



Annual Report 2013

Real Estate Institute of New Zealand Inc



REAL ESTATE
INSTITUTE OF
NEW ZEALAND

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REINZ Annual General Meeting 2013

Notice of Meeting

Notice is hereby given that the Annual General Meeting of members will be held at 4pm on Tuesday 22 October 2013 at The Commerce Club, 27-33 Ohinerau St, Remuera, Auckland.

Order of Business

1. Apologies
2. Confirm minutes of the Annual General Meeting held at the Wellington Golf Club, Wellington on 22 November 2012
3. Receive and consider the annual accounts and auditor's report
4. Receive and consider the report of the Chairman of REINZ
5. Receive and consider the report of the CEO of REINZ
6. Declaration of re-appointment / election / re-election of Directors and / or Chairman
7. Directors' Remuneration
8. Notice of changes to the Codes during FY13
9. General Business
10. Membership Honours

At the conclusion of the meeting, members are invited to join the REINZ Board for refreshments.

Please register online by logging on with your REINZ ID and password to www.reinz.co.nz and going to the Events page. You can also register or send apologies to Kristen Bartlett, c/- info@reinz.co.nz.

If you have any items of General Business, please submit them in writing to pbuckley@reinz.co.nz by 11 October 2013. Items of general business must include details of the resolution which you wish to put to the meeting.

Voting Rights

The rights to attend and vote at a general meeting of members are set out in the Rules of the Association Section 3.4b. Agency Members and Property Management Agencies have two votes each exercised by the named officer of the company; Associate, Fellow and Life Members have one vote each; salespeople who register in advance of the meeting may vote at the AGM. All other categories of members may attend the AGM and may address the meeting but may not vote.

Please note, salesperson members who wish to vote at the meeting need to register with the REINZ Office by 11 October 2013, by phoning 0800 473 469.



Helen O'Sullivan
Chief Executive Officer

Chairman's Report



Last year on behalf of the Board, I spoke of the need for resilience as an organisation to ensure REINZ, as your membership organisation was in good stead for the coming year and beyond. This annual report is testament to that resilience and I am happy to report that the institute is in a strong position. Our resilience has enabled us to get through the challenges of the past few years, and position REINZ to capitalise on the opportunities ahead.

As a Board, we have determined our strategic intent and have identified some key strengths and directions. We fully appreciate that our organisation is there to safely service our member's needs and support the Real Estate profession to do this.

We must continue to build the organisation's resilience, depth and professionalism ready for the inevitable change in our environment and market. To this end we want to:

- Make REINZ a mark of quality in the minds of the public;
- Provide advocacy for members by being the "go to" organisation for real estate matters for media, regulators, local and central government and policy makers;
- Be an indispensable provider of advice to our members;
- Provide great industry resources including industry intelligence; and
- Increase our relevance across our sector groups, so that we are as relevant to our specialist practices as we are to the majority residential group.
- Provide valued services to our members.

It has been of great benefit to discuss these strategic intentions at our regional meetings around the country and to receive members' feedback.

We will continue to strengthen our financial base so that we retain our sounder financial position and to provide more services to our members, without having to increase fees. Part of that involves diversifying our revenue so that more of our income comes from sources other than membership fees. For all that, we believe that our fees remain extremely reasonable at \$150 plus GST per salesperson, for statistics, eforms, advisory services and more.

Following lengthy deliberations as to the location and the functionality of the building, it was agreed that it was no longer suitable for us. In particular, I would like to thank the advice and guidance provided to us by Howard Morley and Peter Cook during the sales process and the Board members, Bryan Thomson and Philip Searle who worked with our CEO to bring about the sale of 202 Parnell Road. Looking back, the foresight of that investment was evident and we are indebted to those who secured the property for the Institute. You will recall that there was a unanimously passed resolution at the last AGM to responsibly reinvest all funds back into real estate and the identification of an investment target is underway. Our new investment will likely house the Institute, and we will keep you updated as events transpire.

The Institute maintains a strong relationship with the Auckland District Law Society as our co-owner of the copyright in the Sale & Purchase documents, but one of our key achievements during the year was to form closer bonds with the New Zealand Law Society, the national body for legal practitioners. Where property issues are concerned, we share significant common interest and for the sake of our mutual clients, it is positive for us to be working together in this way.

The availability and affordability of housing has been a major political issue this year and we see that continuing for the next 18 months or so given the state of the housing markets in both Auckland and Christchurch. While we are vocal about the differences between the property markets in Auckland, Christchurch and the rest of the country to policy makers, it is axiomatic that the conditions that prevail in two of our biggest markets drive thinking around the national state of the market. However, we do try to ensure that conditions in other regions are also kept in mind. In meeting with members around the country, I am acutely aware of the need for us to support the diverse needs of our members.

We have now passed the third anniversary of the first Christchurch earthquake, and we can only hope that seismic activity in the Wellington/Marlborough district is behind us. The events of Christchurch have given rise to significant changes in insurance in New Zealand which is a very important part of the housing market equation and which is having significant impact. The vulnerability of buildings to seismic events is also topical and will most likely remain so. As always, the Institute will remain at the forefront of these changes and keep members informed as they occur.

Our CEO, Helen O'Sullivan, provides specific details of the Institute's initiatives in her report.

We want to thank you, our members, for your ongoing support.

I continue to appreciate the huge commitment of our board members to the Institute and thank them for their contribution. Once again, it has been a pleasure to work with Helen and her team and you, the members, in continuing our work for the real estate sector. As with any organisation, we will continue to have challenges ahead, yet we have a firm footing with which to meet them, and our focus now is on creating deliverables that enable our members to exhibit professional excellence at every turn.

A handwritten signature in black ink that reads "Rosanne Meo". The signature is written in a cursive, flowing style.

Dame Rosanne Meo DNZM, OBE
Chairman
Real Estate Institute of New Zealand

CEO Report

Reaching with the wind

Last year, The Real Estate Institute of New Zealand completed the 2012 membership year with a 100% return to membership. We are happy to report that by the end of our financial year in June 2013, we had an even higher number of members than last year.

Our support from you, our members, indicates that we are providing meaningful products and services to help you in the course of your day's work in real estate, but we are mindful to never become complacent. To thank you for your support this year, and trust that we will continue to exceed your expectations in the years to come.

As our role is to steer members towards an ever increasing level of professional excellence, we must ourselves provide a professional level of service. For a small team with limited resources, I believe that we punch well above our weight. We have learned to "paddle less and use the wind more" in streamlining, improving and future-proofing products and services at no additional cost to members. Nevertheless, there are areas in which we can improve, particularly in IT delivery. As this organisation increases its data capability, we must be able to respond to the changes of a rapidly changing business and IT environment. To this end, we have recently been successful in securing a Chief Technology Officer and Web Developer to build greater resilience, reliability and features into our website services. We now have a very experienced IT team that promises exciting developments for 2014 and into the future. We have listened to your feedback and respond as quickly as we can to your needs in this area.

We are proud of the following deliverables provided to 30 June 2013:

Statistics

REINZ continues to aggregate monthly data from which it compiles its residential and rural reports as well as an auction summary. The importance of this information cannot be overstated in terms of its power to feed back to members the most current data for creating market appraisals.

