

# Essential Information for Students

## What is Bookkeeping?

Bookkeeping is the process of methodically gathering, recording and reporting on the financial transactions of a business. Bookkeeping is the beginning of the accounting process and is critical to business meeting statutory compliance obligations, whilst also providing essential information to effectively manage business operations.

## What is a BAS Agent?

### Background to the Tax Agent Services Act (TASA) 2009

As a result of the introduction of the GST legislation “A New Tax System (Goods and Services Tax) Act 1999”, all registered Australian businesses were now submitting regular Business Activity Statements to the ATO in relation to their tax obligations under this new law. Bookkeepers were key in assisting business understand these responsibilities and report to the ATO.

There was an issue, though, as bookkeepers could not provide advice in relation to representations made to the Commissioner, as set out in the provisions of the Income Tax Assessment Act of 1936 under Section 251L where it is stipulated that “a fee” could not be charged for providing “tax advice”, unless the advisor was:

1. Providing advice under the supervision of a Registered Tax Agent or
2. A member of a recognised Professional Association.

The importance of contract Bookkeepers to business in meeting their compliance obligations was understood, and the need for a relevant regime to monitor and regulate “BAS Service” provision was established. The Tax Agent Services Act 2009 was given Royal Assent on 26 March 2009 and establishes the basic parameters for the new regulatory regime, key areas being:

- Establishment of the Tax Practitioners Board
- Code of Conduct established to govern the provision of Tax Agent and BAS Services
- Registration and Regulation of Tax Agents and BAS Agents
- Only a registered “BAS Agent” may provide “BAS Services” for fee or reward

“For a fee” means the law does not apply to employees of the business whose BAS is being considered or the business owners themselves. This law only applies to contract bookkeepers etc. Therefore, people or entities providing service to clients that fall within the definition of a BAS service must have registered BAS Agents working with them.

An Individual must either be, or be supervised by, a registered BAS Agent (or tax agent). Entities must have a sufficient number of BAS Agents involved in its supervision, systems and review. Employees of an entity who provide BAS Services to clients where that entity/business is providing the BAS Services to the client must either be BAS Agents themselves or supervised by BAS Agents.

## Do I Have to be a BAS Agent to Provide Contract Bookkeeping Services?

**No.**

It is very possible to perform bookkeeping tasks that are not in the domain of only BAS Agents. Some of the many tasks a contract bookkeeper may perform include:

- Data entry
- Transfer data between files
- Apply GST codes to transactions under instruction
- Process payments
- Prepare bank reconciliations
- Provide performance reports
- Raise questions but not provide answers
- Any task, including the preparation of a BAS, under the supervision of a Tax or BAS Agent

## What is a BAS Service?

### Sn. 90-10 Meaning of BAS Service

1. A BAS service is a Tax Agent service that relates to:
  - › ascertaining the liabilities, obligations or entitlements of an entity that arise, or could arise, under a \*BAS provision; or
  - › advising an entity about the liabilities, obligations or entitlements of the entity or another entity that arise, or could arise, under a BAS provision; or
  - › representing an entity in their dealings with the Commissioner in relation to a BAS provision; and that is provided in circumstances where the entity can reasonably be expected to rely on the service for either or both of the following purposes:
    - to satisfy liabilities or obligations that arise, or could arise, under a BAS provision;
    - to claim entitlements that arise, or could arise, under a BAS provision
2. A service specified in the regulations for the purposes of this subsection is not a BAS service.

BAS Provisions can be understood to be completion of the payable amount boxes on the BAS.

- GST amount collected or paid
- FBT Instalment amount or credit claim
- WET payable or refundable amounts
- Luxury Car Tax amounts
- Fuel Tax Credit amounts
- PAYG Withholding amount payable

## Explanation and Clarification of BAS Services

### Classroom or Onsite Training

- General training on the use of software is not a BAS Service
- General training around how GST works or is reported in the software is not a BAS Service

### Install and Configure Software

- General software / bookkeeping / accounting configuration – No
- Specifically determining what GST codes apply when – Yes
- Advising on legal compliance of the business tax invoice – Yes
- Configuring how a BAS like report is to be produced – Yes
- Implementing a default GST code list provided by a registered Agent to the business – No

If the client is relying on this install and configuration service to help that client ascertain their future GST/BAS obligations then it is a BAS Service.

