

# CHOICE

## ANNUAL REVIEW

2017-18

### Growing our impact

Investment in our organisation helped us to drive change for consumers and improve our future sustainability

**W**elcome to our 2017–18 Annual Review. Many of you will recall from previous updates that in 2015, the Board set an ambitious three-year strategy to help CHOICE deliver on its purpose of working for fair, just and safe markets that meet the needs of Australian consumers. 2017–18 was the final year of that strategy, and this Annual Review provides detail on our achievements against our goals.

This was a successful year for CHOICE's consumer campaign efforts, with our work on the Australian Consumer Law review a particular highlight. We researched consumer experiences with unsafe and faulty products, and worked closely with regulators to push for changes to the



Sandra Davey, Chair

law. Ultimately we won government support for stronger product safety laws, and better rights for consumers who experience repeated problems with the products they've bought.

Product safety was a strong theme this year, with CHOICE pushing successfully for a mandatory recall of dangerous Takata airbags, and the ACCC taking Thermomix to court over misleading consumers about their rights in relation to unsafe appliances. We're all pretty happy with these big public wins.

Our efforts to drive change in consumer protection are supported by a large group of online campaign supporters. Through investment in a new team tasked with attracting and engaging more people, we grew our supporters by 61%, to more than 180,000 by June 2018.



Alan Kirkland, CEO

In the final half of the year, CHOICE appeared before the financial services royal commission and made a number of submissions about issues that should be examined and solutions to the problems being revealed in hearings. We believe this is vital work that affects many Australians.

Our New Things team took its first major new service to the public. The Transformer energy switching service attracted widespread media attention and strong interest from potential customers from its launch in April 2018. This is a solid example of our growing capability to identify new products with new income streams.

We continued to invest in improving CHOICE's digital platforms, recognising that this is absolutely critical for our

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future. This included improvements to our Do I Need Health Insurance? tool and our health insurance finder, further examples of new products that provide new ways of attracting people to CHOICE outside the appliance reviews for which we're best known.

Improvements from our digital investment attracted 4.3% more new members than in 2016–17, although changes to credit card products across a number of major banks meant that we had a lower than usual rate of membership renewals. With that in mind, our total number of memberships remained flat overall, just under 182,000.

We continued to evolve our product testing program, expanding the range of information we produce to help Australians considering household solar energy. Our product testing program

online campaign supporters, building our innovation capability, growing the skills and capabilities of our people, and improving our digital platforms. The Board believes that investment in these areas is essential to CHOICE's capability to respond to rapid changes in markets, technology and consumer needs.

In 2017–18, our revenue grew by 4.5%, driven by a 1.2% increase in membership revenue and a 40% increase in revenue from the CHOICE Recommended licensing scheme. Our expenditure increased by 9.2%, reflecting investment in areas that the Board considered critical to our survival.

We ended the year within the budgeted deficit of \$1.99m, of which \$0.66m was due to expenditure in the travel market – funded by a grant provided in 2014–15 – and \$1.33m due to

retired from the Board in November 2017 and Alexandra Kelly joined the Board. As principal solicitor at the Financial Rights Legal Centre, Alex brings considerable experience in financial services law and policy. This has always been a core priority for us, even more so in the context of the banking royal commission.

We also welcomed David O'Connor, who joined the Board as an observer as part of a new UTS Business School program that places MBA graduates on nonprofit boards. David has made an important contribution to our thinking about technology.

The Board's biggest area of focus this year was working with management to set a new strategy. Together we analysed performance over the past three years, identifying the key external trends affecting the organisation, and considered what sorts of changes were most likely to improve CHOICE's impact and future sustainability. In May 2018 we approved a new three-year strategy.

### Voting members

We continued to invite CHOICE members who had been with us for three or more years to take out voting membership, which has helped maintain our voting membership at a healthy 5960 as at 30 September 2018. New voting members were invited to become more involved in our work, through joining CHOICE Community and supporting our campaigns.

Voting members received a briefing after each Board meeting and many

and the reviews that come from it are an important source of new memberships.

We also focused on our social and environmental impact, continuing our partnership with the Women's and Girls' Emergency Centre and installing solar panels on our building. We're delighted to report that in January this year, we were formally accredited as a carbon-neutral organisation under the National Carbon Offset Standard.

### Finances

CHOICE has a healthy asset base, including its building in Marrickville and a significant cash balance. Over the life of our 2015–18 strategy, this allowed us to commence a program of strategic investment in the organisation to build our future sustainability.

This investment has involved carefully managed deficits, to support increased expenditure on growing our group of

operating activities. Careful management of operating expenditure through the year ensured that this result was within the deficit approved by the Board.

## Product safety was a strong theme, with CHOICE pushing successfully for a mandatory recall of Takata airbags

Our cash balance decreased from \$11.15m to \$10.24m, remaining much higher than the cash reserves floor of \$4.88m set by the Board.

In keeping with the strategic priorities set for 2018–19, the Board has approved a deficit budget. We're acutely aware of the need to monitor this to ensure that it delivers improvements to CHOICE that will improve the organisation's future sustainability.

