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BAS Agent Advisory Group

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QC 36894

BAS Agent Advisory Group key messages 19 June 2025

Key topics discussed at the BAS Agent Advisory Group meeting 19 June 2025.

Published 8 August 2025

BAS agent communication

The Australian Taxation Office (ATO) explored with members ways to enhance communication with BAS agents, focusing on improving the value and delivery of the tax and BAS agent newsletters.

The potential of a combined newsletter was discussed with a dedicated BAS agent section being incorporated into the existing tax agent newsletter with practical and actionable insights included to help them better serve their clients.

Member comments

Valuable feedback on the current newsletters was provided, with the duplication of information and or articles highlighted. Suggestions for

improvement to both the structure and content of the newsletter were given.

Agent authorisation - Individuals and sole traders

The ATO is undertaking consultation on an agent authorisation solution suitable for individuals and sole traders. We have been engaging with a diverse group of agent participants, professional association representatives and a group of individuals and sole traders to obtain their input and feedback.

Additional industry representative groups will be invited to participate as the consultation proceeds.

The initial consultation has focused on the digital solution rather than the end-to-end process. Consultation will continue with the next stages set to include testing and discussions for addressing the non-digital and support options, communications and the delivery plan.

Member comments

A preference for an agent-initiated approach and for the continued review of the delinking process was expressed. The ATO indicated they are looking into a feature to remove past agents from the client's account.

Employer obligations

An update of key employer obligation changes and common mistakes made by employers was given including:

- The super guarantee (SG) rate will increase to 12% on 1 July 2025 and any payments made on or after this date will need to reflect the new rate.

- Employers changing to large withholder status will have been notified and will receive a new payment reference number. Large withholders no longer need to report PAYG withholding on activity statements.

- From 1 July, some withholding schedules and tax tables will be updated and employers should use the correct **Tax tables**, or the **Tax withheld calculator** to calculate how much to withhold from

employee payments. Payroll software will need to be updated to ensure the right amount of tax is withheld, reported, and paid.

Common mistakes employers make when completing their Single Touch Payroll (STP) declarations are:

- not submitting a finalisation declaration by the due date, 14 July 2025 or finalising the incorrect financial year

- not submitting a finalisation declaration for all employees paid within the financial year

- not taking the correct steps when changing payroll software or payroll IDs, which results in unintentional duplication of income statements.

Members were reminded they can seek the ATO's assistance when an employer has changed payroll software to avoid duplication of income statements.

Member comments

Concerns were raised around the letters being issued relating to SG and the lack of detail in them making it hard for an employer to understand. The ATO is aware of this feedback and are reviewing the letters.

Small business 'getting it right'

In November 2024, the ATO launched 'getting it right', an ongoing quarterly campaign which aims to support small businesses to get their tax obligations right from the start. Each quarter the ATO shares areas of concern that small businesses are getting wrong and provides help on how to address it. Giving them the opportunity to get their affairs in order, and an awareness of the consequences if they engage in the wrong behaviours.

The key focus areas for quarter 4, May to June 2025 were on building good habits to be ready for business and ensuring they meet their tax, employer, registration, and fringe benefits tax (FBT) obligations, including reporting and paying their FBT on time.

The key areas for quarter 1 (202526) included those operating outside the system or not complying with their tax obligations in the property and construction industry and on contractors omitting income.

The ATO will continue to support small business taxpayers to help them understand and meet their tax, super and registry obligations. Recognising and building good business habits is essential for small business to get it right from the start and stay on track.

We are interested in hearing from members on what ATO support is needed for them to better support their clients.

Member comments

Several topics for future fact sheets and myth busters that would benefit members small business and sole trader clients was suggested. The ATO agreed to consider these topics as part of the ongoing campaign.

Digital service delivery changes for Tax Time 2025

Updates to the digital service delivery because of Tax Time 2025 changes that impact BAS agents was provided. Key system changes will be available on ato.gov.au once finalised.

The following changes have been or are scheduled to be deployed in Online services for agents:

- The ATO app now includes a new communication history channel. When individuals register their device and receive secure push notifications, their agents will also receive real-time messages in Communication history via the ATO app for Bank Account changes only. Other transactions, such as tax lodgments, original and amendments and myGov overlinking, remain visible to tax agents only.

  - Agents will be able to continue managing their clients tax affairs if the client has locked their ATO records.

- Pre-generated reports occurred in June and the newest reports introduced for tax time were visible on 1 July 2025.

Member comments

Concerns were raised regarding the timing of system shutdowns and members suggested changing the language used to advise of shutdowns, to highlighting the number of hours for them. The ATO acknowledged that while shutdowns are necessary for the preparation

of Tax Time, we try to minimise the impact of agents not having system access during BAS agent lodgment periods. The feedback will be considered.

Enhancements to OTE guidance

The ATO provided an update on the upcoming enhancements to ordinary time earnings (OTE) guidance and subsequent promotional communication activities, noting that there is no change to the definition of OTE.

Following a review of the existing website content and guidance material, several improvements have been made including:

- enhancements and new practical examples added to the existing 'list of payments that are ordinary time earnings' page

- enhancements to the 'how much super to pay' page

- a new page which covers payments that are not OTE.

The enhanced content makes it clear to employers that in addition to their obligations under the *Superannuation Guarantee Administration Act*, they may have additional obligations to pay super under an industrial instrument, award/agreement.

The ATO intends to publish the new content on ato.gov.au in August 2025 and promotional communications will be delivered through the relevant newsrooms.

Member comments

Members acknowledged that there has been confusion surrounding the interpretation and implementation of OTE and are hopeful that the new guidance will provide greater clarity.

Environmental scan

Members led the environmental scan group discussion, covering a range of issues including:

- remission of general interest charge (GIC)

- Services Australia receiving near real-time STP data from the ATO

- Payday Super

- not-for-profit self-assessment

- artificial intelligence and the future of BAS agents

- false and misleading statements - *Tax Agent Services Act 2009* requirements

- quarterly management systems (QMS) - members highlighted the current pressures on the industry in relation to the Tax Practitioners Board requirement to have the QMS implemented by 30 June 2025 and the impact this is having on lodgment backlogs.

Penalty and interest remission improvements

Feedback provided by tax practitioners and the professional associations regarding the interest and penalty remission process has been considered. As a result, we will be implementing several changes to streamline the application process and improve timeliness, consistency and transparency of decision making.

Member comments

Members suggested that the wording related to the low-risk GIC remission request process be reviewed to clarify the conditions surrounding it.

Feedback was provided regarding the accessibility of the remission request form, suggesting improvements to make it easier to locate and to clarify the parameters of certain questions.

The ATO has acknowledged feedback and will take it into consideration.

Member refresh and charter update

Discussions continued regarding the upcoming BAS Agent Advisory Group member refresh. An expression of interest process is scheduled to commence in October 2025, providing an opportunity for new members to join. To maintain continuity and preserve the group's collective knowledge and experience, the transition of membership will follow a staggered approach. This approach aims to ensure a smooth handover and ongoing effectiveness of the advisory group.

The expression of interest application will be advertised on ato.gov.au, through the BAS agent Newsletter and via LinkedIn.

To ensure good governance, the group's charter has also been reviewed. As the intent and scope of the group remains the same, the charter only has minimal changes.

Member comments

Members expressed support for the staggered approach, noting the benefits in maintaining group continuity. They also highlighted the value of diversity in the group, to which the ATO confirmed it will seek to ensure a broad representation for diversity.

Other business

The Super Health Check tabled paper was noted.

QC 105354

BAS Agent Advisory Group key messages 2 April 2025

Key topics discussed at the BAS Agent Advisory Group meeting 2 April 2025.

Published 30 May 2025

Digital improvements framework

The Australian Taxation Office (ATO) provided an overview of the work undertaken to progress improvements to digital services. Updates to the framework will be undertaken through a structured approach to identify, assess and prioritise improvements for tax professional digital services. The framework will be updated on a regular basis and shared with members to highlight the prioritisation of projects.

The ATO agreed to share a quarterly paper with the group regarding the progress being made.

Small Business 'Getting it right' engagement update

The ATO launched the 'Getting it right' program to share with small business and their agents, what the ATO is focusing on each quarter so they can take any necessary steps to ensure they are getting things right. The webpage was launched plus key messages with themes around:

- business income

- deductions

- concessions

- people operating outside the system

- building good habits.

The program is in its third quarter, which has had a particular focus on tax payment reporting system and moving a select number of businesses from quarterly to monthly activity statement reporting. Those moved to monthly reporting are demonstrating the most egregious behaviour.

Member comments

Members expressed a lack of clarity in the messaging around how businesses would be identified to switch from quarterly to monthly reporting. The ATO will take onboard feedback from the group to help ensure clarity of future messages.

Members provided feedback on potential future 'Getting it right' topics that would be useful, such as:

- contractor versus employee

- what is and is not capital

- instant assets write off

- small business rollover relief on capital gains tax.

Client-to-agent linking – individuals and sole traders

The ATO has commenced agent authorisation consultation (Client-to-agent linking for individuals and sole traders) as part of their broader program of work to strengthen the security of their systems and to protect taxpayer data.

We are consulting with a diverse group of tax practitioners, industry sector groups, professional associations and digital service providers to seek their input and feedback including consulting with individuals and sole traders on their experience and the usability of the system. This consultation aims to support the development of the design, change management, support requirements and delivery options.

Through the consultation undertaken to date, feedback received has been positive with some key themes around:

- ease of use

- streamlined as possible

- agent-initiated process as opposed to an individual initiated process.

The ATO highlighted it will consult on elements that it can, noting that there will be some elements of the design that are restricted due to system requirements, that will not be consulted on.

Member comments

Members raised the use of a driver's licence as part of creating a strong myID. The ATO advised that this is being managed by another department and will provide updates as further information is available.

Members have asked to be kept updated and the ATO assured the group that discussions about the direction and progress being made would continue.

Counter fraud program

The ATO's counter fraud program (CFP) was created in response to the ongoing growth in fraud and identity crime in order to improve the ATO's capacity to prevent, detect, monitor and respond to fraud against the tax and superannuation systems. Giving taxpayers greater insight and control over their own data is a fundamental part of the CFP. Specifically, the ability to instantly verify activity on their account

using a secure channel. These new security features will be delivered by the ATO through the ATO's app, with the first functionalities anticipated to be made available in the middle of 2025.

The program is engaging with taxpayers and tax practitioners to develop and mature the outputs of the program.

Member comments

Members enquired as to whether entities could designate a nominated person to receive notifications and whether taxpayers may redirect communications via the ATO app to their agent. The ATO advised they are aiming for messages to reach the taxpayer in real time so they can take immediate action to protect their information. Tax professionals can see the messages sent to the individual through the ATO app through the client communications history.

Environmental scan

Members led the environmental scan group discussion, covering a range of issues including:

- payday super and the 7-day penalties

- ATO letters

- not-for-profit self-assessment reviews

- remission of general interest charge

- PAYG instalments

- credit card payments

- payment plans

- superannuation guarantee charge statements

- BAS agent newsletter.

Membership refresh

We will undertake a member refresh of the group, the BAS Agent Advisory Group. Current members were advised that in line with the updated charter, members are appointed for a 2-year term with the opportunity to apply for another 2-year extension before they are required step down, for a 2-year period before being able to reapply.

Professional associations will have a standing position in the group.

The membership refresh is about ensuring good governance and ensuring diversity around the ATO's consultation processes. Further details will be provided at the next meeting, with the intent for the refresh to occur later this year.

Member comments

Members noted the benefits of having new members brought into the group as it brings new ideas, and that consideration should be given to long term members.

Members observed that it would be beneficial to ensure there is support for new members being onboarded to orientate them into the group.

Other business

The group noted the following tabled papers:

- taxable payments reporting system

- login process for online services.

QC 104993

BAS Agent Advisory Group key messages 10 December 2024

Key topics discussed at the BAS Agent Advisory Group meeting 10 December 2024.

