



ASSOCIATION OF
ACCOUNTING TECHNICIANS

Association of Accounting Technicians

Submission into the review of the
Tax Practitioners Board (TPB)
2019

About the Association of Accounting Technicians (AAT) Australia

Founded in 2002, AAT is Australia's longest standing professional association for bookkeepers. AAT's focus today is the development and delivery of bespoke training opportunities for bookkeepers to expand their professional knowledge base and progress the success of their practices in navigating the world of continual change and disruption experienced across the accounting industry.

Submission detail and commentary

Further to AAT's recent contributions at the TPB review round table discussion held in Melbourne, we are pleased to provide the following additional commentary related to the review.

1. Importance of the TPB's independence

The role of a registered agent, particularly BAS agents, is to assist small business owners to both understand and comply with their day to day tax obligations. We understand from conversations with the ATO that a business working with a tax agent is more likely to meet their obligations and in a timely manner.

As the principal revenue collection agency of the Australian Government there are clear advantages for the ATO to work in close collaboration with registered agents to achieve their objectives in an often-complex world of tax compliance.

Given the TPB's role as protectors of consumers of tax practitioner services as well as the integrity of the tax profession, independence from the ATO is imperative. This not only safeguards the important collaborative relationship the ATO should be fostering with the tax agent community, it also provides a degree of separation where there may be disputes creating conflicts of interest.

2. Importance for the TPB to maintain strong consultation with industry

Recent announcements from the TPB relating to how they are working with registered agents from a compliance perspective were communicated to practitioners without prior notification or consultation with industry bodies. It is the view of AAT that this lack of due process resulted in some oversights around the implications and complications that would result from a change in policy.

With the recent change in composition of the TPB Board, including the appointment of a new Chair who will contribute fewer hours to the role than his predecessor; alongside changes to the corporate structure and management of the TPB, there have been some observed changes to the consultative and communicative nature in relation to board policy and announcements.

3. Resources for the TPB to deliver on their objectives

It is widely acknowledged that the board has limited financial resources to deliver on its broad and vastly important remit. Consequently, there has been less work around finding and holding to account agents not complying with the law and those individuals providing BAS or tax services without registering and maintaining registration with the TPB. This activity is critical in ensuring that the system is fair and competitively equitable for all players, ultimately also improving protection and the quality of support and tax related advice for the Australian community. A sound regulatory system is imperative for a healthy tax ecosystem and this should be funded from public monies.

Since the inception of the TPB and the TASA, there has been no obvious promotion of the meaning of a registered agent to the wider community. Educational campaigns to business and individuals about seeking assistance from registered agents would enhance protections for consumers and provide greater integrity to the tax reporting and collection process. Additional financial resourcing should be made available to the TPB to achieve these important objectives, and again from public monies.

4. Constitution of the TPB Board

The TPB are responsible for the regulation of three key communities, tax agents, BAS agents and tax financial advisors. It is our strong opinion that the board should be well represented by each of these constituent groups with practitioners actually in practice who understand what current challenges face each of the individual groups. BAS agents have again not been represented in the recent change to the board composition and this does not send the right message to all whom the TPB regulate.

5. Fees for practitioners

The 2018 Federal Budget saw that annual registration fees for registered BAS agents increased by 30% in one hit and the category for a registered agent not in business was removed altogether, meaning an increase in registration of nearly 40%. These sharp increases in fees seem unreasonable and can amount to large sums for multi person practices. The costs of maintaining registration for a BAS agent are relatively high, including continuing professional development (CPD) obligations, professional indemnity insurance and in many cases professional association fees. In a community where many practitioners work part time, increasing costs simply to maintain a statutory registration in support of the small business sector are counter-productive to a healthy tax system.

Further information

For more details or further commentary regarding this submission please contact:

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