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From the Head of School’s Desk

ARMEST GREETINGS TO THOSE who share our passion for and commitment to all things ‘tax’. Tax is central to who we are here at Atax and what we strive to be – the leading tax school in Australia renowned for excellence in teaching and research.

Having taken over the role of Head of School from 1 July 2009, I am proud to be part of the exceptionally talented and dedicated group of staff here at Atax. Professor Neil Warren, my predecessor, played a key role in Atax’s many achievements over the previous three years. The launch of the very successful Master of Taxation and Financial Planning in 2009 is but one example of a key initiative that was successfully developed and implemented under Neil’s leadership. This unique program has been well recognised as being cutting edge and meeting a vital need for the financial planning industry. Gordon Mackenzie, with his many years of high-level industry experience, has been invaluable in developing and teaching this program which I am sure will go from strength to strength.

In 2010 Atax is launching a Master of Revenue Administration degree aimed at improving the effectiveness of revenue authorities, primarily those in less developed countries. Professor Chris Evans is leading this initiative which includes a course being authored and taught in April 2010 by Professor Richard Bird, the eminent Canadian tax economist. We have had many visiting delegations from overseas revenue authorities this year including Iraq and Korea, and both Chris Evans and I have recently visited the revenue authorities in Malaysia and Indonesia. We are confident that this new program can make an important contribution to the well being of a great many people and are very encouraged by the level of interest thus far.

Just recently the Assistant Treasurer announced the appointment of Atax to the newly formed Tax Design Advisory Panel. As the only university represented on the Panel, we take great pride in this appointment. We look forward to working with Treasury in 2010 as Australia moves into a new era of tax reform following the Henry Review. We believe that the multidisciplinary expertise that we have at Atax - drawing from the disciplines of law, accounting, politics and economics - does place us in a unique position to be able to make an important contribution to the future of Australia’s tax system.

Do take time to read through this issue of Atax Matters where we showcase some of what we do, and I hope you will appreciate why we are so drawn to this discipline and the important role that tax does play in shaping economies and societies around the globe.

Please do not hesitate to contact me or any Atax staff member if we can be of assistance to you.

Margaret McKerchar
Head of School

In 2010 Atax is launching a Master of Revenue Administration degree aimed at improving the effectiveness of revenue authorities, primarily those in less developed countries.
Tax Reform:
The never-ending saga

Playing games with the corporate tax rate will achieve little. Real reform requires solutions that genuinely reduce complexity.

by Bob Deutsch, KPMG Professor of Taxation
TAX REFORM CONTINUES TO BE A key policy initiative of the current federal Labor Government and this has manifested itself most recently in particular in the Henry Tax Review which is due to report to government in December 2009.

The likely outcomes of that review remain subject to considerable speculation but the most well telescoped reform is a possible reduction in the corporate tax rate from the current 30% to a possible 25% rate.

Clearly the focus on a drop in the headline corporate tax rate has the benefit of being a simple and straight forward initiative. However, there are many questions that need to be asked as to whether this is prudent from a policy perspective. In particular I would emphasise that there is no clear-cut empirical evidence to suggest that Australia’s headline corporate tax rate is unnecessarily high relative to a number of our competitors. I note in particular here that the headline rates in the United States, Japan, France and New Zealand are very similar to, or higher than, the headline Australian corporate tax rate.

Secondly the headline tax rate tells only part of the story. It is worth noting that the corporate tax base in Australia benefits from many advantages which are not necessarily replicated in other countries. Generous rates of depreciation, research and development write offs and the tax free derivation of offshore non-portfolio dividends spring to mind.

Thirdly however, and perhaps most importantly, a reduction in the corporate tax rate would lead to an even greater disparity between the top personal marginal rate and the corporate rate thereby giving even greater incentive to those who are so minded to artificially incorporate companies to extract advantages from the reduced corporate tax rate. Clearly a further reduction in the headline corporate tax rate will lead to greater pressure being put upon the specific anti-avoidance provisions in Division 85–87 of the Income Tax Assessment Act 1997 and upon the general anti-avoidance provisions in Part IVA of the 1936 Act. Recent case law (see, for example, Russell v Federal Commissioner of Taxation (2009) FCA1224) shows the extent to which some tax payers will go to attract a corporate tax rate even when it sits at the 30% level. Once it is reduced to 25% the incentive to artificially construct corporate vehicles will be even further enhanced.