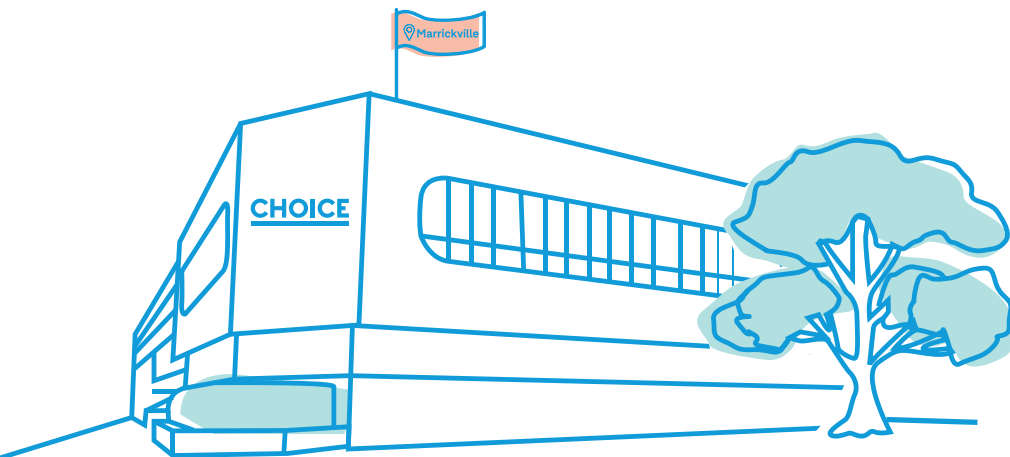
### Governance

Governance matters enjoyed a stable year. Our former Chair, Nicole Rich,

responded with suggestions about how CHOICE can better fulfil its purpose.

### Looking ahead

Our new strategy sets ambitious goals to grow the power of consumers, engage more people through our work, and grow our revenue. It's a big ask from our valuable staff, our management and the Board, but one that we know we're all enthusiastic about delivering. From all of us at CHOICE, thank you for your support over the past year. We look forward to reporting to members next year on our progress in these areas.



# Improving consumer rights through news and investigations

**GOAL 1: DRIVE**  
change in areas  
where we can have  
a significant impact  
for consumers

From exploding Thermomixes and dodgy dog food to faulty pool gates and Takata airbags, our investigations helped inform consumers about product safety and retail rip-offs

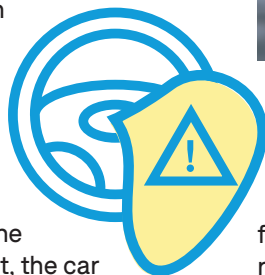
**C**HOICE news and investigations continued to uncover issues that highlight the need for safer products and stronger consumer rights when something goes wrong.

In a series of stories in late 2017 that investigated dangerous Takata airbags, we revealed that some manufacturers were replacing faulty airbags with new Takata airbags that would lead to further problems in the future. We also revealed that major manufacturers including Toyota, Honda and Nissan had failed to inform car owners about the dangers posed by Takata airbags in their cars. Following a mandatory recall initiated by the federal government, the car industry was forced to fund an advertising campaign to bring this problem to car owners' attention.

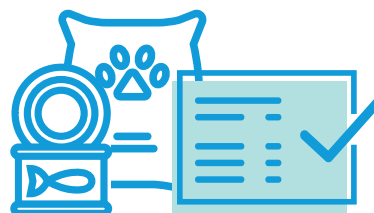
Our work on product safety continued to draw attention to dangerous products. The Queensland authorities recalled Clark Rubber's portable pool fence following our January 2018 story showing a four-year-old unlatching the safety fence and gaining easy entry to a pool.

CHOICE journalist Rachel Clemons' work on the real cost of healthy food choices won a Dietitians Association of Australia Nutrition Journalism

Award, and our work highlighting loopholes in the Health Star Rating scheme helped to build the case for changes to the rules.



Our team continued to investigate the unregulated pet food market and reports that dog food brand Advance Dermocare was giving some dogs the deadly condition megaesophagus. We also contributed to a Senate Inquiry into pet food regulation, which began in June 2018.



We used the analysis behind our health insurance tools (see page 9) to warn consumers about changes to their policies – in particular

Bupa's cuts to benefits under budget health insurance policies that had been poorly explained to existing policy holders.





# Driving real change

We worked with more people than ever before to change laws, regulations and harmful industry practices

**GOAL 1: DRIVE**  
change in areas  
where we can have  
a significant impact  
for consumers

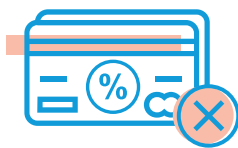


**2** 017-18 was a big year. We started working on new issues that we know matter to Australians, like unfair electricity pricing practices and high out-of-pocket costs that people can face when using private health insurance. Looking ahead, we know that there are big opportunities to make the energy, health, finance, food and housing markets fairer for everyone, while also keeping businesses accountable through our work to strengthen consumer rights and safety protections.

**We achieved some big victories in 2017-18:**

## Credit card law

**reform:** New laws require banks to let people cancel credit cards online, make sure people can afford to pay back their credit card, and ban tricky interest calculations. CHOICE has been calling for better credit cards since 2015. Our research, policy and advocacy work was credited by politicians as shifting the debate when the laws passed.



## Lemon car fixes:

CHOICE highlighted the problems that consumers face when new cars repeatedly



break down in our 2016 lemon cars research. We found that big car companies kept giving their customers the run-around, refusing to provide refunds or replacements, even where the consumer law required them to. The ACCC has now taken action against major car companies such as Ford for failing to provide refunds to consumers with lemon cars.



## Takata airbag recall:

Following CHOICE's investigation into poor consumer experiences and major safety risks with the Takata airbag recall (see page 3), we pushed for a better recall process. The federal government stepped in to take the matter out of the car manufacturers' hands, initiating an Australian-first mandatory recall. This provided the owners of affected cars with better information and clearer rights.

