



Australian Government



TAX  
PRACTITIONERS  
BOARD

TAX PRACTITIONERS BOARD  
**CORPORATE  
PLAN**

---

2020-21

# FROM OUR CHAIR

## Message from the Chair of the Tax Practitioners Board

This plan confirms that the role of the Tax Practitioners Board (TPB) is to support the public and enhance the integrity of the tax profession. On our tenth anniversary, our vision speaks powerfully to the important role we play not only in upholding the broader integrity of the tax system but also in implementing whole-of-government reform initiatives.

The way we achieve our purpose, as set out in this plan, includes supporting honest practitioners—who make up the large majority—through registration services, complaint resolution, investigations of alleged misconduct and, where appropriate, sanctions. This plan sets out our three strategic objectives and five business strategies.

The good news is that the Australian community generally has high levels of trust in its tax practitioners. Over 71% of Australian taxpayers choose a tax professional, and our survey results show very high levels of trust and satisfaction. For example, our surveys reveal that 88% of consumers trust their tax practitioner. This year we want to improve our services for those tax practitioners who model professional and ethical conduct.

Like all Australians, the TPB is concerned to address the health and economic consequences of the current COVID-19 pandemic. We act to support whole-of-government initiatives to ensure the health of community, including ongoing business services, social distancing and work-from-home arrangements. More particularly, we encourage the government's stimulus package, working with the Australian Taxation Office (ATO) and practitioners to support Australians. This includes ensuring the integrity of the stimulus package.

In 2020–21, we will have an increased focus on unregistered advisers and the highest risk practitioners. This year, we expect to complete 1,000 investigations. Sanctions—such as suspensions and terminations—will be imposed after review and decision by our independent board. Sanctions on misconduct support community confidence in the integrity of the system and provide a deterrent to misconduct.

The TPB is continually evolving, taking insights from government reviews. For example, we will review the recommendations of the Independent Review of the Australian Public Service conducted by David Thodey AO, and analyse how the TPB can better serve the community using whole-of-government approaches, including better collaboration and data sharing with the ATO.

We also see opportunities to support government decisions on reforms arising from the Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Finally, the TPB eagerly awaits government decisions on the recommendations arising from the independent review of the TPB, including our operations and law, conducted by Keith James. Subject to these decisions, we are confident that the TPB will continue to effectively serve the community into the future.

This plan unites the work of all the staff and Board members of the TPB. I thank each of you for your dedication and service to the Australian community.

**Ian Klug AM**

# PURPOSE

The role of the TPB is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.

# VISION

The TPB is a leading government regulator that drives reform and uses best-practice methodologies to ensure that the tax profession is worthy of our community's trust.

# VALUES

The TPB is impartial, committed to service, accountable, respectful and ethical.

# WHO WE ARE

The TPB is an independent statutory body created under the *Tax Agent Services Act 2009* (TASA) and consists of Board members appointed by the responsible Minister.

The TPB is responsible for regulating registered tax agents, business activity statement (BAS) agents, and tax (financial) advisers—collectively referred to as ‘tax practitioners’. The TPB is also responsible for ensuring compliance with the TASA, including its Code of Professional Conduct.

We protect consumers of taxation services by regulating tax practitioners, thereby strengthening the integrity of the tax profession.

Further information about the TPB can be found on our website at [tpb.gov.au](http://tpb.gov.au).

# OUR ENVIRONMENT

The TPB operates in an environment of rapid change. The speed with which technological changes are released and adopted is extraordinary. As automation increases and becomes more available, the TPB must enter a continuous review process as part of our everyday business. In adapting to technological change, our practitioners have constantly evolving expectations—including expectations of how we adopt new technologies. Our clients expect us to be at the forefront of utilising new technologies to ensure that their user experiences are as streamlined as possible.

The environment in which we find ourselves is unprecedented. The COVID-19 impacts on health, society and the economy continue to evolve and challenge us all. The majority of honest and ethical tax practitioners are working extremely hard to support their clients. The TPB in turn is being flexible and practical in assisting those practitioners, whilst remaining vigilant to address the highest risks in the system. This includes pursuing our joint compliance strategy with the ATO, to address highest risk tax practitioners, including those who act to defraud the government's stimulus measures.

