

Annual Report 2024

The Tax Institute

The home of tax

The Tax Institute is the home of tax in Australia, representing the voices of more than 9,000 tax practitioners. We have proudly served, educated and advocated for the profession for over 80 years.

Our members are at the heart of everything we do and our mission is to further tax education – improving the knowledge, skills and resources of our members – and to empower our community. Our voice is their voice.

From legal experts to accountants, academics to business leaders, our members represent the diversity of the tax profession. In FY24 and as we plan for the future, we are increasingly looking toward the next generation of tax practitioners and their changing needs.

The tax profession and the wider world of work are changing. And though our core values remain the same, we are evolving to offer value to members in our new professional world. As we grow, we are growing with and for our members. Always.

For more information about The Tax Institute, visit our website at taxinstitute.com.au

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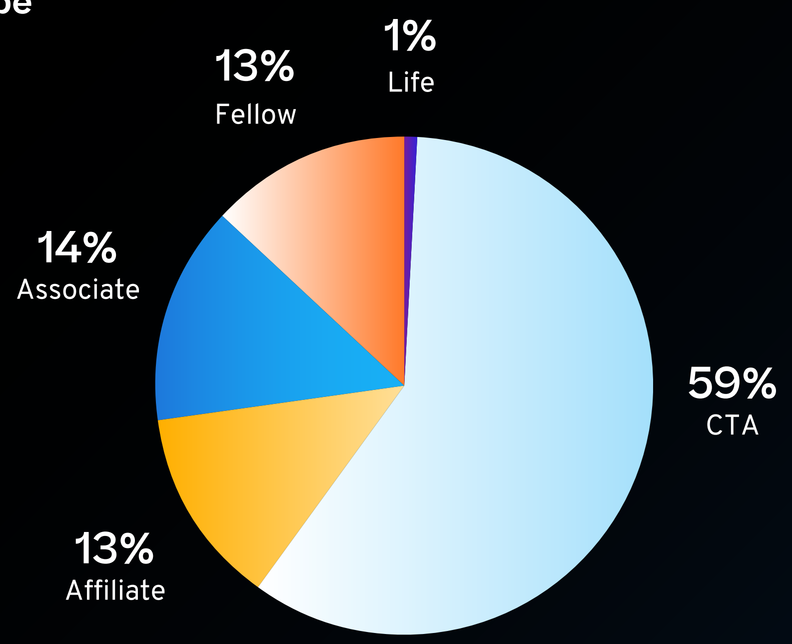
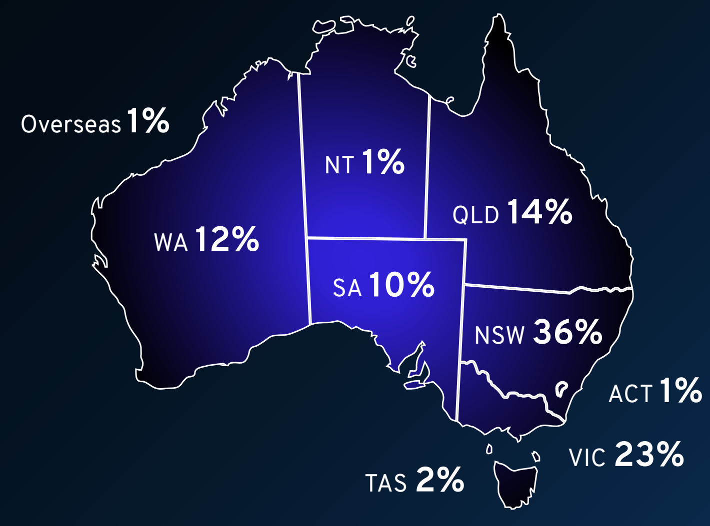
Membership by type

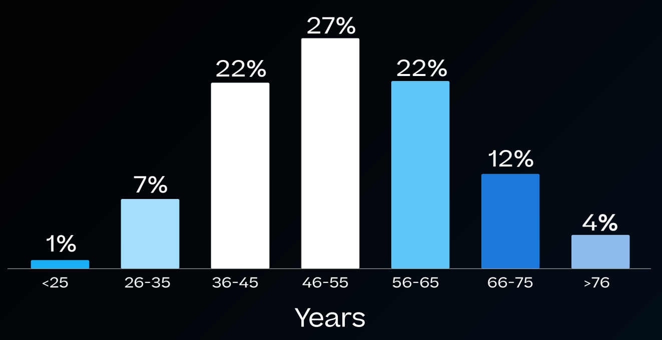


Membership by state

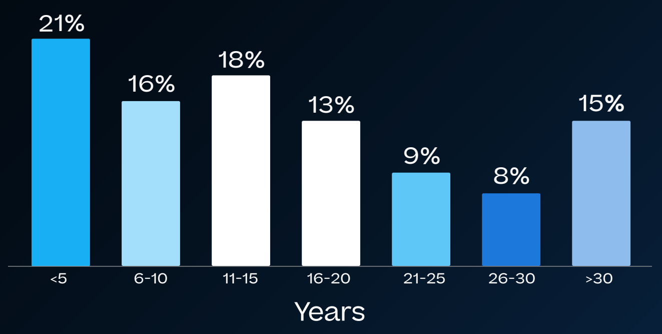


Membership by size of company

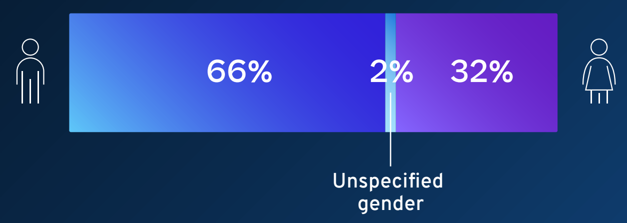
Membership by age



Membership by tenure



Membership by gender



Membership Highlights

9,060
total members
of The Tax Institute

13,886
attendees at CPD events
delivered nationally

550+
mentions
in the media

Education Highlights

205
enrolments in
CTA3 Advisory

1,436
enrolments in
structured education courses

5000+
enrolments in
Tax Academy since launch

"... increased local engagement is part of the work to reach up and coming tax professionals ..."

The Tax Institute has cemented its place as the voice of tax in recent years, but in FY24, our focus was on listening. We are an organisation run by members, for members, and our members' voices are the most important in the room when it comes to how we plan for our future.

This year, we have once again conducted our Annual Member Survey and made a concentrated effort to respond to feedback from members that asked for more local engagement, opportunities for complimentary CPD and continued development of our technology platforms to further facilitate member engagement.

These activities, which included a series of complimentary webinars by and for members, increased local networking events and communications geared toward local news and updates, have garnered a warm response from members overall.

The future of our membership

In FY24 we also began strategic thinking and roadmap planning regarding how the Institute attracts, engages with and best serves the upcoming generation of tax practitioners.

Our more seasoned members are a valued pillar of our community. However, when thinking of the future of our profession and the future stability of our organisation, we must begin to think about those just starting their career in tax. In round numbers, this year, the number of our members aged 76 and over went up by 1% compared to the previous financial year, while the number of members in the 26–35 year age bracket remained steady.

While this is by no means a seismic shift in our member demographics, it is something we must be cognisant of. If new, young members are not entering our ranks, that limits the fresh perspectives, new ideas and engaged community members entering our organisation.

Whether the next generation of tax practitioners are young adults just graduating university and entering the world of work, or professionals transitioning to a tax career after some time in the workforce, the needs and preferences of these individuals aren't the same as they were a decade or two ago. As an organisation, we must listen to how the needs of the profession are changing and adjust our own strategy accordingly.

In this context, it is especially pleasing to see the positive reception of our Tax Academy micro-credential units. Since launch, we have seen more than 5,000 unit enrolments and 1,401 competency badges issued to learners. That is a phenomenal result for our initial step into the modern micro-credential learning space and goes to show that tax professionals are eager to learn and upskill, when given opportunities to do so that fit in their schedules, budget and interests.

Of course, structured education still lies at the heart of the Institute, and we are immensely proud that our education programs continue to develop the skills of more than 1,000 tax practitioners each year.

The Tax Institute's increased local engagement is part of the work to reach up and coming tax professionals as well. Those entering the profession benefit from the community The Tax Institute provides, and by fostering a local network, we aim to help new tax practitioners get a foot in the door and start building their own professional connections. Our local CPD events have really come into their own this year, with a wonderful calendar of events happening all around the country. These opportunities to meet, discuss and collaborate with like-minded tax practitioners can be just the open door a young tax professional needs to get their career going.

