



Australian Government



TAX  
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# CPE review: What it means for you

**Presented by** Debra Anderson, Board Member, Tax Practitioners Board

# Welcome

*'In the spirit of reconciliation, we acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging. We extend that respect to all Aboriginal and Torres Strait Islander peoples today.'*

Access the presentation slides : [tpb.gov.au/webinar-hub](https://tpb.gov.au/webinar-hub)

# What we will cover today

- ✓ CPE overview
- ✓ Background of the CPE review
- ✓ Changes to CPE from 1 July 2022:
  - Minimum number of CPE hours
  - CPE period
  - Mandated topics
  - Types of CPE activities
- Professional and technical reading allowance
- Educative health and wellbeing allowance
- Record keeping requirement
- Extenuating circumstances
- ✓ Q&A



## Meet your presenter

- Debra Anderson
- Board Member
- Tax Practitioners Board

# Overview of CPE



# Understanding CPE

- CPE is the process by which you maintain and enhance the required knowledge and skills relevant to the tax agent or BAS services you are registered to provide.
- CPE supports registered tax practitioners to:
  - maintain and improve their knowledge and skills
  - keep up-to-date with developments in the relevant tax laws and tax administration
  - maintain and build upon their primary qualifications.
- Undertaking CPE is both a renewal requirement for individuals and an obligation under the Code of Professional Conduct.

# CPE is a renewal requirement for individuals

- When renewing your registration, you need to meet the CPE requirements.
- You will also need to confirm you meet the minimum CPE hours requirements when completing your annual declaration.
- Not meeting the CPE requirements could impact on your ongoing registration.



## CPE demonstrates you're meeting Code obligations

- Code item 8 requires that you must maintain knowledge and skills relevant to the tax agent or BAS services you provide.
- One way to show compliance with this Code obligation is through CPE.
- Other relevant Code items are:
  - Code item 10 – you must take reasonable care to ensure that tax laws are applied correctly to the circumstances in relation to which you are providing advice to a client.
  - Code item 12 – you must advise your client of their rights and obligations under the tax laws.
- Not meeting your obligations under the Code can impact on your registration.



# Background of the review



## CPE Review: How we arrived here

- The review commenced in late 2019 with extensive consultation to date, including:
  - Initial consultation with forum members.
  - Public discussion paper (47 submissions received).
  - Further consultation with forum members.
- On 11 February 2021, we released our exposure draft Explanatory Papers for consultation. We received 95 submissions.
- We considered all views to facilitate improved guidance and professionalism, and to simplify regulatory compliance.
- We have finalised our position and our new CPE policy will commence from 1 July 2022.

## Why the changes are necessary

- The object of the *Tax Agent Services Act 2009* (TASA) is consumer protection. Completing CPE will assist you to maintain and enhance your knowledge for the benefit of your clients and the wider community.
- Businesses increasingly operate in a complex environment. CPE plays a vital role in assisting you to adapt as the law, society and your clients' needs change.
- There is a wide range of CPE activities available, and they are not limited to those activities that improve your technical knowledge. Other areas are also relevant and help ensure you provide a competent service to your clients.
- You can also now complete educational health and wellbeing activities, up to a maximum of 10% of the CPE hours you are required to complete.

# Changes to CPE from 1 July 2022



## Minimum hours requirement

From 1 July 2022, under our revised policy:

- Tax agents should complete a minimum of **120 hours of CPE over a 3-year period** – an increase from 90 hours over a 3-year period in the current policy.
- BAS agents should complete a minimum of **90 hours of CPE over a 3-year period** – an increase from 45 hours over a 3-year period in the current policy.
- Both tax and BAS agents should complete a minimum of **20 hours of CPE each year**. This has been increased from 10 hours per year for tax agents and 5 hours per year for BAS agents in the current policy.

