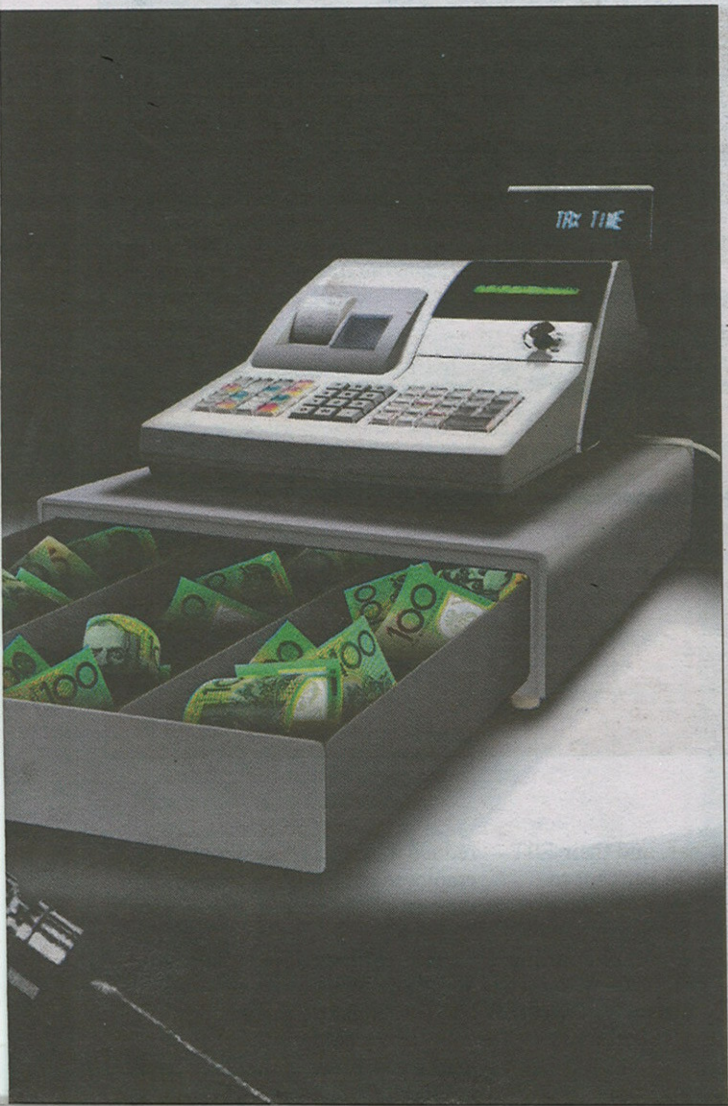

ustration: KARL HILZINGER

Finding the best adviser

Gone are the days when it was satisfactory for your accountant's work to begin and end with your tax return, writes **Chris Tolhurst**.

What makes a good accountant? It's certainly not just the skill of number-crunching or being able to quickly turn around a tax return. For many of us, what counts is the capacity of an accountant to be a valuable source of information and assistance and to provide insights into our finances.

Those same attributes mean that they can also advise us on tax matters, as well as deal with the Australian Taxation Office, but how do we find these wise advisers?

The tax counsel for the Institute of Chartered Accountants in Australia, Yasser El-Ansary, says it's a smart strategy to choose a professional who has experience of your industry.

"There are different advisers to different industries, so choose an adviser who knows your industry," El-Ansary says.

He says regardless of who you choose, it is critical that your adviser be a registered tax agent.

Anyone who prepares tax returns for a fee is required to be registered with the Tax Practitioners Board. You can check the registration status of an agent on the board's website (www.tpb.gov.au).

There are good reasons to deal with a registered tax agent. First, a registered agent is regulated by the federal government which demands certain conduct, competency and education standards.

The other vital consideration is consumer protection. If errors are made in a return that prove to be the fault of a registered agent, the Tax Office will wholly or partially waive fines imposed on the taxpayer. This doesn't apply if you use an unregistered tax preparer, or do the return yourself.

One in 10 taxpayers is a negatively geared landlord thanks in part to a tax system that supports property investors more than those who invest in other asset classes.

Sue Prestney, principal of the accountancy firm MGI Melbourne, says owning investment properties is so common that most accountants will be up to speed with claiming for an income-producing property. Still, when dealing with property claims, it's important that you and your adviser canvass all the options.

Prestney says first-time property investors often focus on claiming loan interest and can forget other deduction areas. She notes that in order to get a deduction for the interest on a loan, you have to part with real dollars to pay that interest.

"The valuable property losses are the ones that you can generate without having to pay extra dollars – they are your building depreciation and building write-off allowances," she says.

The accountant's role has grown with advances in technology. Accounting today is as much about business strategy as it is about adding up the figures.

People in business should look to their accountant to assist in setting performance targets, including for revenue, profit and expenditure, as well as cash-flow goals.

El-Ansary says that a long-term relationship with an accountant will give you a better chance that the adviser will become a source of "trusted advice" and provide valuable insights into your affairs.