



PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA

2016 ANNUAL REPORT



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PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA
92nd ANNUAL REPORT
FOR THE YEAR ENDED 31st DECEMBER 2016

The Board has pleasure in presenting the 92nd Annual Report of the activities of the Association for the year ended 31 December 2016, together with the audited Income Statement, Cash Flow Statement and Balance Sheet for the year ended 31 December 2016.

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OUR MISSION

- To support an evolving industry
- To help print businesses become more profitable and sustainable

The printing industry has always been at the forefront of technological advances, the challenge facing us all is to continue evolving in order to prosper in tomorrow's world.

ABOUT PRINTING INDUSTRIES

Printing Industries is the national association representing businesses of all sizes across the printing, packaging, graphic design and media technology industries. We work to support and promote the evolving industries, and stand by members' side to help you become more profitable and sustainable.

We do this by ...

Advocating for Industry

Our dedicated team works tirelessly alongside Federal and State Governments to improve appreciation of the contribution the print and related industries make to the Australian economy and employment. Our advocacy is opening doors to ensure we have a respected voice contributing to policy definition.

Workplace Relations & Legal Services

We have the only dedicated printing industry-specific workplace relations and legal services team in Australia. Our services cover the spectrum from interpreting industrial Awards and assisting with employment contracts, through to defending unfair dismissals, general protections claims, and industry representation. Members receive industry-specific advice from experts that can be trusted, from end-to-end, without hidden charges. We work with you towards the outcomes you are seeking, not deciding for you what they should be.

Networking & Events

We host a wide range of events to promote the print and related industries and enhance our members' businesses, including:

- Exhibitions – such as the renowned PacPrint
- Industry Awards – such as the prestigious National Print Awards and the regional Printing Industries Craftsmanship Awards
- Networking - Local networking with other industry players, politicians and influencers
- Education – webinars, breakfast seminars and more, offering relevant learning for your business

Environmental Accreditation

Printing Industries is proud to provide Sustainable Green Print – the printing industry's environmental certification program that saves members money through reduced waste and provides a verifiable green competitive edge. Based on international standards, Sustainable Green Print is tailored to meet the needs of business and the demands of customers by affordably managing environmental expectations and responsibilities.

Better Business

Members receive discounts and enhanced services in areas including superannuation, insurance, energy, phones and internet.



LETTER FROM THE PRESIDENT

The year ended 31 December 2016 for the Association, in many respects, reflects the state of the industry. There were big wins and small wins, and there were results we would rather have avoided.

I came to the Presidency following a well-documented period of turmoil within the Association and the Board. They were difficult times which demanded firm action and clear thinking. Following the resignations of two presidents, a director and a CEO in quick succession, the remaining Board members united to address the underlying issues.

Given the hectic start to the year and the deep feeling among many members, it is fitting to acknowledge wide-held concerns. There were of course new issues too and I'd like to thank those interested members for their contribution, particularly Tom Eckersley for his professionalism in helping me to work through the maelstrom.

Just as many members have had to make some very hard decisions in this turbulent climate, we too have been required to address fundamental questions around who we are, who we represent and how we go about doing business. In fact, the changes which we have seen in the past year are the culmination of the ever accelerating rate of change within the Association in recent years.

The Board has now established a higher standard of accountability around the financial performance of the Association in line with Australian Accounting Standards. We demanded a forensic analysis of our finances and the results revealed in this report reflect that diligence. They make apparent what this Board, and many prior Boards, had suspected. In response, we have approved long-overdue capital expenditure to bring our management and information systems up-to-date, and we will immediately see the benefit in Q2 2017.

This result has been at least 15 years in the making. Responsibility should be borne by every Board (and State and National Council), director, CEO and every senior manager throughout that time.

It is, however, the future that will define your Association and I am confident we are now on the right path.

The appointment of Andrew Macaulay in May 2016 represented the beginning of a new commercial era. Andrew is tasked with bringing the organisation into the 21st century in a way that is cost-effective and delivers increased value to members. To achieve this, Andrew has built a high performing team who are accountable for delivering success.

Continuing the process of change across the whole organisation is critical. Trust in your operational management team, supported with higher governance, needs to be enshrined. We must ensure the framework within which the Association operates allows us to succeed in overcoming the challenges of tomorrow. Our current constitution is an amalgam of historical reasoning and necessity. It needs to be updated to ensure it is flexible enough to allow us to move forward to deliver our strategy.

I want to gratefully acknowledge the contribution of the Board members with whom I have had the good fortune to work in 2016. Among the diverse group are those who, together with myself, have been long-term contributors to the Association, and those who were appointed to the Board as recently as March. The confidential nature of many of their discussions means the work of your Board goes necessarily largely unreported.

Thank you.

