



Fair Work
Commission

19 June 2023

Christian Payne
President
Real Estate Employers' Federation
Sent via email: admin@reef.org.au
cc: vincent.poon@hayesknight.com.au

Dear Christian Payne

**Real Estate Employers' Federation
Financial Report for the year ended 31 December 2022 – FR2022/284**

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Real Estate Employers' Federation. The documents were lodged with the Fair Work Commission (the Commission) on 6 June 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Emphasis of matter paragraph in auditor report

I note the contents of the paragraph, *Other Matters* within the auditor's report. Please note that the Commission will continue to monitor future auditor reports regarding this matter.

Reporting Requirements

The Fair Work Commission (the Commission) website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the *Fair Work (Registered Organisations) Act 2009* (RO Act), the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries, please contact me on (03) 8650 0182 or by email at mihiri.jayawardane@fwc.gov.au.

Yours sincerely

**Mihiri Jayawardane
Fair Work Commission**



The Real Estate Employers' Federation

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer¹

for the year ended 31 December 2022

I, **Christian Sidney Payne**, being the **President** of the **Real Estate Employers' Federation** certify:

- that the documents lodged herewith are copies of the full report for the Real Estate Employers Federation for the period ended 31 December 2022 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 5 April 2023; and
- that the full report was presented to a general meeting of members of the reporting unit on 31 May 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer:

Title of prescribed designated officer:

Dated:

DocuSigned by:
Christian Payne
F40D9E6D2D2F46C...

Christian Sidney Payne

President

6 June 2023

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.



REAL ESTATE EMPLOYERS' FEDERATION
Annual Financial Report For The Year Ended
31 December 2022

REAL ESTATE EMPLOYERS' FEDERATION

For the year ended 31 December 2022

Contents	Page
Independent Audit Report	1
Report required under subsection 255(2A)	4
Operating Report	5
Committee of Management Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Officer Declaration Statement	35

INDEPENDENT AUDIT REPORT TO THE COMMITTEE MEMBERS OF REAL ESTATE EMPLOYERS' FEDERATION

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Real Estate Employers' Federation ("the Federation"), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Federation as at 31 December 2022, 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Federation is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Federation 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. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Other Matters

The financial report of the Federation for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 27 February 2022.

We do not express opinion on the financial information for the year ended 31 December 2021 that presented for comparative purpose only.



Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Federation 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 Federation'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 Federation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Federation'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 Federation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Federation 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 Federation to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Federation audit. I remain solely responsible for my audit opinion.



I 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 I identify during my audit.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

In my opinion, no such matters were noted.

Vincent Poon – Director Audit Services
Registered Company Auditor - Registration Number AA2018/23

Dated at Sydney, this 22nd day of March 2023

**REAL ESTATE EMPLOYERS' FEDERATION
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Federation for the year ended 31 December 2022.

Categories of expenditures	2022	2021
	\$	\$
Remuneration and other employment-related costs and expenses - employees	946,572	895,738
Advertising	128,372	23,408
Operating costs	616,166	566,172
Donations to political parties	-	-
Legal costs	27,614	52,136

Signature of prescribed designated officer:

DocuSigned by:
Christian Payne
F40D9E6D2D2F46C...

Name of prescribed designated officer:

Christian Sidney Payne

Title of prescribed designated officer:

President

Dated this

22

day of

MARCH

2023

**REAL ESTATE EMPLOYERS' FEDERATION
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Committee of Management of the Real Estate Employers' Federation (the "Federation") presents its report for the financial year ended 31 December 2022.

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

The principal activities of the Federation were to serve the interests of employers in the real estate industry. This included providing advice, guidance and support on all matters relating to employment as well as representing members in modern award and other industrial proceedings. In this regard, we provided assistance to over 400 individual members, including the management of over 25,000 member enquiries on a broad range of employment issues.

There were no significant changes in the Federation's principal activities during 2022.