## NSW laws on

### ticketing and

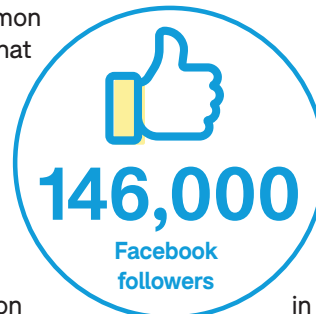
### gift cards:

NSW introduced new laws to curb high-cost ticket scalping from shonky websites like Viagogo, as well as fair expiry periods on gift cards. Now, gift cards have to last for three years or more and there are important restrictions to stop scalpers selling tickets at massive prices. Both issues have been championed by CHOICE and our supporters for many years. The federal government is now looking at similar reforms for all Australians.



## Thermomix fined for misleading

consumers: In 2016, CHOICE collected more than 80 case studies from people who



had been injured or experienced a serious failure with their Thermomix. We sent these cases and our analysis of the company's cover-ups to the ACCC in a mass incident report.

As a result of our work, the ACCC took legal action against the company. This year, Thermomix was fined \$4.6 million for misleading consumers about their rights and was forced to put in place a remedy process for people with unsafe machines.

## Laying the ground for more wins

We also made good progress on campaigns we're continuing to work on:

## Consumer law

### reform promised:

The federal government has announced support for major reforms to the Australian Consumer Law. This follows two years of consultations and research, with CHOICE leading the call for reform in many areas. Promised changes include stronger penalties, a new requirement that all products meet basic safety requirements, better recalls and clearer rights for refunds and replacements. Legislation has been drafted and consultation is underway on these reforms. We'll continue to follow this work in 2018-19.



## Insurance in super

### looks set to improve:

We've been pushing politicians to address high costs and poorly targeted insurance in superannuation for the last two years. Now, the federal government has drafted legislation that would stop many young people and people



Thanks to pressure from our campaigns supporters, we had a major win for safer and more transparent vitamin labelling.



## CHOICE Community

community sign petitions, write to politicians, make phone calls, help us with research and work with us to make real change. This work is bolstered by the activity on the CHOICE Community

on low wages paying through their superannuation for insurance they don't need. We'll continue to fight to make sure this legislation delivers fair rules for insurance in super.

### Mortgage brokers feeling the pressure to reform:

Major inquiries into the finance sector have supported reforms CHOICE has been championing to lift standards for mortgage brokers. After pressure from CHOICE and others in the consumer movement, the broking industry has voluntarily committed to some reform, removing some of the worst practices like 'soft dollar' incentives such as free holidays.



### Consumer rights to data coming soon:

After years of CHOICE advocacy, the federal government committed to legislate for a consumer right to access personal data held by big companies. The reform will start with the banking, energy and telco markets. CHOICE experts are now on the committee



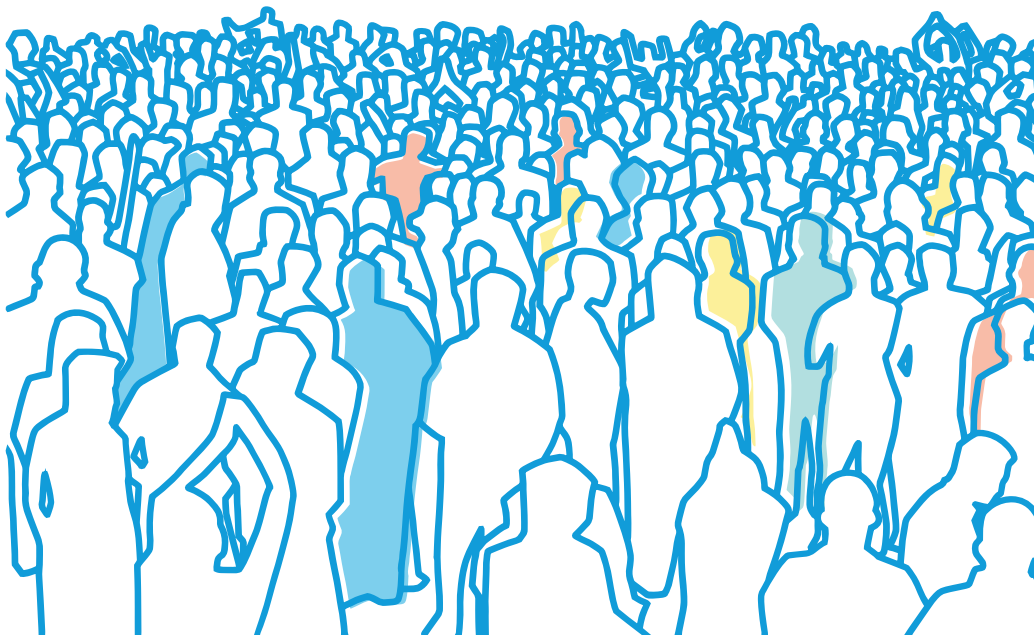
that will create the standards for this work.

### Growing our community to drive change

One of the most exciting developments from 2017-18 has been the rapid growth in the number of people who work with us on our consumer campaigns. Members of our campaigns supporter



work is bolstered by the activity on the CHOICE Community online forum, where CHOICE members and supporters help each other with common consumer problems. Growing this group is essential to our future, because it attracts new people to CHOICE's purpose and demonstrates to politicians that large numbers of Australians support our calls for better rights and stronger protections.





# Using technology to help consumers save

We created a chatbot to help young Australians save on super, while our game-changing switching service has the potential to transform the energy market

**GOAL 2: EXPAND**  
through innovation  
to assist consumers  
and grow revenue  
outside our existing  
business model

In 2017-18 we continued to experiment with new ways to deliver our mission, using technology to create tools that help consumers and bring CHOICE to new audiences.

