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BAS Agent Advisory Group

Access information from meetings of the BAS Agent Advisory Group.

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QC 36894

BAS Agent Advisory Group key messages 4 June 2026

Key topics discussed at the BAS Agent Advisory Group meeting on 4 June 2026.

Last updated 21 August 2026

Environmental scan

The external co-chair facilitated a group discussion on insights, trends, developments and direction that the Australian Taxation Office (ATO) should be aware of as context for the operation of the system overall.

At an environmental level members reported an increasingly challenging operating environment. Regulatory, governance and tax administration changes are contributing to higher stress and dissatisfaction levels and increasing concerns about the profession's capacity to absorb further change.

At an operational level discussion topics included:

- practice mail
- visibility of income tax accounts for BAS agents.

The ATO agreed to consider providing visibility of the income tax account information for BAS agent clients. We recognise that it might be timely to consider this as we work to provide visibility of super guarantee charge (SGC) balances.

Supporting small business at Tax Time 2026

An overview of what is new in the ATO's 2026 Tax Time toolkit for small business (the toolkit) was provided and sought member feedback on the guidance contained in the toolkit.

The toolkit provides practical, up-to-date guidance to help small businesses and their advisers meet their tax and super obligations with confidence. It focuses on getting the basics right, including accurate record-keeping, correct income reporting, and appropriate expense claims.

The toolkit highlights key changes for 2026, including:

- the introduction of Payday Super
- expanded pre-fill for sole traders, including taxable payments annual report data
- updates to deduction rules such as the denial of deductions for ATO interest charges.

It also reinforces the importance of early engagement with the ATO where businesses need support.

Member comments

Members welcomed the ATO's masterclasses and suggested that links to previous sessions be included in the registration process. Feedback on the toolkit was provided, noting that it should be concise, industry-focused, and include information on the services that BAS agents and tax agents can provide to small businesses.

Dynamic pay as you go instalments

The ATO discussed with members a range of action being undertaken in relation to dynamic pay as you go (PAYG) instalments and sought member feedback on these actions.

As part of the 2026-27 Federal Budget, the government announced that commencing 1 July 2027, the ATO will expand access to the dynamic PAYG instalments pilot to more small and medium businesses.

Dynamic PAYG instalments uses a calculation embedded in software to determine an amount which more closely reflects the actual performance of the business. When businesses overpay instalments, this prepayment of tax takes away the ability to use those funds in their business. Underpayment of instalments can result in large tax bills when businesses lodge their returns, which often leads to the accumulation of debt. While businesses can vary their instalments to

better reflect current performance, they risk interest charges if they significantly underestimate their instalments.

The ATO will be issuing a draft Practical Compliance Guideline (PCG) which is intended to increase uptake and provide confidence to taxpayers utilising the dynamic PAYG instalment calculation method, that the Commissioner of Taxation will not apply compliance resources to impose and collect general interest charge under Subdivision 45-G in relation to PAYG instalment variations.

Member comments

There was general support for the intent of the pilot although some reservations were expressed regarding accuracy/completeness of the calculations. The ATO noted the expanded pilot involving businesses with different structures may require the consideration of different methodologies and calculations.

Members conveyed concerns that BAS agents have not been included in upcoming pilot information sessions, noting the regular interactions BAS agents have with their small business clients and the assistance BAS agents could provide in regard to the pilot. The ATO is interested in gaining a deeper understanding of the involvement of BAS agents in the PAYG instalments system and will organise an out of session discussion with members to discuss this further.

ATO

Updates on a range of key ATO, BAS Agent Advisory Group and BAS agent related matters, were provided including:

- employer obligations and superannuation
- frontline operations related matters
- new/re-engaged client deferral options for BAS agents.

Member comments

Members reaffirmed previous discussions and the profession's request regarding new and engaged clients. Members have asked the ATO to consider options for pausing lodgment action when BAS agents take on new or re-engaged clients with outstanding lodgments. This would provide BAS agents with the necessary time to work through any outstanding lodgments and get them up to date. The ATO is

investigating what may be possible in terms of a practical and sustainable solution.

Payday Super

The ATO shared with members the ATO's engagement and preparedness for Payday Super, including updates on:

- communication and engagement
- practical compliance guidelines and the First Year Compliance Approach
- voluntary disclosure statements
- legislative updates (including Law Companion Ruling).

The ATO provided an update on the implementation of Payday Super from 1 July 2026, emphasising that employers are expected to make a genuine effort to comply and to identify and correct reporting errors as soon as practicable.

Members were reminded that the Small Business Superannuation Clearing House will close at 11:59 pm AEST on 30 June 2026 and encouraged practitioners to download relevant records before this date and make appropriate arrangements to move to an alternative payment channel.

The current PCG will apply from 1 July 2026 and will be reviewed as implementation of Payday Super progresses and future compliance approaches are determined.

Member comments

There was confusion regarding the voluntary disclosure process and members highlighted the importance of clear communications outlining ATO requirements and expectations.

Members also raised the importance of BAS agents having visibility of SGC data. The ATO noted this is on the IT delivery roadmap with consultation expected to commence in August/September this year.

BAS agent menu options in practice mail

An update on how we are progressively managing feedback on practice mail and its alignment with broader initiatives under the Tax

Practitioner Improvements Consultation Working Group (TPIC) was provided.

We will continue to consider input from tax practitioners highlighting ongoing challenges associated with the use of Online services for agents practice mail. We will continue to actively engage with stakeholders (including the BAS Agent Advisory Group and BAS agents) as we establish a prioritisation framework for those irritants which can be progressed over time.

Member comments

Members commended the ATO on the establishment of the TPIC working group, noting the positive and constructive discussions being held. Members asked for regular updates on the items being discussed at TPIC that are relevant to BAS agents.

Tabled papers

The group noted the following tabled papers:

- consultation and working group updates
- Tax Time updates
- Tax Practitioners Board updates.

QC 107913

BAS Agent Advisory Group key messages 12 March 2026

Key topics discussed at the BAS Agent Advisory Group meeting 12 March 2026.

Last updated 2 June 2026

Environmental scan

The external co-chair led the facilitated group discussion on insights, trends, developments and direction that the Australian Taxation Office

(ATO) should be aware of as context for the operation of the system overall, these included:

- call centre wait times
- Payday Super
- payment plan process.

Payday Super

The Australian Taxation Office (ATO) is supporting the implementation of Payday Super from 1 July 2026 through targeted engagement, guidance and a supportive first-year compliance approach.

Tax professionals play a key role in helping employers prepare. The ATO is providing education, tools and resources to support advisers, and we will write to employers in late April 2026 to encourage early engagement with their tax professional.

A range of guidance is already available on ato.gov.au, including web content, fact sheets, checklists and videos, with further updates and webinars scheduled through to July 2026.

The ATO's first-year compliance approach, outlined in Practical Compliance Guideline PCG 2026/1 *Payday Super - first year ATO compliance approach*, focuses on higher-risk behaviours, while employers making genuine efforts to comply and correct errors promptly will not be the primary focus.

The ATO is working closely with digital service providers and industry to support system readiness and implementation.

Member comments

Members expressed a desire for additional messaging and information to be issued around Payday Super. Members also reiterated their concerns about the closing of the Small Business Superannuation Clearing House and the importance of practical solutions to support access to data history.

Non-IT support options for BAS agents taking on new clients

With the tax profession we have been exploring potential support options for BAS agents that take on new or re-engaged clients with numerous outstanding activity statements.

Currently, ATO policy in Paragraph 73 of PS LA 2011/15 *Lodgment obligations, due dates and deferrals* only permits registered practitioners to request additional time for new or re-engaged clients for overdue income tax returns. This option is not currently available for new or re-engaged clients with overdue activity statements.

Insight into the potential options that have been explored and their limitations was provided. Based on past consultation with specific members, members were provided with a proposed guidance tip sheet that could be used to assist BAS agents in submitting requests for additional time using existing systems

Based on feedback the from the members it was agreed to organize an out-of-session discussion.

Member comments

Members expressed concern that the guidance tip sheet does not address the challenges faced with new or re-engaged clients. Members supported the suggestion to explore this matter in more detail.

