

# Annual General Meeting

## PRESIDENT'S REPORT

For year ended 30 June 2019

Welcome to our members attending the Annual General Meeting of Taxpayers Australia Limited T/A Tax & Super Australia (TSA). Thank you for your continued support throughout the year.

2019 has been a year of change, steady growth and new initiatives. This has also been an important year in our history as our organisation turned 100 in May.

I summarize below our performance for the year 2019.

### CHANGE IN HEAD OF MANAGEMENT

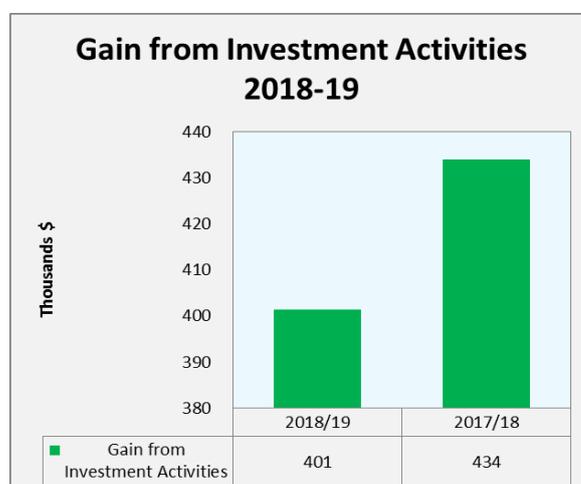
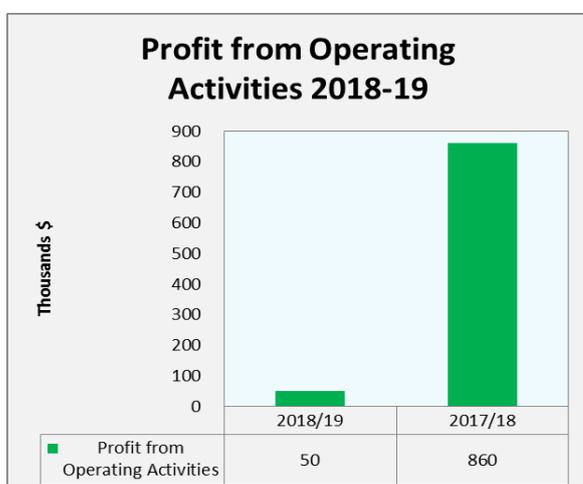
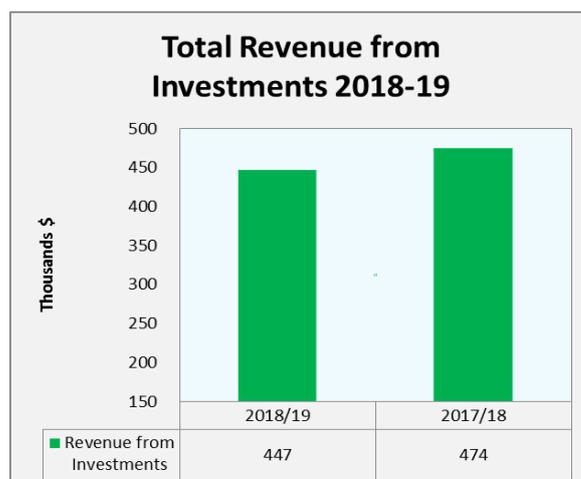
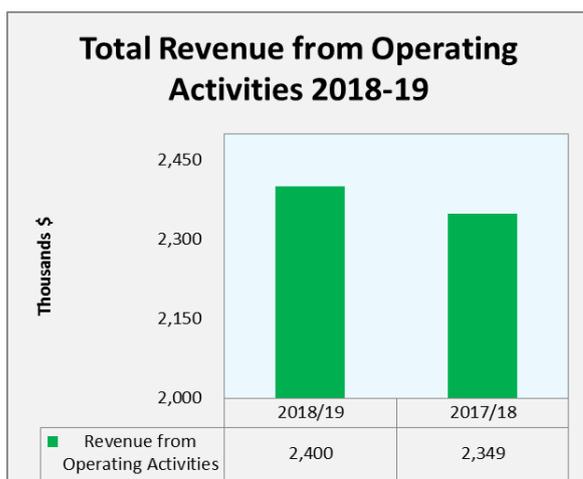
Moti Kshirsagar, our former CEO left the organisation in August 2019.

I am pleased to announce the appointment of Ms. Pippa McKee, in the role of General Manager, commencing 21 October 2019. Pippa comes with a wealth of knowledge and experience in managing membership/subscription-based business providing services and publications.