## The avocado that knows about super

In November 2017 we launched Cadobot, an irreverent chatbot in the form of a talking avocado. Cadobot explains super to young Australians who are being slugged with needless fees and charges for multiple accounts they may not even know they have. The bot then walks them through the process of consolidating their accounts, reducing fees and shutting down redundant insurance policies.

## Teaching school students about money

We welcomed a team of interns from the University of Technology Sydney, who are working towards their Bachelor of Creative Intelligence and Innovation. Tackling financial literacy, the team developed a prototype board game called FinWit which they play-tested in high-school commerce classes. One class declared it "the best commerce class ever".



## Helping consumers find the best electricity deal

When it comes to household finances there's one topic that looms largest – energy bills – with the price of household electricity holding its place as the number one cost of living concern in our quarterly Consumer Pulse survey through 2017–18.

Much of the cost borne by consumers is due to complex pricing and penalties for loyalty, with customers who don't switch retailers hit with ever increasing rates and evaporating discounts. There are 6.1 million households in the deregulated energy markets of New South Wales, Victoria, South Australia and South East Queensland, and on average they're overpaying by \$400 each year.

To cut through the complexity, we worked with Dr Bruce Mountain from Carbon Market Economics to develop a system that compares every publicly available deal on the market and matches it to a household's energy usage profile.

Our new CHOICE Transformer service scans your electricity bill and instantly tells you how much you're overpaying. If we can find you a bigger annual saving than the Transformer fee, you'll be invited to sign up – then we take the hassle out of switching and do it for you. The Transformer team continues to monitor deals so we can alert you if an even better one comes up.

The success of Transformer relies on investing in technology to eliminate the time-consuming manual processes of comparing deals and switching providers, by automating as many processes as possible.

We launched Transformer in April and began promoting it in May. By 30 June we had helped consumers identify over half a million dollars in annual savings to future power bills by switching them to a better deal.

Australian households  
are overpaying on energy  
by more than  
**\$2 billion**  
each year

CHOICE TRANSFORMER

How it works FAQs

## Start paying less for electricity

Send us your bill. We'll tell you what you can save on your plan.

Send us your bill for free

Watch the video

## Free to check, sign up to save

We analyse your bill and tell you how much you'll save.

**FREE**

Sign up and we'll switch you to the best deal.

**\$99**

*We only switch you if you'll save over \$99.*

We've been featured by

and awarded

### Featured case study

Watch the 7 News story about how Transformer helps you to save on electricity and avoid the hassle of switching.

### Harry saves \$653 a year

*"You couldn't do this on your own. The Transformer team look at a previous bill, and they know how much you're paying and your average use."*

— Harry Korpetutuncu, Melbourne VIC

## How it works

Step 1

Step 2

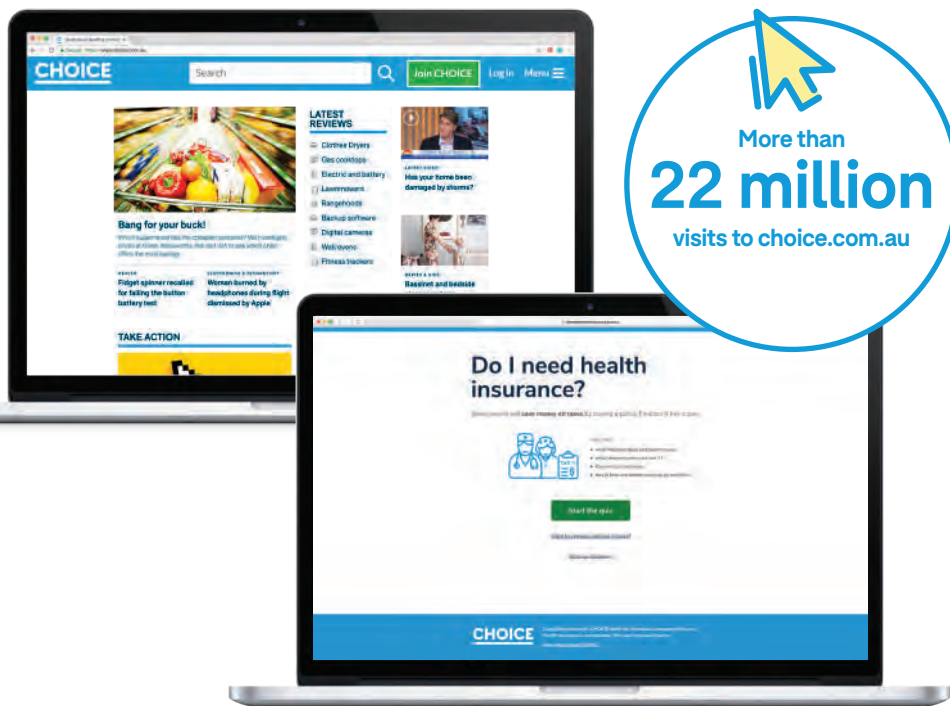
Step 3



# Bigger and better

We attracted new members by offering more relevant and tailored content, and improving our website to help people find the information they need – fast

