

John Hill has retired from the REINSW Board after 18 years of service. John has made a huge contribution to the real estate industry during this period. He served a very successful term as President of REINSW, and was also President of the Real Estate Institute of Australia. He also contributed as a member of the Rental Bond Board, the Ministers Advisory Committee on Retail Tenancy and the Advisory Committee to the Valuer General. John is currently a member of the Infrastructure Committee at UTS.

Steve Martin, current President of REINSW, summed up the sentiments of the Board when he said "the REINSW Board will be the lesser place for losing John's experience and expertise. He has been a guiding mentor for many of us over many years, and his contribution to the real estate industry has, quite simply, been immense."

One of John's greatest contributions to the industry was to spearhead the creation of Realcover. This industry-owned insurance company was set up in the wake of the collapse of HIH in the early 1990s, and has delivered major benefits to agents through reduced premiums and better structured policies for professional indemnity insurance.

Following its creation, John went on to become the inaugural Realcover Chairman.

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Another major achievement for John was to increase the industry's profile in the media as the voice of the real estate industry. This assisted REINSW in more effective lobbying of the State Government on a range of agents' issues.

John has always been a passionate advocate for agents, and will continue to speak out on issues that interest him. "There are significant issues for agency in the near future," John said. "Big changes are coming in the role of IT, and this Government is bringing about an enormous shift in power to Canberra."

At his recent farewell function at REI House, John said that "it has been a fantastic experience. I've made a lot of great friends, and I've got a lot more out of it than I have put in. It was a privilege to have contributed to making the life of an agent better."

John will be continuing to serve agents in his role as Chairman of Realcover. ♦

1. REINSW PRESIDENT STEVE MARTIN (LEFT) AND CEO TIM MCKIBBIN (RIGHT) CONGRATULATE JOHN HILL ON 18 YEARS OF SERVICE.

2. SON SAM HILL AND DAUGHTER-IN-LAW NICOLA JOINED JOHN HILL TO CELEBRATE HIS ACHIEVEMENTS.



Tax tips for landlords



BY ROBERT ATANASOV

It's that time of year again when you have to start thinking about getting your tax information together and seeing your accountant. Landlords are in a unique tax situation as they have a bit more control over their tax refunds than taxpayers who only have group certificate income.

The following tips can help you legally maximise your tax refund and bring you one step closer to buying that next rental property:

- If you are receiving a sizeable tax refund at the end of the year due to negatively geared rental property, consider varying

the amount of Pay As You Go Withholding Tax that your employer deducts from your wage each pay period. This will increase your net wage each pay period and smooth out your cash flow during the year.

- It's possible to pre-pay the interest on your investment property loan up to 12 months in advance. This is a strategy that can be employed towards the end of the financial year to boost your tax refund at year end. There may be other expenses that you can prepay such as insurance and repairs that will further inflate your year-end tax refund.
- New landlords need to remember to provide the solicitor's settlement statement on the purchase of their rental property to their accountant, as well as the loan establishment documents. These documents will contain items that can be claimed in the year of purchase and other items – such as borrowing costs which include loan establishment fees and mortgage insurance – that need to be claimed over five years.
- Remember if you are thinking of selling your rental property, you can offset the capital gain against any capital losses you may have recently made on the sale of shares or if you have carried forward capital losses from previous years. This is especially relevant with the currently losses experienced by shareholders. The timing of the sale of shares and property are important, make sure you ask your accountant before making a sale.
- Don't forget to claim travel to your property to inspect it. You may also need to make trips to repair the property if you are not engaging a tradesman to do so.

- If you have multiple rental properties and need to sell one, check if any of your properties were purchased prior to 20 September 1985. These are known as "pre-capital gains tax assets", and as the name suggests are not subject to capital gains tax (CGT). There are special rules surrounding CGT and if you have made major improvements to a pre-CGT property this may affect the CGT exemption. Again, it is important to consult your accountant.

- Depreciation is often overlooked by property investors. If the building is relatively new or has had recent capital improvements it could be prudent to consult a quantity surveyor to see whether you are missing out on significant depreciation expenses.

These are merely the tip of the iceberg when it comes to deductible expenses for landlords. If you want to learn more, it is advisable to consult a qualified accountant before making any major decisions.