This year, REINZ launched a new interface for our statistics platform which is more user-friendly and much more powerful than the previous interface. The new-look platform has:

- More search parameters and greater search control.
- Technical Category Zoning for Christchurch, unique to REINZ reporting.
- It is designed for use with iPads, iPhones and other mobile devices for use with clients.
- It has greater security and hence protection of our collective intellectual property.
- This step has also enabled us to do an enormous tidy up of the 1.9 million records in our database.

The new interface also allows REINZ to integrate with other sources of data and projects are underway to enable us to deliver a broader range of services to members in 2014.



BNZ / REINZ Residential Market Survey

REINZ continues to support the monthly surveying of residential members by BNZ Chief Economist, Tony Alexander, through which we are able to collectively report on important evidence not captured elsewhere.

eForms

REINZ continues to provide unlimited use of the REINZ eForms platform as a core benefit of membership, rather than as a user-pays model. We update the eforms platform with each change to the Sale & Purchase Agreements and related documents as well as updating useful clauses for insertion as they change. We continue to improve the API connectivity allowing industry software providers to link to the REINZ platform.

New eForms API Feature - individualised clauses

This year, REINZ developed and launched the capability for eForms users to include custom clauses into an eForm via the REINZ API and member in-house software systems.

Education & Events

As the industry body, REINZ continues to liaise with the REAA around the topic, relevancy and roll out of the Compulsory Continuing Education requirement.

Face to Face Continuing Education

As a registered continuing education provider, we have once again delivered online compulsory verifiable training, but this year we added to our training options by creating face-to-face, verifiable seminars in 21 locations nationwide. We also offer refresher training for members with suspended licenses who are re-entering the industry.

In our first year of delivering verifiable education face to face, we delivered training to over 1,000 members and, as our proficiency continues, we are determined to grow in this area.

Continuing Education Log

The REINZ platform continues to log and report continuing education hours to the REAA for members as well as back to the corporate organisations.

Non-Verifiable Training - Webinars, Seminars and other Events

REINZ provides a comprehensive range of work-relevant webinars for meeting your 10 hour annual non-verifiable requirement.

As your industry body, we are well placed to provide a broader reach of training with industry-wide relevance such as the HOBANZ series of webinars and seminars looking at the issue of weathertightness. Other hot topics of training this year have included the 2013 changes to the REAA Code of Conduct, the Draft Auckland Unitary Plan, Building Reports, P-Lab Solutions, changes to NZ Home Insurance, changes to the Tender Process, and so on.

CEO Report continued

Sector Specific Training

We continue to grow training specific to the needs of our five sector groups. Our discussions with the REAA were integral to that body initiating a sector-specific component within the compulsory verifiable training topic for 2014. Next year continuing education will involve eight “base” hours, plus two hours of material for four specialist streams.

Our sector specific training includes the annual:

1. Residential Property Management Conference
2. Business Brokers Conference & Workshop
3. National Auctioneer Championship & Workshop

REINZ partnered with software provider, Rockend, this year to provide the Property Management Business Development Seminar Series at five nationwide venues. In addition, we ran a range of smaller sector-specific seminars in Auckland and regionally.

Regional Training & Member Meetings

Along with the face-to-face verifiable training, we are reaching into your local communities providing numerous seminars in regional areas. Our Chair, Dame Rosanne Meo, and our Regional Directors and District Forum Leaders visited 13 regions over the first half of 2013 to advance communication between the board and members at the grass roots level.

General Events

The institute held its second industry-wide Awards For Excellence in Real Estate Sales. This was well attended and the feedback received from members, and the apparent use of the winners’ logos, indicates there is a need for it. We encourage even more participation next year.

Other key events included:

1. Residential Property Management Conference & Awards for Excellence
2. Business Brokers Conference & Workshop
3. National Auctioneer Championship, and
4. Australasian Auctioneering Championships.

As always, our event management team was at hand to help organise local sporting, social and other educational events.

Resources

The institute provides abundant resources to help members be the best real estate professionals they can be. We are at the forefront of the industry and able to predict and prepare for upcoming changes as well as respond quickly to unanticipated requirements.

Advocacy

REINZ has made submissions on a range of legislative proposals impacting on members including the following:

1. NZICA’s Application to seek exemption from the REA Act 2008
2. Earthquake-Prone Building Policy
3. The Unit Titles Act
4. The Statutes Amendment Bill 2012

5. The Taxation (Annual Rates, Returns Filing, and Remedial Matters) Bill

6. Revision of REAA Client Conduct Rules

We collaborate with the Real Estate Agents Authority, the New Zealand Law Society, the Auckland District Law Society, and other stakeholders to promote the best interests of our members and to provide best practice documentation and guidance within which to work.

Advisory Service

The REINZ Advisory Service continues to be one of the most valuable member services enabling you to be mindful of legal precedents and legal changes in the sector as they arise.

This year the Advisory Service has provided:

1. On-the-spot phone assistance to members on best practice issues.
2. A growing library of advisory documents.
3. Updates on Real Estate forms.

We updated members and the eForms platform on changes to the:

- Agreement for Sale and Purchase of Real Estate 9th Edition
- Agreement to Lease
- Particulars and Conditions of Sale of Real Estate by Tender 3rd Edition 2011 (2)
- Particulars and Conditions of Sale of Real Estate by Auction 3rd Edition 2010 (2)

We created a new “Agreement to Assign Lease.”

4. Best Practice Guides

We added three new best practice guides to our library:

- Best Practice Guide - Commission Disputes
- Best Practice Guide - Waihi Licensees
- Best Practice Guide - Property Information Packs (in conjunction with the NZLS).

5. An Interagency Disputes Resolution Process. The applications we have received have increased steadily throughout the year showing this to be a much-needed service.
6. Clauses for legal documents as required and a full review of the Useful Clauses Booklet.
7. New Industry Documentation
 - A Cancellation of Agency Notice
 - Information Sheet on “Defects in Land”
 - The REINZ Real Estate Agency Agreement
 - The REINZ Buyers Agency Agreement
 - In conjunction with the REAA, an Information Sheet on supervising newly licensed salespersons
 - Unit Titles – Confirmation Before Releasing

Additional to the more material products and services, REINZ continues to act as the figurehead of the industry. The obituaries which we are sadly incumbent to report throughout the year reflect our collective experience and memory. The enthusiasm with which the industry-wide Awards for

Excellence are embraced, shows that recognition of one's collective peers matters. The Life Memberships and other REINZ honors which our members receive primarily for their energetic work for the industry, shows a collective that cares about the sector and their place in it, and the Real Estate Institute of New Zealand is proud to be at the helm of this.

Financial Performance Summary

The results for the 2013 financial year solidly support the initiatives put in place in 2012 to control costs. Whilst there is not a further dramatic improvement in trading surplus, the surplus result of \$598,574 reflects well beside the 2012 result of \$329,306. Excluding the performance of the Professional Development & Integrity Fund, the core Institute's performance is ahead of last year's. Membership fees as a percentage of income – a core measure for us – is 60%, a reasonably significant movement from 69% in 2012. Our long term objective is to reduce this figure to under 50%.

While revenue has increased, REINZ has also invested in additional services, and particularly in the Continuing Education area as we focus on improving the overall standard of offerings available to the industry. A key offering in this space this year was the Face to Face training which received high levels of industry support.

