

5 July 2022

The Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services

By email: stephen.jones@treasury.gov.au

Cc: John Ryan, Acting Chief of Staff, Office of the Assistant Treasurer and Minister for Financial Services
Daniel Edmonds, Adviser, Office of the Assistant Treasurer and Minister for Financial Services
Ian Klug, Chair, Tax Practitioners Board
Michael O'Neill, CEO/Secretary, Tax Practitioners Board
Janette Luu, acting Assistant Secretary, Tax Practitioners Board
Jacki Rowbotham, Principal Adviser, Treasury
Deepti Paton, Director, Treasury

Dear Assistant Treasurer,

The tax profession and the Tax Practitioners Board - the way forward

On behalf of the tax profession and our collective membership, we extend our warm congratulations on your election and appointment as Assistant Treasurer and Minister for Financial Services.

Chartered Accountants Australia and New Zealand, CPA Australia, Institute of Public Accountants, the Business Section of the Law Council of Australia, The Tax Institute, Australian Bookkeepers Association, The Institute of Certified Bookkeepers, Financial Planning Association of Australia and SMSF Association (collectively **the Joint Bodies**) represent the tax profession as the external members of the Tax Practitioners Board (**TPB**) Tax Practitioner Governance and Standards Forum (**TPGSF**).

The TPGSF was established pursuant to Recommendation 3.3 of the Final Report of the 2019 **Review of the Tax Practitioners Board (the Review)** to ensure that any significant proposals affecting tax practitioners, such as relevant legislation and regulations including the **Code of Professional Conduct (the Code)** in the *Tax Agent Services Act 2009 (TASA)*, are made with appropriate consultation¹. Its membership is comprised of senior TPB, ATO and Professional Standards Councils (**PSC**) officers and the Joint Bodies who represent tax, accounting, law, BAS agent and bookkeeping, and financial planning practitioners.

The Joint Bodies write to you to highlight the need to progress the consultation on the remaining recommendations contained in the Final Report of the Review (**the Review recommendations**). This is required to enhance the TPB's ability to regulate tax practitioners and maintain consumer confidence in the quality of tax practitioners and their services, for the benefit of the community.

The complexity and scope of Australia's tax and superannuation system means that almost all Australian businesses and a majority of individuals use a tax practitioner to help them with their tax affairs. As at 30 June 2021, there were more than 44,500 tax agents, 16,600 BAS agents and 16,900 tax (financial) advisers registered with the TPB². Many of these employ tens of thousands more, to provide tax advice, as well as prepare and lodge the millions of returns and forms required by the ATO each year.

¹ Tax Practitioners Board, *Tax Practitioner Governance and Standards Forum Charter*, 2021

² Tax Practitioners Board, *About the Tax Practitioners Board*, Annual Report 2020-21, 2021

The Review recommendations suggested a suite of reform proposals for further consultation, in particular:

1. The need for the TPB to be independent (particularly from the ATO), following submissions from the Joint Bodies and many other community representatives. The Final Report recommended that the TPB be established as a separate agency, and we support further consultation to consider how best to ensure substantive operational and financial independence of the TPB.
2. More contemporary and accessible education and experience requirements to be reflected in the *Tax Agent Services Regulations (TASR)*. This will result in a more equitable and flexible framework which reflects modern education and experience pathways while maintaining standards.
3. Improving the TPB's ability to deal with breaches of the TASA and increasing the level of publicly available information. While the vast majority of tax practitioners are professional and competent, the TPB performs a critical role in protecting consumers from unregistered preparers, incompetent or unethical practitioners and, in rare cases, criminal activity. We support giving the TPB more flexibility to better respond to high-risk behaviours to protect consumers and ensure that tax practitioners abide by the Code and the TPB's requirements.

The Final Report of the Review was the culmination of an exhaustive inquiry, detailed submissions and intensive discussions with professional associations and their members. The Review affects all taxpayers, and in turn government revenues. It is therefore of prime public importance, deserving of priority for the new government.

There is a high level of mutual support between the Joint Bodies and the TPB, and we are committed to progressing the Review recommendations. We look forward to continuing our work similarly with your government.

We thank you for considering our request so that we can maintain the momentum of implementing these important TASA reform measures. Should you wish to discuss further, please contact Elinor Kasapidis, TPGSF External Co-chair and Senior Manager Tax Policy at CPA Australia, on 0466 675 194 or elinor.kasapidis@cpaaustralia.com.au in the first instance.

Yours sincerely



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