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Justification in Tax Agent Legislation

The latest GST crackdown by the Australian Taxation Office (ATO) underscores compliance issues that prevail among small/medium size businesses due in part to the lack of their use of professional bookkeeping services.

It is apparent \$3.2 billion is not just the result of a few odd GST payment omissions or failures to collect the tax. It suggests a larger scale inability on the part of businesses to accurately assess their GST liability and lack of management in their financial ability to meet their debts as they fall due.

In 2009 the federal government enacted the *Tax Agent Services Act 2009* to remedy the high incidence of incorrect BAS lodgements caused mainly by the influx of unqualified, inexperienced bookkeepers as a result of increased demand for these services by many small businesses outsourcing their account keeping.

The legislation established a new category of tax practitioner, BAS agents, who are required to have education qualifications, demonstrate 1,400 hours of experience to become registered with the Tax Practitioners Board and are subject to a legislated Code of Professional Conduct. Clearly the legislation was overdue.

The emergence of registered BAS agent associations under the legislation has also added ethical standards and business bookkeeping expertise to many practitioners. Robert Hutt, Education and Technical Manager of the Association of Accounting Technicians (AAT) Australia said; "The role that associations such as the AAT Australia contribute is to ensure the quality and scope of services of bookkeepers is maintained and they are kept informed in regard to BAS preparation and lodgement".

To address the special needs of BAS agents, AAT Australia has introduced a Public Practice Member category that requires a short one-day course in public practice. For more information on the seminar go to www.aat.org.au

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