It has been a productive and positive year at the Institute, and we look forward to further progress in the coming financial year.

Todd Want
BCom(Dean's Scholar), CTA, CA, CPA
President

"Our members are our biggest asset and our biggest advocates."

Internally for The Tax Institute, FY24 has been a year to buckle down and focus on delivering great things for our members. External factors which have affected the whole profession have presented challenges for us and our members, which have required us to look internally at our values and processes.

We are an octogenarian organisation, and much has changed over the life of the Institute. The world of work looks different, the economy we work within is different, the tax system our members work with is different. Our changing organisation reflects this.

Focus on member value

As a member organisation, we have a responsibility to invest member funds judiciously. At The Tax Institute, that means the wise investment of member dollars to further create value that benefits those same members.

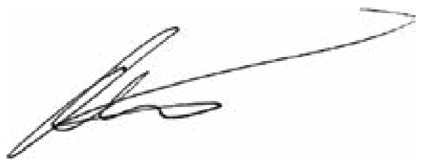
The Institute has had a strong rate of member renewal in FY24, which is wonderful to see, and speaks to not only the value the organisation can offer its members, but the trust our members have in us to act in their interest. Our members are our biggest asset and our biggest advocates. In the past financial year and into the future, we have maintained a focus on delivering the value they expect and deserve.

Governance

One of the biggest challenges facing the tax profession this financial year has been the increased scrutiny on integrity and transparency. For most of our members, this has been a challenge not because they have engaged in misconduct, but because for some, the profession has all been tarred with the same brush. It has been stressful and deeply upsetting for many of our members, and we acknowledge that.

For our part, The Tax Institute has maintained that our members abide by our Code of Conduct, and that our governance procedures are in place to ensure anyone who is engaging in misconduct is removed from our community. We owe our members clear expectations, due process and the peace of mind that they are associating with a community that holds itself to a high standard of professionalism.

Governance is not a static system and in the past financial year, The Tax Institute has been continually reviewing our processes and policies, in order to ensure they are appropriate and fit for purpose. In light of public circumstances affecting the profession, our Board has been rigorous in its evaluation of our current governance. We are also committed to continual review and the swift and appropriate implementation of any updates or additions to our governance policies.



Clare Mazzetti
BEcon, MBA, MIR, GAICD, FFin
Chair

"Our members are the foundation of our Institute. It is important for us to recognise this and recognise their many efforts."

From education comes knowledge and opportunity – that's the philosophy I live by every day, and it is the reason I am proud to be leading an Institute where our key objective is to further knowledge and education in tax.

Turning the ship

In recent years the Institute has undergone a course correction of sorts, working to invest more effectively and comprehensively in our members. We have undertaken significant development of our strategic direction, necessary restructuring of our organisation, and a focus on maximising return on investments, particularly in our education and technology fronts.

It can take time to turn a ship this large and to see the benefits of such work crystallise. However this year, while acknowledging a financial loss for the FY24, our profit before depreciation and amortisation, heightened due to increased investment, has returned to positive territory.

This is a promising result that signals we are once again on the correct course to offer maximum value and return on their membership fees to our members. The investments we have made are beginning to come to fruition, and we are proud to offer improved services to our members.

For example, Tax Knowledge Exchange (TKE), our invaluable repository of tax knowledge, is growing once more, following its migration to a new, modern platform. We expect this trend of a growing subscriber base to continue as word spreads of its improved functionality.

Tax Academy, our micro-credential tax education product, also continues to grow. Interest in this flexible way of learning remains high and we are excited about the opportunities this provides for furthering tax education amongst a busy, digitally native cohort of tax practitioners.

Wider waters

The public eye has been focused on increasing transparency and integrity amongst those who practice in tax this year. The Institute stands behind our members and remains firm in our belief that the vast majority of tax practitioners are already acting with transparency and integrity. Throughout the year we have worked tirelessly with other professional associations and with government to not only reinforce that message, but to make clear the consequences of proposed legislation and regulation, and offer our perspective during the consultation process. We continue to serve our members in this way.

All hands on deck

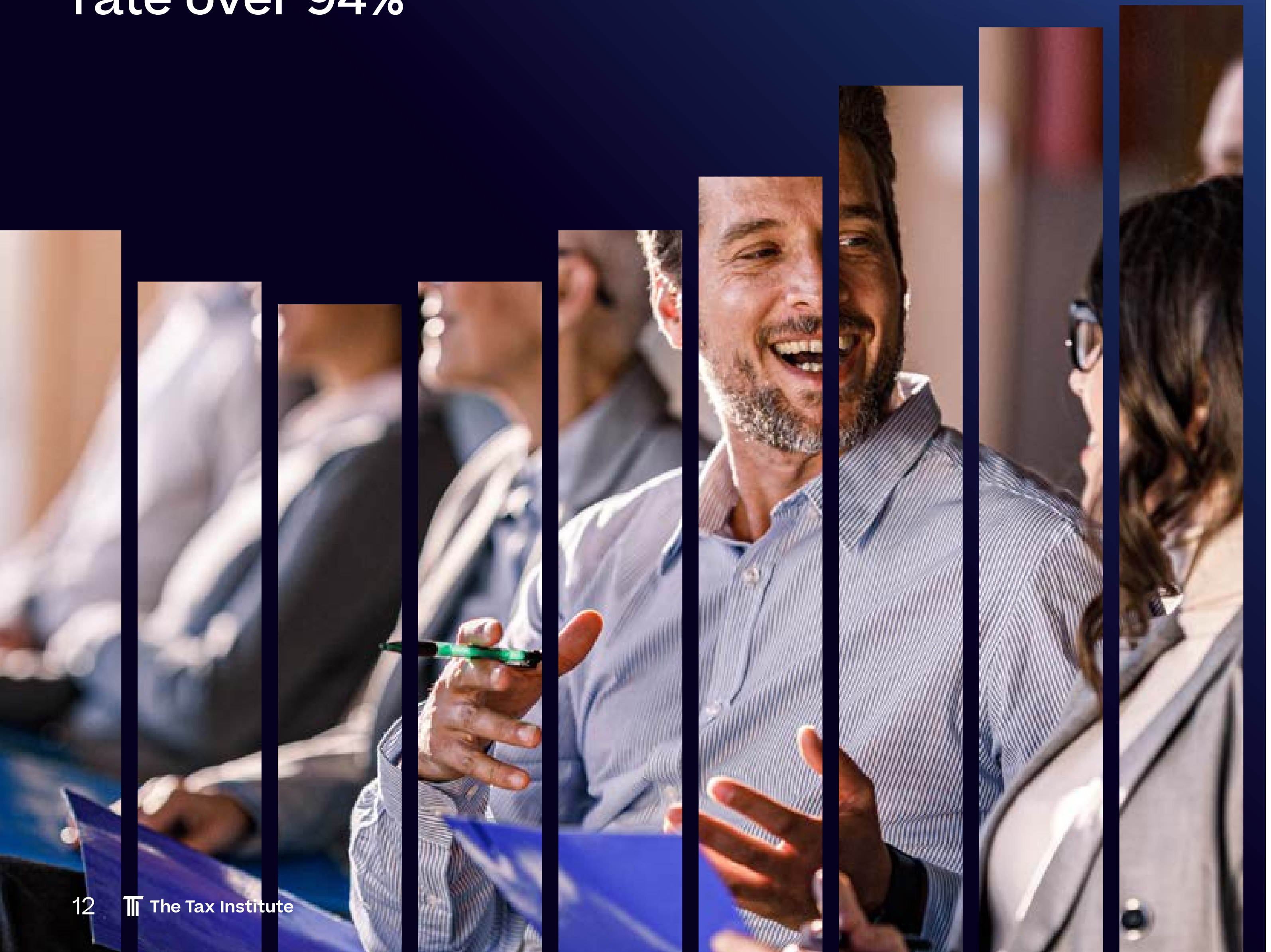
Last, but most certainly not least, this year, we made proactive efforts to listen to and connect with our members, reinvigorate our local engagement activities through State Councils and revitalise our member benefits which offer so much value each year.

Our members are the foundation of our Institute. It is important for us to recognise this and recognise their many efforts. Without their contributions we would not be the institute that we are. So, thank you to the hundreds of volunteers who have assisted us throughout FY24, and continue to do so today. Your many hours of volunteering across our Institute, from program, organising and technical committees, to authors of articles, papers and presentations, are highly valued by us, your peers and all members of the Institute.

