



UNSW
SYDNEY



UNSW Tax Clinic Annual Report 2021

UNSW
Business School



Since 2019, the UNSW Tax Clinic has provided independent, free and confidential tax advice for individuals and small business owners in severe financial distress. UNSW Tax Clinic strives to contribute to a more just society by addressing deeper systemic injustices at the frontline and engaging directly with the community services sector through warm referrals.

We also aim to identify otherwise unmet needs in our clients and support them through cross-referrals with social workers, mental health support workers, financial counsellors and pro bono lawyers.

A teaching clinic, UNSW Tax Clinic operates as an integrated work-integrated-learning space. This gives enrolled students an opportunity to work alongside tax professionals to help our client base while developing their technical and professional skills in delivering high-quality tax advice. We also offer volunteering opportunities to students from faculties across the university.

We also have a bold agenda for grassroots research on systemic issues faced by financially vulnerable individuals and small business.

UNSW Tax Clinic is located on the unceded territory of the Bedegal people, the tradition custodians of the land where UNSW's Kensington campus is situated. We pay respect to Elders both past and present and extend that respect to other Aboriginal and Torres Strait Islanders who are present here today.

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Director's Welcome

UNSW Tax Clinic's third year was marked with opportunities for advocacy, development and growth. Building on the foundations we established in 2019, we continued developing our engagement with the social impact ecosystem and continued making the case through grassroots findings and research that tax justice has significant flow on effects for society at large.

I am grateful for the time, dedication and support of every member of our team.

Our Clinic Supervisors continued providing professional quality, free, confidential and independent tax advice to our clients – despite the challenges posed by the clinic remaining virtual/telephone-based due to COVID restrictions. Without their generosity and professionalism our clients would not have had access to much-needed tax advice and support.

Together with our work-integrated-learning students, student volunteers and pro bono volunteers, we continued supporting financially vulnerable clients and delivered training to our community sector partners.

As always, a huge thank you to our community sector referral partners (ranging from financial counsellors, crisis support services, domestic violence support services, pro bono legal clinics and community centres). It is thanks to their referrals that we are able to assist the most financially vulnerable people across NSW.

Our Team

Ann Kayis-Kumar (Director)
Michael Walpole (Co-Founder)
Paul Viola (Clinic Supervisor)
Helen Lam (Clinic Supervisor)
Maree Magafas (Clinic Manager)

Our Pro Bono Volunteers, Enrolled Students and Student Volunteers are also an integral part of our vision – and our team.

We are incredibly grateful for the ongoing support provided by our industry partners; PwC and KPMG, and for the generous time and support of our pro bono volunteers. Thanks especially to our Pro Bono Volunteers Keith Swan (Partner, KPMG Law) and Alice Chow (Lawyer, KPMG Law). Keith and Alice have been heavily involved in an ATO objection in relation to a client in serious financial hardship.



TABL3033/ 5933 – UNSW Tax Clinic's Work Integrated Learning Course

TABL3033/5933 – UNSW Tax Clinic's Work Integrated Learning Course

TABL3033/5933 offers Business School students an unique opportunity to undertake work for real clients and have opportunities to analyse the effect of the tax system in practice.

The course comprises both a clinical component (1 full day per week) and a skills-based webinar component (1.5 hours per fortnight). Under supervision from Clinic Supervisors, our students help clients with their tax problems, design and deliver community rights-based education initiatives, and assist with research and advocacy to address systemic injustice within the tax-transfer system.

2021 Student Quotes:

“Participating in the Tax Clinic has given me a real appreciation for the low levels of financial literacy that exists in Australia. Seeing and hearing (from clients) the tangible and valuable difference that the tax clinic makes made me want to participate in pro bono opportunities as I enter the workforce as a lawyer.”

“I felt that working at the tax clinic improved my understanding of tax law much more than any other tax course I have taken so far. As every client had different issues, I had to research and understand the tax law based on a number of situations. I would then discuss it with the tax agent when necessary and was able to ask questions and learn more.”

“I found the Tax Clinic valuable for developing my skills around explaining complex tax ideas to a layperson. The Tax Clinic has improved my ability to empathise with people who have fallen behind in their tax obligations after being faced with personal adversity. Additionally, I have improved my ability to ask clarifying questions of the clients, allowing me to better understand their issue and provide tailored advice to them.”



Term 2, 2021



Term 3, 2021

A huge thank you to our Enrolled Students and Student Volunteers (in alphabetical order):

- | | |
|----------------------|-------------------------|
| Abdulmohsen Altamimi | Tracey Ren |
| Zachary Chong | Rahul Sabnani |
| Hannah Hong | Krithi Suresh |
| Mersina Hristeff | Darshanna Surendran |
| Tina Ip | Raphael Tay |
| Anita Lau | Eugenie Taylor |
| Chenyu Li | Audrey wang |
| Stephen Liang | Jessica Wong-Saunderson |
| Lily Pan | Josephine Young |
| Michael Pang | Wendy Zhang |
| Holley Regan | |

Our Clients

In 2021, our clinic served financially vulnerable clients with complex needs. Our CA/CPA-qualified registered tax agents have provided over 1,500 hours of free tax advice to our clients.