Membership subscription revenue has increased marginally reflecting staff movements and small increases in the number of members.

The sale of the premises at 202 Parnell Road for \$6.225M resulted in a reported gain of \$3,650,880 including depreciation recovered, significantly increasing the reserves of the Institute. As agreed at the last Annual General Meeting, the funds realised have been separately maintained so that they can be invested in replacement buildings and property.

The following table compares the financial performance of the Institute in 2013 with the previous year.

	INSTITUTE 2013 \$	INSTITUTE 2012 \$
CORE INSTITUTE PERFORMANCE		
Operating Revenue	3,696,906	3,205,451
Interest Revenue	75,471	109,166
Net Income From PDIF	204,816	2,855
TOTAL REVENUE	3,977,193	3,317,472
Trading Surplus	598,574	329,306
Gain on Sale of Premises	3,650,880	-
Operating Surplus	4,249,454	329,306

Parnell Education Services Ltd now no longer trades and, to simplify the Institute's affairs, will be amalgamated with REINZ Member Services Ltd in the next period.

Trading by Realestate.co.nz Ltd has shown a pleasing improvement and has added to the net value of the Institute.

Overall the result is extremely pleasing as we continue to build a stronger REINZ to represent and support its members.

Professional Development & Integrity Fund

The Professional Development & Integrity Fund was established last year by the Board as a separate fund held within the Institute and controlled by the PDIF Management Committee. The PDIF Management Committee consists of our Chairman, an Audit Committee representative, an industry representative, and an external Chair. The committee is appointed by and reports to the Board on a regular basis.

The purpose of the fund is to support initiatives for the benefit of, or services provided to REINZ members that contribute to increasing and maintaining the professional standards of the industry or to protecting the integrity of REINZ. Information on applying for grants is available upon request and when logging on with your REINZ ID and password to the About Us page at www.reinz.co.nz.

No grants were made in this fiscal year, however the fund did invest \$5,000 toward the production of a popular TV careers show, "Just the Job" shown on multiple television slots and within schools to encourage school leaver recruitment within the sector.

In Summary

We are proud of what we have delivered to our members in the last year. Once again, it is the collective dedication of the REINZ Board, the REINZ team, and our numerous volunteers that has made this possible. We look forward now to the new year with a level of excitement about the new achievements possible.



Helen O'Sullivan
Chief Executive Officer
Real Estate Institute of New Zealand

The Real Estate Institute of New Zealand Inc

Financial Statement

For the year to 30 June 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE REAL ESTATE INSTITUTE OF NEW ZEALAND INCORPORATED

We have audited the financial statements of The Real Estate Institute of New Zealand Incorporated on pages 12 to 20 which comprise the statement of financial position as at 30 June 2013, and the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

continued next page

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Other than in our capacity as auditor we have no relationship with, or interests in, The Real Estate Institute of New Zealand Incorporated.

Opinion

In our opinion, the financial statements on pages 12 to 20 present fairly, in all material respects, the financial position of The Real Estate Institute of New Zealand Incorporated as at 30 June 2013, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Hayes Knight Audit NZ

HAYES KNIGHT AUDIT NZ

AUCKLAND, NEW ZEALAND

10 September 2013

Hayes Knight Audit NZ
Chartered Accountants

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Institute Directory

As at 30 June 2013

Date of Incorporation	17 February, 1927 Incorporated under The Incorporated Societies Act, 1908
IRD Number	10 677 858
Incorporation Certificate Number:	1927/3 (Currently Certificate 222891)
Directors	Dame Rosanne Meo (Chairman) Dr Richard Janes Mr Tony McPherson Mr Euon Murrell Ms Elizabeth Nidd Mr David Rankin Mr Phillip Searle Ms Jean Smith Mr Bryan Thomson
Auditor	Hayes Knight Audit NZ
Bankers	Bank of New Zealand Newmarket AUCKLAND

Statement of Financial Position


As at 30 June 2013

	NOTE	GROUP 30 June 2013 \$	GROUP 30 June 2012 \$	INSTITUTE 30 June 2013 \$	INSTITUTE 30 June 2012 \$
CURRENT ASSETS					
Cash at Bank	9	7,813,430	1,780,775	7,710,406	1,453,854
Accounts Receivable		977,310	843,018	977,588	846,014
Receivables from Associate	6	116,805	132,710	116,805	132,710
Inventories		7,353	5,310	7,353	5,310
Tax Refund Due		13,158	28,955	3,516	18,726
Prepayments		204,832	73,299	204,832	73,299
Total Current Assets		\$9,132,888	\$2,864,067	\$9,020,500	\$2,529,913
NON CURRENT ASSETS					
Investments	7	861,979	743,272	643,645	718,966
Investments (PDIF)	16, 19	2,172,054	1,966,590	2,172,054	1,966,590
Property, plant and equipment	4	125,114	2,672,484	125,114	2,672,484
Total Non Current Assets		\$3,159,147	\$5,382,346	\$2,940,813	\$5,358,040
TOTAL ASSETS		\$12,292,035	\$8,246,413	\$11,961,313	\$7,887,953
CURRENT LIABILITIES					
Accounts Payable and Other Liabilities		594,306	725,746	594,306	493,144
Goods and Services Tax		157,282	204,971	148,854	201,010
Membership Fees Received in Advance		1,224,795	1,469,762	1,224,795	1,469,762
Provision for Holiday Pay		84,935	65,068	84,935	65,068
		2,061,318	2,465,547	2,052,890	\$2,228,984
Accumulated Funds	5	10,230,717	5,780,866	9,908,423	5,658,969
Total Funds and Liabilities		\$12,292,035	\$8,246,413	\$11,961,313	\$7,887,953

On behalf of the Board who authorised these financial statements on 10 September 2013.



Rosanne Meo
CHAIRMAN



Richard Janes
DIRECTOR

The notes on pages 14 to 20 form part of these financial statements.

Statement of Financial Performance

for the year ended 30 June 2013

	NOTE	GROUP 30 June 2013 \$	GROUP 30 June 2012 \$	INSTITUTE 30 June 2013 \$	INSTITUTE 30 June 2012 \$
Operating Revenue		3,716,316	4,177,317	3,696,906	3,205,451
Interest Revenue		78,329	119,016	75,471	109,166
Net Income From PDIF	16,19	204,816	2,855	204,816	2,855
Total Revenue	2	3,999,461	4,299,188	3,977,193	3,317,472
Trading Surplus/(Deficit) before Income Tax	3	599,300	586,242	598,574	329,306
Plus Reversal / (Creation) of provision for Term loan to Realestate.co.nz Ltd		-	214,500	-	214,500
Related party receivable Realestate.co.nz Ltd		-	113,056	-	113,056
Gain on sale of Premises		3,650,880	-	3,650,880	-
Operating Surplus		4,250,180	913,798	4,249,454	656,862
Plus Equity Accounting - Share of Surplus in Realestate.co.nz Ltd		199,671	35,805	-	-
Surplus/(Deficit) before Income Tax		4,449,851	949,603	4,249,454	656,862
Income tax (credit) / expense	8	-	-	-	-
Net Surplus/(Deficit) for the year		\$4,449,851	\$949,603	\$4,249,454	\$656,862

Statement of Movements in Equity

for the year ended 30 June 2013

	NOTE	GROUP 30 June 2013 \$	GROUP 30 June 2012 \$	INSTITUTE 30 June 2013 \$	INSTITUTE 30 June 2012 \$
Accumulated Funds at the beginning of the year		5,780,866	2,867,528	5,658,969	3,038,372
Plus					
Capital Introduced from Fidelity Fund Cessation	16,19	-	1,963,735	-	1,963,735
		5,780,866	4,831,263	5,658,969	5,002,107
Net (Deficit)/Surplus after tax		4,449,851	949,603	4,249,454	656,862
Accumulated Funds at the End of the Year		\$10,230,717	\$5,780,866	\$9,908,423	\$5,658,969

The notes on pages 14 to 20 form part of these financial statements.

