

9th August 2024

Director
Tax Agent Regulation Unit
Personal and Indirect Tax and Charities Division
Treasury
Langton Cres, Parkes ACT 2600
By email: PwCResponse@treasury.gov.au

Dear Director,

Monarch Institute welcomes the opportunity to respond to the *Review of eligibility requirements for registration with the Tax Practitioners Board - Consultation paper* (July 2024).

Monarch Institute supports the objective of ensuring a robust and fit-for-purpose registration regime for tax practitioners that will strengthen the long-term sustainability of the profession and enhance community confidence in tax practitioners through a fit-for-purpose and modernised framework.

This submission focuses on the consultation for *Broadening the TPB's ability to accept alternative forms of 'relevant experience'* and consultation questions 6 to 12. Specifically, Monarch Institute supports an increase of the 15 percent threshold on simulated work experience for all proponents rather than on a case-by case basis as suggested in Option 1.

This recommendation to increase the simulation-based relevant experience aims to modernise the requirements in line with best-practice training and education, and importantly, will improve accessibility and opportunity for all future practitioners through self-paced training to reflect the TPB's commitment to equity and diversity. This balanced approach to the registration regime will reduce the duration required to complete the mandatory relevant experience, embed high-level digital literacy in all practitioners, and standardise competencies for all practitioners through a structured program.

The 2019 TPB independent review identified that the TPB registration framework is arguably too rigid to account for tax practitioners with special circumstances (e.g. parental leave) and contemporary forms of 'relevant experience', noting that many practitioners are moving away from traditional 'return-based' work to 'tax advice' work, often with the aid of digital tools.

Expanding relevant experience to incorporate simulated work experience programs represents a positive and progressive step forward. This initiative significantly improves equity of access, particularly for regional participants and those with family circumstances who require flexible learning solutions. By offering simulated work experience, we can ensure that all participants, regardless of their geographic location, have the opportunity to gain valuable and practical experience leading to registration.

The inclusion of simulated work experience based on an approved and structured curriculum affords the TPB with the certainty of experience outcomes for all participants, across a range of client types, the full spectrum of Tax and BAS knowledge areas, and range of timing constraints such end of year and month. Simulated environments can be carefully controlled and standardised, ensuring that all participants receive a consistent level of training and experience to an extent not possible by most practices, and in particular smaller practices. This consistency is crucial for maintaining high standards across the industry and providing participants with the confidence that their training is comprehensive and reliable.

As identified in the 2019 TPB independent review, the evolution of the tax practitioner profession requires keeping pace with technology, particularly with the ongoing expansion of tax intermediaries, such as digital service providers. A structured simulation program ensures participants gain fundamental skills, knowledge and experience in digital literacy and technology underpinned by an ethical framework.

We recommend that the participation in a simulated program is available to all participants, rather than assessed on a case-by-case basis by the TPB Board. This recommendation creates a program that provides flexible access to participation, along with a sufficient volume of experience to deliver the experiential skills and knowledge through simulation. This will also create a positive investment environment needed for reputable experience-based learning developers to build robust and effective programs.

Monarch Institute, an award-winning trainer in Australia, is committed to providing high-quality education and training that meets the needs of diverse learners across the country. Our experience and dedication to innovative learning solutions position us uniquely to understand the benefits and challenges of integrating simulated work experiences into industry training programs.

There are multiple industry examples where simulation-based training is used for professional registration and accreditation. We can look to the examples in the law profession set by the College of Law and Leo Cussen Centre for Law and their Practical Legal Training (PLT) programs for aspiring lawyers. These programs are well-established and respected components of legal education, providing essential practical skills and knowledge through a combination of coursework and simulated practice with coursework and clinical work counting for between 60% and 85% of work experience hours, leaving participants with between 75 and 15 days of work experience required for admission. This model has proven to be highly effective in preparing students for professional law practice and could serve as a valuable benchmark for developing similar programs relevant to tax practitioners and BAS agents.

In conclusion, the expansion of relevant experience to include simulated work experience programs is a commendable initiative, it is essential that the framework supports a sufficient level of experience and certainty for participants.

We recommend that simulated programs have a structured curriculum that is approved in advance, much like coursework providers under the TPB, with potential outcomes on successful completion known in advance rather than approved on a case-by-case basis. Second, we recommend a greater percentage of “relevant experience”, in line with the legal examples cited above, be allocated to approved simulation programs. This will ensure that the program is beneficial for participants, viable for developers, and meets the requirements of the TPB and future tax and BAS practitioners.

Sincerely,



Nick Chapman
CEO, Monarch Institute