



Mr. John Hawkins  
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Re: Senate Committee Inquiry into Tax Agent Services Bill 2008

## **SUPPLEMENTARY SUBMISSION**

Dear Sir

We refer to the recent inquiry hearing conducted into the Tax Agent Services Bill 2008, specifically the invitation by the Committee to make further submissions in regard to matters that were raised during the proceedings. The issue we wish to deal with relates to the definition in the Bill for the meaning of a BAS service.

### **Section 90-10 Meaning of BAS service**

The original definition employed the word "determining" to describe the degree to which the service would discharge the "liabilities, obligations or entitlements of an entity that arise, or could arise under a BAS provision;" The wording was altered to "ascertaining" on the basis that the outcome of the original definition would have the undesirable result that bookkeepers who merely determined whether an invoice they were processing conformed with the law in relation to it being a tax invoice (a function that all bookkeepers are required to perform) would be within the purview of the definition. Therefore all bookkeepers would be caught by the legislation and subject to all its provisions which would be impractical, defeat the purpose of the regulatory regime to provide competent and experienced practitioners and impose unrealistic obligations upon inexperienced people.

The effect would be that those individuals wishing to enter the industry as bookkeepers could only gain the requisite experience unless if they became employees as to undertake even the most basic routine functions under any other engagement relationship would require them to be registered. This course would be at odds with an industry sector that is characterized by contractual arrangements as the predominant form of engagement.

Further, the definition for the regulatory regime should focus upon the terms of the contractual relationship between the BAS agent and their client. Where practitioners hold themselves out to provide a BAS service in the context of compiling the data, preparing the approved form and lodging it, such that the client relies upon the outcome of the service provided then those people should be registered.

In the context of the determinants for registration, it is incumbent upon the Board to ensure that registered individuals have the necessary qualifications and experience to fulfill the obligations they contract to provide. The test for the registration requirement therefore would be that where bookkeepers are employing the essential task elements that compose the training qualification in the production of the service outcome they should be registered.

AAT Australia supports the definition in its current form with the proviso that the future Tax Practitioners Board determines functional elements of the services they provide that characterize a "BAS service".

We submit that applying the definition in this way will enable bookkeepers to access the experience they require to gain a qualification working under the supervision and direction of a tax agent or BAS agent. The level of such supervision and direction will be determined on an individual basis underpinned by the tax or BAS agent's compulsion to meet their contractual obligations.

We trust that the information provided will contribute positively to the enquiry and we look forward to the outcome in due course.

For additional information please contact Robert Hutt, Education and Technical Manager, on 0408 772 297 or email [robert.hutt@aat.org.au](mailto:robert.hutt@aat.org.au).

Yours faithfully

Robert Comelli

A handwritten signature in black ink, appearing to read 'R. Comelli', written in a cursive style.

Chief Executive Officer