Significant changes in financial affairs

There were no significant changes in the Federation's financial affairs during 2022.

Right of members to resign

Members' rights to resign are set out in Rule 8 of the Federation's Rules. In summary, a member may resign from membership by written notice addressed and delivered to the Chief Executive Officer at the registered office of the organisation.

Officer(s) and/or member(s) who are superannuation fund trustee(s) where criterion of being trustee is that the person is a member or officer of Reporting Unit

Not applicable.

Number of members

At the end of December 2022, there were 1,832 members.

Number of employees

The Federation employs 6 full time employees.

**REAL ESTATE EMPLOYERS' FEDERATION
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Names of Committee of Management members and period positions held during the financial year ended 31 December 2022

Name	Position on Committee	Period position held during the 2021 year	Name of company of which member is a director/representative	Principal Activity of company
Mr. Christian Payne	President	1 Jan to 31 Dec 2022	Real Estate Team Pty Limited	Real Estate services
Ms. Linda Baker	Vice President	23 Feb to 31 Dec 2022	Elm Real Estate Pty Limited	Real Estate services
Mr. Paul Deegan	Vice President	1 Jan to 17 Jan 2022	RE Lismore Pty Limited	Real Estate services
Mr. Paul Byrne	Treasurer	1 Jan to 31 Dec 2022	Byrne Bros. Realty Pty Limited	Real Estate services
Mr. Steve Martin	Committee Member	1 Jan to 31 Dec 2022	Syefile Pty Limited	Real Estate services
Mr. Anthony Abboud	Committee Member	1 Jan to 31 Dec 2022	Snowden Parkes Real Estate Pty Limited	Real Estate services
Mr. Milton Leslight	Committee Member	1 Jan to 31 Dec 2022	Beaches & Bush Properties Pty Limited	Real Estate services
Mr. Michael Cameron	Committee Member	13 May to 31 Dec 2022	Lauders Real Estate Old Bar Pty Limited	Real Estate services
Ms. Joanne Thorpe	Committee Member	1 Jan to 28 Feb 2022	Mustex Pty Limited	Real Estate services
Ms. Linda Baker	Committee Member	1 Jan to 23 Feb 2022	Elm Real Estate Pty Limited	Real Estate services

No Committee member held a company directorship or was a member of a Board of Directors because of their position on the Committee of Management of the Federation.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:

DocuSigned by:

Christian Payne
F40D9E6D2D2F48C...

Christian Sidney Payne

President

Dated at Sydney, this 22 of MARCH 2023

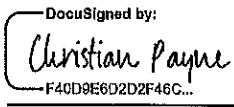
**REAL ESTATE EMPLOYERS' FEDERATION
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

On 8 FEB. 2023 the Committee of Management of the Real Estate Employers' Federation passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2022:

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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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; and
 - (ii) the financial affairs of the Federation have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the Federation have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner;
 - (vi) 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 passed by the Committee of Management of the Federation at its meeting dated 8 FEB. 2023.

Signature of designated officer: 

Name and title of designated officer: Christian Sidney Payne, President

Dated this 22 MARCH 2023

**REAL ESTATE EMPLOYERS' FEDERATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	3		
Membership subscriptions		1,782,672	1,773,426
Member services - Road Show		20,000	-
Capitation fee and other revenue from another reporting unit		-	-
Compulsory levies		-	-
Revenue from recovery of wages activity		-	-
Total revenue from contracts with customers		1,802,672	1,773,426
Income for furthering objectives	3		
Grants and/or donations		-	-
Income recognised from volunteer services		-	-
Total income for furthering objectives		-	-
Other income			
Interest received on bank deposits	3A	16,053	2,495
Other income	3B	9,668	-
Government assistance — COVID 19	3C	-	100,000
Total other income		25,721	102,495
Total income		1,828,393	1,875,921
Expenses			
Employee expenses	4A	946,572	895,739
Capitation fees and other expense to another reporting unit		-	-
Affiliation fees		-	-
Administration expenses	4B	605,434	483,953
Grants or donations		-	-
Depreciation and amortisation	4C	127,286	15,828
Legal costs	4D	27,614	52,136
Audit fees	16	11,818	9,000
Net losses from disposals of assets	4E	-	80,798
Other expenses	4F	-	-
Total expenses		1,718,724	1,537,454
Surplus for the year		109,669	338,467
Gain on revaluation of strata building		-	250,000
Total comprehensive income for the year		109,669	588,467

