



BOOKKEEPING INDUSTRY AND TRAINING PROVIDER CONSULTATION PROJECT

STAGE 1 REPORT For Innovation & Business Skills Australia

February 2006

Consultants : Financial Services Education Agency Australia
Ph : 02 9299 6799
ghockley@fseaa.com.au

Contents

Background

Methodology

Results

Current Research

Recommendations

Stage 2 Industry Consultation Strategy

Stage 2 Draft Project Plan

Appendices: Appendix 1 – FSEAA Perspective
 Appendix 2 – Industry Survey Participant List
 Appendix 3 – Telephone Interview Participant List
 Appendix 4 – Discussion Paper & Industry Survey
 Appendix 5 – Industry Survey Results – Raw Data
 Appendix 6 – Telephone Interviews – Notes

Background

Stage 1 of this project involved scoping the needs of the bookkeeping industry with regard to the creation of a nationally accredited qualification as part of the Financial Services Training Package FNS04. In late 2005 Innovation and Business Skills Australia (IBSA) contracted Financial Services Education Agency Australia (FSEAA) to undertake this project as IBSA's preferred supplier in the area of Financial Services.

This Stage 1 Research Phase was undertaken to determine industry support, or otherwise, for the development of units of competency and/or qualification/s specifically designed to meet the training needs for the profession of "Bookkeeper". Key industry stakeholders were invited to take part in a survey designed to investigate and confirm, or otherwise, industry support for the development of VET for Bookkeepers. Additionally, six (6) of these key stakeholders were then invited to participate in indepth telephone interviews to address any issues arising from the survey results and to garner further information necessary to provide a comprehensive and accurate report on this issue. Complete details of the methodology used in Stage 1 follow in this report. Copies of the survey, the lists of key stakeholders involved and transcripts from the telephone interviews are attached at **Appendix 2 to 6**.

This project resulted from an approach to Innovation and Business Skills Australia by the Australian Association of Professional Bookkeepers (AAPB) to help establish a professional qualification dedicated to bookkeepers. AAPB had proposed that a Certificate IV in Financial Services (Bookkeeping) be established as a dedicated qualification for bookkeepers and had undertaken some work in relation to the development of competencies for such a qualification. Further discussion on these competencies can be found in the "Current Research" section of this report on Page 6.

While the AAPB has demonstrated support for a dedicated qualification for Bookkeepers, a final decision in regard to this matter required appropriate consultation with the wider Bookkeeping industry. This report provides a written account of that consultation undertaken by IBSA's contractor, FSEAA.

Methodology

In order to gain sufficient and significant industry consideration of this matter, the research undertaken was initially quantitative through a survey instrument followed by a more qualitative direct interview approach.

In Stage 1 of the research a discussion paper, outlining the issues in question, and a short industry survey¹ were forwarded to 30 key industry people² with a request that the industry survey be completed and returned to IBSA's consultants – the Financial Services Education Agency Australia (FSEAA) - for analysis. The survey was designed to provide quantitative data on the level and character of industry support for the development and endorsement of a number of units of competency and a qualification specifically designed to meet the needs of the profession of "Bookkeeper". Raw data from the industry survey is included in this report at **Appendix 5**.

In Stage 2 of the research a total of 6 individuals³ who had already received the discussion paper and industry survey, were personally interviewed to determine additional contribution of industry in relation to the issue. These interviews were conducted by telephone and were intended to allow each individual to speak openly about their concerns (if any) and considerations of the matter. Notes taken during these telephone interviews are included in **Appendix 6**.

Results

Written survey results – Stage 1 consultation

The written survey had a response rate of 56.6% (17 surveys) which, while traditionally would be considered to be an excellent response rate for written surveys, is somewhat disappointing given the lengths taken to try and ensure feedback from all invited participants.

As noted in Appendix 2, all participants were emailed in early January seeking their involvement in this project – the majority responded stating that they were happy to participate - and the survey was forwarded on 24 January. Several reminder emails were sent in the first two weeks of February 2006. A final email was sent on 14 February advising individuals that completed surveys were required by COB 16 February 2006 and that their input would be very valuable.

Nevertheless, the **responses received from the written survey are quite consistent** which assists us in determining the need for, and support of Stage 2 of the Bookkeepers Project.

The results that were obtained indicate that the majority of bookkeepers currently gain skills and knowledge through on the job training, software training, advice/mentoring from others (ie. accountants) and, on rare occasions, through formal training in the area of accounting through TAFE's and Universities. **Seventy-five percent (75%) of respondents felt that this model had not been, or had only partially been, successful to date.**

¹ See Appendix 2 for a copy of the Discussion Paper and Industry Survey

² See Appendix 3 for a list of the industry people approached.

