

CA ANZ Policy Priorities 2021

Chartered Accountants Australia and New Zealand's policy priorities for advocacy:

Policy area	Policy	Detailed policy position
Tax Australia	Broad based tax reform	Australia needs a long-term tax reform plan which will build a sustainable tax base for the nation's future needs. Broadening the base and rate of GST is required to relieve strain on the income tax system and to replace inefficient taxes. The benefits of environmental taxes should be investigated, and the equity of the tax system maintained by continued implementation of balanced measures to counter the black economy and base erosion. Measures are also required to help support the costs of an aging population.
	Regulation, competence and governance of the tax profession	Chartered Accountants are under an increasing amount of regulation from a variety of sources yet they are expected to compete with unregulated sectors. Chartered Accountants will be actively participating in a review of the Tax Agent Services Act with a view to streamlining existing processes and introducing uniform regulations for intermediaries. Competence of tax agents and governance within tax practices will also be a focus for the Australian Tax Office.
	Tax policy settings	Chartered Accountants advocates that governments forecast the fiscal implications of key policy decisions over 10 years and use a consultation process like the New Zealand generic tax policy system.
	State tax reform	Chartered Accountants advocates for streamlining state taxes, which will particularly benefit small businesses, by eliminating the associated red tape. We support government initiatives which could assist this process including payroll tax harmonisation, the National Business Simplification Initiative and extending Single Touch Payroll to gather payroll tax data.
Tax New Zealand	Supporting small and medium businesses through their COVID-19 recovery	In New Zealand, we will advocate to ensure that tax measures to help small businesses through their recovery from COVID-19 are targeted, effective and work as intended, with a focus on reducing compliance time and costs. We will continue to engage with members and seek feedback on key advocacy opportunities to enhance our response to COVID-19. We will also continue to work closely with Inland Revenue, the Minister of Revenue and other key stakeholders.
	Future and sustainability of the tax base	Chartered Accountants ANZ will continue to advocate for, promote and improve fairness of the tax system. We will engage with officials and the new Government following this year's NZ Election, to review and comment on the future and sustainability of New Zealand's tax base. We will also identify opportunities to improve the sustainability of the tax base.
Financial Planning New Zealand	Licensing requirements for financial advisers	We are assisting members in New Zealand with preparing to upskill or apply for an exemption to the licensing regime for financial advisers, including ensuring that our members are aware of key resources and contacts. Our advocacy and member interactions will be informed by connecting with key industry stakeholders to build a specialist network. Member education focusing on what constitutes financial advice, and what will not qualify for the accountants' exemption, is also important. We will be providing our members with information regarding registration, transition periods and on-going requirements.
Financial Advice Australia	Recognition of the CA designation	Chartered Accountants will continue to advocate strongly with Treasury and ASIC, following the wind up of the Financial Adviser Standards and Ethics Authority (FASEA), to recognize the CA program as a professional designation. Raising the standards of professionalism and ethics in the financial advice industry is best served by attracting and retaining CAs in the industry.