ATO app

A demonstration of key ATO app features and how the ATO app can complement the service offerings provided by tax practitioners was shown. Taxpayers can also share myDeductions data with their tax practitioner via email.

An overview of myID and online access strength, including the benefits of tax practitioners encouraging their clients to gain a strong myID, and how it enables compromised clients to regain their access to ATO online services was given. Combined with the ATO app's security features, this provides taxpayers with strong security, visibility and control over their ATO accounts.

Member comments

Members expressed strong support for the ATO app security features and myDeductions and noted that myDeductions data can be

uploaded to pre-fill taxpayers' tax return with the photos remaining on the device.

Client-to-agent linking: Proposed design for individuals and sole traders

Various design options that are under consideration for the individuals and sole traders solution were outlined.

Members were supportive of the ATO's design direction and highlighted key considerations for specific cohorts, including individuals with limited digital capability.

The ATO clarified that priority is on development of a solution for individuals and sole traders and changing the existing process for Australian business number holders was not in scope.

Member comments

Members suggested various options that could be considered in the design of a client-to-agent linking solution and have asked to continue to be kept updated with the progress and design.

Small business 'Getting it right' campaign

An update on the quarterly 'Getting it right' campaign was provided. We support small business taxpayers to meet their obligations and get it right from the start.

We recognises most small businesses try to do the right thing. 'Getting it right' aims to support small businesses to get their tax obligations right from the start or get back on track if they are already in business.

Each quarter, we advise small businesses what is attracting ATO attention, including how to get help and the consequences of operating outside the system. The focus areas aim to guide conversations between small businesses and their tax professionals and set up good business habits.

The key focus areas for quarter 3 (January to March 2026) of the 'Getting it right' campaign are:

- small businesses omitting income

- not including cash payments, or paying workers in cash to avoid employer and super obligations
- fringe benefits tax for motor vehicles.

We will continue to support small business taxpayers all year round to help them understand and meet their tax, super and registry obligations, recognising that building good business habits is essential for small businesses to get it right from the start and stay on track.

Member comments

Members expressed support for the campaign and suggested more education on AI use by agents.

Other business

The group noted the tabled paper on, Consultation group updates.

QC 107425

BAS Agent Advisory Group key messages 18 November 2025

Key topics discussed at the BAS Agent Advisory Group meeting 18 November 2025.

Last updated 20 January 2026

The future of ATO interactions

(Links to strategic priority 3 – Improve tax performance for clients of tax practitioners)

The Interactions Strategy 2030 sets out the ATO's vision for how we want to interact with the community towards 2030, including tax professionals. This strategy establishes an organisational approach to guide all current and future interactions. This approach supports collaboration and effective communication of ATO priorities, recognising the critical role tax professionals play in administering the

tax system and the implications of interaction changes for practitioners and their clients.

The ATO welcomes the support of tax professionals through co-design and consultation to shape the next steps in delivering the strategy and realising its vision. Members indicated support for the strategy and expressed interest in further engagement to identify gaps prior to its implementation.

BAS agent communication

(Links to strategic priority 1 – Recognise, empower and support current and future tax practitioners)

The ATO's tax professionals' newsletters form part of a broader ATO communication ecosystem that includes consultation group emails, open forums, public relations outreach and tax professionals' webcasts, and conversations.

In response to member feedback requesting a single tax professionals' newsletter that meets the needs of both BAS agents and tax agents, the ATO developed a newsletter prototype for member review and feedback. The combined tax and BAS agents news will be published 48 weeks per year and has been reformatted to provide easy-to-find content that is appropriate and inclusive for all tax professionals.

Members gave positive feedback on the combined newsletter and highlighted the importance of clear and simple messaging to ensure stronger impact. The new combined newsletter will issue from Wednesday 14 January 2026.

Employer obligations

(Links to strategic priority 1 – Recognise, empower and support current and future tax practitioners)

The ATO facilitated an exploratory discussion with group members to better understand industry perspectives on employer obligations. This session identified pressure points and areas of interest to shape future engagement and support initiatives.

Members expressed a desire for additional guidance to support people applying for Australian business numbers, particularly information

around their obligations as an employer. The ATO is supportive of future engagement with members on this topic.

Improving ATO penalty and interest remission processes

(Links to strategic priority 4 – Increase trust and confidence in the tax system)

The ATO provided an overview of the suggested web content and key messages for improving the penalty and interest remission process.

Members provided feedback for consideration to improve the clarity of the content. Also highlighted are the ongoing challenges and misconception faced when the community believe agents may be able to get a remission when a client is unable to do so themselves. Members expressed the need for a clear narrative on this so there is a shift of expectations in the community.

Feedback from members on the web content for improving penalty and interest remission processes and key messages to support a change is welcomed.

Small Business monthly GST campaign

(Links to strategic priority 6 – Improve Small Business performance and level the playing field)

In March 2025, the ATO announced that from 1 April 2025 selected non-compliant small businesses will move to monthly GST reporting. This is designed to improve compliance with GST obligations and build good business habits. Changes to monthly reporting cycles will remain in place for a minimum of 12 months from the effective date notified.

The ATO is in the process of evaluating the impact of monthly reporting on the selected small businesses, and continues to gather feedback, insights and analyse findings to inform further expansion of this campaign in 2026.

Members supported the success of the campaign but raised concerns about the additional time burden on BAS agents to reconcile multiple lodgments and reports, resulting in increased costs being passed onto clients.

The ATO noted in some cases tax professionals are voluntarily moving their clients GST reporting and payment cycle to monthly to assist with cashflow management, streamlined reconciliation and improved business profitability awareness.

Small Business ‘Getting it right’

(Links to strategic priority 5 – Improve Small Business performance and level the playing field)

The ATO supports small business taxpayers to meet their obligations. The quarterly ‘Getting it right’ campaign supports small businesses to get their tax obligations right from the start or get back on track if they are already in business.

Each quarter, the ATO highlights behaviours and issues attracting our attention, including how businesses can access support and the consequences of operating outside the system. Our focus is on guiding conversations between small businesses and their tax professionals to set up good business habits.

The key focus areas for quarter 2 (October to December 2025) are industry-specific tax risks within property and construction, and professional scientific and technical services industries.

The ATO will continue to support small business taxpayers throughout the year to help them understand and meet their tax, super and registry obligations, recognising that building good business habits is essential to getting it right from the start and staying on track.

Members expressed support for the campaign and suggested more education across TAFE and other courses would help reinforce this messaging.

Counter fraud program – ATO app update

(Links to strategic priority 2 – Safeguard the security of the tax system)

An update on the ATO app security features which were released in June, September and November 2025 was provided. We recognise the important relationship that tax professionals have with taxpayers and ask members to consider opportunities around how the app may

support their interactions with their clients, and to promote the security features of the ATO app to them.

Members expressed support for taxpayers to use the ATO app for counter fraud purposes.

Payday Super

(Links to strategic priority 5 – Recognise, empower and support future tax practitioners)

The core Payday Super legislation received Royal Assent on 6 November 2025 taking effect 1 July 2026.

Key changes for Payday Super can be found on the ATO's website. Draft Practical Compliance Guideline PCG 2025/D5 *Payday Super – first year ATO compliance approach* has been published on the ATO's compliance approach for employers. The PCG 2025/D5 sets out what the ATO will consider when deciding how to apply compliance resources to investigate employers in the first year of Payday Super.

The Small Business Superannuation Clearing House (SBSCH) will close from 1 July 2026. Since 1 October 2025, new users have not been able to register. Employers should start planning now on how to meet super guarantee obligations once the SBSCH is closed, including reviewing ways employers can pay their employees' super.

Members expressed concerns around the closure of the SBSCH and the importance of practical solutions to support access to data history. The ATO will issue clear communication to current users outlining the importance of record keeping prior to its closure. Members raised concerns around the challenges to deliver these changes within the set timeframe. The Payday Super Working Group has been established to support the ATO's implementation of Payday Super. Members can email paydaysuper@ato.gov.au to send through further feedback.