The community views the tax profession with a high level of trust. We are aware that, in the majority, practitioners do their utmost to earn this trust. As stewards of this trust, we make sure that those who do not meet society's expectations are appropriately managed. As a leading regulator, it is our role to assist members

of the community to confidently engage practitioners to help them with their tax affairs. Most practitioners continue to act in accordance with the law and guidelines, and while they do so the integrity of the whole tax system is protected.

Our role as a regulator of professional tax practitioners is integral to closing the nation's tax gap, which is defined by the ATO as being the difference between the amount the ATO collects and what would have been collected if every taxpayer were fully compliant with tax law. The ATO has identified an estimated tax gap of up to \$31 billion for the 2015–16 year, the latest year for which full data is available. This tax gap comprises tax avoidance and evasion, including the black economy and over-claimed work-related expenses. Some of this tax mischief is driven by high-risk tax practitioners. We are working with our co-regulators to ensure that the data and intelligence that we share and receive work to reduce the gap and meet the directives of government.

The government and community also hold the expectation that we will not only share information and data with our fellow regulators, but also work constructively with them to share systems, streamline our processes and reduce the compliance burden on users. We are building stronger relationships with our co-regulators and we are already seeing the results of this, with more and more of our cases arising as a result of direct referral from other agencies.

We are also working to implement the recommendations and outcomes of recent government reviews, such as the Hayne Royal Commission. Although the TPB was not directly reviewed, we continue to analyse the recommendations and apply them to our practices to ensure that we are a leading government regulator. In an environment of diminished trust in financial services, we are doing everything in our power to help restore community confidence.

Finally, as we await the outcomes and government recommendations from the independent review of the TPB, we acknowledge that the TPB is operating in a period of uncertainty. We are aware that change could be on the horizon, though the level and extent of the change is unclear. In the meantime, we continue to focus on our core business as a regulator and the needs of our clients and the community.

Australia as a whole is operating in difficult times as it responds to ongoing environmental changes and events such as drought, fires and floods and, most recently, the COVID-19 pandemic. Supporting our clients remains our focus through challenging times.

# OUR RISK MANAGEMENT

Our approach to risk management aligns with the requirements of the *Public Governance, Performance and Accountability Act 2013* regime and the Commonwealth Risk Management Policy. This includes oversight from the audit and risk committees of the ATO and the TPB. Review of business performance and risk management is an ongoing leadership task, especially via monthly board meetings.

Our risk management processes help to clarify our goals and strategic objectives, determine what must go right (our strategies), consider what may go wrong (potential risks), and look to prioritise, mitigate and manage key risks.

Key risks for the TPB include the need to keep abreast of a rapidly changing environment in tax and financial services. We therefore welcomed the independent review of the TPB and the TASA. We eagerly await government decisions about the future direction of the TPB.

A risk that would impede our goals and objectives is the failure to deliver coordinated or whole-of-government services to the Australian community. We are managing this risk through greater collaboration across government, especially with the ATO. This includes sharing intelligence and data to the maximum extent, adopting a joint compliance/investigations approach to target the highest risk tax practitioners, and applying more effective governance to test that outcomes are effectively delivered.

# OUR CAPABILITY

## Workforce

We will continue to review our structures, capability, skills and experience to improve performance and build the resilience of our workforce. As identified, the TPB is operating in a period of uncertainty, and it is our role to support the wellbeing of our staff through appropriate consultation. This includes the development of a change management program that supports staff into the future.

We will review our People Program to provide our staff with appropriate support and guidance to enable us to achieve the outcomes we are committed to at this time and to provide clear measures to keep us focused.

As the recommendations from the independent review of the TPB are announced, we will review the long-term capabilities of our staff to meet the requirements of our future workforce. In this, we will continue to invest in our staff and provide development opportunities to build capacity, business agility, transferrable skills and mobility.

## Technology

The TPB is investing in IT capability which supports broader business strategies and outcomes. With new tools we are better able to conduct our business, respond to our changing environment and support the community and tax practitioners.

This is a key focus of the TPB and we have already made significant progress in improving our systems.

As we look forward, the TPB is embarking on an ambitious program of IT redesign and rebuild. We will deliver improved systems to meet the needs of our staff and clients, including a new online application process.