Published 5 February 2025

ATO payment strategy

(Links to strategic priority 3 - Improve tax performance for clients of tax practitioners)

The Australian Taxation Office (ATO) payment strategy is focused on reducing non-payment of tax liabilities, particularly GST, PAYG withholding and Super Guarantee. We have developed key messages that form part of a targeted and phased communication approach to support the expectation that all taxpayers will pay in full and on time or will reach out to the ATO straight away if they need support.

Member comments

ATO communications and letters should have clear and consistent messaging that outline the requirements of taxpayers with these debts and the implications for not paying on time.

Concerns were raised regarding GIC remission requests and the need for improved consistency and transparency in decision making. The ATO noted this feedback and are taking steps to improve consistency.

The ATO was asked to share information with agents around the new payment strategy to assist them when informing their clients.

Small business focus areas

(Links to strategic priority 5 - Improve Small Business performance and level the playing field)

Our aim is to support small business taxpayers to meet their obligations and get it right from the start.

The ATO's Small business team will focus on areas of the greatest impact and preventative outcomes to ensure community expectations are met regarding those who don't meet their obligations or seek to undermine the integrity of the tax and superannuation systems.

We are evolving our engagement, prevention, right time intervention, and correction activities to shift and influence behaviours and to support small businesses to remain compliant. Including increasing transparency and consistency of our messaging to assist agents and small businesses to get it right.

We are seeking the support of BAS agents, bookkeepers and professional associations (including industry) to engage with small business on the behaviours and risks that are concerning, to help set up good habits and getting it right.

Member comments

Potential incentives to drive behavioural change across small business was suggested. For example, quarterly reporting for taxpayers with a record of good compliance and monthly reporting for those who do not.

Members are supportive of the proposed engagement program and are willing to promote these with colleagues and association members. The opportunity to leverage the strong relationship BAS agents have with their small business clients due to the frequency of their interactions was noted.

Debts on hold

(Links to strategic priority 1 - Recognise, empower and support current and future tax practitioners)

The ATO may place tax debts on hold when they have determined that it is not economically viable to actively recover debt. While we pause action to collect debts placed on hold, those debts remain legally due and payable.

Historically, we removed debts on hold from total account balances using a credit transaction. Going forward, we intend to include debts on hold on taxpayers' ATO online services account and statement of account. This will ensure that taxpayers have visibility of the taxes they owe.

The ATO provided an update to the group on the program of work to make debts on hold visible. This includes system changes, communications to impacted taxpayers and internal change management to ensure staff are ready to support taxpayers and agents if they contact the ATO.

Feedback was sought from members on what further support agents may need to prepare for this change and support their clients as the debts are made visible.

Member comments

Concerns were raised on how debts on hold will impact other debts, payment plans and refunds.

Members expressed the importance of the ATO sharing tools and resources to help agents support their clients with debts on hold becoming visible.

Members offered their support for the ATO's communication approach to make debts on hold visible.

Client-to-agent linking

(Links to strategic priority 6 – Safeguard the security of the tax, super and registry systems)

The ATO presented the findings of the post implementation review of client-to-agent linking for Australian business number entities (excluding sole-traders) that deployed on 13 November 2023. The new process has been protecting 4.7 million entities for 12-months and has achieved its intended outcome with a range of learnings that will inform the next phase of delivery.

The ATO provided an update on feedback, outcomes, and actions taken since deployment. Feedback has been gathered from a range of sources and stakeholders. The **Client-to-agent linking steps** information has recently been restructured to make information easier for agents to find.

The next steps for client-to-agent linking for individuals was discussed and members were advised that consultation on the design will commence in early 2025.

Member comments

Members raised an opportunity to include proactive notifications to let agents know that a nomination has been submitted from a client (pop-ups and notice in 'banner box'). The ATO noted that there is 'client nominations on demand' reports with this information currently available in Online services for agents.

Appreciation was shared by members to the project team for their efforts and openness to receive, consider and address (where possible) industry feedback.

Environmental scan

(Links to strategic priority 4 - Increase trust and confidence in the tax, super and registry systems)

Members covered a range of issues including:

- MyID app push notifications.

- Increasing concerns around small business cash flow management.
- Community sentiment towards the ATO.
- ATO's use of social media.

Other business

The group noted the following other business and tabled papers:

- Group member refresh in 2025.
- Open Forums – discussion items in 2025 that would be useful for BAS agents.
- Group 2024 year in review and 2025 meeting schedule.
- Upcoming Payment Gateway changes.

QC 103792

BAS Agent Association Group key messages 2 October 2024

Key topics discussed at the BAS Agent Association Group meeting 2 October 2024.

Published 15 November 2024

Practice Mail – Online services for agents

(Links to strategic priority – Improve tax performance for clients of tax practitioners)

We are undertaking a review into 'practice mail' to better understand the user experience to identify opportunities to assist tax practitioners to get the most out of the service, reduce response times and encourage self-service where available. Originally it was designed for agents to submit queries on a limited number of issues, practice mail has grown and is now being used as an all-topic enquiry channel resulting in increased response times.

We encourage agents to self-serve where possible but agree to consider several options to help practitioners easily identify self-service options, to improving the user experience and reducing response times.

Members acknowledged that there is an educational element to improving agents' understanding of how to best utilise self-service options in Online services for agents and practice mail functionality.

Member comments

- Agents use practice mail for convenience and there is no need to wait on the phone for a response.

- Practice mail generally provides responses in writing which is useful for agents to reassure their clients that they are actioning requests and reduces confusion around messaging.

- It is often difficult to connect a practice mail response with the original request as there are no reference numbers/ticket numbers to link the request and response together. Agents would like to see practice mail operate like a support request system, where a ticket is raised and conversation/responses are tracked against that ticket.

- Agents are familiar with fast key code used for the agent's phone line and suggested linking practice mail request types to the fast key codes for consistency.

Payday super

The governments announcement on [Payday superannuation design details to ensure super is paid on time](#) ⤴ and that from 1 July 2026:

- Super guarantee (SG) contributions will be aligned with the payment of salary and wages.

- Businesses will become liable for the updated SG charge if super guarantee contributions are not received by their employees' superannuation fund within 7 days of payday.

- The ATO's Small Business Superannuation Clearing House will be retired as it is not fit-for-purpose in a payday regime.

The Payday super measure is not yet law and government is preparing draft legislation which will be released for public consultation.

We are committed to engaging with stakeholders on the co-design around policy parameters and have committed to keep members informed as this work progresses. Further information about **Payday superannuation** is available.

A special purpose working group is being established to provide overarching advice on the end-to-end administrative solution for payday super, with the first meeting is expected to be held in October/early November.

We will update infrastructure and data matching to better detect unpaid super payments earlier and allow for a proactive approach to compliance, to reduce the incidence of unpaid super. This will include updating:

- STP reporting requirements to make the reporting of both Ordinary times earnings and Total Superannuation Liability mandatory.

- The SuperStream standard, including allowing the acceptance of payments made via the New Payments Platform.

Member comments

- Concern that super funds will pass on any increased administrative costs to employees and that increased processing charges will cut into superfunds balances.

- Clearing houses should be more accountable in terms of processing payments received on time to reduce the likelihood that employers are penalised when the payment isn't received by the fund by the due date.

- Micro businesses will still need access to low/no-cost clearing houses.

- BAS agents will need better visibility of information in Online services for agents to better support their clients.

- Rejected payments will need to be processed quickly to enable employers to rectify errors without penalty.

Tax Practitioners Board

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The Tax Practitioners Board (TPB) provided an update and insights on a few reforms impacting tax practitioners. This included proposed changes to the Code Determination, annual registration, new breach reporting obligations and new whistleblower protections laws.

The purpose of this determination is to strengthen integrity and accountability in the tax profession and create a level playing field. The new obligations are consistent with the existing principles of the code and many tax practitioners will already be complying with them:

- honesty and integrity

- independence

- confidentiality

- competence.

The new obligations leverage material from Accounting Professional & Ethical Standards Board and other well-known and understood tax and corporate law concepts that tax practitioners will be regularly advising clients on.

Subject to the determination being finalised, the TPB's immediate focus is to finalise guidance, through consultation, and tax practitioners with information to assist in understanding what is required of them. The TPB welcomed the opportunity to come back to the group to provide members with an update on the Code determination guidance as the matter progresses.

The TPB confirmed that for all tax practitioners trying to do the right thing, the TPB will take a pragmatic and practical approach in enforcing compliance with the additional obligations. The TPBs compliance approach has always been to achieve compliance through education and support, with investigations and sanctions reserved for the high risk and serious cases of non-compliance.

Member comments

- An increased fear amongst agents about the new breach reporting requirements, particularly regarding vexatious and egregious claims being made, although the TPB confirmed this is not being seen in the reports being made.

- Associations have indicated that the TPB will need to provide a practical guidance product for practitioners. The TPB confirmed

that they will release final guidance product on the breach reporting requirements by the end of 2024.

- Concerns that there will be a decrease in bookkeepers becoming BAS agents over the proposed new code items.

Access manager guide

An access manager guide is being developed to help agents understand the various permission levels in Online service for agents which can be customised to suit the role of the agent. To assist agents understand what permissions apply to their role, the access manager guide will highlight the different roles and responsibilities across different persona's; authority/ practice manager, senior BAS agent/bookkeeper and basic myGovID holder.

The relationship authorisation manager (RAM) offers better filtering capabilities compared to access manager, making it easier for agents to identify active users. Since the introduction of myGovID (now myID), deactivating users is not possible with access manager and can only be done through RAM. Initial ATO user permissions set in RAM determine an agent's ability to manage user access permissions in access manager.

If a user is granted 'Custom' level permission in RAM when being linked to the ATO:

- the agents access manager administrator will have full control over the users access manager permissions including which clients they can access if the agent has more than one registered agent number (RAN) (branch) attached to their Australian business number (ABN).

- the agents access manager administrator will need to access manager permissions manually before the user can use Online services for agents.

If a user is granted 'Full' level permission in RAM when linked to the ATO:

- the agents access manager administrator is not able to control user-level permissions in access manager

- the user will automatically receive all access manager permissions. This means the user will have permissions to all Online services for agents functionality, access to all clients lists linked to the agents

ABN, that is branches, and access to Online services for business for the agents own ABN.

Member comments

Members provided their feedback and observations around:

- Improvements needed across the system to assist practices manage their employees' access to Online services for agents, such as

  - a notification banner in Online services for agents reminding the principal authority/practice manager to review permissions across their practice regularly

  - include a filter to search active permissions

- It is difficult to give remote or offshore employees accurate permissions.

Super guarantee charge liabilities and unpaid debts

We are committed to actively reducing non-compliance and improving willing participation by employers in the super guarantee (SG) system and ask agents to ensure Single Touch Payroll (STP) data is correct and actively work with their clients to ensure SG is paid on time.

Support is available to employers make it easier to understand and comply with their employer obligations and they are encouraged to contact the ATO as early as possible if they are experience difficulties.

Agents were reminded that the SG due date is when it is to be received by the fund and remind their clients that it is not the date it is to be paid by the employer. The ATO agreed to review its messaging to emphasise this point.

The ATO will be issuing firmer action letters to taxpayers with outstanding debt (particularly aged debt) and reminded members that if they have clients with a debt that includes unpaid SG, it should be paid to the ATO and not directly to the fund.

Member comments

- Concerns with inconsistencies with timing of non-compliance letters between clients.

We explained that there are several factors and risk models that will raise non-compliance letters. To avoid these letters, employers need to ensure that the SG amount is received by the fund by the due date.

- There are several common issues that cause delays in the system that are outside the employer's control, such as incorrect superfund details provided by the employee, super fund mergers and incorrect USI.

- Potential improvements, such as listing the superfund on the SGC form were discussed and encouraged to be reviewed as part of the Payday super design.

Environmental scan

Members led a focused group discussion to understand and discuss current industry insights, trends and developments observed over the past year.

Member comments

- BAS agents view community understanding of BAS agents as an extension of the tax office and are therefore often underutilised and undervalued in the assistance they can provide business owners to help them meet their obligations and run a successful business.