Tax Ombudsman review

(Links to strategic priority 4 – Increase trust and confidence in the tax system)

The ATO welcomes the release of the 'ATO's registered agent phone line and service offer to agents' report. The Tax Ombudsman included 4 recommendations with 14 subparts. The ATO agrees with all

recommendations, except for one subpart of recommendation 3. The 4 recommendations were framed around:

1. ATO's engagement with agents.
2. ATO's digital services.
3. Registered agent phone line.
4. Support for client-to-agent linking.

The ATO discussed opportunities for consultation and co-design as implementation of recommendations is progressed. Members welcomed the ATO's commitment to strengthen consultation and engagement with the profession and expressed support for ongoing collaboration inclusive of both BAS and tax agents.

Environmental scan

(Links to strategic priority 5 – Recognise, empower and support future tax practitioners)

Co-chair Kerrie Jarius led the facilitated group discussion on insights, trends, developments and direction that the ATO should be aware of as context for the operation of the system overall, these included:

- small business cash flow
- ATO communications to agent's verses clients
- unregistered advisers/ social media influencers.

Year in review

(Links to strategic priority 4 – Increase trust and confidence in the tax system)

The ATO values ongoing collaboration with the BAS Agent Advisory Group and members contributions to shaping improved services for BAS agents.

Members reflected on the current meeting structure and provided feedback to support effective engagement and maximise value of these meetings in 2026.

Other business

The group noted the following tabled papers:

- Agent Authorisation – Individuals and Sole Traders
- Winding Down Australia's Cheques System
- Consultation group updates.

QC 106064

BAS Agent Advisory Group key messages 19 June 2025

Key topics discussed at the BAS Agent Advisory Group meeting 19 June 2025.

Published 8 August 2025

BAS agent communication

The Australian Taxation Office (ATO) explored with members ways to enhance communication with BAS agents, focusing on improving the value and delivery of the tax and BAS agent newsletters.

The potential of a combined newsletter was discussed with a dedicated BAS agent section being incorporated into the existing tax agent newsletter with practical and actionable insights included to help them better serve their clients.

Member comments

Valuable feedback on the current newsletters was provided, with the duplication of information and or articles highlighted. Suggestions for improvement to both the structure and content of the newsletter were given.

Agent authorisation - Individuals and sole traders

The ATO is undertaking consultation on an agent authorisation solution suitable for individuals and sole traders. We have been engaging with a diverse group of agent participants, professional association representatives and a group of individuals and sole traders to obtain their input and feedback.

Additional industry representative groups will be invited to participate as the consultation proceeds.

The initial consultation has focused on the digital solution rather than the end-to-end process. Consultation will continue with the next stages set to include testing and discussions for addressing the non-digital and support options, communications and the delivery plan.

Member comments

A preference for an agent-initiated approach and for the continued review of the delinking process was expressed. The ATO indicated they are looking into a feature to remove past agents from the client's account.

Employer obligations

An update of key employer obligation changes and common mistakes made by employers was given including:

- The super guarantee (SG) rate will increase to 12% on 1 July 2025 and any payments made on or after this date will need to reflect the new rate.
- Employers changing to large withholder status will have been notified and will receive a new payment reference number. Large withholders no longer need to report PAYG withholding on activity statements.
- From 1 July, some withholding schedules and tax tables will be updated and employers should use the correct Tax tables, or the Tax withheld calculator to calculate how much to withhold from employee payments. Payroll software will need to be updated to ensure the right amount of tax is withheld, reported, and paid.

Common mistakes employers make when completing their Single Touch Payroll (STP) declarations are:

- not submitting a finalisation declaration by the due date, 14 July 2025 or finalising the incorrect financial year
- not submitting a finalisation declaration for all employees paid within the financial year
- not taking the correct steps when changing payroll software or payroll IDs, which results in unintentional duplication of income statements.

Members were reminded they can seek the ATO's assistance when an employer has changed payroll software to avoid duplication of income statements.

Member comments

Concerns were raised around the letters being issued relating to SG and the lack of detail in them making it hard for an employer to understand. The ATO is aware of this feedback and are reviewing the letters.

Small business 'getting it right'

In November 2024, the ATO launched 'getting it right', an ongoing quarterly campaign which aims to support small businesses to get their tax obligations right from the start. Each quarter the ATO shares areas of concern that small businesses are getting wrong and provides help on how to address it. Giving them the opportunity to get their affairs in order, and an awareness of the consequences if they engage in the wrong behaviours.

The key focus areas for quarter 4, May to June 2025 were on building good habits to be ready for business and ensuring they meet their tax, employer, registration, and fringe benefits tax (FBT) obligations, including reporting and paying their FBT on time.

The key areas for quarter 1 (202526) included those operating outside the system or not complying with their tax obligations in the property and construction industry and on contractors omitting income.

The ATO will continue to support small business taxpayers to help them understand and meet their tax, super and registry obligations. Recognising and building good business habits is essential for small business to get it right from the start and stay on track.

We are interested in hearing from members on what ATO support is needed for them to better support their clients.

Member comments

Several topics for future fact sheets and myth busters that would benefit members small business and sole trader clients was suggested. The ATO agreed to consider these topics as part of the ongoing campaign.

Digital service delivery changes for Tax Time 2025

Updates to the digital service delivery because of Tax Time 2025 changes that impact BAS agents was provided. Key system changes will be available on ato.gov.au once finalised.

The following changes have been or are scheduled to be deployed in Online services for agents:

- The ATO app now includes a new communication history channel. When individuals register their device and receive secure push notifications, their agents will also receive real-time messages in Communication history via the ATO app for Bank Account changes only. Other transactions, such as tax lodgments, original and amendments and myGov overlinking, remain visible to tax agents only.
  - Agents will be able to continue managing their clients tax affairs if the client has locked their ATO records.
- Pre-generated reports occurred in June and the newest reports introduced for tax time were visible on 1 July 2025.

Member comments

Concerns were raised regarding the timing of system shutdowns and members suggested changing the language used to advise of shutdowns, to highlighting the number of hours for them. The ATO acknowledged that while shutdowns are necessary for the preparation of Tax Time, we try to minimise the impact of agents not having system access during BAS agent lodgment periods. The feedback will be considered.

Enhancements to OTE guidance

The ATO provided an update on the upcoming enhancements to ordinary time earnings (OTE) guidance and subsequent promotional communication activities, noting that there is no change to the definition of OTE.

Following a review of the existing website content and guidance material, several improvements have been made including:

- enhancements and new practical examples added to the existing 'list of payments that are ordinary time earnings' page
- enhancements to the 'how much super to pay' page
- a new page which covers payments that are not OTE.

The enhanced content makes it clear to employers that in addition to their obligations under the *Superannuation Guarantee Administration Act*, they may have additional obligations to pay super under an industrial instrument, award/agreement.

The ATO intends to publish the new content on ato.gov.au in August 2025 and promotional communications will be delivered through the relevant newsrooms.

Member comments

Members acknowledged that there has been confusion surrounding the interpretation and implementation of OTE and are hopeful that the new guidance will provide greater clarity.

Environmental scan

Members led the environmental scan group discussion, covering a range of issues including:

- remission of general interest charge (GIC)
- Services Australia receiving near real-time STP data from the ATO
- Payday Super
- not-for-profit self-assessment
- artificial intelligence and the future of BAS agents

- false and misleading statements - *Tax Agent Services Act 2009* requirements
- quarterly management systems (QMS) - members highlighted the current pressures on the industry in relation to the Tax Practitioners Board requirement to have the QMS implemented by 30 June 2025 and the impact this is having on lodgment backlogs.

Penalty and interest remission improvements

Feedback provided by tax practitioners and the professional associations regarding the interest and penalty remission process has been considered. As a result, we will be implementing several changes to streamline the application process and improve timeliness, consistency and transparency of decision making.

Member comments

Members suggested that the wording related to the low-risk GIC remission request process be reviewed to clarify the conditions surrounding it.

Feedback was provided regarding the accessibility of the remission request form, suggesting improvements to make it easier to locate and to clarify the parameters of certain questions.

The ATO has acknowledged feedback and will take it into consideration.

