

Annual General Meeting

PRESIDENT'S & CEO'S REPORT

For year ended 30 June 2020

Welcome to all our members who are attending our Annual General Meeting of Taxpayers Australia Limited t/a Tax & Super Australia (TSA). We are meeting in both an electronic and physical format for the first time, one of many firsts that this unique year has held. We appreciate you taking the time to attend.

While this has been an immensely challenging year due to the pandemic, TSA has performed remarkably well during this period of upheaval. Enormous efforts from our staff, in particular the Tax Technical team, has meant we have been able to assist members with the information they need in navigating the complexities of the various government COVID-19 stimulus packages while still performing their usual tax services.

COVID-19 meant that TSA has had to provide digital versions of our normal face to face events and has hastened our expansion into new platforms to provide the information and content that our members urgently needed. The positive response by members means that we will continue to create digital events even when we are able to resume our face to face sessions.

Overall TSA recognizes that we currently have an opportunity to carve out a new competitive position in the coming year due to the work our team has done in this year and by identifying some new areas of growth to be developed.

COVID-19 – HEAD OFFICE ARRANGEMENTS

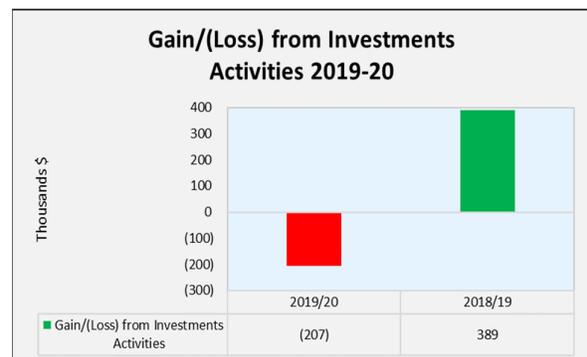
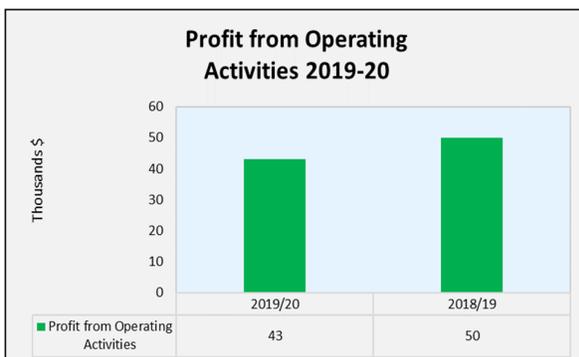
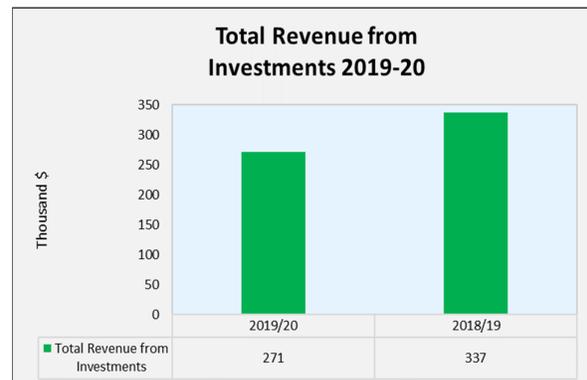
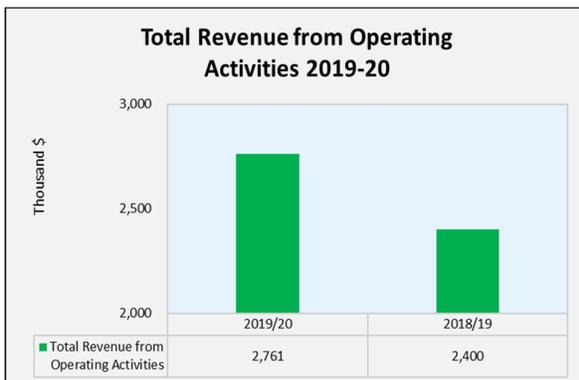
As Australia went into lockdown, TSA enabled all staff to work remotely and despite a brief period in June when some returned to the office, the full team has continued to successfully work from home. We do not anticipate a full return to the office until 2021. It is expected that there will continue to be staff working from home at least some of the week – while there is great benefit in having staff in the office, our productivity has not declined during the lockdown period.