Kieran May
President





BOARD MEMBERS

President	Kieran May	(ACT)
Deputy President	Matt Aitken	(NSW)
National Honorary Secretary	Peter Lane OAM	(SA)
National Honorary Treasurer	Chris Segaert	(National)
State representatives:		
	Craig Pearce	(TAS) Retired 9/08/2016
	Graham Jamieson	(WA)
	Walter Kuhn	(QLD)
	Ross Black	(VIC) Retired 17/02/2016
	Kellie Northwood	(VIC) Retired 31/12/2016
National representative:	John Scott	

HONOUR ROLL

Presidents of the Federation

1924-25 Dr G ANDERSON
 1925-26 Mr WC PENFOLD
 1926-27 Mr EC VARDON
 1927-28 Mr WH CUMMINS
 1928-29 Mr W CHRISTIE
 1929-30 Mr WA CRICHTON
 1930-31 Mr D MACDOUGALL
 1931-32 Mr GR SAYLE
 1932-33 Mr FW DINNIS
 1933-34 Mr H NORMAN
 1934-35 Mr CW FOX
 1935-36 Mr W CHRISTIE
 1936-37 Col RS SANDS
 1937-38 Mr F BESLEY
 1938-39 Mr RH COTTON
 1939-40 Mr AR STEWART
 1940-41 Mr GC TAYLOR
 1941-42 Mr ES WATT
 1942-43 Mr ADG STEWART
 1943-44 Mr FW HASSELL
 1944-45 Mr A ROWAN
 1945-46 Mr WG ANDERSON
 1946-47 Mr CD STEVENS
 1947-48 Mr FH VAN HEURCK
 1948-49 Mr RV VERNON
 1949-50 Mr DA DUNSTAN
 1950-51 Mr SK BIGGS
 1951-52 Mr KD MACDOUGALL
 1952-53 Mr CE WALCH
 1953-54 Mr CH LAMB
 1954-55 Mr JH HOLMAN
 1955-56 Mr KJ LEAL
 1956-57 Mr JJ RAWLINGS/Mr RH BESLEY
 1957-58 Mr TM COSH
 1958-59 Mr KR GOURLAY
 1959-60 Mr LJH PORTER
 1960-61 Mr CE CLAYTON
 1961-62 Mr AT TROEDEL
 1962-63 Mr SC JAMES
 1963-64 Mr HK FROST
 1964-65 Mr JG COOPER

1965-66 Mr WT HOLYWELL
 1966-67 Mr EH BOOTH
 1967-68 Mr JR WRIGHT
 1968-69 Mr DE PENMAN
 1969-70 Mr PM COTTON
 1970-71 Mr NA CRICHTON

National Presidents

1972 Mr EH BOOTH
 (Inaugural National President reconstituted PATEFA)
 1973-74 Mr KL BROWN
 1975-76 Mr PJ OWENS
 1977-79 Mr PK MACDOUGALL
 1980-81 Mr BCF PRICE
 1981-84 Mr GA LUKE
 1985-86 Mr NT CORVISY
 1987-88 Mr DM BALL
 1989-90 Mr WA POWELL
 1991-92 Mr AC LAMB
 1993-94 Mr MR SINNOTT
 1995-96 Mr P LANE
 1997-99 Mr TS HONE
 2000-01 Mr J FLYNN
 2002-04 Mr C SEGAERT
 2005-07 Mr P LANE OAM
 2008-10 Mr J ATKINSON
 2011-13 Ms S HEANEY
 2013-15 Mr D LEACH
 2015-16 Mr R BLACK
 2016-16 Mr K MAY

Life Members

Mr ADG STEWART
 Mr KJ LEAL
 Mr WT HOLYWELL
 Mr SP OWEN
 Mr RA DIX
 Mr NA CRICHTON AM
 Mr K LAW
 Mr J FISHER
 Mr TS HONE



CHIEF EXECUTIVE OFFICER REPORT

Your Association is your voice in Government and the community, advocating for the interests of industry. It is our responsibility to work by your side to support and assist you to achieve your desired business outcomes.

Just as you have had to transform your business to be sustainable in today's environment, the ongoing strength of your Association also depends on constant renewal and adaptation. Association models for many years have relied purely on membership fees as the source of revenue, yet this paradigm is no longer sufficient to operate at the level expected by members. The Printing Industries Association of Australia is not immune to the problems being faced across the sector.

It is our intent to return your Association to profitable operations within three years, whilst delivering professional services to members and advocating for the industry. This will be achieved by renewing the operating model, adapting to the current business environment, and securing sustainable non-subscription income. A revised strategy, referred to as the "Three Pillars" strategy, has been approved by your Board. Through this we will deliver industry advocacy, workplace relations and valuable services to our members.

