



Australian Government



TAX
PRACTITIONERS
BOARD

TAX PRACTITIONERS BOARD
CORPORATE PLAN
2021–22

FROM OUR CHAIR

On behalf of my fellow Board members and staff, I am honoured to present the Tax Practitioners Board (TPB) corporate plan for 2021–22. This document outlines our goals and focus for the period, as we work to support the public and uphold the integrity of the tax system through our regulation of tax practitioners.

Throughout 2020, the Australian Government provided various forms of financial support to Australian individuals and businesses, and the TPB was engaged in maintaining the integrity of those measures. We see this as one of our ongoing core functions, and will support the members of our tax practitioner community through the difficult times, as they support their clients.

Following the global and national events of 2020, predicting the future regulatory environment for the TPB has become more challenging, but our role in supporting the government's economic incentives and reforms will clearly continue into 2021–22 and beyond. Additionally, we will continue to support the government's broader financial services reforms as they implement improvements to reduce red tape.

Most notably for the TPB, the government announced its response to the Review of the Tax Practitioners Board (the James Review) on 27 November 2020. The review's recommendations and the government's response will result in a more effective and independent TPB, which will, in turn, enhance community confidence in our work and the tax profession.

One of the outcomes of the review is a significant addition to our core objectives. The TPB will continue to work to maintain and uphold the integrity of the tax system more broadly. This role will be enhanced by the modernisation of our enabling legislation and better alignment of our purpose and objectives with our current role, responsibilities and expectations.

Through the recommendations and resulting improvements to legislation, our role as a regulator will continue to evolve. The James Review recommended, and the government supported, the establishment of the Tax Practitioner Governance and Standards Forum and the corresponding Charter of Tax Practitioner Governance. The new forum will operate together with our other consultative mechanisms and stakeholders, and will play a key role in the discussion, design and implementation of reforms to the TPB.

We will also continue to work with our fellow regulators and key industry bodies to establish agreements to support our reforms and compliance program. These agreements will include an agreed level of data sharing which will be integral to meeting our future commitments to the integrity of the tax profession.

I am greatly encouraged by the review outcomes and the government's response. I am confident that these reforms will strengthen our ability to serve the public, protect consumers of tax advice and ensure that the integrity of the tax system is upheld.

In addition to our own improvements, we will work with fellow regulators using data-driven strategies to target the highest-risk practitioners. This will improve the professional standards of the tax profession by investigating, sanctioning and terminating the registration of targeted high-risk tax practitioners who drive tax avoidance and evasion, create a reputational risk for the tax practitioner profession, and reduce community confidence in the integrity of the tax system.

Our new agreements with fellow regulators and industry representatives will support our effectiveness. This will form the basis of our 2024 Vision.

The TPB will also support the government to establish a single disciplinary body for the regulation of financial advisers. We will work on whole-of-government coordination to support the proposed expansion of the role of the Financial Services and Credit Panel, in particular as it relates to the provision of tax (financial) advice services.

As we look forward, we will continue to improve and evolve our practices in response to community expectations. The community demands that we increase our digital presence and streamline our user experience. We will continue to invest in our systems, with the release of a new website, client management system and client interface scheduled for 2021–22.

We look forward to addressing these challenges throughout the year ahead and building an even stronger TPB in the years to come. I thank the Treasurer, the Assistant Treasurer, my Board colleagues and the people at the TPB for their wonderful support.


Ian Klug AM

PURPOSE

The purpose 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 lives by the Australian Public Service values. The TPB is impartial, committed to service, accountable, respectful and ethical.

WHO WE ARE

About the TPB

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.

Our core functions

To support and enable the delivery of our key strategic objectives for 2021–22 and our 2024 Vision, the TPB has a number of core functions.

They include:

- supporting the compliant practitioners who make up the majority of tax practitioners
- investigating complaints and imposing sanctions in appropriate cases
- registering tax practitioners and maintaining a register to enhance transparency and aid taxpayers in selecting a trusted adviser
- implementing policy and legislation that affect our ability to support tax practitioners and the public.

We also have a core function to serve the public to ensure that Australians are engaging registered tax practitioners to protect their interests.

This includes building awareness and educating the public on the TPB and the role of the register, as well as monitoring and investigating complaints against practitioners.

These core functions are supported by our staff, infrastructure and culture to provide the best service and information to tax practitioners and the users of their advice.

OUR ENVIRONMENT

Supporting tax practitioners

For tax practitioners, 2020 was one of their most challenging years, with their knowledge, expertise and skills required more than ever before.

Tax practitioners were integral in assisting Australians to receive support and advice during events that caused deep economic and personal distress for many. We are grateful to have had the opportunity to support tax practitioners during that time.

