



Australian Association of Professional Bookkeepers Ltd
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BACKGROUND INFORMATION

Australian Association of Professional Bookkeepers Ltd

The Australian Association of Professional Bookkeepers Ltd (AAPB) is the pre-eminent industry body for bookkeepers in Australia. AAPB sets professional standards, educates members to improve skills and industry standards and works with Federal and State Governments on issues directly affecting members and the bookkeeping industry. Further information is available at www.aapb.org.au

The formation of AAPB:

- March 2004: AAPB was formed as an independent, not for profit organisation focused on bookkeeping and the needs of bookkeepers.
- March 2005: Federal Government and Industry bodies were advised of inherent problems in the industry.
- April 2005: AAPB invited industry and government to join AAPB in developing education and quality assurance standards.

AAPB Research Findings: A cause for concern and an impossible situation:

- A high proportion of bookkeepers have no formal qualifications (34%) and a significant number (over 40%) have no formal professional development as part of their ongoing work. ¹
- There are approximately 120,000 bookkeepers² in Australia and the number of bookkeepers is growing at a rate of 23% per annum. ³
- There are currently NO industry standards in place for bookkeepers in areas such as: quality assurance or nationally recognised qualifications. AAPB is developing a Bookkeeping Management Standard[©]
- There are currently over 15 million BAS/IAS lodgements each year generating approximately 120 billion dollars in revenue for the Australian government. ⁴
- The Australian Taxation Office has confirmed that 27% of these BAS/IAS lodgements have errors in calculations or are not completed correctly⁵.
- The cost to business and government from these errors can be measured in the billions of dollars.
- Bookkeepers are exposed to penalties of up to \$22,000 per BAS/IAS form lodged.⁶

¹ Taylor Nelson Sofres: Understanding The Bookkeeping Profession Vol 1: Research With Bookkeepers, June 2005

² ATO: Tax Commissioner Speeches, Making Tax Less Taxing For Small Businesses, (*Speech by Michael D'Ascenzo, Commissioner of Taxation, to the Council of Small Business Organisations of Australia, Melbourne*) June 2006.

³ Business Review Weekly - March 14-18, 2004

⁴ The Auditor-General, Audit Report No.33 2003–04 Performance Audit-The Australian Taxation Office's **Collection and Management of Activity Statement Information.**

⁵ The Auditor-General, Audit Report No.33 2003–04 Performance Audit-The Australian Taxation Office's **Collection and Management of Activity Statement Information.**

⁶ Section 251L(1) of the Income Tax Assessment Act 1936

Who is affected?

- These errors are likely to result in over payment/under payment of BAS and other taxes by business.
- Neither the tax office nor AAPB can precisely quantify the cost to business - what they do know is that the amount could be in the billions of dollars.
- This impacts Australia: State and Federal Governments may be losing billions of dollars lost to errored lodgements.
- SME's carrying out their own bookkeeping could be losing thousands of dollars due to errors in BAS/IAS and facing prosecution fines and compounding interest.
- Bookkeepers left confused, frustrated, and exposed to penalties of up to \$22,000 for each BAS/IAS lodged.
- Industry and members of the industry are losing credibility due to questionable skills and knowledge.

The case for Bookkeeping Management Standards ©:

- There are currently NO management standards for bookkeepers
- Strictly speaking bookkeepers' working papers for BAS should be reviewed by a tax agent/accountant. However the sheer volume of BAS/IAS lodgements does not always make this review possible.
- The Australian Professional Statements and other regulatory standards are not transferable to bookkeepers engaged by the client.
- The disarray within the bookkeeping industry is manifested by the growing complexity of the tax law.
- There is currently no recognised qualification available to bookkeepers or any compulsory professional development training being provided, leaving many bookkeepers with limited knowledge and skills.
- With no regulation or quality assurance standards the industry is left severely fragmented making it difficult for bookkeepers to obtain accurate advice.
- The inherent problems within the industry mean that bookkeepers are left unsupported and without recognised training, making the weight of meeting compliance a huge burden and a deterrent to bookkeepers.

What the AAPB is doing?

- **Standards** - AAPB has applied to Standards Australia to develop a national Bookkeeper's Management Standard© and will consult with industry stakeholders and participants.
- **Education & Professional Development** – AAPB has lobbied for a Certificate IV in Financial Services (Bookkeeping), as a nationally recognised minimum qualification for bookkeepers.,
- It is proposed the Certificate IV in Financial Services (Bookkeeping), will be made available through Registered Training Organisations from early 2007. This certificate will specifically address BAS.
- AAPB's assessment for bookkeepers will recognise bookkeepers' existing skills and knowledge.
- Ongoing Professional Development will be available to keep bookkeepers up to date.

Membership and benefits

- AAPB members will attain a recognised industry benchmark qualification
- All members will receive ongoing training and development to keep them up to date.
- Forums will enable members to have a voice, flag issues and concerns and establish a network with other bookkeepers, tax agents and accountants.
- Competitive and comprehensive Australia wide flat rate Professional Indemnity and Public Liability insurance provided by QBE -- James Wiltshire.
- Newsletters will inform members on industry and government news and keep them up to date.
- Reciprocal membership with The Association for Payroll Professionals (TAPS).
- The association has formed strategic alliances for the benefit of our members. These include: Atax, TAPS, QBE-James Wiltshire, Quicken and Advanced Business Consultants.