

REIA NEWS

ISSUE 44: APRIL 2015



REIA 2015 NATIONAL AWARDS FOR EXCELLENCE

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REAL ESTATE SECTOR

THE LONG AWAITED TAX
DISCUSSION PAPER

LACK OF FEDERAL LEADERSHIP
ON CITIES FAILING AUSTRALIA

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INFORMATION.



PRESIDENT'S REPORT

Mr Neville Sanders
REIA President



WELCOME FROM REIA'S PRESIDENT

Hello and a warm welcome to the April edition of REIA News.

So far it has been a busy year for our advocacy work with the Prime Minister recently releasing the Options Paper into foreign investment in Australian residential real estate as well as the Treasurer releasing the Intergenerational Report and most recently, the long awaited Tax Discussion Paper. REIA has submitted its formal response to the Foreign Investment Options Paper and has also provided a briefing on the Intergenerational Report to REIA Board members, Affiliate Council members and REI CEOs.

REIA is now working on its formal response to the taxation review paper, entitled Re:think. REIA was very pleased to see that the review included negative gearing and that it has gone some way to dispelling the myths around this tax concession. The report actually states that “negative gearing does not, in itself, cause a tax distortion, but it does allow more people to enter the market than those who might have had the equity alone to do so” and that the “majority of tax payers with negatively geared properties fall into the middle income bands but the proportion of tax payers with negatively geared properties increases as taxable income increases.”

The review also pleasingly notes that not only are stamp duties some of the most inefficient taxes levied in Australia but their consequences impede economic growth. This is a position REIA has long advocated, including in its recent [Pre Budget](#)

[Submission](#). The review goes on to state that if stamp duties are abolished the forgone revenue will need to be replaced by a higher GST, as advocated by REIA, or by a land tax which was advocated by the Henry Review.

On a lighter note, last month saw REIA host the 2015 National Awards for Excellence in Perth and images from what was a great event have been included in this edition. Images, along with an electronic copy of the official award magazine, are also available on our website. My sincere congratulations to all of the finalists and a special congratulations to the winners of the 16 awards. The night of course would not be possible without this year's sponsors which include: Terri Scheer, Direct Connect, Deposit Power, Rockend, Printforce and Top Snap photography. Your support is much appreciated.

Mr Neville Sanders
REIA PRESIDENT

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This article is brought to you by REIA
Chief Executive Officer, Amanda Lynch

GETTING THE FACTS STRAIGHT ON FOREIGN INVESTMENT



There has been a lot of media attention lately around the highly charged issue of foreign investment. REIA has strongly advocated for greater enforcement of the current regulations and has supported in-principal the introduction of an application fee although we believe the proposed fees are on the high side and may potentially discourage investment in some states. We recently responded to the Government's Options Paper and highlighted the industry's concerns regarding the fee level. We have always strongly supported foreign investment in Australia as it has been proven to help add to the supply of new housing and we will continue to advocate to the Government the concerns of the industry.

Agent's Responsibilities

There is currently no civil pecuniary penalty for a third party assisting foreign investors to breach the rules around residential real estate under the *Foreign Acquisitions and Takeovers Act 1975*. However, earlier this year, the Treasury issued an Options Paper, *Strengthening Australia's Foreign Investment Framework*, which proposes that the Government introduce a civil penalty regime for breaches to apply to foreign investors and **any third party** who knowingly assists a foreign investor to breach the framework. The important point to remember here is that agents must **knowingly** assist foreign investors to break the rules. An example of this would be an agent learns that a potential buyer is a foreign investor

and then recommends ways for that investor to get around the current regulation. The table below shows a summary of the proposed penalties.

The Government also intends to work with the states and territories to introduce a new obligation which requires the lawyers or registered conveyancers in a property transaction to verify whether their client is a foreign investor prior to registering the land title transfer. The information on the register would be matched with foreign investment approval data to ensure compliance with the foreign investment rules. The details around exactly what information conveyancers would be required to verify is to be determined through a public consultation process.

Third party assists foreign investor to breach rules

Civil penalty

Specific offence to be included in the *Foreign Acquisitions and Takeovers Act 1975*. Pursue court action to impose a civil penalty. The maximum civil penalty would be:

- 250 penalty units (\$42,500) for individuals.
- Corporations subject to multiplier of five.

Criminal Penalty

Knowingly assisting another person to commit a criminal offence is an offence under Section 11.2 of the Criminal Code (maximum penalty is 500 penalty units [\$85,000], imprisonment of two years, or both).

GETTING THE FACTS STRAIGHT ON FOREIGN INVESTMENT

» *continued*

I also thought it would be timely to clarify a few facts on this very topical issue and below is a list of ten key points on foreign investment in Australia.

10 Points on Foreign Investment in Australian Residential Real Estate

- 1 Despite some media claims, foreign investors and first home buyers generally do not compete for the same types of property.
 - a Foreign buyers predominantly buy property at a much higher price than Australian first home buyers, who nationally have an average loan of only \$308, 444.
 - b First home buyers generally buy established homes below the median price and the average size of a loan to a first home buyer is 8% lower than the figure for all owner-occupier housing finance commitments excluding refinancing.
 - c The average price of an established home purchased by a temporary resident is \$1.064 m and an average price of an off-the-plan development acquired by a foreign investor is \$647,000.
- 2 All real estate acquisitions by foreigner investors must be approved by the Foreign Investment Review Board (FIRB). Currently, there are no fees or charges for applications for approvals although the Government has proposed fees set at a minimum of \$10,000.
- 3 FIRB have not taken any court action for breaches based on the current regulations since 2006.
- 4 Temporary residents can purchase property in Australia but need to apply for approval and can buy only one established dwelling, which must be used as their residence in Australia. Further, the property must be sold when it ceases to be their residence. Temporary residents cannot buy established dwellings as an investment property.
- 5 Foreigner investors, who do not hold a temporary residency visa can buy new dwellings as an investment property only.
- 6 Two-thirds of the value of approved proposed investment in real estate is in commercial real estate.
- 7 The three largest source countries of proposed investment in real estate, by value, are China, Canada and USA accounting for 11.4%, 9.5% and 8.5% respectively for all approvals.
- 8 Foreign investment in new residential real estate has been proven to add to Australia's supply of housing at a time of a chronic under-supply.
- 9 The state distribution of proposed investment in residential real estate, by value, is focussed on the eastern seaboard with Victoria, New South Wales and Queensland accounting for 34%, 32% and 11% respectively of all approvals.
- 10 Over the last six years, the number of investment properties held by non-residents has averaged around 72,000 of properties. This equates to just 1% of Australia's total dwelling stock.