# Rationale for BAS agents

- The BAS agent population has grown fivefold from approximately 3,200 BAS agents in 2009–10 to over 16,000 in 2020-21.
- There has been a significant expansion in the range of services BAS agents can provide and increasing demand and reliance placed on BAS agents to assist businesses in complying with their tax obligations.
- This has led to an increase in the range and maturity of CPE activities that have become available to BAS agents, including free online options.
- This increase in the CPE hours reflects these changes that have occurred in the industry over the years.
- Your ongoing education enhances the integrity of the tax profession, better supports your client needs, and builds community confidence in the tax system.

## Impact of increased minimum hours

	Tax agent	BAS agent
Current CPE requirement (hours over a 3-year period)	90	45
New CPE requirement (hours over a 3-year period)	120	90
Current CPE requirement (minimum hours per year)	10	5
New CPE requirement (minimum hours per year)	20	20
Current CPE requirement (approx. hours per week)	0.6 (36 minutes)	0.3 (18 minutes)
New CPE requirement (approx. hours per week)	0.8 (48 minutes)	0.6 (36 minutes)

## CPE period

- For new tax agents registered on or after 1 July 2022, the new CPE policy will apply from the date of registration.
- If you are renewing your registration after 1 July 2022, the new policy will apply from the date when your renewed registration period begins.
- However, if you are a member of a recognised professional association, under our revised policy, you will be able to align your CPE period with the CPE period of your professional association.
- This means that you can elect to have your CPE period based on a financial year or a calendar year, providing you with greater flexibility.
- For example, if your registration or renewal period begins on 1 October 2022 and you elect a CPE period on a financial-year basis, your CPE period will be from 1 July 2023 to 30 June 2026. You must complete CPE on a pro-rata basis until then.



## Example: CPE period

- Abby is registered as a BAS agent and her next renewal is due on 1 November 2022.
- Once Abby's renewal application is approved, her registration date will be 1 December 2022. From that date, Abby will be subject to the TPB's new CPE requirements.
- Abby is a member of a recognised professional association and elects to align her CPE period with the CPE period of her association, which is based on a financial year. Abby's first CPE period will commence on 1 July 2023 and end 30 June 2026.
- From 1 July 2023, Abby will need to complete 90 hours of CPE and ensure that for each year of her CPE period, she completes a minimum of 20 hours of CPE.
- Until 1 July 2023, Abby will need to ensure that she continues to comply with the previous requirement to complete 45 hours of CPE, with a minimum of 5 hours each year, calculated on a pro-rata basis from 1 December 2022 to 30 June 2023.

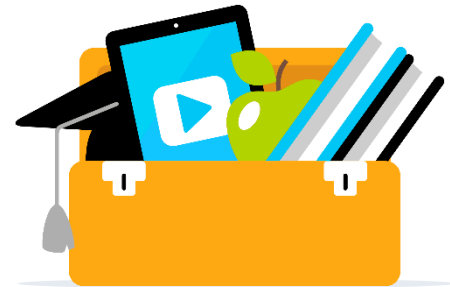
## Mandated CPE topics

- We do not currently mandate topics to be completed as part of your CPE obligations and this will not change.
- However, we will include further guidance on [tpb.gov.au](https://www.tpb.gov.au) regarding what activities will be considered relevant.
- You should still exercise your professional judgement in selecting CPE activities relevant and appropriate to your circumstances.
- The CPE activities you undertake must be relevant to the tax practitioner services you provide and should be provided by people or organisations with suitable qualifications and/or practical experience in the relevant subject area.



# Types of CPE activities

- We have provided guidance regarding the distinction between ‘structured’ and ‘unstructured’ CPE activities in our revised Explanatory Paper and on [tpb.gov.au](http://tpb.gov.au).
- We have also included:
  - practical examples in the revised Explanatory Paper and on [tpb.gov.au](http://tpb.gov.au) to aid your understanding of what types of CPE activities are considered relevant;
  - in the supporting material to the revised Explanatory Paper and on [tpb.gov.au](http://tpb.gov.au) reference to ethics and practice management as relevant CPE activities.
- We will endeavor to provide BAS agents with guidance on CPE offerings.
- We will not accredit or approve CPE activities.



