


UNSW Tax Clinic Annual Report 2020





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 second year was marked with both unexpected challenges and unprecedented opportunities.

Building on the foundations we established in 2019, we developed our engagement with the social impact ecosystem and continued making the case through grassroots findings and research that tax justice has significant flow on affects for society at large.

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

Our Clinic Supervisors adapted remarkably to the shift in both student and client engagement given the COVID pandemic restrictions. They provided free, confidential and independent tax advice to our clients – who are often in serious financial hardship and who approach us with very complex needs. Without their generosity and professionalism these clients would not have had access to much-needed tax advice.

Together with our work-integrated-learning students, student volunteers and pro bono volunteers, we supported around 100 clients and delivered training to around a third of the financial counselling sector.

We are also thankful 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 identify and assist the most financially vulnerable people across NSW.



Our Team

Ann Kayis-Kumar (Director)

Michael Walpole (Co-Founder)

Gordon Mackenzie (Co-Founder)

Paul Viola (Clinic Supervisor)

Helen Lam (Clinic Supervisor)

Maree Magafas (School Manager)

Lydia McDonnell (Clinic Officer)

Sandra Cahill (Clinic Officer)

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 generous support provided by our industry partners; PwC and KPMG, and for the generous time and support of our pro bono volunteers. Thanks especially to the following supporters and Pro Bono Volunteers (in alphabetical order):

Ali Noroozi

Alice Chow

Angela Wood

Anthony Occhiuto

Ashani Samuel-Thambiah

Daniel Osvath

Grant Wardell-Johnson

Keith Swan

Rae Ni Corraidh

Sarah Dunn



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.

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

- Aishwarya Chakkungal
- Cathy Wang
- Claudia Saywell
- Hainey Chen
- James Alexander Hajjar
- Jenney Le
- Jessica Lee Bao
- Ka Chi Tsang
- Ki On Alex Wong
- Tama Widyatamaka
- Tamanna Sapra
- Yash Kalwani
- Ying Yi Feng
- Yinhe Li
- Yu Sun



Term 2, 2020













Term 3, 2020

Our Clients


In 2020, our clinic served 133 financially vulnerable clients with over 1,500 hours of free tax advice delivered by CA/CPA-qualified registered tax agents.


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		5.1%	3.3% ¹
Female		45.8%	51% ²
High/severe psychological distress		36%	13% ³
Probable serious mental illness		64%	10.6% ⁴
Physical disability		21.1%	18% ⁵
Female experiencing domestic violence		60.0%	23% ⁶
Experiencing high overwhelming levels of financial distress		77.8%	17.4% ⁷
Living below the poverty line		30.3%	13.6% ⁸
Median annual income (including government support)		\$32,500pa	\$49,805pa ⁹
Clients reporting that it was 'Difficult' or 'Very Difficult' to meet their cost of living expenses		70%	8.2% ¹⁰

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. National Health Survey: First Results, 2017-18 (cat. no. 4364.0.55.001), released on 12 December 2018.
 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. Australian Bureau of Statistics ABS 2019a. Disability, ageing and carers, Australia: summary of findings, 2018. ABS cat. no. 4430.0. Canberra: ABS.
 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
 10. Please note this is a proxy; "...experience three or more indicators of financial stress in the last year": ABS 2020a, Household financial resources.

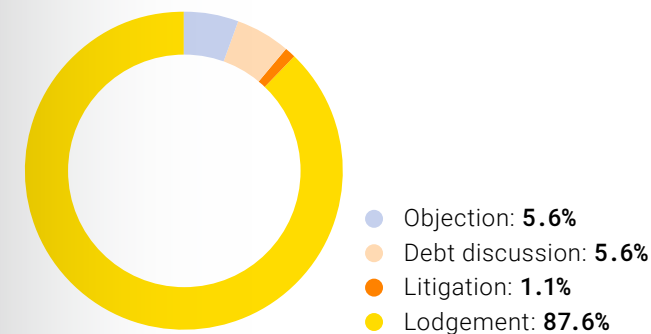
Snapshot of our clients

 **7 years**
Average years behind for long-term overdue Individual Tax Return


 **20 BAS (5 years)**
Average years behind for long-term overdue Business Activity Statement (BAS Return)


 **72.4%**
Micro/family business

Type of tax advice needed:





Over 40 clients had ATO debts

 **\$88,253**
Average ATO debt amount

 **\$3,618,388**
Total ATO debts

Measuring our impact on client outcomes

 **44.4%**
Reduction in financial distress in our surveyed clients

 **81.8%**
Percentage of clients either 'Agree' or 'Strongly Agree' that the Tax Clinic made them feel less anxious

2020 Client Quotes:

"My most sincere thanks to [your team] for the assistance you have to me during a really difficult time in my life. At the beginning of the journey I really didn't know how I could move forward. Thank you for the... professional way you turned my life around. Due to [your team] I am facing each day with a positive smile!"

"Thank you so much to you and the dedicated team at the Tax Clinic for helping me with these outstanding returns.

It has been a very stressful time and I'm very relieved to be able to put this all behind me and to be able to move forward."

"Thank you so much, sorry for the delay I have just got out of family court now this is such a huge relief ! I really don't think people understand the magnitude of offering this assistance to people in hardship & situations where financial abuse is a factor. I can't explain what a weight has been lifted by having these completed -something that I should be capable of figuring out myself but at this time in my life simply unable to cope with ! So Thankyou again so much it really has made a difference to my life & my children's lives."

"Before I contacted the Tax Clinic I felt like the world was spinning in the wrong direction and my anxiety was through the roof. After they helped me I'm so thankful and grateful."

Our Community Education and Outreach Activities



Thought leadership

Nation-wide referral pathway

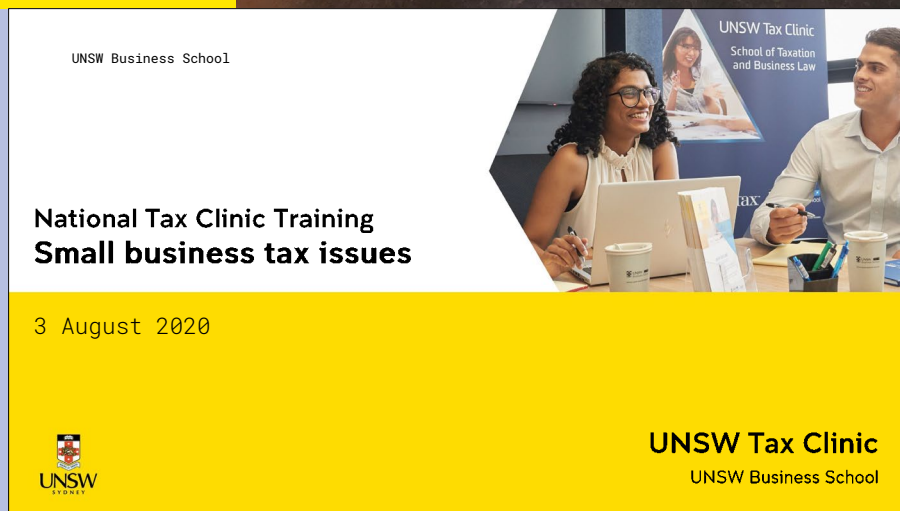
In May 2020, UNSW led the establishment of the nation-wide referral pathway (as recommended by our research) for clients from the financial counselling sector to the National Tax Clinic Program.

Knowledge exchange

Monthly on-campus pop-ups

Located in the walkway of the Main Library, UNSW Tax Clinic staff and students offered a free, monthly, drop-in service giving tax advice to members of the university community and the general public.

Small business tax issues workshop



Described as “a very valuable learning opportunity for the sector” (Director Quality & Innovation at Financial Counselling Australia) UNSW Tax Clinic presented inaugural tax training workshop to the nation-wide sector of financial counsellors. Around a third of the 900-strong sector registered to attend.