In my view a far more urgent need is to reduce the top marginal tax rate from the current 45% and to bring it closer into line with the corporate tax rate. This could be achieved by, for example, reducing the top personal rate to 35% and simultaneously abolishing CGT discounts and other CGT tax reliefs.

The trade off between retaining greater amounts of day-to-day income in exchange for sacrificing some capital gain towards tax is something that most taxpayers may well be willing to negotiate.

Tax reform should embrace major simplification and tinkering with the top corporate tax rate is unlikely to achieve such an objective. Real simplification requires addressing the need for complex legislation. Some ideas that could better achieve this objective include:

- Align the corporate and top personal tax rates around 35% - this would remove the need for much in the way of specific anti-avoidance rules and take the pressure off the general anti-avoidance rules.
- Repeal imputation and replace it with a Singapore-style dividend exemption system whereby the company pays corporate tax at 30% (or possible 35%) and all dividends to shareholders out of tax paid profits would be non-assessable non-exempt income. (Interestingly Singapore moved away from imputation some years ago because it was too complex).
- On an opt-in basis, abolish work related deductions in exchange for a straight deduction of 10% (or some other negotiated percentage figure) of assessable income. (Hong Kong moved in this direction many years ago). This could pave the way to a one page tax return for most taxpayers.
- Repeal all GST free classifications other than exports (New Zealand has come very close to doing this) and compensate low income earners through enhanced social security payments.

Playing games with the corporate tax rate will achieve little. Real reform requires solutions that genuinely reduce complexity. These are but a few of the possible measures that could be adopted. Politics as always will play its part in limiting the available options. Imputation in particular is virtually untouchable though from a policy perspective, I am not sure why that is!
Taxation issues arising from charities for Indigenous people

The application of an antiquated concept of ‘charity’ to modern day entities that seek to advance Australian Indigenous people is problematic.

by Fiona Martin, Senior Lecturer
The report, ‘Global Civil Society: An Overview’ found that the number and variety of not-for-profit or charitable institutions has grown enormously in recent years. Although this is more marked in developed nations it is also occurring in the developing world.

There are many reasons for this growth. These include the withdrawal of government from areas which it traditionally dominated, such as disability services, education and health; the increasing complexity of today’s society; and the increasing awareness of international issues such as the environment.

The business sector has been criticised for ignoring human needs and producing untenable social inequities. The issues with both government and business are seen as fostering the growth of the third sector.

The Australian tax system grants a variety of tax concessions to what are termed ‘charities’. For example the income of charitable institutions or funds is exempt from income tax, certain activities by charities where accommodation is offered at less than market value are exempt from the GST, and certain types of charities called public benevolent institutions are eligible for fringe benefits tax exemptions. Such tax concessions can provide significant financial advantages to an entity that is able to claim this charitable status. Such tax concessions can be the impetus for economic and commercial development that might otherwise not have taken place. Current research shows that the charitable and not-for-profit sector is a major part of Australia’s economy both in terms of money generated, services provided and staff employed.

There is no definition of ‘charity’ in the Australian legislation and the courts and the Australian Taxation Office rely on the common law for guidance on this issue. As the original concept of ‘charity’ and ‘charitable’ was established for the purposes of the income tax exemption by the English courts over 100 years ago in a case called Commissioner for Special Purposes of Income Tax v Pemsel, the interests of Australian Indigenous people were obviously not a consideration. In fact the modern law on charities can be traced back to the Statute of Elizabeth which was enacted in 1601.

The decision in Pemsel established four categories that cover the legal concept of charity. In addition to these categories, the cases have also held that for a purpose to be charitable it must be founded for the benefit of the public or a significant section of the public.