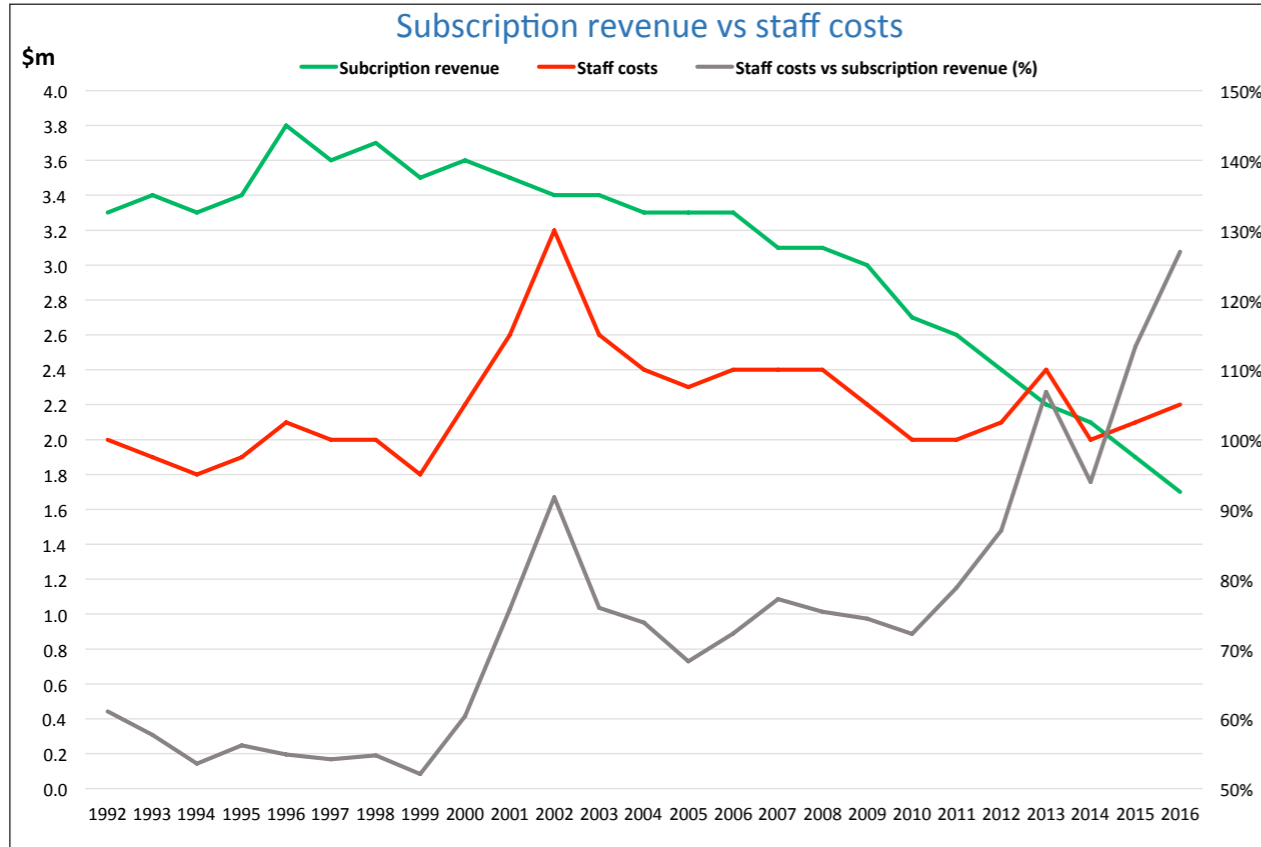
Your Board appointed me in May 2016 to review the operations of your Association, to re-invigorate the services, identify strategies for helping the industry, and to find additional ways of funding operations. The first stage of this process was opening dialogue with the industry. We needed to settle the angst caused by too-sudden changes made in 2015, with little member consultation. Meetings held with members in all States have settled those matters and I am very grateful for the support and assistance from across the membership in that process.

We then commenced a comprehensive review of the operations of your Association. I appointed a new finance team in July, whose first priority was to complete a forensic audit of operations. This highlighted the need for rapid review of operating costs and administrative procedures, the results of which were independently verified by our external auditors. What became evident was that the Association had been operating beyond its means for many years, hindered also by antiquated operating systems and processes.

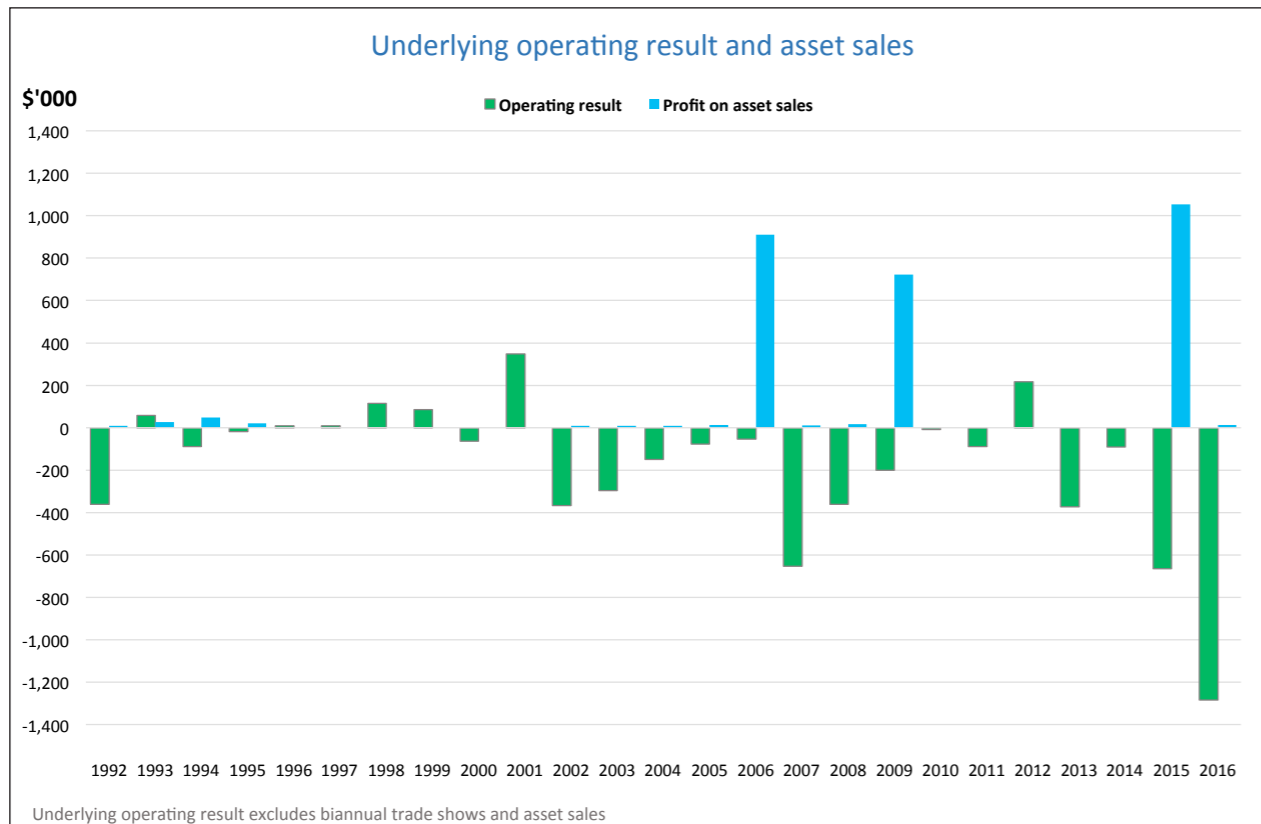
Operating losses were not obvious due to the incorporation into income of revenue from single recurring events (namely biannual trade shows) and from the sale of assets. Neither of these sources of income were sustainable. Industry tradeshows are in decline worldwide, and assets must be managed for growth. The decline of participants in the industry is directly reflected in our decline in membership subscription.

