

Corporate Strategy + Insolvency

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ACCOUNTANTS ADD UP HOURS

Accountants' average weekly working hours have risen by 15 per cent in the past few years – and that trend is likely to continue, according to a survey by the Australian Taxation Office and the accounting industry.

The crackdowns announced yesterday by the Commissioner of Taxation, Michael Carmody, can obviously be justified, but they will inevitably add to the workload of the accounting profession.

The average accountant's weekly hours have risen from 47 to 54 since 2000 – and the survey revealed some accountants were working more than 50 or 60 hours a week.

An initial compliance review of DIY funds was announced last year to identify funds that weren't lodging returns, were breaching investment rules or flirting with tax minimisation schemes.

But it appears that investigations have expanded beyond the initial 800 funds in the first target: the ATO is now reviewing 5000 funds (or 2 per cent of the total DIY funds).

In addition, some auditors of DIY funds are coming under scrutiny and the net cast over auditors suspected of having difficulties has found that 20 per cent have "major problems".

The administration workload of smaller accountants and advisers is likely to grow from July, when new legislation requires funds to pay compulsory contributions quarterly and advise employees of the payments.

Against that, the superannuation industry and members of super funds have been waiting for just this reform for years to redress the reluctance of employers to meet their obligations.

The amounts of contributions not paid aren't insignificant: Carmody's speech mentioned 11,500 employers who had been audited and liabilities for \$124 million of contributions – or an average of more than \$10,700 per employer.

The ATO is geared up to increase compliance in this field, as new data-matching initiatives are possible by using details from funds for the superannuation surcharge.

Eventually, a mismatch of information will prove a failure to comply.

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