Operating since 2003 with proven results for facilitating tax agent status and viable practices

On-going structured support and professional development levels unique to the industry

Systems, training and supervision reviewed by the Tax Practitioners Board as compliant

Updated tools, resources, forms and intellectual property for use in the practice environment

Option to work part-time and from home or mobile services for up to two years before moving to a full-time commercial office

Franchisor digital marketing campaigns to complement a Franchisee’s own advertising

Franchise Info Package

Registered Tax Agents | Fellows of CPA Australia | Australian Institute of Company Directors
Franchise Council of Australia | Registered Self Managed Superannuation Fund Auditors
National Tax and Accountants’ Association

TaxSuccess Pty Ltd T/A Success Tax Professionals | Package Version January 2020
NAVIGATION TIP:  Set ‘Previous View’ and ‘Next View’ in Adobe Reader.

1. LINKS: Use links in the CONTENTS below, and the ‘Back to Contents Page’ / ‘Jumps to FAQs’ in the bottom right-hand corner of each page. Also use orange referenced links within the document pages to jump to related content.

2. SET ‘PREVIOUS PAGE VIEW’: After using a referenced link you can return to the page you were previously on and continue reading without having lost your place in the document by using previous page view in Adobe Reader. To set this option on your toolbar in Adobe Reader DC:

   I. Right-click the toolbar and select ‘Show Page Navigation Tools’ and mark ‘Previous View’ and ‘Next View’.

   II. The buttons will be added to the toolbar as back and forward arrows. If you are using a different version of Adobe Reader use the help facility in Adobe to find the setting to customise the toolbar. In some cases, it may be under ‘More Tools’, ‘Page Navigation’.

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A. CORPORATE DIRECTORY

**Franchising Division & Management**

Darren Gleeson  
Managing Director  
Registered Tax Agent Controls  
Practice Acquisitions  
Technical Support Programmes  
Learning Programmes  
Strategic Management

Tracy James  
Franchisee Development Director  
Franchise Recruitment  
Intellectual Property Development  
Network and Outreach Facilitation  
Quality and Performance Management  
Marketing Facilitation

Roydon Snelgar  
Digital Marketing Manager  
Digital Marketing  
Social Media  
SEO and Campaign Management  
Marketing Analysis

**Other**

**Training Support and Induction**  
- Hadel Mikho (VIC, TAS)  
- Vincent Wan (VIC, TAS)  
- Sanjaya Thakur (VIC, TAS)  
- Danny Dinkha (NSW, ACT)  
- Sultha Thanabalasingam (NSW, ACT)  
- John Lee (NSW, ACT)  
- Andy Asiandi (SA)  
- Nina Wilkinson (WA)  
- Daleen JV Rensburg (WA)  
- Stella Leong (WA)  
- Sunil Adiyodi (WA)  
- Mamun Rashid (NSW)  
- John Lee (NSW)  
- Hadel Mikho (VIC)  
- Vincent Wan (VIC)  
- Unni Ashok (QLD)  
- Chris Black (QLD)  
- Andy Asiandi (SA)

**Relief Trainers:**  
- Ed Gebert (WA)  
- Robert Ellis (WA)  
- Chris Black (QLD)  
- Shree Ramruhal (NSW)  
- Cindy Fu (VIC)

**Head Office Contact Information**

PO Box 1073  
Fremantle WA 6959  
Unit 6/50 Ladner Street  
O’Connor WA 6163

Telephone: (08) 9337 4440  
Email Inquiries: stp@stptax.com  
Web-page: www.stptax.com/

**Franchise Council of Australia**

Success Tax Professionals is a member of the Franchise Council of Australia (FCA).

**Supervisory Tax Agents**

Darren Gleeson (WA)  
Daleen JV Rensburg (WA)  
Mark Vernal (WA)  
Stella Leong (WA)  
Sunil Adiyodi (WA)  
Mamun Rashid (NSW)  
John Lee (NSW)  
Hadel Mikho (VIC)  
Vincent Wan (VIC)  
Unni Ashok (QLD)  
Chris Black (QLD)  
Andy Asiandi (SA)

**Our Memberships and Registrations**

- Franchise Council of Australia (FCA)  
- Fellows of CPA (Australia)  
- National Tax and Accountants’ Association  
- Australian Institute of Company Directors  
- Registered Tax Agents  
- Registered Self Managed Super Fund Auditors
B. FRANCHISE PURCHASE PROCESS & BASICS

1. Where to start:

Start here with our Information Package Brochure — it will answer many of your questions.

Read this information package, including the ‘Frequently Asked Questions’ section at the end. It covers the concepts and principles of our franchising system, including support, fees, benefits and structure. To set easy navigation see the ‘Tip’ at the top of Page 2.

2. The purchase process explained:

Once you have read this package, to advance your inquiry or receive more information:

1. Complete the Advanced Inquiry Form: Please click to download the Advanced Inquiry Form. If you have problems accessing the form you can also email us via this link: stp@stptax.com.

   Please return the completed form by email.

2. After you return the Advanced Inquiry Form:

   ✓ We will email to you the next level of information, including our minimum fees document for charging clients and the draft agreement and draft disclosure document, which will allow you to see the legal terms and conditions. In other words, a sample of the actual contracts.

   ✓ We will answer any additional questions you have, and you are welcome to email them to us, or phone us - (T: 08 9337 4440, email stp@stptax.com).

   ✓ We will also provide you with access to our Franchisee forum on Basecamp and you can read responses to past questions and also ask questions directed to our Franchisees. Through the forum, you can also request to phone current Franchisees and talk to them about their experiences as a Franchisee.

3. Requesting final contracts:

   ✓ If you wish to then purchase a franchise and you are suitable for our business you can request the final agreement and documents in your name/entity name to be emailed to you.

   To arrange this, you should send us an email and we will tell you the information that we require.

   • Click to email us and request your official contracts: stp@stptax.com

   ✓ At any time prior to purchase, you have the opportunity to cease your inquiry. Receiving the final agreements does not obligate you to purchase. Your completed inquiry form will be destroyed within 4 -12 weeks if you do not proceed.

3. Signing the contracts & making payment

1. Waiting out the 14-day period: After you have received the emailed final agreement, disclosure document and declarations, you cannot sign these for a minimum of 14 days. This is a Trade Practices Regulation.

   (Remember, if you decide not to proceed, you may destroy the documents. You do not need to contact us.)
After the 14-day period has passed, if you have decided to purchase, you may sign and email the documents back to us and make payment for the franchise by credit card, or bank deposit. How:

✔ In Full: The franchise can be paid for in full on settlement, OR
✔ By Loan: You can request to be assessed for a loan arrangement.

Useful links:
- Can I purchase the one franchise with another person?
- How much does the franchise cost to buy?
- How can I pay for the franchise?

2. Finalising purchase: After signed documentation and payment is received, we will email you a counter-signed copy of the documents (agreement, disclosure document etc.) and a receipt for your records.

3. ‘Cooling Off’ period: After this, there is a seven-day cooling off period in which you have the option to withdraw and we will cancel the franchise and refund the purchase fee in full. This is a Trade Practices Regulation.

4. Induction: We will start organising the Induction process into our network for you, following the end of the ‘cooling off’ period – so this means usually around day 8 after settlement and cleared payment for the franchise. More about Induction can be found in Section C – Training, Support and Development.

4. Where are our franchises available?

Success Tax Professionals franchises are available nationally in all areas of Australia. Tell us the suburb you wish to use as your base and we will tell you if the address is available.

When considering our franchise it is important:

✔ If you are a non-tax agent to factor in the ability to satisfy our ‘Continuing Professional Development Programme’ and ‘Minimum Training Standards’. Franchises are not suitable for non-tax agent applicants who cannot meet these conditions.

✔ If you are a tax agent, then you need to be prepared to meet the Continuing Professional Education requirements set by the Tax Practitioners Board (TPB) and also any membership bodies that you belong to, like CPA or IPA, for example.

For more information about these requirements, please read Section C - Training, Support and Development so you understand the requirements, as this is very important.

As at January 2020 there are over 90 franchise practices in our network (93 franchisees). You can find a list of our franchise practices and their locations on our website at www.stptax.com/contact/. This will show you the current geographic spread. There are no fixed territories for advertising or accepting clients from, but there are restrictions as to where a Franchisee’s base or advertised address for business can be. See Different types of servicing options/offices and the conditions that apply.

5. Cost – ‘Purchase Fee’ and what it covers

I. How much does the franchise cost to buy?

Most franchise purchases are $15,000 including GST unless two or more people are joining at the same time with the intention of operating the business together and they will be active in providing one or more core services - accounting, tax, bookkeeping or BAS.
<table>
<thead>
<tr>
<th>No. of people joining together to provide core service/s</th>
<th>No. of franchises required</th>
<th>Cost (incl GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>$15,000</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>$20,000 ($10,000 each)</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>$30,000 ($10,000 each)</td>
</tr>
</tbody>
</table>

Here are some examples of how this works:

<table>
<thead>
<tr>
<th>Example</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person buying the franchise and providing the core services – accounting, tax, bookkeeping, BAS</td>
<td>$15,000</td>
</tr>
<tr>
<td>Husband (core: accounting tax, bookkeeping, or BAS services) and wife (non-core: only reception duties)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Husband and wife (or a colleague) both providing core: accounting, tax, bookkeeping or BAS services</td>
<td>$20,000 ($10,000 each)</td>
</tr>
</tbody>
</table>

Important:

- To understand more about when you might need to buy more than one franchise click here: [Can I purchase the one franchise with another person?](#)
- You cannot employ people to provide a core service (accounting, bookkeeping, tax or BAS) if you are a non-tax agent. You can only do this when you are a tax agent.
- Multiple franchises are protective. For example, if you and a colleague join together to provide core services you will each have your own franchise even though you intend (or are) working together. If your work arrangement is not a happy one, the good news is you can both continue independent of one another. You have that option and there is no penalty for this change. This may occur at the time of signing contracts or afterwards.

Discounted franchise purchases for special circumstances - Bundles:

<table>
<thead>
<tr>
<th>Description</th>
<th>Discounted Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you purchase a franchise at the same time as either buying an available client fee parcel<em>1 or transferring a client fee parcel</em>1 that you already own, of at least $100,000.</td>
<td>$7,500</td>
</tr>
<tr>
<td>If you purchase a franchise and at the same time buy a ‘for sale’ Success Tax Professionals client fee parcel that we determine is in a remote area.</td>
<td>$0</td>
</tr>
<tr>
<td>If you have other circumstances that don’t fit a category you can talk to us.</td>
<td>Managing Director’s discretion</td>
</tr>
</tbody>
</table>

*1: The fee parcel would be assessed for core service composition to determine if it meets the conditions for a discounted franchise purchase.

- Client fee parcels in the general industry become available through brokers and privately when practitioners sell their practice or a portion of their practice.
- Client fee parcels within Success Tax Professionals become available at different times – e.g. retirement, leaving the industry etc. [In-house Fee Parcels](#)
- All fee parcels must be branded or rebranded as Success Tax Professionals.
- You can read more about fee parcels here: [Practice Acquisitions](#)
II. What are the components of the purchase fee?

<table>
<thead>
<tr>
<th>Franchise Grant Fee</th>
<th>$15,000</th>
<th>$10,000</th>
<th>$7,500</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Fees</td>
<td>$13,635</td>
<td>$9,090</td>
<td>$6,817</td>
<td>$0</td>
</tr>
<tr>
<td>GST</td>
<td>$1,364</td>
<td>$909</td>
<td>$682</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$15,000</td>
<td>$10,000</td>
<td>$7,500</td>
<td>$0</td>
</tr>
</tbody>
</table>

Depending on your circumstances, the training fees are usually tax deductible. The GST is refundable if you are registered for GST. The franchise cost is explained here: How much does the franchise cost to buy?

III. Cooling Off Period

If the Franchisee terminates the franchise agreement within the 7-day cooling off period, 100% of the franchise cost is refundable. The cooling off period ends 7 days after settlement.

IV. How can I pay for the franchise?

The franchise requires either:

- Option 1: A one-off payment of the purchase fee on settlement, or
- Option 2: By a loan arrangement of $5,000 on settlement. And then the balance over terms.

<table>
<thead>
<tr>
<th>Franchise Cost</th>
<th>In full on settlement</th>
<th>OR via loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,000</td>
<td>$15,000</td>
<td>$5000 on settlement + $1,100 per month for the following 10 months</td>
</tr>
<tr>
<td>$10,000</td>
<td>$10,000</td>
<td>$5000 on settlement + $1,100 per month for the following 5 months</td>
</tr>
<tr>
<td>$7,500</td>
<td>$7,500</td>
<td>$5,000 on settlement + $550 per month for the following 5 months</td>
</tr>
<tr>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

V. The key features of our franchise and what we provide

**KEY FEATURES**

1. **In the first year** we provide you with the basic Sage HandiSoft suite of products for tax preparation and accounting — (current value approximately $2000 pa). After the first year, you need to purchase the required modules annually and we will pass on to you the discounted rates we receive from Sage as a volume customer. Once you become a tax agent you can continue with HandiSoft or use another product. (All non-tax agents, however, use HandiSoft as a requirement of the franchise).

We also provide you with a free 12-month subscription to the TaxFitness software to assist in developing your business services to include structured tax planning for clients.

2. **Induction Part 1:** When you join, after the ‘cooling off period’, you will receive access to 29 self-paced online Induction Sheets to guide you in important set-up tasks and information for getting started. You will be able to do these on your own. This includes setting up HandiSoft, organising a business bank account with approval, installing invoices for billing purposes, requesting your free starter stationery kit, obtaining access to our Franchisee Resources section of living documents and support tools, accepting your invitation to join our community forum, installing your AusKey … and more.

**Induction Part 2:** After you have finished the 29 sheets you can book your 6 hours of face to face training. This will be conducted by an experienced member of the franchise. The session is designed to provide you with essential basics and to also map out a future learning
### KEY FEATURES

<table>
<thead>
<tr>
<th>Plan</th>
<th>- including referral to additional internal Success Tax Professionals resources and material, possible optional external courses you might benefit from and directing you to the reading of suitable product manuals and technical references.</th>
</tr>
</thead>
<tbody>
<tr>
<td>During the session, your trainer will provide exercises and assistance to familiarise you with HandiSoft (HandiTax and HandiLedger) – e.g. tax return preparation, and basic accounting data entry, plus discuss marketing, and address your questions. Your trainer will use a dedicated checklist to make sure they cover the correct material. They will also tailor the session to spend more time on areas that you need more assistance in. Training is provided either one on one or in a small group.</td>
<td></td>
</tr>
<tr>
<td>Be prepared to continue your development outside of this session by working on any consolidation exercises recommended, reading relevant resources suggested to you on our site, and also investigating external options. For example, H&amp;R Block course, online learning programmes etc. Learning is an on-going process but you can develop your business at the same time. Visit this link to look at some options: Learning Tax</td>
<td></td>
</tr>
<tr>
<td>(You are able to commence business after completing Parts 1 and 2 of Induction. At the same time, you should be working on your identified learning needs.)</td>
<td></td>
</tr>
</tbody>
</table>

3. **Post Induction — Interview and Office Life:** After Induction Parts 1 and 2 you have the opportunity to see the live client interview process at an actual practice and also the other day-to-day activities of practice life. If you are within a reasonable distance of one of our offices you can visit in person to see this. If you are not within a suitable distance, you will be able to discuss this with an experienced practitioner by phone, Zoom computer conferencing or through our community forum. You will also be able to receive help from tax agents at head office using the same methods. (Module 1 should be completed within 7 weeks of joining.)

