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## TERMS OF ENGAGEMENT FOR INDIVIDUAL TAX RETURN PREPARATION

On behalf of the team at The Hopkins Group we are pleased to provide our terms of engagement for the provision of professional services for the preparation of your individual tax return.

The purpose of this document is to confirm our understanding of the engagement and outline the terms and conditions for this arrangement. This arrangement will remain in place unless otherwise notified or replaced by a new arrangement.

### Detailed Terms of Engagement

The specific terms and conditions of our engagement are outlined in the appendices as follows:

- Appendix A: Detailed scope of our engagement
- Appendix B: Fees and billing arrangements
- Appendix C: Rights and Obligations of the parties under the taxation laws
- Appendix D: Other Terms & Conditions

As the client, you are responsible for the reliability, accuracy and completeness of the taxation records.

#### *Tax Agent Services Act*

The provision of tax agent services is governed by the Tax Agent Services Act 2009 (TASA) and the accompanying regulations. Registered tax practitioners must comply with the requirements of the TASA. This includes a statutory Code of Professional Conduct which comprises ethical and professional standards that must be observed by registered tax practitioners.

The Tax Practitioners Board (TPB) is responsible for the registration and regulation of tax practitioners and ensuring their compliance with the TASA. As part of this role, the TPB maintains a register of registered, suspended and deregistered tax practitioners that enables the public to ensure they are engaging the services of a qualified professional. To check that we are registered with the TPB, search the TPB Register at [www.tpb.gov.au/public-register](http://www.tpb.gov.au/public-register) using either of the following details:

- John Hopkins Accounting Pty Ltd ABN 25 130 950 515
- Tax Agent Number 80718001



## Feedback

Our aim at The Hopkins Group is excellence in delivery in all that we do and we welcome any feedback you may have in regard to our service. This should be provided to the Director of Accounting Rachel Williams, or you can contact the Managing Director of The Hopkins Group, Michael Williams.

If we cannot resolve the issue or you are not satisfied with how your complaint is being handled by us or with the outcome, you may be able to escalate the matter to the TPB. Complaints to the TPB must be made in writing using its online form, which is available at [myprofile.tpb.gov.au/complaints/](https://myprofile.tpb.gov.au/complaints/)

Not all complaints can be acted on by the TPB. For example, if your complaint is about fees, you will be asked to contact Consumer Affairs or the Office of Fair Trading in your State or Territory. However, the TPB may be able to assist if the fee complaint is associated with inappropriate conduct by our firm.

Further details about making complaints to the TPB are available at [www.tpb.gov.au/complaints](https://www.tpb.gov.au/complaints)

We thank you for the opportunity to provide you with professional services and look forward to a long and successful relationship.

If you have any queries or concerns please do not hesitate to contact our office.



## APPENDIX A: DETAILED SCOPE OF OUR ENGAGEMENT

The Hopkins Group has been engaged to prepare and lodge your individual tax return. Unless otherwise agreed, we will:

- Prepare and lodge your annual income tax return
- Review all correspondence with the ATO
- Provide estimates of income taxes payable and advise as to the timing of payments

Unless otherwise agreed, this engagement will remain in place on an ongoing basis.

Before we lodge your return, it will be forwarded to you for your approval and signature. In providing this taxation service, we have a duty to act lawfully in your best interests, and to act honestly and with integrity at all times.

- Prepare and lodge your individual income tax return
- Review all correspondence with the ATO
- Provide estimates of income taxes payable and advise as to the timing of payments

Please ensure that you have all source documentation available to allow us to analyse the income tax implications of any transaction, if we need to see it. Whilst we will not as a matter of course be looking at these documents, you are required to have them available before any claim is made in your income tax return.

It is also expected that each person will have the necessary documents so as to comply with the substantiation provisions of the Income Tax Assessment Act 1997. We will not, however, be checking that the requirements of the substantiation provisions have been satisfied.

This specifically means that we will not be reviewing your logbook or any calculations or information you provide us, such as a rental property schedule either prepared by you on a spreadsheet or by a property manager. If you require assistance in completing a logbook or preparing any calculations, or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of this letter and will be charged as additional services.

