

Guidance Statement

TPB(GS) 03/2010

Course in basic accountancy principles that is approved by the Board

This document is a Tax Practitioners Board (TPB) Guidance Statement (TPB(GS)) that the TPB intends to issue as a guideline (TPB(G)) under paragraph 60-15(d) of the *Tax Agent Services Act 2009*, but on which the formal drafting and Parliamentary tabling processes have not yet been undertaken.

The TPB intends to follow this TPB(GS) until such time as the TPB(G) is formally made. However, being a Guidance Statement, the TPB may be prepared to consider alternative outcomes to the TPB(GS) in special circumstances.

Once this TPB(GS) becomes a TPB(G), it will be a legislative instrument that binds both the TPB and those to whom it applies. The purpose of the TPB(G) will be to assist the TPB in achieving its functions, which includes the administration of the system for the registration of tax agents and BAS agents.

Document History

The TPB released this TPB(GS) in the form of an exposure draft on 11 June 2010. The TPB invited comments and submissions in relation to the information contained in it. The closing date for submissions was 13 August 2010. The TPB considered submissions made and published the TPB Proposed Guideline *TPB(PG) 01/2010 Course in basic accountancy principles that is approved by the Board* on 16 December 2010.

On 3 October 2012 the TPB updated this TPB(GS) to define the scope of the TPB(GS) and include 'other registered higher education institutions' as another category of course provider that can provide a course in basic accountancy principles that is approved by the Board.

On 1 April 2022, the TPB further updated this TPB(GS) to replace references from the repealed Tax Agent Services Regulations 2009 to Tax Agent Services Regulations 2022.

On 9 January 2024, the TPB further updated this TPB(GS) to reflect changes made to the objects clause in the TASA.

On 30 April 2026, the TPB renamed its 'Proposed Guideline' to 'Guidance Statement'. All references in this document have been updated accordingly. The TPB Proposed Guideline [TPB\(PG\) 01/2010 Course in basic accountancy principles that is approved by the Board](#) has been archived.

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A course in basic accountancy principles that is approved by the Board

This TPB(GS) sets out the views of the Tax Practitioners Board (TPB) in relation to the meaning of 'a course in basic accountancy principles that is approved by the Board' for the purpose of Items 204(b) and 205(a) of Part 2 of Schedule 2 to the Tax Agent Services Regulations 2022(TASR). This TPB(GS) includes information relating to the following aspects of a course: topics, duration, course providers, education level, manner of delivery, assessment and currency.

The information draws on advice given to the TPB in May and November 2010 by Professor Keryn Chalmers.

The purpose of this information is to assist relevant institutions, professional associations, potential registrants and the wider community to understand the factors that provide the basis for the TPB's approach to the educational eligibility requirements for registration as a tax agent.

The TPB has adopted the views expressed in this TPB(GS).

The TPB has published a separate document outlining its approval process for courses which are covered by Schedule 2 to the TASR – see the TPB Guidance Statement [TPB\(GS\) 12/2011 Approval process for course providers](#).

Introduction

1. The object of the *Tax Agent Services Act 2009* (TASA) is to support public trust and confidence in the integrity of the tax profession and the tax system by ensuring that tax agent services are provided to the community in accordance with appropriate standards of professional and ethical conduct' (see section 2-5 of the TASA). It is therefore both necessary and desirable, in certain respects, to increase the expectation of the thoroughness of education and training that a registered tax agent should have when compared with the expectations under the registration rules applying before the commencement of the TASA.
2. The TPB recognises that a balance must be struck between what is reasonably achievable within the modern educational and professional paradigm and assuring the public of high professional standards. In doing so, regard has been had to the educational qualifications, and the types of providers of training and education recognised within the Australian Qualifications Framework (AQF) (see www.aqf.edu.au).

Course in basic accountancy principles

Background

3. To register as a tax agent, an applicant must meet certain eligibility criteria, including the requirements prescribed by the TASR. In certain cases, one such prescribed requirement is that an applicant seeking registration must have successfully completed a course in basic accountancy principles that is approved by the Board.
4. Individuals must have successfully completed 'a course in basic accountancy principles that is approved by the Board' if they are seeking registration under the following:
 - Tertiary qualifications in law (Item 204(b) of Part 2 of Schedule 2 to the TASR)
 - Work experience (Item 205(a) of Part 2 of Schedule 2 to the TASR).
5. Individuals must also, if the TPB considers it relevant to the tax agent services to which the application relates, have successfully completed 'a course in basic accountancy principles that is approved by the Board' if they are seeking registration under the following:
 - Tertiary qualifications in another discipline — specialists (Item 202(b)(i) of Part 2 of Schedule 2 to the TASR).
6. Individuals are *not* required to complete 'a course in basic accountancy principles that is approved by the Board' if they are seeking registration under the following:
 - Tertiary qualifications in accountancy (Item 201 of Part 2 of Schedule 2 to the TASR)
 - Diploma or higher award in accountancy (Item 203 of Part 2 of Schedule 2 to the TASR)
 - Membership of professional association (Item 206 of Part 2 of Schedule 2 to the TASR).
7. This TPB(GS) deals only with the requirements for 'a course in basic accountancy principles that is approved by the Board' as referred to in items 204(b) and 205(a) of Part 2 of Schedule 2 to the TASR. For information on the requirements for 'a course in basic accountancy principles that is approved by the Board' for the purposes of item 202(b)(i), refer to the TPB Guidance Statement [TPB\(GS\) 19/2012 Tertiary qualifications in a discipline other than accounting for tax agents](#).