4. **Post Induction — Modules:** We have self-paced online learning modules (8 modules) covering tax, as a part of our available Franchisee Resources. These are theory and assignment style modules expected to take 150-400 hours and to be completed over 12-18 months. They help you to develop and expand your knowledge. They can also be used to help you accrue hours required to comply with our Minimum Training Standards and also for professional bodies you may belong to. You will receive a competency certificate to display in your office following completion. (This is different to technical support which is provided by head office and is continuously available all the time and is provided by phone, Zoom and email.)

5. **Post Induction — Add-on Training:** You are also eligible to be assessed for up to 15 hours of approved customised one to one training tailored to assist with live casework you are working on for a customer. This is available in the first 12 months and is delivered by a trainer at their office location (or remotely by Zoom). This is to help you with any initial fine-tuning as you ‘get on your feet’. (Module 1 should be completed within 7 weeks of joining.)

6. **On-going** access to the online Franchise Operations Manual to help you run your business.

7. **On-going** access to our online living documents including workplace forms, checklists, tools, letters and support products for use in the live environment.

8. **On-going** technical assistance, feedback, supervision and support from head office. If you have a question or need help you can contact us (by phone, Zoom or email). Tax Agents will guide you and help you with your questions and client work. This is a very valuable service and even our most experienced practitioners continue to use this facility.

9. **On-going** access to the online Franchise Marketing Manual.
10. **Benefits of the Success Tax Professionals ‘brand’ advertising programme (brand recognition and SEO):** We advertise the brand carefully and proactively. We constantly have campaigns and activities in place. Our marketing company monitor results and vary the campaigns, mediums and content to optimise results. You have the ability to greatly benefit from our digital marketing campaigns which stimulate public interest and can lead to work opportunities. This includes:

- Analytics which show that over 150,000 people visit our web-site annually.
- Social media/Facebook (our Facebook page is contemporary, topical, controversial, delivers quality content of interest and is updated regularly on schedule with fresh and original material).
- Paid advertising and Ad Words.
- Our official optimised website with store locator which will list your practice and feature a dedicated and optimised practice page for you – it can help drive business to you through search engine results.
- Our involvement in charity and fundraising projects which have a flow-on effect at promoting the brand and your credibility.
- Search engine friendly published blogs/articles and quality content which drive new and repeat customers to our website. This is an extensive product investment that cannot be achieved by operators with simplistic websites or who do not fully understand the type of content that actually works online. We are specialists in creating high quality and controversial content that stimulates reader interest and gains attention.
- Optimised Google Map for your practice which will be structured and adapted to link in with your practice page on our website and perform favourably in search engines.

(Franchisor advertising significantly complements a Franchisee’s own approved local advertising. The two forms work together. It is important to understand that to benefit from our advertising you must also advertise locally in your area and we will guide you in developing a campaign.)

11. **On-going online access to advertising concepts, templates for different promotional mediums, and adaptable examples.** Our online Franchisee Resources section includes access to various designs and product material that can be replicated or used as a guide. Examples include: Leaflets, permanent signage, moveable signage such as A-frames/corflute roster signs, posters, editorials, and advertisements. All advertising is required to be approved by us, so you can be confident that we will guide you and ensure that the material is legal, compliant and beneficial to what you are aiming to achieve. Marketing is a very misunderstood area and many dollars can be wasted if it is not done in a highly-targeted way.

12. **On-going general marketing advice and campaign development.** We will help you develop a plan based on your method of operation. For example, if you are initially working from home your options will be different to someone who is working from a high exposure commercial office.

13. **On-going access to our in-house community networking and support forum.** Our members help one another technically, discuss ideas, sometimes form working relationships, look at office sharing opportunities, and even discuss the co-purchasing of client fees for expansion. It is a very versatile, informative and helpful environment for learning and realising opportunities. You feel connected and supported by your Franchisee colleagues.

14. **On-going access to online technical manuals** covering a wide range of topics including up to date material on SMSFs, fringe benefits, capital gains, changes in the industry, tax planning, trusts, tax returns etc. Studying a manual can not only improve skills but the hours may also assist in meeting CPD hours for professional body membership, Tax Practitioner Board requirements and also our own in-house requirements.
## KEY FEATURES

(These manuals form part of our online library and are constantly updated as valuable resources.)

<table>
<thead>
<tr>
<th>15.</th>
<th><strong>Business development programmes</strong> and coaching:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Tailored business support and advice for starting up.</td>
</tr>
<tr>
<td></td>
<td>• Moving forward and transitioning options, (e.g. part-time to full-time, from home to a commercial office, or simply best practices).</td>
</tr>
<tr>
<td></td>
<td>• Expansion options without wasting dollars on things that do not work.</td>
</tr>
</tbody>
</table>

| 16. | **Advice and guidance for buying fees** (client parcels) to significantly grow business. This can be a ‘wish list’ option down the track if you have extra funds to invest in your business, have suitable skills for managing a fee parcel and if a parcel is for sale and you are competitive for those fees. Be realistic though – you need funds for this. A fee parcel of $200,000 for example, will often require at least 85% of that amount to be paid on settlement! It is, however, possible to discuss co-purchasing with another Franchisee to share the cost. Sometimes smaller parcels (50,000 - $100,000) also become available. |

| 17. | **Advice and guidance for establishing a commercial environment** – this includes help in determining office location; suburb and demographic assessment. The design of compliant signage (i.e. artwork) is completed in-house for all Franchisees in a consultative manner. The cost of printing, and installing is borne by the Franchisee and they can obtain quotes. |

| 18. | **In-house training programmes** – Programme ‘A’ and Programme ‘B’ are included and form part of our ‘Continuing Professional Development Programme’ and ‘Minimum Training Standards’ for non-tax agents. ([See Section C - Training, Support and Development](#)). These programmes cover a mix of technical, best practices and business development subjects. Our in-house training is included in the franchise purchase fee and comprises up to 36 hours of different seminar material annually of which non-tax agents need to attend a minimum of 12 hours of face to face content provided through Programmes A and/or B. **Important:** Non-tax agents must attend in person at least 12 hrs pa of In-house A/B Programmes. For tax agents this is optional, but hours attended can help in meeting the minimum training hour requirements needed to comply with the Tax Practitioners Board (90 hours in each three-year period) and may also assist in meeting professional body membership requirements – like CPA. |

| 19. | **CPA Programme** mentoring is available. |

| 20. | **Free issue of the first run of 1000 business cards** using an in-house approved template. This will give you your first set of cards to start marketing your services to contacts. |

<table>
<thead>
<tr>
<th>21.</th>
<th><strong>Choice in how you operate for the first two years</strong> – In the first two years after joining you can:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Be part-time or full-time.</td>
</tr>
<tr>
<td></td>
<td>• Work from home.</td>
</tr>
<tr>
<td></td>
<td>• Work from an unbranded office – e.g. a serviced office.</td>
</tr>
<tr>
<td></td>
<td>• Provide mobile services.</td>
</tr>
<tr>
<td></td>
<td>• Casual Mall Leasing (temporary site in the mall area of a shopping centre).</td>
</tr>
<tr>
<td></td>
<td>• Be in a visibly branded commercial office (with medium/below medium exposure), which we call a TRANSITIONAL OFFICE.</td>
</tr>
<tr>
<td></td>
<td>• Be in a visibly branded commercial office (with high exposure), which we call a FIXED OFFICE.</td>
</tr>
</tbody>
</table>

By the end of the second year, you **must** be operating the business full-time and from a ‘Fixed Office’ or a “Transitional Office”. This means a branded, and visible commercial presence in the community. Fixed Offices will provide you with the greatest benefits and business opportunities for gaining work. ([See 23. below for ‘Performance Targets’](#)).

| 22. | **Approval for your advertised address** – All Franchisees advertise an address for marketing purposes as their servicing location. For example, home or commercial office address. The |
### KEY FEATURES

- **23.** You need to meet some basic minimum performance targets:
  - $10,000 for year 1; $20,000 for year 2; $30,000 for year 3; $40,000 for year 4; and, $50,000 for year 5. These amounts are excluding GST. [Meeting Performance Targets](#)
  
  These targets are all quite easily achieved and exceeded providing you are active in the business and make sound decisions about how you operate. For example, don’t choose to operate from home if you live where there is limited passing traffic and your home office signage will not be seen by enough people. Don’t choose a commercial office in an industrial area etc. Use common sense. We have had Franchisees generate $50,000 - $150,000 in the first 12 months based on sound location decisions and personal aptitude.

- **24.** The authorisation to service bookkeeping/accounting, BAS and tax clients and build a business which will allow you to work towards achieving tax agent status.

- **25.** Assistance to acquire tax agent registration by providing you with the tools, training, supervision, growth opportunities, coaching and mentoring to help you build your client base, and work towards meeting the required experience levels set by the Tax Practitioners Board. We can provide the required reference to validate the work you have done.

- **26.** Low-cost franchise of only $0 - $15,000 (including GST) to join per Franchisee, with possible tax-deductible benefits and refundable GST. (Loan arrangement also available.)

- **27.** Australia-wide territory to advertise in and accept clients from.

- **28.** 20-year franchise term and option to renew for $0. (You can exit before then, but you need to comply with contract conditions covering sale and terms of restraint – these are discussed later in this document.)

- **29.** Potential capital gain on future sale of the business with our exit strategy which provides for 100% of sale proceeds to be awarded to the Franchisee.

- **30.** Potential to make up to $250 per hour by providing quality value-added services and not just compliance services.

- **31.** Use of proven systems, programmes and Intellectual Property to simplify the work environment.

- **32.** Credible Franchisor with memberships and registrations. These include:
  - The Franchise Council of Australia (FCA),
  - Fellows of CPA (Australia),
  - Australian Institute of Company Directors,
  - The National Tax and Accountants’ Association (NTAA),
  - Registered Tax Agents, and
  - Self Managed Superannuation Fund Auditors.

- **33.** Professional Indemnity Insurance coverage for non-tax agents and option to participate in the group policy once tax agent status is achieved.

- **34.** Fast turnaround time with emails and support occurring immediately or within 2 hours. Lodgements of tax returns and feedback are provided on the same day.

- **35.** Franchisor that provides franchise services full-time and does not operate an accounting or taxation practice in competition with its Franchisees. There is no conflict of interest. (We work on providing systems, procedures, training and support on a full-time basis.) The working infrastructure of the Success Tax Professionals organisation is a dedicated business.

We are also a long-term player in the industry and have been providing franchises since 2003. Our first Franchisee is still with us and operating a successful business. You will find a...
6. **Two year rule, office locations & qualifications**

I. ‘**Two Year Rule**’ to be full-time and working from approved branded commercial premises.

Success Tax Professionals is not suitable for someone who does not have the motivation, finances, or vision to operate their business on a full-time basis from approved branded commercial premises within two years of joining.

Premises, like all address locations require approval to prevent conflict and to ensure you understand which category your office will fall into and what this means: The two categories are in the table below:

<table>
<thead>
<tr>
<th>COMMERCIAL PREMISES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Office (high exposure)</td>
</tr>
<tr>
<td>Ground level</td>
</tr>
<tr>
<td>High exposure</td>
</tr>
<tr>
<td>Retail-oriented area</td>
</tr>
<tr>
<td>Co-located with/near anchor businesses – e.g. Coles, Woolworths, Target, banks, major retail shops, etc.</td>
</tr>
<tr>
<td>Must have adequate external highly visible branding directly on the premises.</td>
</tr>
<tr>
<td>Transitional Office (medium/below medium exposure)</td>
</tr>
<tr>
<td>Ground level or upper level</td>
</tr>
<tr>
<td>Medium (or below medium) exposure</td>
</tr>
<tr>
<td>Mixed area</td>
</tr>
<tr>
<td>Usually not co-located with anchor businesses.</td>
</tr>
<tr>
<td>Must have adequate external visible branding that can be seen from street level.</td>
</tr>
</tbody>
</table>

1. Borderline offices that fall between the two categories will be treated as Transitional.
2. Transitional Offices may be classified within 12-24 months of operation as either high-performing or low-performing depending on results. High-performing offices have the potential to **convert** to a Fixed Office status if they continue to show promising results.

Factors that we know play a role in the success of an office:

- Fixed Offices are clear winners in terms of potential because they have more exposure, are well-positioned and allow for walk-in business. Their signage is a strong and cost-effective promotional tool.
- Don’t choose an office in a price sensitive area or you are likely to have problems with charging service fees and establishing momentum. Many of these clients pay very little tax or none at all, don’t need a tax accountant or if they do have very little regard for what it actually costs to receive professional services.
- Don’t choose an office that is in an area with a dominant cultural population. For example, Chinese areas, Indian areas etc. You will severely limit your opportunities for work and success. It will be problematic. The wider community will not see you as a versatile operator.
- You have basic performance targets to meet so make sure your office location and the office itself is conducive to performance, as this affects continuation of the franchise: **Meeting Performance Targets**

II. **Different types of servicing options/offices and the conditions that apply**

Remember all locations require approval. There are however plenty of choices and available locations. See the following table as a guide:
<table>
<thead>
<tr>
<th>Also allowed in the same suburb?</th>
<th>Fixed Office</th>
<th>High-performing Transitional Office</th>
<th>Low-performing Transitional Office</th>
<th>Unbranded or Home Office, Mobile Services</th>
<th>Casual Mall Leasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Office</td>
<td>No (but possible in CBD, large satellite suburbs)</td>
<td>Unlikely (but possible in CBD, large satellite suburbs)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes (cannot use address at same shopping centre if CML operated there for 5 or more yrs)</td>
</tr>
<tr>
<td>Transitional Office</td>
<td>No (but possible in CBD, large satellite suburbs)</td>
<td>No (but possible in CBD, large satellite suburbs)</td>
<td>Possible</td>
<td>Yes</td>
<td>Yes (cannot use address at same shopping centre if CML operated there for 5 or more yrs)</td>
</tr>
<tr>
<td>Unbranded or Home Office, Mobile Services</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Casual Mall Leasing</td>
<td>Yes (but cannot use address if Fixed Office is in the same centre)</td>
<td>Yes (but cannot use address if Transitional Office is in the same centre)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

1. The Managing Director has overriding discretion in all office locations.

2. If you are in an Unbranded Office, Home Office or offering Mobile Services and a Fixed Office is allowed into the suburb of your advertised address (or a Transitional Office in the suburb is upgraded to “High-performing” due to results) it will be necessary within three months to do one of the following:

   - Use an address in another suburb as the advertised address – e.g. PO Box or address you can work from, OR
   - Move to a Fixed Office or Transitional Office with approval in another suburb, OR
   - Move to an approved unbranded office in another suburb – e.g. serviced office.