As we head into 2021–22, much continues to change in the fast-paced post-COVID environment. The ways in which we supported tax practitioners in 2020–21 will continue and evolve throughout 2021–22.

The TPB is committed to reducing red tape and making it as easy as possible for tax practitioners to register, comply and practise – and thereby spend more time on the ground supporting the Australian community.

Ensuring compliance

We will also continue to support tax practitioners through compliance programs that protect the integrity of the tax system and ensure that they are operating on a level playing field.

We will continue to target the highest-risk tax practitioners, including unregistered preparers (those providing tax agent, BAS agent or tax (financial) advice, or advertising the provision of these services, without being registered).

We will use more proactive methods and data-driven technologies to ensure that we are targeting those tax practitioners, either registered or unregistered, who undermine confidence in the services and reputation of the tax profession.

Backed by legislative reform to improve our powers of sanction, we will see that those who do not do the right thing are handled with the utmost force of the law.

Optimising technology

Tax practitioners operate in an environment of rapidly changing technology and data. The demands of their clients result in pressure to use data more efficiently and effectively. The TPB must respond to those demands in order to support tax practitioners.

As client demands continue to evolve, one particular area that is evolving is the digital experience for users. Members of the public expect our interactions with them to be fast, easy and digital. Members of our community – the public and tax practitioners – expect us to share relevant data in an appropriate manner to reduce reporting requirements.

Among other things, this requires:

- up-to-date data sharing arrangements with relevant government agencies
- secure data-handling processes and means to maintain integrity and trust
- contemporary IT systems to assist us to support our community.

We are working with our regulator peers to develop these things, which form the backbone of our key strategies for 2021–22.

OUR CAPABILITY

Workforce capability

To assist us to meet our commitments to the government and the community, the TPB will seek to expand our workforce to support our growing compliance programs system.

Informed by the recommendations of the James Review, the TPB will also work to complete a workforce capability assessment to determine what skills and capabilities are required to meet our 2024 Vision and how we can support our staff to meet those requirements.

The ongoing work of our People Program will underpin our commitment to our staff, ensuring a keen focus on our ability to manage and support change in our organisation, provide learning and development opportunities and strengthen our positive culture.

Technology transformation

The TPB will continue major infrastructure projects to modernise our IT infrastructure and business systems, providing a platform to accelerate our transformation to increased automation and data-informed decision making.

Our new system, TPB Workbench, will be based on contemporary technologies and will assist us to improve client self-service and deliver more targeted client engagement and marketing.

This will have flow-on effects to our workforce requirements, and our workforce capability assessment will help to address any skills gaps identified through new technologies.

Technology strategy

Our strategic objectives for 2021–22 include a commitment to build and maintain contemporary IT infrastructure that increases the agility of our response to changing demands such as accommodation flexibility and legislative change.

Our information and communications technology strategy has been developed for the period to 2024 and includes the modernisation of our laptop and desktop fleet; network communications; future phases of our client relationship and case management system; and improved collaboration with our IT support providers.

As the TPB continues to become more independent, our IT systems must also be able to stand independently. We are continuing to invest in the modernisation of this key building block of our capability.

OUR RISK MANAGEMENT

Approach

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 Australian Taxation Office (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.

Single disciplinary body for financial services

The Australian Government has announced a proposal to create a single disciplinary body for financial service advisers, to be undertaken by the Financial Services and Credit Panel (FSCP) within the Australian Securities and Investments Commission (ASIC).

This would likely result in changes to the TPB's governed body of practitioners as responsibility for financial advisers would be transferred to the FSCP.

The TPB has been working with Treasury since the proposal was announced, and continues to work on a whole-of-government basis, to reduce red tape and implement government policy so that potential regulatory gaps during transition are limited and community support is enhanced.

Charging review

Before many of the recommendations of the James Review and consequent announcements by the government can be implemented, we must conduct a review of our charging practices to determine how best to fund the TPB going forward.

We continue to work closely with the Department of Finance, Treasury and the ATO to progress the charging review.

OUR COOPERATION

Consultation mechanisms

To fulfil the TPB's purpose to the best extent possible, we must continuously engage with our stakeholders, our community and other government agencies.

To support our work, we operate our Consultative Forum with a range of nominated stakeholders, including associations and key industry representatives. The forum's regular meetings are a key source of feedback for the TPB. We listen and adapt to the feedback provided, and draw on it to shape the way that we fulfil our purpose as a regulator.

In response to the recommendations of the James Review, we recently established the Tax Practitioner Governance and Standards Forum (TPGSF). This forum will have a more strategic focus, including developing policy and advice to the Board and government on the appropriate professional standards for tax practitioners.