You agree that we can bank into our trust account tax refund amounts received on behalf of you and we can deduct from those amounts any fees owed to us either by you, your spouse or other entity in your group.

### Limitations of Our Role

#### *Taxation Services*

In engaging us to provide taxation services, it is important for you to understand the following:

- You are responsible for the accuracy and completeness of the particulars and information provided to us by you.
- We will not be responsible for verifying and/or otherwise, information supplied to us for the purpose of preparing income tax returns under the terms of this engagement.
- Any advice we provide is only an opinion based on our knowledge of your particular circumstances.
- You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate returns.
- We cannot provide taxation services if we find that information on which those services are to be based includes false or misleading information, or material information is omitted, and you are not prepared to appropriately amend it to provide us with correct and complete information.



We will endeavour to ensure that the returns are lodged by the due dates and will advise you at the beginning of the financial year when documentation should be provided to us.

If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any late lodgement penalties or interest charges you may incur.

Any services provided to you will be based on the relevant taxation legislation and ATO practices in force and applicable at the time the service is provided. Such legislation and practices change over time and it is your responsibility to seek updated advice if you intend to rely on our advice at a later stage. We note that taxation laws are subject to frequent change and our advice will not be updated unless specifically requested by you at the time of the change in law is made or announced.

## **Obligation to Correct False or Misleading Statements**

We are prohibited by law from making a statement to the ATO, the TPB or another Australian government agency that we know or ought reasonably to know is false, incorrect, or misleading in a material particular, or omits any matter or thing without which the statement is misleading in a material respect.

We are also prohibited from preparing such a statement that we know or ought reasonably to know is likely to be made to the ATO, the TPB or another Australian government agency, or from permitting or directing someone else to make or prepare such a statement.

If we subsequently become aware that a statement we prepared and that was given to the ATO, the TPB or another Australian government agency was false, incorrect or misleading in a material particular at the time it was made, or that it omitted some matter or thing without which it is misleading in a material respect, we are required to take reasonable steps to correct the statement as soon as possible.

Where we prepared the statement (or permitted or directed someone else to prepare the statement) on your behalf, we are required to advise that the statement should be corrected.

If you do not correct the statement that we prepared, or provide consent for us to correct the statement within a reasonable time, we may be required under the TASA to notify the TPB, the ATO or other Australian government body (whichever is applicable) and we may take further action. In some cases, this may include withdrawing from the engagement and notifying the ATO or TPB about the matter.



## APPENDIX B: FEES AND BILLING ARRANGEMENTS

Our fees are based on a fixed fee basis provided the assumptions as specified below are met.

Unless otherwise stated in writing, any estimates which we provide to you of our anticipated fees, disbursements and charges for any work are only indicative of the amounts you can expect to be charged. Estimates are not quotes or caps and are not binding on us.

Where an estimate is given and the scope of the work changes, or if it becomes apparent that the work involves matters which were not taken into account in the estimate, we will endeavour to advise you and provide an amended estimate as soon as it is practicable to do so.

Any rectifying work performed by us because of incorrect or late information is outside the scope of this letter and will be charged to you as an additional service.

We may require you to deposit money into our trust account in anticipation of our fees and charges. If you fail to make a required trust deposit, we may suspend work or terminate this engagement.

If you require a fee quote for your specific circumstances, please contact our office.

### Additional Services

Any work that is performed outside the scope as detailed in Appendix A or the assumptions outlined above will be billed on a time basis. Our hourly rates from 1 July 2025 are as follows:

Position	Charge per hour exc GST
Director/Partner	\$430
Senior Accountant	\$220 - \$240
Senior Bookkeeper	\$180
Bookkeeper	\$130
Accountant	\$135

### Disbursements

In addition to our professional fees, you will be responsible for payment of expenses which we incur on your behalf (together with the GST that we pay in relation to such expenses).



## APPENDIX C: RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THE TAXATION LAWS

As a client of this practice, we are required to advise you of your rights and obligations under the taxation laws in relation to the tax agent services we provide to you.

It is also important that you understand our obligations as a tax agent, including to you, under the taxation laws (including the Tax Agent Services Act 2009 and the Code of Professional Conduct contained within that Act) and your obligations to us.