³ See Appendix 4 for a list of individuals personally interviewed

The survey data further indicates:

- A total of 70% of respondents do not believe that an existing qualification is housed within the AQF that is suitable for bookkeepers. Of the 23% who felt that a qualification did exist, 100% cited Accounting qualifications from the Financial Services Training Package as being those qualifications.
- Further to this, **70% of respondents feel that a specific qualification is necessary** (it should be noted that a further 23% did not respond to this question, with only one respondent stating that a qualification was not needed).
- Over **50 percent of respondents believe that units of competency and/or a qualification are the only methods of training that would meet the needs of bookkeepers**. Of the 35% who believe that an alternative would be appropriate, there seems to be considerable confusion as to what alternatives would be appropriate with some citing, for example, TAFE courses (which would in fact, utilise units of competency and, therefore, not actually be an alternative).

In summary, the written survey highlights **wide industry support for the development of a qualification for bookkeepers** at around the Certificate IV level.

Indepth interview results – stage two consultation

The results from Stage 2 consultations, which involved more “in depth” telephone interview research, **provide support for the written survey results with all six interviewees stating their support for the development of a qualification** for bookkeepers indicating that this is necessary to ensure that bookkeepers understand the increasing legal requirements placed on them, to provide a benchmark and to help increase professionalism (and the conception of professionalism amongst the industry as a whole) of bookkeepers.

There were some minor differences in their views of how a qualification should be developed (with one respondent, for example, stating that working with the existing units of qualification from the Financial Services Training Package and refining them was sufficient) and what should be included in it (whether BAS material should be core or elective for example). These differences are, however, issues which should be further considered and developed in Stage 2 of this project when a larger cross section of industry can be consulted.

In general, the interviewees felt that, to quote one of them, “*there is a gap in some areas*” in relation to the training of Bookkeepers and that it “*would be great to be able to pick up a whole qualification*”. They all tended to agree that the “grassroots” material was not currently covered in existing training courses (be they software courses or other).

They also agreed that it was important to ensure that any development qualification be placed at a level appropriate for bookkeepers and not one that would act as a deterrent to individuals joining this profession (particularly given that a very large percentage of bookkeepers work on a part time basis).

Current Research

Investigation has revealed the following documentation which may be beneficial in the development of Stage 2 of this project (*please see comments noted in relation to the applicability of documentation to Stage 2 of the project*).

1. **Australian Association of Professional Bookkeepers (AAPB)**

AAPB have produced a number (4) of draft units of competency which they believe should, in conjunction with existing Financial Services and Business Services units of competency, make up the sectoral core units of a qualification for Bookkeepers. Additionally AAPB have applied to The Standards Accreditation Board for accreditation to develop standards in the field of Accounting. Additionally they have developed a draft qualification at Certificate IV level.

These units of competency may provide a basis to start work on new units of competency for bookkeepers and do cover a number of areas highlighted by respondents to the written survey as needing to be included in any future units of competency/qualifications. The units of competency do not, however, currently meet the format, content or language directives for units of competency as set down by the Australian Quality Training Framework. As such, further work is required on refining the units of competency, rewriting them to meet training requirements and validating them to ensure that they do in fact reflect the skills and knowledge needs of the profession of Bookkeeper. Given this report will recommend proceeding with Stage 2 of this project, it would be appropriate to await the result of desk audits (functional analysis) to confirm whether the areas already covered off by AAPB are deemed necessary by industry at large.

2. **Australian Taxation Office (ATO)**

The ATO released a paper in 2005 titled “State of the industry research – understanding the bookkeeping profession”. The paper resulted from an ATO funded research project which was conducted by TNS Social Research.

The research was designed to provide a benchmark picture of the bookkeeping industry and to understand their attitudes and opinions across a range of issues facing the industry. On that basis, much of the paper is not specifically related to the issues being addressed in Stage 1 (or Stage 2 for that matter) of this project. The paper does raise a number of issues that do have some significance here:

- a) According to the research conducted “Bookkeepers desire a greater degree of recognition/acknowledgement as an increasingly important part of the tax industry” and there is a “...need for a greater degree of professionalism in the industry”. This recognition and acknowledgement would undoubtedly be assisted through the development of a professional and recognisable qualification.
- b) The research also found that 65% of bookkeepers had not attended any workshops, courses or seminars over the previous year, 34% had no formal qualifications prior to starting as a bookkeeper and 43% have never completed formal qualifications. The most common type of qualification was some form of

software provider courses. This information certainly supports the fact that there is a need for a specific and formal qualification for Bookkeepers.

- c) The research also found that a large proportion (49%) of Bookkeepers work on a part-time or casual basis. Any developed qualification therefore needs to take this situation into account. For example, it would not be appropriate to provide intensive training that would take years to complete.