Our community-led approach serves people in financial hardship across NSW by partnering with the community sector (financial counsellors, crisis support, domestic violence support, pro-bono legal clinics) to identify and support clients who would otherwise not have access to tax advice.

		Our clients	General population
Indigenous		6.1%	3.3% ¹
Female		57.6%	51% ²
Small business owners		48.3%	9.1% ³
Probable serious mental illness		16%	10.6% ⁴
Centrelink recipient		71.4%	25% ⁵
Female experiencing domestic violence		46.7%	23% ⁶
Experiencing high overwhelming levels of financial distress		82.8%	17.4% ⁷
Living below the poverty line		41.4%	13.6% ⁸
Median annual income (including government support)		\$32,500pa	\$49,805pa ⁹

1. ABS 2019a. **Estimates and projections, Aboriginal and Torres Strait Islander Australians, 2006 to 2031**. ABS cat. no. 3238.0. Canberra: ABS.
2. ABS 2018a. Australian Demographic Statistics: June 2018. ABS cat. no. 3101.0. Canberra: ABS.
3. December 2020 Small Business Count from the Australian Small Business and Family Enterprise Ombudsman
4. N Biddle et al, 'Hardship, distress, and resilience: The initial impacts of COVID-19 in Australia' (7 May 2020) csmr.cass.anu.edu.au/news/hardship-distress-and-resilience-initial-impacts-covid-19-australia
5. **FactCheck: Is half to two-thirds of the Australian population receiving a government benefit?**
6. ABS 2017. **Personal Safety, Australia, 2016, ABS cat. no. 4906.0**. Canberra: ABS.
7. Please note this is a proxy; "...could not raise \$2,000 (in a week) for something important": ABS 2020a, **Household financial resources**.
8. Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS.
9. ABS 2020. Personal Income in Australia: Regional data on the number of income earners, amounts received, and the distribution of income for the 2011-12 to 2017-18 financial years. abs.gov.au/statistics/labour/earnings-and-work-hours/personal-income-australia/latest-release



81.8%

Most common type of tax advice needed was tax return lodgement



**Average
4 years behind**

Long-term overdue Individual Tax Return



**Average 18 BAS
(4.5 years) behind**

Long-term overdue Business Activity Statement (BAS Return)

Measuring our impact on client outcomes



100%

100% of clients either 'Agree' or 'Strongly Agree' that the Tax Clinic made them feel less anxious

Our Research

Our growing research agenda illuminates the often compounding consequences particularly for – but not limited to – already marginalised groups. This includes severe financial distress, as well as poor mental health outcomes, which compounds existing marginalisation.

Our research and clinic experience has also shown that financial distress and a lack of tax/accounting literacy is not limited to socio-economically disadvantaged groups, but that a broad cohort of society can struggle with tax compliance.

UNSW Tax Clinic is fully integrated into the financial counselling sector, working closely with Financial Counselling Australia and the Financial Counsellors' Association of NSW Inc. Research collaboration and cross-referrals with service delivery partners indicate significant and intersecting areas of marginalisation for vulnerable groups, and a need for social welfare and social justice services to continue communicating around how best to support clients at multiple levels. This is a dynamic and effective approach to social welfare and justice.

Our research has also shown that First Nations Australians are systematically and structurally disadvantaged, resulting in over-represented numbers attending our clinic as clients.

Our research focusses on evidence-based reform proposals that improve outcomes for financially vulnerable individuals and their families while being cognisant of political, socio-economic, legal design and administrative issues.

Awards

- > AACSB International's Innovations That Inspire Award (2021)
- > Cedric Sandford Medal for best paper at the 14th International ATAX Tax Administration Conference (2021)

Journals

- > Kevin O'Rourke, Ann Kayis-Kumar and Michael Walpole, 'Serious Hardship Relief: In Need of a Serious Rethink?' in Sydney Law Review (2021) 1-42
 - These findings were presented at Federal Parliament to the Standing Committee on Tax and Revenue. This article found that of the 34 serious hardship cases in the past 50 years, all but four were decided in favour of the Commissioner. We proposed legislation be amended to allow serious hardship relief for other taxation liabilities (including GST) and for small businesses (whether operating as sole traders or through corporate or trust entities). This reform would modernise this element of the tax law to reflect the shifting parameters of the labour market (including the increasing use of Australian Business Numbers among taxpayers in precarious employment).

Conferences and Events

- > Kayis-Kumar A, 'Improving financial wellbeing, financial literacy, and mental health outcomes for financially vulnerable women in NSW – Enabling financially vulnerable women to access free, independent advice in a safe way' presented at NSW Women's Week, 8 March 2021
- > Kayis-Kumar A, Noone J and Walpole M, 'Taxing Times – Identifying And Supporting Carers Experiencing Serious Financial Hardship' presented at Carers NSW Conference 2021, 7 October 2021
- > Kayis-Kumar, Noone J, Lim Y, Walpole M and Breckenridge J, 'Let's talk about tax – Identifying and supporting women experiencing economic abuse' presented at 112th Annual Conference of the Society of Legal Scholars Conference, Durham University, 31 August 2021

To find out more about our services, please contact us:

Call **02 9385 8041** or

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Visit **business.unsw.edu.au/taxclinic**

to book online