Changes to the Tax Practitioners Board (TPB) powers in relation to the definition of BAS Services. On 29 June 2013 a number of amendments to the TASA 2009 were given Royal Assent.

Key changes include:

- Eligibility criteria for tax and BAS agents to register or renew with the TPB
- Requirement to notify of a change in contact details, and
- The definition of a BAS Service, now incorporating
  - › Superannuation guarantee and superannuation guarantee charge services
  - › Superannuation contribution payment and reporting services
  - › Taxable payments annual reporting.

Significantly, under the new amendments, the TPB will, be able to declare certain serves as BAS Services and legislate these. This means that the TPB have a greater capacity to react to the needs and issues within the BAS Agent space in a timely manner.

## What Opportunities are there for Bookkeepers?

### Job roles

There are many job opportunities in the in the bookkeeping space, including:

- Payroll Clerk
- Accounts Payable Clerk
- Accounts Receivables Clerk
- Accounts Administrator
- Debt Collections Officer
- Bookkeeper

There are many varied job titles available for bookkeepers, fundamentally however, bookkeepers are skilled in maintaining all aspects of the “accounting” process, including reporting for management and compliance purposes.

Refer to Government Website [myfuture.edu.au](http://myfuture.edu.au)

## What are the Requirements to Register with the TPB as a BAS Agent?

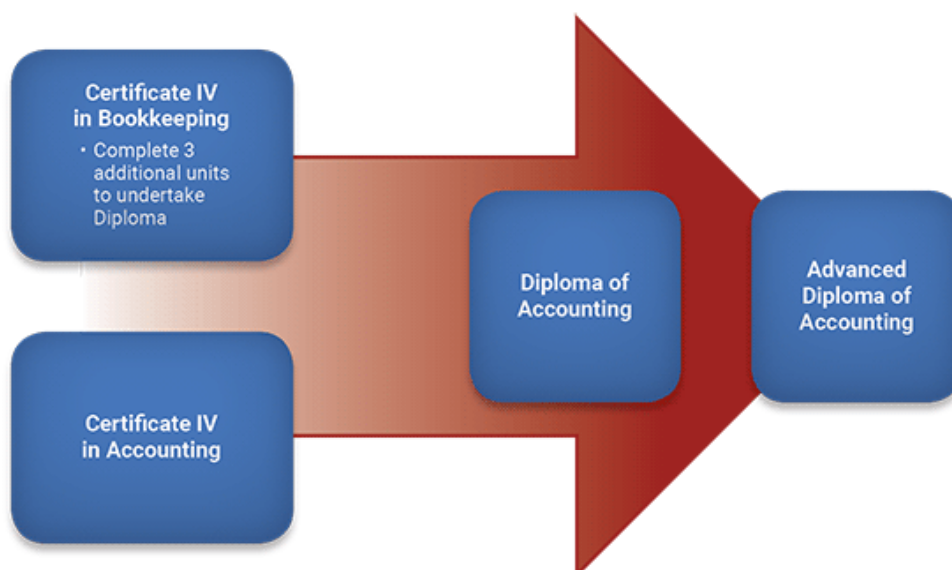
To become a BAS Agent or renew an existing registration has several basic parameters you must:

1. Be over 18 to be eligible to apply
2. Be a fit and proper person (see [TPB website](#) under “registering” for further detail)
3. Awarded a Certificate IV in Bookkeeping or Certificate IV in Accounting **and** successfully completed a Board approved course in basic GST/BAS taxation principles (typically FNSBKG404A Prepare business activity and instalment activity statement tasks and FNSBKG405A Establish and maintain a payroll system)  
**Note:** there is a second option for higher awards, see the TPB website
4. Relevant experience – 1400 hours of demonstrated experience as a BAS Agent over 3 years or 1000 hours if you are a member of a recognised BAS or Tax Agent Association
5. Maintain PI Insurance
6. Complete an application and provide required supporting documents
7. Pay the prescribed application fee

## Which Qualification Should I Study?

For registration as a BAS Agent the TPB requires successful completion of the Certificate IV in Bookkeeping or the Certificate IV in Accounting. The job outcomes for both the bookkeeping and accounting qualifications at the Certificate IV level of the AQF are identical. Both qualifications require a total of 13 units of competency to be completed, consisting of 9 core and 4 electives.

