

Tax Practitioners Board Chair's opening statement

Senate Estimates 15/2/2023

Thank you Senator.

My name is Ian Klug and I appear as Chair of the Tax Practitioners Board. I have served on the Board for 7 years, 4 of which have been as Chair.

I am accompanied today by my colleagues Janette Luu and Michael O'Neill, Assistant Secretary and Secretary of the Board.

By way of introduction, the TPB is an independent regulator of tax practitioners and our primary purpose is to protect the public at large and clients of tax practitioners. This is achieved by voluntary compliance by tax practitioners and in turn, this enhances the integrity of the tax profession and community confidence in the integrity of the tax system.

Specifically, the TPB's regulation of 62,000 tax practitioners is critical in protecting the nearly 75 per cent of individuals and over 95 per cent of businesses in Australia that rely on a tax agent to assist them in engaging in the tax system and in addressing their tax obligations.

Our team, of approximately 150 staff and Board members achieve this purpose through a range of functions and strategies, including:

- administering a system to register tax practitioners, ensuring they have the necessary competence and personal attributes
- Dealing with some 2,000 complaints and referrals annually
- Setting professional standards and providing advice and guidance to the tax profession
- Conducting some 250 enquires and investigations into high risk matters each year.

The most serious matters come before our Conduct Committee, a sub-committee of the Board, comprising of Board members only, which decides questions of breach and possible sanctions.

This system is set out in the *Tax Agent Services Act 2009* and a legislated Code of Professional Conduct.

In 2018 we welcomed a review of the TPB and relevant laws from Keith James. The final Report, which was provided to Government 2019, supported the TPB's ongoing role as an independent regulator, with some 28 recommendations for improvements. These recommendations were considered by Government in 2020 with a view of improving the system.

In addition, as part of the October 2022 Budget announcements, the Government announced it will invest an additional \$30.4 million in the TPB to fund increased investigations by the TPB into high-risk tax practitioners and unregistered preparers. The funding will be delivered over 4 years.

Recently, our Board Conduct Committee made decisions in relation to PriceWaterhouseCoopers, PwC, and Peter John Collins. In short, that matter relates to findings around integrity, confidentiality and conflicts of interest.

Mr Collins' registration as tax agent was terminated and he has been excluded from re-applying to the TPB for 2 years. PwC has been ordered to remediate its processes for managing conflicts of interest. More detailed information about these two matters are available on the TPB's Public Register.

Happy to take any further questions.