

**Annual General Meeting**  
**PRESIDENT'S & CEO'S REPORT**  
**For year ended 30 June 2017**

It has been a significant year for Tax & Super Australia; a year of change – new brand, new identity, new strategic focus and more importantly a plan for the future.

Planning for the future doesn't just mean protecting the sustainability of the organisation; it also means looking after the best interests of our members, the small business community and the public at large.

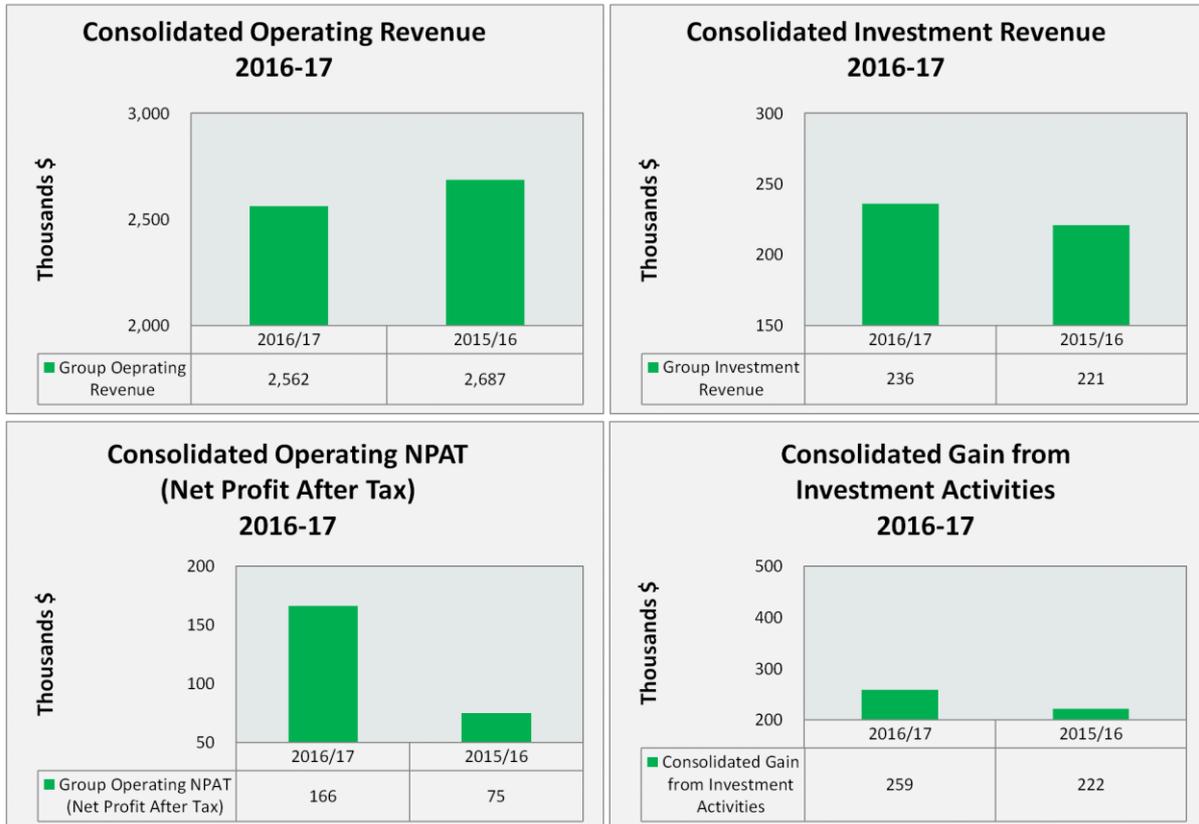
Our member-centric strategic focus towards informing and empowering our members is growing stronger as we continue to invest in technology and the value of our brand.

We have continued with one of our fundamental roles i.e., advocacy and lobbying on behalf of our members and the profession to ensure that a credible voice on policy and regulatory issues is heard by key stakeholders. Some of the key stakeholders include the government and regulators such as the Australian Taxation Office, The Treasury and the Inspector General of Taxation's Office.

Various submissions made throughout the year as a part of our advocacy work provide feedback and insight into many key legislative and policy areas.