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	Industry reform	Chartered Accountants ANZ will continue to advocate for reducing complexity and regulatory costs to enable individuals and small businesses to access affordable, independent, quality advice in their best interests from their choice of trusted professional adviser. Financial advice focus areas include developing a strategic advice registration model; undertaking a Limited Licensing review; the Tax Practitioner's Board Review; implementing the Financial Services Royal Commission recommendations; and addressing non-financial risks such as culture, conduct, compliance and consumer outcomes.
Superannuation	Industry reform	The superannuation system needs major simplification both from a structural and tax perspective because it is too complicated for the average consumer to understand. In addition, there is no source of official information that consumers can access to judge one super fund from another. These are urgent priorities. We need to urgently determine if lower and higher income earners need compulsory super. We will also continue to encourage the Tax Office to begin publishing comprehensive superannuation savings data for singles and couples. And we will assist our members in the implementation of the revised APES110 ethics standard and independence guide.
Small business	Cash flow and business planning	Incentives are required for people starting small businesses to obtain good financial advice on basic cash flow and business planning. We also support proposals to provide a tax offset to small businesses for the costs of obtaining business advice from approved accounting providers.
	Reducing complexity and regulatory burden	Chartered Accountants supports reducing complexity and regulation for small businesses, particularly through the Modernisation of Business Registers and National Business Simplification Initiative, which have the potential to greatly reduce duplication of compliance activities. We also support measures to assist the digitalisation of small business.
	Small business viability review subsidy	Many small businesses are under significant financial distress as a result of the pandemic and are at risk of failure but are unable to pay for professional advice. Chartered Accountants is advocating jointly with the Australian Small Business and Family Enterprise Ombudsman, CPA Australia, the Institute of Public Accountants, the Institute of Certified Bookkeepers and Council of Small Business Australia to call for a government funded subsidy to ensure small businesses can access urgently needed professional advice on their viability. We are continuing to raise awareness on the need for struggling businesses to seek advice now, from specialist practitioners where relevant, while they still have options.
	Small business bushfire support	Chartered Accountants will continue to engage and advocate with the Government jointly with the major accounting bodies for a national bushfire recovery program which supports small businesses. We are advocating for consultation with local business advisers (including accountants and tax agents) to determine how they can be the primary provider of services and professional advice to businesses in impacted areas; providing government funding to enable small businesses to obtain professional advice from local professional advisers to assess their financial position, viability and recovery prospects; and improving coordination of recovery support to businesses across multiple service providers by developing a single-point of access to obtain assistance and connect with service providers and departments/ agencies.
Reporting and Assurance	Audit, assurance and risk	Audit quality is paramount for effective economies and capital markets, and assurance is increasingly relevant to addressing non-financial risks such as in governance, cyber, climate related and fraud. We are committed to maintaining a strong audit profession and through extensive member and stakeholder outreach have developed a Comprehensive Plan for Audit and Risk to improve and enhance the confidence, relevance, and quality of auditing. We are engaging closely with the Australian Parliamentary Inquiry on audit and were pleased that the approach we called for in our 15 point plan bears out in many of the recommendations of the Inquiry's final report. We are also facilitating robust audit profession and stakeholder dialogue in New Zealand and connected with international developments in the UK and beyond on the future of audit and how it can best serve the community.
	Financial reporting	We are focused on how corporate reporting is evolving internationally, its auditability, as well as how it is meeting the needs of investors and other stakeholders. This includes implementation challenges in major new standards on leases, revenue, and financial instruments, as well as forthcoming developments on goodwill and impairment, intangibles, financial statement presentation, and management commentary. As Australian and New Zealand accounting framework reforms and review progress, we remain committed to ensuring the perspectives of members and the users of financial statements are well represented and that the outcomes are practical and proportionate. We will continue to advocate for the benefits of digital reporting in meeting the needs of stakeholders, regulatory advantages, consistency and efficiency.

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	Extended external reporting	As business models have become more complex and how they create value more intangible, a range of extended external reporting (EER) modes and frameworks have developed. We are engaging with the important work globally to achieve alignment and harmonisation between reporting frameworks and are supporting the IFRS Trustees consultation to create international sustainability standards over the medium term. Assurance of extended external reporting is critical for it to be a trusted and comparable source of information for investors and other stakeholders.
Business reform	Non-financial risks	We are focused on increasing our member's understanding of non-financial risks (such as cyber security, climate change and governance), their impact on business, including the potential for significant financial consequences if left unaddressed and how to manage them. We continue to advocate and engage with key stakeholders representing the profession and influencing policy developments in this space.
	Climate change	We are raising awareness within the membership of the important role the profession can play in supporting businesses to address the challenges of climate change. We advocate for stable and consistent policy to support the transition to zero emissions economies in both Australia and New Zealand (in line with International commitments) to provide more certainty for business and encourage investment. We also continue to champion financial disclosures of climate-related risks and opportunities within appropriate reporting frameworks.
	Insolvency	We are highlighting the need for struggling businesses to seek help early and from specialist practitioners where relevant. In Australia we are also advocating for appropriate funding for insolvency practitioners who undertake appointments with little to no assets. We are regularly engaging with the other professional bodies, ARITA, ASIC and Treasury in regard to the insolvency reforms, including on the necessary parameters and safeguards. We are also implementing a co-regulatory licensing regime for insolvency practitioners in New Zealand from 1 September 2020.
	Anti-Money Laundering	We continue to advocate on behalf of member firms where required in New Zealand and we are seeking clarity on the treatment of tax transfers under the anti-money laundering legislation. In Australia, we continue to monitor developments.
	Data and technology	Accountants are increasingly operating in and affected by developments in data, technology and artificial intelligence. We are therefore advocating and engaging with members and stakeholders in relevant areas. In Australia this includes Regtech/fintech, the Consumer Data Right, Modernisation of Business Registers (MBR) and the ABS deregulation project. In both Australia and New Zealand, we are advocating in areas such as payment times reporting, the Trans-tasman e-invoicing initiative and Director Identification Numbers (DIN).
Professional standards	Updating the Code of Ethics	The Code of Ethics sets out the fundamental ethical principles that underpin our member's ethical behaviour to each other, their employer and their clients. We will continue to work with the local and international standard setters to ensure that the changes continue to allow our members to be held in the highest regard for ethical behaviour.
	Limiting member liability	We support the policy principles underpinning Australian professional standards and proportionate liability legislation which includes the prohibition on contracting out. These principles can be best implemented through consistent legislation in all jurisdictions. We will continue to advocate for the creation of a mechanism that provides for the limitation of liability for members in New Zealand.