Scott Treatt
B.Bus (Acc), MTax, CA, CTA
Chief Executive Officer

Member engagement

The FY24 member renewals period was the strongest in some time with a renewal rate over 94%



The home of tax

FY24 saw the continuation of our refreshed brand as the home of tax. Evaluation has shown this brand has been well-received within our community, however awareness is still relatively low in the wider market. Improving brand awareness will be a key focus and investment for the next financial year to continue to grow our brand, the CTA designation and our membership base.

Actioning member feedback

Our membership survey conducted in March 2024 allowed us to hear from our members on ways we could better support them. From the feedback received, we have implemented a number of improvements, including:

- Developing a wider program of free, informative webinars available to members;
- Hosting an increased number of local events to provide networking opportunities and engagement accessible to everyone
- Introducing state-based communication newsletters to provide better insights on local updates
- Creating a Member Hub within the website to house all member-only resources in one place
- Investing in our technology platforms. This year we successfully transitioned to new platforms for email marketing and sales, allowing us to refine and improve the way we communicate with members and improve our ability to generate increased revenue to put back toward member value.

Over the year, the Institute also received over 111 member queries, some of which were escalated to the ATO to support resolution. This continual member engagement on both a one-to-one and one-to-many basis allows us to identify and analyse systemic issues and raise them with government where appropriate.

Local engagement

Although The Tax Institute is a national organisation, we recognise the value members find through local engagement with Institute representatives and their member community.

At the start of 2024, State Councils were introduced with a new local engagement framework that empowered them to develop working groups with the aim to foster engagement and create resources that meet the unique needs of their regions. This resulted in a series of six free CPD webinars offered to all members, an invitation taken up by 1 in 5 members.

Members now receive regular newsletters with local activity and tax updates for their state. This is an open communication channel, allowing State Councils to seek feedback, promote opportunities to be involved in the community and share local news.

Representatives from The Tax Institute have also attended local face-to-face events including various university career days and the Momentum Media Women in Finance Summit and Awards and the Accounting Conference and Exhibition. This helps us to reach our wider tax community in immediate ways, and to build recognition of The Tax Institute's brand.

Leading resources

Over the year, we delivered a range of practical and informative products to members. Highlights include the Federal Budget package, including a report and webinar with over 1,272 registered viewers, and a series of member-led webinars on a range of technical topics including the employee v contractor distinction, end-of-year tax issues, and understanding new TASA obligations. Members were highly engaged with resources in FY24, with over 4,000 attending a CPD event and over 40% regularly engaging with resources such as the weekly TaxVine newsletter and monthly *Taxation in Australia* journal.

Our member base

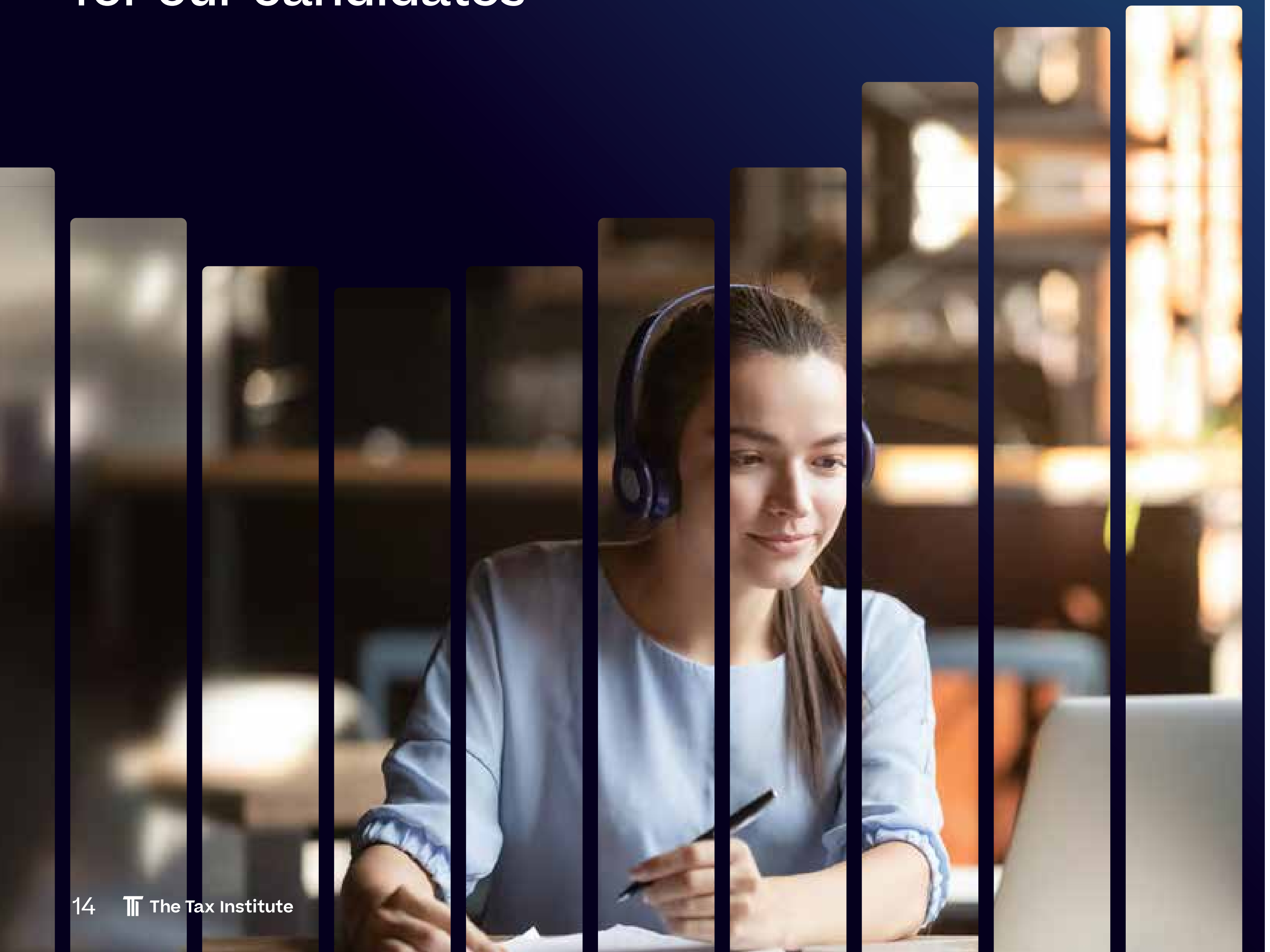
We are proud to report that the FY24 member renewals period was the strongest in some time, with over 94% of financial year members choosing to renew their membership. The renewal rate at other times of the year (for anniversary date renewals) also improved on last year.

Throughout FY24, we also welcomed nearly 450 new members to our community. Overall, membership numbers have remained steady, with an approximately 1% decrease in the overall size of membership.

As we continue to focus on growing our brand and demonstrating strong member value, the Institute remains focused on a strategy of growing its membership to support the future of the tax profession.

Education

We remain committed to innovative education, ensuring excellence in our programs, while continuously enhancing the learning experience for our candidates



FY24 has been one of positive results and strategic growth for The Tax Institute Higher Education. As we continue to strengthen our position as the leading tax education provider in Australia, our focus has remained on student experience, technology and innovation, delivering quality education and expanding our offerings to meet the evolving needs of tax professionals.

Chartered Tax Adviser program

Our Chartered Tax Adviser (CTA) program remains the foundation of our education offerings, and we are proud to see consistently strong participation this year with 869 enrolments across the four CTA program subjects. In FY24, over 100 CTA designations were awarded as candidates completed the capstone subject of the program, CTA3 Advisory.

The CTA qualification is highly regarded globally as the pinnacle in the tax profession, and we continue to review and refine its content to ensure it addresses the changing landscape of the tax profession. Our emphasis on practical, applied learning equips our students to meet the demands of their firms and clients in an increasingly complex regulatory environment.

Tax Academy

The newest addition to The Tax Institute's suite of educational offering, Tax Academy micro-credentials, have gained significant traction in FY24. We have seen enrolment numbers grow steadily, with over 5,000 unit enrolments since launch.

There are currently 28 micro-credential units, across both Professional-level (tailored for those new to the tax profession or taking on a new specialty) and Advanced-level content. Units were designed with input from The Tax Institute Industry Advisory Committee. These targeted learning programs provide a flexible, accessible way for tax professionals to upskill in critical specialty areas.