Robert Atanasov is the Principal of Atanasov Audit & Consulting and specialises in rental property tax returns. He can be contacted on (02) 9588 2055. ♦

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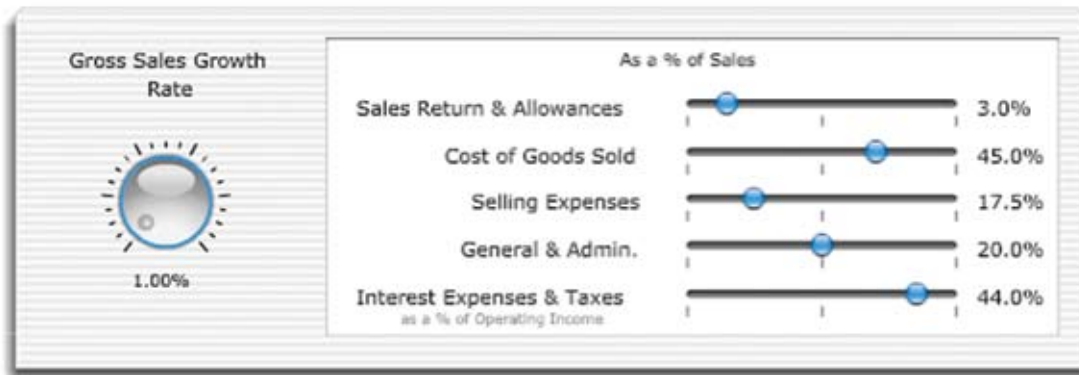
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BENCHMARKING HAS BEEN AN IMPORTANT TOOL OVER THE LAST DECADE OR SO IN BUSINESS TRANSFORMATION AND GROWTH. SMALL BUSINESS OWNERS PERHAPS PERCEIVE BENCHMARKING AS A COMPLICATED MODEL OR PROCESS THAT THEY CAN DO WITHOUT. NOW, A NEW BENCHMARKING TOOL IS BREAKING DOWN THE PERCEIVED COMPLEXITIES BY MAKING IT EASIER FOR REAL ESTATE BUSINESSES TO IMPROVE THEIR BOTTOM LINE.

Real Business First, an online benchmarking system, has been developed specifically for the real estate industry to assist businesses in increasing their overall profit.

Benchmarking is a process of meeting industry standards, and culminates in best practice activities which improve productivity and efficiency and help make a business more lucrative.

Best practice constantly changes and continuous benchmarking can help an organisation identify what it needs to do in order to keep up with competitors. Real Business First offers agencies

THE BOTTOM LINE OF ANY BUSINESS CAN BE IMPROVED BY STREAMLINING INTERNAL PRACTICES AND CLOSELY MONITORING THE EXTERNAL ENVIRONMENT

a straight forward and effective way to do this.

Powered by Deloitte, who have partnered with REINSW to bring the product to market, Real Business First allows agents to compare their accounts to those of other subscribing agencies, as well as easy access to reviewing their own agency's current financial position at a glance.

Real Business First is an interactive online program that shows agents their bottom line and demonstrates how profit is affected as various parts of the business are adjusted. It provides an instant snapshot of how a business stacks up against the market average*, best practice and

competitors, which in turn provides insight into potential changes that can be made to increase profit.

An agent will clearly see how their agency compares, helping them make the decision as to where business improvement opportunities lie.

The bottom line of any business can be improved by streamlining internal practices and closely monitoring the external environment, allowing quick reaction to industry trends. Parts of the business, such as staffing, administration and trading conditions should be analysed to determine how they are performing and opportunities for improvement identified.

This is where a product like Real Business First can help.

Real Business First is only \$49.50 per month for REINSW members and \$69.50 per month for non-members (prices GST inclusive).

To find out more about Real Business First or to subscribe, go to www.realbusinessfirst.com ♦

**of subscribing agencies only*

Benchmark your way to greater profit

Today's small business owner is confronted with new business problems and opportunities on a regular basis. Running a company requires the ability to look outside the business for solutions, ideas, and best practices. In short, benchmarking allows best practice.

Benefits of best practice:

- Reduce costs: Small companies often do not have the deep financial pockets of big business to "re-invent the wheel". By learning what other companies have successfully done, a small business can save money without testing new ideas.
- Avoid mistakes: Solving business problems on your own can result in costly errors. Learning what others have done can keep your business in business.
- Find new ideas: Learn from beyond your company.
- Improve performance: When your business looks for best practices outside your business, you can raise the bar of performance and set new standards of excellence to propel your company forward.

Big business across numerous industries has used best practice benchmarking over decades and realised billions in savings and revenues in all areas of business operations and sales.

The opportunity is here for real estate agencies to reap the rewards from best practices. A benchmarking product such as Real Business First can provide you information to determine who is the very best, who sets the standard, and what that standard is across the real estate industry.