The consolidated financial report for 2016-17 reflects the organisation's and its subsidiaries' efforts in delivering a surplus for the year amidst continuing difficulties in the domestic scene driven largely by uncertainties in the financial markets and political roadblocks to Government policy initiatives. Soft market conditions with lower consumer confidence prevailed throughout the year resulting in lower spending and depressed economic activity.

## KEY FINANCIAL RESULTS



- Consolidated operating revenue for 2016-17 was \$2.562m down \$125k or 4.7% compared to the prior year result of \$2.687m.
- Consolidated investment revenue for 2016-17 was \$236k up \$15k or 6.82% compared to the prior year result of \$221k
- Consolidated net profit after income tax (NPAT) from operating activities for 2016-17 was \$166k and up \$91k compared to prior year result of \$75k
- Consolidated gain from investment activities 2016-17 was \$259k and up \$37k compared to prior year result of \$222k

The operating result for 2016-17 displays a decline over prior year due to continuing soft market conditions stemming mainly from:

- the educational training market where we have experienced lower consumer spending and depressed economic activity.
- A net decline in membership subscriptions of 5.9% mainly by way of natural attrition.
- Continued cost management initiatives throughout the year provided a cushioning effect to the revenue decline.

## CPD<sup>PRO</sup> LAUNCH

The introduction of CPD<sup>PRO</sup> in the last quarter of 2017 proved to be very successful. A significant proportion of our members have expressed great interest in it and have subscribed to it within a couple of months after its launch. CPD<sup>PRO</sup> is continuing to attract interest and is currently in an ascending growth curve.

## ADDITIONAL DISCUSSION GROUPS

Both the tax and superannuation discussion groups continue to attract significant interest in the community and are running at full capacity. The additional tax discussion group implemented in Melbourne in the second half of the year is also running at full capacity. With the success of these events more discussion group events are being planned for next year.

## 2017 FEDERAL BUDGET NIGHT COVERAGE

Tax & Super Australia's extensive coverage of The Federal Budget went-off smoothly. As the Federal Budget unfolded, we were one of the first organisations to update our website with various facts, figures and infographics in easily understandable, succinct and bite sized chunks of information.

Additionally, as a point of difference, we produced a special budget night edition of the TaxWrap podcast released within a matter of hours after the budget night speech had been delivered. This edition of TaxWrap was very popular with thousands of listeners tuning into our podcast.

## WEEKLY TAXWRAP PODCASTS

We are experiencing a phenomenal growth in our weekly TaxWrap podcast. At the end of June 2017, we had over 6,200 active listeners, a remarkable growth in listenership compared to prior year. The weekly podcast discusses a broad range of taxation and superannuation issues featuring our in-house technical team and expert guest speakers from the industry from time to time. We strive on making these podcasts interesting as we focus on relevance, timeliness and succinctness.

## SOCIAL MEDIA

We have been working relentlessly on improving our social media performance across the board. Our Facebook activities increased by 44% with significant increases in post reach and page views compared to prior year. Twitter activities increased by over 46% and LinkedIn activities increased over 23% compared to prior year.

## MARKETING INITIATIVES

With the re-branding of our organisation in July 2016, increasing the brand awareness has been one of our strategic imperatives. During 2016/17 we successfully launched various marketing and promotional campaigns aimed at increasing the exposure of our new brand. Our focus has been on:

- a) clarifying and communicating our brand promise.
- b) improving our online presence by implementing online marketing campaigns (including retargeting, AdWords, Outbound lead generation and social media)
- c) prioritising member and customer engagement strategy by implementing various new tools and improving processes.
- d) Building a better brand experience for customers and members by improving the website user experience
- e) conducting marketing surveys to identify profiles of current and potential members with a view to better understanding our members' and customers' needs.

## CONSULTATION, ADVOCACY & GOVERNMENT SUBMISSIONS

### *i. Consultation & Advocacy*

Consultation and advocacy is core to our stakeholder engagement strategy. 2016/17 saw the continuation of our advocacy and lobbying efforts on behalf of our members and the profession in general. We see this as an important element in ensuring a credible voice on policy and regulatory matters is presented to key stakeholders which includes our members, government, regulators and standard setters. Our advocacy efforts included various submissions during the year as indicated below in addition to discussions held on the future of the tax profession involving the Inspector General of Taxation and our members.