Notes to the Financial Statements *for the year ended 30 June 2013*

1. Statement of Accounting Policies

REPORTING ENTITY

The Real Estate Institute of New Zealand Incorporated is an incorporated society registered under the Incorporated Societies Act 1908. The Real Estate Institute of New Zealand Incorporated and its wholly owned subsidiaries, REINZ Member Services Ltd, RealENZ Ltd and Parnell Education Services Ltd comprise the Real Estate Institute of New Zealand Group.

REINZ Member Services Ltd has a 50% share in the equity of Realestate.co.nz Ltd. Realestate.co.nz Ltd had a 45% share in Zoodle Ltd which was sold during the year. Zoodle Ltd has never been considered to be part of the Group.

These financial statements are a general purpose report which have been prepared in accordance with generally accepted accounting practice.

MEASUREMENT BASE

The accounting policies recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed. The measurement base is the New Zealand Dollar.

DIFFERENTIAL REPORTING

The Institute and Group qualify for differential reporting as they are not publicly accountable and not large. The Group and the Institute has taken advantage of all differential reporting exceptions.

GOING CONCERN

The Board has a reasonable expectation that the Institute has adequate resources to continue operations for the foreseeable future and as such is a going concern. The Institute is currently running its operations and cost structures in order to ensure that future cash operations are cash positive. For this reason the Board continues to adopt the going concern assumption in preparing the financial report for the accounting period ended 30 June 2013.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

COMPARATIVE FIGURES

Comparative figures represent 12 months trading to 30 June, 2012. Current year figures represent 12 months trading from 1 July, 2012 to 30 June, 2013.

Consolidation:

- Subsidiaries are entities in which the Institute has the capacity to determine the financing and operating policies and from which it has an entitlement to significant ownership benefits. Subsidiaries have balance dates as at 31 March, 2013.
- The consolidated financial statements include the Institute and its subsidiaries, which are accounted for using the Purchase method. The effects of all significant inter-company transactions between entities that have been consolidated are eliminated on consolidation in the Institute's financial statements. Investments in subsidiaries are recognised at cost less provision for permanent impairment.
- The consolidated financial statements include the Institute, REINZ Member Services Ltd (an investment company), RealENZ Limited (formerly a web-based marketing company, now non trading), and Parnell Education Services Limited (Formerly REINZ Industry Training Organisation Ltd an industry training organisation now not trading.). All significant inter-company transactions are eliminated on consolidation. In the Institute's financial statements, the investment in REINZ Members Services Ltd is recognised at cost, less provision for diminution in value.
- The investment in Realestate.co.nz Ltd is accounted for using the equity method of accounting in the consolidated financial statements. Associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Realestate.co.nz Ltd has a balance date of 31 March, 2013.

Revenue:

Membership fees are invoiced in advance and are recognised as a liability in the statement of financial position at the time the invoice is raised. Revenue is then recognised in the statement of financial performance over the period to which the membership fees relate.

Event income and related expenses are recognised when the event occurs, with any income or expense received or paid in advance deferred as an asset or liability.

Notes to the Financial Statements *for the year ended 30 June 2013* (cont'd)

Accounts Receivable:

Accounts receivable are stated at estimated realisable value.

Inventory:

Inventory held for resale is stated at the lower of cost, using a first-in-first-out basis, or net realisable value.

Property, Plant and Equipment:

- All items of property, plant and equipment are initially recorded at cost, including costs directly attributable to bringing the asset to its working condition. When an item of property, plant and equipment is disposed of the difference between net disposal proceeds and the carrying amount is recognised as a gain, or loss, in the statement of financial performance.
- Land is recorded at cost. Other fixed assets are stated at cost less accumulated depreciation. As recorded elsewhere, the Institute sold its land and buildings in May, 2013.
- Depreciation is written off against property, plant and equipment on a straight line basis over the estimated useful lives, assessed as follows:

Buildings	66 years
Leasehold alterations	10 years
Furniture and fittings	8 - 10 years
Computer hardware	3 - 5 years
Computer software	2 - 3 years

Investments:

Investments in shares, indexed funds and bonds are recorded in the financial statements at their realisable/market value as at balance date. Any change in the value of these investments held is credited to the income of the Institute.

Exchange Rates:

Certain investments of the Professional Development and Integrity Fund are maintained in overseas currencies. The value of these investments and any income relating is converted at the average monthly exchange rate prevailing at the date of the transaction or converted to NZ Dollars as at balance date.

Taxation:

Income tax is recorded in accordance with the taxes payable method. Therefore, the income tax expense charged to the Statement of Financial Performance is the estimated liability for tax in relation to current period operations. Deferred tax is not accounted for.

Leases:

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal installments over the lease term.

Goods and Services Tax (GST)

The Statement of Financial Performance has been prepared on a GST exclusive basis. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST.

Employee Entitlements

A liability for annual leave is accrued and recognised in the statement of financial position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

Accounts Payable and Other Payables

Accounts and other payables are carried at cost.

District Funds

District funds are held with financial institutions.

CHANGES IN ACCOUNTING POLICIES

There have been no significant changes in accounting policies.

All policies have been applied in a manner consistent with those used in previous years. Comparative figures represent a full years trading.

Notes to the Financial Statements *for the year ended 30 June 2013* (cont'd)

2. Revenue

	GROUP 30 June 2013 \$	GROUP 30 June 2012 \$	INSTITUTE 30 June 2013 \$	INSTITUTE 30 June 2012 \$
Membership Fees	2,380,118	2,308,357	2,380,118	2,308,357
Services provided to Members	1,100,842	1,713,583	1,100,842	741,717
Interest Revenue (incl PDIF)	339,990	121,870	337,132	112,020
Other Revenue	178,511	155,378	159,101	155,378
Total Operating Revenue	\$3,999,461	\$4,299,188	\$3,977,193	\$3,317,472

3. Operating Surplus / (Deficit) before Taxation After charging / (crediting)

	GROUP 30 June 2013 \$	GROUP 30 June 2012 \$	INSTITUTE 30 June 2013 \$	INSTITUTE 30 June 2012 \$
Audit Fees – Hayes Knight Audit NZ	27,759	22,000	24,759	19,000
Audit Fees – Ernst and Young (previous auditor)	-	10,384	-	10,384
Other Fees paid to Ernst and Young	-	62,372	-	62,372
Depreciation:	148,844	123,038	148,844	122,073
Bad Debts/ (Recovered)	5	(9,028)	5	(9,028)
Directors Fees	291,934	259,666	284,000	259,666
Loss/(Gain) on disposal of assets	(11,581)	14,775	(11,581)	10,442

