

03 August 2020

Tax Practitioners Board
GPO Box 1620
Sydney NSW 2001

Via email: tpbsubmissions@tpb.gov.au

Dear Sir/Madam

Board approved courses requirements — conversion to Legislative Instruments

The IPA welcomes the opportunity to provide this submission in response to the proposed conversion of Board approved courses into a legislative instrument.

The IPA is one of the three professional accounting bodies in Australia, representing over 36,000 accountants, business advisers, academics and students throughout Australia and internationally. The IPA prides itself in not only representing the interests of accountants but also small business and their advisors.

The submission is in response to converting the existing proposed guidelines and information sheets which contain the requirements for the following Board approved courses into Legislative Instruments:

- basic accountancy principles for tax agents
- commercial law for tax agents
- Australian taxation law for tax agents
- basic GST/BAS taxation principles.

Rationale for conversion into Legislative Instruments - Providing certainty

The rationale provided for the change has been stated as follows:

“Conversion of these products will provide legislative status for our requirements and also give greater clarity and certainty for tax practitioners, applicants for tax practitioner registration and course providers.”

Whilst for some guidance material approved by the Board, it may be appropriate to convert such material into Legislative Instruments, this would be considered more appropriate for guidance that does not need to be changed frequently to reflect changing circumstances.

Review of Tax Practitioners Board

A review into the effectiveness of the TPB and the operation of the Tax Agent Services Act 2009 (TASA) and the Tax Agent Services Regulations 2009 (TASR) was completed in September 2019. The final report with recommendations was provided to the Government on 31 October 2019. At the time of writing, this report had not been released by the Government.

In the absence of the TPB Review Final Report it may be premature to codify any guidance material that is likely to be subject to changes as a result of recommendations contained in the abovementioned report.

Review of education requirements

The TPB is responsible for regulating the services provided by tax agents, business activity statement (BAS) agents and tax (financial) advisers (TFAs) (collectively referred to as tax practitioners) in Australia and ensuring that the services provided by these tax practitioners are provided to the public in accordance with appropriate standards of professional and ethical conduct.

The IPA submission to the Tax Practitioners Board Review noted that the nature of the profession is indeed changing with digitisation and the leaning towards more advice-based work. That progression will require a different set of skills, knowledge and process by future tax agents in order to appropriately service their clients. Education standards therefore need to constantly evolve to reflect these changes to remain fit for purpose.

The current education requirements in the TASA need a deeper review to determine if they remain fit for purpose and are future proof. This should include ensuring the

current education and experience requirements for registration are suitably flexible and adaptable not only for new and emerging classes of tax intermediaries but also for traditional accounting intermediaries.

We continue to be of the view that a detailed review of TPB education requirements is necessary. Therefore, we suggest that the formalisation of existing requirements into a Legislative Instrument prior to the release of the TPB Review Final Report makes little sense. As noted above we do not believe codifying educational requirements is appropriate as it makes the task of amending such standards over time more cumbersome.

In conclusion, we do not support converting existing proposed guidelines and information sheets for Board approved courses into Legislative Instruments. Such a course of action would have the effect of codifying the requirements as they stand today and providing a barrier to making sure they remain fit for purpose.

We trust that you will find our submission of value. Please feel free to contact us directly should you require further clarification on any of the issues raised or other questions related to our submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Greco', with a stylized flourish at the end.

Tony Greco
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