Member refresh and charter update

Discussions continued regarding the upcoming BAS Agent Advisory Group member refresh. An expression of interest process is scheduled to commence in October 2025, providing an opportunity for new members to join. To maintain continuity and preserve the group's collective knowledge and experience, the transition of membership will follow a staggered approach. This approach aims to ensure a smooth handover and ongoing effectiveness of the advisory group.

The expression of interest application will be advertised on ato.gov.au, through the BAS agent Newsletter and via LinkedIn.

To ensure good governance, the group's charter has also been reviewed. As the intent and scope of the group remains the same, the charter only has minimal changes.

Member comments

Members expressed support for the staggered approach, noting the benefits in maintaining group continuity. They also highlighted the value of diversity in the group, to which the ATO confirmed it will seek to ensure a broad representation for diversity.

Other business

The Super Health Check tabled paper was noted.

QC 105354

BAS Agent Advisory Group key messages 2 April 2025

Key topics discussed at the BAS Agent Advisory Group meeting 2 April 2025.

Published 30 May 2025

Digital improvements framework

The Australian Taxation Office (ATO) provided an overview of the work undertaken to progress improvements to digital services. Updates to the framework will be undertaken through a structured approach to identify, assess and prioritise improvements for tax professional digital services. The framework will be updated on a regular basis and shared with members to highlight the prioritisation of projects.

The ATO agreed to share a quarterly paper with the group regarding the progress being made.

Small Business 'Getting it right' engagement update

The ATO launched the ‘Getting it right’ program to share with small business and their agents, what the ATO is focusing on each quarter so they can take any necessary steps to ensure they are getting things right. The webpage was launched plus key messages with themes around:

- business income
- deductions
- concessions
- people operating outside the system
- building good habits.

The program is in its third quarter, which has had a particular focus on tax payment reporting system and moving a select number of businesses from quarterly to monthly activity statement reporting. Those moved to monthly reporting are demonstrating the most egregious behaviour.

Member comments

Members expressed a lack of clarity in the messaging around how businesses would be identified to switch from quarterly to monthly reporting. The ATO will take onboard feedback from the group to help ensure clarity of future messages.

Members provided feedback on potential future ‘Getting it right’ topics that would be useful, such as:

- contractor versus employee
- what is and is not capital
- instant assets write off
- small business rollover relief on capital gains tax.

Client-to-agent linking – individuals and sole traders

The ATO has commenced agent authorisation consultation (Client-to-agent linking for individuals and sole traders) as part of their broader program of work to strengthen the security of their systems and to protect taxpayer data.

We are consulting with a diverse group of tax practitioners, industry sector groups, professional associations and digital service providers to seek their input and feedback including consulting with individuals and sole traders on their experience and the usability of the system. This consultation aims to support the development of the design, change management, support requirements and delivery options.

Through the consultation undertaken to date, feedback received has been positive with some key themes around:

- ease of use
- streamlined as possible
- agent-initiated process as opposed to an individual initiated process.

The ATO highlighted it will consult on elements that it can, noting that there will be some elements of the design that are restricted due to system requirements, that will not be consulted on.

Member comments

Members raised the use of a driver's licence as part of creating a strong myID. The ATO advised that this is being managed by another department and will provide updates as further information is available.

Members have asked to be kept updated and the ATO assured the group that discussions about the direction and progress being made would continue.

Counter fraud program

The ATO's counter fraud program (CFP) was created in response to the ongoing growth in fraud and identity crime in order to improve the ATO's capacity to prevent, detect, monitor and respond to fraud against the tax and superannuation systems. Giving taxpayers greater insight and control over their own data is a fundamental part of the CFP. Specifically, the ability to instantly verify activity on their account

using a secure channel. These new security features will be delivered by the ATO through the ATO's app, with the first functionalities anticipated to be made available in the middle of 2025.

The program is engaging with taxpayers and tax practitioners to develop and mature the outputs of the program.

Member comments

Members enquired as to whether entities could designate a nominated person to receive notifications and whether taxpayers may redirect communications via the ATO app to their agent. The ATO advised they are aiming for messages to reach the taxpayer in real time so they can take immediate action to protect their information. Tax professionals can see the messages sent to the individual through the ATO app through the client communications history.

Environmental scan

Members led the environmental scan group discussion, covering a range of issues including:

- payday super and the 7-day penalties
- ATO letters
- not-for-profit self-assessment reviews
- remission of general interest charge
- PAYG instalments
- credit card payments
- payment plans
- superannuation guarantee charge statements
- BAS agent newsletter.

Membership refresh

We will undertake a member refresh of the group, the BAS Agent Advisory Group. Current members were advised that in line with the updated charter, members are appointed for a 2-year term with the opportunity to apply for another 2-year extension before they are required step down, for a 2-year period before being able to reapply.

Professional associations will have a standing position in the group.

The membership refresh is about ensuring good governance and ensuring diversity around the ATO's consultation processes. Further details will be provided at the next meeting, with the intent for the refresh to occur later this year.

Member comments

Members noted the benefits of having new members brought into the group as it brings new ideas, and that consideration should be given to long term members.

Members observed that it would be beneficial to ensure there is support for new members being onboarded to orientate them into the group.

Other business

The group noted the following tabled papers:

- taxable payments reporting system
- login process for online services.

QC 104993

BAS Agent Advisory Group key messages 10 December 2024

Key topics discussed at the BAS Agent Advisory Group meeting 10 December 2024.

Published 5 February 2025

ATO payment strategy

(Links to strategic priority 3 - Improve tax performance for clients of tax practitioners)

The Australian Taxation Office (ATO) payment strategy is focused on reducing non-payment of tax liabilities, particularly GST, PAYG withholding and Super Guarantee. We have developed key messages that form part of a targeted and phased communication approach to support the expectation that all taxpayers will pay in full and on time or will reach out to the ATO straight away if they need support.

Member comments

ATO communications and letters should have clear and consistent messaging that outline the requirements of taxpayers with these debts and the implications for not paying on time.

Concerns were raised regarding GIC remission requests and the need for improved consistency and transparency in decision making. The ATO noted this feedback and are taking steps to improve consistency.

The ATO was asked to share information with agents around the new payment strategy to assist them when informing their clients.

Small business focus areas

(Links to strategic priority 5 - Improve Small Business performance and level the playing field)

Our aim is to support small business taxpayers to meet their obligations and get it right from the start.

The ATO's Small business team will focus on areas of the greatest impact and preventative outcomes to ensure community expectations are met regarding those who don't meet their obligations or seek to undermine the integrity of the tax and superannuation systems.

We are evolving our engagement, prevention, right time intervention, and correction activities to shift and influence behaviours and to support small businesses to remain compliant. Including increasing transparency and consistency of our messaging to assist agents and small businesses to get it right.

We are seeking the support of BAS agents, bookkeepers and professional associations (including industry) to engage with small business on the behaviours and risks that are concerning, to help set up good habits and getting it right.

Member comments

Potential incentives to drive behavioural change across small business was suggested. For example, quarterly reporting for taxpayers with a record of good compliance and monthly reporting for those who do not.

Members are supportive of the proposed engagement program and are willing to promote these with colleagues and association members. The opportunity to leverage the strong relationship BAS agents have with their small business clients due to the frequency of their interactions was noted.

Debts on hold

(Links to strategic priority 1 - Recognise, empower and support current and future tax practitioners)

The ATO may place tax debts on hold when they have determined that it is not economically viable to actively recover debt. While we pause action to collect debts placed on hold, those debts remain legally due and payable.

Historically, we removed debts on hold from total account balances using a credit transaction. Going forward, we intend to include debts on hold on taxpayers' ATO online services account and statement of account. This will ensure that taxpayers have visibility of the taxes they owe.

The ATO provided an update to the group on the program of work to make debts on hold visible. This includes system changes, communications to impacted taxpayers and internal change management to ensure staff are ready to support taxpayers and agents if they contact the ATO.

Feedback was sought from members on what further support agents may need to prepare for this change and support their clients as the debts are made visible.

Member comments

Concerns were raised on how debts on hold will impact other debts, payment plans and refunds.