OUR FINANCIAL PERFORMANCE

- Consolidated operating revenue for 2019-20 was \$2.761m up by \$361k or 15.04% compared to the prior year result of \$2.4m. The result reflects an improvement in revenue amidst of Coronavirus (Covid-19) pandemic and mainly stemming from:

- a) Increase in membership subscriptions \$28k due to timing of renewals by members compared to last year. However, there is a decline in membership subscriptions due to natural attrition, and
 - b) Government Grants received \$235k due to Covid-19 is represented by JobKeeper for the period April 20 to June 20 \$135k, and Cash Boost 1 and 2 totalling \$100k
- Consolidated investment revenue of \$271K for 2019-20 was down 19.58% compared to the prior year result of \$337K
 - Consolidated profit of \$43K from operating activities for 2019-20 was slightly down by \$7k or 14.00% compared to prior year result of \$50K
 - Consolidated loss from investment activities 2019-20 was \$207k and down \$596k or 153.21% compared to prior year result a gain of \$389k due to Covid-19

In 2020, we managed to achieve a modest operational surplus of \$43k including abnormal, once-off item of \$235k government grants received during the year.



NEW MEMBER ACQUISITION

The organization continues to increase new members over the past year, up 9% from 2018/19. We welcomed 269 new members in 2019/20 compared to 246 in 2018/19, and the new member trend is continuing to grow into the 2020/21 year. We are particularly focused on growing our young professional membership.

MEMBER RENEWALS

This has been an area of concern for the organization over many years. We have a strong and very loyal membership base, with over 86% renewal rate each year, but our membership numbers are declining each year (this past year around 10%) due to the ageing of our membership demographic, and those who are either retiring or leaving the industry. Our new members offset much of this decline but we are working to reverse this trend.

In recognising this issue our initiatives for the coming years will be focused on attracting and retaining a younger membership, via competitive membership categories and creating new, quality content aimed specifically at those who are in the early stages of their career.

MEMBER ENGAGEMENT

There has been a focus on member engagement over the past 12 months and this increased substantially over the COVID-19 period. Daily emails are now sent to members to cover all information around COVID related matters relevant to practitioners, and we continue with our other regular e-newsletters.

Regular 'Tax Temperature' surveys are also conducted around current topics impacting members, and results are used in media releases or articles within *Outlook* magazine, or are used by our Tax Counsel John Jeffrey in his regular meetings with the ATO.

We also made the decision to provide all webinars and comprehensive written materials around COVID-19 stimulus packages to members free of charge in recognition of the urgency in getting this information out to as many people as possible. Our webinars around JobKeeper had over 1,200 attendees which shows the level of interest and anxiety amongst practitioners needing to understand the legislation. We have received extremely positive feedback from members for this initiative.

EVENTS & PROGRAMS IN 2019/20

We have seen a significant change to our business model during the year, predominantly due to the onset of COVID-19.

By necessity we have pivoted to a purely digital environment when presenting our Tax Discussion Groups and this has been well received by members. TSA will continue to offer online discussion groups even when face to face meetings are permitted again, as the online option has enabled outer suburban and regional members to participate.

PUBLICATIONS

TSA has expanded its publications over the course of 2019-20. Comprehensive Tax Notes have been produced by our Tax Technical team each month for members to use in discussion groups or as a stand-alone subscription.

A stronger emphasis on visual presentation of materials (flowcharts, diagrams, etc) has meant that highly complex material can be condensed into a useful and practical format for members.

Webinars now contain extensive notes, most of which are generated by our internal tax technical team and have been very well received.

Our most recent new publication is *The Covid-19 Book*, which was developed and largely written by our Tax Counsel John Jeffreys, and we thank him for the enormous amount of work he put into producing this for members to use in their practice.