The above statement should be read in conjunction with the notes.

**REAL ESTATE EMPLOYERS' FEDERATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,612,882	2,235,620
Trade and other receivables	6	14,746	78,850
Other current assets	7	30,828	40,840
TOTAL CURRENT ASSETS		2,658,456	2,355,310
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,444,084	2,510,785
TOTAL NON-CURRENT ASSETS		2,444,084	2,510,785
TOTAL ASSETS		5,102,540	4,866,095
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	9	32,017	18,654
Other payables	10	118,272	163,386
Provisions - employee benefits	11	119,549	83,684
Deferred revenue		1,204,252	1,088,669
TOTAL CURRENT LIABILITIES		1,474,090	1,354,393
NON-CURRENT LIABILITIES			
Provisions - employee benefits	11	30,694	23,615
TOTAL NON-CURRENT LIABILITIES		30,694	23,615
TOTAL LIABILITIES		1,504,784	1,378,008
NET ASSETS		3,597,756	3,488,087
EQUITY			
General funds	13A	3,347,756	3,238,087
Revaluation reserve	13B	250,000	250,000
TOTAL EQUITY		3,597,756	3,488,087

The above statement should be read in conjunction with the notes

**REAL ESTATE EMPLOYERS' FEDERATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Revaluation Reserves	General Funds	Total
	\$	\$	\$
Balance as at 1 January 2021	-	2,782,959	2,782,959
Surplus for the year	-	338,467	338,467
Other comprehensive income	250,000	-	250,000
Value of net cash assets transferred from REEF South Australia & Northern Territory following the dissolution of their organisation	-	116,661	116,661
	250,000	3,238,087	3,488,087
Closing balance as at 31 December 2021			
Surplus for the year	-	109,669	109,669
	250,000	3,347,756	3,597,756
Closing balance as at 31 December 2022			

The above statement should be read in conjunction with the notes.

**REAL ESTATE EMPLOYERS' FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
OPERATING ACTIVITIES			
Cash received			
Subscriptions received		2,038,758	1,670,578
Government assistance - COVID 19		-	21,150
Interest		16,053	2,495
Receipts from other reporting units/controlled entities		-	-
		2,054,811	1,694,223
Cash used			
Employees		(946,572)	(818,985)
Suppliers		(680,060)	(588,995)
Interest payments		-	(310)
Payments to other reporting units/controlled entities		-	-
		(1,626,632)	(1,408,290)
Net cash provided by operating activities	12	428,179	285,933
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(81,462)	(270,991)
Proceeds from disposal of motor vehicles		30,545	-
Net cash used in investing activities		(50,917)	(270,991)
Net increase in cash held		377,262	14,942
Cash and cash equivalents at the beginning of the reporting period		2,235,620	2,104,017
Cash acquired from REEF South Australia & Northern Territory following the dissolution of their organisation		-	116,661
Cash and cash equivalents at the end of the reporting period	5	2,612,882	2,235,620

The above statement should be read in conjunction with the notes.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies

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 Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Real Estate Employers' Federation ("the Federation") is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties, 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 following is a summary of the material policies adopted in the preparation of the financial statements.

(a) Going concern

The Federation is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Federation has not agreed to provide financial support to another reporting unit to ensure it can continue on a going concern basis.