Tax Academy units certify assessed learning and competency, with learners receiving digital badges upon completion. These digital badges are verifiable and shareable online, and contain embedded data about the context, process, and results of the learner's achievements. In the financial year ending 30 June 2024, 1,086 badges have been awarded. Digital badges are being proudly displayed on learners' LinkedIn profiles.

Policy, planning and improvements

The Tax Institute Higher Education continues to enhance the candidate experience to ensure learners are fully supported throughout their learning journey and set up for success. This year, we introduced several refinements to our policies and procedures, including the Candidate at Risk, Assessment, and Enrolment processes. Additionally, we established a Teaching and Learning subcommittee to oversee our curriculum, teaching methodologies, and learning outcomes. The committee's insights are invaluable in ensuring that our structured education programs and micro-credentials remain highly relevant and aligned with the evolving needs of tax professionals.

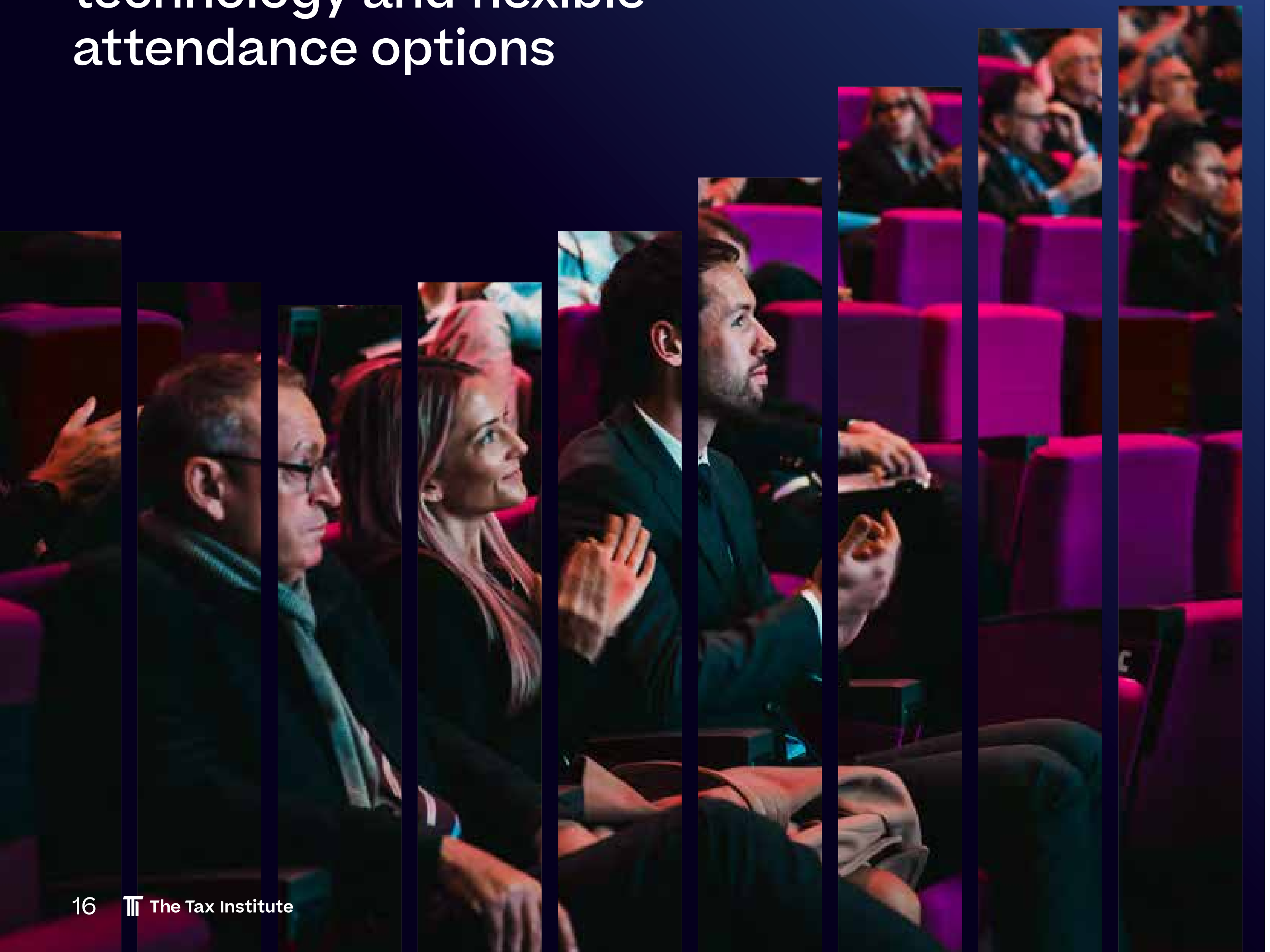
Our accreditation by the Tertiary Education Quality and Standards Agency (TEQSA) accreditation is essential for ensuring our award programs are recognised both nationally and internationally. Our continuing engagement with TEQSA in regards to our post graduate higher education award programs including the Graduate Certificate in Applied Tax Advisory, Graduate Diploma of Applied Tax Law and Graduate Certificate in Applied Tax Law programs underlines our commitment to providing high-quality education that meets rigourous standards.

This year also saw the development of our GenAI action plan, a forward-looking strategy designed to integrate generative artificial intelligence into the Institute's educational offerings and operations. By leveraging AI tools, we aim to enhance learning experiences, streamline administrative processes, and ensure that our students are prepared to thrive in a technology-driven future.

As we reflect on achievements in FY24, we remain focused on delivering outstanding results and continuing to grow and evolve. Our vision for the future is clear: to be the preeminent provider of tax education, trusted by professionals and recognised for excellence.

Events and CPD

A significant increase in participation, thanks to innovative use of technology and flexible attendance options



The Tax Institute offers an extensive and top-tier array of events tailored to meet the ongoing professional development needs of the tax community across all disciplines, specialties, and levels of expertise.

In recent years, our program has evolved to include a variety of formats, expanding our reach like never before. We've seen a significant increase in both in-person and online participation, thanks to innovative use of technology and flexible attendance options.

Local events fostering connections

Close collaboration with State Councils and local members has ensured the needs of our local tax communities are addressed through CPD events. Networking events, Local Tax Clubs, and Women in Tax events re-emerged in FY24 as key highlights of the state-based calendar. New initiatives continue to build on this local focus, such as the Tax In Practice events, which emphasise discussion and the practical application of current tax knowledge while facilitating connections among peers and colleagues.

In-person event attendance returns to full strength

In 2023/2024, the Tax Institute successfully hosted over 150 events, totalling 477 CPD hours, featuring more than 700 expert speakers. Highlights included The Tax Summit being held in Melbourne for the first time, which was well-received by the local community and attracted strong interstate attendance. Our annual Tax Forum Season, held from March to May, also enjoyed tremendous success, with some states experiencing a return to pre-Covid attendance levels, particularly in New South Wales, South Australia, and Western Australia.

Embracing a digital-first approach

Our commitment to digitising major events has resonated with attendees, who can access materials through our virtual attendee hub during and after events. This allows participants to revisit sessions at their convenience. Notable online and hybrid events, such as the Agribusiness Intensive, Trust Intensive, and International Masterclass, performed exceptionally well.

Engaging destination events

Throughout the year, our calendar features several destination events, providing delegates and members with the chance to blend business with leisure while staying updated on the latest tax developments. Our Conventions and Retreats, including the Private Business Tax Retreat, Noosa Tax Convention, and State Taxes Convention in Darwin, have remained highly popular.

Focus on specialisation and niche topics

Our program continues to serve those specialising in key areas of tax, with highly immersive and informative conferences focusing on superannuation, infrastructure, financial services, and estate planning.

Dedicated volunteer community

The Tax Institute's events are held in high regard, thanks in large part to our passionate and committed volunteer community. We extend our heartfelt gratitude to all who contribute to our event programs – whether as committee members, chairs, or speakers – for their unwavering dedication to keeping our members at the forefront of the tax profession.

Tax policy and advocacy

The Tax Policy & Advocacy (TPA) team supports members through knowledge and experience and represents their voice in the tax profession

Our long-term commitment to members is to represent and support them as the voice of tax in Australia. In FY24, we have informed and lead the conversation on holistic tax reform and proactively engaged with the consultative process. This includes consulting with law and policy makers to improve the tax and superannuation systems in gradual ways, while progressing the overarching goal of whole system reform.