### Your Rights and Obligations Under the Taxation Laws

Set out below is a brief explanation of the main areas of the taxation system you need to understand. If you have any concerns or issues with any of the matters discussed below, please feel free to contact us.

#### *Operation of the self-assessment system*

Australia's tax system operates on a self-assessment basis. This means that when your income tax return is lodged, the Australian Taxation Office ('ATO') accepts the information provided in the return at face value and issues you with an assessment notice based on that information.

However, this does not mean the assessment is final as the ATO can conduct a review or audit of the information provided in the return at a later time, subject to the time limits discussed below.

Importantly, as a taxpayer, you have an obligation to comply with the taxation laws. If you do not meet your obligations under the taxation laws, the ATO may impose administrative penalties (fines), apply interest charges, seek criminal prosecutions (in some cases) or initiate debt recovery.

#### *Commissioner's ability to amend an assessment*

While the ATO accepts the information lodged in your return at face value, it can amend the assessment if the ATO finds it to be incorrect. The following time limits generally apply for amending an assessment for an individual taxpayer:

- the ATO can amend an assessment within two years after the individual receives their notice of assessment. However, if an individual carries on a business and is neither a Small Business Entity ('SBE') (broadly, a business with an aggregated turnover of less than \$10 million) nor a Medium Business Entity ('MBE') (broadly, a business with an aggregated turnover between \$10 million and less than \$50 million), then that period extends to four years.
- If an individual is a partner in a partnership or a beneficiary of a trust, the amendment period is generally two years. However, if a partnership or trust carries on a business and is neither an SBE nor an MBE, then the amendment period extends to four years.

If the ATO amends an assessment, this will potentially involve increased taxes, penalties and an interest charge. If you discover an error in the information declared in the return, lower penalties generally apply for making a voluntary disclosure.

Note that there are no time limits on the ATO amending an assessment where it believes there has been fraud or evasion.

### Obligation to Keep Records

The tax laws specifically require taxpayers to keep records that properly explain the transactions they have entered into.

Individuals claiming deductions for work-related expenses are subject to the substantiation rules in the tax laws. These require taxpayers to keep receipts, invoices etc., of the expenses they incur. Where the



expenses relate to a taxpayer travelling interstate or overseas, a travel diary may also need to be kept. Where the expense relates to a motor vehicle, a record of the journeys taken such as a logbook may need to be kept.

A failure to keep the appropriate records can lead to the ATO denying a particular deduction which may involve the imposition of penalties and interest. Substantiation records must be retained for five years.

## **Obligation to Provide Complete and Accurate Records**

For our practice to be able to lodge returns on your behalf, it is your responsibility to provide us with truthful, complete and accurate records. Furthermore, in order to lodge your return on time, we will require you to provide us with the relevant information as and when requested.

Where you are unable to provide us with complete and accurate records, we may be unable to prepare and lodge your return. Tax agents are subject to a Code of Professional Conduct contained in the TASA, which prevents us from acting for a client where insufficient records or information exist that allow us to determine the amount of a client's income or deductions.

We also reserve the right to question any claims for deductions or credits that in our reasonable judgment might be considered as being excessive, and we may ask for more substantiation or records to prove that such a claim is allowable under the law.

If we believe that a claim is excessive and it cannot be substantiated, we reserve the right not to include such a claim in your income tax returns or BAS, but you will have the right to lodge an objection after receiving your notice of assessment. There may be further costs in doing so, and we will advise you accordingly.

## **Records for Clients Operating in the Cash Economy**

Due to the ATO's on-going concerns with dealings in the cash economy, the ATO has a program of 'benchmarking' standardised revenue returns for a wide range of small businesses.

In circumstances where the ATO is dissatisfied with a taxpayer's records or recording systems, it may assess income tax and/or GST on what it considers to be an appropriate 'benchmark' amount (plus penalties and interest). Once this occurs, it is the responsibility of a taxpayer to demonstrate that the assessment is excessive and identify the correct tax position. One of the major problems with this outcome is that the onus of proving that the ATO's assessment is excessive (i.e., the taxpayer did not earn that much income) is the responsibility of the taxpayer.

