

17 July 2020

The Hon Daniel Andrews
Premier of Victoria

Office of the Premier
1 Treasury Place
Melbourne, Victoria
Australia, 3002

cc:

The Hon Jenny Mikakos, Minister for Health, Minister for Ambulance Services and Minister for the Coordination of Health and Human Services: COVID-19
Professor Brett Sutton, Victorian Chief Health Officer
Deputy Commissioner Hoa Wood, ATO

Dear Daniel

Authorisation for tax practitioners to continue operating in the event of a Stage 4 lockdown in Victoria

The Tax Practitioners Stewardship Group (TPSG) is the Australian Taxation Office's (ATO) primary forum for tax professionals to engage on taxation matters. The primary objective of the TPSG is to focus on the 'system in operation' and deals with significant issues that are in the national interest, specific to tax practitioners. The TPSG's membership is comprised of senior ATO officers, representatives of the major tax, accounting and bookkeeping professional associations and selected members of the tax profession.

CPA Australia, Chartered Accountants Australia and New Zealand, Institute of Public Accountants, The Tax Institute, The Institute of Certified Bookkeepers, Tax & Super Australia, National Tax and Accountants' Association Ltd, Australian Bookkeepers Association and the Association of Accounting Technicians (together the TPSG organisations) are the professional association members of the TPSG. We write to you as the peak professional accounting and tax practitioner bodies in Australia representing the tax profession at this critical time.

There is considerable public conjecture that the Victorian government is currently considering Stage 4 restrictions in the event of an escalation in COVID-19 cases. Accountants, tax practitioners, professional advisers and bookkeepers are critical to maintaining and supporting business and individuals (i.e. taxpayers) through the COVID-19 crisis. There are significant risks to the economy, the business operating environment, and the tax and superannuation systems, if they are unable to operate.

As Tax Time 2020 has commenced, many non-business taxpayers are seeking to lodge their tax returns as soon as possible. Notwithstanding governments' support, the economic impacts of

COVID-19 have meant that many taxpayers are struggling with their finances and are dependent on tax return refunds for their living expenses. There are additional complexities where non-business tax advice is sought, such as in relation to investments and superannuation, which are time-critical given the volatile markets and precarious financial position of many Victorians.

Business clients also require ongoing advice from their tax practitioner to prepare income tax returns, continue to access the benefits of governments' stimulus packages, and determine eligibility for the Victorian Business Support Fund Expansion grant. Potentially, businesses will also be needing to seek advice on further announcements arising from the Federal Government's Economic Statement Update on 23 July and the 2020–21 Federal Budget in October.

We understand that the current Stage 3 *Stay at Home* and *Restricted Activity Directions* allow taxpayers to visit their tax practitioner to access necessary goods and services, and for business to business activities to take place. However, we are concerned that a declaration of a Stage 4 lockdown may result in tax practices and practitioners being unable to operate and support their clients at a critical time for the economy.

Tax practitioners are currently following recommended practices including working remotely, remote client engagement and social distancing and cleaning protocols in their offices. However, there are circumstances where an in-person meeting may be the only available option for practitioners to be able to comply with their legislative and regulatory requirements. This is particularly the case for new clients where proof of identification checks is mandatory, and for clients without strong financial or digital literacy or English language skills.

As such, we urgently seek recognition that visiting a tax agent to lodge tax returns or receive professional advice will continue to satisfy the conditions of being a 'necessary service', or its equivalent, where remote engagement is not possible, under any Stage 4 Directions. This will provide certainty to Victorian tax practitioners and their clients and enable Victorians to access critically-needed funds and/or advice.

The TPSG organisations request that accountants, tax practitioners, bookkeepers and related professionals be permitted to continue to operate and see clients in their business premises, where there is no practical alternative, in the event of a Stage 4 lockdown in Victoria. We recommend that the Victorian Government publicly recognise that these professionals be permitted to continue practicing and that any limitations imposed be carefully considered and allow for practical implementation under a Stage 4 lockdown. It is essential that accountants, tax practitioners and related professionals can continue to support taxpayers during this very difficult time.

We look forward to your response and make ourselves available to meet to discuss this important matter.

Should you wish to contact us in relation to the above, please contact Elinor Kasapidis, Tax Policy Adviser, CPA Australia on 03 9606 9666 or at elinor.kasapidis@cpaaustralia.com.au in the first instance.

Yours sincerely,



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