3. **Overseas Standards**

Formal Bookkeeping qualifications in the United Kingdom are offered as “Level 2” and “Level 3” Certificates. These levels appear to equate to Certificate IV and Diploma level qualifications in Australia

Courses in both the United Kingdom and the United States cover similar skills and knowledge, these relating to

- Business communication
- Professional development
- Computing skills
- Administrative office procedures
- Bookkeeping applications
- Payroll and assets
- Accounting and inventory.

Obviously there are a number of additional skills and knowledge that are very specific to Australia, such as the preparation and lodgement of BAS statements. A look at the make up of qualifications overseas, however, can help us to identify areas for consideration.

Recommendations

Following compilation and analysis of the results of both the written survey and the telephone interviews in relation to this issue, the following recommendations are made:

1. On the basis of both survey results and the telephone interviews conducted, that Stage 2 of this project be progressed, with a view to development of an entry level qualification (possibly at Certificate IV level) and units of competency specifically related to the profession of "Bookkeeper".
2. That consideration, and future funding, be allocated to conducting further research related to the development of a higher level qualification designed to provide a career path for the profession of "Bookkeeper". On the basis of this research however, it should be noted that industry does not appear to consider this to be a requirement for the coming decade. It would certainly not be appropriate to consider a further qualification until such time as an entry level qualification has concluded development and been utilised by industry for a period of time.
3. That the specific knowledge and skills related to preparation of BAS statements be included as core material in any developed qualification. Industry feels that this is very important as, even though bookkeepers are not allowed at this stage to lodge BAS, all facets of their work have an impact on the BAS.
4. On the basis of current research detailed above related to the profile of bookkeepers, it is recommended that, whilst not attempting to pre-empt Stage 2 of the project, careful consideration be given to ensuring that any developed units of competency are not aligned to a qualification level higher than Certificate IV. It is believed, based on research and survey findings, that to develop a qualification higher than this level would potentially alienate a large proportion of bookkeepers and result in a low up take of education.
5. That the current Certificate IV in Financial Services (Accounting) (FNS40604) from the Financial Services Training Package, and related units of competency, be utilised as a **base** for developing a specific qualification for bookkeepers. In providing this recommendation however, it must be stressed that the existing units of competency must be dissected to determine their significance for bookkeepers. As indicated in question 4 of the written survey, a large percentage of industry feels that many of the current units of competency do not meet the needs of bookkeepers as they currently stand.
6. That the units of competency and qualification outline provided by AAPB be taken into consideration in the development of a qualification for bookkeepers. As noted in Current Research above however, it is appropriate to undertake research and analysis of industry requirements without having a bias of predetermined needs. On this basis it is recommended that the AAPB developed work be taken into consideration **following** initial audit.

7. That consideration be given to broadening the scope of Stage 2 of this project to allow for the possibility of developing more than the current stated five (5) units of competency. While the aim of Stage 1 was not to determine the specific areas requiring additional training for bookkeepers, we did manage to gather some information which may be of use in Stage 2 and this information does indicate that there are possibly more than five specific areas of knowledge and skills requiring development for a future qualification. If a limit for development of competencies is placed on Stage 2 of the project this may result in discontent amongst industry as only a percentage of their needs will be met.

Please note that FSEAA has provided a perspective on this project, which is included in Appendix 1 of this report.

Stage 2 Industry Consultation Strategy

PURPOSE AND SCOPE OF THE CONSULTATION STRATEGY

As with Stage 1 of this project, active participation and involvement in this process from as many relevant industry professionals is essential to ensure that the end product, namely units of competency and a “Bookkeeping” specific qualification, meet the particular and exclusive needs of this sector of industry.

This Consultation Strategy is designed to provide a written statement of the approach to be taken in consulting with, alerting, and respecting all stakeholders in order to develop globally competitive, functional and constructive training strategies and practices.

The Consultation Strategy has been formulated on the following guiding principles:

- Communication processes must be clear and known to all stakeholders;
- Communication must be purposeful and timely;
- Communication is a two way process and involves not only the dissemination of information to stakeholders but also the receiving of feedback and input from those stakeholders;
- Effective communication increasingly depends on information systems which must be easy to use, accessible and reliable

KEY DECISIONS UNDERLYING THE COMMUNICATION STRATEGY

In developing training strategies and practices of a global nature for the Bookkeeping industry, Stage 2 of this project aims to provide the following benefits to stakeholders:

- Promote the professionalism of this sector of the financial services industry;
- Build a framework to guarantee the development of globally relevant, clear and functional competency standards, qualification and support materials;
- Inform stakeholders of the benefits of the development of units of competency and a qualification for this sector and their involvement in that review;
- Establish links with all stakeholders;
- Ensure regular consultation and information dissemination with all stakeholders; and
- Provide concrete methods of interaction between stakeholders and the development process.

