



30 December 2016

Mr Don Tepper  
Executive Officer  
Real Estate Employers' Federation of South Australia and the Northern Territory  
249 Greenhill Road  
DULWICH SA 5065

via email: [don@reefsant.org.au](mailto:don@reefsant.org.au)

Dear Mr Tepper

**Real Estate Employers' Federation of South Australia and the Northern Territory Financial Report for the year ended 30 September 2016 - [FR2016/326]**

I acknowledge receipt of the financial report of the Real Estate Employers' Federation of South Australia and the Northern Territory (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 8 December 2016.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

**Notes to the financial statements**

Future Australian Accounting Standards

Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 30 requires that the entity disclose Australian Accounting Standards issued but not yet effective with an assessment of the future impact on the entity.

Paragraph 30 states that;

*'when an entity has not applied a new Australian Accounting Standard that has been issued but is not yet effective, the entity shall disclose:*

- (a) this fact; and*
- (b) known or reasonable estimable information relevant to assessing the possible impact that application of the new Australian Accounting Standard will have on the entity's financial statements in the period of initial application.'*

This information has not been provided.

**Financial Risk Management**

I note that the information contained in Note 6 *Financial Risk Management* under *Liquidity Risk* does not reconcile to the information provided in the Statement of Financial Position. It appears to relate to the previous reporting period.

**Leases**

Leases

In the Statement of Comprehensive Income it states that an amount of \$6,500 was paid in the 2016 financial year for rental expense. AASB117 *Leases* paragraph 35 provides for the

disclosure requirements when an operating lease for a lessee exists. This information has not been included in the General Purpose Financial Report (**GPFR**).

### **Statement of financial position**

#### Reference to incorrect reporting period

The Statement of Financial Position is states as at 30 September 2015 instead of as at 30 September 2016.

#### Property, plant and equipment reconciliation

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

While the Statement of Financial Position provides the opening and closing balance of Office Equipment, a reconciliation of the carrying amount at the beginning and end of the reporting period showing information relating to additions/disposals/revaluation/depreciation has not been provided.

I also note that the disclosure requirements under AASB 116 paragraph 73(c) that is, the useful lives or the depreciation rate used, has not been disclosed under Note 1(a)(iv) *Significant Accounting Policies – Property Plant and Equipment*.

### **Activities under Reporting Guidelines not disclosed**

#### Activities under Reporting Guidelines (RG) not disclosed

Item 17 of the RG state that if the activities identified in item 16 have not occurred in the reporting period, a statement of this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 16(c) - affiliation fees paid to each entity
- 16(h) - fees or allowances paid to persons to attend conferences or meetings as a representative of the reporting unit

### **Reporting Requirements**

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

8 December 2016

General Manager  
Fair Work Commission  
Regulatory Compliance Branch  
GPO Box 1994  
MELBOURNE VIC 3001

RE: CERTIFICATE VIDE SECTION 268 (c) FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

I, Nella Kikianis, Deputy President of the Real Estate Employers' Federation SA/NT, being a prescribed designated officer, certify that the attached copy of the full financial report for the year ended 30 September 2016 is a copy of the report provided to all Members on Wednesday 9 November 2016 via electronic newsletter and is also a copy of the report presented to Members at the Annual General Meeting held on Thursday 8 December 2016.



(signed)

(Nella Kikianis)

Deputy President

Real Estate Employers' Federation SA/NT

## INDEPENDENT AUDITOR'S REPORT

To the members of  
the Real Estate Employers Federation of South Australia and Northern Territory

### Report on the Financial Report

We have audited the accompanying financial report of Real Estate Employers Federation of South Australia and Northern Territory, which comprises the statement of financial position as at 30 September 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and committee of management's statement.

#### Committee of Management and the Executive Officer's Responsibility for the Financial Report

The Committee of Management and the Executive Officer are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisation) Act 2009* and is appropriate to meet the needs of the members.

The Committee of Management and the Executive Officer's responsibility also includes such internal control as they determine is necessary to enable the preparation of a 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.

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

## Independence

In conducting our audit, we have complied with the independence requirements of the *Fair Work (Registered Organisation) Act 2009*. We confirm that the independence declaration required, which has been given to the Committee of Management of Real Estate Employers Federation of South Australia and Northern Territory, would be in the same terms if given to the Committee of Management as at the time of this auditor's report.

## Opinion

In our opinion:

- (a) the general purpose financial report of Real Estate Employers Federation of South Australia and Northern Territory is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
  - (i) presents fairly the entity's financial position as at 30 September 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Fair Work (Registered Organisation) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Real Estate Employers Federation of South Australia and Northern Territory is appropriate.