(b) Comparative amounts

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

(c) New Australian Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Federation for the annual reporting period ended 31 December 2022. The Federation's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Federation, is considered not significant.

(d) New and Amended Accounting Standards adopted by the Federation

There are no new or amended accounting standards which had an impact on the Federation during this reporting period.

(e) Revenue

The Federation enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, grants, investment income and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Federation has a contract with a customer, it recognises revenue when or as it transfers control of goods or services to the customer. Federation accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

(e) Revenue (Cont'd)

Membership subscription

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Federation.

As there is only one distinct membership service promised in the arrangement, the Federation recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Federation's promise to stand ready to provide assistance and support to the member as required. Accrued and prepaid membership income is accounted for at each year end to reflect the above.

Interest income

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

Income of the Real Estate Employers' Federation as a Not-for-Profit Entity

Consideration is received by the Federation to enable the entity to further its objectives. The Federation recognises each of these amounts of consideration as income when the consideration is received (which is when the Federation obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Federation's recognition of the cash contribution does not give to any related liabilities.

During the year, the Federation received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants - subsidies

Government grants

Government grants are not recognised until there is reasonable assurance that the Federation 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 Federation recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the entity 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 entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

(f) 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 due within twelve months of the end of the 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.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Federation in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Federation recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(g) Current versus non-current classification

The Federation presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Federation classifies all other liabilities as non-current.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(i) 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 three 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.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Federation becomes a party to the contractual provisions of the instrument.

(k) Financial assets

Contract assets and receivables

A contract asset is recognised when the Federation's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Federation's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Australian and International Pilots Federation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Federation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Federation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Federation commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

The entity's financial assets comprise receivables only and are recognised at amortised cost.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

Financial assets at amortised cost

The Federation measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Federation's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through other comprehensive income

The Federation measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Federation's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Federation can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Federation benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
 - The Federation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- a) the Federation has transferred substantially all the risks and rewards of the asset, or
- b) the Federation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Federation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Federation continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Federation recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. :

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Federation considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, Federation may also consider a financial asset to be in default when internal or external information indicates that Federation is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Trade receivables

For trade receivables that do not have a significant financing component, the Federation applies a simplified approach in calculating ECLs. Therefore, the Federation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Federation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(I) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Federation's financial liabilities include trade and other payables.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(m) Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before reporting unit transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when reporting unit performs under the contract (i.e. transfers control of the related goods or services to the customer).

(n) 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.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

(o) Land, buildings, plant and equipment

Asset Recognition Threshold

Purchases of 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 - Strata Buildings

Following initial recognition at cost, strata buildings are carried 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.

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 reverses 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 over 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:

	2022	2021
Plant and equipment	1 to 5 years	1 to 5 years
Strata building	40 years	40 years

Derecognition

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.

(p) 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 Federation was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

(q) Taxation

The Federation is exempt from income tax under Section 23 (h) of the Income Tax Assessment Act 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services (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 (ATO); 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 ATO is classified within operating cash flows.

(r) Fair value measurement

The Federation measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as buildings, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 18A.

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

The principal or the most advantageous market must be accessible by the Federation. 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 Federation 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 Federation 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 Federation 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.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (Cont'd)

(s) Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Estimation of useful lives of assets

The Federation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Federation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Federation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 2 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 read as follows:

Information to be provided to members or Commissioner:

- (i) A member of a reporting unit, or the Commissioner, 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.
- (ii) 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.
- (iii) A reporting unit must comply with an application made under subsection (1).