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.

Media Articles

- > UNSW Newsroom, [Tax help for communities affected by bushfires](#), 16 January 2020
- > Accountants Daily, [Big four steps up with 'largest pro bono' tax offering amid COVID-19](#), 28 April 2020
- > The Conversation, [Performers and sole traders find it hard to get JobKeeper in part because they get behind on their paperwork](#), 25 May 2020
- > Accountants Daily, [The tax advice gap for the most financially vulnerable](#), 19 June 2020
- > Accountants Daily, [Tax justice as social justice: Are financially vulnerable people and small businesses falling through the cracks?](#), 26 June 2020
- > UNSW Newsroom, [The mental health costs of managing tax for small businesses](#), 6 August 2020

Public Hearings

- > Standing Committee on Tax and Revenue, [Commissioner of Taxation Annual Report 2018-19](#), 26 June 2020
- > Standing Committee on Tax and Revenue, [Commissioner of Taxation Annual Report 2018-19](#), 31 July 2020

Submissions

- > Submission on Insolvency Practices Inquiry Discussion Paper, 24 January 2020
- > Submission to the Inquiry into the Commissioner of Taxation Annual Report 2018-19, 26 May 2020
- > Submission to the Inquiry into family, domestic and sexual violence, 20 July 2020

Journals

- > Ann Kayis-Kumar, Jack Noone, Fiona Martin and Michael Walpole, 'Pro Bono Tax Clinics: An international comparison and framework for evidence-based evaluation' in *Australian Tax Review* (2020) 49(2) 110–132
 - This article explores and extends the international literature on pro bono tax clinics by: (1) conducting an international comparative analysis of the pro bono tax clinic experiences of Australia, United States, United Kingdom and Canada; and (2) developing an evidence-based evaluation framework (the Tax Clinics Program Logic) for a nation-wide university-based pro bono tax clinic program. As illustrated in the Tax Clinics Program Logic, the ultimate benefit of tax clinics is in creating a more socially just tax system.
- > Ann Kayis-Kumar, Gordon Mackenzie and Michael Walpole, '[Interprofessional Collaborative Practice In Pro Bono Tax Clinics: A Case Study Approach](#)' in *Journal of Australian Taxation* (2020) 22(2) 49–63.
 - This article provides an outline of UNSW Tax Clinic's pilot year operations and highlights the importance of adopting an interprofessional collaborative approach which offers vulnerable taxpayers – who meet criteria that are both transparent and nuanced – the ability to obtain free tax advice and support.
- > Kevin O'Rourke, Ann Kayis-Kumar and Michael Walpole, 'Serious Hardship Relief: In Need of a Serious Rethink?' in *Sydney Law Review* (forthcoming).
 - 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 Summits

- > Ann Kayis-Kumar, Michael Walpole and Gordon Mackenzie, 'UNSW Tax Clinic - ATTA Poster' presented at the 32nd Australasian Tax Teachers' Association Conference, Hobart (22 January 2020).
- > Ann Kayis-Kumar, Michael Walpole and Gordon Mackenzie, UNSW Tax Clinic featured at The Tax Institute's inaugural Tax Summit, Sydney (11-13 March 2020)
- > Ann Kayis-Kumar, 'Tax Education Day, Tax Clinic Panel', panelist at the Tax Research Network's 29th Annual Conference, University of Cambridge (9 September 2020)
- > Ann Kayis-Kumar, 'Is there a tax advice gap in Australia?', presented at the UNSW Social Policy Research Centre Seminar Series, virtually (13 October 2020).
- > Ann Kayis-Kumar, Mark Deady, Jack Noone, Michael Walpole, Samuel Harvey, Gordon Mackenzie and Youngdeok Lim, 'Can free tax clinics improve mental health in rural/regional NSW?', presented at the 2020 Australian Rural & Remote Mental Health Symposium, virtually (26 October 2020)

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

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Visit [**http://unsw.to/taxclinic**](http://unsw.to/taxclinic)

to book online