## Auditor's qualification

We confirm that Natale Rugari:

- (a) is an approved auditor;
- (b) is a person who is a member of CPA Australia; and
- (c) holds a current Public Practice Certificate.

## Ascensio Accountants



NATALE RUGARI

Principal, Registered Company Auditor

North Adelaide, 3<sup>rd</sup> November 2016

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**ABN 25 834 475 718**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

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# **REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY**

## **OPERATING REPORT**

The Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Real Estate Employers Federation of South Australia and the Northern Territory for the financial year ended 30 September 2016.

The Real Estate Employers Federation of South Australia and the Northern Territory (REEF SA/NT) is a 'not for profit' entity, and a registered organisation under Fair Work Act (2009).

### **Review of the State's Principal Activities**

The principal activities of the Federation during the financial year were: Maintain proper industrial relation practices within the Real Estate Industry. This has been done primarily by way of industrial awards; enquiry service; newsletters; training; tribunal/court representation; and employment agreements.

### **Significant Changes in Principal Activities**

There were no significant changes in the nature of the Federation's principal activities during the financial year.

### **Results of Principal Activities**

During the financial year the Federation continued to protect/improve the members interests, maintain professional development and training for its members.

REEF SA/NT's principal activities resulted in a surplus for the financial year of **\$13,794**

### **Significant Changes in Financial Affairs**

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

### **The Right of Members to Resign**

All members of the Federation have the right to resign from the Federation in accordance with Rule 4A "Resignation" of the Association Rules and Section 174(1) of the Fair Work( Registered Organisations) Act 2009).

In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

### **State Officers or Members who are Trustees of a Superannuation Entity**

No officer or member of the Federation holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

### **Other Relevant Information**

The Federation is not aware of any other relevant information.



**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**OPERATING REPORT (cont'd)**

**Prescribed Information Required Under the Fair Work (Registered Organisations)  
Regulations 2009**

- (a) The number of persons who were recorded in the register of members on 30 September 2016 was **285 (285 Financial; 0 un-financial)**
- (b) The number of persons who were employees of the reporting unit on 30 September 2016 was **0**.
- (c) The following persons were members of the Committee of Management (REEFSA/NT Board), during the year ended 30th September 2016:

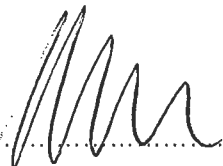
<b>POSITION</b>	<b>NAME</b>	<b>PERIOD</b>
President	Mr Derek Lynch	21 January 2015 – 30 September 2016
Deputy President	Mrs Nella Kikianis	21 January 2015 – 30 September 2016
Board Member	Mr Derek Lynch	18 December 2014 – 30 September 2016
Board Member	Mrs Nella Kikianis	18 December 2014 – 30 September 2016
Board Member	Mr Paul Stanton	18 December 2014 – 30 September 2016
Board Member	Ms Emma Slape	18 December 2014 – 30 September 2016
Board Member	Mr Mark Burns	18 December 2014 – 30 September 2016
Board Member	Mr Andrew Harvey	18 December 2014 – 30 September 2016
Board Member	Ms Samantha Forde (nee Ireland)	18 December 2014 – 30 September 2016
Board Member	Ms Suzannah Toop	18 December 2014 – 30 September 2016

Signed in accordance with a resolution of the Real Estate Employers Federation of South Australia and the Northern Territory



Derek Lynch

State President



Nella Kikianis

Deputy President

3<sup>rd</sup> November 2016

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

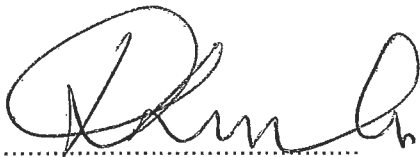
**COMMITTEE OF MANAGEMENT'S STATEMENT**

On <sup>30</sup>5<sup>th</sup> November 2016 the Committee of Management of Real Estate Employers Federation of South Australia and the Northern Territory passed the following resolution in relation to the general purpose financial report (GPFR) of the Federation for the year ended 30 September 2016.