4. Property, Plant and Equipment

GROUP 2013	COST 2013 \$	ACCUMULATED DEPRECIATION 2013 \$	BOOK VALUE 2013 \$
Land	-	-	-
Buildings	-	-	-
Furniture fittings & alterations	55,811	(44,510)	11,301
Computer hardware	77,984	(55,507)	22,477
Computer software	365,255	(273,919)	91,336
Capital work in progress	-	-	-
	499,050	(373,936)	125,114

GROUP 2012	COST 2012 \$	ACCUMULATED DEPRECIATION 2012 \$	BOOK VALUE 2012 \$
Land	1,474,140	-	1,474,140
Buildings	1,637,830	(616,840)	1,020,990
Furniture fittings & alterations	331,713	(303,853)	27,860
Computer hardware	336,555	(328,577)	7,978
Computer software	540,058	(398,542)	141,516
Capital work in progress	-	-	-
	4,320,296	(1,647,812)	2,672,484

Notes to the Financial Statements *for the year ended 30 June 2013* (cont'd)

4. Property, Plant and Equipment (cont'd)

INSTITUTE 2013	COST 2013 \$	ACCUMULATED DEPRECIATION 2013 \$	BOOK VALUE 2013 \$
Land	-	-	-
Buildings	-	-	-
Furniture, fittings & alterations	55,811	(44,510)	11,301
Computer hardware	77,984	(55,507)	22,477
Computer software	365,255	(273,919)	91,336
Capital work in progress	-	-	-
	\$499,050	(\$373,936)	\$125,114

INSTITUTE 2012	COST 2012 \$	ACCUMULATED DEPRECIATION 2012 \$	BOOK VALUE 2012 \$
Land	1,474,140	-	1,474,140
Buildings	1,637,830	(616,840)	1,020,990
Furniture, fittings & alterations	331,713	(303,853)	27,860
Computer hardware	336,555	(328,577)	7,978
Computer software	540,058	(398,542)	141,516
Capital work in progress	-	-	-
	4,320,296	(1,647,812)	2,672,484

5. Surplus on sale of premises

During the year the Institute sold its Property at 202 Parnell Road, Parnell for \$6,225,000. The resultant surplus has been recorded in the annual operating surplus of the Institute as is required by accounting standards.

6. Related Party Transactions

The Board receive fees in respect of attending Board Meetings and to attending to Institute affairs. These fees are paid during the year. (P Hedwig retired during the year ended 30 June, 2012 as a result of illness and was replaced by T McPherson.)

The Board consists of R Meo (Chairman), R Janes, T McPherson, E Murrell, L Nidd, D Rankin, P Searle, J Smith, and B Thomson.

The Table below details payments made for Directors' duties during the year. Additional fees are included for sitting and/or chairing various sub committees. These are included in the table below.

	INSTITUTE 2013	INSTITUTE 2012
Meo, Dame R (Chair)	\$70,000	\$55,000
Hedwig, P	-	\$4,167
Janes, Dr R	\$29,000	\$26,333
McPherson, A	\$27,500	\$21,667
Murrell, E	\$25,000	\$25,000
Nidd, L	\$27,500	\$25,833
Rankin, D	\$27,500	\$25,833
Searle, P	\$27,500	\$25,833
Smith, J	\$25,000	\$25,000
Thomson, B	\$25,000	\$25,000
TOTAL	\$284,000	\$259,666

Notes to the Financial Statements *for the year ended 30 June 2013* (cont'd)

6. Related Party Transactions (cont'd)

A separate board is responsible for the activities of Parnell Education Services Limited (Formerly REINZ Industry Training Organisation Limited). As Chairman of this Board, Mr Rankin received \$7,935 (2012 \$NIL) for his responsibilities as a sole Director and the resolution of all outstanding matters with the Company. Dr Janes also received a fee as being the Institute's representative director on the Board of Realestate.co.nz Limited.

During the year the Institute charged Realestate.co.nz Limited \$10,000 (2012:\$10,000) for software license fees. The amount payable to the Institute is \$116,805 (2012: \$132,709). The institute is a shareholder of Realestate.co.nz Limited via an intermediary REINZ Member Services Limited which is a wholly owned subsidiary of the Institute.

7. Investments

	GROUP 2013	GROUP 2012 \$	INSTITUTE 2013 \$	INSTITUTE 2012 \$
INVESTMENT IN SUBSIDIARY				
REINZ Member Services Ltd 1,000 ordinary shares	-	-	1,000	1,000
OTHER INVESTMENTS AND LOANS				
REINZ Member Services Ltd	-	-	9,222	10,500
Advance to Realestate.co.nz Ltd	207,710	327,556	207,710	327,556
Advance to Parnell Education Services	-	-	7,418	-
Investment in Realestate.co.nz Ltd	235,974	35,805	-	-
Investment in Other Entities	35,955	-	35,955	-
	479,639	363,361	261,305	339,056
District Funds	382,340	379,911	382,340	379,910
	\$861,979	\$ 743,272	\$643,645	\$ 718,966

RealENZ Limited and Parnell Education Services Ltd (Formerly REINZ Industry Training Organisation Limited) are wholly owned subsidiaries of REINZ Member Services Limited. The value of investments and loans in related entities have been reviewed taking into account the net asset positions and business of those entities. Where appropriate, provision has been recognised to reflect any likely impairment. The Board has considered the net carrying value of investments and believe they are recoverable.

The Group has a 50% interest in Realestate.co.nz Limited, which is a property marketing portal. This is equity accounted for as at their balance date of 31 March.

Realestate.co.nz Limited has a 0% (2012 45%) interest in Zoodle Limited which was an on-line property information company. Both Realestate.co.nz Ltd and Zoodle Ltd had balance dates as at 31 March. After its balance date of 31 March, 2012, the investment in Zoodle Ltd has been realised at a value greater than its carrying costs.

The various districts around the country have deposits totalling \$382,340 (2012: \$379,911).

Notes to the Financial Statements *for the year ended 30 June 2013* (cont'd)

8. Taxation

	GROUP 2013	GROUP 2012 \$	INSTITUTE 2013 \$	INSTITUTE 2012 \$
Surplus/(Deficit) before tax and Gain on sale of premises	599,300	949,603	598,573	656,862
Plus gain on sale of premises	616,840	-	616,840	-
Taxable Profit	1,216,140	949,603	1,215,413	656,862
Taxation charge (28%)	(340,519)	(265,888)	(340,316)	(183,921)
Tax losses not recognised/(utilised)	340,519	265,888	340,316	183,921
Tax expense	-	-	-	-

There are estimated group tax losses of \$5,265,760 approx. (2012 Actual: \$6,164,370) available to be carried forward at balance date. These are subject to statutory requirements continuing to be met and the Group earning sufficient assessable income.

9. Cash at Bank

The cash at bank is in part restricted against a liability for unclaimed monies to the value of \$93,047 (2012: \$93,047).

10. Segment Information

The Institute provides professional services to members of the real estate industry. All operations are carried out within New Zealand.

11. Contingent Liabilities and Assets

There were no contingent liabilities at balance date (2012: \$Nil). There are no contingent assets.