It is ICB's view that the Certificate IV in Bookkeeping is a more appropriate qualification for bookkeepers to study, since it aims to provide skills, technical knowledge and industry understanding specifically geared to the requirements of a bookkeeper contracting or in employment. With either qualification, there are pathways to further education wanting to pursue these opportunities; see figure below.



## How is ICB Supporting New Bookkeepers?

ICB understands that a majority of BAS Agents operate autonomously and that supervised employment opportunities for new entrants to the industry can be limited.

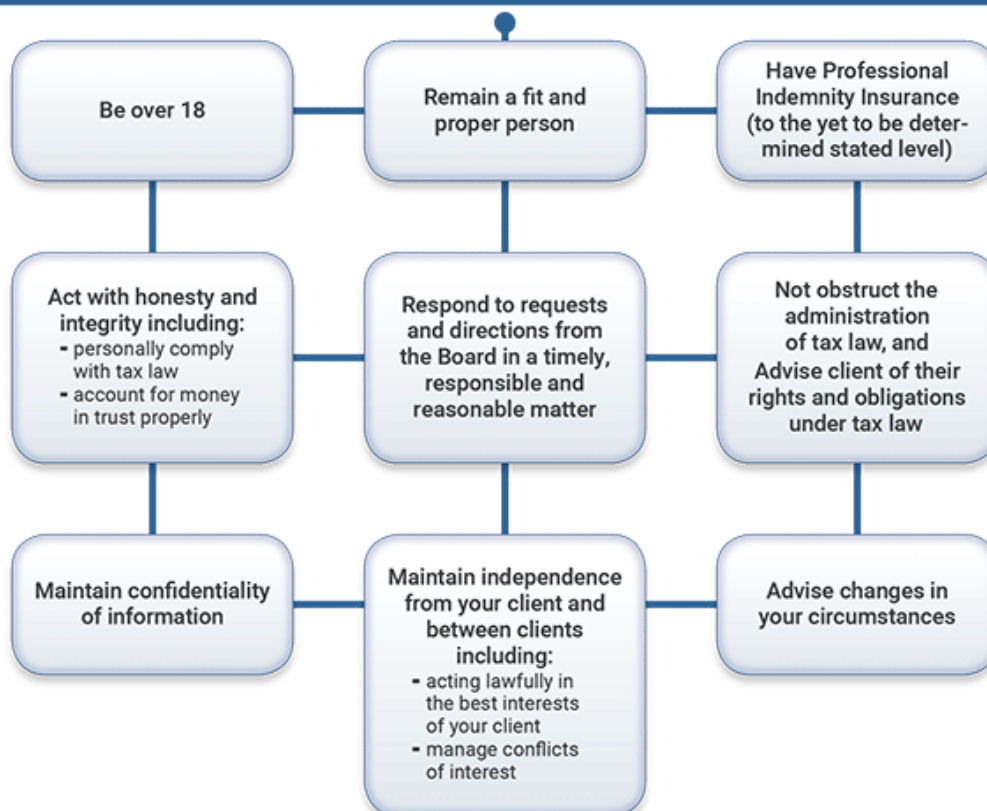
### Supervising BAS Agent Program

The ICB Supervising BAS Agent Program aims to provide support to new bookkeepers in the industry by connecting them with experienced BAS Agents to provide supervision. The intention of the program is to facilitate the relationship between a Supervising Agent and Bookkeepers to enable them to gain relevant experience.