Taxpayers who operate in the cash economy are therefore urged to have a robust and reliable system for recording and reporting all cash transactions and ensuring that the recorded figures are accurate. If you need assistance in setting up or reviewing your recording and reporting systems, we will be happy to do so and will advise you of our rates for doing so on request.

## **Right to Seek a Private Binding Ruling**

When preparing your return, we may identify one or more issues that are not clear under the tax laws. Where we have pointed out such issues to you, you have a right to request a Private Binding Ruling from the ATO. The ATO will provide you with a ruling setting out its view on the proper tax treatment of the issue requested in the Private Binding Ruling.





## Objecting Against an Assessment

If the ATO issues you with an assessment that you do not agree with, you have the right to lodge an objection against that assessment. The objection must be lodged with the ATO within either two or four years. The period which applies is determined as discussed above.

Where the ATO issues an amended assessment, the period for objecting is the greater of:

- 60 days from the time the amended assessment is received; or
- two or four years (whichever is applicable) from the time the original assessment was received.

If you remain dissatisfied with the outcome of the objection, you have the right to have the matter reviewed by the Administrative Review Tribunal or appeal the matter to the Federal Court. Onus of proof falls on the taxpayer.

It is important to be aware that in any disputed assessment before the court or the Administrative Review Tribunal (whether initiated by the taxpayer or by the ATO), the onus of proof is placed on the taxpayer. In other words, if the Commissioner asserts that your income should include a certain amount or that a deduction claimed in a return is not allowed, it will be up to you to establish that the Commissioner's view is incorrect and the correct treatment.

## Safe Harbour Protection

As the client of a registered tax agent, under the taxation laws, you have a statutory 'safe harbour' exemption from penalties imposed by the ATO in certain circumstances.

To ensure you are eligible to benefit from the safe harbour, it is a requirement that you provide us with all relevant tax information. This includes any records, or documents we request from you plus any other information relevant to the preparation of your tax return. The information provided must be truthful, complete and accurate.

It is equally important that you provide us with this information by the time it is requested to allow the return to be lodged by its due date. The safe harbour from late lodgement penalties can also apply where a Business Activity Statement, Instalment Activity Statement, or FBT return is lodged late.

A taxpayer who is eligible for the safe harbour protection will not be subject to any penalties for errors identified in their tax return, although the underlying tax and interest charges will still apply.

## Your Tax Practitioner's Obligations

The TASA, including the Code of Professional Conduct contained within the TASA, provide statutory protections for taxpayers who engage registered tax practitioners. The Code of Professional Conduct is a set of statutory ethical and professional standards that registered tax practitioners must comply with.

The TASA, including the Code of Professional Conduct, and associated regulations and determinations are administered by the TPB.

We are required under the Code of Professional Conduct to provide you with general information about the obligations that tax practitioners have to their clients under the taxation laws, including the TASA and the Code of Professional Conduct.





The following information has been adapted from the TPB's factsheet, Information for Clients for these purposes.

Your tax practitioner's obligations require them to:

- act lawfully in your best interests and with honesty and integrity in the performance of our duties;
- uphold and promote the ethical standards of the profession;
- manage any conflicts of interest;
- take reasonable care to ascertain your state of affairs and apply tax laws correctly;
- keep your information confidential unless there is a legal duty to disclose;
- provide services competently;
- not knowingly obstruct the administration of the tax laws;
- advise you of your rights and obligations under the taxation laws (refer above);
- account to you for money or other property on trust;
- not make false or misleading statements to the TPB or the ATO, and in some cases, withdraw our engagement with you and notify the TPB or ATO of certain matters;
- address any false or misleading statements we are responsible for;
- engage with clients to address other false or misleading statements, exploring options to correct;
- keep proper records (including records of tax agent services provided);
- keep you informed of certain matters so you can make informed decisions.

If your registered tax practitioner fails to meet their obligations:

- their registration can be suspended or terminated, meaning they cannot practice;
- they could receive a caution or orders from the TPB – for example, undertaking education or working under the supervision of another registered tax practitioner;
- have fines imposed on them by the Federal Court;
- your tax and superannuation matters may not be accurate;
- you may be subject to enquiries or audits;
- any tax shortfalls may attract penalties and interest;
- you may have litigation options to review decisions and recover debts;
- in the case of fraud or criminality, penalties may lead to prosecutions.