National Technical and State Taxes Committees

The Tax Institute operates 9 National Technical Committees and 6 State Taxes Committees, comprised of over 150 volunteers and facilitated by our TPA team. These Technical Committees cover a broad range of federal and state taxes across all market sectors and generally meet 6 times per year, in addition to occasional out-of-session meetings.

Committees also establish special purpose working groups focused on specialist areas of the tax and superannuation system as needed. Such working groups have involved other Institute members with relevant expertise, further expanding our collaboration with our member community.

The National Technical Committees cover Dispute Resolution, FBT and Employment Taxes, GST, Large Business and International, Not-for-Profit, Small & Medium Enterprises, Superannuation, Taxation of Individuals, and Tax Practitioners. State Taxes Committees operate in each state around the country (excluding NT and ACT).

Engagement with external stakeholders

In FY24, we are proud to have cemented our place as the voice of tax and the voice of our members through extensive consultation and collaboration with government and regulatory stakeholders.

Members of the TPA team and volunteers from our Technical Committees have represented the Institute in a wide range of consultative forums with government, including the ATO's National Tax Liaison Group, Tax Practitioner Stewardship Group, and other Stewardship Groups and Stakeholder Relationship Groups. We are also active members of the Tax Practitioners Board's Tax Practitioner Governance and Standards Forum and Consultative Forum.

The TPA team regularly work with Treasury, the Inspector General of Taxation and Taxation Ombudsman, ACNC and State Revenue Offices. We also provide strategic and technical advice to Members of Parliament, Senators and their advisers. This year, we consulted extensively with the Attorney-General's department on the establishment of the new Administrative Review Tribunal and its impact on taxation matters.

We look forward to continuing to strengthen these relationships in the next financial year and beyond.

Consultations, reviews, submissions and inquiries

This year, the Institute participated in over 45 consultations and reviews, and lodged over 45 tax policy submissions. Key topics included superannuation reforms (including NALI/E, Division 296, and PayDay Super), changes to the thin capitalisation regime, public country-by-country reporting, changes to the Code of Professional Conduct contained in the *Tax Agent Services Act 2009* (**TASA**), and other reforms relating to the regulation of tax practitioners.

Representatives from our TPA team appeared as an Expert Witness in 6 Public Inquiries by the Senate Economics Legislation Committee into laws relating to taxation and superannuation.

People

In FY24, our People and Learning department has focused on strengthening employee engagement, retention, and development through a range of strategic initiatives.

We are now in a more stable operational rhythm than previous years, providing new opportunities for growth and development within the organisation. We are well-positioned to align our workforce with the company's strategic goals and continue fostering a positive and productive work environment.

Key achievements

- Increased Net Promoter Score (NPS): Our NPS increased by 24 percentage points, from 54% in November 2023 to 78% in August 2024. This is a clear reflection of enhanced employee sentiment as a result of better communication and successful initiatives aimed at improving the employee experience.
- Employee retention: Retention has remained strong, with a retention rate of 93%. This reflects our ongoing commitment to providing a stable and supportive working environment.
- Training and development initiatives: Our Learning Management System (LMS), powered by go1, has proven to be an effective tool for employee upskilling. 56% of training courses were self-enrolled by employees, reflecting the workforce's eagerness to improve their skills and stay up to date with company policies.

Workforce Composition

Headcount: We currently have a total headcount of 55 employees across both The Tax Institute and The Tax Institute Higher Education.

Diversity: Our workforce consists of 75% female employees, demonstrating our commitment to gender diversity and inclusion.

Updates and changes

We have made a number of updates to foster a healthier, more engaged workforce, enhancing both morale and productivity, while ensuring that our performance management aligns with the dynamic nature of the business.

- Introduction of "Me" and Birthday leave days:
  To aid in the improvement of employee well-being and work-life balance, we have introduced two new benefits:
  - "Me" days: Each permanent employee (excluding casual workers) is now entitled to one "Me" day per calendar year, encouraging employees to take time for themselves, promoting mental health and resilience.
  - Birthday leave: Employees are also entitled to take their birthday, or an alternate day that month, off as paid leave. This small gesture goes a long way in showing our appreciation and recognising employees as individuals.

International reach and responsibility

CTA connects the international tax community under a banner for professional excellence and high standards of client advice

As the home of tax in Australia, The Tax Institute and our members have a reputation and a responsibility to the community around the country – and beyond. We are committed to maintaining that reputation for excellence, integrity and community.

Chartered Tax Adviser: the pinnacle in tax

A Chartered Tax Adviser, or CTA, holds the leading qualification in professional tax expertise and can be relied upon to provide the highest quality tax advice to business and personal clients.

The Tax Institute launched the global tax designation Chartered Tax Adviser (CTA) in Australia on 29 May 2012. This move brought Australian tax partitioners in line with their counterparts around the world. CTA is also recognised and issued by The Chartered Institute of Taxation in the UK, the Irish Tax Institute, the Taxation Institute of Hong Kong and the South African Institute of Taxation. Although we all work in different tax systems, the CTA connects the international tax community under a banner for professional excellence and high standards of client advice.

"Our younger members especially often travel and live internationally to gain knowledge and experience. In future, their status as a Chartered Tax Adviser will bring them immediate recognition in the UK, Ireland and Europe as possessing superior tax skills and will favourably impress employers … The opportunities presented by the new designation are almost endless."

2012 President of The Tax Institute, Ken Schurgott, CTA

Our members expect the best of themselves and each other. We have comprehensive governance policies and processes to ensure that our standard of professional ethics is upheld. That includes the below disciplinary measures.

Safeguarding our reputation for excellence

Disciplinary measures FY24

	2024	2023
Members cautioned	3	2
Members suspended	0	0
Members terminated	1	4
Members before the AAT	0	0

Board of Directors

Todd Want
BCom(Dean's Scholar), CTA, CA, CPA

Qualifications
Chartered Accountant
Certified Practicing Accountant

Experience
National Council member since January 2017

Responsibilities
- President
- Member, NSW State Council since 2014
- Director, HEPCO Pty Ltd
- Chair, Nominations Committee

Timothy Sandow
BCom, LLB, CTA, FCA, GAICD

Qualifications
Chartered Accountant

Experience
National Council member since January 2018

Responsibilities
- Vice President
- Member SA State Council since 2007 (State Chair 2016)
- Member, Professional Standards Committee since 2018
- Member, Nominations Committee
- Chair, Risk & Governance Committee

Paul Banister
BBus(Acc), LLB, FCA, CTA

Qualifications
Chartered Accountant

Experience
National Council member since January 2019

Responsibilities
- Treasurer
- Member, Qld State Council since 2012 (Chair 2016–2018)
- Chair, Finance, Investment & Audit Committee since 2022
- Member, Professional Standards Committee since 2019
- Member, Nominations Committee

Ian Heywood
BBus(Acc), M (Tax), CPA, CTA

Qualifications
Certified Practicing Accountant, Chartered Tax Adviser

Experience
National Council member since January 2022

Responsibilities
- Member, TAS State Council since 2006 (Chair 2019–2021)
- Director, HEPCO Pty Ltd
- Member, Risk & Governance Committee

Leanne Connor
BBus, Grad Dip FP, CTA, CA, SSA, GAICD

Qualifications
Chartered Accountant, Chartered Tax Adviser & SMSF Specialist

Experience
National Council member since February 2021

Responsibilities
- Member, VIC State Council since 2016 (Chair 2017–2019)
- Member, Finance, Investment & Audit Committee
- Member, Professional Standards Committee
- Member, Risk & Governance

William Keays
BBus, CA, CTA

Qualifications
Chartered Accountant & Chartered Tax Adviser

Experience
National Council member since January 2022

Responsibilities
- Member, WA State Council since 2014 (Chair 2020–2021)
- Member, Finance, Investment & Audit Committee
- Member, Risk & Governance Committee

Clare Mazzetti
BEcon, MBA, MIR, GAICD, FFin

Qualifications
Independent Non-Executive Director

Experience
Appointed Independent Chair of National Council July 2022

Responsibilities
- Governance for the Tax Institute
- Member, Finance, Investment & Audit Committee
- Member, Nominations Committee
- Member, Risk & Governance Committee

Margaret Marshall
BBus, FCA, M(Tax), CTA, GAICD

Qualifications
Chartered Accountant
Graduate Australian Institute of Company Directors

Experience
National Council member since January 2016

Responsibilities
- Past President
- Member, TAS State Council since 2013
- Director, HEPCO Pty Ltd
- Member, Finance, Investment & Audit Committee since 2017 (Chair 2021)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of The Tax Institute (referred to hereafter as the 'Institute' or 'parent entity') and the entities It controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of The Institute during the whole of the financial year and up to the date of this report, unless otherwise stated:

Margaret Marshall	Appointed 1 January 2016
Jerome Tse	Appointed 1 January 2017 (ceased 31 December 2023)
Todd Want	Appointed 1 January 2017
David Earl	Appointed 1 January 2018 (ceased 31 December 2023)
Timothy Sandow	Appointed 1 January 2018
Paul Banister	Appointed 30 January 2019
Leanne Connor	Appointed 17 February 2021
William Keays	Appointed 1 January 2022
Ian Heywood	Appointed 1 January 2022
Clare Mazzetti	Appointed 18 July 2022
Dray Andrea	Appointed Company Secretary 19 April 2023 (ceased 10 September 2024)
Gabrielle Sterrey	Appointed Company Secretary 10 September 2024

Short-term and long-term objectives

The consolidated entity's short and long-term objectives during 2024 continue to be to:

- supporting our members
- advance education in relation to taxation and taxation laws
- advance public knowledge and understanding of taxation laws
- encourage research into the reform of taxation law and be the leading knowledge provider in taxation through our products and services.