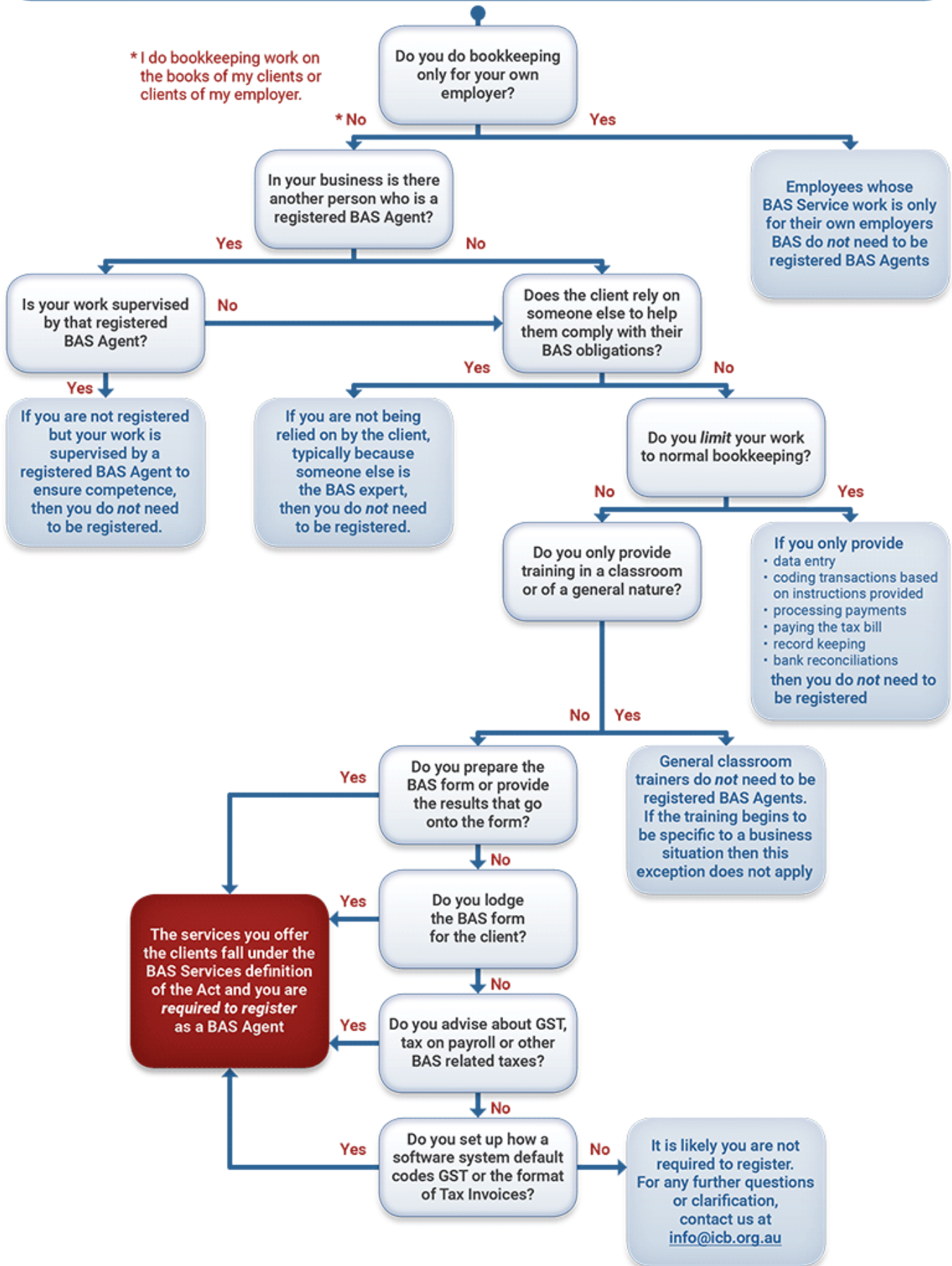
### Decision Trees for Bookkeepers

- Requirements of Being a BAS Agent
- Do I Need to be a Registered BAS Agent?
- How to Qualify as a BAS Agent
- How to Transition into Being a BAS Agent