## **Prescribed Events and Conditions**

We are required to advise if certain prescribed events have occurred within the last five years (but not before 1 July 2022). This will enable each client in the Group to make a fully informed decision on whether to engage or re-engage John Hopkins Accounting Pty Ltd to provide tax agent services. We advise there are currently no matters that we are required to report to you and the Group.

We are also required to advise whether the tax or BAS agent registration of John Hopkins Accounting Pty Ltd is subject to any conditions. We advise there are no conditions attached to our registration.



## APPENDIX D: OTHER TERMS AND CONDITIONS

### Our Obligations

The Hopkins Group will use all reasonable commercial efforts to complete the services within our scope of engagement within any agreed timeframe. We will perform the services using reasonable skill and care. However, the quality of services will depend on input from you.

We undertake our engagement as an independent contractor. We do not assume any management responsibility or obligation for the deliverables, and will not be responsible for the use or implementation of the output of this engagement, unless otherwise specifically agreed.

We have a duty to act in your best interests, and to act with honesty and integrity, subject to an overriding obligation to comply with the law even if that may require us to act in a manner that may be contrary to your interests.

We also have an obligation to manage any potential or actual conflicts of interest that may arise in completing our engagement with you. We have arrangements in place to ensure this process is managed but it depends, in part, on you disclosing to us any potential conflicts of interest of which you are aware.

### Your Obligations

You will instruct us fully and in a timely fashion. To the best of your knowledge, you or your affiliate will provide us with information and material that is accurate and complete. The Hopkins Group is entitled to rely on the accuracy of that information provided by you or your affiliate(s) and any advice we provide is only an opinion based on our knowledge of your particular circumstances. You will advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services, or if you become aware of any actual or potential conflict of interest that may prevent us remaining objective in providing our services to you.

The Hopkins Group cannot provide taxation services if we find that information on which those services are to be based includes false or misleading information, or material information is omitted, and you are not prepared to appropriately amend that information.

You have certain rights under taxation law, including rights to seek a private ruling from the ATO or to appeal or object against a decision made by them. We will at all times, keep you informed of these rights where relevant.

You also have obligations under taxation law, such as the obligation to keep proper records and to lodge return by the due date.

### Delays

When a particular assignment, task or instruction is to be completed within a specified timeframe, The Hopkins Group will not be liable for any failure or delay in performing the services if that failure or delay arises from anything beyond our control – including the untimely performance by you of your obligations. The Hopkins Group is entitled to review any agreed fee quote where a delay in you meeting your obligations significantly increases our cost of completing the agreed scope.

Any late lodgement penalties or interest charges imposed by the ATO will be payable by you if they arise due to the untimely performance by you of your obligations.

However, you are protected from administrative penalties for incorrect or late lodgement of tax returns if you give us “all relevant taxation information” in a timely manner.



## **Payment & Responsibility**

Our fees are payable in accordance with the terms stated on our invoice. We reserve the right to perform no further work for you where fees are outstanding beyond our trading terms.

If we are required by law or legal process to provide information or personnel in connection with the services provided under this engagement, you agree to reimburse us for any professional time and expense incurred in responding to these requests. We will discuss these costs in advance.

On termination of our services, you agree to reimburse us for all work in progress for services already performed and any expenses incurred by us up to and including the effective date of termination of our Engagement.

Each client in the Group is jointly and severally liable to pay our fees in respect of all work performed for all members of the Group. We may require that payment of our fees be guaranteed by one or more persons who are associated with the Group but are not themselves our clients (for example, company directors). If you fail to provide a required guarantee, we may suspend work or terminate this engagement.

## **Trust Account**

We maintain a separate trust account for dealing with all money and property received from you or on your behalf, except for amounts received from you in payment of our fees. We may apply these funds in payment of our invoice with your written authorisation.