The Committee declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards.
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Federation for the financial year ended 30 September 2016;
- (d) there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 September 2016 and since the end of the financial year:
  - (i) meetings of the Federation 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) no information has been sought in any request by a member of the Federation or General Manager duly made under Section 272 of the RO Act has been provided to the member or General Manager; and
  - (v) no orders for inspection of financial records have been made by Fair Work Commission under section 273 of the RO Act.
- (f) during the financial year ended 30 September 2016 the Federation did not participate in any recovery of wages activity

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



Derek Lynch - President

3<sup>rd</sup> November 2016

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

		2016	2015
<b>Income</b>	Note		
Interest received		2,731	3,796
New Memberships		15,373	14,770
Membership Renewals		165,725	156,905
Training Income		3,420	3,988
Employment Reg Agreement Fee		-	1,090
OH & S Manuals		2,673	1,500
H R Manuals		2,075	1,200
Sponsorship		1,000	-
Sundry Income		240	-
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
<b>Total income</b>		<u>193,237</u>	<u>183,248</u>
 <b>Expenses</b>			
Audit Fees	4	2,220	700
Bank Fees And Charges		84	66
Book Keeper		96	2,420
Capitation Fees		-	-
Compulsory Levies		-	-
Computer expenses		6,427	165
Consultants (Award Review)		-	10,035
Depreciation		1,821	884
Grants or Donations		-	-
Insurance		3,352	3,236
Internet Web Site		1,176	7,321
Legal fees		2,389	-
Conference & Meeting Expenses		1,580	1,901
Office Equipment		762	2,780
Penalties – via RO Act or RO Regulations		-	-
Photocopying		1,000	700
Postage & courier		563	633
Printing & stationery		1,947	1,274
Rent		6,500	7,250
Secretarial ( Non Office-holder )		-	378
Software		464	307
Staff training		-	1,725
CEO Retainer		92,705	84,327
EO Retainer		51,619	39,517
Subscriptions		913	2,605
Sundry		1,418	82

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016  
(cont'd)**

Telephone	1,500	1,374
Travel, accom & conference	906	6,539
<b>Total expenses</b>	<u>179,443</u>	<u>176,218</u>
<b>Profit from ordinary activities</b>	<u>13,794</u>	<u>7,030</u>
Net profit attributable to the Federation	13,794	7,030
<b>Total changes in equity of the Federation</b>	<u>13,794</u>	<u>7,030</u>
Opening retained profits	118,524	111,494
Net profit attributable to the Federation	<u>13,794</u>	<u>7,030</u>
<b>Closing retained profits</b>	<u>132,318</u>	<u>118,524</u>

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**DETAILED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**

**Current Assets**

**Cash Assets**

Cash At Bank S A	39,176	20,210
Bank SA Online Access	-	7,524
Cash float	200	200
	<u>39,377</u>	<u>27,935</u>

**Receivables**

Trade Debtors	(22)	451
	<u>(22)</u>	<u>451</u>

**Current Tax Assets**

GST clearing	3,028	3,848
	<u>3,028</u>	<u>3,848</u>

**Other**

Bank SA term deposit	86,554	83,944
	<u>86,554</u>	<u>83,944</u>

<b>Total Current Assets</b>	<b><u>128,937</u></b>	<b><u>116,178</u></b>
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**Non-Current Assets**

**Property, Plant and Equipment**

Office equipment	11,852	10,186
Less accumulated depreciation	(8,471)	(6,650)
<b>Total Non-Current Assets</b>	<b><u>3,381</u></b>	<b><u>3,536</u></b>

<b>Total Assets</b>	<b><u>132,318</u></b>	<b><u>119,714</u></b>
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**Current Liabilities**

**Payables**

Trade creditors	-	-
Sundry Creditors	-	1,190
<b>Total Current Liabilities</b>		<b><u>1,190</u></b>

<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>1,190</u></b>
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<b>Net Assets</b>	<b><u>132,318</u></b>	<b><u>118,524</u></b>
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**Members' Funds**

Accumulated surplus (deficit)	132,318	118,524
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<b>Total Members' Funds</b>	<b><u>132,318</u></b>	<b><u>118,524</u></b>
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The above statement should be read in conjunction with the notes

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>Accumulated Funds (Losses) \$</b>
<b>Balance at 30 September 2014</b>	111,494
Net Surplus (Deficit) for the year	7,030
Total comprehensive income for the year	<u>7,030</u>
<b>Balance at 30 September 2015</b>	<u>118,524</u>
Net Surplus (Deficit) for the year	13,794
Total comprehensive income for the year	<u>13,794</u>
<b>Balance at 30 September 2016</b>	<u>132,318</u>

The above statement should be read in conjunction with the notes

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 SEPTEMBER 2016**

	2016 \$	2015 \$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	190,979	179,056
Payments to Suppliers and employees	(177,992)	(186,551)
Interest received	2,731	3,795
Net cash provided by (used in) operating activities (note 2)	<u>15,718</u>	<u>(3,699)</u>
<b>Cash Flow From Investing Activities</b>		
<b>Payment for:</b>		
Payments for property, plant and equipment	<u>(1,666)</u>	
Net cash provided by (used in) investing activities	<u>(1,666)</u>	
Net increase (decrease) in cash held	14,052	-3,699
Cash at the beginning of the year		115,578
	<u>111,879</u>	
Cash at the end of the year (note 1)	<u>125,931</u>	<u>111,878</u>