**GOAL 3: IMPROVE**  
and grow our  
existing business,  
to ensure our long-  
term sustainability

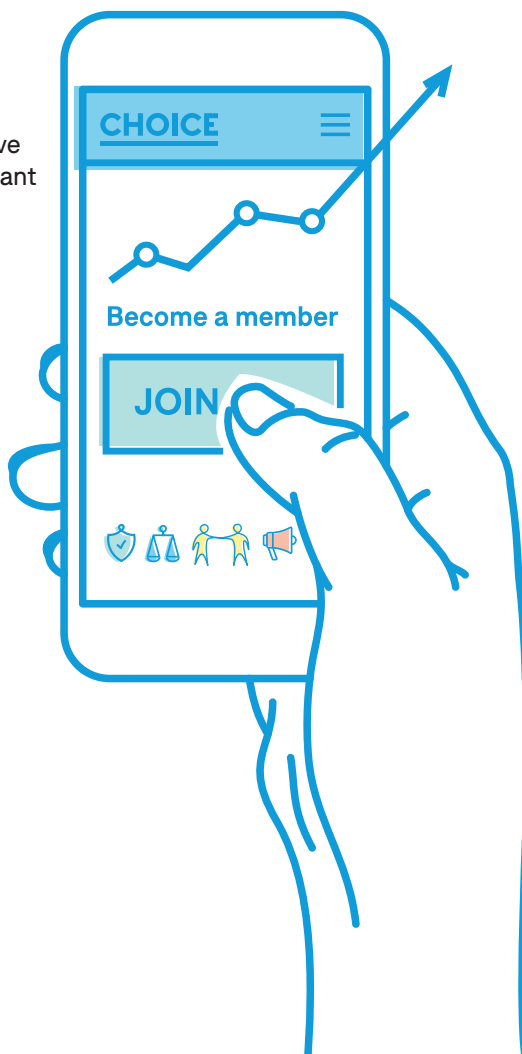


**W**e continued to work with CHOICE members in 2017–18 to better understand their needs, and these insights have helped us to offer even more relevant content and useful tools.

This resulted in a 13% increase in the number of repeat visitors to choice.com.au, reflecting the positive experiences that users have on our website.

Email is an important way for us to communicate with our members and supporters. In 2017–18 we saw a 33% increase in the number of people who took an action based on an email they received from CHOICE, such as clicking through to an article.

We've also improved the way we stay connected with supporters who've taken a break from their membership, resulting in a 12% growth in the number of lapsed members who returned to CHOICE.



## CHOICE

### Refreshing the CHOICE website and brand

After research revealed that consumers were failing to recognise and remember CHOICE when they saw our work, we invested in a new visual identity that's intended to have a greater impact. The new brand was informed by research with CHOICE members and the general public.

Recognising the importance of our website – as the way in which most Australians engage with our work – we invested in a program of ongoing improvements, including a new home page that makes it easier for consumers to find the information they need and gives more prominence to our role in advocating for consumer rights.

These improvements helped us to attract new people to choice.com.au and encourage members to visit more often. This resulted in an 8% increase



in the number of visits to our website, taking it to over 22 million in 2017-18.

### Attracting new users to our health insurance tools

To support our aim of driving change in the health insurance market, we invested in further improvements to the Do I Need Health Insurance? website and our health insurance selector tool to make them easier to use. Unlike commercial comparison sites, our selector tool provides more information and recommends policies based on an individual consumer's needs rather than commercial incentives, so we also invested in research and analysis.

Together, these tools helped 121,000 Australians gain a better understanding of their private health insurance choices. They also provided

## Do I need health insurance?

Figure out if getting a policy will save you money on your tax bill or not.



Also find:

- What Medicare does and doesn't cover
- What changes tax-wise when you turn 31
- How extras cover works
- Tips to help you decide what to go from here

**Start the quiz**

an important new pathway to CHOICE membership, to complement the reviews of household appliances that bring many people to CHOICE.

### More people joining CHOICE

All of this contributed to a 4.3% increase in the number of people signing up for CHOICE membership in 2017-18. Of those, 4.5% more people opted for one- and two-year memberships, providing us with greater financial security. However, changes to some banks' credit card products meant that a lower than usual number of people renewed their membership. As a result, membership remained stable at around 182,000 people at 30 June.



**121,000**

Australians better informed about their health insurance

Do I need health insurance?

Your result is...



**YES**

**Buying private health insurance will save you money on your taxes**

Why? Your income is over the tax threshold of (\$90,000). If you don't have hospital cover you'll fork out more of your salary to Medicare in the form of the Medicare levy surcharge. About (\$920) a year. If you buy a private hospital policy, you won't have to pay the surcharge. And if you buy one that's cheaper than the surcharge, you'll save \$\$.

**i** What is the threshold?



# Testing the limits

We expanded into new areas of product testing and made our reviews more user-friendly and relevant to members

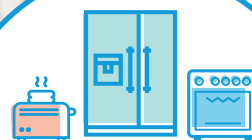
**GOAL 3: IMPROVE and grow our existing business, to ensure our long-term sustainability**



Staff test a range of products in the CHOICE labs, including children's cots and (below) gas cooktops.

In response to strong consumer interest in the National Broadband Network (NBN), we partnered with Honesty Box, a broadband measurement service, to deliver real-world data on how the NBN is performing in consumers' homes. We now publish this data monthly, and in 2018–19 we'll be able to present each provider's long-term performance over six months so we can track any changes as the NBN rollout continues.

We also changed the way we test products like laptops, where models turn over so frequently that by the time we finish testing and publish our results, many are discontinued. We're now testing smaller batches of products so that we can publish the results faster, meaning that consumers are more likely to be able to find the models we've tested when they're shopping in store or online.



**2201**  
products tested

Improving the way we present product reviews was a major theme for our testing team in 2017–18.

To inform our thinking, our researchers conducted in-home interviews with consumers who'd recently bought or were in the process of buying an appliance, to understand what was important to them. This led to a number of changes to the way we present reviews on fridges – one of our most popular product categories. We'll be applying this approach to more categories in 2018–19.