12. Capital Commitments

There were no capital commitments at balance date (2012: \$Nil).

13. Financial Instruments

Credit Risk

Financial instruments which potentially subject the group to credit risk principally consist of bank balances, accounts receivable, and term deposits. There are no significant concentrations of credit risk within the Group. No collateral is required as the Group transacts with reputable institutions.

Interest Rate Risk

The interest rate on both cash at bank and term deposit investments is variable in nature. None of the balances subject to interest rate risk are fixed in maturity.

Fair Value

The fair value of all financial instruments is reflected by the carrying value as recorded on the Statement of Financial Position.

Exchange Rate Risk

There is an exchange rate risk relating to the holding of investments in overseas currencies and indexed funds. It is not possible to calculate the level of this risk. These funds are held within the control of professional fund managers who are tasked with minimising this risk in calculating the return on investment funds.

14. Guarantees

The Institute has provided guarantees to third parties to a total value of \$50,000 (2012 \$50,000). This is for a payroll letter of credit issued by BNZ to secure staff salaries.

Notes to the Financial Statements *for the year ended 30 June 2013* (cont'd)

15. Operating Leases

The Institute on the sale of the building entered into a lease commitment with the new owners expiring on 10 April, 2014 with a right of renewal of a further 3 months. The annual rental for the premises and car parks is \$177,462.65 plus GST.

16. Real Estate Agents Fidelity Fund

The approval to the winding up of the Real Estate Agents Fidelity Fund was made by Order in Council dated 12 March, 2012 effective as at 1 April, 2012. Ownership was effectively received on 1 June, 2012.

The Assets of the Fidelity Fund have now been transferred to the ownership of The Real Estate Institute of New Zealand Incorporated. The Board has decided to maintain the fund in a separate form termed The Professional Development and Integrity Fund which is administered by a separate committee reporting directly to the Board and supported by professional fund managers.

The financial results of the fund are reported in Note 19 in these financial statements.

17. Events Subsequent to Balance Date

The Board is currently negotiating new premises to house the Institute. It was agreed at the last Annual General Meeting that all funds realised from the sale of 202 Parnell Road, Parnell will be reinvested into land and buildings on the Institute's behalf, either to house the Institute and/or to provide an investment return.

There are no other known significant events subsequent to balance date.

18. Other Matters

Parnell Education Services Ltd continues to remain as a non trading entity. The Board has decided to simplify its affairs and complete the amalgamation of Parnell Education Services Ltd and Real ENZ Ltd into REINZ Member Services Ltd as at 30 September, 2013.

This amalgamation will have no expected significant change to the balance sheet of the Institute.

19. The Professional Development and Integrity Fund

	GROUP 2013	GROUP 2012	INSTITUTE 2013	INSTITUTE 2012
Funds received on the dissolution Of the REINZ Fidelity Fund	1,966,590	1,963,735	1,966,590	1,963,735
Plus Gains, Dividends and Interest (Net of Costs)	205,464	2,855	205,464	2,855
Net Value of the Fund	\$2,172,054	\$1,966,590	\$2,172,054	\$1,966,590

Note: Ownership of the fund was only taken on 1 June, 2012. The above results therefore reflect a full year's activity for the fund (2012: one month).

The funds are maintained separately within the Institute, and are governed by a separate committee.

Investments in the fund are as at 30 June, 2013 held in the following categories:

EQUITY	2013 ALLOCATION	2012 ALLOCATION
NZ Cash	25.9%	36.0%
NZ Fixed Interest	10.8%	23.0%
NZ Property	6.3%	7.0%
NZ Equities	21.8%	15.0%
International Equities	32.6%	16.0%
Hedge Funds	2.6%	3.0%
TOTAL	100%	100%

Supplementary Information - Unaudited for the year ended 30 June 2013

Statement of Financial Performance (Institute only)

	REVENUE 2013 \$	EXPENSE 2013 \$	REVENUE 2012 \$	EXPENSE 2012 \$
SERVICES TO MEMBERS				
Education, and Events	642,994	430,595	288,107	240,017
Publications	186,727	65,870	240,509	101,618
Journal	150,559	95,450	96,770	81,099
Statistics	120,562	45,370	56,003	59,118
Member Services	-	-	-	4,938
Special Interest Groups	-	-	69,356	70,659
	1,100,842	637,285	750,745	557,449
ADMINISTRATION				
Premises - 202 Parnell Rd	45,802	51,394	-	89,334
General administration	-	2,626,380	-	2,341,383
Other	450,431	63,560	267,398	-
	496,233	2,741,334	267,397	2,430,717
Subscriptions	2,380,118	-	2,299,329	-
	3,977,193	3,378,619	3,317,472	2,988,166
Operating Surplus/(Deficit) before tax	\$598,574		\$329,306	

Supplementary Information - Unaudited for the year ended 30 June 2013

Administration & External Relations - Expenses

GENERAL ADMINISTRATION	INSTITUTE 2013 \$	INSTITUTE 2012 \$
Accident Compensation Levy	3,064	11,809
Accounting	29,576	62,372
Annual General Meeting and Election Costs	7,213	780
Audit	24,759	3,510
Board Fees	283,999	259,666
Board Meeting Costs (Incl Travel)	64,898	68,890
Cleaning	13,076	15,090
Computer charges	196,730	198,914
Credit Card Commission	18,968	16,803
Depreciation	148,844	122,073
Electricity	11,056	-
General Expenses	40,195	30,528
Government, Public Relations, Strategy and Promotional	18,998	9,922
Insurance	26,918	29,214
Legal Expenses (including Forms Costs)	139,646	119,436
Loss/ (Gain) on disposal of assets	(11,581)	10,442
Postage	20,045	25,069
Printing and stationery	54,565	46,524
Repairs and Maintenance	34,281	13,061
Salaries, Staff Costs and Benefits	1,381,173	1,236,875
Staff Training, recruitment and administration	33,138	-
Telephones	32,655	39,157
Travel	54,164	21,248
	\$2,626,380	\$ 2,341,383

Note: Some comparatives have been altered where possible to maintain consistency of comparison between periods.

Realestate.co.nz

Chairman's Report

What a pleasure and sense of satisfaction it is to reflect on where our company was in 2012 to the position we are today. Realestate.co.nz has come of age. We understand where we are, have a vision of where we need to be and what roles we need to play with our close partners The Real Estate Institute of New Zealand, Property Page Limited and our agent customers within the industry.

The year has not been without its hurdles and, in overcoming these, I commend all the directors who have not only been active and supportive but who have introduced a crucial balance of industry and commercial skills with the fortitude to realign and restructure our company to be part of the industry team.

Our focus now is on how we can add value, revenue and reduced costs to the industry we serve. We respect that we are owned by the industry and are committed to having the leading property portal in the market.

The company this year turned a financial corner. While profits are modest, the company is generating sufficient cash flow and profit to be self sustaining without financial assistance from shareholders. Our equity position is strong and financial liquidity healthy. The company now has reserves to allow us to continue development and take a proactive role in our market positioning.

One of the changes this year was to accept that while our product is IT based, we are a sales and marketing organisation and our customers are all the agents belonging to the industry family. To support them we have strengthened our network of four regional account managers and introduced an internal sales team. Their combined focus is to build and support the agent community. This year our team attended the group conferences to show our support and expand our network.