Members expressed the importance of the ATO sharing tools and resources to help agents support their clients with debts on hold becoming visible.

Members offered their support for the ATO's communication approach to make debts on hold visible.

Client-to-agent linking

(Links to strategic priority 6 – Safeguard the security of the tax, super and registry systems)

The ATO presented the findings of the post implementation review of client-to-agent linking for Australian business number entities (excluding sole-traders) that deployed on 13 November 2023. The new process has been protecting 4.7 million entities for 12-months and has achieved its intended outcome with a range of learnings that will inform the next phase of delivery.

The ATO provided an update on feedback, outcomes, and actions taken since deployment. Feedback has been gathered from a range of sources and stakeholders. The Client-to-agent linking steps information has recently been restructured to make information easier for agents to find.

The next steps for client-to-agent linking for individuals was discussed and members were advised that consultation on the design will commence in early 2025.

Member comments

Members raised an opportunity to include proactive notifications to let agents know that a nomination has been submitted from a client (pop-ups and notice in 'banner box'). The ATO noted that there is 'client nominations on demand' reports with this information currently available in Online services for agents.

Appreciation was shared by members to the project team for their efforts and openness to receive, consider and address (where possible) industry feedback.

Environmental scan

(Links to strategic priority 4 - Increase trust and confidence in the tax, super and registry systems)

Members covered a range of issues including:

- myID app push notifications.

- Increasing concerns around small business cash flow management.
- Community sentiment towards the ATO.
- ATO's use of social media.

Other business

The group noted the following other business and tabled papers:

- Group member refresh in 2025.
- Open Forums – discussion items in 2025 that would be useful for BAS agents.
- Group 2024 year in review and 2025 meeting schedule.
- Upcoming Payment Gateway changes.

QC 103792

BAS Agent Association Group key messages 2 October 2024

Key topics discussed at the BAS Agent Association Group meeting 2 October 2024.

Published 15 November 2024

Practice Mail – Online services for agents

(Links to strategic priority – Improve tax performance for clients of tax practitioners)

We are undertaking a review into 'practice mail' to better understand the user experience to identify opportunities to assist tax practitioners to get the most out of the service, reduce response times and encourage self-service where available. Originally it was designed for agents to submit queries on a limited number of issues, practice mail has grown and is now being used as an all-topic enquiry channel resulting in increased response times.

We encourage agents to self-serve where possible but agree to consider several options to help practitioners easily identify self-service options, to improving the user experience and reducing response times.

Members acknowledged that there is an educational element to improving agents' understanding of how to best utilise self-service options in Online services for agents and practice mail functionality.

Member comments

- Agents use practice mail for convenience and there is no need to wait on the phone for a response.
- Practice mail generally provides responses in writing which is useful for agents to reassure their clients that they are actioning requests and reduces confusion around messaging.
- It is often difficult to connect a practice mail response with the original request as there are no reference numbers/ticket numbers to link the request and response together. Agents would like to see practice mail operate like a support request system, where a ticket is raised and conversation/responses are tracked against that ticket.
- Agents are familiar with fast key code used for the agent's phone line and suggested linking practice mail request types to the fast key codes for consistency.

Payday super

The governments announcement on Payday superannuation design details to ensure super is paid on time and that from 1 July 2026:

- Super guarantee (SG) contributions will be aligned with the payment of salary and wages.
- Businesses will become liable for the updated SG charge if super guarantee contributions are not received by their employees' superannuation fund within 7 days of payday.
- The ATO's Small Business Superannuation Clearing House will be retired as it is not fit-for-purpose in a payday regime.

The Payday super measure is not yet law and government is preparing draft legislation which will be released for public consultation.

We are committed to engaging with stakeholders on the co-design around policy parameters and have committed to keep members informed as this work progresses. Further information about Payday superannuation is available.

A special purpose working group is being established to provide overarching advice on the end-to-end administrative solution for payday super, with the first meeting is expected to be held in October/ early November.

We will update infrastructure and data matching to better detect unpaid super payments earlier and allow for a proactive approach to compliance, to reduce the incidence of unpaid super. This will include updating:

- STP reporting requirements to make the reporting of both Ordinary times earnings and Total Superannuation Liability mandatory.
- The SuperStream standard, including allowing the acceptance of payments made via the New Payments Platform.

Member comments

- Concern that super funds will pass on any increased administrative costs to employees and that increased processing charges will cut into superfunds balances.
- Clearing houses should be more accountable in terms of processing payments received on time to reduce the likelihood that employers are penalised when the payment isn't received by the fund by the due date.
- Micro businesses will still need access to low/no-cost clearing houses.
- BAS agents will need better visibility of information in Online services for agents to better support their clients.
- Rejected payments will need to be processed quickly to enable employers to rectify errors without penalty.

Tax Practitioners Board

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The Tax Practitioners Board (TPB) provided an update and insights on a few reforms impacting tax practitioners. This included proposed changes to the Code Determination, annual registration, new breach reporting obligations and new whistleblower protections laws.

The purpose of this determination is to strengthen integrity and accountability in the tax profession and create a level playing field. The new obligations are consistent with the existing principles of the code and many tax practitioners will already be complying with them:

- honesty and integrity
- independence
- confidentiality
- competence.

The new obligations leverage material from Accounting Professional & Ethical Standards Board and other well-known and understood tax and corporate law concepts that tax practitioners will be regularly advising clients on.

Subject to the determination being finalised, the TPB's immediate focus is to finalise guidance, through consultation, and tax practitioners with information to assist in understanding what is required of them. The TPB welcomed the opportunity to come back to the group to provide members with an update on the Code determination guidance as the matter progresses.

The TPB confirmed that for all tax practitioners trying to do the right thing, the TPB will take a pragmatic and practical approach in enforcing compliance with the additional obligations. The TPBs compliance approach has always been to achieve compliance through education and support, with investigations and sanctions reserved for the high risk and serious cases of non-compliance.

Member comments

- An increased fear amongst agents about the new breach reporting requirements, particularly regarding vexatious and egregious claims being made, although the TPB confirmed this is not being seen in the reports being made.
- Associations have indicated that the TPB will need to provide a practical guidance product for practitioners. The TPB confirmed

that they will release final guidance product on the breach reporting requirements by the end of 2024.

- Concerns that there will be a decrease in bookkeepers becoming BAS agents over the proposed new code items.

Access manager guide

An access manager guide is being developed to help agents understand the various permission levels in Online service for agents which can be customised to suit the role of the agent. To assist agents understand what permissions apply to their role, the access manager guide will highlight the different roles and responsibilities across different persona's; authority/ practice manager, senior BAS agent/bookkeeper and basic myGovID holder.

The relationship authorisation manager (RAM) offers better filtering capabilities compared to access manager, making it easier for agents to identify active users. Since the introduction of myGovID (now myID), deactivating users is not possible with access manager and can only be done through RAM. Initial ATO user permissions set in RAM determine an agent's ability to manage user access permissions in access manager.

If a user is granted 'Custom' level permission in RAM when being linked to the ATO:

- the agents access manager administrator will have full control over the users access manager permissions including which clients they can access if the agent has more than one registered agent number (RAN) (branch) attached to their Australian business number (ABN).
- the agents access manager administrator will need to access manager permissions manually before the user can use Online services for agents.

If a user is granted 'Full' level permission in RAM when linked to the ATO:

- the agents access manager administrator is not able to control user-level permissions in access manager
- the user will automatically receive all access manager permissions. This means the user will have permissions to all Online services for agents functionality, access to all clients lists linked to the agents

ABN, that is branches, and access to Online services for business for the agents own ABN.

Member comments

Members provided their feedback and observations around:

- Improvements needed across the system to assist practices manage their employees' access to Online services for agents, such as
  - a notification banner in Online services for agents reminding the principal authority/practice manager to review permissions across their practice regularly
  - include a filter to search active permissions
- It is difficult to give remote or offshore employees accurate permissions.

Super guarantee charge liabilities and unpaid debts

We are committed to actively reducing non-compliance and improving willing participation by employers in the super guarantee (SG) system and ask agents to ensure Single Touch Payroll (STP) data is correct and actively work with their clients to ensure SG is paid on time.