- BAS agents and bookkeepers manage the financial operations of a business, providing value to businesses through practical business management. The formal 'BAS agent' function of their role is only a small part of the broader role they have in assisting small business to have sound accounting and business management practices in place.

- There is an opportunity for the Australian Tax Office (ATO) to engage more with BAS agents beyond their formal 'BAS agent' role as a key leverage point to improve small business engagement with the tax system.

- The ATO is tax agent centric and there needs to be intentional engagement and support inclusive of BAS agents. BAS agents have more compliance touch points with the ATO and as a result have more regular contact with their clients.

BAS Agent Association Group key messages 20 June 2024

Key topics discussed at the BAS Agent Association Group meeting on 20 June 2024.

Published 12 August 2024

Tax Time 2024 – Readiness and Complaints

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The Australian Taxation Office (ATO) outlined its readiness and preparations for Tax Time 2024 with a particular focus on telephony, processing, activity statements and complaints.

An increase in demand for calls and processing is anticipated over the coming months and the ATO is looking at ways to reduce this demand.

Agents are encouraged to use the dedicated tax agent phone line with the relevant Fast Key Code to reduce wait times. The ATO confirmed that call blocking is not used on the agent phone line. The ATO discussed the complaints process and sought member's feedback on the drivers for including multiple clients under a single complaint.

We are consulting with agents to understand the behavioural drivers behind the high number of paper activity statements requested which is considerably higher than the number lodged via paper. Findings will be brought to a future meeting.

Members provided feedback and observations including:

- Suggestions for improving the usability of practice mail, which could reduce the need to call the agent phone line.

- Suggestions around how the ATO could support and encourage the checking of bank accounts to ensure refunds go to right bank

accounts.

- Feedback regarding the call centre scripting for reversing general interest charge debt appears, and noted there is limited information available online.

Tax Practitioners Board

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The Tax Practitioners Board (TPB) provided an update on the status of law reforms with a particular focus on the TPB's breach reporting guidance.

There was a discussion about the TPB's minimum requirements for verifying a client's identity and whether the ATO's client to agent linking process was sufficient to satisfy these requirements. The TPB and the ATO are currently working closely to develop further guidance to provide tax practitioners with greater clarity on the interaction between the client to agent linking process and the TPB's proof of identity requirements.

Members provided feedback and observations including:

- Concerns with vexatious breach reporting, what is meant by a significant' breach and impacts on public indemnity insurance. Members also noted the importance of having 'real world' examples in guidance material.

- Clarification of the messaging agents will receive as they come up for re-registration and the messaging for those that have recently paid their 3-year registration.

- Feedback regarding the visibility of the TPB complaints form on the TPB website.

Not-for-profit – self assessed income tax exemption reporting

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The ATO provided an update on the Not-for-profit (NFP) self-assessment of income tax exemption reporting regime. The new

reporting requirements were announced in the 2021–22 budget to address transparency and integrity over NFP population.

Starting from Tax Time 2024, non-charitable NFPs with an active Australian business number (ABN) are required to lodge their NFP self-review return notifying their exemption eligibility for income tax.

The ATO is taking a practical approach to compliance and NFPs will have until 31 March 2025 to lodge their assessment without penalty. The ATO will continue to consider what strategies are required to support ongoing lodgments as we prepare for next tax time.

Clients having difficulty accessing online services to lodge their NFP self-return will be able to use a Self-help phone service, **13 72 26**, which is available as an interim lodgment channel during the 2023–24 transitional year.

The ATO has developed, and is progressively expanding/updating, a suit of **reporting requirements to self-assess income tax exemption** to assist NFPs and their agents, including recorded webinars at ato.gov.au/ATOtv ⤢. Guidance will include a checklist for NFPs to use along with a fact sheet that professional associations can issue to their members. Members are encouraged to subscribe to the monthly NFP newsletter via the **Not-for-profit newsroom**.

The option of allowing BAS agents to lodge the informational return is a matter for the TPB. ATO systems do not currently support this function for BAS agents. Possible options would need to be explored following a decision by the TPB.

Members provided feedback and observations including:
Their desire for BAS agents to be able to lodge the return on behalf of NFPs.Welcoming the changes to the Change of Registration form (NAT 2943), which is now a fillable PDF, and updated guidance to assist clients in successfully submitting change of details. Members noted however that this form still needs to be mailed to the ATO and requested the ATO consider options for enabling the PDF to be lodged digitally.

Tax profession digital services experience – survey results

(Links to strategic priority – Protect the high levels of engagement and integrity in the tax, super and registry systems)

The ATO updated members on the results from the digital services experience survey which was conducted in February 2024.

With approximately 1,400 responses received and the introduction of free text fields, new insights are being drawn from the survey responses.

Key insights from the survey included:

- Satisfaction with the digital service experience has decreased, particularly for BAS agents and younger tax professionals.

- The client-to-agent linking process has had an impact on tax professionals' digital experience.

The ATO confirmed they will be undertaking engagement and consultation with the profession to better understand the key insights and consider opportunities for continuous improvement of digital services.

Members provided feedback and observations including:

- Digital interactions and expectations are greater now than they were in 2022, when the first survey was conducted. BAS and tax agents have higher expectations of their software and digital services.

- Their experience with the practice mail function within Online services for agents, including the need for timely responses to queries lodged via practice mail given the frequency of their interactions with clients.

Client-to-agent linking

(Links to strategic priority – Improve tax performance for clients of tax practitioners)

The ATO provided an update on feedback received as part of the Post Implementation Review that is currently being undertaken. RAM and myGovID processes are causing the most difficulties for agents.

Feedback is being collated and analysed from multiple sources to consider enhancements and improvements to the experience for those clients having difficulty. Complaints about BAS agents being delinked have decreased.

The ATO plans to extend similar protections to the remaining populations, that is, Individuals, Sole Traders, and non-ABN entities. Extensive consultation and change impact assessments will be undertaken for these groups to inform the solution design and delivery options.

The ATO will continue to engage and look for opportunities and further capitalise on any changes to technology that will improve the process for agents and clients.

Members provided feedback and observations including:
The benefits of having an agent notification system, rather than relying on the client letting BAS Agents know they have been nominated.The impact on agents where clients find the linking process too difficult.Corporate trusts and the supports in place to assist agents.

Lodge and Pay

(Links to strategic priority – Protect the high levels of engagement and integrity in the tax, super and registry systems)

The ATO noted the 2024–25 Budget announcement providing the ATO with discretion not to offset refunds against tax debts of individuals, small businesses and not-for-profit entities, where the debts were placed on hold prior to 1 January 2017 and remain on hold. As this measure is not yet law, the ATO's current approach remains for this Tax Time. Until the measure has been enacted, the ATO will continue pausing offsetting of debts for individuals, small businesses and not-for-profit entities that were placed on hold prior to 1 January 2017 and remain on hold. A communication strategy is being developed to explain to clients with a debt on hold how that debt will be treated.

A broader payment conversation, including a discussion regarding payment reference numbers, will be scheduled for discussion at a future meeting.

Digital service delivery for Tax Time 2024

(Links to strategic priority – Recognise, empower and support current and future tax practitioners)

The ATO provided an update on the expected changes to digital service delivery for Tax Time 2024 including:

- Changes to correspondence preferencing that allows agents to apply bulk preferencing updates to 50 clients at a time, an increase from 25).

- New subjects added to practice mail.

- Decommissioning of AUSKey credentials.

- Limiting BAS amendments (original lodgment plus 4 amendments).

- Pop-up warnings when linking to an already linked client.

Members provided feedback on difficulties in locating the phone number and fast key code for Online services for agents technical support. The ATO confirmed that agents can contact **13 76 82** with fast key code **3 3** for technical support.

Environmental scan

Members led the facilitated group discussion on insights, trends, developments and direction that the ATO should be aware of as context for the operation of the system overall, these included:

- Payday Super messaging.

- Separation certificates and whether these are still required as part of the Single Touch Payroll process.

QC 102884

BAS Agent Association Group key messages 3 April 2024

Key topics discussed at the BAS Agent Association Group meeting 3 April 2024.

Published 3 June 2024

Welcome and introduction

Co-chairs welcomed members to the BAS Agent Association Group (BASAAG) meeting. The group welcomed new member Jane Mitchell, ATO and thanked exiting members Darren McMaho, Dardee Pty Ltd and Kath Anderson, ATO.

It was noted action items 20231204-01, 20230323-05 and 20230323-03 will remain in progress.

Law Reform

(Links to strategic priority – Increase trust and confidence in tax, super and registry systems).

The Tax Practitioners Board (TPB) led the discussion law reform arising from the implementation of the James Review recommendations and the government response to the PwC matter.

Members provided the following feedback and observations:

- Challenges around a BAS agent's ability to identify disqualified entities. The TPB noted that the TPB register was just one of many sources that practices/agents should check as part of good governance processes.

- The breach reporting requirements put the onus and an obligation on practitioners to report to the TPB significant breaches. Guidance around what is meant by 'significant breach' and 'reasonable belief' will be important. The TPB noted that breach reporting is intended to improve integrity and transparency. The TPB will apply a practical approach and will consult on draft guidance.

- Members discussed the emergence of agent adjacent services that don't fall within the TPB registration and supervision ambit.

Schools Education Strategy

(Links to strategic priority – Increase trust and confidence in tax, super and registry systems).

The Australian Taxation Office (ATO) provided an overview of the Schools Education Strategy, noting that the topics of taxation and superannuation are now in the Australian Curriculum for schools. The intent of the strategy is to ensure the next generation of Australians understands and values of our tax and super systems and how to

navigate these systems. Feedback was sought on opportunities to expand the program.

Members provided the following feedback and observations:

- Members congratulated the ATO on this strategy, noting its importance and suggested the learning products could be incorporated/expanded into vocational areas.

- The material would be useful for multiple purposes, including from both an employer and employee perspective and for new Australians going into business, who would benefit from simple, clear information such as this.

- It was noted that searching for 'Tax Super and You.com' navigates to the ato.gov.au home page. To improve awareness and access, members suggesting redirecting search outcomes to the dedicated webpage, taxsuperandyou.gov.au

Members were encouraged to share this information with their networks and to provide feedback on elements of the education material that would suit an adult audience.

Essentials to strengthen your business

(Links to strategic priority – Improve tax performance for clients of tax practitioners).

ATO walked through the new online learning platform [Essentials to strengthen your small businessExternal Link](#) ⧉. The website is a free resource, designed to be flexible for online learning with more than 20 courses now available, covering a range of aspects of the lifecycle of a small business. The online learning platform has recently been launched and has received positive feedback.

The ATO noted that future online courses are planned and sought feedback from members on how to promote and improve the program.

Future online courses will include:

- Concessions

- Personal services income

- Losses

- Depreciation

- Reporting payments made to contractors

- Capital gains tax

- Fringe benefits tax – minor exempt benefits.

Future masterclasses will include:

- Claiming small business tax deductions

- Cash flow for small business success – strategies to improve your cash flow

- Goods and services tax (GST)

- Using your business money and assets

- Record keeping

- Starting a small business – setting up your small business.

Members provided the following feedback and observations:

- Members congratulated the ATO on this program and noted value in getting an awareness of this program to people before they apply for an Australian Business Number.

- It was suggested that future updates include an explanation of the difference between tax and BAS agents.

- Suggestions for future online courses/topics were mentioned including, superannuation, personal liability, basics of digital safety, generative AI (how to and how not to use AI), and tax file numbers (their importance and how to secure them).

- Feedback was provided on navigation options and the wording in the calendar/due date section of the program regarding superannuation guarantee payment due dates.

Members were encouraged to promote this program via their networks and to provide feedback on the program to the secretariat.

Private companies and Division 7A

(Links to strategic priority – Improve tax performance for clients of tax practitioners).

ATO led the discussion on its Division 7A program which focuses on raising awareness and improving knowledge of the rules concerning

the taxation of payments, benefits and loans received by shareholders and their associates from private companies. We noted that whilst BAS agents may not generally provide Division 7A advice, their role in relation to private company clients puts them in a position to observe and gain insights about their clients' level of understanding and compliance.

