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AAPB BAG Meeting Notes September 2006

The ATO in early November forwarded the summary notes for the Bookkeeper Advisory Group (BAG) meeting that was held on 8 September 2006. The meeting was held at the ATO in Hurstville, NSW.

Items discussed at the meeting included:

Bookkeeper Advisory Group Charter (BAG)

The ATO tabled the charter for the BAG. All member feedback was considered in developing the final version of the charter. Members of the BAG voted unanimously to accept the charter for the BAG and to operate under the guidelines set out in the charter from the next BAG meeting. The BAG charter will be tabled at the ATO Tax Practitioner Forum (ATPF) at the 10 November meeting for formal endorsement. Once endorsed, the Charter will be published on the ATO website.

ATPF Meeting

Members were given an overview of the recent ATPF meeting. At this meeting many discussions took place that related to bookkeepers and a possible strategy for engaging bookkeepers through providing targeted access to ATO services.

BAG members were advised of a possible bookkeeper portal which could provide access to some client information via a portal-like application. Whilst it will be a valuable tool for bookkeepers, it will be a limited view and contain limited functions when compared with the Tax Agents Portal.

Bookkeeper Research

The ATO, with the assistance of Recognised Professional Associations and BAG members, has co-designed research into bookkeepers who provide BAS services. Interim findings were presented to members of the BAG from the qualitative stage of the research. Members were given the opportunity to contribute to the quantitative stage of the research, scheduled to begin in October 2006.

This quantitative stage will involve 2000 surveys being sent to working bookkeepers in the field.

Bookkeeper Workshop

Members participated in a workshop to identify personas within the bookkeeper profession. Members were asked to develop personas for an employed bookkeeper and a BAS service provider. These personas will be further developed with the assistance of BAG members for future bookkeeper workshops, and may be used to assist in the development of products, services and communications for bookkeepers.



Electronic Products and Services

The ATO is continually looking at ways to improve the information to the Bookkeeping Essentials page on www.ato.gov.au. The Bookkeeping Essentials page has received over 75 000 hits since the launch in February.

The ATO as at the 23 November 2006 has commenced to publish the meeting notes. They can be found at:

http://ato.gov.au/taxprofessionals/pathway.asp?pc=001/003/078&mfp=001/005&mnu=34092#001_003_078

The next meeting will be held on 29 November 2006.

It is also current ATO practice for a summary of the BAG meeting to be forwarded to the ATPF committee. *AAPB would like to recommend that the BAG committee members be given an opportunity to view the summary before it goes to ATPF committee. Can the ATO please comment?*

AAPB believes that this would also provide an opportunity for the professional associations on the BAG committee to include any issues arising in relation to the bookkeeping industry to be raised at the ATPF and to seek tax practitioner input.



AAPB Agenda Items for ATO BAG

AAPB members have raised many technical and administrative questions in relation to GST and FBT. Members have also informed us of the need for feedback and updates from the ATO on these areas.

As a result AAPB approached the secretariats of the ATO's NTLG-FBT and NTLG-GST subcommittees and asked if we could represent AAPB members.

The professional association liaison unit (PALU) has advised that there is an ATO policy that does not permit bookkeeping associations to attend these subcommittees.

The **only** committee that bookkeeping associations can attend is the BAG and all issues and questions should be raised there.

In view of this AAPB has forwarded the following agenda items on 13 November 2006 to the Chairman of the BAG committee for discussion at the next meeting on 29 November 2006.

1. BAG Minutes and Website

At present the ATO on its web-site has a page for the Bookkeeper Industry Advisory Group. The page provides a brief outline and the purpose for the committee only. There are no minutes or issues log item responses published.

Can the ATO please outline when it proposes to update the website to provide this information i.e. minutes and issues log items raised? AAPB would also like to recommend that the ATO give consideration to updating the webpage to reflect the new charter and name.

AAPB members have also expressed concerns in relation to the limited and lack of information on the ATO website about the BAG (BIAG) committee and its achievements. Limited information can be located however it is "hidden" in the ATO's Tax Practitioner Forum (ATPF) minutes.