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This article is brought to you by REIA
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GENDER PAY GAP IN THE REAL ESTATE SECTOR



Statistics from the United States show that in America, women dominate the real estate business with all states having more female real estate agents compared to their male counterparts. Interestingly, female real estate agents, on average, list fewer homes in the US compared to their male counterparts, but women tend to put homes on the market for a higher price than their male colleagues. Nevertheless, the *Highlights of women's earnings in 2013* report by the U.S. Bureau of Labour Statistics shows that the gender pay gap for American real estate brokers and sales agents stands at 18.5%. While the American data may be unpalatable, Australian figures are even more concerning with the gender pay gap for the rental, hiring and real estate services industry sitting higher, at 28.7%.

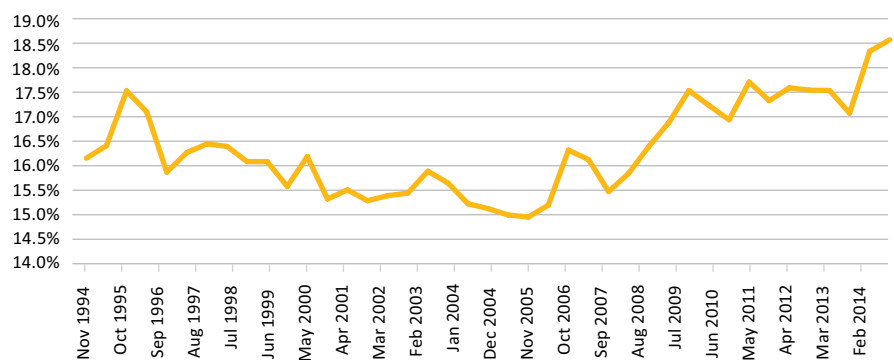
In Australia, the gender divide in the real estate sector is fairly balanced with men and women representing 52% and 48% of the real estate profession respectively. However, men are more likely to be sales agents and own their own business in comparison to women who tend to be employed as property managers.

As a result of these differences, the latest Census showed that of all female real estate agents who stated their income, only 8.5% were earning \$2,000 and over as their total earnings per week – the proportion stood at 23.5% for men. The latest *Average Weekly Earnings* publication by the Australian Bureau of Statistics shows that the gender pay gap for Rental, Hiring and Real Estate Services was the third worst level across the industries and almost 10 percentage points above the national average.

The overall Australian gender pay gap figure hit a record high of 18.8% late last year and is now at its worst level in the last two decades. The gender pay gap is the difference between the average of all female and all male earnings expressed as a percentage of male earnings. In November 2014, the average weekly ordinary time earnings of women working full-time were \$1,289.30 per week, or \$298.10 per week less than men, who earned an average weekly wage of \$1,587.40 per week. Figure 1 below shows the gender pay gap in Australia through the years.

FIGURE 1 Gender pay gap in Australia

Source: ABS, 6302.0 - Average Weekly Earnings, Australia, November 2014



» article continues

GENDER PAY GAP IN THE REAL ESTATE SECTOR

» *continued*

In Australia, the gap in the private sector is considerably larger relative to the public sector, 22.1% and 12.3% respectively, while across the states the figure varies greatly from 11.6% in the Australian Capital Territory to 25.6% in Western Australia. Figure 2 adjacent shows the gender pay gap by state and territory.

Commonwealth Government's *Intergenerational Report – Australia in 2055* (IGR) released in March clearly shows that elevated female workforce participation is a desirable goal to drive higher levels of prosperity through economic growth. Despite the increase in female workforce participation from 46% to 66% over the last four decades, the rate remains lower compared to Canada and New Zealand.

IGR suggests that policy settings that seek to remove barriers to female participation in workforce include availability of childcare, flexible working arrangements, and removal of discrimination. Closing the gender pay gap is another important policy setting that the Government needs to look into given Australia currently has the largest gap in the last 20 years.

With the gender pay gap making one of the key challenges for women in today's world, REIA believes that tax reform can assist in the Government's aim of increased workforce participation – a desirable goal that can deliver \$25 billion to Australian GDP according to Grattan Institute.