Members provided the following feedback and observations:

- The interaction of the TASA law reforms, particularly the new breach reporting requirements was discussed.

- An observation that Division 7A issues often emerge when a client moves from being a sole trader to a business/corporate structure.

- Simple fact sheets and education materials with case studies that highlight some of the negative outcomes of Division 7A loans would assist practitioners.

What's new in Online services for agents

(Links to strategic priority – Safeguard the security of the tax, super and registry systems).

The ATO provided an update on the recent changes to Online services for agents including:

- changes to transfer requests

- lifting the maximum amounts from $100,000 to $200,000 for payment plans

- enhancements to single touch payroll reporting

- changes to processing of known amounts with non-lodged activity statements

- flexible lodgment arrangements where there has been an adverse event.

Upcoming changes will include:

- expanding the ability to lodge bulk correspondence preferences for up to 50 clients, the limit is currently 25 clients

- restricting the number of times a BAS can be amended, once the limit is reached, agents will be directed to contact the ATO

- AUSkey credentials will be removed from Access Manager

- enhanced in-system guidance in Online services for agents when an agent is going to link at the activity statement account or potentially remove another agent's access (client-to-agent linking).

Members provided the following feedback and observations:

- Regarding the upcoming change to restrict the number of times a BAS can be revised/amended, members asked what process should be followed if they legitimately need to revise/amend a BAS and the limit to online amendments has been reached.

- The Online services for agents enhanced in-system guidance that will help reduce instances of BAS agents being delinked by tax agents is welcomed.

- It would be beneficial to have audit trail visibility within Online services for agents to easily identify which agent made changes to the activity statement.

Client-to-agent linking and verification

(Links to strategic priority – Safeguard the security of the tax, super and registry systems).

ATO led the client-to-agent linking discussion, including information on the planned delivery of new in-system guidance in Online services for agents to help reduce inadvertent de-linking of BAS agents and gave an update on the Client-to-Agent Linking working group.

The ATO understands this is an important matter for agents and their new clients and wants to provide visibility of our next steps. The purpose of Client-to-Agent Linking is to address fraud and provide protection when bad actors take over the identities of good agents and do bad things to their clients and the clients of other agents. To date, nearly 150,000 clients have completed client-to-agent linking either via online nomination or via ATO assistance channels through practice mail and phone. Since the introduction of the changes, there have been no instances of fraudulent takeover of agents' clients by bad actors.

The ATO acknowledged the strong advocacy of the tax and BAS professional associations and working group members on behalf of the tax profession. We will continue to engage with tax and BAS

associations and look for opportunities to enhance the process and further capitalise on any changes to the technology that will improve the process for agents and clients.

Members provided the following feedback and observations:

- For several clients, the process has proven too difficult, and they have chosen to stay with their existing agent.

- A fact sheet with entity-type personas (for example partnerships, trusts etc.) would be useful.

- The upcoming Online services for agents enhanced in-system guidance to help reduce instances of BAS agents being delinked by tax agents is welcomed but we would like to see post deployment statistics.

Improving payment performance

(Links to strategic priority – Protect the high levels of engagement and integrity in the tax, super and registry systems).

ATO led the discussion on improving payment performance measures, including planned communications to accompany the April activity statement due dates. We will be taking a firmer stance on non-payment of activity statement debts relating to GST, super and pay as you go withholding, with general interest charge (GIC) remissions being reserved for genuine exceptional cases.

From late January 2024, we commenced referring selected debts to an external debt collection agency (ECA). The ECA will focus on providing support to taxpayers to pay their debt in full, or where they are unable to pay in full, to assist with establishing a tailored payment plan. This allows us to re-direct internal resources to more complex and priority work that signals the ATO's firmer approach to the broader community.

If you don't pay information is available and was provided in recent **Tax professionals newsletter** on how to verify the contact made by the ECA and what to do if unsure.

The ATO thanked members who have been involved in the Lodge and Pay Working Group, noting that this group will be paused for a period whilst the ATO works through feedback and action items.

Feedback was sought on the planned communications, including how we can reinforce our messaging regarding the firmer stance on GIC

remissions.

Members provided the following feedback and observations:

- Consistency in the ATO's approaches, treatment and decisions are important.

- Discussed outcomes for clients who opt to pay earlier, providing example of a quarterly GST client choosing to pay monthly. If they are late on their monthly payment, they will be charged GIC. If this isn't remitted, the client may opt to revert to quarterly payments.

- Members discussed payment only deferrals but acknowledged these deferrals impact more than just the client, it has overreaching impacts to whole of government revenue collections.

Environmental scan

The following issues were discussed:

- Small Business Superannuation Clearing House

- Payment concerns were raised, including that direct credit payment options are no longer shown on the front page/payment section and are instead under 'other payment' options and that BPAY is not available for batch payments through software

- Proof of identity requirements for new clients of BAS agents

- Potential items for the group's Forward Work Program were identified, including sessions on debt/action letters, superannuation related matters and Taxable payments annual report.

Other business

The group endorsed the updated BASAAG Charter and membership refresh has been scheduled for 2024. The following tabled papers were noted:

- Small Business Superannuation Clearing House and self-managed super funds bank account details validation.

- Stopping the use of hyperlinks in unsolicited outbound SMS to clients.

BAS Agent Association Group key messages 4 December 2023

Key topics discussed at the BAS Agent Association Group meeting 4 December 2023.

Published 9 February 2024

2030 Tax Practitioner Experience Strategy

Strategic Goal 1 Protect the high levels of engagement and integrity in the tax, super and registry systems

Tax Practitioners Board

Michael O'Neill provided an update on Tax Practitioners Board (TPB) activities and developments including:

- The appointment of 3 new board members, Simone Carter, Phillip Davies and Professor Kerrie Sadiq.

- The Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 (TLAB 1) passed on 16 November 2023, with amendments.

- The TPB will consult with stakeholders to ensure there is guidance to assist tax practitioners to understand the operation of the law, particularly regarding the reporting of breaches and definitional issues. The TPB Governance and Standards Forum will be a key engagement forum.

Members comment

- Welcomed the TPBs commitment to consultation and co-design, noting the TPB's own consultation channels are the right ones to use.

Environmental scan

Members discussed a range of issues, including:

- Community feedback and sentiment regarding the Client-to-agent linking process.

- Positive feedback was provided about the lodgment deferral process that was implemented in 2023, noting the significant improvement it has made for tax practitioners.

Strategic Goal 2 Safeguard the security of the tax, super and registry data and systems

Client-to-agent linking

The deployment of the client-to-agent linking went live to all entities with an Australian Business Number (ABN), excluding sole traders, on Monday 13 November. Members were thanked for their invaluable feedback which enabled the development of communication products and tailored support material for agents and clients to help with the transition phase.

The ATO acknowledged the BAS agent frustration of being delinked by a tax agent and noted that some tax agents are still adding clients via the ABN rather than tax file number despite the messaging and communications that have issued. Members agreed that it would be worthwhile for the ATO to send an email to all tax agents reminding them of the correct process when adding a client to their client list. The ATO is progressing a warning pop up message on Online services for agents when a client is added that it may result in the BAS agent being delinked.

Members were advised that consultation is being planned and discussions will begin early next year on the system and software approach for the next phase of client-to-agent linking, for individuals and sole traders.

Members comments

- Provided the ATO with feedback on negative sentiment from the profession and suggested the ATO continue to refine and promote its messaging around why client-to-agent linking is needed.

- The difficulties and frustrations associated with changing ABR details was noted.

- Phone support for client agent linking exceptions is inadequate. Angry clients are taking their frustration out on agents.

- I would like working group consultation to continue, or a similar forum established, to allow discussions to continue, particularly in relation to the solution design for individuals.

- BAS agents are exhausted from all the changes over recent years, with many changes resulting in unbillable hours as there is no product to sell. Declining margins, negative client sentiment and frustrations with clunky ATO processes and declining ATO service levels is leading some agents to want to exit the industry.

- Agents are keen to know whether the client agent linking solution for business users is the final solution given the issues the profession have been raising regarding the current solution.

Strategic Goal 4 Increase trust and confidence in the tax, super and registry systems

BAS Agent Association Group 2023 year in review and 2024 priorities

Kath Anderson led a discussion to gather members views on the operation of the forum in 2023 and opportunities for 2024.

Members confirmed the value of the forum, made suggestions for improvements and suggested themes for 2024.

Strategic Goal 6 Improve small business performance and level the playing field

Improve Small Business Tax Performance

An end of year update on the improve small business tax performance pilots and the outcomes from the digital think tank was provided.

The pilots are progressing in accordance with the plan and there are positive signs that the changes could assist some small businesses through:

- improved cash flow management

- positive mental health benefits

- improved lodgment and payment performance

- streamlining of some business processes.

The next 6 months will include completing the pilots, analysing the impacts, and identifying opportunities and lessons learned. We will also assess the opportunities identified through the recent think-tank.

Members comments

- The ATO should be mindful of the narrative around pilot outcomes that point to changes in behaviour, with members noting the small sample sizes and the potential for bias arising from using willing clients in the pilots. The ATO need to be very careful in extrapolating outcomes to the broader population.

- A suggestion was put forward that small businesses could report and pay monthly (on an optional basis using 'best endeavours') but be allowed to adjust quarterly without incurring penalties.

- Some options to help clients are already available and an investment in educating small businesses and agents is needed.

- Shifting to a monthly cycle may disadvantage some clients as there are no agent concessions.

Lodge and pay

AN update was provided on progress of the ATO initiatives being implemented to improve payment culture. Member feedback was sought on:

- Strategies to assist clients who have capacity to meet current payment obligations but are having difficulty paying historic COVID-19 related debts within a 2-year payment plan timeframe.

- How to message and increase awareness around the ATO's approach in escalating to firmer actions, including director penalty notices and disclosure of business tax debts.

Feedback was sought from members on any guidance products that are required to assist having payment and lodgment conversations or areas for improvement in the correspondence issued relating to firmer action activity.

Members comments

- Members encouraged the ATO to provide certainty around the firmer action process, providing details or a timeline of what clients can expect and when, will allow agents to set client expectations.

- Members agreed to give some thought to how the ATO could identify businesses that would be viable, other than for a historic debt, ahead of a planned discussion around this at upcoming Lodge and Pay Working Group meetings.

Other business

The following papers were formally tabled:

- Single touch payroll and activity statements update

- Payday Super update

A member asked about a point raised at a previous meeting around the employee onboarding process myGov. This has been captured as an action item to be followed up at the next meeting or out of session.

QC 101189

BAS Agent Association Group key messages 5 October 2023

Key topics discussed at the BAS Agent Association Group meeting 5 October 2023.

Published 5 February 2024

2030 Tax Practitioner Experience Strategy

Strategic Goal 1 – Protect the high levels of engagement and integrity in the tax, super and registry systems

Tax Practitioners Board

Tax Practitioners Board (TPB) provided an update on activities relating to registered agents, including registered BAS agents.

Members comments

- Matters relating to continuing professional development and requested more guidance on this from the TPB.

- Unregistered preparers, which are a focus area for the TPB, and how they are identified, how the TPB engages with them and what sanctions/tools are available.

- How BAS agents and their associations can influence and contribute to the reform discussions that are currently occurring.

- The ramifications of COVID-19 are still evident in the industry.

Strategic Goal 2 – Safeguard the security of the tax, super and registry data and systems

Client agent linking

- The ATO has been working with a special purpose working group, to address issues and challenges for the upcoming release on 13 November 2023. Several BAS Agent Association Group (BASSAAG) members are on the group.

- The 13 November release will extend the client-to-agent linking solution to all businesses with an ABN (excluding sole traders)

- This is an important fraud control and part of a broader suite of measures.

Members comments

- The challenges associated with tax agents removing BAS agents. Right now, a BAS agent simply relinks. This won't be the case under client-to-agent linking.