THE PROJECT ADVISORY GROUP

The following key stakeholders are recommended to be approached to act as members of the Project Advisory Group. These individuals are recommended on the basis of their involvement in Stage 1, their dedication to this project and their known expertise in the area of training of Bookkeepers.

National Project Reference Group – Recommended Participants:

Please note that a list of recommended participants was forwarded to Joan Holschier during the conduct of Phase 1. It is understood that the participants and the first meeting have now been confirmed.

A key member of staff from FSEAA will contribute to the National Project Reference Group meetings.

TARGET AUDIENCES

The Communication Strategy acknowledges the involvement and interest of the following target audiences:

- Industry
 - Entreprise RTO's
 - Small Business
 - Corporate
- Providers
 - Entreprise RTO's
 - Private RTO's
- Peak Bodies
 - Professional Associations
 - Industry Associations
- Government Bodies
- Individuals
 - Professionals
 - Entry Accreditation

KEY COMMUNICATION OBJECTIVES AND STRATEGIES

We aim to collaborate with the target audiences for this Project to develop 'best practice' units of competency and a qualification which is evolutionary, deliverable and relevant to all stakeholders.

There are many channels of communication available, including:

- IBSA Website
- Printed information including newsletters and similar IBSA communication tools
- Consultations
- Focus groups
- Governmental bodies and other organisations
- Press
- Mailing lists
- Conduct of Functional Analysis

In successfully meeting the aim of this project, that being to deliver practical and relevant units of competency and qualification for the sector of Bookkeeping, the following issues must be acknowledged and/or addressed throughout the review process:

1. The review process is dependent upon the input and favourable reception of all stakeholders.
2. Bookkeeping is a large and diverse sector with differing agendas and requirements likely to emerge from stakeholders.
3. Successful completion of the project is dependent upon developing a sense of ownership and involvement by all stakeholders.

Initial contact with stakeholders will undoubtedly set the level of acceptance and involvement in this project. As such it is essential that a clear message acquainting individuals and organisations with the objectives, process and opportunities for involvement be communicated from the commencement of the project. This will be undertaken through dissemination of an electronic newsletter to stakeholders.

Likewise, continual involvement and updating of stakeholders will be assured through the use of websites and face-to-face contact including focus groups, and the conduct of functional analysis.

Stage 2 Draft Project Plan

Project Description

In December 2005 the Financial Services Education Agency Australia (FSEAA) was commissioned by IBSA to undertake Stage 1 (Research Phase) of a Bookkeeping project.

The purpose of this project was to conduct research, and identify existing data, to determine the need for, industry support for, and feasibility of developing units of competency and qualifications for the professional area of Bookkeeping.

The completion of Stage 1 provided recommendations for the development, validation and endorsement of up to 5 units of competency and a related qualification specific to Bookkeepers. As a result of those recommendations Stage 2 of this project is now commencing.

Stage 2 will run from February 2006 to June 2006 with the key deliverables being:

- The development and validation of up to five (5) units of competency specific to the profession of “Bookkeeper”.
- The development and validation of one (1) qualification specific to the profession of “Bookkeeper”.

Project Staff

Stage 2 of the project (Research Phase) will be undertaken by a FSEAA Project Director, dedicated to this project.

Regular meetings will be held between the Project Director and the FSEAA General Management team.

The Project team comprises:

Project Director:

Gina Hockley

FSEAA General Managers:

Catherine Chaffey

Deen Sanders

Additionally, this project will be overseen by a Project Advisory Group. The Project Director will report regularly to both the Project Advisory Group and IBSA and will participate in Project Advisory Group Meetings where required and/or requested.

Consultation Process

The Project Plan for Phase 2 of the Bookkeeping Project incorporates both extensive targeted consultation with industry representatives and providing project details in order to gain widespread feedback and validation from all stakeholders.

Major Activities in the Consultation Process

Functional Analysis

It is anticipated that much of the research into and consultation on the development of national competency standards and tools will be conducted through organisational visits. Comprehensive desk audits of existing and required competencies, or functional analysis, provides an excellent tool for determining competency levels and validation of the resulting standards.

The aim of such functional analysis is to define the underpinning knowledge and skills, and the conditions for the application of the knowledge and skills, in the workplace of a particular position/role – identify and describe all the functions of a position through direct observation.

Functional analysis will provide concise descriptions of important, controllable functional relationships applicable to a specified set of target behaviours for an individual person/position. What does a given person do on a day-to-day basis in carrying out any given role? Additionally, it will provide a stable view of the organisation in the long term and, as such, the various roles carried out within the financial industry.

The statement of knowledge, skills and conditions that are determined from the functional analysis will provide a basis for developing competency standards.

The functional analysis process involves collecting evidence of job performance by individuals in order to identify standards required to carry out specific tasks and areas of performance requiring strengthening through training with a view to achieving competence. In order to achieve this it is necessary to break down overall functions into sets of essentials sub-functions and show the interaction between sub-functions.