   In other words, you need to move your advertised address out of the suburb unless the office holder agrees to let you remain in the area until your two year transition period ends (at which point you will need to be full-time and in your own approved branded commercial premises in another suburb).

3. Casual Mall Leasing (CML) is where space is leased in a shopping centre normally for 4-10 weeks in the months of July-September. We do not actually recommend CML. There are quite a few problems with it in today’s business climate. This includes high expense, as most centres require professional pop-up units which can cost $6,000 - $10,000. Leases are also around $1,000 pw - $3,000 pw in worthy centres. There is also no guarantee that the centre will allow you to renew your lease in future years and this can mean substantial losses to your client base as CML clients do not transfer to a new address very well – they just drift away. Our advice – avoid CML.

III. Advertising area

Our franchise has no fixed territories. This means you can advertise for clients in any area, suburb, or state within Australia. It does not matter if your advertising crosses over into a suburb where another Franchisee operates. All advertising is beneficial in a very holistic way for all Franchisees. Your advertising will help other Franchisees and their advertising will help you. It is not uncommon, for example, for a consumer to receive a leaflet from a Franchisee who is geographically further away, but to then connect the branding in the leaflet with a Franchisee’s office with Success Tax Professionals signage who is closer to them.
IV. Qualifications and Experience for joining our franchise – (tax experience is not essential)

If you are already a tax agent you can skip this section, as you already meet the criteria.

If you are a non-tax agent, you need the following qualifications and experience:

- **Formal qualifications that non-tax agent applicants require:**
  - Either an approved Australian accounting qualification (diploma/advanced diploma [minimum] or degree) OR an equivalent overseas accounting qualification. You also need to be prepared to work towards completing any necessary additional units required by the Tax Practitioners Board with a target date of within 36 months after joining the franchise.

- **Experience that non-tax agent applicants require:**
  - A minimum of 6-12 months accounting experience, for example, in private sector or public practice. The accounting experience is preferably Australian, but overseas experience may also be acceptable. We look at each case on an individual basis.

- **So, in summary, to join us you need to either:**
  - Already be a **registered tax agent**, OR
  - If you are a **non-registered tax agent** you must be prepared to work towards becoming a registered tax agent in your own right within 36 months. (It is, however, actually possible to achieve this in as little as 12-13 months by Franchisees who make the right decisions, are capable operators and who are focused).

  This means for non-tax agents, you need to commit to aiming within 36 months of joining the franchise:

  ➢ To complete any additional units required for registered tax agent status, and
  ➢ To have gained sufficient exposure through Success Tax Professionals business activities to all forms of required work and in sufficient quantities to meet the practical experience levels required by the Tax Practitioners Board. This involves being active in your business and taking steps to secure work through local advertising, referrals and a productive business set-up and location. If you make poor decisions about office location, for example, your results will be negatively impacted on, as this affects customer numbers. Make smart decisions, invest in your business and learning and you can get there faster.

V. Franchisee Backgrounds

There are no hard and fast rules about a person’s background. Common backgrounds include:

1. Mature aged students who have completed their Australian accounting studies and worked perhaps as a company accountant or bookkeeper for a period of time.
2. Anyone seeking a ‘sea-change’, who holds an Australian accounting qualification and accounting experience. For example, we have Franchisees who have previously worked in the hospitality industry, for the government, in finance, retail, sales etc.
3. Migrants with overseas accounting qualifications who are prepared to/or who have already upgraded their qualifications to the equivalent of at least an Australian diploma/advanced diploma in accounting and who have some accounting experience (overseas or Australian).
4. Australian accountants seeking the benefits of our brand recognition and support systems.
5. Company accountants seeking to move into taxation and build their own public practice.
6. Bookkeepers with Australian accounting qualifications who want to build a viable accounting and taxation practice and perform more challenging and higher paid forms of work.

7. Tax Preparers who would like the rewards of operating their own business instead of working as an employee, and who hold an approved accounting qualification.

✓ Previous taxation experience is desirable, but not essential.
✓ Accounting experience (minimum 6-12 months) is required. Australian experience is preferable, but not necessarily essential as overseas experience is also usually acceptable.

7. Territories, Scope of Work, On-going Fees & Other Requirements

I. Franchise Territory

Franchisees receive a non-exclusive territory covering all of Australia. This provides Franchisees with flexibility and scope to operate a more dynamic and viable business by being able to advertise for business widely and accept business from all areas. There are, however, restrictions as to a Franchisee’s advertised address. See Different types of servicing options/offices and the conditions that apply. So, we provide you with protective measures for your advertised address but allow you to target a wide and diverse market.

II. Services Covered Under the Franchise and Unrelated Services

The only services provided by Success Tax Professionals Franchisees under the franchise are accounting*, (and bookkeeping), taxation and BAS services. No other service is to be branded as a Success Tax Professionals’ service. All other services are to be treated as a non-related business and marketed, branded and managed separately to Success Tax Professionals – e.g. home loan services and financial planning.

*Accounting refers to the full range of accounting industry services including general accounting, advisory services, and audit services.

III. What Are Our ‘Target Market’ Services?

Success Tax Professionals services are pitched at customers who require the following main professional services (within each category there are many sub-categories – for example, business advisory can have over 200 functions) – below is a broad guide:

- Individual taxation with extras (for example rental properties, capital gains, personal services income and other circumstances requiring professional advice).
- Business taxation including accounts, tax and audit (partnerships, companies, trusts and self managed super funds).
- Business advisory services (including asset protection, making business more profitable and valuable, and business management).
- Taxation planning.
- Self managed super funds (set-up and advice, accounts, tax and audit) – Note: accountants wanting to provide any financial advice, including advice relating to SMSFs will need to hold an AFSL (Australian Financial Services Licence) or operate under an AFSL.
- Private ATO rulings.
- Business accounting.

IV. Work is available all year round — it is not seasonal

The following page shows some interesting data for 2018/19, from the IBIS World Industry Report M6932, and will help you understand the industry a little better.

When you look at the charts you will see how large and diverse the industry is. When you hear of accountants talking about ‘seasonal work’ or work running out, it is typically because they only focus on, or limit their learning curve to being able to deliver services to the ‘Employee Tax Returns – Simple’
category. Abundant work opportunities, however, exist in other categories, including Employee Tax Returns – with extras (add-ons), Small Business Returns, SMSFs, Big Business, Tax Planning, Advisory Services, and Accounting/Bookkeeping.

The following chart shows the Australian accounting industry break-up. In 2018/19 the industry grew 3.1%. The forecast is for it to continue to grow by an annualised 1.7% over the next five years. There are 42,561 tax agents employing over 118,000 people in the industry.

The chart below shows the break-up of the $4.4 billion of Tax Services (which makes up 22% of the $20 billion industry and is shown in green in the chart above). Of this, market segment only 11.4% - (simple employee tax returns) is not a prime market to target as a proportion of the simple work is subject to consumers using the free myTax and self-service options. Outside of Tax Services, there are also other available markets of Advisory Services, Audit Services and Bookkeeping/Accounting. A lot of opportunities exist.
V. Franchise – Exiting and Terms of Restraint

Franchises offered, entitle the Franchisee to operate the business under the Success Tax Professionals Method and Marks in their territory (i.e. Australia-wide using our brand, systems and Intellectual Property). The franchise may be sold and the proceeds retained by the seller subject to the usual provisions in the Franchise Agreement concerning sale. The franchise can only be sold to an approved new Franchisee sourced by either the leaving Franchisee or Franchisor, or to an existing Franchisee. Terms of restraint preclude the leaving Franchisee from operating as a business owner (or employee) involved in accounting/bookkeeping, tax or BAS services within a 10km radius of the business premises of any Franchisee of the Franchisor. The restraint is for a period of 12 months.

VI. Franchise Fees Payable After Joining

- **Non-registered tax agents** pay franchise fees of 25% of the service fees rendered to the Franchisee’s clients for accounting, bookkeeping, BAS and tax services. (Special Circumstances: The fee may be reduced to 12.5% where the non-tax agent Franchisee purchases a parcel or whole practice of $100,000 or more of clients, and the Franchisee will complete any additional studies required for tax agent status within 12 months of the purchase. If this does not occur the fee reverts to 25%).

- **Registered tax agents** pay franchise fees to the Franchisor of 12.5% of the service fees rendered to the Franchisee’s clients for accounting, bookkeeping, BAS and tax services. Franchise fees reduce to 10% for turnover greater than or equal to $200,000 and are capped at a maximum of $30,000 per financial year.

VII. Meeting Performance Targets

Franchisees are required to meet minimum targets or the franchise will cease (to continue, the Franchisee can choose to make up the difference and receive their portion back – e.g. 75% for a non-tax agent). If this does occur it is usually only in Year 1 and infrequently in Year 2 and the reasons are usually disorganisation and inactivity either due to a personal event or poor application – e.g. simply doing nothing, or being unrealistic and working from home if you can’t have signage due to council restrictions and you also fail to use other advertising methods – it stands to reason you get very few clients. Once a business has momentum it usually expands due to recognition and referrals from your own client base. Also, by the end of Year 2 you need to be in an office with exposure, and this is also why Years 3 onward very rarely are an issue unless you do something damaging to your business like disappear overseas for extended periods of time resulting in clients leaving due to delayed services and unreliability.

Fee targets shown are excluding GST.

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$10,000</td>
</tr>
<tr>
<td>2</td>
<td>$20,000</td>
</tr>
<tr>
<td>3</td>
<td>$30,000</td>
</tr>
<tr>
<td>4</td>
<td>$40,000</td>
</tr>
<tr>
<td>5</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Franchisees need to be active in operating their business within a short time of joining the group. It is wise to evaluate priorities, family and work commitments, finances and other factors that may delay starting this business, before applying. If your circumstances are not conducive to starting the business, defer your application and wait for a more appropriate time.

VIII. Training Attendance

Non-tax agent Franchisees are required to satisfy attendance requirements at our Continuing Professional Development Programmes and also our Minimum Training Standards as covered in Section C ‘Training, Support and Development’. Franchisees who are tax agents are required to meet Minimum Training Standards as set by the Tax Practitioners Board and professional bodies they belong to. See [Section C - Training, Support and Development](#).
C. TRAINING, SUPPORT AND DEVELOPMENT

1. Basics

Success Tax Professionals provides Franchisees with a wide range of on-going support and training, plus business development guidance and assistance to work towards achieving a profitable accounting and taxation practice. We are serious about training and its impact on business development and overall success.

Prospective non-tax agent Franchisees need to assess prior to purchasing a franchise if they are able to meet our Minimum Training Standards which includes attendance at our In-house Programmes A and B. This may involve travel and accommodation costs as training is provided at the following two locations — Melbourne and Perth.

2. Attendance Requirements for In-house Programmes ‘A’ and ‘B’

Who must attend and how often:

- **Optional** for tax agents but highly recommended and can help meet Continuing Professional Education hours required by the Tax Practitioners Board and various professional bodies, like CPA.
- **Compulsory** for non-tax agents to attend at least 12 hours annually of training derived from Programmes A and/or B. There are legal reasons and professional development reasons that non-tax agent Franchisees must be able to commit to attending the Success Tax Professionals training programmes and meet Minimum Training Standards.

3. Training Dates for 2020

<table>
<thead>
<tr>
<th>Melbourne Programmes</th>
<th>When</th>
<th>Hours</th>
<th>Where</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘A’ ‘B’</td>
<td>15/02/20 - Saturday 16/02/20 - Sunday</td>
<td>9.00am – 4.00pm (6 hours) 9.00am – 4.00pm (6 hours)</td>
<td>Adina Apartment Hotel, Level 5, 189 Queen St, Melbourne VIC 3000</td>
</tr>
<tr>
<td>‘A’ ‘B’</td>
<td>02/05/20 - Saturday 03/05/20 - Sunday</td>
<td>9.00am – 4.00pm (6 hours) 9.00am – 4.00pm (6 hours)</td>
<td></td>
</tr>
<tr>
<td>‘A’ ‘B’</td>
<td>17/10/20 - Saturday 18/10/20 - Sunday</td>
<td>9.00am – 4.00pm (6 hours) 9.00am – 4.00pm (6 hours)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perth Programmes</th>
<th>When</th>
<th>Hours</th>
<th>Where</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘A’ ‘B’</td>
<td>22/02/20 – Saturday 23/02/20 – Sunday</td>
<td>9.00am – 4.00pm (6 hours) 9.00am – 4.00pm (6 hours)</td>
<td>Rendezvous Hotel, 24 Mount St, Perth WA 6000</td>
</tr>
<tr>
<td>‘A’ ‘B’</td>
<td>16/05/20 – Saturday 17/05/20 – Sunday</td>
<td>9.00am – 4.00pm (6 hours) 9.00am – 4.00pm (6 hours)</td>
<td></td>
</tr>
<tr>
<td>‘A’ ‘B’</td>
<td>31/10/20 – Saturday 01/11/20 – Sunday</td>
<td>9.00am – 4.00pm (6 hours) 9.00am – 4.00pm (6 hours)</td>
<td></td>
</tr>
</tbody>
</table>

Available annual hours: 36

Melbourne and Perth programmes are identical. Content is published closer to the event time.
Dates are confirmed and published at the beginning of each calendar year.

**Where are Programmes A and B held and when?** — Franchisees can choose to attend either the Perth CBD or the Melbourne CBD programmes or a mixture of the two. Programmes are delivered on specific weekends to allow for interstate travel or travel from country areas.

**When can you start attending?** — From the first programme available after you join.

**What is Zoom training?** — This is used as one of the support methods available for the head office support team to help franchisees with their work inquiries – especially where sharing of screens is helpful. You can request a session and participate by downloading Zoom [https://zoom.us](https://zoom.us/) and ensuring your computer is equipped with a camera, speakers and microphone.

### 4. ‘Minimum Training Standards’ - requirements for non-tax agents

Programmes ‘A’ and ‘B’ form an important part of the **Minimum Training Standards** in each 12-month period for non-tax agents. How these programmes fit in, and the additional requirements are described below.