FIGURE 2 Gender pay gap, %

Source: ABS, 6302.0 - Average Weekly Earnings, Australia, November 2014

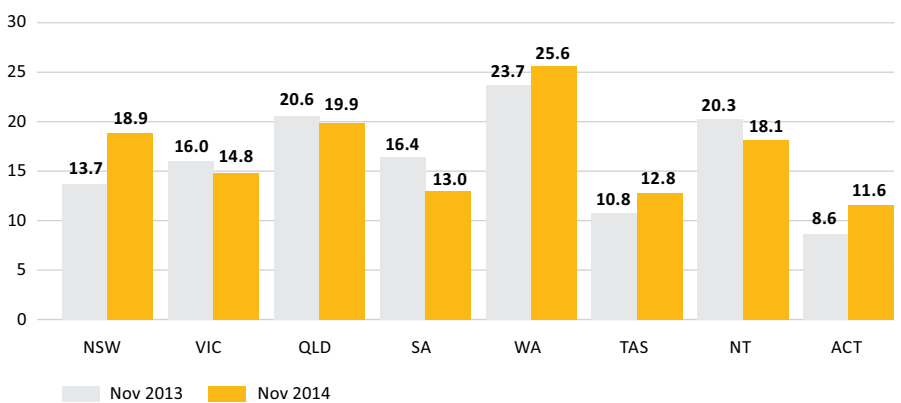
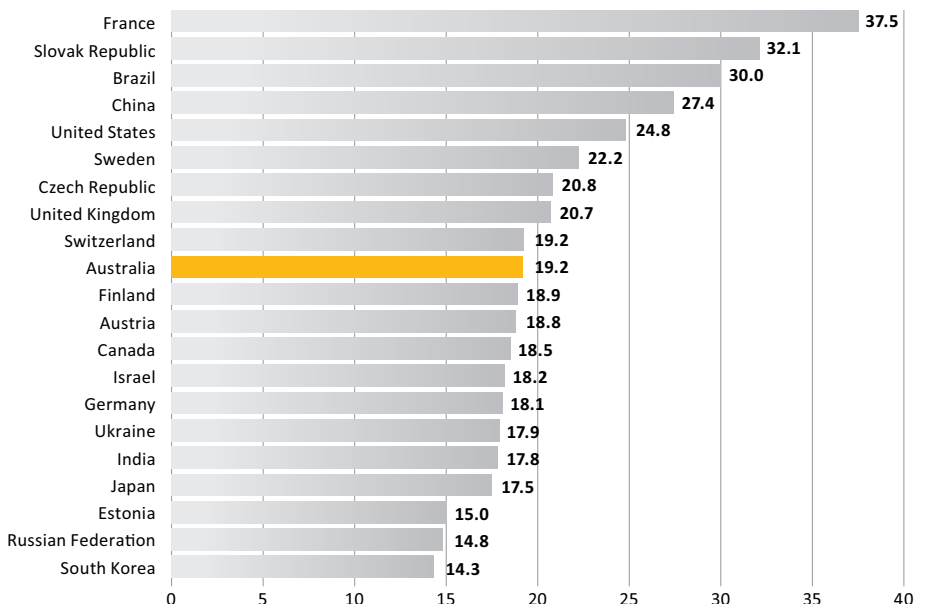


FIGURE 3 Gender pay gap, %

Source: <http://time.com/14153/global-gender-pay-gap-map/>





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LACK OF FEDERAL LEADERSHIP ON CITIES FAILING AUSTRALIA

By Michael Apps, Executive Director of the Bus Industry Confederation of Australia (BIC)

BIC IS A FOUNDING MEMBER, ALONG WITH REIA, OF THE PARLIAMENTARY FRIENDSHIP GROUP FOR BETTER CITIES



A lack of leadership on urban policy is failing Australia. Urban sprawl and traffic congestion are making our cities unmanageable both in terms of cost to the government and cost of living for families. The reluctance of the current federal government to work with state governments on this issue is damaging our national prosperity.

Our capital and major cities are the drivers of our economy; 80 per cent of the value of all goods and services produced in Australia come from our cities, 70 per cent of the economy is based around service industries in our cities, and more than 85 per cent of our people live in major cities and urbanised areas.

These numbers alone are a good reason why the Australian government should be a leader not a follower when it comes to our cities, but the cost of urban sprawl and congestion to the national economy make it a necessity.

Congestion is estimated to have cost the national economy more than \$13 billion in 2014 and if unchecked will cost the economy \$20 billion by 2020.

A recent study estimates that urban sprawl costs the US economy more than US\$1 trillion annually. We know that urban sprawl costs Australian governments; federal, state and local, billions in additional infrastructure, service provision costs and productivity losses as a result of congestion.

At a time when bringing down costs to government and increasing revenue is a major focus at a federal level it's a no brainer for the federal government to play a role in how we manage the growth of our cities.

Cities are the knowledge drivers of the economy. We no longer ride on the sheep's back or on the coat tails of the mining boom. Our economy now and in the future depends on how we manage our cities.

The federal government must have a vision for our cities and get involved or we will end up with more long term strategic plans that only last as long as the electoral term of state governments.

My comments follow the launch of *Moving People: Connecting Neighbourhoods*, a major report written by Professor John Stanley at the University of Sydney.

This report presents the concept of 20 minute neighbourhoods throughout our major cities where residents live within 20 minutes walking, cycling or by public transport from work, leisure and shopping as the solution to the challenges of urban sprawl and congestion our cities face.

The report focuses on the roles of density, public transport requirements and walking to achieve a 20 minute neighbourhood within the greater metropolitan regions of our capital and major cities.

The 20 minute neighbourhood isn't trying to reinvent the wheel, it is about making the existing urban form in our cities more diverse and liveable by bringing good transport choices and economic opportunity to what is already in place.

THE LONG AWAITED TAX DISCUSSION PAPER

This article is brought to you by REIA Manager Policy, Jock Kreitals
Jock can be contacted at jock.kreitals@reia.com.au



Last week the Treasurer released the much anticipated Tax Discussion Paper signalling the start of public debate on taxation reform in Australia.

The Discussion Paper was designed to review ways of developing a better tax system that delivers taxes which are lower, simpler and fairer.

Responses to the Discussion Paper are sought by the beginning of June. Following this the Government will release a tax options Green Paper in the second half of 2015. The Government will then seek further feedback on the options before putting forward its policy proposals in a White Paper in the lead up to the 2016 Federal election.

REIA will formally respond to the Discussion Paper and is set soon to launch its report into negative gearing and capital gains tax, which is in particular on the issues of negative gearing and capital gains tax utilising the report being prepared by ACIL Allen Consulting.

Investment in Property and Negative Gearing

The Discussion Paper highlights the following regarding negative gearing.