The financial performance of the Association over the last 25 years is alarmingly reflected with a new degree of transparency in the following graphs. They show that subscription income has been in constant decline since the 1996 peak of \$3.8M, to less than half that in 2016 of \$1.74M. By comparison, staff costs peaked at \$3.2M in 2002 and have since decreased, but not at a rate consistent with the decline in subscription revenue. As a percentage of membership, staff costs have been greater than 70% since 2005 and breached 100% in 2013.





The true underlying operating results, when the impact of asset sales and major biannual trade shows are removed, show the Association has been constantly trading at a loss or around break-even, with very few years noting a profit. Since 1992, the cumulative underlying operating result has been a loss of \$(3.1)M and, over the same period of time, the cumulative profit from sale of assets has been \$2.9M.



The Association's re-alignment to operating within the Three Pillars strategy has already resulted in the operating budget being set within income forecasts, and staffing being optimised. Assets have been passed to a Board sub-committee for oversight. Operating systems have been renewed and will enable better communication with members. Staff have clear KPIs that align with the Association's objectives, and are retained for their expertise.

Our advocacy has resulted in the profile of the printing industry rising considerably and the Association is now being sought out for its opinion by policy makers on all sides of politics.

We are transitioning to a sustainable model that doesn't rely on asset sales and declining trade shows, we will inspire membership renewal, and our performance will be the springboard for success.

Given the demands of the current commercial environment there has never been a greater need for strong industry advocacy. It is my intention, with the support of your Board, the staff team, and most importantly, the membership, to return the Printing Industries Association of Australia to being the pre-eminent voice of the largest manufacturing sector in Australia.

Andrew Macaulay
Chief Executive Officer



2016 HIGHLIGHTS

Advocating for Industry

Appointed the key role of Director of Government Relations in direct response to member feedback and agreed strategic direction

Achieved a 2016 finding from the Parliamentary Committee that “printed by” requirements should remain on Federal election material

Partnering with several aligned organisations, successfully persuaded the Federal Government to shelve plans to abolish restrictions on the parallel importing of books

Achieved an agreement with Holmesglen TAFE (VIC) to reinstate off-site apprenticeship courses following RMIT discontinuing print training in 2012

Advocated for the continuation of documents presented to Federal Parliament being in hard copy

Briefed Senators to ask informed questions of Australia Post at Senate Estimates, resulting in valuable information for Printing Industries’ lobbying on bulk mail prices and contributing to Australia Post CEO, Ahmed Fahour’s decision to resign

Achieved a requirement in Queensland State Government for vendors to have Sustainable Green Print accreditation to bid on tenders

Workplace Relations

Provided over 4000 calls for advice and assistance

Successfully defended a member through to a Full Bench of the Fair Work Commission appeal for a result aligned to member wishes

Represented members and the industry in over 60 matters before courts and tribunals

Provided 15 face-to-face training sessions for new members on workplace relations obligations and issues

Represented the industry before the ongoing Modern Award Review

Provided industry-specific advice on transmission of business and sale of business issues

Kept members informed of legislative change, wage case outcomes, and other issues relevant to their business and the industry

Member Services

Opened channels of direct communication between the Association and its members

Delivered the National Print Awards to acknowledge and celebrate the industry capability

Delivered the Printing Craftsmanship Industry Awards in Queensland and Western Australia, and supported the Diemen Awards in Tasmania

80 members enjoyed increased environmental benefits through Sustainable Green Print and Green Stamp (WA)