The Consultative Forum and the TPGSF will be integral in our consultation process as we work with stakeholders to consult on a number of recommendations and changes proposed by the James Review.

Relationships

Our relationship with the ATO is key in our ability to fulfil our purpose and deliver results. We are working with the ATO to improve our data sharing so that we are able to better target those tax practitioners who are not upholding the standards of the tax system.

The recommendations of the James Review, once implemented, will afford the TPB more independence from the ATO, which in turn will enhance community confidence and support high standards in the tax profession. Regardless of these outcomes, our relationship with the ATO is fundamental to our purpose and will continue to develop throughout 2021–22.

Other relationships that are fundamental to our purpose include those with government agencies and bodies such as ASIC and the Australian Financial Complaints Authority. We will continue to collaborate with those agencies in relation to the exchange of relevant data to continuously improve our compliance programs and services to tax practitioners and the wider community.

The Australian Business Registry Services provides support for business and offers better data and integrity. The TPB is actively working with the Australian Business Registrar to support this important work, noting potential overlaps in the work of tax practitioners and registration agents and synergies in the aggregation of registry functions.

2024 STRATEGIC PLAN

The 2024 Strategic Plan sets out the roadmap for the TPB through to 2024, following the implementation of the James Review policy and organisational reforms.

This plan focusses on four key areas for improvement, outlined here.

The 2021–22 Corporate Plan outlines the first step in this 2024 journey.

Strengthen our Regulation practice



Ready our people, technology, and culture for transformation



Make it easy for tax practitioners to work with us



Foster opportunities to collaborate and partner



OUR 2021–22 PLAN

Our strategic objectives have shifted slightly to reflect the outcomes of the James Review, which will impact the direction of the TPB going forward.

These objectives, coupled with performance measures, will allow us to fulfil our purpose to ensure that tax practitioner services are provided to the public in accordance with appropriate ethical and professional conduct, and to prepare for the future.

Our first strategic objective focuses on one of our key ongoing roles: to efficiently register tax practitioners.

Our second strategic objective allows us to ensure that those who are registered continue to uphold the standards of the TPB and the tax profession, and to ensure that those who are not registered or do not do the right thing do not undermine the standards set for registered practitioners.

Our final strategic objective, combined with the recommendations of the James Review, allows us to prepare for the future. This includes not just the future of the TPB, but also the future of the regulatory environment and the tax profession and tax system more broadly.

Our goal is to be agile, flexible and innovative as we begin laying the groundwork in 2021–22.

Strategic objectives and performance measures

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.

1	2	3
Efficient registration of tax practitioners	Effective compliance through education, deterrence and sanctions	Innovation and preparation for the future
Performance measures		
<p>1.1 Improve the registration experience for tax practitioners.</p> <p>1.2 Efficiently process tax practitioner applications and enquiries.</p>	<p>2.1 Provide guidance and advice to tax practitioners on their eligibility requirements and obligations under the <i>Tax Agent Services Act 2009</i>.</p> <p>2.2 Provide support through targeted communications that educate tax practitioners.</p> <p>2.3 Impede misconduct by tax practitioners and unregistered preparers through our compliance programs.</p> <p>2.4 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct.</p>	<p>3.1 Work with Treasury and government to design and implement reforms to the <i>Tax Agent Services Act 2009</i> and the Tax Practitioners Board (including funding requirements).</p> <p>3.2 Deliver an ongoing technology program to support enhanced services and drive operational efficiency.</p> <p>3.3 Support our people by delivering a comprehensive people program.</p>

1. EFFICIENT REGISTRATION OF TAX PRACTITIONERS

Performance measures

1.1 Improve the registration experience for tax practitioners.

1.2 Efficiently process tax practitioner applications and enquiries.

How we will assess performance

- Timely and relevant communications to tax practitioners
- Streamlined application processes for tax practitioners (removing red tape)
- Systems that improve productivity
- Quality assurance and quality control results
- Application processing data and statistics
- Enquiry processing data and statistics

What success looks like

- Our new case management system adds value to the registration process.
- Processes are improved and unnecessary red tape is removed.
- Registration obligations are communicated to and well understood by tax practitioners.
- The majority of routine tax practitioner applications are processed within service standards.
- Complex tax practitioner applications are handled appropriately.
- Responses to enquiries are appropriate and timely.

2. EFFECTIVE COMPLIANCE THROUGH EDUCATION, DETERRENCE AND SANCTIONS

Performance measures

- 2.1 Provide guidance and advice to tax practitioners on their eligibility requirements and obligations under the *Tax Agent Services Act 2009*.
- 2.2 Provide support through targeted communications that educate tax practitioners.
- 2.3 Impede misconduct by tax practitioners and unregistered preparers through our compliance programs.
- 2.4 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct.