Our Property Report continues to be a benchmark in the media. We are first to the market each month and have continual positive feedback on the content and value of the data. Our ability now to capture, mine and report information will only result in our data becoming more of value to the industry and its customers.

One of the key successes this year was to rationalise our IT platform including re-architecting the platform to streamline development and lessen reliance on third party software and at the same time guaranteeing we are up and running 99.9% of the time. This was easier said than done but now the evidence from the market has been an endorsement of this success. We are currently transferring our operation to the Cloud as we intend to be up with the leaders in our platform performance.

The board and I would like to acknowledge the efforts of the Realestate.co.nz team and their unrelenting enthusiasm in overcoming some of the key challenges this year and setting Realestate.co.nz on a new path.

The 2013 year has started well considering the dynamics of the market however there are major changes ahead in our market segment. This is our opportunity to become an even stronger partner and supporter to the industry. We are ready.

It has been my pleasure and reward to work with the Realestate.co.nz board, management and staff. We are excited and enthusiastic about the year ahead and the value we can create for our industry.



Fairfax Moresby
Chairman, Realestate.co.nz

REINZ Board



From left: Liz Nidd, Bryan Thomson, Helen O'Sullivan (Chief Executive Officer), Richard Janes, Philip Searle, Dame Rosanne Meo (Chairman), Euon Murrell, David Rankin, Jean Smith, Tony McPherson

The REINZ board comprises nine members of which:

- Two are appointed Independents,
- Two are appointed Industry Representatives, and
- Five are elected Regional Directors.

The current board members are:

Independent

Dame Rosanne Meo, DNZM, OBE

Auckland-based Dame Rosanne Meo has worked as a company director for over 25 years being amongst the first professional women directors in New Zealand. Her directorships have principally been in New Zealand but also in Australia, and cover both public and private companies, SOEs as well as extensive work in the voluntary sector, particularly in the arts and community support. She is currently Chair of Briscoes Group, and AMP NZ Staff Superannuation Schemes; a director of Overland Footwear and James Dunlop Textiles Ltd; a trustee of the Kelliher Trust and Middlemore Foundation and patron of the Auckland Philharmonia.

Dr Richard Janes

Richard Janes is an experienced professional company director with appointments in the both the private and public sectors. His current appointments include directorships of Centre Port Limited, Gallagher Group Limited, Industrial Research Limited and Telarc SAI Limited and he is Deputy Chairman of the Lotteries Commission and Chair of the Electricity and Gas Complaints Commission. He is a member of the Disciplinary Tribunal of the NZ Institute of Chartered Accountants and an Accredited Fellow of the Institute of Directors.

REINZ Board continued

Industry Representatives

Bryan Thomson

Bryan Thomson has achieved an impressive track record during almost 20 years in the real estate industry working in positions throughout New Zealand ranging from sales consultant to senior management. An experienced director based in Auckland, Bryan was Chief Executive of Harcourts New Zealand for eight years before being appointed to the role of Head of Real Estate Operations for Harcourts Australasia in April 2010. Bryan has recently stepped down from Harcourts and now runs his own practice, Thomson & Associates. Bryan oversees the Auctioneer's Sector Group.

David Rankin

Managing Director of Livingstone Realty Limited in Canterbury, David Rankin is also chair of the Real Estate Network Limited, a cooperative company comprising most of the residential real estate firms active in Christchurch. David is a director and chairman of other companies and is also a member of the Institute of Directors, Associate of the Institute of Valuers and a Registered Valuer in New Zealand.

Regional Directors

Jean Smith, Region 1

Jean Smith commenced her real estate career in 1981 with Barfoot & Thompson and currently manages its Mt Albert Branch. Jean has enjoyed a long association with the Institute which includes her previous role as Auckland's District President and Councillor for Region 1 before taking up her role as Regional Director on the new board. Being actively involved in the day-to-day running of an office provides Jean with a clear picture of what practical services the Institute needs to provide and she is committed to ensuring those services are of great value and benefit to members at the coal face.

Philip Searle, Region 2

Born and bred in Gisborne, Philip Searle has served on the Institute's Waikato/Bay of Plenty/Gisborne District Committee for close to a decade with three years as District President. In 2010, he was elected as Director of Region Two for the Institute and then re-elected in 2012. Philip has extensive experience gained from his involvement with the Institute and community organisations, running an agency and involvement in the horticultural industry. He believes this puts him in a good position to work with other Board members to ensure they achieve the objectives and purposes of the Institute. Philip oversees the Business Brokers Sector Groups and serves on the Documents and Property Committees.

Euon Murrell, FREINZ, Region 3

Euon Murrell has been involved in Real Estate for over 27 years in various roles - salesperson, sales manager, general manager, and company director. An Associate since 1999, Euon was a Wellington District President for eight years under the old regime. In 2009, he was elected as Regional 3 Councillor. He is a Director of Esplanade Realty Limited, trading as Tommy's Real Estate; a Justice of the Peace; third term Porirua City Councillor; past Deputy Mayor and Board Member of the Porirua Chamber Of Commerce. Euon remains strongly committed to the REINZ Board and endeavours to ensure that it is very much member-focused delivering services, support and products to assist members in the day-to-day running of their businesses.

Tony McPherson, Region 4

A fourth generation Central Otago-ite, Tony McPherson came to real estate with a background in farming and horticulture. He commenced his real estate career in 1989. During the next eight years Tony worked for Harding Real Estate as a salesperson, sales manager and branch manager with involvement in residential and commercial property development. In 1997, an opportunity to purchase the Church Corner office was taken up by Tony and two other colleagues, licensed as A J McPherson and Associates Ltd; the company joined the Ray White brand early in 1998. In 2004, he expanded with the acquisition of a second business and during the next seven years the McPherson Group grew to eight offices through joint ventures. Post the Canterbury earthquakes, the teams merged into four offices - one property management and three sales.

Liz Nidd, Region 5

Having completed three years on the Board, Liz Nidd is looking forward to the challenges ahead in the knowledge that the membership has shown its support with the 100% re-sign this year - giving REINZ the mandate to continue working to develop further innovations to assist our members. Now into her 25th year in the industry, Liz still retains a passion for all things real estate. Her association with the Institute dates back to 1994 when she first joined the Otago District Committee. Since then, Liz has continued to hold positions on the District Committee being elected as Vice President from 2002 to 2005, and President 2005 to 2008. She was elected to the Institute's Council to represent Region 5 in 2009. Liz relishes the opportunity to continue to represent Region 5 and make sure the "Southern voice" is heard. Liz oversees the Residential Property Managers Sector Group.



Term of Service

Independent and Industry Board Members

The board comprises two industry and two independent representatives. One of the two independents must serve as the Chair of the Board, and one of the two industry appointments must be from Region One. These four board members are appointed by an Appointments Panel. Appointments are for a two year period commencing from the AGM, typically held in October each year.

In 2013, one of each of the two categories of appointed directors retires by rotation. Applications were sought in August for these positions. Announcement of the appointments will be made at the AGM from which time they take effect.

Regional Directors

The board comprises the five Regional Directors elected by members. These positions are similarly for a two year term. To maintain a level of continuity on the board and to ensure we are never in a position where all members resign at one time, the Regional Director positions are rotated as follows:

- Region 1, 3 and 5 are rotated one year (being 2013),
- Region 2 and 4 are rotated the following year (being 2014 and so on).