We also continued to review the types of products and services that we test, analysing data on what consumers were searching for and asking our magazine subscribers which articles they find useful. This allowed us to stop testing some types of products and move into areas where there is higher demand, making sure that our limited testing resources are applied in areas where we can have the greatest impact for consumers.

Building on the popularity of our bed-in-a-box mattress tests, we expanded our testing to include springform

models, which also proved popular. As a result, we're planning more mattress testing in 2018–19, and we'll combine our test results so consumers can compare bed-in-a-box and springform mattresses.





# Making a positive impact

We reduced energy consumption, worked to clean up the local environment and improved workplace diversity and inclusion

**GOAL 4: LIVE up to the standards that we expect of others**

**D**uring 2017–18, CHOICE's Social Impact Committee continued to make an impact on the lives of clients helped by our partner, the Women's and Girls' Emergency Centre (WAGEC). The nonprofit service supports women, children, young people and families who are either experiencing or at risk of homelessness and/or domestic and family violence.



WAGEC CEO Helen Silvia and CHOICE CEO Alan Kirkland on Market Day.

CHOICE donates household goods that we've tested – from cleaning products to major appliances – which are used to furnish the Centre's accommodation services and clients'

homes. Staff also raise funds for WAGEC through workplace giving and regular internal fundraising events.

In April, WAGEC CEO Helen Silvia joined us for CHOICE Market Day – the biggest fundraising event of the year – where talented staff make or bake items for sale including jewellery, pot plants and an array of sweet treats.

WAGEC really benefits from our partnership in a way that is tangible, and brings delight to its clients during a challenging time in their life.



## Empowering the next generation of consumers

As part of our Social Impact Strategy, staff visited a local high school to share our expertise on consumer issues with Year 9 and 10 students. Most of the teenagers said they'd love to work at CHOICE ... testing TVs.



Installing solar panels helped reduce our energy consumption by 20%.

## Reducing our impact on the environment

CHOICE installed solar panels on the roof of our Marrickville building at the end of 2017, which contributed to a 20% reduction in energy consumption, year-on-year. We will see the full-year benefit of this change in 2018–19.

The reduction of carbon emissions as a result of increased reliance on solar energy helped us to secure accreditation as a carbon-neutral organisation under the National Carbon Offset Standard, a status we intend to maintain.



The Social Impact Committee with some of the items donated to WAGEC. (Right) Staff working at the CHOICE bushcare site.







The wattle trees planted by staff at the bushcare site are thriving.

Our staff-led environmental committee continues to focus on reducing waste and expanding recycling. Items now able to be collected for recycling include light globes and tubes, batteries, soft plastics, beverage containers, mailing satchel packaging, personal care and beauty product packaging and mobile phones. We also have dedicated food waste compost bins.

As part of our commitment to improving the quality of the local environment, we continued our regular 'Clean Up Marrickville' initiative, collecting rubbish from the streets and public spaces around CHOICE. We planted more than 150 trees in the Cooks River valley and despite a very dry summer, our bushcare site has survived, with wattle and other native varieties thriving. These projects utilise our volunteering leave, with CHOICE staff contributing 30 volunteer hours on approved projects during the year.

### A focus on workplace diversity

As part of our 2015–18 strategy, we set out to improve the diversity of our workforce so that it better reflects the Australian population.

We worked to improve our ability to attract, recruit and retain staff from diverse backgrounds, with

a focus on gender, disability and Indigenous people. We also worked to improve workplace flexibility, knowing that this can be an important factor in supporting workforce diversity and inclusion.

We continued to report to the Workplace Gender Equality Agency (WGEA) – an Australian Government agency charged with promoting and improving gender equality in Australian workplaces.

Key actions implemented during the past year as a result of our WGEA report include:

- Offering learning and development to employees on parental leave.

- A pay equity audit, to identify and act upon salary gaps in relation to like-for-like roles across the organisation.
- An increase in female representation in decision-making roles.
- A review and rollout of new flexibility guidelines.

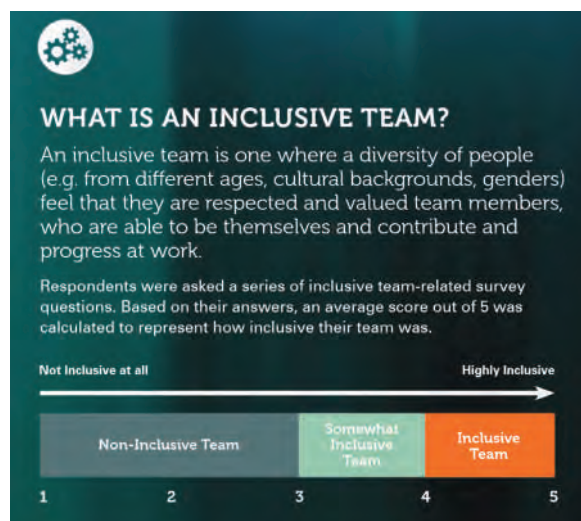
Thanks to our partnership with National Indigenous Television, we seconded a journalist to work with us to produce content that enhances the power of Indigenous consumers.

CHOICE also took part in Diversity Council Australia's Inclusion@Work survey – a new study which helps organisations measure their diversity and inclusion progress and benchmark it against other companies. CHOICE achieved an inclusive team score of 4.3/5, compared to an average of 4/5 for participating organisations.

At the conclusion of our diversity and inclusion strategy:

- The number of staff who identify as having a disability had increased from 5% to 10% (from 2016 to 2018).
- We achieved 50% female representation among our Leadership Team and for all managers (up from 40% and 47% respectively in 2016).
- At least 76% of interview shortlists contained one or more candidates that addressed our core diversity areas (where disclosed).

