



**The Hon Angus Taylor MP  
Shadow Treasurer**

**The Hon Luke Howarth MP  
Shadow Assistant Treasurer  
Shadow Minister for Financial Services**

**Senator Dean Smith  
Shadow Assistant Minister for Competition, Charities, and Treasury**

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## **THE COALITION WILL STOP LABOR’S ATTACKS ON LOCAL ACCOUNTANTS AND BOOKKEEPERS**

The Coalition will seek to disallow the Albanese Labor Government’s latest move to burden tax practitioners with unnecessary and unrealistic red tape.

The new obligations are far-reaching, poorly drafted and potentially impossible for thousands of small tax practitioners to comply with.

This will drive up costs for Australians and small businesses who rely on and trust tax professionals to help manage their financial affairs.

These clients are individuals and small businesses like young professionals, retirees and tradies – the impacts could span millions of Australians, during a cost-of-living crisis.

Labor’s obsession with piling on red tape creates a compliance burden that is ultimately passed on through additional costs to clients.

These impacts are why adequate consultation, good communication and quantification of regulatory impact are so important. The Albanese Government has failed all three tests with this chaotic process and left thousands of local accountants and bookkeepers reeling.

Labor’s “Tax Agent Services (Code of Professional Conduct) Determination 2024” is beset with a barrage of problems:

- Minimal or no consultation.
- Unrealistic commencement timeframes and no regulator guidance.
- Retrospectivity, with a requirement to consider matters as far back as 1 July 2022.
- A disproportionate impact on small practices and sole practitioners.

- A new requirement to report to clients on any matter that could significantly influence a decision of a client to engage with them, which could include health and mental health issues.
- A new requirement to report to clients about ongoing investigations before there has been an outcome.
- Inconsistent obligations, including a duty to ‘dob in’ clients despite an existing obligation not to disclose confidential client information without the client’s permission.

This disastrous process is a sign of things to come under a Labor-Greens minority government. The Assistant Treasurer’s promises to back financial services professionals fell apart as soon as he cut a deal with the Greens to legislate Labor’s broken promise to raise taxes from franking credits.

Shadow Treasurer Angus Taylor said only a Coalition Government will put an end to Labor’s war on financial services professionals.

“A strong economy with thriving small businesses, informed consumers, higher home ownership, and better retirement outcomes require strong advice networks. Yet Labor is layering red tape upon red tape on finance professionals that just drive up costs for consumers.

“This isn’t the right approach in a cost-of-living and cost-of-doing-business crisis. Local accountants and bookkeepers have been blindsided by this new red tape yet Labor has refused to listen to community feedback.

“Australian families and small businesses are paying the price of Labor’s failure to manage the economy and failure to listen.”

Shadow Assistant Treasurer and Shadow Minister for Financial Services Luke Howarth said these attacks from the Assistant Treasurer are nothing new.

“Rushed and botched regulation with a lack of meaningful consultation has come to be expected from this Government.

“Financial advisers learned this after the Assistant Treasurer’s failure to live up to his promises on advice reform. Now the Assistant Treasurer isn’t just failing to cut red tape, he is creating even more of it for tax practitioners.

“This pile of new red tape is unwarranted – local accountants and bookkeepers are already highly regulated and some of the most trusted professionals in our community.”

Shadow Assistant Minister for Competition, Charities, and Treasury Senator Dean Smith said smaller tax practitioners’ need for regulatory certainty, proportionality and guidance have been completely ignored by the Government.

“The Assistant Treasurer rushed this regulation through without warning on the last sitting day before Parliament’s six-week winter recess, leaving Australia’s 71,000 registered tax practitioners to play catch-up.”

“Now they have assessed the potential burden, they are rightly calling for it to be withdrawn or disallowed.”

“The Coalition calls on all crossbench Senators to support the disallowance and reverse the regulatory burden and uncertainties that will fall on accountants, bookkeepers, and other financial professionals at a time when they can least afford it.”

### **Background**

- The Tax Agent Services (Code of Professional Conduct) Determination 2024 (the Determination) is a disallowable instrument made on 2 July 2024 which imposes new obligations on registered tax practitioners.
- The Determination has received significant criticism from the peak professional accounting and tax practitioner bodies and has been subject of a campaign from accountants, bookkeepers and tax agents to have it withdrawn or disallowed.
- Chartered Accountants Australia and New Zealand, CPA Australia, Institute of Public Accountants, The Tax Institute, Australian Bookkeepers Association, Institute of Certified Bookkeepers, Institute of Financial Professionals Australia, Financial Advice Association of Australia, NTAA PLUS and SMSF Association (collectively the Joint Bodies) wrote to the Assistant Treasurer on 15 July 2024 to express strong concerns about the construct and implications of the provisions of the determination.
- In response to pressure from industry and the Coalition, the Assistant Treasurer revised the original 1 August 2024 commencement date to 1 January 2025 for firms with 101 employees or more and 1 July 2025 for firms with 100 employees or less. These.
- The Joint Bodies again wrote to the Assistant Treasurer on 9 August 2024 to advise that the changes to the implementation dates have not alleviated their concerns with the Determination and the significant compliance burdens and uncertainties on small tax professional businesses. These key stakeholders are still calling for it to be withdrawn or disallowed.
- The new legislative power used by the Assistant Treasurer to make the Determination was part of a TLAB Bill passed in late 2023 as part of a deal with the Greens. Senator Barbara Pocock announced at the time that the Greens had secured the relevant amendments, and the Determination would follow.

ENDS.

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