Focus Groups

In addition to functional analysis activities, and to gain more widespread feedback, 2 focus groups will be held. These focus groups will involve inviting a mixed audience of industry and RTO's to undertake general discussion and brainstorming on industry issues, future skills needs (to ensure that the units of competency are able to grow with the profession) and vocational expectations.

Direct Consultation

A number of key industry stakeholders will be approached throughout the development and validation stages to gain feedback on the usefulness and correctness of the units of competency and qualification.

Indirect Consultation

Electronic advice will be forwarded to all known stakeholders at key times through the Project to advise of progress and request feedback.

Proposed Key Stakeholders

In addition to key stakeholders identified and approached in Stage 1 of this project, all known stakeholders (including those listed on FSEAA's database) will be approached for comment in relation to this project. Specifically, emails will be forwarded directly to individuals at key times throughout the project advising of progress and inviting individuals to comment on the draft units of competency and qualification.

Additionally as noted above, a number of key stakeholders (actually bookkeepers) will be approached to take part in functional analyses to determine the specific tasks and the actual skills and knowledge required to carry out those tasks prior to writing the first draft units of competency. With the benefit of information gained through independent research and Stage 1 research findings, these functional analyses will then ensure that the units of competency are directly related to the profession of Bookkeeper and that all skills and knowledge are covered.

Both actual Bookkeepers and, very importantly, Registered Training Organisations, will be approached in the validation stage of this Project to examine the units of competency and qualification to ensure their effectiveness, ease of use and practicality in a training environment.

Work Plan

STAGE 1: RESEARCH PHASE		
Task/Action		Completion Date
Phase 1: Conceptual		Completed
Phase 2: Research		Completed
Phase 3: Reporting		Completed
STAGE 2: DEVELOPMENT PHASE		
Standards Development Project	Email to be forwarded to all stakeholders advising of commencement of Stage 2	March 2006
	Conduct of functional analysis to determine skills and knowledge required to perform tasks	March/April 2006
	Review of existing units of competency for inclusion in qualification where applicable	April 2006
	Preparation of new draft units of competency	April 2006
	Direct consultation with key industry stakeholders re draft units of competency and qualification	April/May 2006
	Preparation of draft qualification	May 2006
	Draft units of competency and qualification to be forwarded to IBSA and the Project Advisory Group prior to validation.	May 2006
Industry Validation of Standards	Posting of draft standards and qualification on website for comment	May 2006
	Email to be forwarded to all stakeholders advising closing date for comments regarding draft units of competency and qualification	May 2006
	Issues register to be developed and maintained.	March 2006 - ongoing
Standards Development Finalisation	Rewriting of units of competency as required	June 2006
Final Validation of Standards	Rewritten standards/qualification to be posted on website and email forwarded to all stakeholders advising final validation	June 2006
Endorsement	Forwarding of final units of competency and qualification to IBSA prior to endorsement	July 2006

Appendix 1

FSEAA Perspective

FSEAA is the marketplace regulatory support agency for all areas of educational interaction with the Financial Services industry and in that role we are obligated to provide a wide perspective to IBSA and the Project Advisory Group on certain regulatory and system viewpoints that are not always easy to identify in this research mode. To this end, we offer the following observations for consideration by the Project Advisory Group:

- The vast majority of VET based accounting qualifications are delivered in Australia by the public sector TAFE environment. The content of these programs are closely monitored and protected by the Senior Head Accounting Teachers across Australia as well as the National Heads of Business Studies group. It is likely that if this stakeholder group are not satisfied with the outcome of Stage 2 of this project, they will bring pressure to bear to halt formal endorsement of the new standards / qualification. It is too early at this stage to identify any specific area of concern they may have with the results of this project but it is likely that this qualification will create an additional potential pathway in to higher level accounting qualifications that may conflict with the expectations of the existing foundational qualifications at Certificate III and IV level that will probably not form part of the new qualification.
- This research phase has clearly shown there is substantial demand for a dedicated Bookkeeping qualification from well organised sectors of the industry – larger bookkeeping franchise groups and industry associations. However, we are uncertain about the views and needs of the very many bookkeeper workers in the community who do not have direct relationships with trade or professional associations and this is an important constituency who may be substantially impacted by the outcomes of this project.
- As noted in the ATO report, the bookkeeping demographic is a largely casualised, part-time workforce (49%) with limited formal qualifications (43%). Whilst this seems to indicate a need for formalisation of work process and potential qualifications, this must be tempered with an appreciation of the workforce nature and aspirations of the bookkeeping community and the fact that many individuals may not be interested in pursuing formal education and would be unwilling for it become co-opted into the regulatory framework as a defacto (or explicit) expectation to operate as a bookkeeper.
- Careful consideration should be given to the possible “barrier to entry” issue that may have the unintended consequence of inhibiting access and opportunity for a currently very fluid and flexible part of the administrative Australian workforce. This could be exacerbated if educational qualifications are linked to any form of regulatory prerequisite (eg ATO) or consumer prerequisite. At the very minimum we would encourage the more organized groups and associations to consider the impact that this may have on the wider bookkeeping workforce for whom “professionalising” may not yet be a desired outcome.