Course structure under the new regulatory model

8. According to advice given to the TPB, an appropriate course in basic accountancy principles should cover the following topics, taking a user-orientated approach rather than a preparer-orientated approach:
 - (a) Sources of regulation of accounting
 - (b) Understanding financial statements for different business structures
 - (c) Transaction analysis
 - (d) Basic understanding of double entry bookkeeping
 - (e) Cash and accrual accounting
 - (f) Key concepts and rules integral to understanding financial statements including:
 - i. Definition and recognition of revenues and expenses
 - ii. Definition and recognition of assets
 - iii. Definition and recognition of liabilities
 - iv. Measurement of current-assets, including receivables and inventory
 - v. Measurement of non-current assets including depreciation and impairment
 - vi. Measurement of liabilities
 - (g) Taxable income and accounting profit (loss).
9. The topics identified in paragraph 8 are premised on a user-oriented approach for a course in basic accountancy principles. As an introduction to accounting, such an approach focuses on understanding accounting information. This can be contrasted with a preparer-focused approach with a strong emphasis on record keeping, accounting procedures and information preparation functions in educating professional accountants. The user-orientated approach is deemed to be more relevant for applicants seeking registration as a tax agent with tertiary qualifications in law or work experience.
10. Obviously there can be no objection to a course in basic accountancy principles covering other areas of accounting, in addition to those noted above.

Duration of course/s

11. It is expected that the topics, listed at paragraph 8 above, will fit within a single standard 12 to 14 week teaching period made up of formal instruction (such as lectures), exercises in applying knowledge (such as tutorials) and private study (such as research, reading, and assignment preparation) totalling 100 to 130 hours.
12. Accordingly, the TPB is of the view that the duration of the course in basic accountancy principles should not be less than the equivalent of one quarter of a semester's full-time work load amounting to a total of 100 to 130 hours of study and tuition.

Providers of course/s

13. The TPB is of the view that a course in basic accountancy principles should be attained through study of units with a university, registered training organisation (RTO) or other registered higher education institution, provided the units are offered as part of a qualification at the requisite level that has been recognised and accredited via the AQF.
14. The TPB is of the view that, unless otherwise approved by the Board, the minimum education level required for an approved course in basic accountancy principles is Certificate IV, which meets AQF level 4 criteria. In all cases, the proposed course must satisfy the TPB's requirements relating to assessment (see paragraphs 18 to 20 and 22 to 24 for further information on assessment).
15. The TPB may also choose to accept courses offered by other providers so long as the provider meets the TPB's conditions and standards as set out in the TPB Guidance Statement [TPB\(GS\) 12/2011 Approval process for course providers](#) and the course offered by the provider meets the requirements set out in this TPB(GS).

Manner of delivery

16. Although the suggested duration of 100 to 130 hours is based on an assumption of a traditional lecture/tutorial/self-study model there is a diversity of delivery models available, many are delivered in an intensive format. Others may be delivered by 'distance' or 'flexible' study modes involving engagement with teaching materials and teaching staff via mechanisms such as interactive compact disc, video conference and the internet. Some courses may not require any attendance at lectures or seminars but may rely upon the students' performance in assessment tasks such as a single final examination as a measure of the competence of the students.
17. Accordingly, the TPB does not believe that a hard and fast rule on manner of delivery is necessary. Provided that whatever manner is adopted in the course or its components involves an expectation that students will develop a thorough understanding of the basic accountancy principles through technical content, its application and appropriate research, it is immaterial whether they are usually present in a room with the teacher or not. The outcomes of the course in basic accountancy principles or its components should be discernible by reference to how the course/components of the course are assessed.

Assessment

18. The TPB is of the view that some means of objective assessment is a key aspect of the approval of courses for registration of applicants as tax agents. The TPB takes the view that it must be satisfied that applicants have demonstrated their knowledge and skills in the relevant course or components by some means of an independent and objective assessment. Such assessment should be rigorous and have integrity. Various forms of assessment may be employed. Ideally because of different learning styles and what is appropriate for different aspects of a course, each course or component should employ a mix of assessment practices including:
- tests
 - examinations (oral and written)
 - problem based assignments
 - essays and reports
 - computer-based assessment tasks.
19. Not every one of these needs to be present in an approved course.
20. The TPB proposes not to accept assessments that either lack rigour or are too narrow in their focus. Such assessments may be seen to be recognised as being one element which is a contributor to overall determination of a student's performance in a course, rather than being treated as the sole measure of their skills and knowledge in basic accountancy principles.