All non-tax agent Franchisees are required to:

- ✓ Attend Programmes ‘A’ and/or ‘B’ – a minimum of 12 hrs pa, in either Perth or Melbourne.
- ✓ Complete a minimum of 30 hours of taxation training pa (of which relevant hours from Programmes ‘A’ and/or ‘B’ may be used).
- ✓ Complete a minimum of 20 hours of business development training pa (of which relevant hours from Programmes ‘A’ and/or ‘B’ may be used).
- ✓ Optional, but encouraged – read 10 business books each year to broaden business acumen.
- ✓ Keep records, and receipts as evidence of attendance at various other external training programmes for the purpose of audit by the Tax Practitioners Board and also for internal audit.

### 5. ‘Minimum Training Standards’ – requirements for tax agents

Tax agent Franchisees have the responsibility of meeting minimum standards set by the Tax Practitioners Board and any professional membership bodies they belong to such as CPA, IPA etc. Where tax agent Franchisees attend various Programme ‘A’ and ‘B’ sessions the hours may be used to help assist in meeting the required annual hours set by the Tax Practitioners Board and membership bodies.

Tax Practitioner Board requirements are generally as follows for ‘Continuing Professional Education’ (CPE):

- ✓ Tax agents should complete a minimum of 90 hours of CPE within a standard three-year registration period, with a minimum of 10 hours each year.

### 6. One to one training

In addition to Programmes ‘A’ and ‘B’, and Zoom Training we also provide one to one training (or small group training) to address learning needs specific to an individual’s needs. This is provided on an ‘assessed needs basis’. This might be delivered face to face or by video conferencing.

### 7. Support

Success Tax Professionals Franchisees work as a virtual team and members do not feel isolated. Head office helps to coordinate projects and advertising activities to assist members in developing their businesses,
including finding premises, assessing area demographics for business, purchase of client fees, and design of generic marketing material.

Support is customised to address the needs of all levels of operation, whether home-based, providing mobile services, or operating from commercial premises. The opportunity to network with others, share costs and gather business ideas is also facilitated by head office as a standard part of our assistance programmes.

Technical assistance with day-to-day application of policy, clarification of legislation and guidance on managing client work is provided via phone, email, or video conferencing by a registered tax agent at head office.

Access to our internal community forum also allows Franchisees to discuss casework and obtain advice from other experienced members, including registered tax agents in our network. It also allows for sharing of ideas, practice improvement and problem-solving. The forum is extremely well used.

8. Induction

For new Franchisees, the Induction process commences on Day 8 after the ‘7-day cooling off’ period has ended (the ‘cooling off’ period is the 7 days following settlement and payment for the franchise). Our Induction Training is outlined in the following table:

<table>
<thead>
<tr>
<th>INDUCTION TRAINING – GETTING STARTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Access to 29 self-paced online Induction Sheets. These are designed to provide start-up information and set-up requirements.</td>
</tr>
<tr>
<td>2. A 6-hour face-to-face familiarisation session covering HandiSoft basics, tax preparation procedures, establishment of a learning plan and general ‘getting started’ information. Trainers are located in Perth, Melbourne, Sydney, Brisbane, the Gold Coast, Alice Springs and Adelaide. This may involve travel for country or interstate Franchisees. It can also be timed to coincide with travel for Programmes ‘A’ and ‘B’ if joining close to Feb, May or Oct and if choosing a Melbourne or Perth trainer.</td>
</tr>
<tr>
<td>3. Option to visit a nearby practice and sit in on the client interview process to observe, or option to discuss the process by phone, Zoom or our forum.</td>
</tr>
<tr>
<td>4. Franchisees work on their learning plan (identified at the Induction stage) self-paced, over time by using identified resources, including in-house tools and library of manuals, external options – e.g. H&amp;R Block Course, our In-house Programmes A and B and Zoom Training. Learning will be a mix of internal and external options: Learning Tax</td>
</tr>
<tr>
<td>5. Franchisees complete tax *Module 1 - Salary and Wage Basics (self-paced), and accessed online. The target is to complete this within 7 weeks of joining.</td>
</tr>
<tr>
<td>7. *Modules 1-8 depending on skills and knowledge will take approximately 150 – 400 hours of self-paced study.</td>
</tr>
<tr>
<td>8. Post Induction: May be eligible for up to 15 hours of additional training on your live casework in the first 12 months, by a trainer at their office location or by remote assistance using Zoom. (This is different to technical support which is provided by head office and is continuously available at any time.)</td>
</tr>
</tbody>
</table>
Non-tax agent Franchisees can commence attending Programmes ‘A’ and ‘B’ from the first available programme and do not need to wait to complete Induction.

9. No (or limited) tax knowledge when starting

You can bridge the gap in a number of ways while actually running your business at the same time. Visit our website for options: Learning Tax

10. How are tax returns lodged for non-tax agents?

The Franchising Division has registered tax agents who delegate on all tax returns and other matters requiring tax agent action, for all non-tax agents.

They also provide non-tax agents with timely feedback and guidance for corrective action on work being submitted for lodgement. The supervisory registered tax agents do not correct problem areas, but instead provide the non-tax agent Franchisee with direction and help to fix the problem. This provides a learning environment, and non-tax agent development is monitored and coached.

The registered tax agent delegating on the work is responsible for the accuracy of the work before transacting lodgement.

Success Tax Professionals has a well-developed process for client interviews, sign-off sheets, collation of evidence, preparation of files and transfer of the required documents and files for processing. In other words — it is regulated and systemised.

We have a day 1 policy for all incoming work. This means our supervising tax agents check work the day it is submitted for delegation and lodgement.
**D. REGISTERED TAX AGENT STATUS**

1. **Joining us with non-tax agent status**

It is not necessary to be a registered tax agent to join Success Tax Professionals. Through Success Tax Professionals, our members can work towards achieving tax agent status by completing their studies (if any units are missing) and at the same time gain required practical experience through their Success Tax Professionals business activities, i.e. by completing the different types of tax work required to meet registration criteria.

This can circumvent the need to finish studies and work for a tax agent as an employee until the required experience is obtained. Our Franchisees can still be studying and building a business asset at the same time.

We have a supervisory infrastructure incorporating our head office tax agent staff, additional supervisory tax agents in the network at various office locations, field trips by supervising agents, additional training support officers in WA, VIC, SA QLD, NT and NSW, plus unlimited telephone, video conferencing and email contact to head office.

Our tax agent company is TaxSuccess Pty Ltd and we delegate on 100 percent of all non-tax agent work and provide feedback, supervision, support, training and mentoring.

2. **Achieving tax agent status**

All non-tax agent Franchisees need to work towards achieving tax agent status within a reasonable period of time – typically 12 - 36 months. This means completing any additional studies needed and also actively gaining clients and therefore experience through exposure to different types of work.

**Tax Agent Status = Qualifications + Experience:** Although there are a number of categories, the most common criteria for achieving tax agent status is to have the required formal qualifications plus sufficient demonstrated experience. This also means having enough variety in the work completed (Individuals, Partnerships, Companies, Trusts, and SMSFs).

Assuming an accountant has all the necessary units covered in their qualification and in enough detail, they also need to show enough ‘live work’ or practical application. This is typically a 12 or 24-month full-time workload (depending on whether a degree or a diploma is held).

It therefore depends on what steps a Franchisee takes to gain clients in order to meet the workload requirements. We can therefore make no guarantees as to when tax agent status will be achieved. Influential factors may include — whether you are part-time or full-time; type of office and location of office or servicing point for acquiring and seeing clients; expenditure on advertising; and how efficient you are at building client rapport, completing the work accurately and securing referrals. Much depends on your level of commitment to the business; how active you are and your set-up.

Part-time operators will not be able to meet the criteria in this category as their workload will be part-time, and nor will full-time operators who are not achieving a sufficient volume of work, even if they are available full-time hours. Your results or output must reflect a full-time workload. Advertising and choice of office and location play a very big part in results. Choose wisely and invest in your business so it expands. We can guide you.

A **full-time operator in a good office should aim to achieve status within one to three years.** The fees billed must equate to a full-time workload, covering a diverse range of work. This is one reason why we focus on getting our Franchisees into good commercial offices that will yield results, or we help them by sourcing clients that can be purchased by the Franchisee to expand their client base.
The more steps you take to gain clients, the more clients you service and therefore the more experience you hold as ‘demonstrated experience’ or evidence in support of your tax agent application. When we provide the required reference to support an application, we reference it back to this experience.

As at January 2020, we have 93 Franchisees. 46 hold tax agent status which (apart from 2 agents) has been achieved since joining the Success Tax Professionals network, and under our supervision and systems. This is current data and does not include additional tax agents who have since retired.

Tip: When a qualification is assessed by the Tax Practitioners Board, they may determine that additional tax and law or other units are needed. They assess each qualification on an individual basis and look at the units and the content in those units. You may need to complete additional studies which should be done at the same time as running your business. Remember that qualifications are only part of what is needed for tax agent status. Having sufficient practical experience is also a typical criterion. Determine early if your qualifications are sufficient or not, so that you can work on the required units while also building up your practical experience.

3. How we help you gain clients and experience

We can help you gain clients by skill development through our training, technical and business learning programmes and by mentoring you. We can also make opportunities available to you if they arise to purchase client fees. You may also have the opportunity to co-work with other members of the group in order to share and reduce costs, for example, obtaining better premises with higher exposure, so that you are more easily seen by customers in the market looking for an accountant. Opportunities arise because of synergies within the group and contacts we have outside of the group – such as business brokers.

The Franchisor invests in various advertising campaigns for the brand and network, to help facilitate business growth and recognition. This can significantly enhance a Franchisee’s own local campaigns.

Here are some ways in which Franchisor funded activities help our Franchisees to gain clients and experience:

a) **Website and Store Locator:** Our official optimised website lists our practices and includes an Office Store Locator for customer friendly searches by location. Practices are classified as Business Office, Residential Office, or Mobile Services. This allows the consumer to choose the most appropriate option for their needs as well as factoring in the locality. When you are ready, we list your location.

b) **Digital Marketing and SEO:** Our marketing company have a comprehensive Digital Marketing campaign in place which operates on a continuous basis. This campaign includes Facebook, YouTube, LinkedIn, Twitter, Google Plus, Website SEO and paid campaigns to boost various online activities and articles authored by Success Tax Professionals to drive interest to our website.

c) **Profile Raising:** We are involved in profile raising activities such as charity and fundraising projects. Brand awareness does not just come from advertising, but also from the contributions a business makes back into society and the community. It helps in establishing a business identity.

d) **Content is King:** We provide quality written blog posts on our website on a weekly basis and these are indexed quickly by Google and greatly improve search results for our business and franchise practices. We create original content whereas many businesses copy content and are penalised by search engines.

e) **Advertising Allowance:** Merit-based campaigns including a generous advertising allowance of $50,000 pa, granted to our ‘Top 10 Franchisees’ (who are rewarded for their performance results). Their individual campaigns have a flow-on effect to other franchise practices through association of the brand (i.e. brand recognition). This improves the outcome of the advertising campaigns of other Franchisees by adding credibility and establishing a reputable connection.

f) **Maps:** Our marketing company optimise Google Maps for each practice so you can be found.
g) **Profile Page:** We allow each practice to have a profile page on our official website, which is optimised by our marketing company. They link these profile pages, with Google Maps and the website Store Locator for each specific practice. This feeds through effectively into search engines.

h) **Templates and Advice:** We provide marketing guidance, one to one planning and design of select material that our Franchisees can replicate for various mediums such as advertisements, signage, editorials, directories and leaflets. We help you to determine a marketing direction.

In general, we raise the brand profile and credibility of our members and drive business to the Store Locator, Google Maps, and practice profile pages that we build for each practice on our website. Franchisees, however, must advertise locally to connect with their local community and establish a well-known presence to receive maximum benefit from what we do at Franchisor level.

We do not provide accountants with clients other than through the flow-on effect of our brand advertising and promotion for our network of members. We let the client choose who they prefer. This keeps the referrals objective and transparent.

As the Franchisor, we are required to re-invest a minimum of 10% of tax agent franchise fees produced back into group advertising for the network and brand. We review our choice of advertising mediums on a regular basis and we provide analytical data – for example, Google Map performance for each office location, and Store Locator/Profile Page results for each location – proof and evidence of advertising response rates.

### 4. Read about tax agent status, the categories and requirements

Registration requirements can be found on the Tax Practitioners Board website at [www.tpb.gov.au](http://www.tpb.gov.au). This is the best place to find the most up to date criteria and requirements.

You can also check your formal qualifications here to see if you need to complete extra units.

### 5. Reference for your application for tax agent status

As supervising tax agents for our non-tax agents, we are able to provide valid references to accompany applications for status. References validate the actual quantity of returns you have completed in each category of work.
E. OPERATING A FRANCHISE WITH US

1. Scope of work covered by the Franchise

A Success Tax Professionals franchise provides the opportunity to deliver the following three service areas:

- **Accounting (and Bookkeeping):** This means the full range of accounting industry services including general accounting, advisory services, and audit services — e.g. preparation of financial statements for clients, business advisory and the set-up of business structures. It includes bookkeeping at all levels — basic, and upgraded to professional accounting standard levels.

- **BAS Services:** This involves preparing or lodging an approved form about a taxpayer’s liabilities, obligations, or entitlements under the provisions dealing with Business Activity Statements (BAS); giving advice about the BAS provisions, or dealing with the Commissioner or the Commissioner’s delegate in relation to a BAS provision.

- **Tax Services:** This involves the preparation of income tax returns for individuals, sole traders, partnerships, companies, trusts, and self managed superannuation funds. It includes tax advice and related tax services.

2. Client services covered by the Franchise and fees payable to the Franchisor

✓ The franchise covers accounting industry services/bookkeeping, BAS and tax as described above.
✓ The one-off purchase fee is $0 - $15,000 (including GST) per Franchisee (Refer to: [How much does the franchise cost to buy?])
✓ On-going fees are paid by Franchisees based on actual work processed and billings. There are no minimum payments. If for example, a Franchisee has a four-week holiday period and no billings, they do not pay the Franchisor a minimum payment for that month.

The following fees are payable to the Success Tax Professionals Franchisor by Franchisees.

<table>
<thead>
<tr>
<th>Services</th>
<th>PRE-TAX AGENT LEVEL</th>
<th>SPECIAL CONDITION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Must operate</td>
<td>Can use</td>
</tr>
</tbody>
</table>
|          | under | own/other | Franchisor | (client base purchased of $100,000/+)
|          | Success Tax | name | 25% | This is where the Franchisee purchases a one-off fee parcel and either has, or will finish studies for tax agent level within 12 months of purchase date, otherwise fee payable reverts to 25% |
| Accounting | Yes | No | 12.5% |
| Bookkeeping | Yes | No | 12.5% |
| BAS | Yes | No | 12.5% |
| Tax | Yes | No | 12.5% |

<table>
<thead>
<tr>
<th>Services</th>
<th>TAX AGENT LEVEL</th>
<th>CAPPED RATE</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Must operate</td>
<td>Can use</td>
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</tbody>
</table>
|          | under | own/other | Turnover below | Turnover $200,000/+
|          | Success Tax | name | $200,000 | $200,000/+
| Accounting | Yes | No | 12.5% | 10% |
| Bookkeeping | Yes | No | 12.5% | 10% |
| BAS | Yes | No | 12.5% | 10% |
| Tax | Yes | No | 12.5% | 10% |

Minimum fees to charge the client are set down in our Minimum Fees document. Rates are indexed as required. Franchisees need to charge at least the minimum fee for the type of work performed – otherwise,
they may make up the difference themselves and receive their relevant % back (e.g. non-tax agent paying fees of 25% would receive 75% back).