The consolidated entity's strategies in 2024 to achieve these objectives included:

- providing a highly sought-after quality taxation education program
- offering a diverse and broad range of continuing professional development opportunities through an event program and publications
- being the authoritative opinion leader in tax policy and administration
- building the Chartered Tax Adviser designation as the gold standard in tax

Performance measures

The consolidated entity measures its performance using both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial performance of the Institute and whether the objectives are being achieved in a cost-effective manner.

Member's guarantee

The Institute is a company limited by guarantee. In accordance with the Institute's Constitution, each member is liable to contribute $2.00 if the Institute is wound up. The total amount members would contribute at 30 June 2024 would be $18,320.

Principal activities

During the financial year the principal continuing activities of the consolidated entity were the advancement of knowledge and learning of the laws relating to taxation, principally by way of conferences and seminars, education and microcredentials.

No significant change in the nature of these activities occurred during the year.

Operating result

The consolidated loss of the consolidated entity after providing for income tax for the financial year amounted to ($1,413,461) (2023: $3,534,704).

Dividends

The constitution of the parent entity precludes the payment of dividends therefore no dividend has been paid or declared since the commencement of the financial year. HEPCO Pty Ltd is permitted to pay dividends to its shareholder. A dividend of $392,213 was declared by HEPCO Pty Ltd on 20 June 2024 (2023: $0).

Review of operations

The Institute's financial performance over FY23/24 reflects considered investment in key member resources that are now delivering returns and the conclusion of the strategic restructure of our organisation. While reporting a loss overall, the operating result before amoritisation and depreciation generated a profit of $173,040. The changes implemented set us up to deliver sustainable growth for our members.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

After balance date events

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's situation in future financial years.

Future developments

The consolidated entity is committed to delivering a broad range of practical learning and information services through transformation of our education offering.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnifying officer or auditor

During the financial year the consolidated entity paid a premium for an Associations Liability Insurance policy. This policy provides cover for directors and officers of the consolidated entity to the extent permitted by the *Corporations Act 2001*. Other than the insurance policy, no indemnities have been given or agreed to be given during or since the end of the financial year, to any person who is or has been a director, officer, or auditor of the consolidated entity.

Proceedings on behalf of the consolidated entity

No person has applied for leave of court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any of those proceedings. The consolidated entity was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 29.

Directors' meetings

Attendance at Board and meetings during the year ended 30 June 2024:

Board of Directors		
Total number of meetings held 12		
Directors	**A**	**B**
Clare Mazzetti	12	12
Williams Keays	12	12
David Earl	7	1
Ian Heywood	12	12
Jerome Tse	7	7
Leanne Connor	12	12
Margaret Marshall	12	10
Paul Banister	12	11
Timothy Sandow	12	12
Todd Want	12	12

A Meetings eligible to attend as a director
B Meetings attended as a director

Signed in accordance with a resolution of the Board of Directors.

Todd Want, CTA
Director

Timothy Sandow, CTA
Director

Dated in Sydney this 21st day of October 2024

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards – Simplified Disclosures, the Australian Charities and *Not-for-profits Commission Act 2012*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Todd Want, CTA
Director

Timothy Sandow, CTA
Director

Dated in Sydney this 21st day of October 2024

Crowe Sydney
ABN 97 895 683 573
Level 24, 1 O'Connell Street
Sydney NSW 2000
Main +61 (02) 9262 2155
Fax +61 (02) 9262 2190
www.crowe.com.au

Independence Declaration to the Directors of The Tax Institute

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit, and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Crowe Sydney

Crowe Sydney

Suwarti Asmono
Partner

21 October 2024
Sydney

Financial Report

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024	2023
		$	$
Revenue	2	14,866,953	14,358,417
Net realised and unrealised change in fair value of financial assets held at fair value through profit and loss	8	47,287	331,583
Employee benefits expenses	3	(8,143,626)	(9,437,893)
Depreciation and amortisation expenses		(1,586,500)	(1,573,180)
Impairment of leasehold improvement	9	(80,587)	–
CPD events and member services expenses		(3,260,393)	(3,580,121)
Occupancy expenses		(24,436)	(113,305)
Travel expenses		(182,458)	(272,069)
Publicity and promotion		(425,716)	(377,662)
Merchant fees		(158,788)	(214,756)
Interest expense on lease liabilities		(32,838)	(59,885)
IT expenses		(1,318,453)	(1,448,545)
Consulting and professional fees		(904,036)	(908,817)
Other expenses		(207,969)	(210,458)
Profit before income tax expense		(1,411,560)	(3,506,691)
Income tax expense	5	(1,901)	(28,013)
Profit after income tax expense		(1,413,461)	(3,534,704)
Other comprehensive income		–	–
Items that may be reclassified to profit and loss		–	–
Items that will not be reclassified to profit and loss		–	–
Total comprehensive income/ (Loss)		**(1,413,461)**	**(3,534,704)**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2024

	Note	2024	2023
		$	$
CURRENT ASSETS			
Cash and Cash Equivalents	6	5,047,057	4,067,474
Trade and Other Receivables		256,807	165,894
Franking Credits Refundable		132,605	14,340
Prepayments		529,969	538,606
Inventory		17,919	17,109
Provision for Income Tax		4,941	80,017
TOTAL CURRENT ASSETS		**5,989,298**	**4,883,440**
NON-CURRENT ASSETS			
Financial Assets	8	11,712	1,646,425
Other Asset		54,000	–
Deferred Tax Asset	7	16,630	12,334
Plant and Equipment	9	16,298	289,176
Intangible Assets	10	2,787,893	3,404,693
Right-of-Use-Asset	11	–	508,902
TOTAL NON-CURRENT ASSETS		**2,886,533**	**5,861,530**
TOTAL ASSETS		**8,875,831**	**10,744,970**
CURRENT LIABILITIES			
Trade and Other Payables	12	1,454,202	1,675,650
Income in Advance	13	7,494,819	6,860,065
Employee Benefits Provisions	16	337,692	415,732
Lease Liabilities	15	–	525,180
TOTAL CURRENT LIABILITIES		**9,286,713**	**9,476,627**
NON-CURRENT LIABILITIES			
Lease Make Good Provision	14	–	196,276
Employee Benefits Provisions	16	63,448	40,998
Lease Liabilities	15	–	91,939
TOTAL NON-CURRENT LIABILITIES		**63,448**	**329,213**
TOTAL LIABILITIES		**9,350,161**	**9,805,840**
NET ASSETS		**(474,330)**	**939,130**
EQUITY			
Retained Profits		(474,330)	939,130
TOTAL EQUITY		**(474,330)**	**939,130**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2024

	2024	2023
	$	$
Retained earnings		
Opening retained earnings	939,130	4,473,834
Net Profit / (Loss) after income tax expense	(1,413,461)	(3,534,704)
Other comprehensive income, net of tax	–	–
Total comprehensive income	(1,413,461)	(3,534,704)
Closing retained earnings	**(474,330)**	**939,130**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flow

For the year ended 30 June 2024

	2024	2023
	$	$
Cash flows from operating activities		
Receipts from members and others	16,389,325	16,086,429
Payments to suppliers and employees	(16,387,293)	(17,566,201)
Interest paid	(32,838)	(59,885)
Income tax paid	81,352	(100,385)
Net cash flows (used in)/ provided by	**50,546**	**(1,640,042)**
Cash flows from investing activities		
Payment for intangible assets	(268,508)	2,591,378
Payment from sale of investments	1,814,664	(1,377,420)
Net cash provided by/ (used in) investing activities	**1,546,156**	**1,213,958**
Interest paid on non-current loan		
Repayment of finance liability	(617,119)	(470,530)
Net cash (used in) financing activities	**(617,119)**	**(470,530)**
Net increase in cash and cash equivalents	979,583	(896,614)
Cash at beginning of the financial year	4,067,474	4,964,088
Cash at end of the financial year	**5,047,057**	**4,067,474**

The accompanying notes form part of these consolidated financial statements.