- Finally, it is also important to consider the potential for unintended consequences of linking qualifications to the capacity for submission of BAS returns. As it currently stands, FSEAA has been advised that the ATO maintains the position that BAS preparation and submission should still be the purview of the tax paying citizen (or entity) and that creating qualifications with this capacity as their primary outcome may set an artificial barrier for the average tax paying citizen. The industry's interest in "professionalising" BAS preparation and submission could potentially lead to the conclusion that qualifications are a requirement, or a desirable pre-requisite, for BAS submission. This may mean that the development of a qualification with this primary outcome may not ultimately be able to be supported or that if altered to avoid this outcome it may then not deliver on one of the key industry expectations.

Notwithstanding these issues, FSEAA is supportive of the development of these new standards and the opportunity to build educational frameworks for this busy and increasingly important sector. Importantly though, we consider that there are a number of issues that need to be carefully managed within the Association and Stakeholder groups and a number of longer term consequences that need to be understood and discussed in detail before moving to formal standards development.

In FSEAA's marketplace regulatory function we deal with the professionalisation challenge facing many of the sectors in our industry and are in regular communication with the policy and regulatory environments of Financial Services. It would have been remiss of FSEAA not to provide a frank viewpoint on the potential issues that may confront IBSA and other stakeholders at the endorsement, implementation and regulatory acceptance phases.

Appendix 2

Industry Survey Participant List

Surveys were forwarded to the following individuals:

COMPANY	CONTACT NAME
Australian Association of Professional Bookkeepers	Sharyn Grant
Association of Accounting Technicians	Robert Hutt
Australian Bookkeepers Network	Peter Thorp
National Institute of Accountants	Dennis Adams
Association of Certified Bookkeepers Inc	Dayana Dimic
ASCPA's	Paul Wappett
Taxpayers Australia	Tony Greco
Taxation Institute of Australia	Noel Rowland
Australian Taxation Office	Tony McHale
Bookkeeping Industry Advisory Group	Maria Benardis
Australian College of Management	Jacinta Rowe
Canberra Institute of Technology	Maria Dealy
Central Coast Community College	Mallory Mills
Impact Make Your Mark	Tanya O'Shea
Mediquest	Rose Price-Reed
Rapid Training Pty Ltd	Graham Hellier
Small Business Training Centre (TAFE SA)	Helen Henly
Swinborne TAFE	Gillian Cohen
TAFE NSW – Illawara Institute	Carol Blecich
TAFE NSW – Sydney Institute	Debbie Gunn
Thomson Education	Katina Kalergis
Victoria University	Peter Cook
Compliance Australasia Bookkeeping	Kathryn Seaman
Drake International	Dora Andritsos
IPA Personal	Jo Jones
Association of Tax and Management Accountants	Robert Duncan
Busy Bookkeeping	Maria Jowett
Bookkeeper Industry Working Group	Russell Smith
Benchmark Bookkeeping	Kathie Collins
Bookkeeping Institute of Australia	Dennis Turner

Note: All individuals were emailed in early January seeking their involvement in this project – the majority responded stating that they were happy to participate. In addition to forwarding the survey on 24 January, a reminder email requesting return of the survey was forwarded on 4 February 2006). A final email was forwarded on 14 February advising individuals that completed surveys were required by COB 16 February 2006 and that their input would be very valuable.

Completed surveys were received from the following individuals

COMPANY	CONTACT NAME
Addisons Accountants	Matthew Addison
Association of Accounting Technicians	Robert Hutt
Australian Bookkeepers Network	Peter Thorp
Benchmark Bookkeeping	Kathie Collins
Bookkeeping Industry Advisory Group	Maria Benardis
Bookkeeper Industry Working Group	Russell Smith
Impact Make Your Mark	Tanya O'Shea
Eula Jackson Business Support Services	Eula Jackson CPA
4N Business Training	Megan Brereton
4N Business Training	Alison Doran
AAPB	Sharyn Grant
Australian Visual Bookkeepers	Odile Leadbitter
Bookkeeping Institute of Australia	Dennis Turner
Small Business Training Centre (TAFE SA)	Helen Henly
National Institute of Accountants	Dennis Adams
Victoria University	Peter Cook
Canberra Institute of Technology	Helen Wade/Amelia Scicluna

Appendix 3

Telephone Interview Participants

Telephone interviews were conducted with the following people:

COMPANY	CONTACT NAME
Advanced Business Consulting	Sonia Jamsek
Association of Accounting Technicians	Robert Hutt
Australian Association of Professional Bookkeepers	Sharyn Grant
Benchmark Bookkeeping	Kathie Collins
Bookkeeping Industry Advisory Group	Maria Benardis
Impact Make Your Mark	Tanya O'Shea

Appendix 4

Discussion Paper and Industry Survey

Appendix 5

Industry Survey Results – Raw Data

Appendix 6

Telephone Interviews – Notes

Interview 1:

This Interviewee felt that *“there is a gap in some areas”* in relation to the training of Bookkeepers. They stated that while Bookkeepers *“can pick up bits and pieces”* it *“would be great to be able to pick up a whole qualification”*.

At this point in time individuals can do a software course for example and gain knowledge that way but without *“picking up the grassroots stuff”*.

The interviewee felt that a Certificate III would be the most appropriate and that the knowledge and skills provided by a Certificate III would be enough for the majority of people.

In relation to the possibility of regulation of the industry resulting from the development of a formal qualification, they felt that this would *“not be a big deal”* and *“falls in line with the rest of Financial Services”* which is regulated. They did stress, however, that the training would have to remain at a low level – Certificate III or possibly Certificate IV at the highest.

The Interviewee felt that while *“historically, people have been learning on the job”* there was a problem in relation to being able to be sure that *“they are keeping up to date”*. A qualification would provide a good benchmark for industry to ensure that a good standard is set.

They stated that they *“think it would be a good thing. It would provide a holistic learning experience rather than just picking up bits and pieces”*.

Interview 2:

This Interviewee felt that training a bookkeeper in today’s world *“might open up a can of worms”* in relation to training people to do additional things. *“To be a bookkeeper is such a varied thing – it would be hard to grasp a middle ground”*. They felt that any qualification/units of competency would have to be attractive enough to make it worthwhile to the individual as *“people are doing it now without any qualifications”*.

The Interviewee did, however, state that the development of any training *“would be excellent”* and would *“provide a yardstick”* for the industry. They did stress that it is important to not make it too difficult a qualification to attain.

“People fall into becoming bookkeepers. No one sits at school thinking that they will become a bookkeeper. Having a qualification might make it more attractive”.

The Interviewee did not feel that the development of any qualification would have any impact on regulation or industry requirements as *“people don’t ask you about your formal training, they just want to know what you can do”*.

They felt that there should only be one, or possibly two, levels of qualification. Something attainable that incorporates BAS preparation or a second qualification that concentrates solely on BAS preparation and labels the individual a “BAS Preparer”. Being able to prepare BAS statements and being identified as such is *“what is going to be worth the effort”*.

Interview 3:

Interviewee 3 felt that what is being attempted *“...is a real challenge. It is hard to come up with one structured course with everything in it”*.

They felt that this particularly applied in relation to BAS preparation, which *“could be a course on its own”*. They commented that there may need to be more than one course/qualification developed and that BAS preparation could be a qualification on its own. This was particularly the case as *“some people don’t want to do that work, some just want to do payroll”*. *“BAS stuff has to be kept separate”*. In saying that, however, they did comment that *“it is probably too early for a qualification for BAS because of the way 36 Act treats (bookkeepers)”*. *“In 5 years there may be a need for a qualification”* for BAS preparation.

Rather than having a specific qualification relating to BAS preparation, this Interviewee felt that there should be elective units in any developed qualification relating to BAS – BAS should not be included in core competencies.

“I would not make it a requirement for everyone to do, you are going to get all different types of bookkeepers”.

They also felt that it is important to ensure that any developed material not be offered at *“too high a level”* as *“there is currently no requirement for it to be and some people will be put off by high level”* material.

They did feel that there *“should definitely be a qualification”*. Regulation is a potential risk but *“to be honest the industry does need to be regulated and there do need to be standards”*. They believe that bookkeepers are dealing with the public and that there is no consumer protection if there is no regulation. *“The bookkeeping industry does want standards and does want regulation”*. They *“want to separate those doing the right thing and those just wanting to make a quick buck. At the end of the day consumer protection is the important thing”*.

“It is a good initiative and probably long over due”.

Interview 4:

Interviewee 4 felt that a qualification for bookkeepers is needed as there is currently *“no qualification in relation to BAS related services. When a bookkeeper does BAS related services they go into a consulting role. At the moment anyone can be a bookkeeper.”*

They pointed out that, according to the ATO, there is an over 55% error rate on BAS and that there are 9.75 million BAS lodgements. According to this Interviewee, and the research conducted by their organization, these errors can be directly attributed to bookkeepers. *“They are learning to be software enters but don’t know the accounting principles”*. *“They fail in understanding tax law. For example, learning about exemptions on stamp duty...they don’t realize this”*.