Enabled members to save over \$60,000 on their electricity bill through relationship with Make It Cheaper



Printing Industries Association of Australia

Annual Financial Report

For the year ended 31 December 2016

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Certificate by Prescribed Designated Officer

For the year ended 31 December 2016

I, Chris Segafort, being the National Honorary Treasurer of the Printing Industries Association of Australia certify:

- that the documents lodged herewith are copies of the full report for the Printing Industries Association of Australia for the period ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was approved by the committee of the management of the Printing Industries Association of Australia on 19th May 2017;
- the full report was published and made available to members on 25th May 2017;
- that the full report was presented at the Annual General Meeting of the members on 15th June 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Chris Segafort

National Honorary Treasurer

19 May 2017



Operating Report

For the year ended 31 December 2016

The committee presents its report on the Printing Industries Association of Australia ("the Association") for the financial year ended 31 December 2016.

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 Association continued to assist its members with specialty services, advice, support and representation. As a result of these activities, the Association generated a loss of \$(1,272,004) during the year. There were no significant changes in the nature of the activities of the Association during the year.

Significant changes in financial affairs

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

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

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

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 Association, after the notice is received by the Association; 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 Association. In relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of a competent jurisdiction as a debt due to the Association.

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

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

6) A resignation from membership of the Association 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.



Operating Report (continued)

For the year ended 31 December 2016

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 Association 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 and Peter Halters are members of the Association and directors of a company that is a trustee of Media Super a superannuation entity. Susan Heaney is a former Board Member of the Association.

Number of members

There were 1,066 members recorded in the register of members and who are taken as members at the end of the financial year.

135 of those members are 'non-financial'.

Number of employees

There were 16 full time equivalent employees of the Association at the end of the financial year.



Operating Report (continued)

For the year ended 31 December 2016

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	Retired	Board Meetings	
		A	B
Kieran May	-	7	7
Peter Lane OAM	-	6	7
Chris Segart	-	6	7
Graham Jamieson	-	5	7
Matt Aitken	-	5	5
Walter Kuhn	-	5	5
John Scott	-	5	5
Kellie Northwood	31/12/2016	5	5
Craig Pearce	9/08/2016	4	4
Ross Black	17/02/2016	1	1

A – Number of meetings attended.

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

Signature of designated officer:

Chris Segart

National Honorary Treasurer

19 May 2017



Committee of Management Statement

For the year ended 31 December 2016

On the 19th of May 2017, 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 2016:

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 the reporting guidelines of the General Manager;
- (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 Association; and
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association; and
 - (iii) the financial records of the Association have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
 - (iv) where information has been sought in any request by a member of the Association or the General Manager duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been provided to the member or the General Manager; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:

Chris Segart

National Honorary Treasurer

19 May 2017



Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	2016	2015
Revenue			
Membership subscription		1,741,490	1,896,006
Capitation fees	3a	-	-
Levies	3b	-	-
Interest	3c	32,337	16,630
Rental revenue	3d	91,562	64,237
Other revenue	3g	245,915	366,234
		2,111,304	2,343,107
Grants or donations	3e	96,237	533,926
Net gains from sale of assets	3f	13,018	1,052,925
		109,255	1,586,851
Total income		2,220,559	3,929,958
Expenses			
Employee expenses	4a	2,210,323	2,393,396
Capitation fees	4b	-	-
Affiliation fees	4c	11,170	51,001
Administration expenses	4d	1,094,434	900,904
Grants or donations	4e	-	-
Depreciation	4f	107,694	152,270
Finance costs	4g	11,846	11,175
Legal costs	4h	22,320	-
Audit fees	13	32,000	33,000
Net losses from sale of assets	4i	2,776	1,641
Total expenses		3,492,563	3,543,387
Profit (loss) for the year		(1,272,004)	386,571
Other comprehensive income		-	-
Total comprehensive income for the year		(1,272,004)	386,571

The notes on pages 12 to 37 are an integral part of these financial statements.

**Statement of Financial Position**

As at 31 December 2016

	Note	2016	2015
Current assets			
Cash and cash equivalents	5a	554,041	437,748
Trade and other receivables	5b	130,692	218,677
Other current assets	5c	98,735	1,773,380
Investments	5d	2,253,116	2,821,542
Total current assets		3,036,584	5,251,347
Non-current assets			
Land and buildings	6a	5,664,328	5,735,391
Plant and equipment	6b	271,791	176,697
Investments	6c	70,000	70,000
Other non-current assets	6d	182,239	127,649
Total non-current assets		6,188,358	6,109,737
Total assets		9,224,942	11,361,084
Current liabilities			
Trade payables	7a	206,553	206,669
Other payables	7b	192,088	1,024,721
Employee benefits	8a	144,016	177,597
Total current liabilities		542,657	1,408,987
Non-current liabilities			
Other payables	7b	131,512	129,320
Total non-current liabilities		131,512	129,320
Total liabilities		674,169	1,538,307
Net assets		8,550,773	9,822,777
Equity			
Asset revaluation reserve	9a	2,925,121	2,925,121
Retained earnings		5,625,652	6,897,656
Total equity		8,550,773	9,822,777

The notes on pages 12 to 37 are an integral part of these financial statements.

