Taxpayers Australia Ltd T/A
Tax & Super Australia
ABN: 96 075 950 284

Annual General Meeting

PRESIDENT'S & CEO'S REPORT

For year ended 30 June 2022

Welcome to all our members who are attending our Annual General Meeting of Taxpayers Australia Limited (trading as Tax & Super Australia ("TSA")), thank you for joining us.

STRATEGIC OUTLOOK

Our focus this year has been on positioning the organisation to take advantage of opportunities relating to greater interaction between tax and superannuation practitioners and the wider financial services sector, creating a broader community of potential members.

The Board continues its work on the future growth of the organisation, with particular emphasis on membership acquisition and retention, and ensuring the professional support and community we offer provides relevant and timely solutions to the issues facing members and their clients.

We believe the convergence of the sector will continue, and the strategic direction the board has taken will create a unique membership value proposition.

In order to grow and thrive, it is recognized that the Company's membership needs to be opened up to include a broader group of financial services professionals while continuing to provide our tax and superannuation members with the products and services they expect from their membership with us. This reflects the change in our sector where convergence of functions is occurring at an increasing rate. Accountants, superannuation professionals and financial advisers are increasingly working together to benefit their clients. Tax & Super Australia has seen the opportunity to create a community where all financial professionals can meet, network and obtain supporting services, advice and education.

It is imperative that we make our association highly visible and attractive to prospective members, and the Company has been working during 2022 on a new name and brand identity to be launched in the 2022-23 year, that will better reflect the organisation's strategic goal of a broader membership base. Our new name and brand identity will be unveiled in November 2022, and we have confidence it will enable the continuation of our momentum in acquiring new members.

In 2022 the Company welcomed the Self-Managed Independent Superannuation Funds Association ("SISFA") and its members to our organisation. This merger has provided us with further superannuation expertise and advocacy support, which will be valuable as we

further develop our technical content and participate in policy discussions within the industry. As part of this merger our board also welcomed Mr Phil Broderick as a director to the Company, and his expertise in the legal and superannuation sector will be a valuable addition.

TAX AND SUPERANNUATION TECHNICAL TEAMS

Over the past year additional resources have been provided to the Tax and Superannuation Technical teams to enhance membership services and the professional education products we offer. Spread throughout New South Wales, Victoria, Queensland and South Australia, the team comprises seven highly experienced technical staff including our Head of Tax, Phillip London and Head of Superannuation, Natasha Panagis. Members will have noted the increase in events, CPE offerings, as well as improved and expanded publications. We are pleased to note highly positive feedback from members regarding the quality of service and information made available to them.

TAX AUSTRALIA PTY LTD

A fully owned subsidiary of Taxpayers Australia Limited, Tax Australia continues to provide members with cost-effective formal written advice relating to questions they may have on behalf of their clients – this is in addition to our member Helpline service that can only offer general, not specific, advice to a member. Tax Australia was created to benefit members who may be reluctant to approach other tax or accounting companies for this client advice and has generated considerable interest from members. We are confident that the unique member service Tax Australia provides will also become a key reason for prospective members to join Tax & Super Australia.

OUR FINANCIAL PERFORMANCE

The Board and Management continues to develop the strategic direction of the Company with an ongoing focus on membership acquisition and retention. To this end, significant investment in the organisation has been undertaken and is reflected in the annual accounts.

- Consolidated operating revenue for 2021-22 was $2.936m decreased $121k or 3.96% compared to the prior year result of $3.057m.
- Consolidated investment revenue of $194k for 2021-22 decreased 127k 39.44% compared to the prior year result of $322K.
- There was a consolidated loss of $1.27m operating activities for 2021-22 compared to prior year result of $170k loss. This is mainly due to higher personnel costs of $664k to sufficiently resource the organisation for rapid growth in coming years, branding costs

for new name and brand identity of $221k, and write-off of the old branding costs of $146k.

Our strategic investment plan to grow membership, products and services and ensure the future of the Company is in the second year of a three-year plan. Both the Board and Management are closely monitoring costs during this period.

INVESTMENT PORTFOLIO

In the 2020 year the Board undertook a review of the Company's investment portfolio, risk appetite and performance history. This review resulted in the appointment in November 2021 of a new investment manager, Adansonia Capital.

Whilst the new investment manager has taken a proactive approach to portfolio management, unprecedented exogenous factors have negatively impacted the value of our investment portfolio, bringing a consolidated loss from investment activities 2021-22 of $470k. Current circumstances including the COVID-19 pandemic; global instability caused by war in Ukraine and other geo-political unrest, increasing weather related disasters, disruption of supply chains, inflation and rising interest rates have all contributed to difficult investment conditions. Understandably, the international component of our portfolio has been impacted more than our domestic portfolio. We continue to work closely with Adansonia and have adopted a long-term strategy to navigate the current volatility with a view to minimising transaction costs and avoiding any realisation of book losses.

