

27 July 2020

Mr Ian Klug  
Chair  
Tax Practitioners Board

By email: [tpbsubmissions@tpb.gov.au](mailto:tpbsubmissions@tpb.gov.au)

Dear Ian

### **Board approved courses requirements – draft guidance**

CPA Australia represents the diverse interests of more than 166,000 members working in over a 100 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest.

#### ***Providing certainty***

We support, in principle, the Tax Practitioners Board (**TPB**) actions to formalise the existing proposed guidelines and information sheets, which contain the requirements for Board approved courses, into Legislative Instruments (LIs).

We note the general benefits of providing certainty to tax practitioners in finalised LIs rather than having to rely indefinitely on draft guidance.

On the basis that the draft Legislative Instruments<sup>1</sup> (**draft LIs**) reflect established principles and approaches, we do not raise specific objections to their finalisation.

We do, however, note a number of factors in relation to the broader TPB education requirements framework that we recommend for consideration.

#### ***Review of education requirements***

Our joint submission with Chartered Accountants Australia and New Zealand on the [Review of the Tax Practitioners Board](#) in September 2019 reflects our organisations' views on the TPB's education requirements.

In particular, we submitted that:

*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 in the absence of the TPB Review Final Report may be premature.

#### ***Future-proofing education requirements***

We believe that the TPB's educational requirements should reflect the breadth of services permitted under each registration category, particularly where the scope has changed since the *Tax Agent Services Act 2009 (TASA)* was introduced.

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<sup>1</sup> [Tax Agent Services \(a course in basic accountancy principles that is approved by the Board\) Instrument 2020](#)  
[Tax Agent Services \(a course in Australian taxation law that is approved by the Board for tax agents\) Instrument 2020](#)  
[Tax Agent Services \(a course in commercial law that is approved by the Board for tax agents\) Instrument 2020](#)  
[Tax Agent Services \(a course in basic GST/BAS taxation principles that is approved by the Board\) Instrument 2020](#)

In our submission on the Proposed extension of BAS services - Tax Agent Services (Specified BAS Services No. 2) Instrument 2020 earlier this month, we recommended that education requirements for BAS agents be reviewed and enhanced to reflect the increasing complexity, consumer risk and scope being permitted by that draft LI.

Further, the composition, delivery and assessment of professional education is constantly evolving. Given that the draft Lis are based on TPB guidance developed more than a decade ago, they should be refreshed to reflect contemporary education offerings and outcomes-focused educational approaches.

As noted in our submission on Continuing professional education requirements for tax practitioners under the TASA in March 2020, the International Accounting Education Standards Board (**IAESB**, now part of International Federation of Accountants (**IFAC**)) recognises input- and output-based education approaches with its Handbook of International Education Pronouncements (2019) (**the Pronouncements**) providing detailed guidance with which CPA Australia complies.

We suggest that the approaches presented in the Pronouncements and accompanying standards could be considered by the TPB, including the standards relating to Formal Assessment of Professional Competence.

We recommend that the draft Lis, if formalised, include a sunset date to ensure they are updated in the coming years to reflect contemporary practices.

### ***The role and standards of CPA Australia***

The CPA Australia designation and accreditation is trusted by consumers of tax services due to the well-earned reputation of our educational offering and the expertise of our members.

The tax modules in the CPA Program and their pre-requisites offer sound educational entry pathways to the tax profession and are currently approved by the TPB Board.

Many of those regulated by the TPB are CPA Australia members and we consider our accreditation process to be a regulatory leverage point for the TPB. This is because the obligations placed upon our members means that Certified Practising Accountants (**CPAs**) who are registered tax, financial advisor or BAS agents comply not only with TPB requirements but also other accounting and professional standards and rules.

We submit that CPA Australia's standing should be recognised by the TPB and formally integrated into the TPB's education requirements.

This could be done by either:

- Developing regulations where the individual meets the academic requirements to register as a tax practitioner if, for example, the individual has the academic qualifications required by a professional accounting body (as defined by Regulation 2AC of the *Australian Securities and Investments Commission Regulations 2001*) to hold a certificate of public practice to provide taxation services to the public, or
- Declaring via LI that designated accounting bodies, including CPA Australia, are accredited for the purpose of recognising the professional qualifications of their voting members as meeting the academic requirements to register under Schedule 2 of the TASA.

### ***Conclusion and recommendations***

We acknowledge the efforts of the TPB to formalise its existing guidance in a range of areas including education courses. However, we caution that this area requires a detailed review to ensure contemporary, globally aligned and future-proofed practices are incorporated into the Lis.

We look forward to the release of the Review of the Tax Practitioners Board Final Report which we expect will provide key recommendations for consideration by the TPB and the profession.

Until then, we recommend that a sunset date is included in the draft Lis so that consideration can be given to the IAESB Pronouncements, the recognition of professional accounting bodies and the expansion of educational requirements where the scope of services has increased since the introduction of the TASA.

If you have any queries about this submission, contact Elinor Kasapidis, Tax Policy Adviser, CPA Australia, on 03 9606 9666 or [elinor.kasapidis@cpaaustralia.com.au](mailto:elinor.kasapidis@cpaaustralia.com.au).

Yours sincerely,

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

Dr Gary Pflugrath

Executive General Manager, Policy and Advocacy