**Statement of Changes in Equity**

For the year ended 31 December 2016

	Asset revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2015	-	6,511,085	6,511,085
Profit (loss) for the year	-	386,571	386,571
Transfer to asset revaluation reserve	2,925,121	-	2,925,121
Other comprehensive income for the year	-	-	-
Closing balance as at 31 December 2015	2,925,121	6,897,656	9,822,777
Profit (loss) for the year	-	(1,272,004)	(1,272,004)
Transfer to asset revaluation reserve	-	-	-
Other comprehensive income for the year	-	-	-
Closing balance as at 31 December 2016	2,925,121	5,625,652	8,550,773

The notes on pages 12 to 37 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016	2015
Cash flows from operating activities			
Cash receipts from customers	10b	1,664,589	2,871,720
Cash payments to suppliers and employees	10b	(1,954,985)	(3,664,077)
Net cash from (used in) operating activities	10a	(290,396)	(792,357)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	41,383
Proceeds from sale of land and buildings		-	3,402,641
(Acquisition) disposal of held to maturity assets		515,052	(2,419,156)
Proceeds from held to maturity assets		27,121	16,630
Purchase of plant and equipment		(135,484)	(137,486)
Net cash from (used in) investing activities		406,689	904,012
Net increase (decrease) in cash and cash equivalents		116,293	111,655
Cash and cash equivalents at 1 January		437,748	326,093
Cash and cash equivalents at 31 December	5a	554,041	437,748

The notes on pages 12 to 37 are an integral part of these financial statements.



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Notes of the Financial Statements

Note 1. Statement 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 ("the Association") 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.

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 following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Employee entitlements

The liability for employee entitlements expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Allowance for doubtful debts

An allowance is made for doubtful debts based on management's estimate of the prospect of recovering the debt. Where management has determined that the recovery of the debt is doubtful, the amount is provided for immediately.

Fair values of land & buildings

The Association values its land and buildings at fair value at last valuation date less subsequent depreciation. The valuation requires judgement to be applied in selecting appropriate valuation techniques and setting valuation assumptions. The Association engages independent registered valuers to value each of its properties every 3 years.



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

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Association.

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 Association 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 Association recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Association 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.



Notes of the Financial Statements

1.6 Government grants (continued)

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Association 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.

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.

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.



Notes of the Financial Statements

1.10 Leases (continued)

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.

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 Association 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 Association 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 Association'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 139 '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 Association 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.

Available-for-sale

The Association 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.



Notes of the Financial Statements

1.14 Financial assets (continued)

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Association's 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.

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 Association'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.

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.



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 Association de-recognises 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 Association 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.



Notes of the Financial Statements

1.15 Financial liabilities (continued)

Fair value through profit or loss (continued)

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 Association'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 139 '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.

De-recognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association'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:

- Land & buildings 40 years
- Plant and equipment 5 to 13 years



Notes of the Financial Statements

1.17 Land, buildings, plant and equipment (continued)

De-recognition

An item of land, buildings, plant and equipment is de-recognised 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.

1.18 Taxation

The Association 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 cash flow statement 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.

1.19 Fair value measurement

The Association 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.

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

1.19 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Association. 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 Association 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 Association 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 Association 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 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

Note 3. Income

	2016	2015
3a - Capitation fees		
Capitation fees	-	-
3b - Levies		
Levies	-	-
3c - Interest		
Deposits	32,337	16,630
3d - Rental revenue		
Properties	91,562	64,237
3e - Grants or donations		
Grants	96,237	533,926
3f - Net gains from sale of assets		
Land and buildings	-	1,052,925
Motor vehicles	13,018	-
	13,018	1,052,925

**Notes of the Financial Statements****Note 3. Income (continued)**

	2016	2015
3g - Other income		
Regional events and awards	56,727	146,527
Certifications and Sustainable Green Print	102,540	31,648
Staff services	51,364	109,141
Training	5,909	35,030
Commissions	7,043	5,106
Sundry	22,332	37,484
Bad debts recovered	-	1,298
	245,915	366,234

Note 4. Expenses

	2016	2015
4a - Employee expenses		
Holders of office:	-	-
Employees other than office holders:		
Wages and salaries	1,737,643	1,780,789
Superannuation	155,092	169,735
Leave and other entitlements	28,725	74,830
Separation and redundancies	40,674	33,392
Recruitment	124,275	169,770
Other employee expenses	123,914	164,880
	2,210,323	2,393,396
	2,210,323	2,393,396
4b - Capitation fees		
Capitation fees	-	-
4c - Affiliation fees		
Australian Chamber of Commerce and Industry	-	38,546
Two Sides Australia	8,625	7,500
World Print Communications Forum	1,355	2,955
Victorian Congress of Employer Association	1,000	2,000
Institute of Public Affairs	190	-
	11,170	51,001

**Notes of the Financial Statements****Note 4. Expenses (continued)**

	2016	2015
4d - Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Bad debts	74,305	40,316
Doubtful debts	193,030	1,537
Conference and meeting expenses - staff	20,002	11,360
Board meeting expenses	36,973	45,711
Contractors and consultants	145,413	136,007
Property expenses	62,524	148,698
Office expenses	120,681	161,384
Repairs and maintenance	12,596	32,919
Travel	118,219	65,220
Information technology	71,944	68,961
Insurance	21,783	16,636
Other	94,378	142,436
	971,848	871,185
Operating lease rentals:		
Minimum lease payments	122,586	29,719
	1,094,434	900,904
4e - Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
	-	-
4f - Depreciation		
Land and buildings	71,063	106,525
Property, plant and equipment	36,631	45,745
	107,694	152,270