- The tax treatment of investment properties is the same as it is for

investment in any asset that produces a mix of current income and capital gain. That is, the rental income is taxed at the individual's marginal tax rate as it is earned, while generally only half of the capital gain is taxed, and only when the property is sold

- **Negative gearing does not, in itself, cause a tax distortion**, but it does allow more people to enter the market than those who might have had the equity alone to do so. This behaviour is encouraged by the CGT discount
- **Contrary to popular perception, negative gearing is not a specific tax concession for taxpayers with investment properties – it is simply the operation of Australia's tax system** allowing deductions for expenses incurred in producing assessable income (Chapter 3 – Individuals)
- The majority of tax payers with negatively geared properties fall into the middle income bands but the proportion of tax payers with negatively geared properties increases as taxable income increases

» *article continues*

- **Any tax advantage for individuals investing in property does not come from borrowing gearing but of the taxation of the capital gain**
- It would not be appropriate to tax either the imputed rent on owner-occupied housing or capital gains derived from it.

The Goods and Services Tax (GST)

The Paper notes at the beginning of its discussion on GST that unanimous agreement by all state and territory governments is required to legislate any changes, as well as both Houses of the Australian Parliament.

Consequently the Paper then states that **the Australian Government will not support changes to the GST without a broad political consensus for change, including agreement by all state and territory governments.**

In what seems to be making a case for an increase in the rate of the GST,

and an accompanying cut in income and company tax rates, the Paper notes that Australia's GST rate is one of the lowest among developed countries and is roughly half of the average rate among OECD countries.

Stamp Duties and Land Tax

The Paper notes that not only are stamp duties some of the most inefficient taxes levied in Australia their consequences impede economic growth.

In regard to land tax the Paper does not appear to be advocating for their introduction but notes that

- Australia's reliance on taxes on land, as a percentage of total taxation is higher than the OECD average, but around half the proportion raised in the US, UK and Canada
- Land tax is currently applied in all Australian states and territories other than the NT

- The range of exemptions applied, primarily to owner occupied housing and agricultural land, and progressive rates applied introduces a bias against large investments in residential property and discourages institutional investors from investing in private rental housing
- An "ideally designed land tax" would result in a once-off reduction in the value of the land and land owners would bear the full cost of the tax and would not pass any onto renters
- The introduction of a 20-year program by the ACT Government to abolish stamp duty by steadily increasing rates and reducing stamp duty involved significant transitional costs.

If stamp duties are abolished the forgone revenue will need to be replaced by a higher GST, as advocated by REIA, or by a land tax which was advocated by the Henry Review.



Justin Melton

MOBILE PHONES: CHANGING THE REAL ESTATE INDUSTRY

The digital age allows us to communicate faster than ever but is your business making the most of this? The *Annual Deloitte Media Consumer Survey*, found that **81% of the Australian population are currently using smart phones on a day-to-day basis**. This rapidly rising figure demonstrates the huge increase and reliance upon mobile technology in Australia, not only for individuals but businesses alike. Many real estate businesses have introduced mobile technologies into their workplace, but do not know the best ways to leverage the technology. Mobile technologies can improve efficiency and reduce cost for – tenants, owners and property managers, when used correctly.

How many times have you left for an inspection and forgotten to write down the alarm code or unit number?

Whether you're a property manager or sales agent, you are often on the go and out of the office. Finding a software solution which enables mobile accessibility, can make a real difference to your productivity and customer service offering. How many times have you left for an inspection and forgotten to write down the alarm code or unit number? Having the ability to quickly access valuable property, tenant and owner data on the fly will reduce your reliance on the

office. This creates a flexible and easily accessible work arrangement, which is highly desirable for many employees.

Do you communicate with clients via SMS?

This simple tool has been used for years, but we often take the benefits for granted. Communicating with owners and tenants, even tradespeople can occur quickly with an SMS. Most property management software systems have SMS capabilities, allowing you can establish a series of automated SMS reminders for arrears or inspections. This instantly notifies clients, without out any time or effort from you or your team. Does your software do this? And more importantly, are you using it? If not, look into it today because an automation is key to improving efficiency. Reducing your arrears and saving time chasing late payments is only one of the many benefits SMS can provide.

How can mobile applications increase your productivity?

Smart phones are constantly evolving and so too are their applications (apps). An array of apps are ready for download to assist with almost any day-to-day task, whether it be personal or professional. Inspection apps are a hot topic and can make a big difference to productivity for a property manager. Tools such as an inspection app, provide property managers

with the ability to create and complete comprehensive inspections, efficiently. Many apps allow the user to add and annotate pictures in their inspections report, visually alerting the owner to problematic areas in their property. This is just one of the many apps your business could use and implement to improve efficiency and cut costs.

As with most technology, there is often an information overload. With so many apps now on the market, it is important you take the time to research what apps provide the most benefit to your business. With any technology, it is only as effective as you make it, setting up the time to properly implement and build the related procedures will ensure you and your team are getting the most value.

JUSTIN MELTON

Justin Melton is the General Manager of Sales and Marketing at Rockend, Australia's leading provider of property software.

Justin has an extensive experience in management roles in telecommunications and machinery industries prior to Rockend. These roles heavily focused on the strategic planning of businesses, sales management, stakeholder management and market analysis.



KNOW WHO YOU'RE DEALING WITH – FRIEND OR FOE?

NATIONAL CONSUMER FRAUD WEEK
18–24 MAY 2015

KNOW WHO YOU'RE DEALING WITH



Friend or foe? **Think twice before transferring money.**

Have you ever wondered if someone is the real deal? These days, scammers are highly skilled at building deceptive relationships, using all sorts of tricks to convince you to trust them and part with your personal details and money.

Australians are increasingly going online to connect. Unfortunately scammers like connecting online too – with victims.

National Consumer Fraud Week 2015 is all about learning how to identify, avoid and disengage from scammers.

- Scammers know how to play you online.
- You'll never meet them in person.
- They'll hide behind a façade based on real people.
- They'll isolate you by moving the interaction to a private platform.
- They will take the time to find out all about you, but you will never really know them.

- They will do all of this, and more, just to get you to part with your personal details or money.

If you meet someone online and they ask for any money, big or small, you are dealing with a scammer.