Support is available to employers make it easier to understand and comply with their employer obligations and they are encouraged to contact the ATO as early as possible if they are experience difficulties.

Agents were reminded that the SG due date is when it is to be received by the fund and remind their clients that it is not the date it is to be paid by the employer. The ATO agreed to review its messaging to emphasise this point.

The ATO will be issuing firmer action letters to taxpayers with outstanding debt (particularly aged debt) and reminded members that if they have clients with a debt that includes unpaid SG, it should be paid to the ATO and not directly to the fund.

Member comments

- Concerns with inconsistencies with timing of non-compliance letters between clients.

We explained that there are several factors and risk models that will raise non-compliance letters. To avoid these letters, employers need to ensure that the SG amount is received by the fund by the due date.

- There are several common issues that cause delays in the system that are outside the employer's control, such as incorrect superfund details provided by the employee, super fund mergers and incorrect USI.
- Potential improvements, such as listing the superfund on the SGC form were discussed and encouraged to be reviewed as part of the Payday super design.

Environmental scan

Members led a focused group discussion to understand and discuss current industry insights, trends and developments observed over the past year.

Member comments

- BAS agents view community understanding of BAS agents as an extension of the tax office and are therefore often underutilised and undervalued in the assistance they can provide business owners to help them meet their obligations and run a successful business.
- BAS agents and bookkeepers manage the financial operations of a business, providing value to businesses through practical business management. The formal 'BAS agent' function of their role is only a small part of the broader role they have in assisting small business to have sound accounting and business management practices in place.
- There is an opportunity for the Australian Tax Office (ATO) to engage more with BAS agents beyond their formal 'BAS agent' role as a key leverage point to improve small business engagement with the tax system.
- The ATO is tax agent centric and there needs to be intentional engagement and support inclusive of BAS agents. BAS agents have more compliance touch points with the ATO and as a result have more regular contact with their clients.

QC 103377

BAS Agent Association Group key messages 20 June 2024

Key topics discussed at the BAS Agent Association Group meeting on 20 June 2024.

Published 12 August 2024

Tax Time 2024 – Readiness and Complaints

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The Australian Taxation Office (ATO) outlined its readiness and preparations for Tax Time 2024 with a particular focus on telephony, processing, activity statements and complaints.

An increase in demand for calls and processing is anticipated over the coming months and the ATO is looking at ways to reduce this demand.

Agents are encouraged to use the dedicated tax agent phone line with the relevant Fast Key Code to reduce wait times. The ATO confirmed that call blocking is not used on the agent phone line. The ATO discussed the complaints process and sought member's feedback on the drivers for including multiple clients under a single complaint.

We are consulting with agents to understand the behavioural drivers behind the high number of paper activity statements requested which is considerably higher than the number lodged via paper. Findings will be brought to a future meeting.

Members provided feedback and observations including:

- Suggestions for improving the usability of practice mail, which could reduce the need to call the agent phone line.
- Suggestions around how the ATO could support and encourage the checking of bank accounts to ensure refunds go to right bank

accounts.

- Feedback regarding the call centre scripting for reversing general interest charge debt appears, and noted there is limited information available online.

Tax Practitioners Board

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The Tax Practitioners Board (TPB) provided an update on the status of law reforms with a particular focus on the TPB's breach reporting guidance.

There was a discussion about the TPB's minimum requirements for verifying a client's identity and whether the ATO's client to agent linking process was sufficient to satisfy these requirements. The TPB and the ATO are currently working closely to develop further guidance to provide tax practitioners with greater clarity on the interaction between the client to agent linking process and the TPB's proof of identity requirements.

Members provided feedback and observations including:

- Concerns with vexatious breach reporting, what is meant by a significant' breach and impacts on public indemnity insurance. Members also noted the importance of having 'real world' examples in guidance material.
- Clarification of the messaging agents will receive as they come up for re-registration and the messaging for those that have recently paid their 3-year registration.
- Feedback regarding the visibility of the TPB complaints form on the TPB website.

Not-for-profit – self assessed income tax exemption reporting

(Links to strategic priority – Increase trust and confidence in the tax, super and registry systems)

The ATO provided an update on the Not-for-profit (NFP) self-assessment of income tax exemption reporting regime. The new

reporting requirements were announced in the 2021–22 budget to address transparency and integrity over NFP population.

Starting from Tax Time 2024, non-charitable NFPs with an active Australian business number (ABN) are required to lodge their NFP self-review return notifying their exemption eligibility for income tax.

The ATO is taking a practical approach to compliance and NFPs will have until 31 March 2025 to lodge their assessment without penalty. The ATO will continue to consider what strategies are required to support ongoing lodgments as we prepare for next tax time.

Clients having difficulty accessing online services to lodge their NFP self-return will be able to use a Self-help phone service, **13 72 26**, which is available as an interim lodgment channel during the 2023–24 transitional year.

The ATO has developed, and is progressively expanding/updating, a suit of reporting requirements to self-assess income tax exemption to assist NFPs and their agents, including recorded webinars at ato.gov.au/ATOtv. Guidance will include a checklist for NFPs to use along with a fact sheet that professional associations can issue to their members. Members are encouraged to subscribe to the monthly NFP newsletter via the Not-for-profit newsroom.

The option of allowing BAS agents to lodge the informational return is a matter for the TPB. ATO systems do not currently support this function for BAS agents. Possible options would need to be explored following a decision by the TPB.

Members provided feedback and observations including:
Their desire for BAS agents to be able to lodge the return on behalf of NFPs.Welcoming the changes to the Change of Registration form (NAT 2943), which is now a fillable PDF, and updated guidance to assist clients in successfully submitting change of details. Members noted however that this form still needs to be mailed to the ATO and requested the ATO consider options for enabling the PDF to be lodged digitally.

Tax profession digital services experience – survey results

(Links to strategic priority – Protect the high levels of engagement and integrity in the tax, super and registry systems)

The ATO updated members on the results from the digital services experience survey which was conducted in February 2024.

With approximately 1,400 responses received and the introduction of free text fields, new insights are being drawn from the survey responses.

Key insights from the survey included:

- Satisfaction with the digital service experience has decreased, particularly for BAS agents and younger tax professionals.
- The client-to-agent linking process has had an impact on tax professionals' digital experience.

The ATO confirmed they will be undertaking engagement and consultation with the profession to better understand the key insights and consider opportunities for continuous improvement of digital services.

Members provided feedback and observations including:

- Digital interactions and expectations are greater now than they were in 2022, when the first survey was conducted. BAS and tax agents have higher expectations of their software and digital services.
- Their experience with the practice mail function within Online services for agents, including the need for timely responses to queries lodged via practice mail given the frequency of their interactions with clients.

Client-to-agent linking

(Links to strategic priority – Improve tax performance for clients of tax practitioners)

The ATO provided an update on feedback received as part of the Post Implementation Review that is currently being undertaken. RAM and myGovID processes are causing the most difficulties for agents.

Feedback is being collated and analysed from multiple sources to consider enhancements and improvements to the experience for those clients having difficulty. Complaints about BAS agents being delinked have decreased.

The ATO plans to extend similar protections to the remaining populations, that is, Individuals, Sole Traders, and non-ABN entities. Extensive consultation and change impact assessments will be undertaken for these groups to inform the solution design and delivery options.

The ATO will continue to engage and look for opportunities and further capitalise on any changes to technology that will improve the process for agents and clients.

Members provided feedback and observations including:
The benefits of having an agent notification system, rather than relying on the client letting BAS Agents know they have been nominated.The impact on agents where clients find the linking process too difficult.Corporate trusts and the supports in place to assist agents.

Lodge and Pay

(Links to strategic priority – Protect the high levels of engagement and integrity in the tax, super and registry systems)

The ATO noted the 2024–25 Budget announcement providing the ATO with discretion not to offset refunds against tax debts of individuals, small businesses and not-for-profit entities, where the debts were placed on hold prior to 1 January 2017 and remain on hold. As this measure is not yet law, the ATO's current approach remains for this Tax Time. Until the measure has been enacted, the ATO will continue pausing offsetting of debts for individuals, small businesses and not-for-profit entities that were placed on hold prior to 1 January 2017 and remain on hold. A communication strategy is being developed to explain to clients with a debt on hold how that debt will be treated.