When a Franchisee becomes a tax agent their on-going benefits continue — including full technical assistance, mentoring, access to training and business development programmes, marketing support, Franchisor digital marketing campaigns, brand recognition, and discounts on software and products.

Non-tax agents and tax agents must promote, and provide all accounting/bookkeeping, BAS and tax services under the brand name of ‘Success Tax Professionals’. This is compulsory. Being part of our franchise means operating under the brand name.

3. Full-time or part-time and the ‘two year transition period’

See: 'Two Year Rule’ to be full-time and working from approved commercial premises (high exposure).

4. Servicing location base (or suburb) – restrictions

See: Different types of servicing options/offices and the conditions that apply

5. Setting up an approved office

Benefits:

There are many benefits obtained from a commercial office environment that cannot be achieved easily by other methods of servicing (i.e. home office/mobile services). This is why some Franchisees choose to commence business from a commercial office from the very start. If you work from a Fixed Commercial Office, you are optimising your exposure to potential customers. If you work from a Transitional Commercial Office, you need to be realistic and accept that the reduced exposure that is characteristic of these types of offices, means you typically have a more commercially presentable and professional environment than a home office, but typically lack the profile-raising ability and walk-in customers characteristic of a Fixed Office. (Fixed Offices = high exposure and visibility, Transitional Offices = medium/low exposure and visibility.)

Commercial office benefits over a home office that vary depending on whether an office is ‘Fixed’ or ‘Transitional’, may include:

➢ Faster and easier expansion of the business. If your business is publicly visible, you increase the potential of being seen and selected by a customer.

➢ Ability to attract the higher paid forms of work far more easily – including business clients and customers requiring self managed superannuation funds. Typically, people requiring more advanced services prefer dealing with accountants who have a professional commercial set-up and are readily contactable. Perception counts. If you look successful you gain their respect.

➢ Less expenditure is required on other forms of less reliable or predictable advertising, as a professional office with high-impact signage and in a good demographic location provides advertising all year round just by being visible. Other forms of servicing such as a home-based office or mobile services require on-going advertising such as flyers and newspaper advertisements to make customers aware of your existence and availability. Home-based and mobile services are ‘out of sight, out of mind’ as far as the consumer is concerned unless they firstly are prepared to accept this type of service, and secondly happen to come across some advertising you have in circulation at the time they actually need the service.

➢ Separation of home and work environments facilitates greater productivity.
➢ Greater loyalty from clients (i.e. repeat business) and referrals of new clients from your loyal client base as you demonstrate professionalism, a stable environment and can be contacted at a recognisable and credible workplace.

➢ Access to a wider market. Some clients will avoid home-based or mobile services for specific reasons – e.g. a female on her own is less likely to use a mobile service or enter a private home for tax services.

➢ Should you choose to sell your franchise and clients at a later date, clients who have been serviced at a commercial office transfer across more readily to a new accountant compared to those serviced from home or by mobile visitation. This means you also receive more for your business, as a higher percentage of your client base should readily transfer across to the new accountant (and even more so if they continue to provide services from the same office). Home-based and especially mobile service clients are valued at much less in the dollar than stable commercial office serviced clients.

➢ Greater commitment to seriously investing in your business and hence increased viability. There are no shortcuts to getting somewhere in this business — you must invest.

➢ Possible opportunity to expand, by purchasing and relocating clients from a nearby practice selling all or part of their database. We can help source available parcels of clients or whole practices and assist in negotiating the purchase terms. This can facilitate fast growth but does require the Franchisee to be financial and able to finance the purchase. Office based accountants or accountants willing to take over the vendor’s office are viewed as more credible candidates by the vendor. In some cases, it is a condition of sale.

[Ask yourself this — ‘How often would I choose to have services completed by someone who was not operating from commercial premises?’ Would you trust a doctor, lawyer, or another practitioner who worked from home to be providing you with high-quality services? Perception is an important factor in choices made by potential clients. Treat home-based and mobile as being very temporary options.]

Office Costs – Leasing and Signage:

Setting up an office is not difficult and is often not as expensive as some people imagine. The Franchising Division can provide advice in determining viable locations and will provide the design of suitable artwork that is brand compliant for office signage. We discuss this with Franchisees after they become members.

Sharing an office is always an option. Some of our Franchisees have initially shared premises with a compatible industry or with one another.

Office signage can range from a few hundred dollars to several thousand dollars depending on size and the materials used. Good office signage substantially reduces (but does not eliminate) the need for other forms of advertising, is an excellent investment in your business and is very effective in promoting your business’ services. It pays for itself very quickly. It is there 24 hours a day, 7 days a week.

6. Business expansion through purchasing clients

Success Tax Professionals can assist Franchisees to expand their business through the purchase of parcels of clients from the general accounting industry. Not every Franchisee chooses this path, but it is highly recommended as a very effective way to increase business dynamics quickly. This is only suitable for Franchisees once they are ready to operate from a Fixed or good quality Transitional Commercial Office and if they possess a suitable skill level to manage the workload, or are prepared to co-purchase with another Franchisee who has suitable skill levels.

You can read more about client purchases on our website: Practice Acquisitions.

Franchisees should, however, not wait for fees to become available, as these may not eventuate. There are also typically (especially in metro areas) up to 70 buyers for every practice that becomes available.
We recommend putting this on your ‘wish list and letting us know of your interest so we can keep you up to date with available options.

7. Year-round work and creating a non-seasonal business

• Target the right market to begin with! This is discussed in Section B: What Are Our ‘Target Market’ Services?
• Don’t think as a seasonal tax return preparer – think as a professional accountant.
• Learn, advertise for work and practise new skills and knowledge. Be active.
• Don’t just become a compliance accountant. Steer the direction of your practice towards value added services such as business advisory and tax planning. You can upskill in these areas.

Unlike some other tax organisations, we focus on year-round work by ensuring our training programmes, information releases and support tools address a wide range of topics including value-added services, business advisory, tax planning, legislative changes, business taxation and self managed superannuation funds. The learning curve in such areas needs to be viewed as an apprenticeship. It happens over time and skills need to be practised as they are learned. Knowledge that you do not use in the live environment is easily forgotten and therefore does not help you build your business.

We also cover Individual (Employee) tax return preparation changes and new developments to take advantage of government initiatives and opportunities in this category of business and to provide a higher standard of service and customer satisfaction.

We want our members to be equipped to provide the full range of professional services and be proactive in making their clients aware of different options. This leads to new business and also facilitates client satisfaction, which in turn leads to referrals and growth.

What about your starter knowledge: Remember that if you have no/or limited starter knowledge in tax, then you can bridge the gap and still operate your business at the same time. We have in-house options (self-paced online) and there are external options (such as the H&R Block course and internet courses) for gaining beginner or even refresher knowledge. Visit our website to find out more: Learning Tax.

8. Equipment needs and outlook

Accounting and tax preparation software (HandiSoft) required for preparing tax returns is included in the franchise purchase fee. This provides software for the first year. Subsequent years must be purchased by the Franchisee (approximately $2000 pa, depending on modules purchased – some are essential, some are optional add-ons). Franchisees are eligible for our company-discounted rate. (Tax agents may use other software).

Other items you will need include:

▪ Computer, printer, phone, internet (basic office equipment).
▪ Merchant facilities.
▪ Working capital for advertising, stationery, etc.
▪ Suitable approved Fixed or Transitional Commercial Office as work premises within two years of commencement.
▪ Ability to work on the business full-time within two years of commencement.

9. Meeting performance standards

Once recruited, a Franchisee, needs to show commitment to building their business. This ensures that everyone contributes to the Success Tax Professionals brand, our overall business growth as a network and
the quality and standards set by the Franchisor. Examples of complying with performance standards include:

- Meeting Minimum Training Standards (as discussed in Section C - Training, Support and Development).
- Completing other study that may be required for registered tax agent status.
- Creating a viable work environment to foster business growth as described under ‘Equipment needs and outlook’ above.
- Not undertaking activities or behaviour that leads to brand damage.
- Responding promptly to feedback provided by a supervising tax agent to correct errors in work submitted, or supply additional information in order to allow for lodgement to take place and minimise processing delays.
- Complying with the Franchise Operations Manual.
- Charging the Minimum Fees for client services or being prepared to make up the difference.
- Achieving at least the base level performance targets. See Meeting Performance Targets.

10. Revenue targets

Revenue targets differ from the performance targets above. Whereas performance targets are the minimum results required to show reasonable levels of activity and progress, revenue targets are goals (and not requirements). The aim is for each Franchisee to produce accounting and tax services revenue for the first year of:

- $20,000 to $40,000 if operating part-time.
- $40,000 to $60,000 if operating full-time from commercial premises.
- $100,000 to $150,000 if purchasing fees and operating full-time from commercial premises.

The ten-year target is revenue of $500,000 to $1,000,000 pa, with profit of $250,000 to $500,000 pa.

11. Using our ‘Intellectual Property’ in your business

Our Franchisee Resources platform is a members-only environment of support tools, reference material/manuals and documents providing comprehensive information regarding fees to charge clients, checklists to be used and other administrative templates and information such as work-papers and guides. We update all information and tools on a regular basis and make these accessible to our network members. We also provide examples of advertising and marketing material that you can replicate for signage, brochures, advertisements, flyers, and business cards.

Marketing advice, support and assistance are available on an on-going basis to assist with business development. Corporate branded stationery and promotional material can also be purchased cost-effectively from head office as we produce most items in high volume.

Password access is provided to online Intellectual Property and our members’ resources library that comprise a self-help centre. Our members are also given access to our internal networking forum which as well as being technically informative, helps members to get to know one another, share ideas and discuss practice experiences.

12. Employing staff

Non-tax agents must not employ staff to complete any accounting (or bookkeeping), tax or BAS related
services. Staff can, however, be employed in administrative roles, but this should not be necessary in a full-time capacity until client fees exceed $150,000.

Tax agents can employ staff in all areas – accounting (bookkeeping), tax, BAS, administrative etc.

13. If your circumstances change – selling the franchise

Joining Success Tax Professionals should be viewed as a serious business commitment to genuinely working towards building a profitable and ‘true accounting and taxation practice’. Your circumstances, however, may change over time, so should you find yourself in a position where you need to sell the Franchise, the proceeds from the sale belong to you (we do not take any of the sale proceeds). We commence a working relationship with the new Franchisee who has purchased your clients and the franchise.

The franchise and the clients must remain together and are sold to a new Franchisee, who we both agree on as being suitable and who continues operating the business as a Franchisee with us. It is also an option to sell to an existing Franchisee who is seeking to expand their business (this is more commonplace when leaving the group).

(A restraint of trade period of 12 months exists for Franchisees leaving the Success Tax Professionals network. Leaving Franchisees cannot operate as a business owner [or employee] providing accounting, tax or BAS services within a 10km radius of the business premises of any Franchisee of the Franchisor).
F. FRANCHISEE STORIES

Below are some actual accounts of how some of our Franchisees have entered into business with us and developed their practices. If you become a Success Tax Professionals Franchisee, your journey will be unique and much will depend on the path you choose to take for that journey. Some Franchisees use the full two-year period to transition and become full-time operators working from an approved ‘Fixed Commercial Office’, whereas others make the move much earlier and some even commence their business at this level, like Nick Rieper below. Your results are affected by the decisions you make.

1. Nick Rieper (Alice Springs, Northern Territory)

- Commenced: 2015.
- Past methods of operation: Nil

“I joined Success Tax Professionals in 2015.

“Within two months of joining I moved into a Fixed Office. I did not want to waste time. I wanted to build my business quickly and tick all the right boxes for achieving this.

“My office is located in the Plaza Shopping Centre in Alice Springs and is in a high traffic area within the centre. This has played a significant role in the fast growth of my business. Customers have to be able to easily see your business. I went from $0 to $150,000 of client fees in 12 months. Importantly, I was prepared to invest in my business and pay the rent required for the location, to get the results. Because I had rapid growth, I was able to apply for tax agent status in my 13th month and my application was successful.

“At my practice, we have a ‘can do’ attitude. We don’t target price-sensitive clients and we don’t waste time on customers who are not prepared to pay the required service fees. We look to provide value-added services and work with loyal clients. Our target markets are business clients and more complex individual taxation clients with extras such as property and personal services income. There is a lot of work out there if you set yourself up properly. Tax and accounting are not seasonal unless you target the wrong market. We don’t provide services at a desk in the middle of the shopping centre for 6 weeks of the year like cheap seasonal tax preparers, we don’t worry about possible changes to the Individual tax return market, as we don’t focus on simple taxation matters – those clients can use the myTax system themselves.

“With office signage, I consulted with the Franchisor head office and they designed signage that would appeal to business clients, rather than heavily laden signage full of services as often seen on less up-market offices in the industry. Creating the right perception is important. I could not have achieved these results working from home, in a Transitional Office or by mobile services. You have to be in the ‘thick of the action’ to grow quickly.

“An important benefit of the franchise is being able to pick up the phone and ask a question, or email and get a fast response. Even now as a tax agent with staff, I find it reassuring to be able to check that I have interpreted a piece of policy correctly. The optimised Google Map listings provided by the Franchisor have been very helpful in generating new business, along with the official website Store Locator. Quality listings like these add credibility and can be
traced back by the customer to a reliable and well-established organisation and not a small-time accountant out on their own."

2. Daleen Jansen Van Rensburg – (Ellenbrook, Western Australia)

- Commenced: 2015.
- Past methods of operation: Part-time home based.

"I joined Success Tax Professionals in 2015. I have always liked working with numbers and data and running my own public practice was high on my list of ambitions.

"Initially, after joining in April 2015 I started providing services from home and by mobile services while I settled in, and wanted to have time to research a good office location. It is very important to get started quickly and not procrastinate. Let family and friends know and start doing some approved advertising. Once you have access look at the templates available online on the Franchisee Resources Page, as this contains a constantly evolving platform of documents and material; or even purchase from the Franchisor some cost-effective PR material to get started. Either way, the approval process for advertising is very straightforward. You can use the templates and ideas available online or work from scratch. The only requirement is to have all advertising forwarded to the Franchisor as a proof file or in a pre-published format for checking and authorisation. They will correct any mistakes and also let you know if your advertising will crossover with another Franchisee. In such cases it is often best to team up with the other Franchisee and run a cost-effective campaign together, so you both get a higher response rate and more recognition.