Our work to improve diversity and inclusion has been recognised among human resources practitioners, and in November 2017 CHOICE was a finalist for the Dame Quentin Bryce AD CVO Gender Equity in the Workplace Award at the annual Australian Human Resources Institute Awards.



# Investing in our future

We increased the number of CHOICE employees to help grow our community and develop tools that help more consumers

**C**HOICE entered 2017-18 with a strong balance sheet, including \$11.15m in cash and term deposits. This had been built up through a number of years of above-budget surpluses.

As reported in the last two Annual Reviews, the Board considers it imperative that this cash is invested in a way that's most likely to support CHOICE's future sustainability. Having considered a range of investment options, the Board sees investment in the transformation of the organisation, through carefully managed deficit budgets, as the greatest priority.

In 2017-18, our revenue grew by 4.5%, from \$18.75m to \$19.58m. The greatest source of growth was our CHOICE Recommended licensing scheme, but we also achieved modest growth in membership revenue.

Our operating expenses grew by 9.2%, from \$18.67m to \$20.39m. Most of this was due to increasing the number of employees, to help grow the teams that are responsible for expanding our group of online campaign supporters, experimenting with new ways to help consumers, developing new business models, and building digital tools to help people choose good products and services.

The impact of this investment so far is reported earlier in this Review. Investing in the growth of our

campaigns supporters has helped us win important improvements to consumer rights. The development of our innovation capability allowed us to test a new way to help consumers save on energy, supported by a new business model, and improvements to choice.com.au let us help more consumers and attract new members to CHOICE.

We ended the year with a deficit of \$1.99m, made up of \$0.66m in travel market expenditure – funded by a grant provided in 2014-15 – and \$1.33m relating to day-to-day operations of the organisation and the investment described above. This was within the deficit approved by the Board, and reflected careful management of costs throughout the year.

## Our revenue grew to \$19.58m – the greatest source of growth was our CHOICE Recommended licensing scheme

We also invested in capital improvements to our physical assets, such as installing solar panels on the CHOICE building, as well as intangible assets such as building and improving digital tools to help consumers in the health insurance and energy markets. The cost of these assets has been capitalised on the balance sheet

and is being depreciated over their estimated useful lives.

As at 30 June 2018 we had a total of \$10.24m in cash and term deposits. The Board maintains a cash reserves

policy to support the organisation in case of a major downturn or external impact on operations. With this cash reserves floor set at \$4.88m for 2018-19, the Board is able to invest in continued transformation of CHOICE over the next few years, in line with our new strategy for improving CHOICE's impact and sustainability.



	YEAR ENDED 30 JUNE 2018	YEAR ENDED 30 JUNE 2017
Revenue	\$19,582,832	\$18,746,071
Other income	\$427,747	\$548,803
Less: Direct costs	(\$1,614,318)	(\$1,557,974)
Less: Operating costs	(\$20,386,835)	(\$18,666,587)
Net surplus/(deficit)	(\$1,990,574)	(\$929,687)
Current assets	\$11,255,901	\$12,369,182
Non-current assets	\$11,066,484	\$11,040,098
Current liabilities	(\$7,562,741)	(\$6,695,126)
Non-current liabilities	(\$291,408)	(\$255,344)
Net equity	\$14,468,236	\$16,458,810



# Meet our Board

CHOICE's Board brings a broad range of skills



## Sandra Davey (Chair)

Sandra is an experienced digital and internet executive and is managing director of Product Space. Her love is coaching and helping organisations streamline their digital product practices to improve agility, innovation and product

success. Increasingly she works with organisations to unpack the cultural, organisational and structural issues that impact an organisation's ability to create value. Sandra's industry experience crosses telco/broadband, digital media, interactive TV, sport, libraries, industry associations and consumer advocacy. She served as a director and chair of the Australian Interactive Media Industry Association (AIMIA) during the 2000s and was one of the co-founders and inaugural directors of the Australian Domain Name Authority (auDA). For her contribution to the digital media industry, Sandra was inducted into AIMIA's Hall of Fame in 2015. She also serves on the Marketing Advisory Committee to the Board of Bush Heritage Australia. Sandra joined the Board in 2012 and was elected Chair in 2017. She chairs the Governance Committee and Investment Committee, and is a member of the Business Innovation Committee.



## William Davidson (Deputy Chair)

Bill is CEO of the Worklink Group, which provides support services to people experiencing mental health challenges, including employment services. He is committed to making a difference to

people's lives by creating an environment that fosters positive impact at all times. Bill was managing director of Australian Hearing from 2013 to 2018 and for four years prior to that was managing director of Job Futures Limited, now known as CoAct. He has extensive experience in the delivery of contracted, outsourced services in Australia, as well as in the UK and South-East Asia. Bill was also the interim CEO of CHOICE in 2008 while we sought a new CEO. Bill is passionate about finding ways to provide fair competition and deliver a better deal for Australian consumers. Bill served on the CHOICE Board from November 2006 until August 2008. Following the appointment of Nick Stace as CEO in February 2009, Bill was co-opted onto the Board in November 2009, then elected to the Board in November 2010. He is currently Deputy Chair of the Board and a member of the Finance, Risk & Audit and Business Innovation committees.