Elections for the Region 1, 3 and 5 Directors are in progress and any new directors will be announced on 21 October 2013 to take effect from the AGM, the following day.

Life Member Nominees

Life Membership is the highest honour the Real Estate Institute is able to bestow on members. It is reserved for the relative few who have provided an outstanding and meritorious contribution to REINZ and to the real estate sector at large.

This year, our nominations recognise two individuals for their service to the industry - Neville Falconer and Colin Richardson.

The Rules of REINZ require that nominees for Life Membership are approved by a two thirds majority of the Board, and by two thirds of those present and voting at an Annual General Meeting ("AGM"). Your Board has unanimously approved these nominations and warmly recommends approval for both Neville and Colin as Life Members at the Annual General Meeting.

Life Member Nominee

Neville Falconer



From a background in Motor Engineering, IT and the Finance industry, Neville commenced his Real Estate career in 1987 and achieved AREINZ in 1990. In 1988, he was recognised as achieving the highest aggregate total of licensing exam marks ever achieved in a single year.

In 1991, along with current business partner, Stephen Pepper, Neville bought the Tauranga franchise of Challenge Realty and has grown the residential and property management business to a multi-office member of the LJ Hooker Group operating in Tauranga and Rotorua.

Neville became involved in Institute affairs locally in the mid 1990s and served as District President for Waikato/Bay of Plenty/Gisborne in 2002-2003. It was at the 2003 Presidents forum in Auckland that he

addressed the then National Council advocating for the Institute to adopt a service model that assumed membership was voluntary even though that membership choice was still several years from being realised.

In 2006, Murray Cleland approached Neville and asked him to stand for election as a National Councillor. He subsequently served on Council until retiring as National Vice President in 2010.

Neville's period at Council also included serving as Chair of REALITO for over two years where he contributed to the transition from REINZ ITO to what was the renewed REAL ITO providing leadership and sound business acumen that saw the ITO grow from a small base to a solid organisation. Neville also served as a Director of Realestate.co.nz Limited. Neville was recognised for services to the institute with a Fellowship in 2007.

Over the years, Neville has suffered a loss of his eyesight and has been legally blind since 1991. It is a strong Christian faith, the dedication and support of his wife Jenny and their son Aaron along with a desire to make a positive contribution to all those he connects with, that Neville says gives him the strength and motivation to strive for success with no excuses; Neville holds to the motto "Disability does not mean Inability."

REINZ Life Member Roger Stark of LJ Hooker, and LJ Hooker General Manager, Keith Niederer have this to say of Neville: "Neville is a valued member of the LJ Hooker Harveys network. He is always the first to offer his services and input and his ability is of the highest standard. He is a member of the LJ Hooker 21 Club (a length of service award) indicative of his loyalty as well as a respected member of the LJ Hooker Harveys Admirals - a group of top business owners who share their knowledge and act as a sounding board for other franchise owners within the group.

Neville is also President of the LJ Hooker Harveys Property Management Chapter, offering great leadership and guidance to others in the field of Property Management and compliance. We at LJ Hooker endorse Neville's nomination; he is a true gentleman who sets an example of dedicated loyalty to the real estate industry. Although blind, Neville has more vision than most."

Life Member Nominee

Colin Richardson



In 1960, Lance Richardson and his son Colin purchased a stationery and toy business in Thames together with a real estate license. They went to the Thames magistrate's court, swore on the bible that they were of good character, and walked out of court as fully licensed Real Estate Agents.

Lance and Colin were members of the New Zealand Real Estate Agents Association at the time which soon amalgamated with the Real Estate Institute of New Zealand in 1964. Colin is still holding a license today at just on 80 years old. Lance served on the Auckland District committee in the early 1970s and during the 1980/90 period Colin served on the committee possibly making this the only father and son duo to do so.

A Coromandel sub-branch was formed and Colin served as its President for a number of years.

Colin worked relentlessly towards getting the same benefits for areas such as the Coromandel that the members in the cities enjoyed. At that time, all functions and training were held in Auckland which meant seven hours or so travelling for members in this area. As a result of Colin's persistence, some functions and training were obtained for the area together with breakfast meetings.

Colin was passionate about education and brought trainers to the area at Richardsons' expense. At one stage, Richardsons had 18 branch managers and five AREINZs in a total of around 50 salespeople. He himself became an Associate member in 1964 and a Fellow in 1995.

Richardsons Real Estate Ltd was registered in 1966. It now has 12 branches on the Coromandel and Colin is very proud of the fact that during the years it has been operating, they have never had a complaint upheld against them by REINZ or the REAA.

During the early 1990s, Tim Mordaunt of Property Brokers, David Couch of Lodge Real Estate, and a couple of others (all ex franchise holders of the United Realty Group) formed a loose liaison with Colin and met periodically to mutually share ideas and have a drink or two. They were later joined by the late, Mark Thompson (brother of Peter), of Barfoot and Thompson together with Wendy Alexander. It was decided to expand the group by invitation which has led to the NZ REALTORS NETWORK, now one of the biggest real estate networks in New Zealand.

Colin is not short of co-workers to come forward in support of his life membership. Salesperson, Kim Radick, has been with Richardsons Real Estate Ltd for 26 years.

"I was fortunate to start working for Colin's family-owned firm soon after leaving school and have now been with the company for 26 years - the loyalty of the company's staff is testament to the great working environment Colin created. I couldn't have asked for a better mentor - the high standard of ethics displayed and promoted by Colin has been exemplary."

Maria Quirk is General Manager: "I have worked for Colin for 17 years and throughout this time have found him to be always supportive, loyal, generous and kind to staff members and I have observed him to have supported The Real Estate Institute in every possible way."

Tim Mordaunt of Property Brokers Ltd says: "I've always respected Colin since meeting him perhaps 27 years ago and so I think it's great that he is being acknowledged in this way. We were both part of setting up the NZ Realtors Network, and we've helped each other out over the years and had a lot of fun together. He's a very generous man and has always held the industry and Institute to the fore. In fact, he's a bit of an icon - a wise old dog and a good industry man!"



Life Members of the Real Estate Institute of New Zealand

We acknowledge the contributions of the following existing life members

- 1971 *John Stanley Gillam*
- 1985 *Mervyn Edward Neill*
- 1991 *Trevor Ferguson Johnston*
- 1991 *Garth Barfoot*
- 1995 *Peter John Cook*
- 1998 *Clyth Iain MacLeod*
- 2001 *Brian James MacPherson*
- 2003 *Joan Frances Harnett-Kindley*
- 2003 *Donald Kindley*
- 2003 *Max Robert Oliver*
- 2006 *Henry Rex Hadley*
- 2006 *Graham Keith Snell*
- 2007 *Roger Ian Stark*
- 2007 *Graeme Alexander Woodley*
- 2009 *Murray Stuart Cleland*
- 2009 *Paul Dudding*
- 2009 *Howard Louis Arthur Morley*
- 2011 *Peter McDonald*
- 2011 *Peter Thompson*
- 2011 *Mike Elford*
- 2011 *Stephen Collins*
- 2012 *Charles Ross Foreman*



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