"The good thing about not having a fixed territory means that you can advertise broadly and there is no problem which area or even state the client comes from. The more proactive you are, the better your results are likely to be. You do have a protected location for your servicing base if you have a Fixed Office. It won’t prevent someone from advertising in that area, but it will prevent someone from being able to use the same suburb as an advertised address to go to for services.

"In the first 7 months of part-time business in the group, I actually exceeded the second year performance target of $20,000. In 7 months, I did $25,000 of fees, and the minimum target for the first year is only $10,000. This encouraged me to move into a Fixed Office. I began looking in my 9th month, and by the 12th month I found an office that was approved by the Franchisor as meeting Fixed Office requirements. It is ground floor with prominent street frontage and amongst other businesses like the Bendigo Bank. The signage artwork was completed by the Franchisor to tastefully work in with the premises, the surroundings and the professional perception I wanted to create in the local area.

"Being in a good office has many benefits. The Franchisor has a commercial office policy at the two-year mark for a reason. These offices work.

"My advice - be active quickly and look for a good office as soon as you can. Make the right decisions to help your business grow."
“You also need to be prepared to learn in this business. It does not stop. I like the fact that with Success Tax Professionals, you receive training on an ongoing basis, you have access to resource material to also train yourself, support is available as you need it and you get to build your business and practise your skills. There is no point having training and not using the information. You just forget it. For me, the system works well on ‘a learn and practise’ the skill basis.”

3. Maggie Lua (Glen Waverley, Victoria) Exit Strategy

- Past methods of operation: Part-time ‘Fixed Commercial Office’.
- Tax agent status: No (meets demonstrated experience levels, but requires extra tax/law units as assessed by the Tax Practitioners Board).

“Before joining Success Tax Professionals, I had acquired over 18 years of accounting experience working in the private sector in roles from accounts clerk through to finance manager. Originally from Singapore, I also operated my own bookkeeping business there for several years before moving to Melbourne in 2005. In Melbourne, I started offering bookkeeping services and also became a migration agent. I found that customers really wanted complete services and that bookkeeping was ‘a foot in the door’ to a much wider industry - i.e. professional level accounting and taxation.

“I spoke to both Darren and Tracy in the Franchising Division and really liked what I heard regarding training and support levels, with fast turnaround times. I also liked the fact it was a true career path and I would be legally able to complete tax work and eventually become a tax agent. I validated all this information by talking to a couple of Franchisees when I got closer to signing the final contracts.

“I was a member from 2011 – 2018 and can confirm that I received very comprehensive and extensive training that allowed me to confidently explore benefits and options with clients that many accountants would not know even existed. I really like learning and using new skills, so I never had a problem attending the Success Tax Professionals Training Programmes. I always walked away with knowledge of things I never knew before or that I was not fully across. You learn over time – don’t expect to ‘run before you can walk’.

“Being in a commercial office that has signage is the best way to get clients. People see signs – it’s that simple. Tracy in the Franchising Division designed my office signage and also gave me some tips for improving my office’s exposure in the local community and this paid off.

“In 2017 I made the very tough decision to exit the business as I needed to return to be with family in Singapore. To transition out of the business I sold part of my practice to another Franchisee (Ajith) and over the next 12 months we became joint principals while I provided extra training to him. Then a brand new franchisee bought me out in 2018 and became joint principals with Ajith.

“I speak English, Mandarin and some Cantonese. During my time in the group I followed the advice given to make sure I advertised my business as a multi-cultural business. No matter what you think, you will not get enough business by trying to focus on only one cultural group. It’s common to think you can hone in on your background and use that as a vehicle to target Chinese
people if you are Chinese, Italian people if you are Italian etc. It just does not work. For the health of your business, you need to create a broad client base."

4. Nikki Khashaman (South Lake, Western Australia)

- Past methods of operation: Part-time home based.

“I joined Success Tax Professionals in February 2018. I am originally from Iran and speak English and Persian. In Iran I owned and operated a legal consultancy firm.

“I moved with my husband to Australia in 2013 and completed a Bachelor of Commerce through Curtin University in 2016. I then worked for a Perth accounting firm as an intern assistant accountant followed by junior assistant accountant between July 2016 – May 2017.

“I really wanted to own and operate my own tax practice as I had previously operated my own legal firm in Iran. The franchise opportunity created that avenue for me. With on-going support and training, business development guidance, mentoring and supervision it ticked all the boxes for me.

“I started from home initially until I found an office that was suitable. This took around 5 months. I did not want to waste time on an office that had limited exposure or benefits, so I went for the best office I could afford that had high visibility and that was near other businesses that people use on a regular basis. This turned out to be on the outside of a suburban shopping centre. The centre contains Aldi, Coles, Australia Post, food outlets, ATM machines and nearby is a Caltex service station.

“It is worth paying more rent in order to be where people can see you and importantly in an area where they are more likely to recall your presence if they need a service. This is why industrial areas for example are poor options. People do not think of a professional service as ‘belonging’ in an industrial area so you can be easily overlooked. People easily recall options for services that have a clear presence in the main hubs that they use often. This also means your signage must be very visible.

“I attend the training programmes and these have been extremely helpful in allowing me to provide skilled services and charge higher fees. Being able to access immediate support is also fantastic as you never feel out of your depth and you know you can accept a wide range of work and manage it.

“I also decided to become a TaxFitness subscriber (which is optional). TaxFitness is operated by the Franchisor as a completely separate business and is an industry programme for tax planning. Tax planning is a higher tier service and I am very much into value-adding as it retains your clients and increases fees.

“I became a tax agent in 2019, 20 months after joining the group. I probably could have achieved this earlier but it took me around 5 months to find the right office to place me in a position where I was able to get good traction in the market. If you are home based, go into an office sooner rather than later.”
5. Mark Vernal (Rockingham, Western Australia)

- Past methods of operation: Nil.

“I am actually a qualified chef and I wanted a complete change, so I studied accounting as a mature age student. Success Tax Professionals allowed me to start a business without having to work for someone else on wages. I could have started from home, but I chose to find an affordable office in the Safety Bay area and look for a compatible business operator to share the space. I ended up sub-lease space to Mortgage Choice and the arrangement worked out well for sharing costs and providing coverage for one another.

“Head Office helped design signage for my office so it was brand compliant, and to find a good service provider to install the signs. A-frames and corflute roster signs were also designed as part of my promotional material for the office as these moveable signs add an extra dimension to signage and office exposure. I have also used extra advertising in the form of business directories.

“Password access to the intellectual material for Success Tax Professionals gives you access to work day tools, letters, forms, checklists, technical manuals and also marketing material concepts. You can focus on running your business and use all these ‘best practice’ products. If you are interviewing a customer – you have a checklist for this, if you are preparing minutes for trust distributions there is a template to use, and so on.

“I completed the final units for tax agent status in 2012; however, I had met the ‘demonstrated experience’ levels for tax agent status well before then as a result of running my business and obtaining sufficient quantities of tax work in all the relevant areas. So had I finished my studies earlier I could have been a tax agent much sooner. I qualified in February 2012 as a registered tax agent.

“I moved office in 2014 as I needed larger premises for staff and expansion. I consulted Tracy, in the Franchising Division and she organised for the artwork to be prepared for my new office.

“It’s nice to be part of a larger group – even if you are brilliant, a potential business customer can still have the perception of uncertainty if you don’t have backing. Therefore, being part of a brand definitely adds credibility for gaining good clients – especially business clients. They like the fact there are standards and a sound structural organisation.

“If you take advantage of all the systems available through the franchise you can really get ahead. If you need help – all you have to do is ask. You also have to take responsibility and understand that you are in business and this is very different from being an employee. You can’t disappear off overseas for three months and expect to have clients when you return. You have to be here for your business and keep your finger on the pulse. Take normal holidays and keep your clients informed of closures and what to do if they have an urgent situation. Communicating with your clients is important. Being contactable is important. You have to be able to manage your business and not just see yourself as a technical operator. Your job is to grow your business.”
6. Hakan Selvi (Tuggerah, New South Wales)

- Method of operation: Full-time ‘Fixed Commercial Office’ with purchase of client fees from within the group.
- Past methods of operation: Purchased 50% of an established Success Tax Professionals practice and 8 months later purchased the other 50%.

“I had previous accounting experience and also taxation experience from past employment which included working for a tax accountant.

“I decided, ‘I can do this – I don’t need to work for someone else.’ Even though I had public practice experience, I was not a tax agent as my experience levels were not at that stage to qualify.

“I wanted to fast-track growth and I checked the Careers page on the website and found that within the Success Tax Professionals group there was a Franchisee seeking a partner to purchase half of his established practice and with the option to buy the other half for 100% ownership at a later date. He was seeking to leave the industry due to family and health reasons. This was a great opportunity.

“So, I initially purchased $100,000 of clients and operated the business in Tuggerah, NSW with my Franchisee partner for eight months. Then I bought his 50% and he left the business leaving me with 100% ownership.

“The $200,000 of client fees has provided me with an income and excellent growth opportunities. When buying fees you pay a realistic percentage upfront and then the balance in 12 months based on client retention. This is protective and encourages the seller to assist in client introductions and additional handover support in order to maximise the retention of clients.

“I’ve been able to add additional services such as tax planning by using TaxFitness (https://taxfitness.com.au/), which is a sister business to Success Tax Professionals. With an existing client base you can profile the clients to see what extra services they could benefit from. It’s a win-win situation because they make extra tax savings and as a practice owner you generate more fees, plus satisfied clients refer new business to you. Too many tax accountants just provide compliance services like tax returns and BAS. Through Success Tax Professionals training programmes and affiliation with TaxFitness I’ve been able to seriously upscale business.

“I became a tax agent in 2019 – one year after joining Success Tax Professionals.”
G. SUCCESS TAX PROFESSIONALS – SNAPSHOT

1. Male to female group numbers

Franchisees by Gender as at January 2020

- Male: 59
- Female: 34

2. Tax Agent Status

Franchisee Status as at January 2020

- 42 Non-Tax Agents
- 5 Tax Agent status achieved since joining
- 2 Applications with the TPB
- 44 Tax Agent before joining
Here are some things to factor in when looking at the data:

- **Success Tax Professionals** started in WA in 2003 and expanded to the east coast and other states in 2010. WA has therefore had a head start in terms of recruitment.

- **Now:** Since January 2018, non-tax agent Franchisees need to attend 12 hours (minimum) of face to face In-house training (Programmes A and/or B) in either Perth or Melbourne. This allows a Franchisee to travel only once a year if they choose to complete 6 hours of ‘A’ and 6 hours of ‘B’ on the same weekend. In the past Franchisees were required to attend 36 – 60 hours per year of programme material in person. The reduced travel requirements for inhouse training purposes has introduced added flexibility without compromising training standards and this has helped to facilitate expansion on the east coast.

**4. What's happening in Success Tax Professionals?**

You can visit our web-site and social media pages for more information, including videos about franchise purchases and our business model. We currently have around 7,500 followers on Facebook and over 150,000 people visit our web-site annually.
At Success Tax Professionals, we are serious about Franchisee development. Our Professional Development Training Programmes allow Franchisees to set realistic goals and targets and to constantly improve their skill levels.

Non-tax agents need to attend at least 12 hours of Programme A and/or B material annually and for tax agents this is optional. Many tax agents do attend. A lot of Franchisees, in fact, choose to attend all sessions. As well as technical and business development benefits, the networking benefits with other Franchisees are also highly valuable.

End of year functions, Melbourne Crown and Perth Crown
Fixed Offices (high exposure & great signage) - Examples

Fixed Offices are ground level offices in areas that have traffic exposure, are conducive to a professional services business (as opposed to industry, for example), and have visible high-profile (impact) signage and branding opportunities. These types of offices allow for walk-in business and a strong visible presence in the area. Potential customers repeatedly seeing office signage is a strong factor in gaining new business. Advertising works by repetition. Offices with these characteristics are the optimal sites for promoting growth and a non-seasonal workload.

- Ground level for walk-in business.
- Excellent location, retail-oriented and located with other businesses to draw customers in.
- Other businesses at the location are used by customers on a repeat basis – e.g. bakery, supermarket, chain store etc. which optimises the number of times the accountant’s own signage is seen and creates a convenience factor for the customer if they regularly travel to the location for other reasons. This is known as being on the ‘ant trail’ (or path repeatedly travelled by a consumer).
- Convenient parking (not a deal breaker, but has benefits)
- High traffic exposure by foot as well as by vehicles.
- Modern and aesthetically pleasing office and surrounding buildings.
- Highly visible signage and branding for advertising purposes.
- Operated full-time.
3. Transitional Offices & Unbranded Offices - Examples

**Transitional Offices** may be used by Franchisees, and sometimes they convert to Fixed Office status if they perform well. Transitional Offices vary greatly in how much scope they provide for obtaining new business. Transitional Offices with more visible signage are more successful than those with less visible signage or obscured signage. Transitional Offices do provide a commercial environment in which to see clients, which is more professional than a home-based environment, and they help to separate home and business life. They do not have the same optimised dynamics for obtaining walk-in business or easy recognition of your business like a Fixed Office does, as they are less prominent, less well-positioned and less noticeable.

**Unbranded Offices** are typically only servicing points and the Franchisee is virtually completely dependent on using many other forms of advertising on an on-going basis in order to gain a customer base. They can be used for up to two years after joining.

Transitional Offices have visible external signage which might be on an upper level, or have restricted signage opportunities, or be in a medium/below medium exposure area.

Unbranded Offices like the former Rosebery, NSW office, with no visible street signage are often inside buildings and have no visible profile in the community. Examples also frequently include serviced offices or rooms.

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**Former Geelong, VIC** (fascia signage). The office is inside the building on level 1 where the windows are above.

**Former Geelong, VIC** (door signage to accompany fascia signage).

**Former Rosebery, NSW** Unbranded Office on level 5 with no visible external building signage. Such offices are mainly a servicing point, but without promotional benefits as they lack signage and will require extra effort by potential customers to enter buildings and take stairs or lifts. Clients usually come from sources such as flyers, referrals or advertisements as these offices do not ‘promote’ themselves and completely lack exposure.
4. Home-based and mobile services - Examples

Home-based and/or mobile services are options for up to two years after joining. It is important to have realistic expectations and be prepared to advertise extensively as neither home-based, or mobile services present the same opportunities as good Fixed Offices, or even a reasonable Transitional Office.

Home-based options will also be restricted by council requirements whereby signage of any description will usually require approval and may in fact not be permitted at all within certain residential areas. If permitted, it will be restricted to a certain size – for example, one square metre or less.

**VIC** home-based office with A-frame use (subject to council approval)

**QLD** mobile services car signage

Car signage is not helpful in gaining clients on its own. Its main use is to link other signage together – e.g. office and car, Home signage/A-frame and car. In other words, it is weak signage on its own.