# Professional and technical reading allowance



- Under our new CPE policy, there will be no change to the 25% professional and technical reading cap.
- However, we will:
  - Adopt a broad approach to the reference to ‘professional and technical’ reading, including in this definition non-written forms such as video and audio resources.
  - Provide additional guidance in the revised Explanatory Paper and on [tpb.gov.au](http://tpb.gov.au) regarding the types of activities that fall within the definition of ‘professional and technical’ reading.
  - During the post-implementation period of the new CPE policy, the TPB will review whether the 25% professional and technical reading allowance is adequate in light of the increased CPE hours requirement.

# Poll



- Heather resides in Coober Pedy, South Australia, and provides tax agent services to individuals who work in opal mines.
- Heather rarely has time to travel to Adelaide to attend face-to-face training. She maintains her knowledge and skills by completing online learning packages, participating in online discussion groups, monitoring updates on the ato.gov.au and completing technical reading.
- During a CPE period, she completes 4 face-to-face seminars (total of 20 hours), 3 internet assisted courses (total of 15 hours), participates in structured online discussion groups (total of 60 hours) and undertakes 25 hours of technical reading.
- **Has heather completed the minimum level of CPE for TPB purposes?**

## Educative health and wellbeing allowance

- We are temporarily accepting a small amount of educative health and wellbeing activities undertaken until 31 December 2022 as relevant CPE for TPB purposes.
- From 1 July 2022, our new CPE policy will allow you to complete health and well-being activities up to a maximum of 10% of the required CPE hours.
- These could include activities such as attending webinars about how to manage stress and self-care, as being relevant CPE activities.
- The majority of your CPE activities must still be relevant to the tax agent services you provide that maintain, develop or promote your skills, knowledge or attributes.



## Example: Educative health and wellbeing allowance



- Derek is a registered tax agent. For the first year of his CPE period, Derek attended a 2-hour seminar during Mental Health Month on the topic of managing for wellbeing.
- In the second year of his CPE period, Derek attended a 4-hour conference covering topics such as how to manage trauma in the workplace and implementing flexible work and health arrangements in the workplace.
- In the third year, Derek attended a 2-hour webinar on stress management techniques.
- As Derek has undertaken no more than 10% of his CPE in educative health and wellbeing activities, he can count the 8-hours towards his CPE for the relevant CPE period.

## Record keeping requirement

- Under our revised policy we have reduced the record keeping requirement from 6 to 5 years, commencing at the end of a registered tax practitioner's CPE period.
- This aligns with the Australian Taxation Office requirements.
- This change does not impose any additional obligations on you as the 5-year requirement aligns with the requirements of several of the professional associations.
- Note: many professional associations have record keeping requirements that either equal or exceed 5 years.
- We will also require you to provide further details in your CPE logs in relation to 'unstructured' CPE activities or where the relevance of the CPE activity cannot be determined from the description of the activity



## Extenuating circumstances

- Under our current policy, examples of situations where it might not be possible for you to complete the minimum amount of CPE hours include illness, disability and financial or other hardship.
- Under our revised policy, we have also included family and/or caring commitments (such as maternity or paternity leave).
- If you experience such circumstances, you should exercise your professional judgment in this regard and keep appropriate records in relation to your situation.
- We will consider appropriate relief from the minimum amount of CPE hours, provided you can demonstrate that you have attempted to use the flexibility of your CPE period to manage any extenuating circumstances to comply with our requirements

## Example: Extenuating circumstances

- In 2022, John, a registered tax agent, only completes 20 hours of CPE due to parenting leave in the first half of the year.
- To account for his shortfall in CPE hours, John completes 40 hours of CPE in 2023 and 60 hours of CPE in 2024.
- John has completed 120 hours of CPE over his CPE period (maintaining a minimum of 20 hours CPE each year).
- Therefore, the TPB considers that he has completed the minimum level of CPE.



**Questions**

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