

TAX TALKS

Australia's Tax News Podcast - The Podcast for Australian Tax Professionals

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55 | Tax Practitioners Board

The Tax Practitioners Board ([TPB](#)) is the national body responsible for the registration and regulation of us as tax practitioners. That's all we knew. We had very little idea of what the TPB actually does, how it operates, how it is structured and financed. So we went to see Ian Taylor. Ian has been the Chair of the TPB since January 2013, so well over 5 years now. Here is what we learned.

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Tax Practitioners Board

The overall purpose of the TPB is to protect consumers of tax practitioner services. So basically to protect our clients from us. (It sounds odd when you put it like this.)

And the TPB does this by regulating our registration and the services we provide as tax practitioners and ensuring that we comply with TASA 2009, including the Code of Conduct.

Tax practitioners include tax agents, BAS agents and tax (financial) advisers. But there are also quantity surveyors who prepare tax depreciation schedules and tax fuel credit specialists who have to register with the TPB. In total the TPB oversees more than 77,000 registered tax practitioners.

To ensure compliance with TASA 2009 the TPB investigates possible breaches of TASA, imposes administrative sanctions for non-compliance and may apply to the Federal Court for further action. Every year the TPB receives about 1,600 complaints which it then investigates.

The Tax Practitioners Board came into existence through TASA 2009 – Tax Agent Services Act 2009. We thought that was quite unique but there are actually a few other national bodies created like this through an act of law. ASIC, FASEA and ACNC are three examples.

And so TPB ensures compliance with TASA 2009, the very act of law that brought it into existence.

The TPB's key stakeholders are the Australian community at large, the 77,000 registered practitioners and their professional associations as well as the ATO.

ATO

The TPB is independent of the Australian Taxation Office (ATO), but there is close cooperation between the two. The TPB uses office space provided by the ATO. And the current 130 TPB staff are employed by the ATO and seconded to the TPB.

But it goes beyond that. The ATO gives registered tax practitioners access to their online services, but the TPB decides who can register and who can't within set rules. The ATO might point the TPB to a practitioner and the TPB might point the ATO to tax work done by a practitioner. Ultimately, TPB and ATO work cooperatively to strengthen community confidence in the taxation system.

Structure

The TPB basically has four levels. There is the Chair of the Board and the Board itself – eight part time members in total. Then there is the Secretary to the Board. And then there is the TPB staff.

Ian Taylor commenced as Chair of the TPB in January 2013 and was reappointed in December 2015 for a further three years. And then there are seven more board members. All members are appointed for a specific period of time by the Minister for Revenue and Financial Services, currently Kelly O'Dwyer. And they directly report to this Minister.

The eight Board members are not public servants. They are registered tax practitioners in their own right and independent of the ATO. The board members don't represent a certain state or territory.

The TPB consists of 130 staff made available by the Commissioner of Taxation, ie. ATO. So this is where most of the day to day work is done. However, the Board is closely involved in the operation and makes all palatable decisions.

Funding

The TPB is funded via the Treasury portfolio and through the annual federal government budget in the portfolio budget statement. So it gets an allocation of funding and that actual funding then comes to the TPB via the ATO. So from a financial perspective the TPB operations go via the ATO, but the funding comes from the Treasury portfolio of federal government in the budget allocation each year.

Tax Practitioners

The TPB started with 26,000 registered tax agents in 2010. This number has now grown to 42,000 registered tax agents plus 15,500 BAS agents and 19,500 financial tax advisers, so 77,000 registered tax practitioners in total.

There is a clear gender line among the different groups. Most tax agents and tax financial advisers are male. 73% of the 42,000 tax agents and 79% of the 19,500 tax financial advisers to be exact. On the other hand, most BAS agents are female – 81% of the 15,500 BAS agents.

Tax and BAS agents are relatively old. 55% of tax agents and 51% of BAS agents are over 50 years of age. Tax financial advisers are significantly younger with only 37% being over 50.

All three groups mainly have individuals registered rather than companies and partnerships. 73% of tax agents, 72% of BAS agents and 69% of tax financial advisers are individuals with the rest being partnerships or companies.

All 19,500 financial tax advisers also have an AFS licence with ASIC. And are hence jointly regulated with ASIC.

94% of all tax related interaction with the ATO for small and big business is through a registered tax practitioners (Tax or BAS agents).

Tax practitioners lodge 74% of all Individual Tax Returns in Australia. Tax agents lodge 10 million individual returns each year.

Public Forums

The TPB runs two different forums – a financial adviser’s forum and a consultative forum – every March, August and November where the relevant professional associations discuss any current issues with the TPB.

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