In my research I have found that the application of the case law on this antiquated concept of ‘charity’ to modern day entities that seek to advance Australian Indigenous people is problematic for a number of reasons. An initial examination of the jurisprudence shows that there is certainly judicial goodwill towards the idea that entities for the advancement of Indigenous Australians fall within one of the Pemsel charitable heads. The two charitable purposes that have been found relevant are ‘relief of poverty’ and ‘other purposes beneficial to the community’.

Tension arises however when the additional requirement that a charity must be for the benefit of the public or a section of the public is applied. The current legal formulation of the law is that an organisation cannot attain charitable status if the beneficiaries are linked through a personal relationship such as family. This may have serious consequences for holders of native title who are part of the same family grouping. The public benefit test causes serious tension when applied to native title claimant groups under the Native Title Act 1993 (Cth) as membership of this group is usually defined by reference to descent from a common ancestor. In other words the group is defined by a family relationship which ensures that it fails the public benefit requirement for charities (other than charities for the relief of poverty which have a more relaxed test but certain limitations).

This issue is also relevant to New Zealand Maoris and Canadian First Nations people where these two jurisdictions follow the common law jurisprudence on ‘charities’. Interestingly, the New Zealand Parliament has seen fit to amend its income tax legislation to prevent a family relationship being a barrier to charitable status. I will be submitting to the Australian Government that Australia follows the New Zealand example.
Different societies have different institutions which impact the success of tax choices and what is the best tax policy and design for that society.

by Nolan Sharkey, Senior Lecturer
Taxation in East Asia

Much of the coverage of what is good and bad tax policy and law assumes that the principles used to decide this are universal. Likewise when a problem is identified with a particular country’s tax system, it is often assumed that the problem exists because that country has not adopted the best tax policy and law options available. The solution that is therefore proposed is that the country should adopt the tax options used in countries where problems do not exist. The error with this approach is its failure to recognise that different societies have different institutions which impact the success of tax choices and what is the best tax policy and design for that society. Sociologists have long demonstrated that the economic actions of people are socially embedded. It follows that where materially different social institutions exist, people’s economic actions are going to be different despite other factors remaining the same. When people’s economic actions differ, tax policy and law design appropriateness is impacted. For example, in some western families, the economic rationale behind any individual’s decisions may be maximising family welfare as opposed to their own. A policy that focuses on the individual only will therefore fail to capture economic rationale and therefore fail to be efficient.

The above is highly relevant when considering tax issues in East and South-East Asia, regions where society differs from western countries with materially different social institutions. For example referring to the issue of family again, it may be assumed by observers that the only informal grouping of individuals that needs to be considered in understanding economic rationale is the nuclear family. While this may be true in a western society, it is certainly not the case in East and South-East Asia. There, strong mutually cooperative bonds may extend beyond the nuclear family to a more extended family and beyond the extended family to many others.

Australians in particular need to pay attention to this issue. Australia has a predominantly western society but it exists in close geographical proximity with East and South-East Asia. Thus Australians are likely to encounter tax issues that relate to non-western societies whether this encounter is as researchers, business persons or tax officials. However, being from a western society they may not appreciate the issue and be tempted to offer inappropriate solutions to problems. For example, it may be incorrectly assumed that the inclusion of only close family members in the definition of ‘associate’ may be enough to counter particular tax avoidance opportunities.

I have made this my major research focus with a study of Chinese social institutions and tax. My thesis on the topic will be finalised in the coming months and published in book form in the near future. Knowledge gained from this work has also been informing the Atax course Taxation and Investment Regulation in China that I teach.

In July 2009, I organised the “Tax in ASEAN and China” conference which brought together contributions in relation to China, the Philippines, Hong Kong, Malaysia, ASEAN, Indonesia and Singapore. Key outcomes from the conference included how a better comprehension of social institutions helped understanding of both economic success and ‘corruption’ in the Philippines, China and other countries.