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 3 Income

	2022	2021
	\$	\$

Disaggregation of revenue from contracts with customers

A disaggregation of Federation's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

Type of customer

Members	1,782,672	1,773,426
	1,782,672	1,773,426
	1,782,672	1,773,426

Disaggregation of income for furthering activities

A disaggregation of Federation's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets a disaggregation of income by funding source:

Revenue Operating: Services/Roadshows	20,000	-
	20,000	-
	20,000	-
Income funding sources		
Members	20,000	-
	20,000	-
	20,000	-

3A Interest received

Interest deposit with bank	16,053	2,495
	16,053	2,495
	16,053	2,495

3B Other income

Profit on sale of assets	9,668	-
	9,668	-
	9,668	-

3C Government assistance — COVID 19

ATO cash flow booster	-	100,000
	-	100,000
	-	100,000

Note 4 Expenses

4A Employee expenses

	2022	2021
	\$	\$

Holders of office:

Salaries and wages	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

Salaries and wages	819,903	739,117
Superannuation	83,724	69,904
Leave and other entitlements	42,945	76,620
Separation and redundancies	-	-
Other employee expenses	-	10,098
	-	10,098
Subtotal employee expenses employees other than office holders	946,572	895,739

Total employee expenses

	946,572	895,739
	946,572	895,739
	946,572	895,739

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 4 Expenses (Cont'd)

4B Administration expenses	2022	2021
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Conference and meeting expenses	72,553	35,903
Contractors/consultants	53,986	90,077
Fees/allowances - meetings and conferences	-	-
Financial support to other reporting units	-	-
Employer's guide	47,005	37,134
Marketing expenses	128,372	28,559
Printing, postage, stationary and promotional items	17,077	18,319
Property expenses	22,001	20,494
Information communications technology	135,550	116,662
Other administration expenses	128,890	136,805
Total administration expense	<u>605,434</u>	<u>483,953</u>
4C Depreciation and amortisation		
Depreciation		
Strata building	61,329	-
Plant and equipment	65,957	15,828
Total Depreciation	<u>127,286</u>	<u>15,828</u>
4D Legal costs		
Litigation	-	-
Other legal costs	27,614	52,136
Total legal costs	<u>27,614</u>	<u>52,136</u>
4E Loss from disposal of assets		
Plant and equipment	-	14,923
Intangibles	-	65,875
Total net loss from disposal of assets	<u>-</u>	<u>80,798</u>
4F Other expenses		
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	<u>-</u>	<u>-</u>

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 5 Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	1,206,651	1,230,725
Cash on hand	-	150
Short term deposits	1,406,231	1,004,745
	<u>2,612,882</u>	<u>2,235,620</u>

Note 6 Trade and other receivables

	2022	2021
	\$	\$
Receivables from other reporting units	-	-
Less allowance for expected credit losses	-	-
Other receivable	14,746	78,850
Total trade and other receivables	<u>14,746</u>	<u>78,850</u>

Federation has recognised the following assets and liabilities related to contracts with customers:

Receivables - current	14,746	78,850
Receivables - non-current	-	-
	<u>14,746</u>	<u>78,850</u>

Note 7 Other assets

	2022	2021
	\$	\$
Prepayments	30,828	40,840
Total other current assets	<u>30,828</u>	<u>40,840</u>

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 8 Property, plant and equipment

	2022 \$	2021 \$
Strata property		
At cost	2,200,000	2,200,000
Less accumulated depreciation	(61,329)	-
Net strata property	2,138,671	2,200,000
Building renovation		
At cost	217,883	217,883
Less accumulated depreciation	(43,577)	-
Net building renovation	174,306	217,883
Motor Vehicle		
At cost	69,154	51,806
Less accumulated depreciation	(4,120)	(26,110)
Net motor Vehicle	65,034	25,696
Plant and equipment		
At cost	91,855	79,547
Less accumulated depreciation	(25,782)	(12,341)
Net plant and equipment	66,073	67,206
	2,444,084	2,510,785