## Fiona Guthrie AM

Fiona has 30 years' experience in consumer advocacy, including a number of years on the executive of the Consumers' Federation of Australia. Her main interest has been advocating for people on low incomes or in vulnerable circumstances to get a fair go,

particularly in the financial services marketplace. For the past nine years, Fiona has been the CEO of Financial Counselling Australia, the peak body for financial counsellors. She has held directorships on Energex Retail Pty Ltd, the Insurance Ombudsman Service and the Financial Ombudsman Service, and was previously chair of ASIC's Consumer Advisory Panel. Fiona is currently a member of the ACCC's Consumer Consultative Committee, ASIC's External Advisory Panel and the Australian Government Financial Literacy Board. Fiona holds a BA, LLB and MBA and was made a member of the Order of Australia in 2017 for her work in social welfare and financial counselling. Fiona joined the Board in November 2015 and is a member of the Campaigns & Advocacy and Finance, Risk & Audit committees.



## Alexandra Kelly

Alexandra is principal solicitor at the Financial Rights Legal Centre, which operates the National Debt Helpline, Mob Strong, Debt Help and the Insurance Law Service. She is a member of the Law Council's Australian

Consumer Law Committee and is the consumer representative on the Life Insurance Code Compliance Committee. She served on the Board of the Financial Counsellors of NSW from 2009 to 2012. Alexandra has considerable experience developing consumer rights in the financial services sector through lobbying, working with regulators and government, and raising public awareness of issues in the media and through online financial literacy campaigns. She brings to the Board high-level legal expertise, extensive sectoral knowledge, and understanding of social enterprises. Alexandra holds a Bachelor of Laws (Hons)/Bachelor of Psychology and Master of Laws. She was appointed to the Board in November 2017 and is a member of the Campaigns & Advocacy Committee.





### Ben Slade

Ben is Managing Principal of the NSW practice of Maurice Blackburn, a national plaintiff and union law firm, where he specialises in consumer and other class actions. Ben worked at the Redfern Legal Centre and Legal Aid NSW before joining

Maurice Blackburn 18 years ago. He has spent over 34 years in the consumer movement in Australia in community education, consultation, media, lobbying and litigation. He has a passion for consumer rights and recognises the need to adopt a range of strategies to achieve positive outcomes for consumers. Ben was appointed to the CHOICE Board in November 2013 and is Chair of the Campaigns & Advocacy Committee and a member of the Governance Committee.



### Robert Southerton

Robert is an experienced professional in marketing, digital, analytics and statistics. He has a broad range of experience across IT, telecommunications, finance and biotechnology industries, having worked for companies including BT Financial

Group, ING Direct and Unwired. He has a strong interest in data-driven decision-making and holds qualifications in statistics and operations research. He also holds a Foundations of Directorship qualification from the AICD, gained in 2015. Robert is currently the managing director and co-founder of Gondwana Genomics, an Australian biotechnology start-up exporting genetic technology developed in Eucalyptus. Robert joined the CHOICE Board in September 2014, and is a member of the Business Innovation, Finance, Risk & Audit and Governance committees.



### Anita Tang

Anita has a strong background in public policy reform, having spent 12 years with the Cancer Council where she led the transformation of its advocacy work.

Anita currently runs her own advocacy and campaigning consultancy working with

a range of NGOs to bring about social change. Anita has also held senior roles in policy and advocacy at the Community Services Commissions and the Social Issues Committee of the NSW Legislative Council. She has completed the Leadership, Organizing and Action: Leading Change program through Harvard University, as well as the Stanford Executive Program for Non-Profit Leaders. Anita has served on the Boards of the Council for Intellectual Disability NSW and the Intellectual Disability Rights Service. She currently serves on the Centre for Australian Progress Board. She is a long-standing member of CHOICE and while at the Cancer Council led a number of collaborative projects with CHOICE, including campaigns against junk food advertising to children and the regulation and eventual ban of commercial solariums. Anita joined the Board in March 2017 and is a member of the Campaigns & Advocacy and Business Innovation committees.



### Helen Wiseman

Helen is a Chartered Accountant, businesswoman and former KPMG tax partner with over 30 years business experience across a range of industries including manufacturing, distribution, food service, insurance, energy and

natural resources. She's currently a founding director of Imalia, a for-purpose business established to empower women financially. Helen has 14 years of board directorship and audit committee experience on a number of nonprofit and corporate boards, including Bidfood where she chairs the Audit and Risk Committee. She is also the patron for SHINE for Kids and a professional mentor through The Executive Connection. Helen has a strong interest in seeing that women are adequately represented in consumer advocacy. Helen joined the CHOICE Board in November 2014 and is Chair of the Finance, Risk & Audit Committee and a member of the Investment Committee.



### Jennifer Zanich

Jennifer is a senior corporate executive and start-up CEO with a strong entrepreneurial background. Jennifer spent 10 years in the US where she successfully started and funded several companies including SeeSaw Networks

and Xumii (later acquired by Myriad Group) and was CEO of Wedgetail Communications, an enterprise security company. She's also experienced in corporate operations, strategy and marketing, having spent eight years as Microsoft's marketing director in Australia and Asia Pacific. Jennifer has created and delivered 12 products into international markets. Currently, she's using her experience to give back to the next generation of

entrepreneurs with her work at UNSW, where she's raising a Founder Fund to invest in university-led start-ups, creating an Angel Investment Group and developing an entrepreneurial ecosystem. Jennifer has more than 18 years as a non-executive director and is a graduate of the Australian Institute of Company Directors. She is a strong advocate for the start-up community in Australia, is a member and participant of many committees and think tanks, and is sought after as a speaker on entrepreneurship and females in innovation. Jennifer also serves on the Board of Jobhawk and as an advisor to Bullpen Capital, a US Venture Capital company. Jennifer was appointed to the Board in 2015 and is Chair of the Business Innovation Committee and a member of the Campaigns & Advocacy and Investment committees.

# CHOICE