KNOW WHO YOU'RE DEALING WITH – FOLLOW THE TOP 5 SCAM IDENTIFIER LIST:

- **You've never met or seen them:** scammers will say anything to avoid a 'face-to-face' meeting, whether it be in person or over the internet via a video chat – don't excuse it away.
- **They're not who they appear to be:** scammers steal photos and profiles from real people to create an appealing facade. Run a Google Image search on photos and search words in their description to check if they're the real deal.

- **They ask to chat with you privately:** scammers will try and move the conversation away from the scrutiny of community platforms to a one-on-one interaction such as email or phone – 'walk' away if this happens to you.
- **You don't know a lot about them:** scammers are keen to get to know you as much as possible, but are less forthcoming about themselves. Ask yourself, 'how well do I really know this person?'
- **They ask you for money:** once the connection's been made – be it as a friend, admirer, or business partner – scammers will ask you to transfer money. Don't fall for a tall tale, no matter how plausible it sounds.

Watch the ACCC's latest '[Scam of the month](#)' video to find out more about relationship scams and how to identify a scammer.



Australian Government

Department of Industry and Science

NATIONAL RADIOACTIVE WASTE FACILITY SITE *Call for Land Nominations*

The Minister for Industry and Science has called for voluntary nominations of land. The Australian Government is looking for landholders to volunteer approximately 100 hectares of land for a facility to manage Australia's radioactive waste. Land in any state or territory may be nominated (subject to eligibility criteria).

The Government is committed to establishing a national facility to safely store and dispose of Australia's existing and future waste. This waste is produced largely from medical, industrial, agricultural and scientific applications that all Australians benefit from.

Landholders Australia-wide have the opportunity to voluntarily nominate land as a potential site for the Facility. Nominations will be assessed based on a number of factors, including community support, environmental stability, health, safety and security, as well as economic viability.

A generous payment will be offered to the landholder of the selected site as well as a package of benefits to be developed in consultation with the local community.

The Department of Industry and Science will consult extensively with stakeholders throughout the nomination and selection process, including through an Independent Advisory Panel formed to advise the department.

For more information please visit: www.radioactivewaste.gov.au or call the Radioactive Waste Hotline on 02 6243 7030. Applications close 5th May 2015.

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9 in 10

employers deal with multiple funds –
each with different requirements for
accepting contributions

Employers typically spend at least

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hours a year sorting out contribution issues



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of making super contributions

electronically

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you make super
contributions



Providing a consistent
way of sending data and
payments electronically



Linking your payroll system
into a single channel that
reaches all super funds

Get ready now

20+

If you have 20 or more employees,
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≤19

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SuperStream starts on 1 July 2015.

As long as you are making a genuine attempt to prepare,
you have until 30 June 2016 to start using SuperStream,
but you can start using it now to benefit sooner.



Prepare your business for SuperStream
www.ato.gov.au/superstreamchecklist

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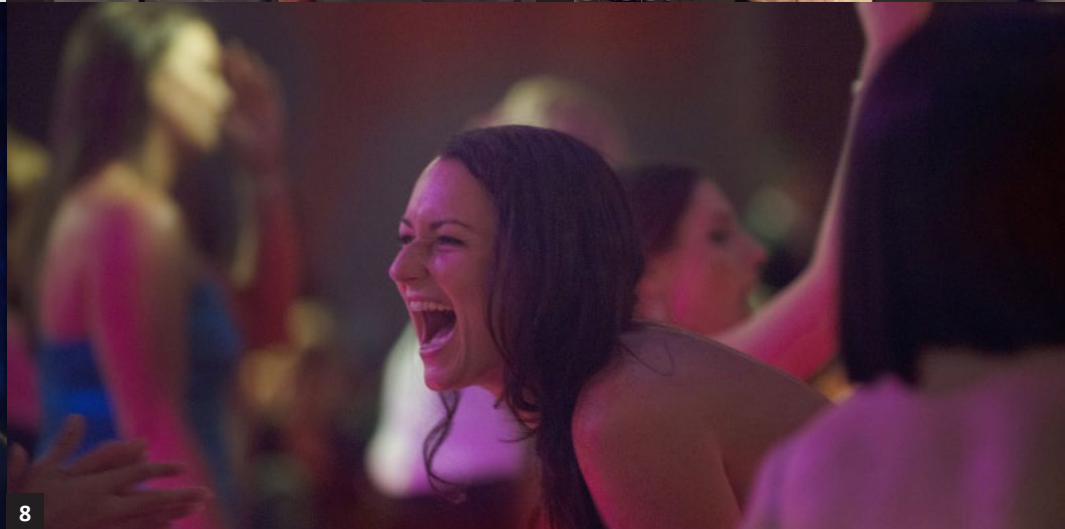
Highlights



- 1 The Hon Colin Barnett, Premier of Western Australia officially welcomes the 400 guests in attendance
- 2 Simon Winter from Raine & Horne Corporate Business Sales in South Australia won the Business Broker of the Year award
- 3 REIWA President, David Airey welcomes everyone to the awards night as the host city president
- 4 Belinda Butler spoke about Terri Scheer's support for the awards as a Gold sponsor
- 5 The Hon. Colin Barnett, Premier of Western Australia highlighted the difficulties of Government in a humorous opening speech
- 6 TV and film actor as well as comedian, Peter Rowsthorn was the MC for the night
- 7 REIA President, Neville Sanders formally commenced the night, which is the largest event in REIA's annual event calendar



- 1 Rockend's Alister Maple-Brown presented the Commercial Property Manager of the Year award to Ian Lambert from Ray White Commercial Adelaide
- 2 REIA Vice President, Hayden Groves presented the Innovation Award to Distinct Property Management from the ACT
- 3 REIA Vice President, Hayden Groves presented the Communications award to Toop and Toop from SA
- 4 The black tie event was held at Crown in Perth
- 5 Hayden Groves, who is also the REIWA Vice President, presented the Achievement Award to Renee Bink from Independent Property Management
- 6 Kasey Alexander from Deposit Power presented the Commercial Salesperson of the Year award to Ryan McGinnity from CBRE
- 7 Kasey Alexander from Deposit Power presented the Residential Salesperson of the Year award to Mark Di Giulio from Barry Plant Manningham