Notes to Financial Statements

For the year ended 30 June 2024

Note 1. Statements of material accounting policies

The consolidated financial statements for the year ended 30 June 2024 were authorised for issue by a resolution of the Directors on 21 October 2024.

The financial report covers the consolidated entity of The Tax Institute and the controlled entity HEPCO Pty Ltd. The Institute is a company limited by guarantee. HEPCO Pty Ltd Is a company limited by shares, both incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and interpretation issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profit Commission Act 2012* as appropriate for not-for-profit oriented entities. Where required, comparative figures have been adjusted to be consistent with the current year presentation.

The consolidated financial statements have, except for cash flow information, been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair values of selected non-current assets, financial assets and financial liabilities.

Significant judgment – going concern

The Directors consider that the Company has sufficient resources to meet all of its obligations as and when they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

In concluding this, management has considered the Company's liquidity position, any risks to the cash flows and funding, and the Company's outlook. Revenue has increased during the financial year ended 30 June 2024 because of stabilised membership numbers and growth in Education offering.

In addition, the Directors have taken a number of measures to reduce the Company's operating costs, strengthen controls around expenditure and better manage working capital. The Directors are confident that these measures will optimise the Company's cash flow and liquidity position to strengthen financial position.

Membership numbers (9,060) have remained constant over FY 2023 (9,152) and Structured Education and Tax Academy enrolments have grown over 2023.

The Directors considered financial forecasts, for the next 12 months from the date of the approval of these financial statements. The forecasts support the preparation of the financial statements on a going concern basis, based on the following assumptions:

- Renewal of membership in line with current numbers;
  - membership revenue will continue to be billed in advance;
  - refunds of membership revenue received in advance remain low
- Continued growth in Education solutions including Tax Academy and Tax Knowledge Exchange;
- Continued demand for our products and services in CPD and member advocacy;
- Continued control over discretionary expenditure.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only.

Supplementary information about the parent entity is disclosed in note 19.

Revenue recognition

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts are received that are subject to the constraining principle are recognised as a refund liability.

Membership Revenue

Membership subscriptions are recognised as revenue pro rata over the period of the membership. Revenue from members received in advance is deferred to the period to which it relates and is included as income in advance in the Statement of Financial Position.

Advertising & Sponsorship Revenue

Advertising & Sponsorship revenue are recognised at a point in time when the advertisement is published, and when Sponsorship is delivered.

CPD Event Revenue

Revenue is recognised at a point in time, as events are delivered or as goods are transferred to customers

Education Revenue

Revenue is recognised over time, being over the study period.

Sales of publications

Revenue is recognised at a point in time when goods are transferred to customers.

Other Revenue

Other revenue comprises mostly revenue from short-term education courses and deferral fees charged when students defer their study period.

Volunteer Services

The consolidated entity has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20.0%-33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Make good provision on leased premises

Costs required to return the premises to its original condition as set out in the lease agreement are recognised as a provision in the financial statements.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Course development and education assets

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably. Capitalised intangible development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years. Capitalised course development costs are amortised on a straight-line basis over their expected benefit, being their finite life of five years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Right-of-use assets and lease liabilities

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease and, except where included in the cost of inventories, an incentives received, any initial direct costs incurred, estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets.

Lease payments on these assets are expensed to profit or loss as incurred. A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Financial instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled, or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

i. Financial assets held at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Impairment of assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash Flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Income tax

The Institute is exempt for income tax purposes under Section 50-5 of the *Income Tax Assessment Act of 1997*, while HEPCO Pty Ltd is subject to Income tax.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Trade and other payables

These amounts represent liabilities for goods or services provided to the consolidated entity prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

Critical accounting estimates and judgements

The consolidated entity evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Institute.

Key estimates – impairment

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a few key estimates and assumptions. No impairment has been recognised for the financial year 30 June 2024.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use-asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty than an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

	Consolidated	
	2024	2023
	$	$
Note 2. Revenue and other income		
Note 2a		
Membership services including Education	10,087,846	9,409,713
Rendering of services (Events and CPD)	4,086,745	4,435,105
Sales of publications	155,858	219,966
Advertising and sponsorship revenue	329,302	255,858
	14,659,751	**14,320,642**
Interest income	40,691	16,604
Other income	166,511	21,171
	207,202	**37,775**
Total revenue	**14,866,953**	**14,358,417**

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Note 2	Note 2
	2024	2023
	$	$
Membership services	6,446,714	6,208,874
Sponsorship and advertising	329,302	255,859
Education	3,641,135	3,200,839
CPD and Events	4,086,742	4,435,104
Sales of publications	155,858	219,966
	14,659,751	**14,320,642**

Timing of recognition

	Consolidated	
	2024	2023
	$	$
Goods and Services transferred at a point in time	4,394,172	4,781,020
Services transferred over time	10,472,781	9,577,397
	14,866,953	**14,358,417**

	Consolidated	
	2024	2023
	$	$
Note 3. Profit from ordinary activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses		
Employee Benefits Expenses		
Termination benefits	461,588	850,247
Short-term employee benefits	7,682,038	8,587,646
	8,143,626	**9,437,893**
Superannuation expense		
– Defined contribution superannuation expense	674,548	752,090
Depreciation and amortisation of non-current assets		
– plant and equipment	209,282	219,952
– intangible assets	941,809	917,126
– right of use asset	435,409	436,201
– write of asset no longer held	–	–
	1,586,500	**1,573,179**
Remuneration of auditor		
– audit	53,500	49,000
– other services	–	3,500
	53,500	**52,500**

Note 4. Dividends

The parent company's constitution precludes the payment of dividends.

HEPCO Pty Ltd declared a dividend of $392,213 to the parent company on 20 June 2024.

Franking credits

	2024	2023
	$	$
Franking credits available for subsequent financial years based on a tax rate of 25%	**21,549**	**151,881**

The above amount represents HEPCO Pty Ltd's balance of the franking account as at the end of the financial year, adjusted for:

*Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.
*Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.
*Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Franking credits were received for $130,736 and recognised as other income.

	Consolidated	
	30 June 2024	30 June 2023
	$	$
Note 5. Income Tax		
Current year tax expense	6,197	17,983
Deferred tax expense	(4,296)	10,030
Income tax expense	**1,901**	**28,013**
Deferred income tax expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets (note 9)	(4,296)	10,030
	(4,296)	10,030
Profit / (Loss) before income tax expense:	(1,411,560)	(3,506,691)
The Tax Institute (exempt from income tax)	(1,418,313)	(3,617,451)
HEPCO Pty Ltd	6,754	110,760
Tax at the statutory tax rate of 25%	**1,689**	**27,690**
Tax effect of permanent difference		
Non-deductible expenses	212	323
Income tax expense	**1,901**	**28,013**

	30 June 2024	30 June 2023
Note 6. Current assets – cash and cash equivalents		
Cash at bank and on hand	5,047,057	3,692,520
Short term deposits	–	374,954
	5,047,057	**4,067,474**

	Consolidated	
	30 June 2024	30 June 2023
	$	$
Note 7. Non-current assets – deferred tax		
(a) Deferred tax asset comprises temporary difference attributable to:		
Amounts recognised in the profit or loss:		
– Accrued income	–	–
– Prepayments	(880)	(2,096)
– Accrued expenses	7,650	5,419
– Property, plant and equipment	(4,274)	(5,699)
– Provision for employee entitlements	14,134	14,709
Deferred Tax Asset	**16,630**	**12,334**
(b) Reconciliation		
Opening balance	12,334	22,364
Amounts recognised in profit or loss	4,296	(10,030)
Closing balance	**16,630**	**12,334**

	30 June 2024	30 June 2023
Note 8. Non-current assets – financial assets		
Financial asset – designated at fair value through profit or loss	11,712	1,646,425
	11,712	**1,646,425**
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year		
Opening fair value	1,646,425	3,906,220
Revaluation increments / (decreases)	47,287	290,205
Sale of investments	(1,682,000)	(2,550,000)
Closing fair value	**11,712**	**1,646,425**

Franking credits were received for $1,927 and recognised as investment income.