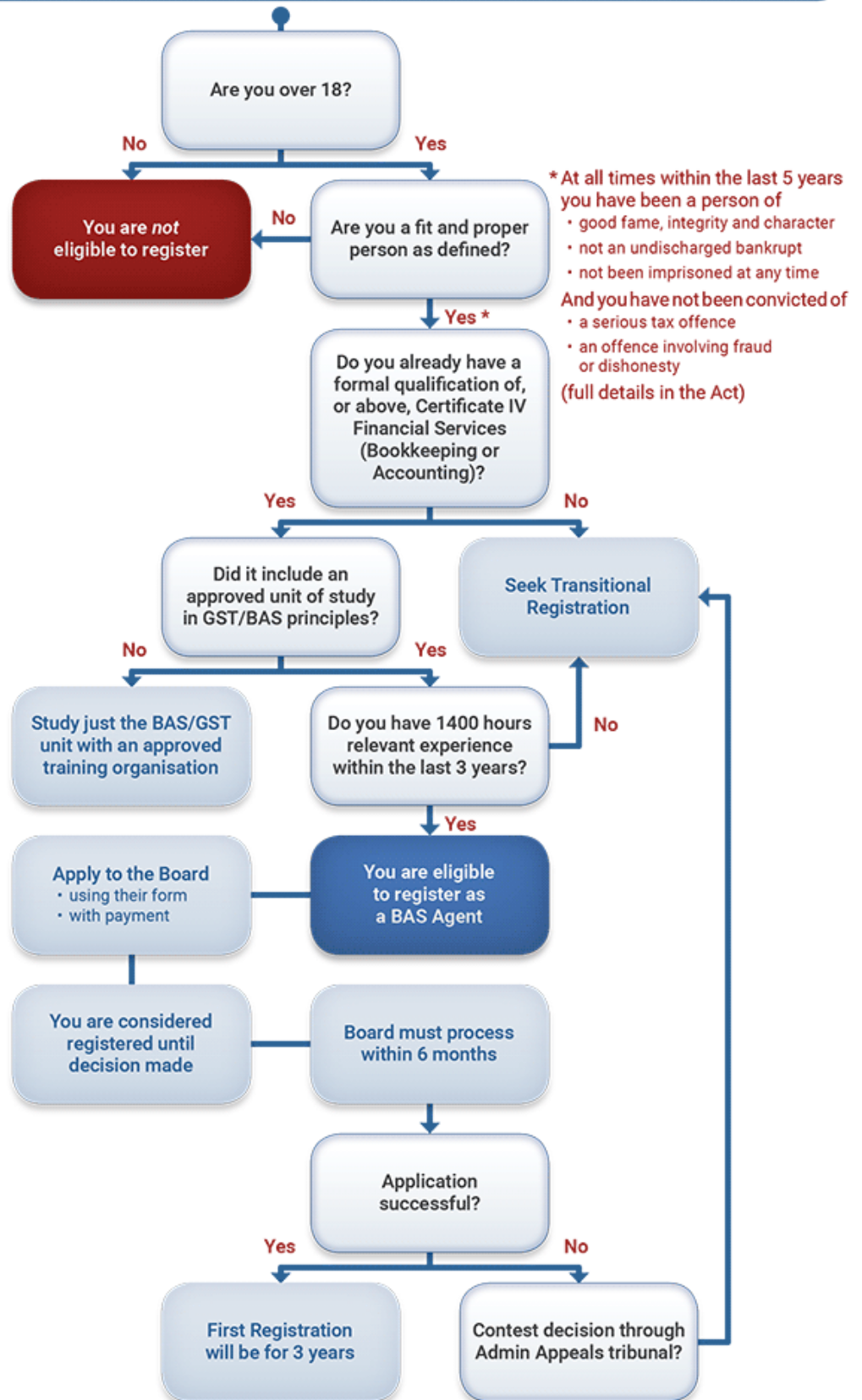
#### Requirements of Being a BAS Agent



# Do I Need to be a Registered BAS Agent?



# How to Qualify as a BAS Agent





## How to Transition into Being a BAS Agent