Notes of the Financial Statements

Note 4. Expenses (continued)

	2016	2015
4g - Finance costs		
Bank charges	<u>11,846</u>	11,175
4h - Legal costs		
Litigation	-	-
Other legal matters	<u>22,320</u>	-
	<u>22,320</u>	-
4i - Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	<u>2,776</u>	1,641
Intangibles	-	-
	<u>2,776</u>	1,641
4j - Other expenses		
Penalties - via RO Act or RO Regulations	<u>-</u>	-

Note 5. Current assets

	2016	2015
5a - Cash and cash equivalents		
Cash at bank	<u>554,041</u>	437,365
Cash on hand	-	383
	<u>554,041</u>	437,748



Notes of the Financial Statements

Note 5. Current assets (continued)

	2016	2015
5b - Trade and other receivables		
Trade receivables	<u>269,727</u>	281,727
Allowance for doubtful debts	<u>(193,030)</u>	(71,101)
	<u>76,697</u>	210,626
Other receivables	-	8,051
GST receivable	<u>53,995</u>	-
	<u>53,995</u>	8,051
	<u>130,692</u>	218,677
5c - Other current assets		
Prepayments	<u>44,190</u>	24,691
Regional Activities (PICA / NPA)	<u>22,000</u>	678,490
AAA Project	-	944,358
NWDF Project	-	953
Landlord lease incentive receivable	<u>32,545</u>	124,888
	<u>98,735</u>	1,773,380
5d - Other investments		
Held-to-maturity investments – term deposits	<u>2,253,116</u>	2,821,542

Note 6. Non-current assets

	2016	2015
6a - Land and buildings		
Land and buildings:		
At fair value	<u>5,765,000</u>	5,765,000
Accumulated depreciation	<u>(100,672)</u>	(29,609)
	<u>5,664,328</u>	5,735,391

**Notes of the Financial Statements****Note 6. Non-current assets (continued)**

	2016	2015
6a - Land and buildings (continued)		
Reconciliation of the Opening and Closing Balances of Land and Buildings:		
As at 1 January		
Gross book value	5,765,000	5,582,700
Accumulated depreciation and impairment	(29,609)	(322,389)
Net book value 1 January	5,735,391	5,260,311
Additions:		
From acquisition of land and buildings	-	-
Revaluations	-	2,925,121
Impairments	-	-
Depreciation expense	(71,063)	(106,525)
Other movement	-	-
Disposals:		
From disposal of land and buildings	-	(2,343,516)
Other	-	-
Net book value 31 December	5,664,328	5,735,391

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 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 an accredited independent valuer.

**Notes of the Financial Statements****Note 6. Non-current assets (continued)**

	2016	2015
6b - Plant and equipment		
Plant and equipment:		
At cost	479,317	600,567
Accumulated depreciation	(207,526)	(423,870)
	271,791	176,697
Reconciliation of the opening and closing balances of plant and equipment:		
As at 1 January		
Gross book value	600,567	626,574
Accumulated depreciation and impairment	(423,870)	(496,886)
	176,697	129,688
Additions:		
By purchase	135,483	137,486
From acquisition of entities	-	-
Impairments	-	-
Depreciation expense	(36,631)	(45,745)
Other movement	-	-
Disposals:		
From disposal of plant and equipment	(3,758)	(44,732)
Other	-	-
Net book value 31 December	271,791	176,697
6c - Investments		
Shares in Intech Australia Pty Ltd	70,000	70,000
6d - Other non-current assets		
Security deposits	111,378	107,649
Make-good provision	16,000	20,000
Loan – Intech Australia Pty Ltd	54,861	-
	182,239	127,649



Notes of the Financial Statements

Note 7. Current liabilities

	2016	2015
7a - Trade payables		
Trade creditors and accruals	206,553	206,669
Settlement is usually made within 14 to 30 days.		
7b - Other payables		
Current:		
Wages and salaries	-	-
Superannuation	16,941	29,921
Consideration to employers for payroll deductions	57,359	99,673
Legal costs	-	-
Prepayments received/unearned revenue	-	5,749
GST payable	-	339,929
Other	79,555	521,538
Lease incentive liability	38,233	27,911
	192,088	1,024,721
Non-current:		
Lease incentive liability	111,512	109,320
Make good provision	20,000	20,000
	131,512	129,320



Notes of the Financial Statements

Note 8. Provisions

	2016	2015
8a – Employee provisions		
Holders of office:	-	-
Employees other than office holders:		
Annual leave	72,627	100,117
Long service leave	71,389	77,480
Separations and redundancies	-	-
	144,016	177,597
Represented as:		
Current	144,016	177,597
Non-current	-	-
	144,016	177,597

Note 9. Equity

	2016	2015
9a - Retained earnings		
Asset revaluation reserve:		
Balance as at start of year	2,925,121	-
Transferred to reserve	-	2,925,121
Transferred from reserve	-	-
Balance as at end of year	2,925,121	2,925,121