Movement in the carrying amounts for each class of property, plant and equipment

	Strata Property \$	Building Renovation \$	Motor Vehicle \$	Plant and Equipment \$	Total \$
2022					
Balance at beginning of year	2,200,000	217,883	25,696	67,206	2,510,785
Additions	-	-	69,154	12,308	81,462
Disposals	-	-	(20,877)	-	(20,877)
Depreciation	(61,329)	(43,577)	(8,939)	(13,441)	(127,286)
Carrying amount at the end of the year	2,138,671	174,306	65,034	66,073	2,444,084
2021					
Balance at beginning of year	1,950,000	-	33,182	35,379	2,018,561
Additions	-	217,883	-	53,108	270,991
Revaluation	250,000	-	-	-	250,000
Disposals	-	-	-	(12,939)	(12,939)
Depreciation	-	-	(7,486)	(8,342)	(15,828)
Carrying amount at the end of the year	2,200,000	217,883	25,696	67,206	2,510,785

The revalued strata buildings consist of Suite 6.06, 97-99 Market Street, Sydney. Management determined that these constitute one class of asset under AASB 13 Fair Value Measurement, based on the nature, characteristics and risks of the property.

Fair value of the strata building 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, 28 September 2021, the property's fair values are based on valuations performed by Gunning Real Estate, an accredited independent valuer.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 9 Trade payables

	2022	2021
	\$	\$
Trade creditors and accruals	32,017	18,654
Payables to other reporting units	-	-
	<u>32,017</u>	<u>18,654</u>

Note 10 Other payables

	2022	2021
	\$	\$
Superannuation	7,581	24,741
PAYG	19,832	39,745
GST payable	90,859	97,088
Fringe benefit tax	-	1,812
Legal costs		
- Litigation	-	-
- Other legal costs	-	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
	<u>118,272</u>	<u>163,386</u>

The settlement for trade and other payable is usually made within 30 days

Total other payables are expected to be settled in:

No more than 12 months	118,272	163,386
More than 12 months	-	-
Total other payables	<u>118,272</u>	<u>163,386</u>

Note 11 Provisions - employee benefits

	2022	2021
	\$	\$
Office holders		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	<u>-</u>	<u>-</u>
Employees other than office holders		
Annual leave	119,549	83,684
Long service leave	30,694	23,615
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	<u>150,243</u>	<u>107,299</u>
Total employee provisions	<u>150,243</u>	<u>107,299</u>
Current	119,549	83,684
Non-current	30,694	23,615
Total employee provisions	<u>150,243</u>	<u>107,299</u>

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 12 Cash Flow

(a) Cash flow reconciliation

	2022	2021
	\$	\$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per		
Statement of cash flow	2,612,882	2,235,620
Statement of financial position	2,612,882	2,235,620
Difference	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of surplus to net cash from operating activities		
Surplus for the year	109,669	338,467
Adjustments for non-cash items		
Depreciation/amortisation	127,286	15,828
Net write-down of non-financial assets	(9,667)	80,798
Changes in assets/liabilities		
(Increase) decrease in net receivables	64,104	(109,616)
(Increase) decrease in other assets	10,012	-
Increase (decrease) in other creditors and provisions	11,193	63,304
Increase (decrease) in deferred income	115,582	(102,848)
Net cash provided by operating activities	<u><u>428,179</u></u>	<u><u>285,933</u></u>
(b) Cash inflow information		
Cash inflows		
Receipts/Transfers from other reporting units - (branch transfers)	<u><u>-</u></u>	<u><u>-</u></u>
Cash outflows		
Payments/Transfers to other reporting units - (branch transfers)	<u><u>-</u></u>	<u><u>-</u></u>

Note 13 Equity

	2022	2021
	\$	\$
13A General funds		
Retained profit at the beginning of the year	3,238,087	2,782,959
Surplus for the year	109,669	338,467
Value of net cash assets transferred from REEF South Australia & Northern Territory	-	116,661
Retained profit at the end of the year	<u><u>3,347,756</u></u>	<u><u>3,238,087</u></u>
13B Reserves		
Asset revaluation reserve		
Balance at the beginning of the year	250,000	-
Building revaluation increment	-	250,000
Balance at the end of the year	<u><u>250,000</u></u>	<u><u>250,000</u></u>
13C Other specific disclosures - funds		
Compulsory levy/Voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	<u><u>-</u></u>	<u><u>-</u></u>