- The importance of communication – agents will need to be aware of this change so that when they are onboarding new clients from the 13 November, they can instruct their clients to complete the agent nomination.

- If there will be a step-by-step guide or checklist for both BAS agents and their clients. The ATO confirmed that this is in scope and is being developed.

- If there can be a push notification process, rather than download a list of nominations. The ATO advised this is not in scope for the next deployment; however, it is being considered for future deployments.

- The possibility of having a dedicated telephony queue (with a Fast Key Code) to support agents with any transition issues.

Strategic Goal 3 – Improve tax performance for clients of tax practitioners

Reducing paper activity statements

Members were updated on **managing electronic activity statement and instalment notices**, and the future of the 'interim solution' that was implemented for the digital instalment notices R, S and T and were advised:

- The interim solution of continuing to issue paper copies of instalment notices R, S and T is planned to cease in March 2024.

- Agents will still be able to access and print paper copies in Online services for agents via

    - the on demand outstanding activity statement report

    - communications history.

BASAAG members provided their support for the removal of the interim solution and noted the alternative ways they would be able to obtain paper copies if needed.

It was noted that sending paper-based statements represented a cost to the community. The journey to digitise and make interactions digital by default is progressive, with plans to bring more statements online in the future. The group discussed:

- What are the key issues that inhibit the digital transition from both a client and agent perspective?

- What additional support can the ATO provide to help taxpayers make this digital shift?

Members comments

- The improved security for clients and agents who transact through secure digital channels versus those who use paper channels.

- General consensus or acceptance that digitally enabled clients should be defaulting to digital channels for interactions.

- Potential features that could help encourage clients who are hesitant to go digital because they like the comfort of a paper notice, including

  - notifications via myGov

  - a link to add reminder to calendar

  - text notifications.

Online services for agents

Members were updated on changes being delivered in the digital services channel, focusing on the way the ATO will be able to manage lodgment obligations for taxpayers in disaster zones.

Strategic Goal 4 – Increase trust and confidence in the tax, super and registry systems

Environmental scan

Members discussed a range of issues including the recently released myGovID new device registration notification, which provides verification notifications and notifications when your myGovID is active on another device.

Strategic goal 5 – Empower tax practitioners to add value to their clients through sustainable operations

Data retention

Current issues with respect to data retention protocols (for practitioners) was discussed. The impact of digitisation and increased reliance on digital storage solutions was recognised. The conversation explored:

- The large volumes of accumulated data held digitally and the implications from a cost and risk perspective (for both taxpayers and practitioners).

- Practitioner behaviour in relation to controls in place to manage data risks, particularly where information and data is stored by third parties.

- Potential for the ATO and professional associations to work together to assist and influence the way taxpayers and practitioners manage

their risks, including decisions about how much data to retain and for how long (particularly if a taxpayer is no longer a client). This includes education for agents and their clients about the risks of changing service providers (tax agent and/or software provider), and the responsibility for retaining sufficient appropriate records, in accordance with the law.

- What guidance or assurance can the ATO provide with regards to the treatment of taxpayers who only keep data and records for the minimum period of 5 years post-lodgment, for example will the ATO release a record-keeping Practical Compliance Guideline?

Members comments

- Records are retained for a variety of reasons and required by a number of agencies/organisations, not just for tax related purposes. This is a whole of government issue.

- There could be value in the professional associations establishing a data retention and record keeping code of conduct and/or framework. Associations and the ATO should raise awareness at conferences.

- From a behavioural perspective, it is easy to keep digital records; for some it is probably not until they start to hit storage limits that it starts to become a problem or addressed.

- More education is needed around data awareness, retention, and security – to help facilitate the awareness of who owns the data and requirements on retention and safeguarding.

- If software providers are going to remove/delete records, then they need to provide a mechanism for the business/client to be able download and transfer the data.

ATO executive

ATO Second Commissioner, Jeremy Hirschhorn, attended the meeting for an informal discussion with members regarding the BAS agent experience and the continued importance of the role the BASAAG stewardship group plays in the system.

Jeremy acknowledged the journey ahead in transitioning from a culture that sees value in the completion (of a statement) to one that sees value in ensuring data is correct.

Members comments

- The important role of the BAS agent community and its continuing and expanded role into the future. Members noted that a BAS agent may have up to 78 touch points with a client over the course of the year which presents a significant and important opportunity for them to influence client behaviour.

- Improving the education program for tax and superannuation both in schools and TAFES and at the time of registering for an ABN. By improving tax and superannuation awareness up front (for example, when setting up a business or commencing work) many of the later problems experienced by businesses, agents and the ATO could be avoided.

Strategic Goal 6 – Improve small business performance and level the playing field

Improve small business tax performance

An update on the right time reporting and payment pilots was given, the pilots and associated hypothesis included:

- Right time GST payments (2 pilots) – Testing whether more frequent GST payments will assist small business operators with better cashflow management and prevent future debt. This pilot works with select Financial Technology Providers who provide digital services to facilitate more regular GST payments.

- Monthly GST reporting – Testing whether monthly GST reporting (rather than quarterly) will assist some small businesses to better provision for their GST obligations, improving their cashflow management and to prevent new/future debt.

- Guidance in software – Building confidence and certainty into natural systems, detection of potential issues/errors through the issuance of prompts and nudges and therefore potentially reducing the tax gap. This pilot works with select digital service providers, financial technology providers and the tax and BAS agent community to make our public advice and guidance more consumable through software services.

The project team is also exploring a PAYGW mixed cycle reporting pilot, as suggested by members at the June BASAAG meeting. The logistics of delivering this pilot are being worked through with a potential commencement date in early 2024.

The group also discussed potential 'blue sky' initiatives to digitalise small business taxation and improve tax performance, guided by the following questions:

- How could we better utilise digitalisation to lessen the administrative burden on small businesses?

- How might we look for better ways to manage risk in the small business ecosystem?

- How might we create more transparency of tax position, or how the ATO might treat or perceive a small business?

Members comments

- Gaining visibility for BAS agents of super, income tax, payment plans, and interest charges would assist BAS agents to have fuller and informed conversations with clients.

- A range of suggestions centred around the theme of the ATO 'pushing out' information and data into the business' software, which the BAS agent would have access to, including:

  - transactional data feeds

  - ATO correspondence, with a push notification or a pop-up alert

  - BAS agents lodging superannuation guarantee charge statements via the software provider.

Lodge and Pay

The current state of the ATO collectable debt book and targeted strategies being deployed to stop the growth of the debt book through the Reset program was discussed.

- The ATO has noticed that a growing number of businesses who have capacity to pay are waiting for the ATO to pursue debts before taking actions to pay, or entering payment plans rather than paying in full.

- Despite resuming firmer and stronger actions following a sustained pause in debt recovery activity during COVID-19, businesses are de-prioritising payment of ATO debts.

- Restoring and maintaining Australia's voluntary tax and super payment system requires a shift in the ATO's approach to payment.

- The ATO expects payment on time and in full, clients should not wait for the ATO to chase them, there know that our approach to concessions is returning to business as usual.

- The ATO is taking decisive and swift action with those clients choosing not to engage and who purposefully avoid their payment obligations. We will continue to offer help and assistance to those who genuinely need it, whilst activating targeted strategies to address the growth in collectable debt which arose during COVID-19. This year, we have a particular focus on recovering high-value and aged debts and requiring timely payment of employer obligations, including unpaid superannuation.

- The ATO has established a special purpose working to provide advice in relation to strategies to reduce debt.

Members comments

- The importance of focusing on preventing future debts (as far as possible) whilst dealing with the challenge of historical debts.

- The possibility of a concessional lodgment period for those clients who voluntarily elect to lodge their BAS monthly.

- The possibility of quarantining historical debts from newly incurred debts and, subject to due diligence assessment, allow a longer period for the repayment of the historical debts.

- Matters associated with small business restructuring and business viability and some of the approaches taken, including guidance offered to businesses who may need advice and support.

- The importance of the ATO following through on our messaging and stance and being consistent in our approach.

- Providing positive messages to businesses who pay on time to highlight and encourage positive behaviour.

- Barriers to winding up businesses, including the costs. Members encouraged the ATO to provide white label products to assist taxpayers to understand their options.

Other business

The December meeting will be a shorter Webex meeting on Monday 4 December.

Members discussed the structure of the 2024 BASAAG meetings and the possibility of increasing the face-to-face meetings to 2 per year.

BAS Agent Association Group key messages 15 June 2023

Key messages from the BAS Agent Association Group meeting 15 June 2023.

Last updated 26 July 2023

Key messages from the BAS Agent Association Group meeting 15 June 2023

Welcome and introduction

ATO co-chair Assistant Commissioner Kath Anderson welcomed members, asked if there were any conflicts of interest to be declared (none declared) and reminded the group of confidentiality requirements.

2030 Tax Practitioner Experience Strategy

Protect the high levels of engagement and integrity in the Tax, Super and Registry Systems

Tax Practitioner Board update

Chief Executive Officer and Secretary provided an update on registered agents, including registered BAS agents.

Members discussed

BAS agent associations may consider a joint submission to the Assistant Treasurer regarding BAS Agent Association Group (BASAAG) representation on the Tax Practitioners Board (TPB).

The requirement regarding *relevant experience*, including the difference between statement of experience and demonstration of skills (education). It was noted that the statement of experience is just one input to the TPB's assessment of the extent to which a person meets the *Tax Agent Services Act 2009* registration requirements.

Safeguard the security of the Tax, Superannuation and Registry data and systems

Spotlight on Cyber Security

Fraud and identity theft is not just a tax problem, it is a significant problem facing individuals and businesses generally. The environment is changing constantly, and as larger institutions harden their controls, others (including agents and taxpayers) are likely to become targets.

ATO is working with the profession to increase the level of controls that practices have in place to reduce the incidence of fraud. This is an ongoing focus area.

Improve tax performance for clients of tax practitioners

New ato.gov.au

ATO provided an update on the progress of delivering the new ato.gov.au website, including an overview of timelines, and information about the website look and design.

- The current ato.gov.au website sits on an aging platform, which is approaching end of service life. The ATO has procured a new website platform and we are progressing towards delivery of a new website in early December 2023.

- Extensive validation will be undertaken to make sure the new website is performing as expected before we launch. This will include a period of 4 weeks (our public beta) where the community will have the opportunity to explore the new site.

- Public beta is scheduled for November 2023.

- The ATO continue to engage with this group and communicate to intermediaries as we progress towards delivery of the new ato.gov.au website.

Members discussed

The importance of education, communication and change management.

Fringe Benefits Tax

ATO sought input from agents about their observations of FBT compliance:

- Is there anything further that the ATO can do to help BASAAG members consider or identify FBT in their client base?

- Subscribe to the quarterly FBT Bulletin (sign up on, How does fringe benefits tax work on ato.gov.au)

Members discussed

Members provided insights but noted that they cannot provide FBT advice.

Increase trust and confidence in the Tax, Super and Registry systems

Payday Super

The ATO provided an overview of the payday super 2023-24 Budget measure which will require super to be paid at the same time as salary and wages from 1 July 2026.

Treasury will be leading the policy consultation. The ATO will have responsibility for consultation and co-design of administrative design options.

We understand that there are several administration processes involved in the payment of wages and superannuation. We are seeking to understand these processes, how the various stakeholders interact with the system and how various administrative design options might impact these processes and interactions.

Initially the ATO will be seeking early insights from industry about the impact of the proposed policy. These insights will inform the development of more targeted consultation and co-design which will be occurring over the coming months.

Members discussed

- Current super clearing house irritants, including the inability to have multiple super pay events uploading at the same time.

- The impacts of BAS agents not having access to superannuation information in Online services for agents.

- The BASAAG is a key group to be involved in co-design of this measure, nothing the distinct role BAS Agents play in the system.

Action item	20230615-02
Due date	July 2023
Responsibility	Members
Action item details	Members to provide details of current issues associated with Super Clearing House to Kerrie Jarius who will collate and send through to the secretariat

Confidentiality discussion

The ATO discussed various scenarios that relate to dissemination of information shared during BASAAG meetings and members provided feedback.

