

26 March 2020

Dr Gordon de Brouwer
Coronavirus Business Liaison Unit
The Treasury
Langton Cres PARKES ACT

Via email: coronavirusbusinessliaison@treasury.gov.au

Office of the Chief Executive Officer
Andrew Hunter

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Dear Dr Brouwer

Accountants Provide Essential Services

CPA Australia represents the diverse interests of more than 164,000 members working in 150 countries and regions around the world. We make this submission to the Coronavirus Business Liaison Unit on behalf of our members and in the broader public interest.

We request that the essential role accountants and accounting practices are playing is recognised and that they be permitted to continue operating as an essential service.

To combat the spread of the COVID-19 coronavirus, the Federal and State Governments have been identifying non-essential businesses and services across the country and in certain States that are prohibited from operating or being restricted in their operations and the services provided. We understand some of the States may be considering extending their lists of non-essential business activities that would be required to be shut down or restricted.

We wish to bring to your attention the critical role accountants are playing, particularly in the areas of tax advice, insolvency and administration to support Australians in responding to the unprecedented economic impact of the coronavirus pandemic. This impact affects both individuals and their businesses, as they aim to make the best decisions to lessen the severity of the economic costs associated with the coronavirus.

Accountants are critical to:

- enable and assist Australians to access to stimulus measures, including the cash flow boost, instant asset write-off and investment incentive;
- assist businesses in applying for new commercial loans, credit limit increases, and credit variations and restructures, as well as various concessional loans offered by State and Territory governments by preparing financial statements and other required documentation. A large increase in these applications and requests for support is expected, encouraged by the Federal Government through a number of initiatives, along with a greater willingness by lenders to lend to the sector;
- support businesses facing previously unknown issues such as inventory write-offs, bad debts and employee terminations which require tax agent support;
- assist businesses apply for deferrals of payroll tax obligations, which is available in several States and Territories;

- operate as external administrators and company liquidators in the orderly and fair resolution of corporate financial stress, which aims to protect unsecured creditors and achieve, as reasonably as is possible, the reallocation of assets for positive economic outcomes. Further, they play a vital role in guard against misconduct and supporting the keeping and maintenance of proper accounting records and books. The demands on this part of the profession have never been greater.

Many accounting practices have moved to operating virtual offices with staff working from home, electronic documentation, and document drop-boxes, with the majority of client interaction being conducted remotely.

However, there are instances where direct client interaction is unavoidable, particularly for external administrators and company liquidators, where much of the work undertaken is forensic in nature and necessarily involves dealing directly with companies under stress, their employees, their directors and creditors, many of whom will also be employees.

There are limitations to the extent to which these matters can be dealt with remotely, particularly when considering the human impact of corporate collapse. Where unavoidable, social distancing, personal hygiene and cleaning best practices are being observed.

As such, if further restrictions are being considered, or consideration is being given to defining a list of essential business and services that are required to continue operating in these troubling times, we request that the essential role accountants and accounting practices are playing is recognised and that they be permitted to continue operating as an essential service.

We note a similar precedent has been set in New Zealand, where essential services have been identified in the financial services sector. An inability for accountants to operate at this crucial time would remove access to much-needed funds and advice for businesses dealing with the impacts of the coronavirus.

If you require further information, please contact Dr Gary Pflugrath, Executive General Manager, Policy and Advocacy on 03 9606 9941 or at gary.pflugrath@cpaaustralia.com.au.

Yours sincerely



Andrew Hunter
Chief Executive Officer

cc: The Hon. Josh Frydenberg MP
The Hon. Daniel Andrews MP
The Hon. Gladys Berejiklian MP