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 14 Commitments and contingencies

As at 31 December 2022 and 2021, the Federation:

- did not have any capital commitments
- did not have any lease commitments
- was not aware of any contingent assets or liabilities

Note 15 Related party information

15A Related party transactions for the reporting period

There were no related party transactions for the year ended 31 December 2022. (2021: NIL)

15B Key Management Personnel Remuneration for the reporting period

	2022	2021
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	386,644	362,301
Performance bonus	-	-
Total short-term employee benefits	386,644	362,301
Post-employment benefits		
Superannuation	42,793	33,726
Total post-employment benefits	42,793	33,726
Other long-term benefits		
Long-service leave	30,693	23,615
Total other long-term benefits	30,693	23,615
Termination benefits	-	-
Total	460,130	419,642

15C Transactions with Key Management Personnel and their close family members

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the Federation, directly or indirectly, are considered key management personnel.

(b) Transactions with Key Management Personnel and their families

There were no transactions with key management personnel and their family members for the year ended 31 December 2022.(2021: NIL)

Note 16 Remuneration of Auditors

	2022	2021
	\$	\$
Value of the services provided		
Financial statement audit services	5,000	4,000
Other services	6,818	5,500
Total remuneration of auditors	11,818	9,500

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 17 Financial Instruments

Financial risk management entails devising strategies to manage potential adverse financial outcomes associated with financial instruments.

The committee of management is responsible for monitoring and managing the Federation's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Federation in meeting its financial targets while minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements. The main risks the Federation is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Federation is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Interest rate risk

The Federation'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 those financial assets is not material. The Federation's exposure to interest rate risk is detailed in note 17F.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Federation. The Federation does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying value of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of those financial statements and note 17D.

The Federation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Federation.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Federation might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Federation manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring credit facilities; and
- maintaining a reputable credit risk profile.

The Federation's exposure to liquidity risk is disclosed in note 17E.

(d) Net fair values

Assets and liabilities have been valued at their net fair value at balance date. This value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying value exceeds fair net values have not been written down as the Federation intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements and at note 18A.

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 17A Categories of financial instruments

	2022	2021
	\$	\$
Financial assets		
Cash at bank	1,206,651	1,230,875
Short term deposits	1,406,231	1,004,745
Trade and other receivables	14,746	78,850
Carrying amount of financial assets	<u>2,627,628</u>	<u>2,314,470</u>
Financial liabilities		
Trade payables	32,017	18,654
Other payables	118,272	163,386
Carrying amount of financial liabilities	<u>150,289</u>	<u>182,040</u>

Note 17B Net income and expense from financial assets

	2022	2021
	\$	\$
Cash and cash equivalents		
- Interest	16,053	2,495
Net gain from financial assets	<u>16,053</u>	<u>2,495</u>

Note 17C Net income and expense from financial liabilities

There were no income and expense from financial liabilities for the year ended 31 December 2022. (2021: NIL)

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 17D Credit risk

The following table illustrates the Federation's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2022 \$	2021 \$
Financial assets		
Cash and cash equivalents	2,612,882	2,235,620
Receivables	14,746	78,850
Total	2,627,628	2,314,470
Financial liabilities		
Trade payables	32,017	18,654
Other payables	118,272	163,386
	150,289	182,040

No assets have been pledged or held as collateral.