	Consolidated	
	30 June 2024	30 June 2023
	$	$
Note 9. Non-current plant and equipment		
Plant and Equipment – at cost	3,626,864	3,609,873
Less: Accumulated Depreciation	(3,610,566)	(3,320,697)
Total Plant and Equipment	**16,298**	**289,176**
(a) Movement in carrying amounts		
Movement in carrying amounts for each class of plant and equipment between the beginning and the end of the financial year.		
Balance at the beginning of the year	289,176	509,128
Additions	16,991	–
Depreciation or amortisation expense	(209,282)	(219,952)
Impairment expense write off	(80,587)	–
Carrying amount at the end of the year	**16,298**	**289,176**

	30 June 2024	30 June 2023
	$	$
Note 10. Non-current intangible assets		
Education Course Development – at cost	3,159,285	2,878,061
Less: Accumulated Amortisation	(1,454,448)	(910,924)
Total Education Course Development	**1,704,837**	**1,967,136**
Movements in carrying amounts	$	$
Movement in carrying amounts for intangible assets between the beginning and the end of the financial year.		
Balance at the beginning of the year	1,967,136	1,735,765
Additions	281,224	682,442
Amortisation expense	(543,523)	(451,072)
Carrying amount at the end of the year	**1,704,837**	**1,967,136**

	Consolidated	
	30 June 2024	30 June 2023
	$	$
Note 10. Non-current intangible assets continued		
Software Projects – at cost	4,776,651	4,732,866
Less: Accumulated Amortisation	(3,693,595)	(3,295,309)
Total Software Projects	**1,083,056**	**1,437,557**
Movements in carrying amounts	$	$
Movement in carrying amounts for intangible assets between the beginning and the end of the financial year.		
Balance at the beginning of the year	1,437,557	1,208,634
Additions	43,785	694,977
Amortisation expense	(398,286)	(466,055)
Carrying amount at the end of the year	**1,083,056**	**1,437,557**
Total intangible assets	**2,787,893**	**3,404,693**

	30 June 2024	30 June 2023
	$	$
Note 11. Non-current right-of-use-assets		
Right-of-use-assets	–	1,381,304
Less: Accumulated Amortisation	–	(872,403)
Total Right-of-use-asset	**–**	**508,901**

The company exited its premises at Level 37, 100 Miller Street, North Sydney on 22 June 2024 under a surrender of lease agreement.
All commitments and entitlements under the lease agreement were extinguished by 30 June 2024.

	30 June 2024	30 June 2023
	$	$
Note 12. Current liabilities – trade and other payables		
Current		
Trade payables	629,342	909,881
Accrued remuneration	45,283	–
Goods & services tax – net	395,190	277,364
Accruals and other payables	384,387	488,405
	1,454,202	**1,675,650**

	Consolidated	
	30 June 2024	30 June 2023
	$	$
Note 13. Current income in advance		
Membership fees	4,885,043	4,431,339
Event registrations	651,334	614,858
Education enrolments	395,441	652,396
Publication subscriptions	775,675	665,032
Other	787,326	496,440
	7,494,819	**6,860,065**

	30 June 2024	30 June 2023
Note 14. Non-current – lease make good provision		
Lease make good	–	196,276
	–	**196,276**

Lease make good
The provision represents the present value of the estimated costs to make the premises leased by the consolidated entity at the end of the respective lease terms.

Movements in carrying amounts.		
Movement in carrying amounts for make good provision between the beginning and the end of the financial year.		
Carrying amount at the start of the year	196,276	195,552
Additional provision recognised	–	724
Amount released and not required	(156,276)	–
Amount used	(40,000)	–
Carrying amount at the end of the year	–	**196,276**

The company exited its premises at Level 37, 100 Miller Street, North Sydney on 22 June 2024 under a surrender of lease agreement.
All commitments and entitlements under the lease agreement were extinguished by 30 June 2024.
Any movement in the provision is recognised in Occupancy Expenses.

	30 June 2024	30 June 2023
Note 15. Non-current liabilities – lease liabilities		
Lease Liability	–	617,119
Future lease payments Future lease payments are due as follows:		
Within one year	0	525,180
One to five years	0	91,939
	–	**617,119**

The company exited its premises at Level 37, 100 Miller Street, North Sydney on 22 June 2024 under a surrender of lease agreement.
All commitments and entitlements under the lease agreement were extinguished by 30 June 2024.

	30 June 2024	30 June 2023
Note 16. Employee Benefits Provisions		
CURRENT		
Employee benefits	337,692	415,732
NON-CURRENT		
Employee benefits	63,448	40,997
Aggregate employee benefits	**401,140**	**456,730**
a. Number of employees at year end	**52**	**57**

Note 17. Controlled entities

Australian Tax Research Foundation (ATRF)

The Institute took over administrative responsibility for the ATRF in 2002. Before 2009, the Institute did not exercise control over the ATRF and the ATRF continued to be run as an independent organisation with an independent board.

In late 2009, the Institute took over control of the ATRF and appointed new directors to the ATRF Board.

It is the opinion of the consolidated entity's directors that given the immateriality of the ATRF's operations, assets and liabilities, consolidating the ATRF into the consolidated entity's results would not lead to more meaningful information being provided to the users of the Institute's Financial Report.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

HEPCO Pty Ltd

		Ownership interest	
	Principal place of business /	2024	2023
Name	Country of incorporation	%	%
HEPCO Pty Ltd	Australia	100%	100%

Note 18. Related party transactions

Key management personnel

Total Remuneration for key management personnel

	Consolidated	
	30 June 2024	30 June 2023
	$	$
Short-term employee benefits	1,239,933	1,969,487
Termination benefits	101,538	741,428
Total remuneration	**1,341,471**	**2,710,915**

Directors' remuneration

Non State Appointed Directors are remunerated and included in Employee Benefits Expense. The 2024 President Todd Want received a stipend of $44,000 for the period 1 January to 30 June 2024. The 2023 President Marg Marshall received a stipend of $50,145 for the period 1 January to 30 June 2023. Prior year: The 2023 President Marg Marshall received a stipend of $54,120 for the period 1 July 2023 to 31 December 2023. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Short term loan from related parties

During the year the directors and management advanced an unsecured arms length loan to the Company of $545,000 to fund operating cashflow.

This funding was short term in nature and was repaid, together with interest of $7,843, in full prior to the end of the financial year.

Note 19. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024	30 June 2023
	$	$
Profit / (loss) after income tax	(1,418,313)	(3,617,454)
Total comprehensive income / (loss)	**(1,418,313)**	**(3,617,454)**
Statement of financial position		
Total current assets	**12,477,648**	**9,019,337**
Total assets	**15,330,454**	**14,845,736**
Total current liabilities	**15,749,007**	**13,977,179**
Total liabilities	**15,809,648**	**14,298,830**
Equity		
Retained profits*	(479,194)	546,906
Total equity	**(479,194)**	**546,906**

*dividend declared in 2024 is $392,213 (2023: NIL)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity agrees to unconditionally and irrevocably guarantee the prompt, full and complete performance of any and all duties, obligations (including the obligation to pay money), indebtedness or liability by HEPCO Pty Ltd to any persons arising directly or indirectly from the ordinary course of company's business. The guarantee provided by The Tax Institute will terminate on the date that HEPCO Pty Ltd ceases to be a wholly owned subsidiary of The Tax Institute.

Contingent liabilities

Capital commitments – Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

As at 30 June 2024 there are no guarantees provided by National Australia Bank (2023: $494,306) for the leases.

Note 20. Contingent liabilities and contingent assets

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's situation in future financial years.

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Independent Auditor's Report to the Members of The Tax Institute

Opinion

We have audited the financial report of The Tax Institute (the Institute) its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the director's declaration.

In our opinion, the accompanying financial report of the Group has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Sydney

Crowe Sydney

Suwarti Asmono
Partner

21 October 2024
Sydney

Notes

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Leadership Team

Scott Treatt	Chief Executive Officer
David Lane	Chief Financial Officer
Murray Cassar	Executive General Manager – Knowledge and Learning
Clare Mazzetti	Independent Chair

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The Tax Institute