### OUR FINANCIAL PERFORMANCE

- Consolidated operating revenue for 2018-19 was \$2.400m up by \$51k or 2.2% compared to the prior year result of \$2.349m. The result reflects a slight improvement in revenue amidst of tough market conditions and mainly stemming from an:
  - a) Increase in webinar income \$47k or 126% compared to prior year result of \$37k, and
  - b) Increase in membership subscriptions \$7k as a result of price increments. However, there is a decline in membership subscriptions due to natural attrition.
- Consolidated investment revenue for 2018-19 was \$447k down \$27k or 5.7% compared to the prior year result of \$474K. The 2018-19 result includes an unrealised gain of \$64k.
- Consolidated profit from operating activities for 2018-19 was \$50k and down \$810k or 94.2% compared to prior year result of \$860 (includes a gain of \$822k due to disposal of 1405 Burke Road, Kew East)
- Consolidated gain from investment activities 2018-19 was \$401k and down \$33k or 7.6% compared to prior result of \$434k

In 2019, we managed to achieve a modest operational surplus of \$50k excluding abnormal, one-off items and up \$12k or 31.60% compared to prior year result of \$38k (\$860 includes a gain of \$822k on disposal of 1405 Burke Road, Kew East)



## 100TH ANNIVERSARY CELEBRATION

Tax & Super Australia turned 100 in May 2019. In order to commemorate this milestone, we hosted a Gala Dinner on the 24<sup>th</sup> of May 2019, in conjunction with the World Taxpayers Association conference and Freidman conference in Sydney. The event was attended by tax advocates and professionals across the globe.

We are planning to organise another event in Melbourne to celebrate our 100<sup>th</sup> year on the 16<sup>th</sup> Of December 2019 and look forward to being joined by our members in this celebration. Details of the event have already promoted to our members.

## EVENTS AND PROGRAMS IN 2019

- **Establishment of Tax Agent program**

TSA has partnered with Applied Education to launch a new Tax Agents Course; whereby candidates who successfully complete the course will be eligible to seek registration with the Tax Practitioners Board as Tax Agents.

- **Launch of Outlook magazine**

We recently launched the new bi-monthly Outlook magazine replacing the monthly Taxpayers and bi-monthly Contributor journal. The new magazine has been well received by our members with several positive feedbacks.

- **New Products**

Two new tax products were recently introduced;

- Quick Tax Updates – these are 5 minutes videos presented by our Tax Counsel on new developments in the tax and superannuation space. He has been presenting two to three videos per week.
- Tax on White board training videos – These 5 minutes videos, presented by our Tax Counsel, are aimed at training younger staff in accounting firms on tax topics.

- **Introduction of new Breakfast Discussion Groups**

With the continued success of our Discussion Groups, we introduced new Breakfast Discussion Groups for both tax and superannuation professionals. These sessions are conducted in Melbourne CBD and has been a big hit with the practitioners working in the CBD.

- **New Workshops**

We also trailed a few workshop sessions on trending topics during the course of the year;

- Inheritance Disputes Workshop - Superannuation
- Complexities in Tax Residency and immigration laws - Tax
- Structures to build family wealth across generations

- **Gala Dinner hosted in Sydney**

TSA hosted a Gala dinner to commemorate our 100<sup>th</sup> anniversary. This was held during the 17<sup>th</sup> World Taxpayers Conference and the 7<sup>th</sup> Friedman Liberty Conference held In Sydney in May 2019.

## MEMBER ENGAGEMENT

- **Early bird campaign**

In order to boost renewals and retain our members, we launched an Early bird campaign wherein, members who renewed on time entered a draw to win an 8-day trip for two to Bali. The result was an overwhelming 35% members renewed on time and one lucky member won a trip to Bali.

- **Member get a member campaign**

This year we introduced a new campaign in order to attract new members and reward our loyal members. A member successfully referring a new member would be eligible to obtain 25% discount on his/her membership fees for the following year.

- **CPD<sup>Pro</sup> campaign**

TSA's CPD<sup>Pro</sup> product has been a huge success with our members and continues to be a major source for attracting new members. This packaging of two years' worth of CPD for a discounted price gained huge popularity and resulted in a couple of new members joining us.

## NEW INITIATIVES FOR 2019 – 2020

- **TSA Insurance Program**

A suet of insurance products including but not limited to Professional indemnity insurance, Cyber liability insurance, Tax Audit insurance, Public liability insurance, Business insurance, Corporate travel insurance, etc will be launched in due course.

