

EXECUTIVE SUMMARY

The UNSW Tax Clinic is an initiative providing free and independent professional tax advice to individuals and small business owners in severe financial distress, while providing students with invaluable ‘hands on’ learning. The Clinic is internationally-renowned for its research on reforms responding to systemic challenges faced by financially vulnerable individuals and small businesses.

UNSW Business School is seeking to significantly expand this initiative, to become a Tax and Business Advisory Clinic, in order to service more clients and provide more services addressing broader financial issues for clients.

UNSW Business School requests funding assistance from the NSW Government of up to \$500,000 over 4 years to support the Clinic expansion, and support the State’s most financially and socially disadvantaged people.

TAX CLINIC BACKGROUND

Each year in Australia, up to 112,000 financially vulnerable people are unable to access much needed independent professional tax advice¹. NSW has the largest share of these.

This number of people experiencing financial distress is predicted to grow substantially over the coming 24 months, given shocks to the Australian economy from drought, bushfires, floods, and COVID-19.

Our existing NGO referral partners have impressed the need for the Clinic’s activities to address significantly unmet demand for support, and incorporate education and advocacy to help prevent financial distress.

Financially vulnerable Individuals and small businesses often lack confidence and sufficient literacy in financial management and tax matters. Since up-to-date compliance with tax obligations is often needed to access government assistance, we anticipate a surging demand for advice offered by the Clinic. The following provides a snapshot of our current client profile:

<p>Client Categories (Overlapping):</p> <ul style="list-style-type: none"> • Financially distressed small businesses (70%) • Suffering mental illness (64%) • Gendered financial abuse (61% of female clients) • Cultural and linguistically diverse (36%) • Rural/regional communities (29%) • Indigenous (5.4%) 	<p>Advice Needed:</p> <ul style="list-style-type: none"> • Objection (5.6%) • Debt discussion (5.6%) • Litigation (1.1%) • Lodgement (87.6%) 	<p>Total ATO Debt \$3,618,388</p> <p>Average debt per client \$88,253</p>
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The Clinic aims to support these clients and improve their financial wellbeing and mental health outcomes through:

- Improving access to tax advice and advocacy: both in person and online;
- Empowering clients to take control of their tax affairs through coaching and education; and

¹ UNSW Centre for Social Impact, 2018

- Promoting policy and regulatory reforms that alleviate systemic injustice in the tax system.

The Clinic currently provides this service to 100 clients per annum. Since launching in June 2019, we have helped around **200** financially vulnerable taxpayers with over **\$3.6 million** in total tax debts. We need to expand.

VISION: TAX AND BUSINESS ADVISORY CLINIC EXPANSION

Our vision for an expanded Tax and Business Advisory Clinic is to radically increase the size and scope of services we offer to further improve the wellbeing of the 112,000 financially vulnerable people desperately in need of professional support through a holistic prevention and direct assistance strategy that not only addresses the immediate tax and financial management needs of clients, but also the broader community challenge of building financial literacy in vulnerable communities.

By 2025, the UNSW Tax and Business Advisory Clinic will grow in scale and scope to include:

- **Taxation advice:** Expanded capacity to meet increasing demand through additional resourcing and an online platform. Demand currently outstrips supply, with prospective clients waiting months for an appointment.
- **Business advice:** For small business owners experiencing financial distress. Support would be led by qualified professionals, assisted by Work Integrated Learning (WIL) students. Would include a financial health check to highlight areas of financial vulnerability, recommended first response/turnaround actions, and/or advice on appropriate windup if the situation is irrecoverable.
- **Financial Management Education and Coaching:** Building upon those in our existing Tax advice program, small business clients will be offered online business education and coaching. This is expected to improve their financial capability and, in turn, their financial wellbeing and overall wellbeing. Development of online resources will be provided by qualified professionals, assisted by WIL students and student volunteers from across UNSW.
- **Local Community Education:** Complementing the aims of our client coaching and education, our Local Community Education will involve an online platform to provide financial literacy learning resources and workshops delivered to low SES secondary schools across Sydney. Workshops to be run by WIL students under supervision of qualified professionals. Creating an online platform for Student trainers and high school students (trainees) enables us to be ambitious about our reach and scope. It also provides a platform for other Universities around Australia to draw upon.
- **Research Led Advocacy/National Policy Change:** Expanding the Clinic's evidenced-based research program for even greater impact in informing policy recommendations for addressing systemic injustices in tax compliance, financial literacy, and related areas.

Investment will not only provide support for the front line Clinic services; it is also an investment in an online education and financial literacy program which will provide a transformative opportunity to reach the remaining 112,000 vulnerable people in financial distress nationally. We imagine a national community of practice growing from this investment in expansion, to deliver support, advice, and advocacy to our most vulnerable Australians.