# OUR PLAN

## In 2020-21, we have three strategic objectives to achieve our purpose:

1. Protect consumers of tax practitioner services.
  2. Enhance the integrity of the registered tax practitioner profession.
  3. Implement the government's reform program.
- 

To achieve those objectives, our business units will implement the following five strategies:

- Client Services will provide confidence to consumers of tax practitioner services by ensuring that registered tax practitioners meet and maintain the necessary competence and personal attributes for the tax practitioner profession.
- Technology will support business outcomes through IT solutions for clients and staff, including improved data analytics.
- Investigations and Enforcement will implement data-driven compliance activities that focus on the highest risk and unregistered tax practitioners.
- Law and Policy will manage our litigation work program, develop policy and guidance, and work closely with Treasury to develop and implement the legislative changes that are expected to arise from the TASA review.
- Corporate Services will implement and provide a complete and uniform governance framework that includes budgeting, people management, planning, risk assessment, communication, change management, and corporate strategy.



# STRATEGIC OBJECTIVES

**Purpose:** The role of the TPB is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.

**01** Protect consumers of tax practitioner services

**02** Enhance the integrity of the registered tax practitioner profession

**03** Implement the government's reform program

## PERFORMANCE MEASURES

- 1.1 Support consumers through targeted communications that raise awareness of consumer rights and tax professionals obligations.
- 1.2 Deliver a complaints resolution framework that supports consumer protection.
- 1.3 Manage an effective public register that is readily available.

- 2.1 Provide guidance and advice to tax practitioners on their eligibility and obligations.
- 2.2 Target the highest risk tax practitioners with investigations and compliance programs.
- 2.3 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct.

- 3.1 Work with government to design and implement statutory reform.
- 3.2 Ensure that the public is confident to use practitioner services.
- 3.3 Be an effective and efficient regulator.

# 1. PROTECT CONSUMERS OF TAX PRACTITIONER SERVICES

## Performance measures

- 1.1 Support consumers through targeted communications that raise awareness of consumer rights and tax professionals obligations.
  - 1.2 Deliver a complaints resolution framework that supports consumer protection.
  - 1.3 Manage an effective public register that is readily accessible.
- 

## How we will assess performance

- Case and complaint outcomes and program analysis
- Patterns and trends in intelligence
- Risk-based compliance strategies and outcomes
- Online engagement results and client surveys
- Intelligence from co-regulators, clients and the public
- Best practice and innovative IT solutions designed for consumers

## What success looks like

- Effective communication is used to highlight risk to protect consumers, educate the profession and deter misconduct, and create confidence in the TPB as an effective regulator.
- Complaints are handled effectively.
- The TPB Register is current and contemporary.

## 2. ENHANCE THE INTEGRITY OF THE REGISTERED TAX PRACTITIONER PROFESSION

### Performance measures

- 2.1 Provide guidance and advice to tax practitioners on their eligibility and obligations.
  - 2.2 Target the highest risk tax practitioners with investigations and compliance programs.
  - 2.3 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct.
- 

### How we will assess performance

- Application-processing data and statistics
- Intelligence from a range of sources, including co-regulators
- Compliance programs and outcomes
- Litigation outcomes that clarify the law and support the TPB's strategic objectives
- Reform outcomes and guidance

### What success looks like

- Useful advice and guidance are provided.
- Processing of all tax practitioner applications is timely.
- Data and intelligence target the highest risk tax practitioners.
- Litigation cases clarify the law and support the TPB's goals.

## 3. IMPLEMENT THE GOVERNMENT'S REFORM PROGRAM

### Performance measures

- 3.1 Work with government to design and implement statutory reform.
  - 3.2 Ensure that the public is confident to use tax practitioner services.
  - 3.3 Be an effective and efficient regulator.
- 

### How we will assess performance

- Australian Public Service census results
- People Program performance measures
- New and revised memorandums of understanding with government agencies, regulators and professional associations
- Stakeholder consultation forums, Regulator Performance Framework metrics and feedback
- Feedback on quality of submissions and adoption of recommendations
- Client surveys

### What success looks like

- The TPB influences legislative reform.
- The Australian public continues to show high levels of trust and satisfaction with practitioners.
- The TPB is recognised as an efficient and effective regulator.