A broader payment conversation, including a discussion regarding payment reference numbers, will be scheduled for discussion at a future meeting.

Digital service delivery for Tax Time 2024

(Links to strategic priority – Recognise, empower and support current and future tax practitioners)

The ATO provided an update on the expected changes to digital service delivery for Tax Time 2024 including:

- Changes to correspondence preferencing that allows agents to apply bulk preferencing updates to 50 clients at a time, an increase from 25).
- New subjects added to practice mail.
- Decommissioning of AUSKey credentials.
- Limiting BAS amendments (original lodgment plus 4 amendments).
- Pop-up warnings when linking to an already linked client.

Members provided feedback on difficulties in locating the phone number and fast key code for Online services for agents technical support. The ATO confirmed that agents can contact **13 76 82** with fast key code **3 3** for technical support.

Environmental scan

Members led the facilitated group discussion on insights, trends, developments and direction that the ATO should be aware of as context for the operation of the system overall, these included:

- Payday Super messaging.
- Separation certificates and whether these are still required as part of the Single Touch Payroll process.

QC 102884

BAS Agent Association Group key messages 3 April 2024

Key topics discussed at the BAS Agent Association Group meeting 3 April 2024.

Published 3 June 2024

Welcome and introduction

Co-chairs welcomed members to the BAS Agent Association Group (BASAAG) meeting. The group welcomed new member Jane Mitchell, ATO and thanked exiting members Darren McMaho, Dardee Pty Ltd and Kath Anderson, ATO.

It was noted action items 20231204-01, 20230323-05 and 20230323-03 will remain in progress.

Law Reform

(Links to strategic priority – Increase trust and confidence in tax, super and registry systems).

The Tax Practitioners Board (TPB) led the discussion law reform arising from the implementation of the James Review recommendations and the government response to the PwC matter.

Members provided the following feedback and observations:

- Challenges around a BAS agent's ability to identify disqualified entities. The TPB noted that the TPB register was just one of many sources that practices/agents should check as part of good governance processes.
- The breach reporting requirements put the onus and an obligation on practitioners to report to the TPB significant breaches. Guidance around what is meant by 'significant breach' and 'reasonable belief' will be important. The TPB noted that breach reporting is intended to improve integrity and transparency. The TPB will apply a practical approach and will consult on draft guidance.
- Members discussed the emergence of agent adjacent services that don't fall within the TPB registration and supervision ambit.

Schools Education Strategy

(Links to strategic priority – Increase trust and confidence in tax, super and registry systems).

The Australian Taxation Office (ATO) provided an overview of the Schools Education Strategy, noting that the topics of taxation and superannuation are now in the Australian Curriculum for schools. The intent of the strategy is to ensure the next generation of Australians understands and values of our tax and super systems and how to

navigate these systems. Feedback was sought on opportunities to expand the program.

Members provided the following feedback and observations:

- Members congratulated the ATO on this strategy, noting its importance and suggested the learning products could be incorporated/expanded into vocational areas.
- The material would be useful for multiple purposes, including from both an employer and employee perspective and for new Australians going into business, who would benefit from simple, clear information such as this.
- It was noted that searching for 'Tax Super and You.com' navigates to the ato.gov.au home page. To improve awareness and access, members suggesting redirecting search outcomes to the dedicated webpage, taxsuperandyou.gov.au

Members were encouraged to share this information with their networks and to provide feedback on elements of the education material that would suit an adult audience.

Essentials to strengthen your business

(Links to strategic priority – Improve tax performance for clients of tax practitioners).

ATO walked through the new online learning platform Essentials to strengthen your small businessExternal Link. The website is a free resource, designed to be flexible for online learning with more than 20 courses now available, covering a range of aspects of the lifecycle of a small business. The online learning platform has recently been launched and has received positive feedback.

The ATO noted that future online courses are planned and sought feedback from members on how to promote and improve the program.

Future online courses will include:

- Concessions
- Personal services income
- Losses
- Depreciation

- Reporting payments made to contractors
- Capital gains tax
- Fringe benefits tax – minor exempt benefits.

Future masterclasses will include:

- Claiming small business tax deductions
- Cash flow for small business success – strategies to improve your cash flow
- Goods and services tax (GST)
- Using your business money and assets
- Record keeping
- Starting a small business – setting up your small business.

Members provided the following feedback and observations:

- Members congratulated the ATO on this program and noted value in getting an awareness of this program to people before they apply for an Australian Business Number.
- It was suggested that future updates include an explanation of the difference between tax and BAS agents.
- Suggestions for future online courses/topics were mentioned including, superannuation, personal liability, basics of digital safety, generative AI (how to and how not to use AI), and tax file numbers (their importance and how to secure them).
- Feedback was provided on navigation options and the wording in the calendar/due date section of the program regarding superannuation guarantee payment due dates.

Members were encouraged to promote this program via their networks and to provide feedback on the program to the secretariat.

Private companies and Division 7A

(Links to strategic priority – Improve tax performance for clients of tax practitioners).

ATO led the discussion on its Division 7A program which focuses on raising awareness and improving knowledge of the rules concerning

the taxation of payments, benefits and loans received by shareholders and their associates from private companies. We noted that whilst BAS agents may not generally provide Division 7A advice, their role in relation to private company clients puts them in a position to observe and gain insights about their clients' level of understanding and compliance.

Members provided the following feedback and observations:

- The interaction of the TASA law reforms, particularly the new breach reporting requirements was discussed.
- An observation that Division 7A issues often emerge when a client moves from being a sole trader to a business/corporate structure.
- Simple fact sheets and education materials with case studies that highlight some of the negative outcomes of Division 7A loans would assist practitioners.

What's new in Online services for agents

(Links to strategic priority – Safeguard the security of the tax, super and registry systems).

The ATO provided an update on the recent changes to Online services for agents including:

- changes to transfer requests
- lifting the maximum amounts from $100,000 to $200,000 for payment plans
- enhancements to single touch payroll reporting
- changes to processing of known amounts with non-lodged activity statements
- flexible lodgment arrangements where there has been an adverse event.

Upcoming changes will include:

- expanding the ability to lodge bulk correspondence preferences for up to 50 clients, the limit is currently 25 clients
- restricting the number of times a BAS can be amended, once the limit is reached, agents will be directed to contact the ATO

- AUSkey credentials will be removed from Access Manager
- enhanced in-system guidance in Online services for agents when an agent is going to link at the activity statement account or potentially remove another agent's access (client-to-agent linking).

Members provided the following feedback and observations:

- Regarding the upcoming change to restrict the number of times a BAS can be revised/amended, members asked what process should be followed if they legitimately need to revise/amend a BAS and the limit to online amendments has been reached.
- The Online services for agents enhanced in-system guidance that will help reduce instances of BAS agents being delinked by tax agents is welcomed.
- It would be beneficial to have audit trail visibility within Online services for agents to easily identify which agent made changes to the activity statement.

Client-to-agent linking and verification

(Links to strategic priority – Safeguard the security of the tax, super and registry systems).

ATO led the client-to-agent linking discussion, including information on the planned delivery of new in-system guidance in Online services for agents to help reduce inadvertent de-linking of BAS agents and gave an update on the Client-to-Agent Linking working group.

The ATO understands this is an important matter for agents and their new clients and wants to provide visibility of our next steps. The purpose of Client-to-Agent Linking is to address fraud and provide protection when bad actors take over the identities of good agents and do bad things to their clients and the clients of other agents. To date, nearly 150,000 clients have completed client-to-agent linking either via online nomination or via ATO assistance channels through practice mail and phone. Since the introduction of the changes, there have been no instances of fraudulent takeover of agents' clients by bad actors.

The ATO acknowledged the strong advocacy of the tax and BAS professional associations and working group members on behalf of the tax profession. We will continue to engage with tax and BAS

associations and look for opportunities to enhance the process and further capitalise on any changes to the technology that will improve the process for agents and clients.