- 1 REIA CEO, Amanda Lynch presented the Commercial Agency of the Year award to CBRE (Victoria)
- 2 MC and comedian, Peter Rowsthorn entertained the crowd
- 3 Belinda Butler from Terri Scheer's presented the Community Service award to Nelson Alexander in Victoria
- 4 REIA Vice President, Hayden Groves with the winners of the Communications Award, Toop and Toop from South Australia
- 5 Direct Connect Paul Docherty (right) presented the Large Agency of the Year award to Nelson Alexander in Victoria
- 6 Direct Connect Paul Docherty (right) presented the Medium Agency of the Year award to Explore Property that was accepted by Rob Honeycomb from REIQ
- 7 REIA President, Neville Sanders spoke on the night about REIA's achievements over the past year
- 8 There were plenty of laughs on the night



1 The winners of the 16 awards gathered at the conclusion of the evening

2-6 The National Awards for Excellence, this year held at Crown in Perth, are a highlight on the real estate sector's calendar and see many agents dress in their finest



- 1 Amy Wolter (centre) from Place Estate Agents in Queensland won Corporate Support Person of the Year
- 2 Local Perth opera singers, Divalicious entertained the crowd
- 3 Belinda Bulter (right) from Terri Scheer presented the Small Agency of the Year award to East Arnhem Land Real Estate from the Northern Territory
- 4 REIWA President, David Airey (right) presented the Buyer's Agent award to Kent Cliffe from Momentum Wealth in Perth
- 5 Local Perth artist, April Davison (right) designed the bespoke trophies which featured a WA theme of kangaroo paw
- 6 REIWA President, David Airey joined in the laughs in pretending to be James Bond as part of the Divalicious performance
- 7 REIA President, Neville Sanders presented the prestigious President's Award to Rob Druitt from First National Real Estate Druitt & Shead in Perth



- 1 REIA President, Amanda Lynch formally inducted Simon Pressley from Propertology into the REIA Hall of Fame. To enter the Hall of Fame, Simon won the Buyer's Agency Award for three consecutive years
- 2 The National Awards for Excellence provide a wonderful night for laughter and networking
- 3 Mark Di Giulio from Barry Plant Manningham won the hotly contested Residential Salesperson of the Year award
- 4-5 Local Perth band, Proof entertained the crowd and encouraged many onto the dance floor
- 6 REIWA President David Airey (right) presented the Business Broker of the Year Award to Simon Winter from Raine & Horne Corporate Business Sales in South Australia



- 1 Rockend's Alister Maple-Brown presented the Residential Property Manager of the Year award to Dylan Emmett from Lucas Real Estate
- 2 Sponsor Printforce presented the Corporate Support Person of the Year to Amy Wolter from Place Estate Agents
- 3-6 Around 400 guests from across Australia enjoyed the night at Crown in Perth
- 7 Sponsors Getsmart provided all guests with a fun present to ensure they remained stress free



- 1 Many on the night remembered MC, Peter Rowsthorn from the hit TV series, Kath and Kim
2-3 Perth band, Proud entertained the crowd
4 The Hon Colin Barnett, Premier of WA spoke of the importance of real estate to the WA economy
5-6 There were plenty of laughs and smiles on the night

INDUSTRY UPDATE

Industry news from around Australia



Free App for renters in VIC

The Victorian Government has released a free renting app. The RentRight app provides all Victorian renters with helpful, instant information about repairs, rental costs and how to end a lease. During 2013-2014, Consumer Affairs Victoria (CAV) received more than 90,000 calls from tenants and landlords. The most common enquiries related to ending a lease, repairs and maintenance, bond, rent increases and entry and inspection requests. RentRight has been developed by CAV to provide renters with clear and easy-to-understand advice on issues such as ending a lease or getting your bond back. The app features: a rental calculator to calculate the cost of weekly rent across a fortnight, calendar month, six-months or a year; information on renting rights and responsibilities; template emails to use for issues such as ending a lease or arranging repairs, including the ability to send photos. Consumer Affairs Victoria has also developed two videos which talk renters through common problems. The app is particularly helpful for young people who are moving out of home for the first time, especially those from overseas and interstate. The app also allows you to send correspondence and keep a record of it, making it easy to access from your mobile device at any time. Visit consumer.vic.gov.au/rentright to find out more about how RentRight can help. You can download RentRight now from Google Play or the iTunes store.

Pay equity for small business

Small businesses face a unique set of challenges when it comes to pay equality in the workplace. The Workplace Gender Equality Agency (WGEA) assists small

businesses to manage and improve workplace gender equality. In collaboration with Economic Security4Women, WGEA has developed a three step guide to help small businesses ensure fair pay between men and women in their business. Learn more on the [WGEA website](#).

Federal Court finds Safety Compliance misled small businesses into purchasing safety products

The Federal Court has found that the business, Safety Compliance made false or misleading representations to small business consumers that workplace health and safety laws required businesses to maintain safety wall charts and first aid kits of the same nature as those sold by Safety Compliance. The Court also found that Safety Compliance falsely represented that it was affiliated with, or actually was, a state or territory workplace health and safety agency. The ACCC had also alleged that Safety Compliance had coerced small businesses into purchasing its products, by representing that there was a legal requirement to have the products and by issuing debt recovery letters which threatened legal action and steps to damage the credit rating of businesses who did not pay for the products received. Although the Court said that this conduct was deliberately intimidating, it found that the conduct did not amount to coercion. A further hearing will be held at a later date to determine the relief to be ordered by the Court. The ACCC is seeking pecuniary penalties, injunctions, costs and, in respect of the individuals involved in the contravening conduct,

disqualification orders banning them from managing corporations in the future.