How we will assess performance

- Guidance and advice aligned with the TPB's program of work and emerging issues
- Guidance and advice that assist tax practitioners to understand and comply with their obligations
- Online engagement results and client surveys
- Media releases, electronic newsletters and webinars that are timely and informative and raise awareness
- Compliance and litigation outcomes driven by data analytics
- Numbers and types of sanctions imposed, particularly on highest-risk practitioners
- Outcomes from our unregistered preparer strategy and joint strategies/projects with co-regulators
- Litigation outcomes

What success looks like

- Practical, timely and informative advice and guidance are provided.
- Our communications are timely and informative.
- Our communications educate tax practitioners in complying with their obligations.
- We use data analytics effectively to take compliance action.
- Our collaboration with co-regulators is enhanced to achieve whole-of-government outcomes.
- Increased sanctions are imposed that reflect the level of risk posed to the tax practitioner profession and tax system.
- Compliance outcomes result in wider revenue effects.
- Unregistered preparer investigations result in consideration of civil penalty action.
- Merits review and Administrative Decisions (Judicial Review) Act 1977 litigation outcomes support our strategic objectives and/or clarify the law.
- Civil penalty litigation outcomes achieve specific and general deterrence.

3. INNOVATION AND PREPARATION FOR THE FUTURE

Performance measures

- 3.1 Work with Treasury and government to design and implement reforms to the *Tax Agent Services Act 2009* and the Tax Practitioners Board (including funding requirements).
- 3.2 Deliver an ongoing technology program to support enhanced services and drive operational efficiency.
- 3.3 Support our people by delivering a comprehensive people program.

How we will assess performance

- Consideration of the TPB's views and advice in the design and finalisation of reform options
- Targeted guidance products that educate and explain policy and legislative outcomes
- Best practice and innovative IT solutions
- IT implementations, updates and upgrades that result in minimal disruption
- Progress on automation solutions
- Our Australian Public Service census results
- Our learning and development results
- Our performance statistics (Compass)
- Our People Program performance measures

What success looks like

- We influence, advance or implement reform.
- Our formal guidance products educate and promote policy and legislative outcomes.
- The TPB Register is available and updated daily.
- TPB Workbench adds value to the performance of everyday duties
- Our system and application software is contemporary.
- Our website is modern and engaging.
- Hardware and software updates and upgrades are applied in a timely manner with minimal disruption.
- Completion rates for performance management processes are maintained.
- We continue to achieve strong results regarding employee engagement and wellbeing (as measured by the Australian Public Service census).
- Learning and development attendance rates are maintained.
- The majority of People Program deliverables are met.

OUR REGULATORY PERFORMANCE

Through a renewed deregulation agenda, the Australian Government is focusing on lifting regulator performance, capability and culture.

To achieve these expectations and comply with best practice, we have developed tailored performance monitoring and reporting processes.

Our strategic objectives and performance measures directly support the accomplishment of the government's three principles of regulator best practice:

- 1. Continuous improvement and building trust:** regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture, to build trust and confidence in Australia's regulatory settings.
- 2. Risk-based and data-driven:** regulators maintain essential safeguards, using data and digital technology to manage risks proportionately to minimise regulatory burden and support those they regulate to comply and grow.
- 3. Collaboration and engagement:** regulators are transparent and responsive, implementing regulations in a modern and collaborative way.

Strategic objectives	Performance measures	Principles of regulator best practice		
		1. Continuous improvement and building trust	2. Risk-based and data-driven	3. Collaboration and engagement
1. Efficient registration of tax practitioners	1.1 Improve the registration experience for tax practitioners.	●		●
	1.2 Efficiently process tax practitioner applications and enquiries.		●	
2. Effective compliance through education, deterrence and sanctions	2.1 Provide guidance and advice to tax practitioners on their eligibility requirements and obligations under the <i>Tax Agent Services Act 2009</i> .	●		●
	2.2 Provide support through targeted communications that educate tax practitioners.			●
	2.3 Impede misconduct by tax practitioners and unregistered preparers through our compliance programs.		●	
	2.4 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct.		●	
3. Innovation and preparation for the future	3.1 Work with Treasury and government to design and implement reforms to the <i>Tax Agent Services Act 2009</i> and the Tax Practitioners Board (including funding requirements).	●		●
	3.2 Deliver an ongoing technology program to support enhanced services and drive operational efficiency.	●		
	3.3 Support our people by delivering a comprehensive people program.	●		