Carrying amount of financial liabilities	37,264	131,364
15b - Net income and expense from financial Assets		
Held-to-maturity:		
Net gain - interest revenue	32,514	48,521
Loans and receivables:		
Net gain (loss) - impairment for doubtful debts	-	33,705

Notes of the Financial Statements

Note 15. Financial instruments (continued)

2018 2017

15c - Credit risk

Credit risk:

The carrying amount of the Printing Industries Association of Australia’s financial assets represents the maximum credit exposure. The Printing Industries Association of Australia’s maximum exposure to credit risk at the reporting date was \$237,486 (2017: \$67,347) the receivables balance as set out in note 5b.

The Committee of Management consider that there is no significant difference between the fair values and book values of the financial assets and liabilities at the balance date.

The Printing Industries Association of Australia does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Printing Industries Association of Australia. The Printing Industries Association of Australia has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Printing Industries Association of Australia does not require collateral in respect of financial assets.

15d – Market risk

Market risks generally relate to Interest rate risk

The Printing Industries Association of Australia’s exposure to interest rate risk, which is the risk that a financial instrument’s value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Financial assets:		
Cash (2018: 1.04%, 2017: 0.50%)	370,703	216,352
Receivables	237,486	67,347
Investments (2018: 2.09%, 2017: 2.09%)	681,961	1,740,547
	1,290,150	2,024,346
<hr/>		
Financial liabilities:		
Trade creditors	37,264	131,364
	<hr/>	<hr/>

Notes of the Financial Statements

Note 16. Fair value measurement

16a - Financial assets and liabilities

Management of the Printing Industries Association of Australia assessed that for cash and cash equivalents, trade receivables, investments, trade payables, and other current liabilities, the carrying amounts approximate fair value, because of the short term maturity of these instruments, and therefore fair value information is not included.

16b – Non-Financial assets and liabilities

The Printing Industries Association of Australia measures freehold land and buildings at fair value. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Land and buildings are valued using the fair value hierarchy Level 2. Refer to note 1.23 for the definition of Level 2 and note 6 non-current assets for details on the valuation techniques and inputs.

Note 17. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of the Printing Industries Association of Australia, or the Commissioner, may apply to the Printing Industries Association of Australia for specified prescribed information in relation to the Printing Industries Association of Australia to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Printing Industries Association of Australia.
- 3) A Printing Industries Association of Australia must comply with an application made under subsection (1).

Officer Declaration Statement

I, John Georgantzakos, being the Honorary Treasurer of the Printing Industries Association of Australia, declare that the following activities did not occur during the reporting period ending 31 December 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive any other revenue from another reporting unit
- receive revenue from undertaking recovery of wages activity
- pay any other expense to another reporting unit
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



John Georgantzakos

Honorary Treasurer

16 April 2019



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Printing Industries Association of Australia (the Reporting Unit), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the subsection 255(2A) report, the Committee of Management Statement and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Assurance Partners



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act.

Hill Rogers
Assurance Partners



Brett Hanger
Partner

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/225

Dated this 16th day of April 2019