In 2010, I will continue my fieldwork in China. I am also planning two conferences and coordinating important academic visitors from Asia to take part in the delivery of Atax courses and research. Among them are Professor Andrew Halkyard from Hong Kong University, Professor Yangbin from Xiamen University and Associate Professor Wei Cui from the China University of Politics and Law. Professor Halkyard will teach the Hong Kong and Singapore components of the Asia Pacific Tax Regimes course as part of a special intensive offering in March 2010.
New Program: Building tax capacity in developing countries — with the world experts
Tax revenue is the lifeblood of any economy. It is therefore crucial for tax professionals working in revenue authorities or related agencies to understand the efficient and effective administration of tax and management of revenue collection.

In 2010 the Faculty of Law will launch a Master of Revenue Administration program designed to build on the strong links Atax has forged with revenue authorities, academics and practitioners in developing countries in the Pacific, Asia and Africa.

In addition to covering the principles of revenue administration, tax policy, tax risk management and management of revenue collection, the new Master of Revenue Administration program will also provide students with the understanding of how and why revenue authorities can raise revenue more efficiently, provide detailed technical knowledge of various taxes and explore international norms and best practice in taxation and revenue administration and collection.

The Master of Revenue Administration program comprises three compulsory core courses which will be taught intensively over three weeks from 29 March to 17 April 2010 in Sydney. Lecturers will include Richard Bird, Professor at the University of Toronto, Atax’s Chris Evans and Margaret McKerchar, together with other Atax staff and senior revenue administrators from countries including Australia, the UK and Malaysia. One of the intensive courses also incorporates the two day “Atax International Tax Administration Conference”, which is attended by over 100 delegates specialising in tax administration, and features speakers from all over the world.

There are also five elective courses in the new Master of Revenue Administration program which can be undertaken either in face to face mode in Sydney, or by flexible distance mode from anywhere in the world, subject to availability. The program is designed to be completed in one year full-time or in a longer period for part-time students.

The program leverages both traditional and emerging research and teaching strengths of Atax staff and the adjunct faculty. Michael Walpole recently delivered a keynote address on corruption and integrity in tax authorities at a major conference in Malaysia, while Chris Evans has been an invited speaker at conferences organised by revenue authorities and tax professional bodies in Nigeria and South Africa. In addition, Binh Tran-Nam and Nolan Sharkey continue to develop close links with Vietnam and China and other parts of the Asia-Pacific region, and Margaret McKerchar and Chris Evans have ongoing tax compliance research commitments with Indonesia and Malaysia.

### MASTER OF REVENUE ADMINISTRATION

**Program Structure**

Master of Revenue Administration
8 courses (48 units of credit)
3 compulsory courses
1 year full time or 1.5 years part time

**Compulsory core courses**
- Current Issues in Tax Administration
- Principles of Revenue Administration
- Tax Risk Management

**Elective courses**
- Asia Pacific Tax Regimes
- Double Tax Agreements
- GST Design and Structure
- International Tax: Design and Structure
- International Tax Research
- Research Methods in Taxation
- Specific Tax Jurisdictions: Europe
- Tax Administration Process
- Tax Policy
- Taxation and Investment Regulation in China

**How is the program offered?**
The three compulsory core courses will be held in Sydney in consecutive weeks in a three week block available in March/April. Each of these three courses will be delivered over four to five days of intensive teaching, supplemented by extensive Study Materials and an online course portal.

Elective courses in these programs are offered in a range of delivery modes including flexible distance mode, face to face classes or intensive 4 day courses.

[www.atax.unsw.edu.au/mra](http://www.atax.unsw.edu.au/mra)
Kalmen Datt is researching tax obligations borne by company directors in Australia. Atax’s research output has continued to flourish in 2009.

Aside from funded research projects and conferences described elsewhere in this magazine, a significant focus of research is in the theses of Atax research students undertaking a PhD or Master of Taxation by Research.