The meaning of 'course'

What is a course?

21. A course in basic accountancy principles may be a series of components which make up one or more units offered by a university, RTO, other registered higher education institution or other course provider approved by the Board. Such a series of components will lead to an overall knowledge of selected basic accountancy principles. Such components may take the form of small units designed for tuition or training of discrete aspects of accountancy principles. Although coherence between the parts/units of the course is desirable, not all applicants will have completed a single coherent series of units delivered, for example, by one provider. Accordingly, the TPB is of the view that provided the content set out in the list of topics at paragraph 8 above is addressed and provided the material addressed is reasonably current the components need not be part of a coherent stream and may include some duplication and overlap with each other.

Does a course need a formal assessment component?

22. The TPB is of the view that there must be a formal assessment component in a course or in the components of a course. This assessment should be sufficient to assure the Board that there has been a test or examination to ensure relevant content and skills expected in a course have been learned by the applicant and that rigour has been employed in the testing of the knowledge and skills.
23. The TPB does not propose to be prescriptive about the style and content of assessments, provided the assessments employed represent a genuine test of relevant knowledge and skills and subject to integrity to ensure the relevant applicant will have undertaken the assessment task/s in question.
24. The TPB is of the view that the assessment should, to a significant degree (that is, at least 40%), be done under some form of independent supervision.

Can a course be constituted solely by recognised prior learning?

25. The TPB is of the view that assessment of knowledge and competence is the best safeguard for the TPB to ensure that it admits to registration only applicants who have the necessary technical qualifications to competently deal with taxpayers' affairs. The TPB recognises that prior learning through experience may be regarded as a proxy for content but it does not propose to accept evidence of prior learning in the workplace, which prior learning has not been formally assessed in some way.
26. In principle, prior learning through experience which has itself been formally assessed would not require further assessment. However, it is unlikely the Board will approve an application if all the education requirements were satisfied by prior learning through experience as the ability to keep up to date with changes requires the acquisition of essential learning skills (interpretative, analytical and cognitive skills) that come from the rigour associated with formal training courses.

How current should a course be?

27. Due to changes in regulation and accounting standards many universities and other course providers do not normally grant credit for units of study completed more than ten years prior to application. The TPB considers that this standard should be *prima facie* adopted in respect of the recognition of components completed to satisfy the requirements of a course in basic accountancy principles.
28. However, the age of the course has to be balanced with the knowledge and experience of the applicant. Well educated professionals will keep their knowledge and skills up to date and will be required to do so through continuing professional development requirements of professional associations. Given such a person's knowledge, a requirement to repeat their studies after 20 years of practice would run counter to the policy intent of the legislation.

29. Therefore, the TPB proposes to accept as approved courses of study in basic accountancy principles:
- where the component unit of study was completed fewer than 10 years from the date of the application for registration; or
 - where the component unit of study was completed more than 10 years from the date of the application for registration and the applicant can demonstrate an updating of those skills through work experience and continuing professional development.
30. The TPB recognises that there may be applicants that fall outside these two broad guidelines. In these cases, a submission should be included with the application for registration, which the Board will consider on its merits.

Summary and conclusion

31. The TPB is of the view that a course in basic accountancy principles should include the following topics:
- (a) Sources of regulation of accounting
 - (b) Understanding financial statements for different business structures
 - (c) Transaction analysis
 - (d) Basic understanding of double entry bookkeeping
 - (e) Cash and accrual accounting
 - (f) Key concepts and rules integral to understanding financial statements including:
 - i. Definition and recognition of revenues and expenses
 - ii. Definition and recognition of assets
 - iii. Definition and recognition of liabilities
 - iv. Measurement of current-assets, including receivables and inventory
 - v. Measurement of non-current assets including depreciation and impairment
 - vi. Measurement of liabilities
 - (g) Taxable income and accounting profit (loss).
32. Further, the TPB is of the view that a course in basic accountancy principles be of 100 to 130 hours duration. This would equate to one quarter of a semester's full-time workload.
33. In addition, the TPB is of the view that a course in basic accountancy principles should be attained through study of units with a university, RTO, other registered higher education institution or another provider approved by the Board.
34. The TPB is of the view that, unless otherwise approved by the Board, the minimum education level required for an approved course in basic accountancy principles is Certificate IV, which meets AQF level 4 criteria.

35. Finally, the TPB takes the view that all courses should be assessed to a significant degree under some form of independent supervision and in a manner demonstrating rigour and integrity.