## **Ownership of Documents**

Any documents which we are specifically engaged to prepare (for example financial statements and income tax returns), together with original documentation provided by you shall be your property. Any other documents brought into existence by us, including general workpapers, general ledgers and drafts, will remain our property at all times. We will retain these documents for at least 5 years after the relevant services were provided. If our services are terminated (by either party), each client separately agrees that we shall be entitled to retain all documents owned by that client (including all tax refunds of the client that come into our possession) until payment in full of all outstanding fees from all clients in the Group on any account. Where copies of any documents released to you are required for our records, you will be charged for the cost of photocopying at our normal rates.

## **Retention of Records**

You are required by law to keep accurate records relating to your financial and taxation affairs. You should keep your records for a minimum of 5 years, however longer periods may be required in some circumstances.

## **Lien Over Documents**

On the termination of our services, The Hopkins Group is entitled to retain all documentation until payment in full of all outstanding fees.

## **Our People**

The Hopkins Group retains the right for employees, other than those you normally deal with, to perform work on your engagement. We will ensure that these employees are appropriately skilled for the work required. You agree that during this engagement you will not make any offer of employment to any The Hopkins Group employee without our prior consent



## **Confidentiality**

The Hopkins Group will endeavour to take all reasonable steps to maintain the confidentiality of any proprietary or confidential information you provide. Information regarding your family group will only be provided to third parties with your consent.

We may also need to disclose information relating to one client's affairs to other clients in the Group to assist in performing our work, to persons responsible for the governance of an entity to comply with professional standards, to the relevant parties in order to protect our professional interests in legal proceedings, to a professional or regulatory body in response to an inquiry or investigation, to the relevant parties in order to comply with technical and professional standards (including ethics requirements), or to a professional body of which we are a member, in relation to a quality review program undertaken by that body. Each client in the Group hereby authorises us to do so when we consider it appropriate to further our performance of work for the Group, or when requested by the relevant party.

## **Electronic Mail**

Where The Hopkins Group transmits any document to you electronically, we are not responsible for any unauthorised copying, recording, reading or interference with that document after transmission, or of any delay or no-delivery of any document.

## **Outsourced Services**

From time to time, The Hopkins Group may use outsourced services to perform some of the services we are engaged to perform for you. Each client in the Group hereby authorises us to disclose information relating to that client's affairs to such third-party service providers as we may choose to engage to perform such work.

Where we outsource services to third party providers, we are nevertheless responsible for the conduct and activities of those providers and for the delivery of the services we are engaged to perform for you.

## **Intellectual Property**

The Hopkins Group retains all intellectual property rights over every document developed by us either before or during the course of the engagement including systems, methodologies, software, know-how, reports, written advice or other deliverables we provide to you.

## **Indemnity for Liability to Third Parties**

You agree to indemnify The Hopkins Group against all liabilities, claims, costs and expenses (including any GST costs associated with such a claim) incurred by The Hopkins Group in respect of any claim by a third party which is related to, arises out of, or is in any way associated with our engagement. This indemnity does not apply where it is finally determined that the claim arose as a result of The Hopkins Group's negligent, wrongful or wilful acts or omissions.

## **Losses From Unauthorised Cyber-Activity**

The Hopkins Group will take all reasonable precautions to ensure that any electronic data that contains your private information is securely stored and that any email transmissions are protected and are not able to be intercepted by third parties. However, we cannot be held liable for any loss that you might incur as a consequence of any third-party intervention that accesses, procures or copies any data that contains your private information from any medium or device we use to store or transmit such information.

In the event that, despite The Hopkins Group having taken reasonable precautions to securely store your private information, you suffer any losses arising from unauthorised cyber-activity, you agree to forever release us from any claim for your losses.



## **Dispute Resolution**

If a dispute or complaint arises during the provision of our services as outlined in this engagement, we will deal with it in accordance with the applicable Code of Conduct requirements of the Institute of Chartered Accountants.

## **Termination**

In addition to any other rights you might have, you can terminate this engagement at any time by telling us in writing. We also reserve the right to do so by providing you with 14 days' written notice. If either party terminates this engagement, the provisions in relation to ownership of documents will apply.

## **Authority for ATO Digital Communication Preferences**

You agree to have ATO communications sent digitally to us as your registered tax agent.

## **The Hopkins Group**

Any reference in this document to The Hopkins Group includes John Hopkins Accounting Pty Ltd and vice versa.