



12 January 2009

Mr John Hawkins
Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 1600
Parliament House
CANBERRA ACT 2600

By Email: ecomomics.sen@aph.gov.au

Re: Senate Committee Inquiry into Tax Agent Services Bill 2008

Dear Mr Hawkins

We convey our appreciation for the invitation to provide a submission to the Inquiry into the Tax Agent Services Bill 2008 (the Bill) and submit our comments as follows.

AAT Australia is the leading national professional association representing an emerging tier of paraprofessional 'technicians' who are currently the principal agents undertaking accounting/BAS services and will be subject to the general provisions of the Bill and those relating to BAS agent services in particular. AAT Australia's short and longer term objectives are to; assist the introduction of the Bill, in terms of promoting and supporting our members compliance with its provisions; facilitating our member's acquisition of the education and experience requirements for registration; and to participate in the longer term administration of the tax agent services activities by seeking registration as a BAS agent association under the Bill.

AAT Australia has participated extensively in the consultation processes with The Treasury, the Australian Taxation Office and federal government representatives since its establishment in May 2002 that have resulted in the current version of the Bill. We have also conducted comprehensive discussions with the major accounting bodies in regard to common aspects of the legislation.

In its response to the latest round of consultations in regard to the Bill AAT Australia raised several issues, the most important of which related to defining in clearer terms the delineation between those bookkeepers undertaking services to whom the legislation would apply and those to whom it should not. We contended that the legislation provisions could be more conclusive in terms of the specific functions that would invoke the necessity for registration.

AAT Australia also raised several issues that emanated from the Tax Agent Services Regulations 2008 and Exposure Draft Explanatory Statement;

- ❖ Under the proposed legislation prospective registered BAS service associations would be required to have a minimum number of registered BAS agents to be eligible for registration under the Bill. However, during the three year transition period, for the purpose of determining the prerequisite numbers to support a registration application such members would not be required to be qualified. AAT Australia contended that the requisite member numbers should be reduced to 500 from 1,000 members for the duration of the transitional period only and all members should be required to have the requisite qualifications.
- ❖ Without a BAS service definition with greater certainty to determine a requirement for registration, the notion of those undertaking functions being taken to be 'registered' during the transition may create uncertainty as to the registered status of an individual that invokes a range of adverse consequences.

Notwithstanding the foregoing issues raised by AAT Australia, these and other elements of the Regulations and Transitional Provisions that require interpretation for their practical application should be the subject of extensive, comprehensive guidelines to be developed by the National Tax Practitioner's Board. We would provide any assistance required in the development or review of such guidelines that we anticipate would be an ongoing industry consultative program instigated by the Board.

AAT Australia is of the opinion the introduction of legislation to regulate BAS service providers to ensure small business clients can engage experienced, competent practitioners that will provide a high measure of certainty in their taxation compliance is an overriding imperative and we therefore support the passage of the Bill in its current form.

In addition, the recent statement by the Assistant Treasurer that it is intended to conduct a formal review of the new legislative regime to assess the effectiveness and efficiency of the regulatory framework following a three year period after its introduction, has provided a measure of assurance any deficiencies will ultimately be addressed.

A representative of AAT Australia would be available to attend the proposed hearing in Canberra on 6 February 2009 as a witness if required.

Should you have any further enquiries please call Robert Hutt, AAT Australia Education and Technical Manager on (03) 8665 3135 or robert.hutt@aat.org.au.

Yours sincerely,



Robert Comelli
Chief Executive Officer