**QLD** home-based office
I. COMMENTS FROM MANAGEMENT

Darren Gleeson – Managing Director

“One of the benefits of Success Tax Professionals is being able to start the business either on a part-time or a full-time basis. Either way, a Franchisee receives access to training, technical support and all of our various assistance programmes. We know that some people will want to ease their way in, whereas others are ready to be in a full-time practice straightaway. Therefore, if someone wants to start out from home and part-time, we develop a business plan and provide ideas and options for marketing and gaining clients. If someone else wants to start full-time in an office we also develop a business plan, but our assistance might be directed towards helping find an affordable office, assessing the demographics of a location for business potential, and providing marketing ideas to raise the profile of the office.

“Down the track, this same Franchisee might decide to buy clients as a part of business expansion – in which case we will work to find fees for sale and help negotiate with the vendor and lending institutions if necessary.

“If one of our home-based Franchisees is ready to move into an office, then we will help them make this transition cost-effectively by providing advice and guidance.

“Basically, everyone wants to run a successful business – so the desired end result is similar, but the path and timeframe will be different. Our head office itself, is not involved in providing the public with tax services, therefore we are able to work full-time on Franchisee support. This is a unique service and level of service”.

Tracy James - Franchisee Development Director

“Success Tax Professionals takes a different approach to building a business in accounting, BAS and tax services. We do this by providing on-going training and support in multiple areas of business. It is not enough to simply focus on technical skills. By focusing on multiple areas, we deliver not only technical training, but also support systems and developmental business programmes. For example, only targeting technical skills might make someone a great employee, but a poorly equipped business owner in practice for themselves. Without practice management skills, they will struggle in business and often do things inefficiently, or completely overlook important functions. Managing and monitoring staff, benchmarking using industry standards etc. – there are many ‘foreign areas’ to get a handle on. Even tax agent responsibilities and audits by the ATO can be daunting for inexperienced practice owners.

“No two Franchisees are the same or have the same needs. Some needs are common or generic amongst members and others are not.

“We know our Franchisees very well. We are in frequent communication with them. We know their strengths and their weaknesses and stages of development. We are proactive in addressing their on-going development and in adding value. How receptive a Franchisee is to the advice we provide can have a profound impact on how quickly they develop.

“We are always pleased when a Franchisee achieves tax agent status as this typically means they have also grown their business and are on track with gaining momentum. It is by far not the only marker, as we want to see their business continue to grow and not plateau out. This gets down to practice management and is an area of particular interest to us.”
# J. MANAGEMENT

## Executive Management

<table>
<thead>
<tr>
<th><strong>Darren Gleeson</strong> Managing Director (Executive)</th>
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| Darren Gleeson has been involved in the accounting public practice industry for over 25 years and is a founder of the Success Tax Professionals franchise group of Registered Tax Agents and Public Accountants.  
Darren is a taxation and business development specialist who is an advocate for, (and active in) the development, training and mentoring of accountants so they achieve their full potential and provide more value-added and proactive services to their clients.  

<table>
<thead>
<tr>
<th><strong>Tracy James</strong> Franchisee Development Director (Executive)</th>
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</table>
| Together with Darren Gleeson, Tracy James is a joint founder of the Success Tax Professionals franchising business.  
Tracy has received awards for Project Implementation as well as Learning and Development, for a number of innovative concepts and programmes she created, cultured and rolled out in the workplace.  
Tracy’s awards include an Australia Day Achievement Award administered by the National Australia Day Council and an Australian Training Award (ATA).  
Prior to Success Tax Professionals, Tracy’s career history included 20 years’ experience in senior management positions in national customer service organisations including large call centres and government departments where she was responsible for change management and performance initiatives. |

## Digital Marketing

<table>
<thead>
<tr>
<th><strong>Roydon Snelgar</strong> Digital Marketing Manager</th>
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| Roydon founded Pixelpi in 2012 to fill a quality gap in the digital marketing industry. Pixelpi connects businesses with customers through relationship focused content-driven online marketing. Roydon advocates long-term holistic strategies that build gradually over time with durable far-reaching impact rather than temporary quick fixes.  
Roydon has extensive experience in the industry and a track record of success, having worked in marketing for 15 years and digital marketing for over 10 years. He has an undergraduate degree in Marketing and a Masters in Business Administration from Curtin University of Technology. |
## Training Support and Induction

<table>
<thead>
<tr>
<th>Trainer</th>
<th>Location</th>
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<tbody>
<tr>
<td>John Lee</td>
<td>NSW, ACT</td>
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<tr>
<td>Danny Dinkha</td>
<td>NSW, ACT</td>
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<tr>
<td>Daleen JV Rensburg</td>
<td>WA</td>
</tr>
<tr>
<td>Hadel Mikho</td>
<td>VIC, TAS</td>
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<tr>
<td>Will Tun</td>
<td>QLD</td>
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<tr>
<td>Sutha Thanabalasingam</td>
<td>NSW, ACT</td>
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<tr>
<td>Judit Rahmanne</td>
<td>WA</td>
</tr>
<tr>
<td>Vincent Wan</td>
<td>VIC, TAS</td>
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<tr>
<td>Unni Ashok</td>
<td>QLD</td>
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<tr>
<td>Nick Rieper</td>
<td>NT</td>
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<tr>
<td>Mark Vernal</td>
<td>WA</td>
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<tr>
<td>Sanjaya Thakur</td>
<td>VIC</td>
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<tr>
<td>Andy Asiandi</td>
<td>SA</td>
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<tr>
<td>Nina Wilkinson</td>
<td>WA</td>
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<tr>
<td>Joanne Nguyen</td>
<td>WA</td>
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<tr>
<td>Ed Gebert</td>
<td>Relief Trainer (WA)</td>
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<tr>
<td>Robert Ellis</td>
<td>Relief Trainer (WA)</td>
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<tr>
<td>Cindy Fu</td>
<td>Relief Trainer (VIC)</td>
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<tr>
<td>Chris Black</td>
<td>Relief Trainer (QLD)</td>
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<tr>
<td>Shree Ramthulal</td>
<td>Relief Trainer (NSW)</td>
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- New franchisees can choose their trainer as a part of induction.
- Trainers work with checklists to cover relevant familiarisation material for new franchisees.
- Trainers are contactable following induction.

### Supervisory Tax Agents
- Darren Gleeson (WA)
- Daleen JV Rensburg (WA)
- Mark Vernal (WA)
- Stella Leong (WA)
- Sunil Adiyodi (WA)
- Mamun Rashid (NSW, ACT)
- John Lee (NSW, ACT)
- Hadel Mikho (VIC, TAS)
- Vincent Wan (VIC, TAS)
- Unni Ashok (QLD)
- Chris Black (QLD)
- Andy Asiandi (SA)
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>1. What is the purchase price of the franchise and payment options?</td>
<td>2. What software is used to prepare tax returns and who pays for it?</td>
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<tr>
<td>3. What place does Xero, MYOB or QuickBooks have at professional practice level?</td>
<td>4. What about Professional Indemnity Insurance?</td>
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<tr>
<td>5. Can I purchase the one franchise with another person?</td>
<td>6. Can I purchase the franchise in a company or other structure, or change the structure later?</td>
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<tr>
<td>7. What franchise fees are payable following purchase?</td>
<td>8. What name do I provide services under?</td>
</tr>
<tr>
<td>9. Can I employ staff?</td>
<td>10. Are there Franchisees who have achieved tax agent status?</td>
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<tr>
<td>11. How long will it take to become a tax agent?</td>
<td>12. What qualifications and experience do I need to join?</td>
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<tr>
<td>13. Can I work from home or provide mobile services?</td>
<td>14. Can I work on a part-time basis?</td>
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<tr>
<td>15. Can I find my own Fixed Office, Transitional Office or Unbranded Office?</td>
<td>16. Can I have more than one Fixed Commercial Office?</td>
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<tr>
<td>17. How quickly will I gain clients and viability?</td>
<td>18. How should I view the ‘Two Year Transition Period’?</td>
</tr>
<tr>
<td>19. How do I know what to charge clients and can I set my own fees?</td>
<td>20. Does the Franchisor advertise for clients?</td>
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<tr>
<td>21. Do I need to be registered for GST?</td>
<td>22. What are the In-house Training Programmes that non-tax agent Franchisees must attend?</td>
</tr>
<tr>
<td>23. How is induction training addressed?</td>
<td>24. Can I receive one to one or small group training and technical support?</td>
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<tr>
<td>25. Is this business seasonal and where does the work come from?</td>
<td>26. Why is repetition with advertising an important factor?</td>
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<tr>
<td>27. Can I receive advice on how to market my business?</td>
<td>28. Do I require approval for marketing my business?</td>
</tr>
<tr>
<td>29. I am thinking of only targeting a niche market – will this be viable?</td>
<td>30. What % of Franchisees are terminated or cease due to failing to meet performance or franchise requirements?</td>
</tr>
<tr>
<td>31. Is there corporate stationery?</td>
<td>32. Are there forms, tools and other support resources a Franchisee can access?</td>
</tr>
<tr>
<td>33. How long is the franchise contract?</td>
<td>34. What happens at the end of the 20 year contract term?</td>
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<tr>
<td>35. What happens if I decide to cease business at any point in time?</td>
<td>36. Are there fixed territories and what areas can I advertise in?</td>
</tr>
<tr>
<td>37. If there is a commercial office in a suburb can there also be a home-based office or mobile services in the same suburb?</td>
<td>38. Can Franchisees who are home-based during the ‘Two Year Transition Period’ have signage at their house?</td>
</tr>
<tr>
<td>39. Can I talk to some of the Franchisees before I decide to purchase a franchise?</td>
<td>40. I’ve read this Information Package and have a serious interest in the franchise. What do I do next?</td>
</tr>
</tbody>
</table>
1. What is the purchase price of the franchise and payment options?

The purchase price is a one-off payment of $0 - $15,000 (including GST) per Franchisee. In most cases, all but $1 of the purchase fee may be tax deductible depending on your circumstances. If registered for GST, the GST is refundable. The purchase can be paid in a single instalment or by a loan arrangement.

2. What software is used to prepare tax returns and who pays for it?

The Sage HandiSoft suite of products is used by all non-tax agents (for tax agents it is optional). The first year of Sage software is provided by the Franchisor. Thereafter Franchisees purchase the software each year through the Franchisor based on the discounted group volume price we obtain from Sage HandiSoft. The software costs approximately $2000 pa (subject to modules purchased) and is subject to variation.

3. What place does Xero, MYOB or QuickBooks have at professional accounting practice level?

All non-tax agents must prepare accounting and financials for clients in HandiSoft products which are designed for accounting professionals – i.e. HandiLedger. Franchisees do need to become familiar with various other programmes like Xero and MYOB as their clients may use these. Therefore, this usually involves the purchase of one or more of the programmes. Data prepared by clients in some programmes can also be imported into HandiSoft.

4. What about Professional Indemnity Insurance?

Non-tax agents are covered by the Franchisor’s policy. Registered tax agents require their own policy and can choose to join the Success Tax Professionals group policy and pay the required contribution. Most of our tax agents in the group choose to do this.

5. Can I purchase the one franchise with another person?

Scenario 1: Both parties want to be owner-operators and provide core services - accounting/bookkeeping, tax or BAS services: If both of you want to be owner operators providing services covered by the franchise (i.e. accounting/bookkeeping, tax and BAS) each person must purchase their own franchise at the discounted price of $10,000 (incl GST) and comply with all franchise requirements. For example, complying with our Minimum Training Standards Policy, attendance at Programmes ‘A’ and/or ‘B’ for the required period etc.

After purchase, franchise owners can elect to operate a practice together or operate two separate practices from the same premises with the benefits of sharing overheads, rent and advertising campaigns. In such a case, should one member choose to terminate the arrangement with the other party and move location, then each member still has their own franchise and clients, allowing both parties to continue independent of one another. This is protective.

Scenario 2: The other party will be an owner, but will not be providing core services - accounting/bookkeeping, tax or BAS services: This means the other party purely wants to be an investor in the business – e.g. a silent partner, or an investor who will definitely not be providing any of the services offered under the franchise (i.e. no accounting/bookkeeping, tax, or BAS services). For example, a financial planner or mortgage broker who wishes to invest in the business only.
In this scenario, only one franchise is required. It would be commonplace for the franchise to then be purchased under a company structure and the silent partner allocated shares as a shareholder (assuming they want recognition of their investment in this way). The applicant purchasing the franchise and the investor may also choose a less formal arrangement that both parties agree on.

From a Success Tax Professionals perspective, only the Franchisee will be permitted and authorised to provide accounting/bookkeeping, tax and BAS services. The Franchisee also cannot employ anyone to provide accounting/bookkeeping, tax or BAS services until tax agent status has been achieved in their own right. They can, however, employ staff in administrative or reception duties. See Question 9: Can I employ staff?

Scenario 3: The other party will not be an owner, but will work in the business:
In this scenario, only one franchise is required. The Franchisee may employ the other party to perform administrative or reception duties, but they cannot perform accounting/bookkeeping, tax or BAS duties until the Franchisee becomes a tax agent. See Question 9: Can I employ staff?

6. Can I purchase the franchise in a company or other structure, or change the structure later?
Yes – you can purchase as either an individual, under a company structure, trust etc. If you originally purchase as an individual you may also change to a company at a later date for no cost.

7. What franchise fees are payable following purchase?
See: Client services covered by the franchise and fees payable to the Franchisor

8. What name do I provide services under?
All tax, accounting, BAS and bookkeeping services must be provided under the name of Success Tax Professionals and branded as such. You cannot operate under a different business name. This may involve rebranding any existing client fees you have – e.g. tax agents joining the group with an existing client base.

9. Can I employ staff?
If you are not a registered tax agent you cannot employ staff to provide:
• Accounting, bookkeeping, or BAS services (not permitted under the franchise).
• Taxation services (not permitted by the Tax Practitioners Board or the franchise).

You can employ staff for administrative, clerical and reception-based duties, but should not have a need for full-time support staff until your total fees are above $150,000.

If you are a registered tax agent you can employ staff for:
• Accounting, bookkeeping, tax and BAS services
• Administration, reception, clerical and support functions.

Registered tax agents should selectively recruit their tax staff and ensure they participate in on-going professional development as failure to maintain a current knowledge can lead to mistakes, customer complaints, loss of business, penalties payable by the tax agent and the need to respond to the Tax
Practitioners Board and/or Australian Taxation Office. Employing staff comes with responsibilities. All staff in all areas should receive regular training, and staff involved in the delivery of tax services must be supervised.

10. Are there Franchisees who have achieved tax agent status?

Yes. As at January 2020, we have 46 tax agents in the group with 44 having achieved status after joining. There are also additional applications before the Tax Practitioners Board. Some Franchisees also have employees who have also achieved tax agent status.

11. How long will it take to become a tax agent?

See Section D: Registered Tax Agent Status.