We are ever so grateful to our members who took the time to actively participate in these discussions and contribute their thoughts and ideas. Our submissions are representative of member views.

### *ii. Government Submissions*

Tax & Super Australia has been actively involved in lodging submissions to the government and other bodies during the year. Major submissions made during the year include:

#### *a) Pre-Budget Submission*

Our 2017-18 pre-budget submission under small business taxation included the following major recommendations to the Government:

- That the Government retains \$20,000 as the permanent threshold for the small business instant asset write-off.

- That the Government increases the threshold for the small business CGT concessions and the small business tax offset to \$10 million.
- That the Government reintroduces the loss carry-back tax offset for companies that are small business entities.

*b) Superannuation Reform Package Submission*

This submission was in response to the exposure draft legislation released by the Treasury. The exposure drafts were in relation to the following measures: the objective of superannuation, tax deductions for personal superannuation contributions, improve superannuation balances of low income spouses, introduce a Low-Income Superannuation Tax Offset (LISTO) and harmonizing contribution rules for those aged 65-74.

*c) Substantiation Exception for Reasonable Travel Allowance Expenses Submission*

This submission was in response to the ATO's discussion paper (QC50217) on the ways it could improve its guidance and administrative practices in relation to the substantiation exception for reasonable travel allowance expenses.

*d) Submission to House of Representatives Standing Committee on Tax & Revenue*

Our proposals regarding taxpayer engagement, the role of the tax practitioner, the reliance and stability of the ATO's online services, connectivity for rural taxpayers and practitioners, and the cash economy.

*e) Review into the Australian Tax Office's fraud management control*

This submission included our proposals regarding systems and operations at the ATO and community confidence in the ATO considering recent issues surrounding fraud management control at the ATO that came to light.

*f) Review into the future of the tax profession*

This submission was in response to the Inspector General of Taxation's review into the future of the tax profession. Our proposals included various opportunities, risks and challenges presented by new developments, strategies to assist the tax profession, opportunities available to both the Australian Taxation Office and the Tax Practitioners Board as well as various concerns we have in relation to the future of the tax profession.

*g) Submission to the Treasury on Black Economy*

This submission was in response to the consultation paper released by the Black Economy Taskforce. We have re-iterated our overarching position and specific recommendations to the Black Economy Taskforce.

### TAI PRACTITIONERS & ADVISERS LTD (TAI PAL)

Despite continuing difficulties in the domestic scene driven largely by uncertainties in the financial markets, TAI PAL experienced significant growth in its membership numbers largely due to the introduction of the CPD<sup>pro</sup> membership category in May 2017. TAI PAL membership grew by 89% compared to prior year. Strengthening member offering has been core to TAI PAL's strategy for sustainable organic growth and we are proud to announce that we have delivered on this.

### FUTURE DIRECTION

Our current member demographics predominantly comprises of an ageing population and as we start losing members due to natural attrition, our strategic focus will be on strengthening our member offering with a view to retaining our existing loyal members while attracting younger new members to our organisation. We realise that rapid changes are taking place in the taxation and superannuation profession by way of shifting demographics, increased government regulations, digital disruption and increased competition. We will continue to be the voice of our members and act as their trusted partner, guiding and empowering them in being successful within their businesses.

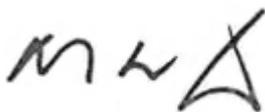
### THANK YOU

We would like to express our sincere gratitude and deep appreciation to our members and supporters for their continued support and patronage. We would also like to thank our members and supporters for their forbearance as we go through major changes in ensuring Tax & Super Australia continues to be relevant and remain a dominant voice in the tax and superannuation space.

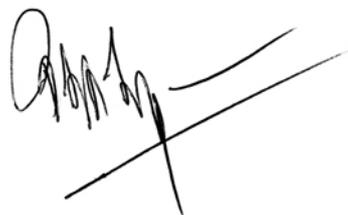
We also take this opportunity to thank the Tax & Super Australia Board for its continued help, support and guidance throughout the year.

Our thanks and appreciation goes to a highly professional and committed executive management team for all their contribution.

We would also like to extend our thank you to all the staff of Tax & Super Australia for their contribution during the year.



Mark Dodds  
President



Moti Kshirsagar  
CEO

3 October, 2017