Dean King, Shane Black and Fiona Schimmel contested the proceedings. Safety Compliance went into liquidation on 21 September 2012, and the liquidator did not participate in the proceedings.

Financial Advisers Register

ASIC has launched the first stage of the new Financial Advisers Register. It is now available through ASIC's MoneySmart website; moneysmart.gov.au. The new register, which contains more than 19,000 appointments, provides an industry-wide public register of financial advisers as of the end of March 2015. At the same time, ASIC has updated the information for consumers on its MoneySmart website about choosing a financial adviser including what questions to ask. The register contains details of persons employed or authorised – directly or indirectly – by Australian Financial Services licensees to provide personal financial advice to retail clients on investments, superannuation and life insurance. ASIC Deputy Chairman, Peter Kell said 'The new register enables consumers to find out information about their adviser before they receive financial advice. It also gives employers greater ability to assess new financial advisers and will improve ASIC's ability to identify and monitor financial advisers. There is a small number of advisers who are not yet on the register. While late appointments will continue to be accepted, advisers who are not on the register may potentially lose clients. Late fee penalties will apply from September. ASIC can take action in relation to deliberately misleading conduct under the ASIC Act.'

MAKING NEWS

General national news



Give your input to the AIC scam survey

The annual Australian Institute of Criminology (AIC) online scam survey, run on behalf of the Australasian Consumer Fraud Taskforce (ACFT) takes a snapshot of scam trends and consumer responses, and is now up and running on www.aic.gov.au. The survey is important because it measures levels and types of domestic and International criminal fraud attacks on Australasian consumers, and importantly, consumer responses. The AIC survey is voluntary, confidential, and helps researchers understand the extent of consumer fraud in Australasia, and any new scams that criminal fraudsters are inflicting on the community.

ASIC issues major cyber resilience report

ASIC has published a new report into cyber resilience: Health Check (REP 429). Cyber resilience is an organisation's ability to prepare, respond, adapt and recover from a cyber attack. The Report highlights the importance of cyber resilience to ASIC's regulated population, to support investor and financial consumer trust and confidence and ensure markets are fair, orderly and transparent. ASIC Chairman Greg Medcraft said, 'Cyber attacks are a major risk for ASIC's regulated population and that means cyber resilience is an area of ASIC focus. The electronic linkages within the financial system mean the impact of a cyber attack can spread quickly—potentially affecting the integrity and efficiency of global markets, and trust and confidence in the financial system. This report outlines some "health check prompts" to help businesses review their cyber

resilience—including flagging relevant legal and compliance requirements, particularly on risk management and disclosure.

'We encourage businesses, particularly where their exposure to a cyber attack may have a significant impact on financial consumers and investors or market integrity, to consider using the United States' NIST Cybersecurity Framework to manage their cyber risks or stocktake their risk management practices.'

Resolving workplace disputes

The Fair Work Ombudsman (FWO) offers free, confidential and voluntary mediation for workplace disputes. In the last two years, accredited FWO mediators have assisted employers and employees to reach an agreement in almost 11,000 cases. To find out more about FWO's mediation service watch their recently released [two-part video series](#). Experiencing a different type of business dispute? Visit [Dispute Support](#) to find the most appropriate low cost service to help you resolve your dispute.

Book release: *The Immigrant's Guide to Living in Australia*

A new book have been released entitled "*The Immigrant's Guide to Living in Australia*." The book is designed to be of assistance for anyone considering moving to Australia or to new migrants who have arrived from overseas and trying to learn to settle into Australia or international students coming to study in Australian universities and colleges. It may also be beneficial for business executives coming to live in Australia for a temporary period or to do business here. This book is available from the website: www.placeofbooks.com

Green partnerships

A new partnership between the Green Building Council of Australia (GBCA) and the US-based Green Building Information Gateway (GBIG) will showcase Australia's flourishing green building capabilities to global investors and decision-makers. GBIG is an online platform featuring data and case studies on green building projects, portfolios, people and places around the world. GBIG currently includes 1.3 million activities representing more than 200 types of certifications, awards, case studies and disclosures in over 5,000 geographic locations. Professionals can use this information to understand markets and drive projects toward higher levels of achievement and performance. Go to: www.gbca.org.au or www.gbca.org.au/project-directory.asp

Where Australians are moving to?

More people are moving into Melbourne, Brisbane and Perth than leaving, while the opposite is true for Sydney, Adelaide and Darwin, according to data released today by the Australian Bureau of Statistics. New internal migration data show that 4,000 more people moved into Melbourne in 2013-14 than moved out, the highest net gain of all Australian capital cities. Brisbane had a net migration gain of 3,500 people, while Perth had a net gain of 1,500. However, Sydney experienced a net migration loss of 15,000 people, with most departing for other regions within New South Wales or to Melbourne. For Adelaide 3,000 more people moved out of the city than moved in, while Darwin had a net loss of 1,100 in 2013-14.

POLITICAL WATCH

Information and news from government



Small business and contract terms

The Commonwealth Government has extended the unfair contract protections currently available to consumers to cover the small business sector. Like consumers, small businesses are often presented with ‘take it or leave it’ contracts, with little scope to negotiate just and fair terms. Small businesses often lack the time, legal expertise or bargaining power to resist enforcement of unfair terms against them. The Australian Small Business Commissioner has observed instances of misuse of market power in contracting of telephone and internet services; office or commercial leasing equipment; and retail outlet leases. The new small business protections will allow the courts to declare void a term within a contract that is unfair. For example, a term that allows a big business to unilaterally change the price or key terms during the course of the contract could be considered unfair. Businesses that offer low value standard form contracts will have to comply with the new law.

The Government has provided \$1.4 million to the Australian Competition and Consumer Commission to ensure businesses comply with the new rules. The Minister for Small Business has written to state and territory consumer affairs ministers asking them to agree to the changes.