12. What qualifications and experience do I need to join the group?

See the relevant part in Section B: Qualifications and Experience – Criteria (tax experience is not essential).

You do not need to have tax experience if you have the focus and commitment to learn. For developing or refreshing your starter knowledge see: Learning Tax.

13. Can I work from home or provide mobile services?

Yes, but only in the first two years after joining.

14. Can I work on a part-time basis?

For up to two years from the start date of your franchise.

15. Can I find my own Fixed Office, Transitional Office or Unbranded Office?

Yes, you can. The Franchisor, however, must view the premises and approve the premises as being suitable and the suburb available before you sign the lease. Even the advertised address for a home office or mobile services operator requires approval to prevent conflict.

16. Can I have more than one Fixed Commercial Office

Once you are a registered tax agent you can have more than one office if you choose to, as you will be able to employ staff to provide accounting, bookkeeping, BAS and tax services. Until then, as a non-tax agent, you cannot employ staff in this business other than in an administrative capacity. Multiple offices are complex and can be difficult to operate.

17. How quickly will I gain clients and viability?

This depends on a number of factors including:
• Whether you advertise for clients using effective mediums and on a regular and on-going basis. Advertising is important and essential to business growth – particularly in the formative years of your business. If you do not have funds to allocate to advertising then this business is not suitable for you at this point in time. Your business will fail without advertising.

• Your ability to build rapport with customers, complete the work with timeliness, promptly respond to calls and other forms of communication from new and existing customers, dress professionally for business, complete the work accurately, and have self-motivation. Unlike a good retail product that largely sells itself, your business instead depends on how well you market yourself, how well you deliver the services and achieve customer satisfaction and therefore new business through referrals. Good communication and providing the client with an excellent servicing experience from start to finish will pay-off. Being able to apply such principles in your business can help you to stand out from competitors.

• Whether you have very good English – written, spoken, and comprehension, or ability to analyse data. A second language is useful, but not critical. English is essential. Limited English skills can severely restrict your market, lead to loss of business and lack of growth. If English is not your primary language and you assess that you have weaknesses in this area, consider doing an English language course. Upgrade your skills.

• How active you are, and how available you are (part-time or full-time). How well you learn.

• Unbranded Offices, Home-based and mobile services (full-time or part-time) are only likely to result in a small client base as the market to which this type of servicing environment appeals to is limited and also much less reliable. It is also more difficult to obtain business and super fund clients while working in this way. Full-time Fixed Commercial Offices facilitate faster results and work from across different categories of tax and accounting (including business). This is due to their visibility, professional shopfront and greater accessibility.

• Accountants purchasing client parcels or practices obtain the fastest results and viability based on the size of the practice or parcel of fees they have purchased. See Practice Acquisitions.

18. How should I view the ‘two year transition period’?

The two-year transition period is intended for Franchisees who are serious about being in business in the industry. Where necessary it allows them to sort out their finances and other commitments in order to transition to full-time and into approved commercial premises within two years of commencement. Franchisees, however, must be active during the two years on at least a part-time basis. There are minimum performance targets to meet and these are (excluding GST), $10,000 for year 1, $20,000 for year 2, $30,000 for year 3, $40,000 for year 4 and $50,000 for year 5. Franchisees should therefore be taking steps to commence business activity shortly after joining. If for some reason a target is not reached, the Franchisee has the option to pay the top up amount and receive their % back (e.g. 75% is returned for non-tax agents).

19. How do I know what to charge clients for the different types of work and can I set my own fees?

No, you cannot set your own fees. Clients are charged according to a Minimum Fees document provided by the Franchisor. It sets the minimum charge-out (not the maximum, therefore you can charge more) for the different types of work. If you charge less you need to top the fee up yourself. You will receive your % back through our payment system – e.g. 75% for non-tax agents. We treat your top-up payment exactly the same as if the client had paid the amount.
20. Does the Franchisor advertise for clients?

Yes. The Franchisor’s advertising campaigns focus on mediums that raise brand recognition and have the capacity to complement a Franchisee’s own local campaign. See Section D: How we help you gain clients.

All accountants, regardless of whether they are in an office, home-based or offering mobile services need to also have an independent advertising campaign in their own right and specific to their general location, as this is where most potential customers will come from. Advertising results are only achieved with repetition. All advertising must also be approved by the Franchisor.

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21. Do I need to be registered for GST?

Yes, this is compulsory. We discuss this with you at the Induction stage or purchase stage.

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22. What are the in-house training programmes that non-tax agent Franchisees must attend?

You can read about the requirements in Section C: Training, Support and Development.

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23. How is Induction Training addressed?

You can read about Induction Training in Section C: Training, Support and Development.

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24. Can I receive one to one or small group training and technical support?

Yes, you can. Unlimited technical support is available and provided as an on-going benefit and service for members, by tax agents at the Franchising and Management Division by phone, Zoom and also email. They will assist you with your day-to-day inquiries and casework. You also have access to our online networking forum, which is very helpful. In addition to this, you will have access to all the forms, tools, letters, minutes, manuals and templates in our Franchisee Resources section on our website.

Franchisees can also be assessed for eligibility for up to 15 hours of one to one or small group training with a local trainer.

From our experience, most work can be managed with guidance and direction via phone or email or use of remote access software. Complex or more involved work is not performed in front of a client, so this means discussions and guidance are provided in stages when the client is not present. You will have forms, tools and checklists, for example, to guide you through client interviews and obtaining source records from the client. Then you will learn as you work on the various stages in increments through instruction and guidance provided by a tax agent or support officer.

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25. Is this business seasonal and where does the work come from?

No, it is not seasonal. You can read about this here:

What Are Our ‘Target Market’ Services? And also here: Work is available all year round — it is not seasonal.

It is important to note that this is where Fixed Offices have greater scope for obtaining on-going work, whereas home-based and mobile operators will find it more difficult and need to be realistic and treat
home-based and mobile services as a starting point and not a long-term option. This is also why we have the two-year transition period to be full-time and in either a Fixed or Transitional Office.

26. Why is repetition with advertising an important factor?

Advertising works through repetition. Good commercial offices, for example, gain the benefit of office signage being seen repeatedly by potential customers and this can significantly reduce the investment required in some other forms of less predictable media (like flyers and advertisements). In other words, the signage becomes the primary form of advertising and is very cost effective and long-term promotion.

Alternatively, home-based and mobile operators must continue to have regular campaigns in place, as they are totally dependent on these campaigns to generate inquiries. The mediums used by home-based and mobile operators are usually less reliable or predictable in terms of results. These mediums also need to be repeated to gain benefit. For example, an advertisement that only appears once is not likely to produce a result. An advertisement that appears regularly and long term is more likely to achieve a response. It is also important to have a diverse campaign, as one single medium cannot be relied on.

27. Can I receive advice on how to market my business?

Yes, we help you to structure your plan and provide advice on the different mediums available. We also have comprehensive marketing resources and examples available to our members as a part of our online Intellectual Property. For example, flyers, advertisements, banners, compliant office signage, moveable signs etc. — for which we hold the copyright and artwork files for. We make the artwork available for your service provider to adjust, providing we approve their ‘final proof’ prior to production.

28. Do I require approval for marketing my business?

Yes. Each form of advertising that you wish to use is approved separately. You need to send us the ‘proof file’ or draft prior to production or proceeding with the campaign. Email the content or proof to us first and we will screen the content for legal errors or other anomalies. You will normally receive a reply within 1-24 hours. It is important that both the brand and integrity of the Success Tax Professionals business is protected for all accountants.

Marketing is defined as any medium used that bears the name of Success Tax Professionals or is being used for the purpose of obtaining clients for providing a tax, accounting/bookkeeping, or BAS service. Examples include online or hard copy advertisements; flyers; business cards; signage; posters; electronic, audio or visual media; listings in directories, and websites.

We have special policies for websites, social media, LinkedIn, Google Plus, Twitter and YouTube. This is to ensure the brand is not diluted and search engines do not penalise content for users of these options.

As a Franchisee, you will be able to access our online Marketing Section to assist in the development of material.

29. I am thinking of only targeting a niche market – will this be viable?

No. You need to have good English skills (spoken, written and understanding of the language) and target the market in a broad way. For example, if a Franchisee is of Chinese origin, they need to target the wider community and not restrict either their marketing or services to just the Chinese community. To do so will restrict business growth and create problems. It is a recipe for failure.
An affiliation with an ethnic group may lead to some business from that group, but Success Tax Professionals accountants need to make themselves presentable to, and marketable to, the general population and community if they wish to work towards building a dynamic and viable business that is not small and one dimensional.

From our experience, we can also confirm that accountants who feel they have a good affiliation with a particular ethnic group overestimate how many of these people will actually become clients. Speaking a particular language, for example, does not typically result in a high conversion rate across to an accountant of the same language. It is not a compelling factor for the client to choose you.

Within some cultural groups, tax obligations are also much more difficult to manage as a higher percentage of these customers are more focused on avoiding their tax obligations or do not want to pay the fee for the service. This can be frustrating and an accountant can waste time on such customers with no result. Don’t target price-sensitive clients. This is also a recipe for failure.

30. What % of Franchisees are terminated or ask to cancel their franchise due to failing to (or being unable) to meet performance or franchise requirements?

Approximately 25% and this usually occurs in the first two years. Here are possible reasons:

- Performance Targets: Lack of motivation or attitude towards building a business or learning and failing to meet Performance Targets due to low levels of activity. For example, slow to make decisions and actually do anything.
- Failing to transition – low activity: Conflicting priorities in the two-year transition period that result in the Franchisee not adequately working on their business, therefore they do not achieve sufficient results to have the confidence in their ability to transition to full-time and give up other sources of income. For example, the conflict of time and energy spent on other employment or family commitments and lack of time for their accounting and tax business.
- Failing to transition – finances and family support: Failure to move into an approved full-time Fixed or Transitional Commercial Office within two years due to lack of funds or pressure from other family members on how available funds should be spent.
- Aptitude: Lack of suitability for either running a business or dealing with clients and the nature of the work. For example, some accountants find that they prefer private corporate accounting and not having to deal with clients and being hands on.
- Failing to meet Minimum Training Standards: This could be due to conflicting priorities or lack of motivation.
- Not taking advice provided by the Franchisor and integrating it into the business: For example, poor choice of office and location, then not having funds to invest in the right choices which could then affect the ability to transition and/or meet Performance Targets.
- Misconduct or damaging behaviour, or a breach of the agreement.

With Performance Targets, Franchisees do have the option to pay the gap and continue the franchise. For more details see Meeting Performance Targets.

31. Does Success Tax Professionals have corporate stationery?

Yes. A starter kit is provided to Franchisees when they join. This is complimentary. Thereafter Franchisees purchase stock at discounted prices from the Franchisor. Some items are compulsory use items and others are optional.
32. Does Success Tax Professionals have forms, tools and other support resources that Franchisees can access?

Yes. Our Intellectual Property is constantly updated and designed as an online self-help centre for our accountants to access reference material, learning manuals, tools, forms, letters, minutes, documents and marketing products to simplify work procedures and ensure high standards and compliance.

33. How long is the franchise contract?

20 years and renewable for $0.00. You can actually exit at any time within the contract period but must comply with requirements including exit terms and terms of restraint. See [Question 35](#).

34. What happens at the end of the 20 year contract term?

The franchise can be renewed by the Franchisee for $0. Franchisees exiting at that time or earlier must comply with exit terms and terms of restraint (see [Question 35](#) below).

35. What happens if I decide to cease business at any point in time?

This depends on whether a franchisee is exiting within the 20 year contract period or at the end.

It is important to note that the goodwill, i.e. the clients, are owned by the Success Tax Professionals Franchisor and not by the Franchisee.

**Ceasing within the 20 year contract period:** The franchisee needs to advise the franchisor that they wish to cease business. The value of a franchisee’s business (sale price) will depend on how developed it is.

The franchisee may advertise for sale their franchise, which includes the clients, but they are only able to sell to an applicant who is approved by the Franchisor and who will continue operating the franchise under Success Tax Professionals contract terms and conditions. In other words, the franchise and clients cannot be separated and the clients cannot be sold to a buyer who does not wish to operate as a Success Tax Professionals Franchisee under the brand. As the Franchisor, we also need to be confident we can work with the purchaser.

It is, commonplace to advertise the opportunity in the first instance to existing Success Tax Professionals franchisees as there are usually members seeking parcels of fees or practices to expand their own business. We have helped transact a number of such successful transfers within our network for exiting accountants. 100% of the sale proceeds belong to the exiting accountant.

**Restrictions (Terms of Restraint):** Leaving franchisees are subject to a 12-month restraint of trade and cannot operate as a business owner (or employee) for accounting, tax, bookkeeping or BAS services within a 10km radius of the business premises of any Franchisee of the Franchisor.

**Ceasing after the 20 year contract period has ended:** Following discussion with the franchisor the franchisee can elect to follow the same conditions as above to transact a sale and comply with the terms of restraint. Alternatively, they may sell the practice as an unbranded non-franchise practice but they must comply with the terms of restraint and also advise the purchaser of the Franchisor’s intention to establish a new office in the immediate area.
36. Are there fixed territories and what areas can I advertise in?

There are no fixed territories – all Franchisees have an Australia-wide territory, which allows them to advertise widely for clients. This minimises areas from being underworked or under advertised in. There are, however, restrictions as to where you can base yourself, or the address you can use as a location. The guidelines for this are discussed in Question 37.

37. If there is a commercial office in a suburb can there also be a home-based or mobile service operator in the same suburb?

See Different types of servicing options/offices and the conditions that apply.

38. Can Franchisees who are home-based during the two-year transition period have signage at their house?

You need to discuss this with your local council. Not all residential areas are allowed signage. In some areas, it is strictly prohibited and incurs fines if signage is displayed (even temporary or movable signs like A-frames or sandwich boards). If you plan to be home-based you should talk to your council before looking any further into the franchise. If signage is not permitted then you generally cannot operate from home and need to consider other options. One of the main methods home-based operators use to obtain business at home is through moveable signage. Without this, your home-based business is impeded.

Another important factor for home-based operators to consider is whether their home is positioned prominently enough for signage to be seen. If your house has very limited traffic passing directly by it then your home office will suffer substantially due to lack of exposure.

39. Can I talk to some of the Franchisees before I decide to purchase a franchise?

Yes, we provide you with access to our online forum and also give you the opportunity to arrange phone conversations with them. We will do this if you complete the Advanced Inquiry Form.

40. I’ve read this Information Package and have a serious interest in the franchise. What do I do next?

If you have questions or would like the next tier of information including contact with Franchisees, please complete an Advanced Inquiry Form (click the link to download)

Problems downloading? You can also click this link to email stp@stptax.com for the form.

If you want to read about the process for joining our franchise – including contracts and payment, please see ‘The purchase process explained’ on Page 5

End of Overview