Adelaide based revenue lawyer, Campbell Rankine completed his thesis: “The disutility of assessing trust beneficiaries on income derived by trustees: A critique of the existing regime whereunder beneficiaries are taxed on trust income before they receive it”. Campbell’s study demonstrates how jurisprudence on the taxation of trusts has led to complications and difficulties in taxing income that trust beneficiaries have not received. His solution is to tax trustees on all income of the trust that is not actually paid to beneficiaries – a suggestion that resolves many of the problems associated with taxing trusts under current rules.

Kalmen Datt is researching tax obligations borne by company directors in Australia in a PhD thesis entitled “The regulation of directors in relation to tax: Is this legislative overkill?” Helen Hodgson’s PhD thesis is entitled “A proposal for a family tax transfer system” and Fiona Martin’s PhD investigates the important issue of taxation of Indigenous charities. With a more international focus, Nolan Sharkey is completing his thesis entitled “Developing culturally neutral tax regimes: A case study of businesses in China.”

Other research degree topics cover a wide range of issues important to tax, compliance, administration, and policy. For example, in tax administration John Bevacqua’s PhD critically
examines the legal remedies available to taxpayers that have been harmed by ATO administrative errors, while Peter Hill’s thesis analyses the conceptual and legislative framework within which the Commissioner exercises administrative powers. In the context of state taxation, Vincent Mangioni’s thesis will codify “value” in the assessment of land value taxation. As for tax compliance, Lex Fullarton is researching the involvement of West Australian mine workers in mass marketed tax schemes and Jason Kerr is studying the effect of simplified filing on taxpayer morale. Other compliance topics include Suek Hua Woung’s study of income tax morale in Malaysia; and Catriona Lavermicocca’s examination of tax risk management and its implications in the context of corporate governance in Australia.

Malaysia is also the focus in Izlawanie Muhammad’s study of attitudes of corporate tax auditors in Malaysia and Muzainah Mansor’s analysis of the performance of the Malaysian indirect tax system.

Technical aspects of taxation reporting also get attention. For example Hanna Zakowska is examining standard business reporting and its implications on the reporting burden; and Ian Ross-Gowan will identify opportunities to harmonise tax law and accounting standards after the introduction of the consolidations regime and of International Financial Reporting Standards (IFRS).

Some tax reform projects focus on the environment with Victoria Roberts examining research and development tax concessions and their impact on sustainability, and Evgeny Guglyuvatyy examining environmental taxes and emission trading schemes from a tax perspective.

**Academic research surges during sabbatical**

Helen Hodgson travelled to England and Canada to further her research into family tax transfer systems. She met with a number of researchers at seven universities and research institutions in the UK, and four universities and research institutions in Canada. She examined the family tax credit system in each country, and relevant poverty and gender studies. In particular she examined the structural aspects of the systems, the consequences for poverty and maternal employment and the gender equity of the systems.

Gordon Mackenzie focused on two research areas. First, he looked at after-tax investment returns. He found that when fund managers did not take tax into account when managing their portfolio, they lost a lot of value when the returns were reported on an after tax basis. The result of the research is a “Why do it, how is it done and how is it reported to investors” report on managing a portfolio on an after tax basis that was presented at a Banking and Finance conference.

The second area of Gordon’s research is tax inefficiency in infrastructure financing. Infrastructure projects have tax losses in the early years because of the large interest expenses and capital expenditure. The value of these trapped losses is reduced because they cannot be used for three to four years, which is when the project starts to generate income. The research has so far identified five ways that the losses could be used by investors in the project immediately, and thereby avoid losing their value.

Professor Neil Warren’s research is on fiscal federalism. With the release early in 2010 of the Review into Australia’s Future Tax System chaired by Ken Henry, tax will again be a hot topic for debate in Australia. A particular focus of Neil’s research is intergovernmental fiscal arrangements and how they can be reformed to facilitate improved governance and national economic efficiency. This research also forms part of an ARC Discovery Project he is involved in with Professors George Williams and Andrew Lynch from the School of Law at UNSW and Professor Greg Craven from the Australian Catholic University into “Federalism for the 21st Century – A Framework for Achieving Reform and Change”.