Credit quality of financial assets not past due or individually determined as impaired:

	Not past due or impaired 2022 \$	Past due or impaired 2022 \$	Not past due or impaired 2021 \$	Past due or impaired 2021 \$
Cash and cash equivalents	2,612,882	-	2,235,620	-
Receivables	14,746	-	78,850	-
	2,627,628	-	2,314,470	-

Ageing of financial assets that were past due by not impaired 2022:

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Cash and cash equivalents	2,612,882	-	-	-	2,612,882
Receivables	14,746	-	-	-	14,746
	2,627,628	-	-	-	2,627,628

Ageing of financial assets that were past due by not impaired 2021:

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Cash and cash equivalents	2,235,620	-	-	-	2,235,620
Receivables	78,850	-	-	-	78,850
	2,314,470	-	-	-	2,314,470

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 17E Liquidity risk

Contractual maturities for financial liabilities 2022:

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	32,017	-	-	-	-	32,017
Other payables	118,272	-	-	-	-	118,272
Total	150,289	-	-	-	-	150,289

Contractual maturities for financial liabilities 2021:

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	18,654	-	-	-	-	18,654
Other payables	163,386	-	-	-	-	163,386
Total	182,040	-	-	-	-	182,040

Note 17F Interest rate risk

Sensitivity analysis of the risk that the Federation is exposed to for 2022

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	26,000	26,000
Interest rate risk	-1%	(26,000)	(26,000)

Sensitivity analysis of the risk that the Federation is exposed to for 2021

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	22,000	22,000
Interest rate risk	-1%	(22,000)	(22,000)

Note 17G Changes in liabilities arising from financing activities

	1 January 2022 \$	Cash flows \$	31 December 2022 \$
Deferred revenue	1,088,669	115,583	1,204,252
Trade and other payable	182,040	(31,751)	150,289
	1,270,709	83,832	1,354,541

	1 January 2021 \$	Cash flows \$	31 December 2021 \$
Deferred revenue	1,191,517	(102,848)	1,088,669
Trade and other payable	178,702	3,338	182,040
	1,370,219	(99,510)	1,270,709

**REAL ESTATE EMPLOYERS' FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 18 Fair value measurement

Note 18A Financial assets and liabilities

Management of the Federation assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table contains the carrying amounts and related fair values for the Federation's financial assets and liabilities:

	Carrying Amount 2022 \$	Fair Value 2022 \$	Carrying Amount 2021 \$	Fair Value 2021 \$
Financial assets				
Cash and cash equivalents	2,612,882	2,612,882	2,235,620	2,235,620
Receivables	14,746	14,746	78,850	78,850
Total	2,627,628	2,627,628	2,314,470	2,314,470
Financial liabilities				
Trade payables	32,017	32,017	18,654	18,654
Other payables	118,272	118,272	163,386	163,386
Total	150,289	150,289	182,040	182,040

Note 18B Financial and non-financial assets and liabilities fair value hierarchy

Fair value hierarchy - 31 December 2022

	Date of valuation	Level 2 \$
Assets measured at fair value		
Strata Property at Suite 606, 97-99 Bathurst Street, Sydney NSW	28/09/2021	2,200,000

All other financial and non-financial assets and liabilities are measured at level 1 of the fair value hierarchy.

Fair value hierarchy - 31 December 2021

	Date of valuation	Level 2 \$
Assets measured at fair value		
Strata Property at Suite 606, 97-99 Bathurst Street, Sydney NSW	28/09/2021	2,200,000

Note 19 Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Australian and International Pilots Federation is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the reporting unit. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the reporting unit, the results of those operations, or the state of affairs of the Australian and International Pilots Federation in subsequent financial periods.

**REAL ESTATE EMPLOYERS' FEDERATION
OFFICER DECLARATION STATEMENT**

I, Christian Sidney Payne, being the President of the Real Estate Employers' Federation, declare that the following activities did not occur during the year ending 31 December 2022.

The reporting unit did not:

- 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
- transfer to or withdraw from a fund (other than the general fund), account, asset 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:

DocuSigned by:
Christian Payne
F40D9E802D2F48C...

Name of prescribed designated officer:

Christian Sidney Payne

Title of prescribed designated officer:

President

Dated at Sydney, this **22** of **MARCH** 2023