Notes of the Financial Statements

Note 10. Notes to the Statement of Cash Flows

	2016	2015
10a - Cash flow reconciliation		
Reconciliation of net cash flows from operating activities:		
Profit (loss) for the year	(1,272,004)	386,571
Adjustments for non-cash items:		
Depreciation/amortisation	111,694	152,270
Net write-down of non-financial assets	-	-
Fair value movements in property	-	(1,052,925)
(Gain) loss on disposal of assets	3,758	1,641
Other	-	(16,630)
Change in current receivables	82,769	36,966
Change in prepayments	72,844	-
Change in prepayments (projects)	1,601,801	845,430
Change in payables	116	-
Change in sundry creditors	-	(1,088,605)
Change in subscriptions in advance	(830,441)	25,650
Change in employee provisions	(33,580)	(134,769)
Change in regional activities	-	52,044
Net cash from (used in) operating activities	(290,396)	(792,357)
10b - Cash flow information		
Cash inflows - Printing Industries Association of Australia	1,664,589	2,871,720
Cash outflows - Printing Industries Association of Australia	(1,954,985)	(3,664,077)



Notes of the Financial Statements

Note 11. Contingent liabilities and commitments

	2016	2015
11a - Commitments and contingencies		
Operating lease commitments—as lessee		
<i>Office Equipment leases</i>		
Future minimum rentals payable under non-cancellable operating leases:		
Within one year	19,781	23,520
Later than one year but not later than two years	16,394	20,640
Later than two years but not later than 5 years	29,705	36,854
	65,880	81,014
<i>Office Premises leases</i>		
Future minimum rentals payable under non-cancellable operating leases:		
Within one year	172,934	148,552
Later than one year but not later than two years	172,934	153,758
Later than two years but not later than 5 years	336,178	323,976
Later than 5 years	-	-
	682,046	626,286

Other contingent assets or liabilities

At the date of this report there exists a dispute with a former employee of the Association which is currently being addressed with a formal hearing to occur in June 2017.

Management is of the opinion that this matter will be finalised in the 2017 financial year.



Notes of the Financial Statements

Note 12. Related party transactions

	2016	2015
12a - Related party disclosures		

The Board members of the Association 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 Association and who pays an annual subscription for that membership under normal commercial conditions.

12b - Key management personnel compensation

Short-term employee benefits:		
Salary (including annual leave taken)	810,793	818,150
Annual leave accrued	3,632	9,893
Long service leave paid	-	92,404
Performance bonus	29,369	30,000
	<u>843,794</u>	<u>950,447</u>

Post-employment benefits:		
Superannuation	73,808	72,931

Other long-term benefits:		
Long-service leave accrued	3,303	19,696

Termination benefits		
Redundancy	-	26,696

12c - Transactions with key management personnel and their close family members

Loans to (from) key management personnel	-	-
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Other transactions with key management personnel	-	-
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Notes of the Financial Statements

Note 13. Auditor's remuneration

	2016	2015
Value of the services provided:		
Audit of the financial statements	32,000	27,000
Other consulting services	-	6,000
	<u>32,000</u>	<u>33,000</u>

Other consulting services provided by the auditors included assistance with the preparation of financial statements.

Note 14. Financial instruments

	2016	2015
14a - Categories of financial instruments		

Held-to-maturity investments:		
Term deposits	2,253,116	2,821,542

Loans and receivables:		
Trade debtors	269,727	281,727

Carrying amount of financial assets	<u>2,522,843</u>	<u>3,103,269</u>
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14b - Net income and expense from financial Assets

Held-to-maturity:		
Net gain (loss) - interest revenue	31,698	16,630

Loans and receivables:		
Net gain (loss) - impairment/allowance for doubtful debts	<u>(193,030)</u>	<u>(1,537)</u>



Notes of the Financial Statements

Note 14. Financial instruments (continued)

14d - Credit and interest rate risk

	2016	2015
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Interest rate risk:

The Association'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 (0.37%)	554,041	437,748
Receivables	76,697	210,626
Investments (2.50%)	2,253,116	2,821,542
	2,883,854	3,469,916
Financial liabilities:		
Creditors	206,553	206,669

Credit risk:

The maximum exposure to credit risk, excluding the value of any collateral, or other security, at balance date to be recognised as financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

Note 15. Fair value measurement

15a - Financial assets and liabilities

Management of the Association assessed that for cash and cash equivalents, trade receivables, 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.



Notes of the Financial Statements

Note 16. 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 General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit 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 reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



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PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA
ABN 84 720 646 451

INDEPENDENT AUDITOR'S REPORT

To the members of Printing Industries Association of Australia:

We have audited the accompanying financial report of Printing Industries Association of Australia ("the Association"), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Committee of Management of the Association.

Directors' Responsibility for the Financial Report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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



PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA
ABN 84 720 646 451

INDEPENDENT AUDITOR'S REPORT (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the Australia professional account bodies, and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion:

- (a) the financial report of Printing Industries Association of Australia is in accordance with the Fair Work (Registered Organisations) Act 2009, including:
- (i) giving a true and fair view of the Association's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
 - (iii) management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

BELL PARTNERS
Chartered Accountants

Anthony F. Bell
Registered Company Auditor
Chartered Accountant

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