Gordon Mackenzie found that when fund managers did not take tax into account when managing their portfolio, they lost a lot of value when the returns were reported on an after tax basis.
Aus Business Tax Reform cover.indd   1
of what goodwill is. the tax system will have a common understanding, for tax purposes, 
definition of goodwill that will mean the professionals dealing with 
identifies several options for consideration – principally a statutory 
set of desirable principles and tests the Australian tax treatment 
it consistent with desirable canons of taxation. This work identifies 
goodwill challenges us to agree on what it is – and how best to treat 
and distortion. Developing a coherent policy for the taxation of 
is – and how it should be taxed. Any leakage of value from goodwill 
law, and economics and there should be agreement on what goodwill 
One of the most widespread and indeed burgeoning forms of 
property that attracts increasing attention – from tax 
intangible property is goodwill. Goodwill is one of the items 
on the tax landscape but as more and more value finds its way into 
future. Whether your interest is in long-term tax policy, or you want 
issues including environmental tax, natural resource tax, 
savings, investments and business sectors to the interaction of 
academics, 
Future Tax System Review (Henry Review).  Through analysis 
Australian Business Tax Reform in Retrospect & Prospect 
provides a comprehensive record of how the 
explores a range of topics from the taxation of 
Australian Business Tax Reform in Retrospect & Prospect 
By Chris Evans* and Richard Krever 
Thomson Reuters 2009

Proposals for the Reform of the Taxation of Goodwill in Australia 
By Michael Walpole* 
Australian Tax Research Foundation 2009

Australian Business Tax Reform in Retrospect and Prospect 
By Chris Evans* and Richard Krever 
Thomson Reuters 2009

Financial Accounting: 
Building Accounting Knowledge 
Shirley Carlon*, Rosina Mladenovic-McAlpine, Chrisann Palm, Douglas Kimmel, 
Donald Kieso & Jerry Weygandt 
John Wiley & Sons Australia Ltd 
2009

Accounting: 
Building Business Skills (3rd Ed) 
Shirley Carlon*, Rosina Mladenovic-McAlpine, Chrisann Palm, Douglas Kimmel, 
Donald Kieso & Jerry Weygandt 
John Wiley & Sons Australia Ltd 
2009

Principles and Practice of Double Taxation Agreements 
By Robert Deutsch*, Roisin Arkwright, Daniela Chiew 
BNA International Inc 
2008

Income Tax & GST Strategies Manual Deutsch  •  Orow 
2008-2009

*Atax academic staff
Atax’s linkages with Asia continued to develop through 2009. The ‘Tax in ASEAN & China Conference’ in July brought together a wide range of tax academics presenting papers on current taxation issues in Australia, China, Hong Kong, Malaysia, Philippines, Singapore, Vietnam, and ASEAN at large.

In August, Michael Walpole presented an invited paper on ethics and integrity in tax administration at the ‘Chartered Tax Institute of Malaysia National Tax Conference’ held at Kuala Lumpur.

In October, Margaret McKerchar and Chris Evans made an intensive one-week trip to Malaysia and Indonesia. Supported by a Faculty of Law research grant, the primary aim of this ‘Building Tax Capacity in Developing Countries’ project was to identify and build collaborative partnerships with academics, revenue authorities and other bodies in these two countries. Binh Tran-Nam presented a paper on Vietnam’s industrial structure and agglomeration at the ‘Changing International Structure and Industrial Agglomeration in East Asia: Transforming Industrial Clusters’ Symposium held at Nagoya University.

In December 2009, Fiona Martin will collaborate with University of Hong Kong academics on research into the law relating to charities. She will also contribute a paper on the legal concept of charities at one of the Faculty of Law seminars.

Throughout the year, Atax received a steady flow of international visitors. The Atax Research Fellows for 2009 were Dr Lisa Marriott (Victoria University of Wellington, NZ), Dr Rita de la Feria (Centre of Business Taxation, Oxford University, UK), and Professor Adrian Sawyer (University of Canterbury, NZ). Lisa presented a seminar on experimentation in taxation and collaborated with Gordon Mackenzie on retirement savings policy in Australia and New Zealand. Rita presented a joint paper with Michael Walpole on a comparative study of VAT/GST rate structures. Adrian gave a paper on tax disclosure by Australasian financial institutions and worked with Kalmen Datt on the Trans Tasman comparison of rights and obligations affecting directors concerning taxation.