This vision will generate impact across the Clinic's strategic growth areas:

PILLAR	OUTCOMES BY 2025	IMPACT
Taxation Advice.	<ul style="list-style-type: none"> • 400 clients advised per year: four fold increase in capacity. • Expanded advice including tax, financial management coaching. 	<i>Catching people after they have gone over the "financial cliff"</i>
Business Advice,	<ul style="list-style-type: none"> • Enhanced advice including accounting and financial management to expanded client base. 	
Financial management coaching	<ul style="list-style-type: none"> • 100,000 users on a new online platform assessing financial health and providing assessable educational resources. 	<i>Preventing people going over the "financial cliff" and inculcating a pro bono culture in our young professionals</i>
Client and Local Community Education	<ul style="list-style-type: none"> • 1,000 Work Integrated Learning opportunities per year for business students in client support, program delivery, and in building and maintaining our new online platform. • Client coaching on financial management capability. • Financial literacy programs for targeted community groups through outreach and our online platform. 	
Advocacy/National policy change	<ul style="list-style-type: none"> • Recognised as an influential stakeholder in driving the necessary systems change that will translate into informed policy, equitable education, and better lives, for people in financial distress. 	<i>Fencing the "cliff" so people don't go over</i>

TIMELINE AND MILESTONES

	2022	2023	2024	2025
Annual client reach	200	300	400	400
Online reach	10000	30000	60000	100000
Annual WIL and student reach	250	500	750	1000
Expanded services	<ul style="list-style-type: none"> • Business advice and financial coaching for clients. • Financial management coaching to existing clients. • Online platform rollout services and education • Workshops for local communities. <ul style="list-style-type: none"> ○ Indigenous start-ups/ organisations ○ Low SES high schools. 	<ul style="list-style-type: none"> • Continue to build targeted online learning resources • Workshops for rural/ remote NSW <ul style="list-style-type: none"> ○ Indigenous start-ups/ organisations ○ Low SES High Schools ○ Women in small business ○ Women experiencing financial abuse • Implement Community of Practice 	<ul style="list-style-type: none"> • Continue to build and refine targeted online learning resources • Financial and tax management online simulation to enhance low-SES high School workshops • International Business School linkages and best practice in Business Advisory clinics. 	<ul style="list-style-type: none"> • General Education course 'financial and tax management for budding entrepreneurs' launched • Develop next 5-year strategy for Empowering the most financially vulnerable.

	2022	2023	2024	2025
	<ul style="list-style-type: none"> ○ Women in small business ○ Women experiencing financial abuse ● Engage and develop a national community of practice (CoP) for Business advisory clinics, incorporating a holistic multidisciplinary approach. ● Engage and develop strategy for University-to-University platform access. 	Provide access to platform and learning/educational resource sharing.		
Evaluation and national advocacy	Develop short and long run program evaluation strategy and implement.	Implement, advocate and report and publish	Implement, advocate and report and publish	Implement, advocate and report and publish

RESOURCING NEEDS

With support, the UNSW Tax Clinic will expand across four main areas of need: professional support, education, administrative support, and space.

- **Professional support:** Four (4) FTE Clinic Supervisors will be needed to support the expanded Clinic scale and scope. For 2022 onwards, the expanded Clinic will be best served by a combination of full-time and sessional supervisors. The current Clinic Supervisor's days per week will be expanded from 1.5 days to 3 days.
- **Education:** Our education programs will include both Financial Management Coaching and Local Community Education.
- **Administrative support:** Additional administrative support will be needed, in the form of a full-time Clinic Manager and part-time administrator. They will assist with all client appointments, file management, volunteer recruitment, WIL student matters, business development opportunities, and data compilation/reporting. Demand for administrative support will grow markedly if the planned expansion is realised.
- **Space:** The expanded Clinic will require a 'for purpose' shop front and client facilities to accommodate expanded Clinic activities. We aim to have a permanent home by 2025.

The cost of resourcing the expanded Clinic from 2022 to 2025 is estimated to be \$2,837,000. We have secured \$400,000 (\$100,000 per year) from the National Tax Clinic Program and have a contribution of \$350,000 (over 2 years) from ECSTRA Foundation for a complementary project.

WHY UNSW BUSINESS

UNSW Business School is a leading business school in the Asia-Pacific and has a reputation for innovation, research excellence and teaching. At the heart of our excellent reputation are our outstanding academics, researchers and bright students.

UNSW Business School has the #1 online MBA program in the country, while the Australian Research Council's latest assessment found that our business research is "well above world standard" in fields of Economics and Commerce.

Our vision is to improve lives globally, through transformative education, innovative research, and commitment to a just society.

The Global Business Education Network (AACSB) 2021 Innovations that Inspire Award recognised the Tax Clinic's impact in helping the Business School realise this vision. In doing so, the Clinic makes a difference to clients served, to student learning, and policy advocacy.

CASE STUDIES

The following case studies provide a snapshot of some of the positive impact the work of the clinic has had on its clients:

John is a single parent with mental health issues who struggled to hold down a job. He had 12 years of outstanding tax returns. The Tax Clinic was able to assist John by calling up the ATO to attain prefill data that wasn't available on the portal (online data was available up to only 10 years at the time). After filing his tax returns with the help of the Tax Clinic, he received a tax refund. He was so relieved and was able to take his child to the Sydney Aquarium and Taronga Zoo for the first time.*

Sarah lives in Queensland and is a victim of domestic abuse. She was referred by the National Debt Hotline and meets with the Tax Clinic virtually. She has tax debts from a business she previously ran with her husband. The Tax Clinic is helping Sarah to lodge personal tax returns and a 5 year backlog of Business Activity Statements to get her financial affairs in order.*

*The Tax Clinic helped **Rita*** with issues relating to tax liabilities from non-lodgement of company tax returns. Rita was referred by Lifeline and has a child with severe mental health issues. Rita provided the following feedback to the Tax Clinic:*

'Thank you so much...just got out of Family Court now and this is such a relief! I really don't think people understand the magnitude of offering this assistance to people in hardship and situations where financial abuse is a factor. I can't explain what a weight has been lifted by having these completed – something I should be capable of figuring out myself but at this time in my life simply unable to cope with!... It really has made a difference to my life and my children's lives.'

* The real names of clients have not been used.

CONTACT

We value your interest in supporting the Tax Clinic's vision for expansion. For more information, please contact:

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