Members provided the following feedback and observations:

- For several clients, the process has proven too difficult, and they have chosen to stay with their existing agent.
- A fact sheet with entity-type personas (for example partnerships, trusts etc.) would be useful.
- The upcoming Online services for agents enhanced in-system guidance to help reduce instances of BAS agents being delinked by tax agents is welcomed but we would like to see post deployment statistics.

Improving payment performance

(Links to strategic priority – Protect the high levels of engagement and integrity in the tax, super and registry systems).

ATO led the discussion on improving payment performance measures, including planned communications to accompany the April activity statement due dates. We will be taking a firmer stance on non-payment of activity statement debts relating to GST, super and pay as you go withholding, with general interest charge (GIC) remissions being reserved for genuine exceptional cases.

From late January 2024, we commenced referring selected debts to an external debt collection agency (ECA). The ECA will focus on providing support to taxpayers to pay their debt in full, or where they are unable to pay in full, to assist with establishing a tailored payment plan. This allows us to re-direct internal resources to more complex and priority work that signals the ATO's firmer approach to the broader community.

If you don't pay information is available and was provided in recent Tax professionals newsletter on how to verify the contact made by the ECA and what to do if unsure.

The ATO thanked members who have been involved in the Lodge and Pay Working Group, noting that this group will be paused for a period whilst the ATO works through feedback and action items.

Feedback was sought on the planned communications, including how we can reinforce our messaging regarding the firmer stance on GIC

remissions.

Members provided the following feedback and observations:

- Consistency in the ATO's approaches, treatment and decisions are important.
- Discussed outcomes for clients who opt to pay earlier, providing example of a quarterly GST client choosing to pay monthly. If they are late on their monthly payment, they will be charged GIC. If this isn't remitted, the client may opt to revert to quarterly payments.
- Members discussed payment only deferrals but acknowledged these deferrals impact more than just the client, it has overreaching impacts to whole of government revenue collections.

Environmental scan

The following issues were discussed:

- Small Business Superannuation Clearing House
- Payment concerns were raised, including that direct credit payment options are no longer shown on the front page/payment section and are instead under 'other payment' options and that BPAY is not available for batch payments through software
- Proof of identity requirements for new clients of BAS agents
- Potential items for the group's Forward Work Program were identified, including sessions on debt/action letters, superannuation related matters and Taxable payments annual report.

Other business

The group endorsed the updated BASAAG Charter and membership refresh has been scheduled for 2024. The following tabled papers were noted:

- Small Business Superannuation Clearing House and self-managed super funds bank account details validation.
- Stopping the use of hyperlinks in unsolicited outbound SMS to clients.

QC 102389

BAS Agent Association Group key messages 4 December 2023

Key topics discussed at the BAS Agent Association Group meeting 4 December 2023.

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2030 Tax Practitioner Experience Strategy

Strategic Goal 1 Protect the high levels of engagement and integrity in the tax, super and registry systems

Tax Practitioners Board

Michael O'Neill provided an update on Tax Practitioners Board (TPB) activities and developments including:

- The appointment of 3 new board members, Simone Carter, Phillip Davies and Professor Kerrie Sadiq.
- The Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 (TLAB 1) passed on 16 November 2023, with amendments.
- The TPB will consult with stakeholders to ensure there is guidance to assist tax practitioners to understand the operation of the law, particularly regarding the reporting of breaches and definitional issues. The TPB Governance and Standards Forum will be a key engagement forum.

Members comment

- Welcomed the TPBs commitment to consultation and co-design, noting the TPB's own consultation channels are the right ones to use.

Environmental scan

Members discussed a range of issues, including:

- Community feedback and sentiment regarding the Client-to-agent linking process.
- Positive feedback was provided about the lodgment deferral process that was implemented in 2023, noting the significant improvement it has made for tax practitioners.

Strategic Goal 2 Safeguard the security of the tax, super and registry data and systems

Client-to-agent linking

The deployment of the client-to-agent linking went live to all entities with an Australian Business Number (ABN), excluding sole traders, on Monday 13 November. Members were thanked for their invaluable feedback which enabled the development of communication products and tailored support material for agents and clients to help with the transition phase.

The ATO acknowledged the BAS agent frustration of being delinked by a tax agent and noted that some tax agents are still adding clients via the ABN rather than tax file number despite the messaging and communications that have issued. Members agreed that it would be worthwhile for the ATO to send an email to all tax agents reminding them of the correct process when adding a client to their client list. The ATO is progressing a warning pop up message on Online services for agents when a client is added that it may result in the BAS agent being delinked.

Members were advised that consultation is being planned and discussions will begin early next year on the system and software approach for the next phase of client-to-agent linking, for individuals and sole traders.

Members comments

- Provided the ATO with feedback on negative sentiment from the profession and suggested the ATO continue to refine and promote its messaging around why client-to-agent linking is needed.
- The difficulties and frustrations associated with changing ABR details was noted.
- Phone support for client agent linking exceptions is inadequate. Angry clients are taking their frustration out on agents.

- I would like working group consultation to continue, or a similar forum established, to allow discussions to continue, particularly in relation to the solution design for individuals.
- BAS agents are exhausted from all the changes over recent years, with many changes resulting in unbillable hours as there is no product to sell. Declining margins, negative client sentiment and frustrations with clunky ATO processes and declining ATO service levels is leading some agents to want to exit the industry.
- Agents are keen to know whether the client agent linking solution for business users is the final solution given the issues the profession have been raising regarding the current solution.

Strategic Goal 4 Increase trust and confidence in the tax, super and registry systems

BAS Agent Association Group 2023 year in review and 2024 priorities

Kath Anderson led a discussion to gather members views on the operation of the forum in 2023 and opportunities for 2024.

Members confirmed the value of the forum, made suggestions for improvements and suggested themes for 2024.

Strategic Goal 6 Improve small business performance and level the playing field

Improve Small Business Tax Performance

An end of year update on the improve small business tax performance pilots and the outcomes from the digital think tank was provided.

The pilots are progressing in accordance with the plan and there are positive signs that the changes could assist some small businesses through:

- improved cash flow management
- positive mental health benefits
- improved lodgment and payment performance
- streamlining of some business processes.

The next 6 months will include completing the pilots, analysing the impacts, and identifying opportunities and lessons learned. We will also assess the opportunities identified through the recent think-tank.

Members comments

- The ATO should be mindful of the narrative around pilot outcomes that point to changes in behaviour, with members noting the small sample sizes and the potential for bias arising from using willing clients in the pilots. The ATO need to be very careful in extrapolating outcomes to the broader population.
- A suggestion was put forward that small businesses could report and pay monthly (on an optional basis using 'best endeavours') but be allowed to adjust quarterly without incurring penalties.
- Some options to help clients are already available and an investment in educating small businesses and agents is needed.
- Shifting to a monthly cycle may disadvantage some clients as there are no agent concessions.

Lodge and pay

AN update was provided on progress of the ATO initiatives being implemented to improve payment culture. Member feedback was sought on:

- Strategies to assist clients who have capacity to meet current payment obligations but are having difficulty paying historic COVID-19 related debts within a 2-year payment plan timeframe.
- How to message and increase awareness around the ATO's approach in escalating to firmer actions, including director penalty notices and disclosure of business tax debts.

Feedback was sought from members on any guidance products that are required to assist having payment and lodgment conversations or areas for improvement in the correspondence issued relating to firmer action activity.

Members comments

- Members encouraged the ATO to provide certainty around the firmer action process, providing details or a timeline of what clients can expect and when, will allow agents to set client expectations.

- Members agreed to give some thought to how the ATO could identify businesses that would be viable, other than for a historic debt, ahead of a planned discussion around this at upcoming Lodge and Pay Working Group meetings.

Other business

The following papers were formally tabled:

- Single touch payroll and activity statements update
- Payday Super update

A member asked about a point raised at a previous meeting around the employee onboarding process myGov. This has been captured as an action item to be followed up at the next meeting or out of session.

QC 101189

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