Environmental scan

Input was sought from members including member experiences, trends and items impacting the profession. Items discussed included:

- Online Service for Agents – PDF signature option for clients

- payment plans and deferral options

- Single Touch Payroll (STP) related matters including:

  - improving helpline for STP and debt phone calls

  - STP finalisation statement deferral

  - late lodgment letter system

  - reporting at STP label W1 – are the amounts before or after salary sacrifice

- assisting to increase community awareness around the support that small business restructure specialist experts can provide small businesses.

- super – improving Online Services for Business and RAM.

Empower and support tax practitioners to add value to their clients through sustainable operations

The future of BAS Agents

The ATO led an environmental scan to identify changes coming up over the next few years that will impact BAS agents.

The feedback from members will help the ATO to understand other external influences impacting the profession. It will also help inform future conversations about the profession and how we can work together to support agents through the changes.

Improve small business performance and the level playing field

Improving small business tax performance

The ATO provided an update on improving small business performance initiative, noting:

- The ATO will be testing the hypothesis that more frequent GST payments will assist small business operators improve their tax performance. We are looking to partner with some emerging FinTechs to conduct live pilots.

- One of the pilots will support a group of small businesses to opt-in to a monthly GST lodgment cycle to test the hypothesis that a monthly reporting cycle will assist some small business industries with:

  – smaller, more manageable payments

  – more frequent access to potential GST credit entitlements

  – more manageable data and reporting

  – greater visibility of their taxation position.

- We are exploring guidance prompts with digital service providers and FinTechs to embed checks that create confidence and certainty in data flows from the small business to the ATO.

Members discussed:

- Monthly GST payment and reporting may prove challenging as it will increase the workload for BAS agents and pose cash flow issues.

- Whether there could be an option of paying IAS monthly and GST quarterly.

- There would be benefit and industry interest in running a pilot for PAYG monthly payments. Payroll cycles are already reconciled each month.

- We need to work through the sequencing of any changes made following the pilots – PAYG should come before GST.

Action item	20230615-01
Due date	July 2023
Responsibility	ATO
Action item details	Secretariat will send out request for members to nominate to be involved with the pilot(s) and to assist identifying suitable clients for a 1 October start

Lodge and Pay update

The ATO summarised the current ATO debt book and recovery approach, including:

- Current debt levels, noting that 90% of obligations are paid on time (70% for small businesses), 65% of collectible debt relates to small businesses, approximately 50% of the debt is over 12 months old and approximately 30% of the debt is over two years old.

- ATO's general debt recovery approach.

- The ATO's approach to insolvency, noting that having a tax debt is usually a symptom of insolvency rather than a cause and that for

the majority of insolvency actions, the ATO is a creditor and not the initiator of the action.

- Improving the Intermediary Experience (IIE) program.

- Small business lodgment amnesty.

- Disclosure of business tax debts.

- Credit Offsetting to Debts on Hold – expecting approximately 70,000 clients might be impacted via an offset to a debt on hold.

Members discussed:

- Members queried whether other lodgments (outside the specified timeframes) can also be given penalty relief under the amnesty if an agent is bringing all lodgments up to date ATO advised – these will be dealt with on a case-by-case basis.

- Is this an indication that from the end of the amnesty, the ATO will apply firmer approaches? The ATO noted that at the end of the amnesty existing business as usual approaches will apply.

- The challenges associated with refunds applied to a debt that is already in a payment plan, which can result in a current debt defaulting.

- The need to continue to remind agents that credits will be offset to debts on hold.

Action item	20230615-03
Due date	October 2023
Responsibility	ATO
Action item details	Investigate member suggestion that when the ATO leaves a voicemail message with the 1300 number, can we also provide the relevant Fast Key Code

QC 73074

BAS Agent Association Group key messages 23 March 2023

Key topics discussed at the BAS Agent Association Group meeting 23 March 2023.

Last updated 4 May 2023

Welcome and introduction

ATO co-chair Assistant Commissioner Kath Anderson welcomed members, asked if there were any conflicts of interest to be declared, none declared and reminded the group of confidentiality requirements.

The ATO thanked departing member Lielette Calleja for her contribution to the BAS Agent Association Group (BASAAG) and welcomed incoming member Irwin Bushnell who will represent the Institute of Public Accountants.

Members discussed the current membership of the group and how it might be adjusted over the next period.

2030 Tax Practitioner Experience Strategy

Strategic Goal 1 – Protect the high levels of engagement and integrity in the Tax, Super and Registry Systems

Tax Practitioner Board

Tax Practitioners Board (TPB) Secretary/Chief Executive Officer provided update covering:

- introduction of the Treasury Laws Amendment (2023 Measures No.1) Bill 2023 on 16 February 2023

- expanded compliance program (ECP)

- issues and learnings from recent cases

- TPB sentiment survey.

The TPB confirmed its commitment to consultation with the tax profession, professional associations, consumers and other government agencies. With appropriate integrity, these processes can support improved relationships and collaboration with stakeholders, shared commercial and legal insights, enhanced public policy outcomes and early identification and resolution of risks and issues.

While acknowledging the benefits of consultation, the TPB also recognises the risks relating to breaches of confidentiality, unmanaged conflicts of interest and failure to act with integrity. Therefore, the TPB is reviewing its management of the risks associated with TPB consultation. Further, the TPB is testing and assessing its own guidance materials to determine further guidance is required.

TPB noted that recent cases had a focus on the importance of professional and ethical standards, upholding integrity, confidentiality and managing conflicts. Many tax practitioners and some associations had taken a pro-active approach. They are reviewing their own performance, processes, systems and guidance to ensure they are upholding standards set by government and expected by the community. TPB encourages these individual improvements of tax practitioners and will continue to work with the profession and partner agencies to coordinate and clarify guidance.

80% of taxpayers say the receive good service from their tax practitioner. Many have a long-term relationship with their agent.

Member comments

- There is some concern about the lack of qualifications, experience, and knowledge of practitioners regarding payroll noting Single Touch Payroll (STP) is not a tax law. What is the TPB's role in relation and agents performing STP reporting.

- [TPB(I) 38/2023 What is a BAS service?](#) 🔗 is comprehensive with great examples, would like to see this document spread widely through business for BAS agents to be recognised for what they do.

- Communication about the ECP's important. Most BAS Agents would not be aware of it.

Action item	20230323-02
Due date	June 2023

Responsibility	TPB representative
Action item details	TPB to bring trends and demographics information relating to practitioners to the next meeting including total numbers, new registrations, and terminated/resigned from the registered agents.

Strategic Goal 2 – Safeguard the security of the tax, super and registry data and systems

Client agent linking

The ATO advised members:

- The project is part of the wider program of work aimed at securing the environment.

- To date the program has been rolled out to public and multinational businesses and the Top 500 private and wealthy groups. Government entities were recently added, noting many are not linked to an agent.

- We are committed to understanding the impacts on agents and the support needed. We have been consulting with the association representatives about further rollouts focusing on small business needs.

- Based on the feedback from the pilot group and Phase 2 roll out, we have been continuing to develop client experience changes that balance the need to maintain the security that is being implemented but maximise the client and agent experience of the nomination process. For example, enabling agents to see who has nominated them.

- Individuals and non-corporate entities are not in scope for this phase of the program and will require a different design.

Member comments

- The current manual process works but will not be viable at scale as the exception process will lead to many calls.

- There is already a Relationship Authorisation Manager (RAM) process and there is a need to educate agents about why it cannot be used.

Action item	20230323-03
Due date	TBA
Responsibility	ATO and BASAAG members
Action item details	The ATO to consider an out of session with BASAAG members to understand and work through the issues in relation to myGovID and RAM accesses.

Strategic Goal 3 – Improve tax performance for clients of tax practitioners

Online services for agents

The ATO provided an update on Online services for agents, including authorised accesses and access to super guarantee charge (SGC) information.

Authorised access – the original design to prohibit an agent from accidentally overlinking an existing BAS agent is not viable for large firms. A new design based on a positive declaration is now being scoped.

Access to SGC Screen – this is a significant piece of work and is not currently on the forward IT plan. However, we will continue to look for opportunities to add to other projects.

Member comments

- The issues will be compounded when client agent linking is deployed.
- The box that enables overlinking, should be separated from other boxes to reduce the risk that the box will be accidently ticked.
- Wording in the pop-up window will need to be strong to be effective.

Action item	20230323-04
Due date	June 2023

Responsibility	ATO
Action item details	The ATO to bring wording for pop-up warning/declaration to the June BASAAG meeting.

STP payroll data use to address SG non-compliance

The ATO discussed the expanding use of STP data to address super guarantee (SG) non-compliance, noting:

- We are undertaking work to match, at scale, Member Account Transaction Service contributions to STP reporting at the employee level. This will be used to enhance our ability to identify SG shortfalls and protect retirement savings.

- While we use these data sets to identify non-compliance now, we are looking at how we can build off on this work to use the data to help employers understand how and when they got off track for their employees.

- We will be in a better position to help and support employers who are getting off track with their SG obligations and continue to maintain a low tolerance for employers who are not doing the right things and not engaging with the ATO to remediate any SG non-payment.

- Trends of incorrect reporting will be identified, and we will work with our stakeholders to identify opportunities to improve quality of reporting from either funds or employers.

- Our existing compliance regime will continue and will not be affected whilst the work is being done to optimise the use of our data. However, over time we would expect that the need for employees to complain about unpaid super should reduce as the ATO increases its ability to identify and respond to non-payment in a more contemporaneous way.

The key focus for employers and agents is to:

- Ensure that your reporting and payment is timely, complete, and accurate.

- Use the STP corrections framework to correct mistakes as soon as you notice them.

- Check that your payroll governance processes are appropriate for your business and are reviewed regularly.

- Remember that SG payments need to be received by the employees' super fund by the due date – this is especially relevant if you use a commercial clearing house.

Member comments

- The need for an educational campaign that prompts employees to be more interested in their super and understand it is part of their pay.

- Many employers pay the overdue super but do not lodge SGC statements and this will soon be exposed.

- The dependency on BAS agents to assist employers to meet their obligations. However, BAS agents do not have SG access in Online services for agents. It is important for BAS agents to have visibility of the charge statements.

Action item	20230323-05
Due date	June 2023
Responsibility	ATO
Action item details	The ATO to explore opportunity to include BAS agent SG access in STP/SG project.

Credit offsetting to debts 'on hold'

The ATO addressed the group, advising:

- Where an agent is representing a client with a non-pursued debt, and it is likely they will have future credits offset, we will send them a list of clients, including their non-pursued debt balance by account type.

- You can find if any, and how much, of your client's debt is 'on hold' through online services. The instructions for doing this is included at Debts on Hold.

- The debt 'on hold' is only re-raised up to the amount of the available credit. You can view this on the statement of account as a 're-raise

of non-pursuit', where the whole debt was offset, or 'partial re-raise of non-pursuit', where there is a remaining balance 'on hold'.

- When a debt 'on hold' is re-raised, we impose and remit general interest charge for the period between the non-pursuit date and the re-raise date.

- If your client is facing severe financial hardship, and a future credit is expected, please reach out to discuss the available options. Once the credit has been offset there are very limited opportunities within the law for this to be reversed.

- An extensive communication program to inform agents and clients will be undertaken.

Member comments

- Impacts of COVID-19 are still being felt. We need to be mindful of potential to significantly impacted businesses who are getting back on their feet.

- There might be agents who are surprised as they have not been able to see and are not aware of previous debts.

- BAS agents manage cashflow overall, including IT debts, but cannot see the IT account.

Action item	20230323-06
Due date	June 2023
Responsibility	ATO
Action item details	The ATO to confirm if the initial email to be sent to agents can be disclosed to clients.

Strategic Goal 4 – Increase trust and confidence in the tax, super and registry systems

Lodgment program review

The ATO summarised the progress of the lodgment program review including:

- The review is nearing completion. We are well placed to address the most significant issues raised and now have a much better

understanding of the pressures facing agents (which provides context for implementation of future measures and projects).