**Note 1. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank S A	39,716	20,210
Bank SA Online Access	-	7,524
Cash float	200	200
Bank SA term deposit	<u>86,554</u>	<u>83,944</u>
	<u>125,931</u>	<u>111,878</u>

**Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit**

Operating profit (loss) after tax	13,794	7,030
Depreciation	1,821	884
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	473	(396)
Increase (decrease) in trade creditors and accruals	(1,190)	(12,657)
Increase (decrease) in sundry provisions	<u>820</u>	<u>1,439</u>
Net cash provided by (used in) operating activities	<u>15,718</u>	<u>(3,699)</u>

The above statement should be read in conjunction with the notes

# REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Real Estate Employers Federation of South Australia and Northern Territory is a not-for-profit entity.

The financial report is for the Real Estate Employers Federation of South Australia and Northern Territory. The Real Estate Employers Federation of South Australia and Northern Territory (REEF SA/NT) is an organisation registered under the RO Act.

The financial report has been prepared on an accrual basis and in accordance with historical cost. 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 significant accounting policies adopted by the Federation in the preparation of the financial report.

- a) (i) **Revenue**  
Members Subscription income has been brought to account on an accrual basis during the course of the year.
- (ii) **Expenditure**  
Expenses represent amounts paid directly by the REEF SA/NT for operational costs.
- (iii) **Employee Entitlements**  
No provisions for employee benefits have been made as the Federation has no employees.
- (iv) **Property, Plant and Equipment**  
Depreciation, using the diminishing value method, has been provided for in the Accounts on all Non-Current Assets, so as to allocate their cost over their estimated remaining useful life.
- (v) **Income Tax**  
No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.
- (vi) **Goods and Services Tax (GST)**  
Revenues and expenses are recognised net 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 part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

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

Cash flows are included in the statement of cash flows on a gross basis.



**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016  
(Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**b) Going concern basis of accounting**

The financial report has been prepared on the basis that the Federation is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Committee of Management believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the net asset position of REEF SA/NT is positive and the forecast results of future operations are not expected to exhaust cash reserves.

**c) Adoption of New Australian Accounting Standard requirements**

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

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

**d) Future Australian Accounting Standard requirements**

There have been no accounting standards issued prior to the sign off date, but not yet effective, which will have a material impact on the financial report in future periods.

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The Federation makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**(b) Critical judgments in applying the Federation's accounting principles**

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016  
(Cont'd)**

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

- (i) A member of a reporting unit, or the General Manager of Fair Work Commission, 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)

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>4. PROFESSIONAL SERVICES</b>		
Auditors - Auditing the financial report	2,000	700
- Other Services	220	-
<b>Legal Costs</b>		
Litigation	-	-
Other Legal Matters	<u>2,389</u>	<u>-</u>
	<u>4,609</u>	<u>-</u>

**5. RELATED PARTIES**

- (a) No amount of remuneration was paid to officers during the financial year.
- (b) No amount was paid during the financial year to a superannuation plan in respect of elected full time officials.  
A fee for retention of service (retainers) were paid to officers as follows:  
Chief Executive Officer \$92,705  
Executive Officer \$51,619
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

# REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

### 6. FINANCIAL RISK MANAGEMENT

#### General objectives, policies and processes

The Federation is exposed to risks that arise from its use of financial instruments. This note describes the Federation's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Federation's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Federation's financial instruments consist mainly of deposits with banks and receivables.

#### Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Federation incurring in a financial loss. This usually occurs when debtors fail to settle their obligations owing to the association.

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 amount of those assets, net of any provision for doubtful debts.

#### Liquidity Risk

Liquidity risk is the risk that the Federation may encounter difficulties raising funds to meet commitments associated with financial instruments. The association is not significantly exposed to this risk; at 30 September 2015 it had \$120,921.00 of cash and cash equivalents to meet these obligations as the fall due. Financial liabilities at 30 September 2014 totalled \$13,847.00.

The Federation manages liquidity risk by monitoring cash flows.

#### Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because the changes in interest rates (interest rate risk) or other market factors (other price risk).

#### 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 and liabilities are summarised as per the financials.

### 7. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Federation.

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA  
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016  
(Cont'd)**

**8. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

None to report.