- **Online member community forum**

In order to enhance member engagement and provide a unique platform for exchange of knowledge and views, TSA plans to roll out an online community forum for our members in the first quarter of 2020.

- **Rewriting the Tax Summary**

TSA is proud to announce that our tax experts are relentlessly working towards rewriting the Tax Summary journal. This is aimed to provide an improved reading experience and better understanding with appropriate cross referencing and case studies. It is expected that this project could take up over a year or two for completion.

## CONSULTATION, ADVOCACY AND GOVERNMENT SUBMISSION

- **Submission regarding review of tax residency rules for individuals**

Our submission to the Board of Taxation has been driven by the priorities and concerns of our members, while being premised on an overarching objective of achieving a suitable balance of fairness, efficiency and simplicity in the administration of the taxation system.

- **Div. 7a Submission**

Submission regarding targeted amendments to Div. 7A integrity rules including addressing concerns with the proposed significant interest rate increase for loans which are currently compliant and the potential adverse effects on cash flow for those concerned, particularly for currently compliant secured 25-year loans required to comply with a reduced 10-year term. The retaining of the distributable surplus rules and excluding UPEs arising prior to 16 December 2009 from Div. 7A, retaining the "grandfathering" provisions for pre 1997 loans and supporting safe harbour provisions for Shareholder asset use.

- **Submission regarding improving black economy enforcement and offences**

Our submission has been driven by the priorities and concerns of our members, while being premised on an overarching objective of achieving a suitable balance of fairness, efficiency and simplicity in the administration of the taxation system.

- **Pre-budget submission 2019-20**

Our proposals for individual taxation include a tax offset for older workers to encourage mature age participation in the workforce. We also recommend a \$2,000 standard work-related expense deduction with no substantiation required, as well as an increase in the reasonable limit threshold. Also, we recommend a concessionally taxed regime for passive investments. On behalf of small businesses, we have asked for the proposed \$25,000 instant asset write-off to be made permanent, and the re-introduction of the loss carry-back tax offset for SMEs.

- **Review of TSA's submission to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services industry**

Tax & Super Australia has concerns that our proposals for rectification of problems identified by our members involving issues in the Financial Services industry and the ASIC regulatory framework impacting on our members, which have caused economic distortions and costs to our members and their clients, have been overlooked. We seek that the Treasurer undertake the processes to ensure that shortcomings in the current regulatory arrangements are rectified, even though the Royal Commission did not specifically address these.

- **Reinstatement of Accountants Exemption – Letter to Hon Jane Hume 17 July 2019 -1**

TSA is gravely concerned over ASIC's new regulatory framework impacting our members i.e., tax practitioners and SMSF professionals. These concerns are two-fold: firstly, the inclusion of accountants under the Australian Financial Services Licenses regime and secondly, the substantial increases in the fee structure following the introduction of ASIC's new industry funded model and the resultant economic distortions and additional cost impost on our member.

- **Review of the Tax Practitioners Board, operation of the Tax Agent Services Act 2009, and Tax Agent Services Regulations 2009.**

Significant challenges are faced by tax agents on a daily basis due to the complexity of the taxation laws, problematic administration of the taxation system, increasing administrative costs and price competition. The changes that will result from the Review must not result in yet more burdens being placed on tax agents. Increasing legislative and administrative pressures on tax agents will degrade the operation of the taxation system and discourage participants joining the industry.

## **FUTURE DIRECTION**

With continuous changes taking place in the taxation and superannuation industry by way of shifting demographics, increased government regulations, digital disruption and increased competition, we are committed to:

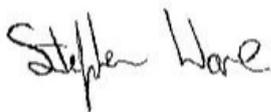
- Remaining the voice of our members and be their trusted partner, guiding and empowering them to excel in their profession.
- Continuously improving and strengthening our member offering with a focus on retaining our existing and loyal members while attracting new members to our organisation.

## THANK YOU

I wish to express my sincere gratitude to our members and subscribers for their continued support and patronage. I also take this opportunity to thank the Board for its ongoing help, support and guidance.

Also, my thanks and appreciation go to a highly professional and committed executive management team for their contribution over the year.

Finally, I would like to thank all our dedicated staff at Tax & Super Australia for their contribution during the year.

A handwritten signature in black ink that reads "Stephen Ware". The signature is written in a cursive, slightly slanted style.

**Stephen Ware**

**President**

14 October 2019