The *Tax Summary* and the *SMSF Manual* continue as an important part of membership benefits. The editorial team will be reviewing the format and presentation of the *Tax Summary* for 2021-22 with the aim of improving content for users in both the print and digital formats.

Outlook magazine continues to be well received, with the quality of content being regarded as very high by members.

MARKETING

Our marketing and digital team have been working hard to expand the reach of TSA to a wider audience. Our website traffic has doubled from 2018-19; with our social media also performing well. LinkedIn has increased by 92%; Facebook by 31% and Twitter has grown slightly by 6%.

These increases have been reflected in the number of non-members paying to attend our webinars or joining our newsletter list which has grown 14% in the past year, to 14,554 as at 30 June 2020. We are also focusing new member campaigns on these extra names that are joining our database.

TECHNOLOGY

Our IT investments are focusing on providing members with new and improved opportunities to engage with TSA.

We are investing in a new Customer Relationship Management (CRM) system as our current system is old and unable to provide us with the data we need around effectively understanding our members' needs, and communicating effectively with them.

As well, we are rebuilding our website www.taxandsuperaustralia.com.au to become more intuitive for members to use, with upgraded features and ways to view content that we create.

The new CRM and upgraded website are expected to launch in early 2021, and we will be communicating these changes to members as soon as testing is complete.

NEW INITIATIVES IN 2020

- Our use of the Zoom platform enables us to run large webinars (over 1,000 attendees), and also interact better with members via a Q&A system where answers to webinar questions are posted online after the event for all to see and use in their practice.
- We have introduced online tax and superannuation discussion groups, which has enabled many of our members to attend who may not have been able to in the past due to their locations.
- We developed regular member feedback surveys via our 'Tax Temperature' feature which inform our advocacy on behalf of members.
- Our development and roll-out of new webinars has increased substantially over 2019-20 with a focus on current content relevant to the majority of our members. In addition, we will also be developing specialized topic webinars in the coming year.

MEDIA

Our media profile has expanded significantly this year, with media releases being run in newspapers such as *Australian Financial Review*; *Sydney Morning Herald*; *The Age*; and *The Australian*. Online media such as *Accountants Daily*; *ABC News* (online) have regularly run comment from Tax & Super Australia, and our Tax Counsel has appeared on ABC Radio (Adelaide) on several occasions.

We intend to increase our targeted media output and organizational profile in the coming year.

ADVOCACY

TSA has been well represented by our Tax Counsel John Jeffreys on the ATO's Tax Practitioners Stewardship Group; Tax Practitioners Digital Implementation Group and Tax Time Shareable Content Group. As well, he is our representative at the Tax Practitioners Board consultation meetings.

TSA is also actively prosecuting matters raised by members through our *Tax Temperature* surveys, and in the identification of issues particularly relating to the COVID-19 stimulus packages.

TAI PRACTITIONERS & ADVISERS LTD (TAI PAL)

TSA's subsidiary company TAI PAL continues to perform well with membership increasing strongly.

TAI PAL's flagship product CPDpro continues to be extremely successful, growing 13% to a total of 746 subscribers as at 30 June 2020. It provides a simple way for members to achieve their required CPD compliance obligations in a cost-effective manner. We will continue to market this as a benefit to being a member of TSA.

FUTURE DIRECTION

We believe that digitisation provides scope to expand our organization into agencies not currently well served. For example, we see the opportunity to develop education modules for practitioners at all levels, but particularly younger professionals.

Continuous change is taking place in the tax and superannuation industry. We are committed to remaining the voice of our members in this sector, and also acting as their trusted partner in providing high quality resources and support.

We can assure our members that TSA is focused on not only surviving the COVID-19 challenges but also thriving in the post-crisis world.

THANK YOU

We wish to express our sincere gratitude to our members and subscribers for their continued support and patronage during a most challenging year.

We also take this opportunity to thank the Board for its ongoing help, support and guidance throughout the year.

Also, our thanks and appreciation to a highly professional and committed executive management team and all the staff at Tax & Super Australia for their dedication to our members during the year.



Stephen Ware

President

26 October 2020



Pippa McKee

Chief Executive Officer