

STATEMENT OF INTENT – THE TAX PRACTITIONERS BOARD

This Statement of Intent provides the response of the Tax Practitioners Board (TPB) to the Government's Statement of Expectations of 7 April 2014, in relation to the TPB's role and responsibilities including in relation to our relationship with Government, transparency and accountability and operational matters.

ROLE AND RESPONSIBILITIES OF THE TPB

The TPB is an independent statutory body responsible for regulating tax agent services, including business activity statement (BAS) services in Australia. Our role is to protect consumers and assure the community that tax practitioners meet the appropriate standards of professional and ethical conduct.

The TPB's statutory functions are contained in the *Tax Agent Services Act 2009* (TASA) and include:

- administering a system for registration for tax agents, BAS agents and tax (financial) advisers;
- determining applications for registration;
- issuing guidelines on relevant matters;
- investigating conduct that may breach the TASA, including non-compliance with the Code of Professional Conduct (Code), the fitness and propriety requirements and breaches of the civil penalty provisions;
- imposing administrative sanctions for breaches of the Code; and
- taking action in the Federal Court of Australia in respect of pecuniary penalties.

Key performance indicators

The TPB has developed key performance indicators (KPIs). The TPB will continue to review its KPIs, to ensure they remain appropriate for measuring the effectiveness of the TPB's programs in achieving their objectives, and for reporting achievements against these KPIs and program deliverables. The TPB's KPIs cover:

- Processing new and renewal registrations within service delivery standards.
- Improving the number of registration and renewal applications processed without requiring further applicant interaction.
- Resolving complaints within service delivery standards.
- Ensuring that the significant majority of registered tax practitioners have maintained appropriate professional indemnity insurance cover.
- Ensuring tax practitioners and other stakeholders are satisfied with the TPB's communication and consultation.
- Publishing regular guidance to registered tax practitioners on their rights and obligations.

THE GOVERNMENT'S DEREGULATION AGENDA

The TPB notes the context of the Government's deregulation agenda in which the Statement of Expectations has been issued. In particular, we note the Government's commitment to reduce red and green tape and compliance costs for business and the community as a critical step towards improvement of Australia's productivity.

In carrying out our functions, the TPB will:

- comply with the Government's enhanced Regulatory Impact Analysis requirements for all regulatory proposals, including consideration of the impacts of regulation on business and the community;
- cost proposals by using the Regulatory Burden Measurement Framework before any new proposals are introduced;
- continue to act in accordance with regulatory best practice framework in our decision making, policies, processes and communication practices to minimise the regulatory burden and ensure that clarity and transparency is maximised;
- be user-focussed and regularly review our policies and procedures to bring about improvements and achieve a reduction in compliance costs; and
- develop our procedures and policies, by using a principles-based approach, thereby ensuring flexibility in application and reducing compliance costs for regulated entities.

TPB guidance

The TPB issues guidance to assist tax practitioners to understand the requirements under the TASA and to consumers to understand what they should expect when engaging a tax practitioner. The TPB acknowledges that effective guidance assists stakeholders to manage the costs of complying with the regulatory requirements.

The TPB is committed to continuing to adopt a flexible and principles-based approach when developing our guidance. However, we recognise that some areas may benefit from more detailed guidance in order to create greater certainty. Consistent with the Government's policy on best practice regulation, we will continue to:

- consult widely and in a transparent manner to ensure all relevant views are considered before finalising our guidance materials;
- provide an appropriate amount of time for stakeholders, including the general public, to provide comment on the TPB's draft guidance;
- balance the costs and benefits associated with any guidance;
- ensure the guidance is clear and accessible;
- deliver a program of reviewing finalised guidance to ensure that it is appropriate and reflects any developments in the profession and market generally.

Therefore, the TPB will continue to ensure that guidance material is consistent with principles-based regulation, by reviewing existing guidance material and briefing Board members and staff involved in preparing future guidance material.

RELATIONSHIP BETWEEN THE TPB AND THE GOVERNMENT

We welcome the fact that the Government has taken the TPB's independence into account and acknowledges that the TPB continues to act independently and objectively in performing its functions and exercising its powers as contained in the TASA.

The TPB currently, and in the future, will take into account the Government's broad policy framework in carrying out our functions and meeting our responsibilities.

The TPB recognises Treasury's significant role in supporting and advising the Treasurer and other Treasury portfolio Ministers. We will continue to work closely with Treasury and ensure Treasury is informed of the TPB's interactions with Government Ministers and other key policy figures.

We will continue to consult with Treasury when we develop substantive operational policies and ensure cohesion and consistency between those policies and legislative policy and objectives.

The TPB will continue to provide Treasury with accurate and timely advice and information as requested and maintain a close working relationship with Treasury. This relationship is further underpinned by a Protocol between the two agencies and is supported by regular liaison meetings between senior executives.

In addition, the TPB is committed to working closely with Treasury on the Government's deregulation agenda. We will do this by providing timely updates and information as appropriate.

TRANSPARENCY AND ACCOUNTABILITY

The TPB recognises that transparency and accountability are crucial elements for the effective operation of any regulatory environment. The TPB will continue to build on initiatives we already have in place to ensure a robust consultation process and strong working relationships with all stakeholders. Such initiatives include:

- a quarterly consultative forum with all recognised tax practitioner associations;
- one on one meetings with key stakeholders, including associations and businesses;
- outreach information sessions, with invitations extended to all tax practitioners in the surrounding location;
- conducting surveys of tax practitioners (seeking feedback); and
- presenting our annual report on the operations of the TPB for the prior financial year to you for tabling in Parliament.

In line with the Government's expectation of an open and consultative relationship with key stakeholders, on 5 March 2014, the TPB released the *Tax Practitioner Service Charter*. The Charter articulates how we perform our role as a regulatory authority, explains what tax practitioners can expect in their dealings with the TPB, outlines our commitment to tax practitioners and their rights and responsibilities. The Charter emphasises the TPB's commitment to being open, transparent and accountable in our dealings with the community as well as being professional, responsive and fair.

OPERATIONAL ISSUES

The TPB is committed to ensuring that all of our staff, whether employed under the *Public Service Act 1999* or otherwise, uphold the Australian Public Service (APS) Values and adhere to the APS Code of Conduct. Further, the TPB is committed to comply with the APS Bargaining Framework in relation to APS employees.

The TPB is not an agency for *Public Governance, Performance and Accountability Act 2013* purposes. In accordance with section 60-80 of the TASA, the Australian Taxation Office provides resources to the enable the TPB to achieve its outcomes. The TPB will continue the efforts we have made under this arrangement to achieve outcomes as cost effectively as possible.

CONCLUSION

The TPB looks forward to actively contributing to reducing the regulatory burden on business and the community and ensuring our decisions that relate to the policy and regulatory environment boost confidence, promote investment and encourage employment. In particular, the TPB is committed to contributing to the Government's \$1 billion red and green tape reduction target.