



## **GOVERNMENT NEGLECTS GST EDUCATION NO SOLUTION FOR HIGH LEVEL OF BAS ERRORS**

**SYDNEY, 9 May 2007:** Monday's announcement by the federal government saw proposed new laws which will see tax agents and BAS preparers made accountable for misleading and incorrect statements with the aim of increasing consumer protection.

Sharyn Grant, CEO of the AAPB, said: "The AAPB welcomes the rigorous new standards for the industry and recognition of bookkeeping as a profession. However, we are extremely concerned about the absence of some important considerations in regard to education and skills assessment and this sentiment is echoed by our members."

The Australian government receives 15 million BAS / IAS lodgements per year, generating \$120 billion in revenue \*. It has also acknowledged that 27% of these BAS / IAS lodgements have errors in their calculation or have been completed incorrectly. It can only be assumed that the cost to business and government is running into tens of billions of dollars. 34% of bookkeepers have no formal qualifications and 40% receive no professional development as part of their ongoing work \*\*. In an industry of approximately 120,000 bookkeepers, with a growing rate of 23% per annum \*\*\*, it is not surprising that there are errors.

### **NO SKILLS ASSESSMENT FOR EXISTING OR NEW BOOKKEEPERS**

"The absence of a consistent skills assessment means that bookkeepers who have been operating for decades, before the introduction of GST and often without any formal qualifications, will continue to work as they always have" said Maria Benardis, AAPB's Technical Advocacy spokesperson.

"Any gaps in knowledge and education appear to not be identified or addressed in full. For a profession that has such an impact to the core of Australian business and government revenue, the new legislation lacks consistency and does not offer true protection for consumers or businesses" said Benardis.

### **NO ACKNOWLEDGMENT OF AN ACCREDITED QUALIFICATION RELEVANT TO BOOKKEEPING**

The federal government makes reference to the Certificate IV in Financial Services (Accounting). This course is inappropriate for bookkeepers as it deals with areas of income tax, which specifically fits with a tax agents' responsibility but not the distinctly different role of the bookkeeper. This course does not directly address GST which is essential to a bookkeepers' role. However, the new Certificate IV in Financial Services Bookkeeping has been developed by IBSA and DEST to specifically address the requirements of BAS service providers, with five new modules designed specifically to focus on the complexities of GST.

Given that a financial advisor cannot legally operate without the relevant qualification for superannuation, why is a bookkeeper permitted to do so? Why is the government not doing more to address these education and skills issues?

### **THE ALLOWANCE OF NON-ACCREDITED & IRRELEVANT COURSES**

The federal government has stated that bookkeepers who have completed a GST course will be able to have that taken into consideration. This effectively leaves the backdoor open for unqualified bookkeepers to take unaccredited, inappropriate courses and to then continue to operate. This offers no true consumer protection and only results in confusing bookkeepers and leaving them prey to unscrupulous companies who pose as educators. It seems unreasonable that the federal government is prepared to be tough on penalties and punishment but is not providing consistent educational guidance or support.

"The AAPB feels the new legislation is moving in the right direction, but until it is in force sometime in the next two years, we believe the ATO should begin rigorously enforcing current regulations to ensure consumers are fully protected now" said Sharyn Grant.

### **AAPB CONTACT DETAILS:**

Sharyn Grant, CEO, - 0414 449 421 / Maria Benardis, Technical Advocacy - 0418 737 311

For additional information about AAPB visit <http://www.aapb.org.au> or please contact Jo Cross or Laura Skelley, at 2iC Integrated Communications, on +61 (0) 2 9818 7833 or by email at: [jo@2ic.com.au](mailto:jo@2ic.com.au) or [laura@2ic.com.au](mailto:laura@2ic.com.au)

- \* The Auditor-General, Audit Report No.33 2003-04 Performance Audit - The Australian Taxation Office's Collection and Management of Activity Statement Information
- \*\* Taylor Nelson Sofres: Understanding The Bookkeeping Profession Vol 1: Research With Bookkeepers, June 2005
- \*\*\* Business Review Weekly - March 14-18, 2004