- Most of the dates identified as pressure points were unable to be moved without creating equal or worse impacts on whole-of-system outcomes. In most cases, shifting the date would add pressure to another period where agents are already under pressure.

- A range of short and long-term options were identified which can reduce the pressure for many of the dates identified.

- The working group was deliberately set up as a limited scope review that would produce recommendations for further consideration, rather than an ongoing program of work to implement recommendations. Further exploratory and implementation activity will occur following the completion of the review and will need to have regard to other ATO priorities.

- To maintain momentum, the Tax Practitioner Stewardship Group will monitor the work arising from the review through periodic updates, twice per year.

Lodgment deferrals in Online services for agents

The ATO advised members the new deferral feature in Online service for agents addresses one of the most significant issues raised during the lodgment program review, deferral requests. Key dates:

- live private beta function and load testing until 31 March 2023

- widely available to the profession by end of April 2023.

Environmental scan

Co-chair Kerrie Jarius sought input from members including member experiences, trends and items impacting the profession. Items discussed included:

- ATO non-resident ABN registrations

- ATO clearing house experience – cannot process multiple payments at once

- STP – issues with authorisation process

- debt management and payment plans

- the secretariat captured these items to help inform future agenda topics.

Other business

The ATO advised the members of STP and activity statements project changes. The project plans to:

- communicate the coming changes to employers via an article in the April small business newsletter

- take the drafted employer guidance to the Communications Content Working Group for review in April – May.

Strategic Goal 6 – Improve small business performance and the level playing field

Improving small business tax performance

Assistant Commissioner Andrew Watson and Senior Director Kelly Norwood provided an update including:

- In early 2023, we consulted with bookkeepers and BAS agents to better understand their current role. The consultations provided key insights from bookkeepers and BAS agents who demonstrate common characteristics that we see support improved tax performance, including:

  - Integrated digital systems – encourage and guide clients to use digital integrated tools, reducing the time and work required to meet their obligations.

  - Education – provide clients with support to understand the foundations of business, digital software, and correct reporting.

  - Right time reporting and payment – clients that report both monthly and quarterly to manage cash flow issues and make on time payments.

  - Data assurance – provide assurance in data by doing a 'question and answer' on the activity statement before lodging.

  - Future proofing – confidence about the role of bookkeepers and BAS agents in the future.

- The consultations continue to affirm the trusted relationship that registered BAS agents have with their small business clients.

- Insights from tax and BAS agents indicates future opportunities in further expanding their roles in education, consulting, and business

support.

- There could be an opportunity to explore different 'right time' reporting across different taxes.

Member comments

- Current challenges in managing small business cashflow.

- Existing debt could be quarantined or managed in a different account so quarterly payments could continue without getting absorbed into the debt for the ATO to consider.

- It would be appropriate to pilot some of the ideas to support broader rollout.

- The committee has a significant interest in this work and would like regular updates.

QC 72413

BAS Agent Association Group key messages 8 December 2022

Key topics discussed at the BAS Agent Association Group meeting 8 December 2022.

Last updated 3 January 2023

Welcome and introduction

Co-chair Assistant Commissioner Kath Anderson welcomed members, confirmed there were no variations to the meeting papers issued on 6 December 2022 and asked that any conflicts of interest be declared; none declared and reminded the group of confidentiality requirements.

2030 Tax Practitioner Experience Strategy

Strategic Goal 1 – Protect the high levels of engagement and integrity in the tax, super and

registry systems

Tax Practitioners Board

Tax Practitioners Board (TPB) Secretary/Chief Executive Officer Michael O'Neill provided an update from the TPB, which also addressed action items.

Our report provides detail on 460 compliance cases, 3 litigation matters, latest updates on statements of experiences – Tax and BAS Agent strategies and unregistered advisors. We wanted to focus on proposing changes to ta agent services act currently in public consultation.

TPB have expanded the compliance program, with law reform being a large focus

Changes to the *Tax Agent Services Act 2009* (TASA 2009) as a result of the James Review are being worked through with Treasury.

Member comments

Members discussed practitioner reluctance to report peers and that there are processes to protect whistle-blowers.

Strategic Goal 2 – Safeguard the security of the tax, super and registry data and systems

Securing our environment

Assistant Commissioner, Kath Anderson, provided an update on cyber and fraud environment, ATO controls and safeguards and the client agent linking solution update, the key points covered:

- Agents are not immune to identity compromise, so we need to improve up-front linking controls.

- The project is part of a wider program of work aimed at securing the environment.

- Other controls are being considered. Members provided suggestions of additional controls outside of client-agent linking, for example, require more than just the Australian Business Number (ABN) to link.

- While taxpayers who are already in Online services for business should find it relatively simple, those who are not will need to

complete multiple steps, which may require more work by agents to assist clients.

- Online services for business may be a fraud risk for unsophisticated users, especially those who are new to Australia.

- We need to shift more controls up front, but we also need to be conscious of the fact that at some time many businesses are likely to be impacted in some way by a cyber breach. Cyber First Aid is therefore very important.

- It is very difficult to have a reverse process, where the agent nominates the link and the client confirms, as the client register has lots of agent details (addresses, phone numbers, email addresses), which would undermine any approval process.

Member comments

- Does this apply to authorisation through Relationship Authorisation Manager (RAM)? ATO advised that this is not about RAM authorisations, it is about agents linking via Online services for agents or Practice Management Software.

- Concerns regarding the many clients who are not on RAM or Online services for business and the challenge of transitioning them to a system they have never used.

- There is going to be a transition phase, once we are through that hurdle it will be good.

- Members suggested that if someone applies for an ABN then make it a requirement to be on Online services for business.

BAS agent accesses

Senior Director, Katrina Donelan, facilitated a discussion about user scenarios that will form the proposal to provide additional accesses to BAS agents, including:

- other taxation obligations

- superannuation guarantee obligations

- debt obligations

This will improve the efficiency and effectiveness of agents. It will also support the provision of superannuation guarantee services, which is now considered part of BAS services under the *TASA 2009*.

ATO is seeking to better understand and assist conversation around issues with BAS agent accesses.

Member comments

- BAS agents require superannuation guarantee charge access, read only access would be sufficient.

- BAS agents want access to view client's income tax, superannuation guarantee and fringe benefit tax accounts to understand the holistic view of debt, ability to reconcile accounts and verify and provide the right advice to clients.

Lodgment program review

Senior Director, Tina Ford, provided an update on the lodgment program review, noting that whilst progress has been made across the 3 key streams the main focus has been on engaging around Group 2 and in particular the Online services for agent's deferral solution.

In relation to due dates and in particular the July–September period, we have not been able to identify any options which meet the principles. We would like to discuss with the BAS Agent Association Group whether there are other options that could be considered.

Member comments

- This is a positive direction that will bring real benefits to agents.

Strategic Goal 3 – Improve tax performance for clients of tax practitioners

Tax practitioner assistance

Director Felix Manero, provided an update on Tax Practitioner Assistance (TPA) changes implemented in first half of year, including redesigned and reshaped service, giving agents a more contemporary service.

The focus of the next phase is:

- creating a single-entry point for agents

- understanding how to get better integration and awareness out to agents, due to low use of this service in the BAS agent community.

Member comments

- Members acknowledge this service is needed; however, many people do not know this avenue exists.

- The [Tax practitioner assistance form (PDF, 220KB)](#) ⬓ required to be completed is hard to find and if you do not complete it correctly the form is rejected.

- People do not understand the process and sometimes the questions we have do not fit the format of the form.

- Could there be a button in Online services for agents which automatically links to the client who's account you are currently in.

Lodgment deferrals in Online services for agents

Director, Felix Manero, provided an update of Online services for agents lodgment deferral feature.

Since September, significant work has been undertaken, including co-design with representatives from the profession.

Private Beta is the next stage.

Key benefits of the upgraded platform include:

- single entry point

- view of what is currently in progress and the status, for example, approved or rejected

- improved speed and rate of response

- intuitive nature of the function

- automatically presents outstanding lodgment obligations.

Member comments

Members requested:

- Visibility of deferrals for IT obligations. This is a separate issue that is not being managed through this project.

- Inclusion of reports on forms.

Members were invited to volunteer for the private beta.

Taxable payments annual report

Director, Vlad Dugandzic, provided an update on how Taxable Payments Annual Report (TPAR) information is used and the impacts of more frequent TPAR reporting.

TPAR data has proven to be very beneficial for the tax system overall. It is used:

- to provide direct access to the information the ATO holds and assists contractors in declaring all their income

- to support risk identification and understanding across the contractor population through sharing of data with other agencies

- to leverage compliance

- to identify those that engage in shadow economy behaviour and deliberately under-report income, overclaim expenses or operate outside the tax system.

Benefits of more frequent TPAR reporting include:

- earlier opportunity to correct mistakes, identify issues and detect non- compliance

- allows ATO to have a similar system to Single Touch Payroll (STP) enabling us to align the approach for both wages and contracts.

Member comments

- TPARS do not include all the information required for pre-fill and a member questioned how the ATO can use this information to pre-fill when they do not have the complete picture.

- Will the ATO consult actively before expansion? The ATO advised we will consult on any future changes, noting Treasury are the policy makers.

- Members would like some data on the impacts and benefits as there has been no reporting since year one.

Online services for agents and scheduled maintenance

Senior Director, David Baker, provided an update on What's new in Online services for agents and the scheduled maintenance dates for the 2023 calendar year.

The ATO is addressing the issue of tax practitioners bumping off BAS agents, the ATO is going to remove tax practitioners' ability to remove BAS agents.

Member comments

Members appreciated that this issue is being addressed.

Strategic Goal 4 – Increase trust and confidence in the tax, super and registry systems

Draft 2030 Tax practitioner experience strategy

Senior Director, Katrina Donelan presented the latest version of the tax practitioner strategy, noting that the strategy is still being refined as a result of internal and external consultation.

The next layer of the strategy, which maps initiatives to the strategic goals and strategic objectives will be important.

Member comments

- Members commented favourably on the '2030 tax practitioners experience strategy'

- Consider more delineation between Tax and BAS agents as different strategies or initiative will result in different experiences.

- The strategy needs to be considerate and acknowledge the current environment and challenges being experienced by Tax and BAS agents.

- Reasonable care is in the *TASA 2009* and is the TPB's responsibility not the ATO's. However, it was acknowledged that the strategy is a joint strategy and will include responsibilities of stakeholders other than the ATO, as well as shared responsibilities. This will be clearer in the next layer of the strategy.

Strategic Goal 5 – Empower tax practitioners to optimise integrity and performance of the tax, super and registry systems.

STP activity statement enhancements

Project Manager, Tiffany Waters, provided an overview of the STP activity statement enhancement changes to members.

Australian Business Registry Services strategic engagement

Senior Director, Rob Hayes, provided members with an update on director ID, summarising the work done so far, including that the first stage of the Modernising Business Register has been delivered, incorporating director ID.

There have been many directors come forward who did not know they were a director or have been appointed without their consent or have had their identity stolen.

Member comments

Agents do not know if their client has done it because there is nowhere to check, only the individual can check.

Environmental scan

Co-chairs Kath Anderson and Kerrie Jarius facilitated a group discussion for members to identify items that are impacting the profession.

Kerrie provided an opportunity for members to share any trends and to provide relevant information on current issues affecting the profession.

Member comments

Members requested:

- Understanding the parameters around payment plans and the possibilities of auto-finalising payment plans when the balance gets to zero.

- A script for what debt staff will ask for when agents ring about payment plans.

- Guidance on steps to insolvency, to assist their clients.

- Advice on what to do to avoid long wait times on debt queues. Note – ATO has subsequently advised that if an agent rings the payment plan number and the plan is not approved, they may drop into the general queues, which have long wait times. The best thing to do is to hang up and call back in on the agent line, which has a much shorter wait time.

Further insight raised on the general agent environment include:

- Businesses are making less money; their businesses are doing it tough.

