



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

Press Release

Review into the Future of the Tax Profession – Report Publicly Released

The Acting Inspector-General of Taxation and Taxation Ombudsman (IGTO), Mr Andrew McLoughlin, welcomes the Government release of the IGTO report into the *Future of the Tax Profession*. The review was undertaken in response to requests from a broad range of stakeholders including the Commissioner of Taxation. It examined the challenges and opportunities presented by new and emerging digital technologies, along with the accompanying social, policy and regulatory impacts on the administration of the tax system and the tax profession.

“Technology is already having a big impact on taxpayer compliance, tax administration and society more generally, where the only constant expected is further change in future,” Mr McLoughlin said.

The Australian Taxation Office (ATO) has the critical role of preparing the tax system for the future – where technological innovation is a key driver. The important services that tax practitioners and professionals provide to taxpayers within the Australian tax system must also be acknowledged.

“The ATO, Tax Practitioners Board (TPB) along with tax practitioners and professionals collectively need to have strong working relationships to realise this future,” said Mr McLoughlin.

The IGTO report observed the relationship between the ATO and tax practitioners has been tested at times and made recommendations for improvements. Recommendation was also directed at the ATO’s identification and management of emerging tax issues and cyber security risks.

The TPB has the significant role of regulating tax practitioners who provide services to the public.

“Australia’s regulation of the tax profession is unique, with a comprehensive legislated regime that covers Tax Agents, Business Activity Statement Agents and Tax (Financial) Advisers as well as a range of others on a conditional basis,” Mr McLoughlin said.

The report observed that the role of the TPB may need to expand in the future to keep pace with developments in the tax profession and workforce more generally. Specifically, the flexibility of the regime, established by the *Tax Agent Services Act 2009* (TASA), will likely need to deal with a wider range of professionals in future.

“The Government has announced an independent review, chaired by Mr Keith James, into the TPB and its legislation and we are pleased to have assisted,” Mr McLoughlin said.

A risk for the TPB is that new technology enables more people to provide unregistered tax agent services, needing address directly or by the ATO, Australian Securities and Investments Commission and Australian Competition and Consumer Commission.

“Recommendations were made for Government to consider reforms which would enhance the whole-of-government digital transformation and bolster sanctions upon unregistered tax service providers,” Mr McLoughlin said.

Overall, the IGTO made nine recommendations comprising 28 parts (3 parts were for the Government’s consideration, 19 parts for the ATO and 6 parts for the TPB).

The TPB agreed with all parts directed to it while the ATO agreed with 11 parts (where 7 were implemented or part of existing programs) and disagreed with 8.

A key report finding was that the role of tax practitioners in Australia is unlikely to diminish significantly in the short to medium term. It is however, important that tax practitioners consider the potential impacts of future changes as well as their future needs and ability to service taxpayers.

“We also aim to release a companion report before the end of the financial year that seeks to assist tax practitioners in considering the nature of these issues and opportunities that may arise over the medium to long term. Naturally we will consult with the tax profession before the release of any such report.” Mr McLoughlin said.

The report and ATO, TPB and Government responses are available on the IGTO website.

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