When they reviewed bookkeepers work this association found fundamental gaps. According the Interviewee the majority of bookkeepers look for the quickest way to learn how to become a

bookkeeper and, as there are no formal qualifications, they tend to do MYOB courses. On the basis of this they see a need for an entry level qualification which is specific to BAS. *“If the government says bookkeepers can do BAS, they need a qualification. If you don’t want to do BAS then do the current Certificate IV which is fine.”*

They commented that there are currently 124,700 independent bookkeepers working on the basis of ATO registrations (and that potentially there are many more not registered or registered as consultants rather than as bookkeepers).

If a new Certificate IV was developed for bookkeepers, with a focus on BAS and the principles of taxation law, any new units developed could then be incorporated as elective units into the existing Certificate IV in Accounting for those not wishing to do BAS.

In relation to principles of taxation law, they felt that this needs to be included but not at a high level – individuals need to know, when they are coding computers, why they are coding them a particular way. Tax law needs to be brought down to just BAS level for this qualification according to them.

“Everyone has to do BAS – whatever you enter in affects the BAS. If you only want to do payroll, you wouldn’t be doing the Certificate IV, you would just do payroll under the Certificate III or do a private payroll course.”

This Interviewee feels that a Certificate IV specific to bookkeepers is needed to comply with Section 251L under the Income Tax Assessment Act which relates to bookkeepers providing BAS services.

“The Certificate IV should be entry level only. Then they can go to Diploma if they want to do General Ledgers. Bookkeepers should be trial balance down only.”

In relation to the possibility of a higher qualification as a career path they believe that this may be required but only in the very far future.

The Certificate IV should cover off areas such as quality assurance – complying with standards, having auditing processes, writing policies and procedures for clients; taxation law; BAS preparation etc. They feel that this qualification should be specific to bookkeepers working as consultants to businesses (as opposed to those working within organization who have accountants above them to provide guidance already).

In relation to regulation – *“the government is already regulating the industry so now the infrastructure is needed to deal with that”.*

“Industry is pushing for bookkeepers to be qualified...they don’t want any mistakes. Accountants won’t use independent bookkeepers because they can’t be sure of their work because they aren’t educated...but bookkeepers don’t want to do a diploma”.

The Interviewee pointed out that there are now legal requirements relating to bookkeepers, such as the required to have an engagement letter that covers off the privacy act prior to commencing work for clients, but no current education advises bookkeepers on this. A qualification is needed to allow for regulation and legal requirements.

Interview 5:

Interviewee 5 believes that a qualification is definitely required and that it should be at Certificate IV level as a minimum. They also believe that a Diploma should eventually be developed but not at this point in time. *“You can’t tell people who haven’t done a qualification and have been working that they have to do a Diploma”.*

This person has taught accounting in the past and believes that even in teaching accounting there is a lot of material missing and that extra subjects are required specializing in bookkeeping. *“BAS definitely should be a core subject. Putting together a BAS statement is easy...making sure that the information in it is correct...all that work before the BAS is what counts...everything relates to the BAS statement”.* They believe that the biggest mistakes in bookkeeping are GST related. *“You need to know BAS and GST”.* They also stated that bookkeepers, like workers in other industries, need to know where to find information and that without proper training they don’t know where to look.

“When processing as a bookkeeper you need to understand GST and the effect on the BAS”.
“Bookkeepers definitely need to be educated. Fraud is the biggest thing in bookkeeping...there are no ethics...Bookkeeping is involved in the day to day running of a business, accountants aren’t – they rely on bookkeepers for the information (for BAS). (Because of this) we need a qualification to set a standard”.

They believe that in time a Diploma should be developed that might relate to being a specialist bookkeeper.

Interview 6:

Interviewee 6 stated that they had *“had some difficulty trying to approach this in a productive way”* but *“at the end of the day, I think the standard is Certificate IV”.* They do believe however that it is not necessary to *“reinvent the whole thing”* and that the current Certificate IV in Accounting is broadly fine. Over the last few years however, new skills have come out that need to be added.

“One of the difficulties...you need competency in some things and only knowledge in other areas. People need to have knowledge of the general tax system.”

They commented that there are broadly two different types of bookkeepers – contractors and ones who work for small/medium, business. In functionality and skills sets both of these people are the same however. A contract bookkeeper, they believe, probably needs to have more knowledge about the BAS than their counterparts. *“Lots of bookkeepers know about software but not accounting principles. There should be something there in the future for BAS preparers. But we don’t want bookkeepers to be accountants and most of them don’t want it either”.*

They believe that there should be one qualification only and that it should be at Certificate IV level – *“we should go that way”.* *“We do not need to change the thing wholesale...we can work with the existing competencies and just add to them”.*