- Uncertainty regarding changes initiated by the ATO creating additional steps without the ability to charge more.

- Staffing issues including large retirement numbers in the industry, creating fatigue resulting in inability to meet basic businesses requirements.

- With rising costs, some clients are no longer using the services of bookkeepers.

Strategic Goal 6 – Improve small business performance and the level playing field

Improve small business performance

The ATO provided an overview of the small business performance initiative. Key points include:

- In September 2022, the Commissioner of Taxation gave the closing keynote speech at **Xerocon** in Sydney, which was positioned around the ATO's recently refreshed ATO Digital Strategy and brought to life its design principles.

- In doing so, the Commissioner celebrated some of the ATO's digital and data initiatives and imagined what a future digital tax system might look like 'where tax just happens'.

- The Commissioner emphasised the principle of leveraging natural systems and spoke of our 'North Star', which is to align with the **OECD's Tax Administration 3.0**, where reporting, payment and real-time compliance checks coincide with a taxable event.

- He acknowledged the important role of tax professionals, that tax assurance is a combination of people and processes enabled by technology, rather than technology solving everything.

Member comments

- Members like the concept, but still see issue with the assurance of the data and complexities, noting agents may still need to provide this assurance by reviewing the data.

- Concerns with getting engagement from the small business community to trust the ATO and accounting software to get it right.

- New learning opportunity for agents and levels out the playing field with everyone in the industry.

- BAS agents identify with being a BAS agent. What issues will arise if there is no longer a BAS? This will need to be worked through.

- The concept of assurance needs further exploration. Software companies will not want to have an assuror role. Will businesses want to pay for an assurance role?

- Members agreed that BAS agents value is not just about completing the form, but it is providing professional advice and ensuring the data integrity.

- An out of session conversation will occur in the new year. Members were invited to provide other feedback to the secretariat.

Other business and meeting close

Thank you to the secretariat and to Sue Hassiotis who is moving onto the Tax Practitioner Stewardship Group.

QC 71197

BAS Agent Association Group key messages 14 September 2022

Key topics discussed at the BAS Agent Association Group meeting 14 September 2022.

Last updated 3 January 2023

Welcome and introduction

Co-chair Assistant Commissioner Kath Anderson welcomed members, confirmed there were no variations to the meeting papers issued on 8 September 2022 and asked that any conflicts of interest be declared; none were declared.

The format of future meetings was discussed. Members preference for meetings was an online format with consideration being given to one in person meeting per year.

2030 Tax Practitioner Experience Strategy

Strategic Goal 2 – Safeguard the security of the tax, superannuation and registry data and systems

BAS agent accesses

Senior Director Katrina Donelan facilitated a discussion with members to better understand the issues associated with BAS agent accesses. What are the impacts on the experience and explore the efficiency and effectiveness of interim solutions and current work arounds.

Work is underway to continue to explore issues and identify improvement opportunities, noting improvements delivered to date include:

- A purpose-built practice mail topic was introduced into Online services for agents in December 2021 to enable BAS agents to access clients' Superannuation Guarantee Charge (SGC) account information.

- A streamlined process for BAS agents was introduced for requesting SGC account information via telephony scripting updates/review.

Member comments

- BAS agent services have evolved, and issues associated with access has been a topic for a long time, increasing their frustration.

- The issues and interim solutions/workarounds are impacting both tax and BAS agents who are already operating in a pressured environment.

- Members thanked the ATO for providing BAS agents the opportunity to discuss and explain the issues and impacts on their experience.

Strategic Goal 3 – Improve tax performance for clients of tax practitioners

What's new in Online services for agents

Assistant Director Mallory Wuthrich provided an overview of the Tax Professionals Digital Services Roadmap concept along with the main findings from the consultation with tax professionals.

Key changes and system updates in Online services for agents is available.

Member comments

- Timeframes are important on the roadmap, however ensuring functionality works as intended is equally important.

- Early consultation with tax practitioners ensures new products are correctly designed.

- The roadmap concept would be a useful tool, as would 'What's new in Online service for agents'.

Second Commissioner Jeremy Hirschhorn

Jeremy Hirschhorn, Second Commissioner ATO, attended the meeting for an informal discussion with members regarding the BAS agent experience and the importance of the role the BAS Agent Association Group plays in the system.

Employer contractor tool

Assistant Commissioner Michelle Allen and Director Rebecca Knill advised the employee or contractor decision tool has been temporarily removed from the website, noting there are several links and pages that require updates. A new solution/s to highlight non-compliance will need to be defined in consultation with users.

Information to help determine whether a worker is an **employee or contractor** is still available on ato.gov.au

Member comments

Members agreed with the removal of the employee or contractor decision tool and support alternative solutions being investigated.

Single Touch Payroll Phase 2

Assistant Commissioner Larissa Evans, and Director Ian Colhoun, provided an update on Single Touch Payroll (STP) Phase 2 transition and resources available to support agents.

Since STP Phase 2, over 215,000 employers covering over 3.5 million employees have transitioned to STP. Clients that may need assistance with the transition have been identified.

Members were invited to provide feedback on the longevity of the client lists currently supplied by the ATO.

Member comments

- Agents acknowledge the client lists are valuable and would like production frequency increased.

- Client lists are required at least 2 weeks after the quarterly BAS due date.

- Practitioners would value the ability to review the lodgment status on a regular basis, as they may not be aware that the STP reports are not reaching the ATO.

Lodgment deferral in Online services for agents

Director Felix Manero provided an overview of the proposed Online services for agents lodgment deferral feature. The feature will be a single lodgment deferral entry point for agents providing an efficient, visible outcome and experience, designed in consultation with tax practitioners.

Members were invited to consider representatives to join the co-design and consultation process.

Member comments

- This is a positive step forward.

- Consider functionality to support bulk requests and reasons as to why deferral requests are declined.

- A member queried what obligations the lodgment program deferral applies too.

- The payment summary annual report and STP will not be a part of this functionality.

Strategic Goal 4 – Increase trust and confidence in the Tax, Superannuation and Registry Systems

Draft 2030 Tax Practitioner Experience Strategy

Senior Director, Katrina Donelan provided an overview of the elements of the draft '2030 Tax Practitioners Experience Strategy', including the aspiration, strategic goals, and objectives.

The intent of the draft strategy is to set the vision and direction for how tax practitioners, including associations and others can work together to improve the tax practitioner experience and through that, the performance of the Taxation, Superannuation and Registry Systems, now and into the future.

Members were invited to provide feedback on the draft strategy.

Member comments

- Members commented favourably that the '2030 Tax Practitioners Experience Strategy' is looking forward, not backwards, from the perspective of making things better.

- Consider more delineation between tax and BAS agents as different strategies or initiative will result in different experiences.

- The strategy needs to be considerate and acknowledge the current environment and challenges being experienced by tax and BAS agents.

- A clearer focus on technology and digital strategies, not just specific to data, needs to be incorporated in future drafts.

The ATO acknowledged and emphasised the importance of receiving feedback to shape the development of the strategy.

Tax practitioners board consultation

Michael O'Neill, CEO and Janette Luu, Assistant Secretary to the Tax Practitioners Board (TPB) facilitated a discussion on the 2022 exposure drafts guidance documents, including the:

- types of services that constitute a tax agent service

- types of services that constitute a BAS service

- types of arrangements that determine if a tax agent or BAS service is being provided for a fee reward

- draft updates to the 2022 Code of Professional Conduct – Confidentiality of client information.

Draft exposure guidance documents were open for consultation until 12 September 2022. The TPB will consider all submissions received before finalising its position.

Members were encouraged to provide feedback to inform the development of the guidance documents.

Member comments

- There is recognition that what constitutes a tax and BAS service has evolved.

- The language used in the document should be contemporary and aligned to the evolution of services being performed. It should include the wording 'services provided by tax agent or BAS agent'.

- General in principle agreement of the draft guidance document, however examples could be made clearer.

- Services provided on a pro bono basis - regulation requirements need to be discussed in more detail. A key consideration is the activity, not just whether a fee has been charged.

- Members would like to discuss regulation of services provided free of charge at a future meeting.

Tax practitioners board (TPB)

Michael O'Neill provided an update from the TPB.

The TPB continues to work closely with Treasury and the new Minister to progress the reforms arising from the Keith James Review into the *Tax Agent Services Act 2009* and the TPB. The TPB is grateful to professional associations for engaging with the government with respect to this review.

A written report of TPB activities was provided to members with the meeting papers and tabled at the meeting.

Member comments

Members noted that the role of BAS agents has evolved, and BAS agents often undertake coding of bank data feeds.

Members indicated an interest in discussing the following topics at a future meeting:

- the process and what the TPB are seeing with respect to reporting of unregistered agents

- management of offshore unregistered agents – Australian businesses facilitating offshore providers for a fee

- content relating to the relevant experience statement [↗]

- supervisory framework that constitutes 'Adequate Supervision'.

ANAO audit on ATO's engagement with tax practitioners

Assistant Commissioner Kath Anderson provided members with an update on the Australian National Audit Office (ANAO) audit on the ATO's engagement with tax practitioners.

The objective of the audit was to assess the effectiveness of the ATO's engagement with tax practitioners in achieving efficient and effective taxation and superannuation systems.

Kath advised that the action/response plans have been drafted and are with senior executive for endorsement. Further updates will be brought back to the group accordingly.

Environmental scan

Co-chairs Kath Anderson and Kerrie Jarius facilitated a group discussion for members to identify items that are impacting the profession.

Kerrie Jarius provided an opportunity for members to share any trends and to provide relevant information as to issues affecting the profession.

Strategic Goal 5 – Empower tax practitioners to optimise integrity and performance of the tax, superannuation and registry systems

Lodgment program review

Senior Director Tina Ford provided an update on the lodgment program review. The working group is focusing on 3 areas:

- lodgment and payment pressure points

- the exceptions processes, including deferrals

- access to the program, performance, and management.

Position papers have been drafted to explore issues and identify improvement opportunities. Consultation is still ongoing.

Members were invited to provide feedback on improvement opportunities.

Member comments

- Several opportunities were raised that are currently being explored by the Lodgment Program Review Working Group.

- Looking toward 2030, can we have different groups with different lodgment dates rather than an end of financial year lodgment date of 30 June? Further discussions on what the 2030 landscape may look like for agents will be held.

- Members requested information about Taxable Payments Annual Report (TPAR), including how TPAR information is used and the impacts of more frequent reporting. This will be a topic for a future agenda.

Strategic Goal 6 – Improve small business performance and the level playing field.

Lodge and pay

Director Jason Aitchison provided an update on current lodge and pay awareness campaigns associated with the Disclosure of Business Tax Debts and Director Penalty Notices for debts overdue by 90 days or more. Campaigns have been effective at increasing engagement with the ATO, resulting in debts being paid in full, entering a payment arrangement or discussing circumstances.

Jason provided an overview of the first Lodge and Pay Working Group meeting held on 17 August 2022 which focused on understanding the irritants and opportunities to improve payment arrangements. Members interested in participating in this group were asked to nominate via the secretariat.

Member comments

- There are some issues with the consistency of ATO decisions associated with payment arrangements that is assessing the propensity to pay. The ATO invited members to provide specific examples for review.

- Payment plans often default due to a business not being able to meet current obligations.

- Agents are unsure what the next step should be if a payment plan is rejected.

- There is not enough community understanding on insolvency. Taxpayers need more education and/or assistance on what to do if

they are struggling. Agents need tools/guidance to assist conversations with taxpayers who are potentially insolvent.

- Small businesses may need more time to recover to pre-COVID-19 trading levels.

- The ATO may wish to establish a dedicated phone line to service calls associated with suspected insolvency.

ATO comments

- If you are experiencing difficulties meeting your tax or superannuation obligations due to COVID-19, visit our **COVID-19** support page or talk to your tax professional.

- More information can be found at **Changing, pausing, closing or selling your business**.

Other business

Members were provided with a written update in the meeting papers for:

- Australian Business Registry Services strategic engagement, written update only.

Thank you to members for their time and feedback.

QC 70674

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