NEW MEMBER ACQUISITION

In the last membership year (period May 2021 – April 2022), we experienced a 13% increase in the overall membership acquisitions from 3% in the previous year.

As part of our drive to broaden our membership base we welcomed 283 new members who joined our community from a range of sources including new entrants to the industry, seasoned professions reached through affiliate marketing, and referrals from new strategic partners.

MEMBER RENEWALS

We have maintained an over 86% renewal rate again this year (86.8%) and we thank our loyal and highly engaged community of financial professionals. Our attrition rate of 13.2% for this year is a slight improvement from the previous year's attrition rate of 13.9%.

EVENTS & PROGRAMS IN 2021/22

We are continuing to provide more online and in person events to members. This includes the latest developments and information about current legislative, compliance and strategic issues, providing the opportunity to hear from key sector professionals including industry regulators.

In this membership year we added additional high value services such as the Quarterly Intensive ("QI") series which was well attended and received by members. This was presented in a state roadshow format across Victoria, NSW, Queensland and remotely via an online format. The QI series covered numerous special interest topics in tax, superannuation, crypto and property sectors. The inclusion of the QI's and other special events was added to the already established calendar of webinars and online and in-person Tax and Superannuation Discussion Groups. This hybrid approach to professional education offerings has been well received by members, and we will continue to develop content in this way in 2022-23.

In 2022 we successfully commenced marketing, sponsorship, and ticket sales for our inaugural 2023 Tax & Super Australia Conference. Themed 'Driving Your Practice Forward', it is to be held on 21 April 2023 at the Sofitel in Melbourne. This conference theme will provide attendees with a highly practical series of presentations, all designed to develop and protect a practitioner's business in a rapidly changing environment.

An annual conference will be a mainstay event and revenue generator of the Company in future years, and we look forward to seeing members engaged with this new initiative.

As our membership offering broadens to increase into the greater financial services sector, we look forward to expanding our series of online and in person events, developing in tandem with client and industry requirements, and feedback from this new segment of our membership.

MARKETING ACTIVITES

The marketing team have entered into arrangements with multiple trade media groups to present promotional material of video content, industry-leading events and best in class services via their events, communications and mastheads. Editors from these publications and websites have also attended several of our events resulting in numerous profile-raising articles being written.

The membership and marketing team successfully achieved traction with supporters (non-members who make occasional product purchases) in the 2021-22 membership year. This group have proved profitable, with supporter attendance at paid webinars comprising almost half of all attendees. This group now constitute a key target audience when developing not only membership offers, but also new products and services.

Our statistics highlight that our members and supporters are highly engaged with our communications – whether via email, LinkedIn or Facebook. Over 90% of all event registrations are coming directly from email communications to our member and supporter base.

PUBLICATIONS

The *Tax Summary* has had a full revision and re-write and is now published in two volumes – the *Tax Summary* and *State Tax Summary*. This makes for easier referencing and provides the editorial team opportunities to create further content. We have also fully updated the *SMSF Manual* which continues as an important part of membership benefits. Members have continued to highly value these publications as part of their membership benefit. *Outlook* magazine also continues to be well received, with the quality of technical content being regarded as excellent by members.

ADVOCACY & MEDIA

As a member-based organisation, we recognise the imperative to represent our members' interests. As such, we have increased our advocacy efforts through our technical teams as well as through the establishment of three new committees – the Tax Technical & Policy Committee; the Superannuation Technical & Policy Committee, and the Financial Services Technical & Policy Committee. The Company has actively pursued matters that impact members through regular submissions to government and the wider media, all of which can be found on our website.

TSA has also been well represented by our Tax Manager, Mr Neville Birthisel, on the ATO's Tax Practitioner Stewardship Group; Tax Profession Digital Implementation Group and Communication Content Working Group. In addition, he is our representative at the Tax Practitioners Board consultation meetings.

INTO 2022-23

Continuous change is occurring for all financial professionals in Australia. We are committed to remaining a strong and trusted voice on behalf of our members, and we will also act as a highly valued partner in providing high quality resources and support.

Our focus on practical solutions and expanded membership services are a priority. We can assure our members that TSA is focused on growing and thriving in coming years and we look forward to sharing our new initiatives as they are realised over 2022-23.

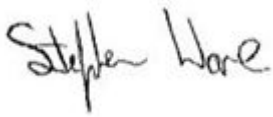
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THANK YOU

We wish to express our sincere appreciation to all our members and subscribers for their continued support and involvement during a challenging year but one that has also provided opportunity.

We would also like to thank the Board for its ongoing support and guidance throughout the year.

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



Stephen Ware

President



Pippa McKee

Chief Executive Officer

14 November 2022

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