Help to self-manage tax debt

The ATO is encouraging small businesses to avoid penalties and interest charges by self-managing tax debt and is offering a range of self-help tools and products to assist small business owners:

- 24-hour automated service on 13 72 26 to arrange late payments or paying by instalments,

- Interest-free payment arrangements for BAS debts for up to 12 months,
- ATO App or online Payment Arrangement Calculator to work out a payment plan, and
- A short video, Stay in control of your business.

Open Data 500

The Department of Communications has officially launched Open Data 500 Australia – the first comprehensive study of Australian companies and non-profit organisations that use open government data to generate new business, develop new products and services, improve business operations or create social value. The landmark study will promote the availability and quality of open government data into the future. Further information can be found [here](#). The collaboration between the Department of Communications and GovLab, a team of researchers at New York University, will create new case studies on how Australian organisations are using public sector data and provide a basis for assessing the social and economic value of open government datasets. The results of the study will be used to develop a publicly available report that will help businesses to identify ways to reduce the costs of accessing government data, including licencing, versioning and control costs. Open Data is free, public data that can be used to launch commercial and non-profit ventures, do research, make data-driven decisions, and solve complex problems. Since it was elected, the Government’s commitment to Open Data has seen the number of datasets available on [data.gov.au](#) increase more than ten-fold to over 5,200. This study will help ensure the focus of Government is on the publication of high value datasets, with an emphasis on quality rather than quantity. High value datasets are those which are valuable to business;

help the public make informed decisions or improve user experiences; or assist government in making evidence-based policy decisions. Agents are encouraged to participate in the study by clicking [here](#).

Trainees get ‘money smart’ with new financial literacy tool

Apprentices and trainees will be able to improve their money management skills, following the launch of a new financial education resource aimed at those in the vocational education and training sector. The ‘Be MoneySmart’ resource has been developed by the Australian Securities and Investments Commission (ASIC), in consultation with the Australian Tax Office, Group Training Australia, Fair Work Building and Construction, Bendigo Kangan Institute and Innovation and Business Skills. The Chief Executive of Group Training Australia (GTA), Jim Barron said the new resource is an invaluable asset for young people starting out in their careers. Many apprentices and trainees go on to run their own businesses which makes it even more important that they have grounding in critical money management skills,” he said. The free, online training resource covers five topics – saving, budgeting and spending; personal tax; superannuation; debt management; and insurance. It can be used for accredited training as part of the Certificate III in Financial Services or for general money management skills development programs. It is also available as a package for training organisations. Be MoneySmart is available free of charge at [www.moneysmart.gov.au/teaching](#). To find out more, visit the website or email ASIC’s MoneySmart Teaching team at [moneysmartteaching@asic.gov.au](#)

THE WORLD

Property news from around the world



USA market on the up

Confidence in the US residential property market is on the rise, especially among those renting homes, new research shows. More than five million renters say they're likely to buy a home in the next year, according to the latest Zillow Housing Confidence Index (ZHCI) and overall both renters and home owners expressed more confidence in the housing market this year than last year. Americans are most confident in the housing market in San Jose, Miami and San Francisco while over the last year, confidence rose the most in Dallas, Detroit and St. Louis. Home owners remain more confident than renters, but renter confidence is growing faster than homeowner confidence in 14 of 20 metro areas surveyed. A breakdown of the figures show that more than 12% of current renters nationwide, roughly 5.2 million, said they plan to buy in the next year, an almost 25% jump from the same time last year, when 4.2 million renters said they had plans to buy within 12 months. The ZHCI, sponsored by Zillow and developed by Pulsenomics LLC, polls homeowners and renters about housing market conditions, expectations for the future and their attitudes toward homeownership in general, across 20 of the large metro areas in the United States. Thanks to historically low mortgage interest rates and home values below peak levels, buyers can expect to spend about 15% of their monthly income on a mortgage payment, compared to 22%

historically, according to Zillow research. Typical renters should expect to pay 30% of their income to rent, compared to 25% a generation ago. The index is measured on a 100 point scale, with readings more than 50 indicating general confidence. Overall, housing market confidence is rising more quickly among renters than home owners. Among home owners, headline confidence rose 3.7 points year on year, to 70.6 in January. Among renters, overall confidence rose 4.4 points in the past year, to 62.4. Confidence among all owners and renters rose 3.6 points, to 67.4.

Euro industrial real estate up in 2014

Full year logistics and industrial investment volumes for 2014 reached a record €21.1 billion, marking a 28 per cent increase on the €17.0 billion recorded in 2013 according to JLL. Volumes in the final quarter reached an exceptional €8.2 billion alone, setting a new quarterly record. The two leading markets, the UK and Germany at €8.2 billion and €3.6 billion respectively, saw new national records last year, driven by a flurry of portfolio transactions. Meanwhile, new annual records were also seen in the Czech Republic, Poland and Switzerland.

UK regions outstrip London rents

After a period of rent price rises in London outstripping the rest of the UK, the disparity between the growth rate of the

London and nationwide rental markets is beginning to narrow, the latest index shows. The average rent in the UK is now £899, compared to £889 at the end of January 2015, and £873 in December 2014, according to the HomeLet rental index. It also shows that average rent prices in London have remained static in the three months to February 2015, versus the wider picture of predominantly rising prices. Indeed, seven out of 12 regions in the UK have seen rent prices rise in the three months to February 2015, with the North East and South West of England leading the way at 3.1% and 2.5% price growth respectively. There was also growth in East Anglia, the North West of England, Northern Ireland, the South East of England and Yorkshire and Humber while rental prices have not increased in Greater London and the West Midlands, and have fallen in Wales, the East Midlands and Scotland. Looking solely at new tenancies commencing in the month of February 2015, prices have increased in the month since January 2015 in several regions, with Northern Ireland rising 7.2%, the North East of England 6.2%, the South West of England 4.5% and East Anglia 3.7%. In contrast, rents agreed on new tenancies in London in February 2015 have fallen by 2.5% compared to the previous month. Scotland, the East Midlands and Wales have also seen prices agreed on new tenancies fall in February 2015 compared to January 2015.

REIA NEWS

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