AAPB fully supports Michael D'Ascenzo's, Commissioner of Taxation message of having open and transparent consultation and communication. This message has been communicated in many of his speeches and tax practitioner meetings.

We therefore believe that AAPB's request is reasonable and fits within the spirit of the Commissioner's comments.

2. Vouchers and GST

The ATO has released a very useful GST Ruling dealing with the meaning and other information relevant information in relation to vouchers for the purposes of Division 100 of the GST Act i.e. GSTR 2003/5 - Goods and Services Tax: Vouchers.

There were some new legislative measures introduced in relation to vouchers and prepaid phone products that make certain amendments to Division 100 of the GST Act.

For example AAPB members have expressed confusion because the GST ruling refers to the old definition of a voucher which excluded prepaid phone products.

Can the ATO please advise when it will be amending the GST Ruling to reflect the new measures?



3. BAS and GST updates

AAPB has many members who assist the client's accountant/tax agent with the working papers for the BAS. AAPB is often asked for updates on ATO activities in this area.

Could the ATO please provide an update on its GST audit/compliance activities, some of the emerging issues it is seeing, some of the common errors and any new rulings and products it has in the pipeline?

4. FBT Updates

AAPB has many members who assist the client's accountant/tax agent with the FBT calculations. AAPB is often asked for updates on ATO activities in this area.

Could the ATO please provide an update on its FBT related audit/compliance activities, some of the emerging issues it is seeing, some of the common errors and any new rulings and products it has in the pipeline?

5. Education and Corporate compliance on section 251L of the ITAA 1936

AAPB commends the ATO on the useful information it has on its web-site in relation to section 251L of the Income Tax Assessment Act 1936 (ITAA 1936).

In a recent speech by the Commissioner of Taxation to the Taxpayers Australia and Superannuation Australia Annual Conference in Sydney on 10 November 2006, titled

"The ATO's approach to tax administration: working with the tax profession," the Commissioner of Taxation alerted to the challenges posed to new players such as bookkeepers who charge fees to prepare business activity statements.

In particular the following was outlined:

"Developing the bookkeeping para-profession"

Both the ATO and the tax profession are conscious of the challenges posed by the growth of new players in the accounting service industry, such as bookkeepers who charge fees to prepare business activity statements.

Bookkeepers and accountants often work hand-in-hand. The preferred approach in such cases should be seamless, with an emphasis on getting the quality of work 'right the first time'. High standards of capability in the bookkeeping industry relative to their tasks, should help accountants and tax agents spend more time on providing business advice to their clients and less time on lower level compliance work.

We are committed to working with tax agents and bookkeepers to design a framework for bookkeepers which complements the role played by accountants and tax agents.

Activities could include training to assist bookkeepers, the development of a range of products and services including access to Electronic Commerce Interface online lodgment, and the introduction of a webpage for bookkeepers.



To co-design the best way forward, we have begun consultations with the industry and are conducting research to improve our knowledge of bookkeepers, especially their needs and points of influence. “

The comments may appear to be indicating that either the message is not getting out there or it is perhaps being ignored.

AAPB seeks clarity on the following:

Can the ATO confirm whether it will be undertaking further education in relation to creating awareness of section 251L? If so, can the ATO please outline what the strategy and timetable is proposed?

If the ATO is not, then can the ATO please outline when it proposes to include bookkeepers in its corporate compliance programme? AAPB does not believe it would be unreasonable to do so given that lawyers, accountants and tax agents have already being included.

Maria Benardis of AAPB also forwarded the following issue “out of session” to the Chairman of the BAG committee for a response.

“As is the practice at other ATO committees, practitioner representatives on the committee identify their professional association membership. For example at ATPF each professional association was entitled to two practitioner representatives. This ensured a balanced consultation process and ensured that was no favouritism shown towards any particular association by the ATO. I would like to recommend that this same practice be adopted for the BAG committee. I would like to recommend that each BAG representative identify their association or private company membership/s. This should be reflected in the agenda next to their name. I believe that this would give confidence to all the professional association representatives on the BAG committee that there is an open, transparent and balanced consultation process.”

We will report the responses to these issues in the next edition of our newsletter.

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