**9. ADDITIONAL INFORMATION**

The registered office and principal place of business is:

REI House  
249 Greenhill Road  
Dulwich SA 5065



4 October 2016

Mr Don Tepper  
Executive Officer  
Real Estate Employers' Federation of South Australia and the Northern Territory  
By email: [don@reefsant.org.au](mailto:don@reefsant.org.au)

Dear Mr Tepper,

**Re: Lodgement of Financial Report - [FR2016/326]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Real Estate Employers' Federation of South Australia and the Northern Territory (the reporting unit) ended on 30 September 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

### **Fact sheets, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 30 December 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Civil penalties may apply

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

## Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

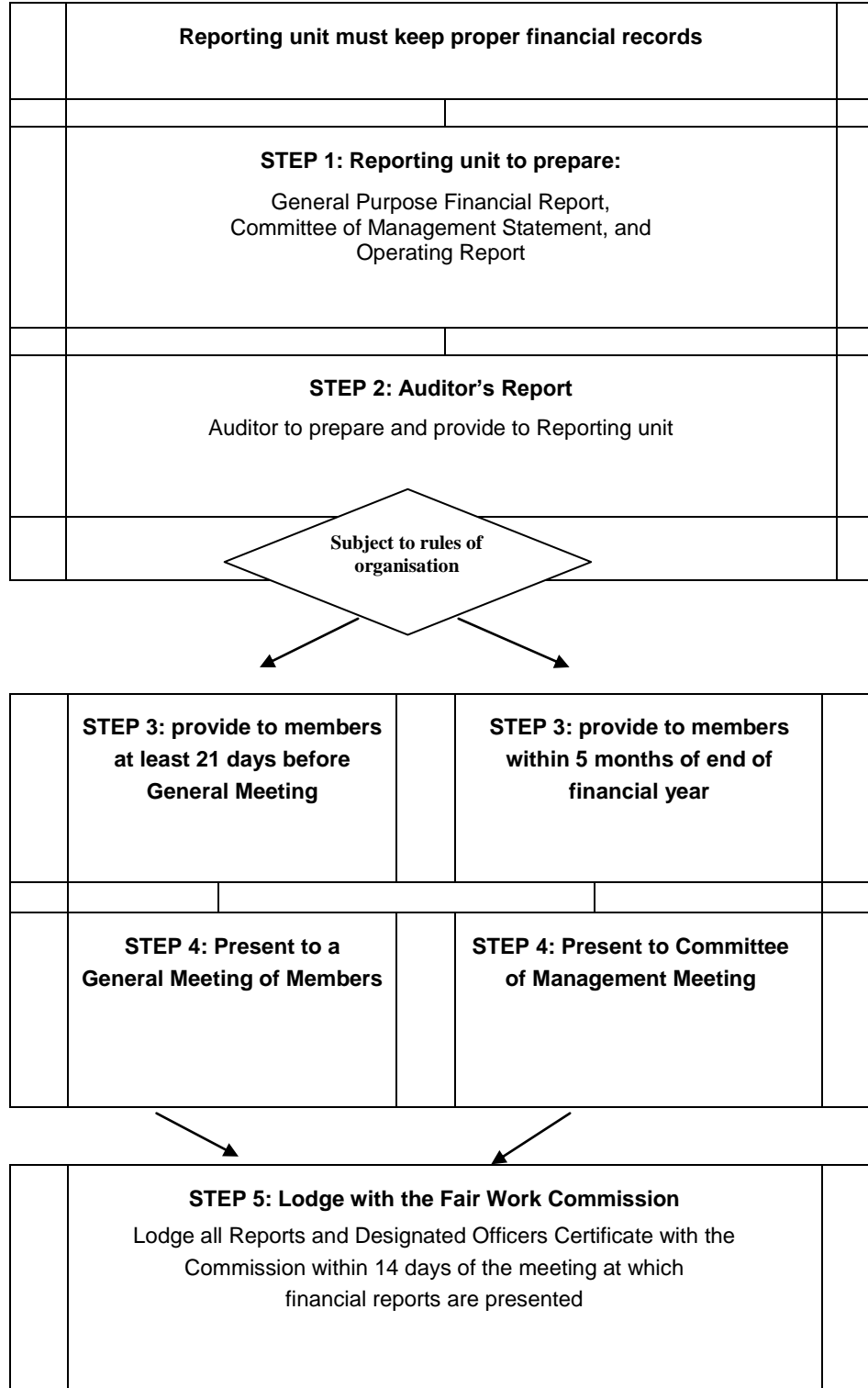


Anastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,\* and







the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.



## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
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	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)