Other international visitors included Dr Marjon Weerepas (University of Maastricht, The Netherlands) and Professor Bernd Genser (University of Konstanz, Germany). Marjon gave a seminar on the co-ordination of tax law and social insurance in the European context, and Bernd presented a seminar on VAT reform as a response to rising budget deficits in the European Union.

Alumni dinner in Malaysia
On 27 October 2009, Margaret McKerchar and Chris Evans met with Faculty of Law alumni in Kuala Lumpur. Chee Wee Lim, Harold Tan, and Adeline Wong joined them for dinner at the Sheraton Imperial. “As I head the tax practice of our firm, I found the visit particularly useful and may in fact consider possibilities of signing up relevant courses for some of our lawyers,” said Adeline after the gathering.

Photo (top): Chee Wee Lim, Harold Tan, Margaret McKerchar, Adeline Wong, Chris Evans.

Photo: Margaret McKerchar with Associate Professors of the Universiti Teknologi MARA, Malaysia (from left) Dr Rozainun Haji Abdul Aziz, Dr Ern Chen Loo and Dr Zuraidah Mohd Sanusi.
Patrick Conheady
Fraud Investigator
Australian Taxation Office
Melbourne

Patrick Conheady completed the Bachelor of Taxation program in Semester 2, 2009. He has topped the class in a number of courses and was awarded the CPA Australia Prize for Best Performance in Accounting 1 in 2007 and Best Performance in Taxation of Companies, Trusts and Partnerships in 2009.

Patrick started a cadet position at the ATO after high school, and over the last four years, he has had exposure to processing, debt collection, audit and interpretation advice. He is currently working as a fraud investigator.

“For me, the Bachelor of Taxation has provided the best introduction to the world of taxation,” said Patrick. “It combines accounting with law, which is what tax is about. It includes a bit of economics and finance, to teach you about the context in which tax exists.”

“In particular, the legal research skills I have developed have been invaluable to the technical advice aspects of my work.” Having just finished his last exams, Patrick will focus on work in the coming year and hopes to return to further study in 2011.

Catriona Lavermicocca
PhD Candidate

Catriona Lavermicocca’s PhD research is concerned with the factors that have an impact on the income tax compliance behaviour of large corporations, focusing on their tax risk management system.

“My topic was derived from the observation that large corporations in Australia generate a significant percentage of income tax revenue, yet to date research into the variables that impact their tax compliance behaviour is limited,” Catriona said.

She identified that the decision making process would need to consider that typically there is a separation of ownership and control in a large corporation. Decision makers in relation to tax compliance may not necessarily bear the consequences of those decisions. The corporate governance practices of a corporation set out the rules and procedures that management must follow, including rules concerning tax risk management. Those rules can be used as an insight into the tax decision making process in a large corporation.

Catriona is currently conducting in-depth interviews of tax managers and tax advisors to gain insight into the tax decision making process in a large corporation. “The results of this research will be useful in the development of strategies to improve large corporate tax compliance,” she said.

Kay Kheng Tan
Partner
Wong Partnership
Singapore

Kay Kheng Tan was recently recognised as one of the leading 250 tax advisers at law firms in the world by the Tax Directors Handbook 2009.

He heads Wong Partnership’s Tax Practice in Singapore and is also a Partner in the Litigation & Dispute Resolution Department and the Competition Practice.

In the field of revenue law, Kay Kheng’s areas of practice include both contentious and advisory/transactional work relating to income tax, stamp duties, property tax and goods & services tax. His main areas of practice in the fields of civil litigation and arbitration encompass corporate/commercial disputes and property disputes.

He is a current member of The Law Society of Singapore’s Compensation Fund Committee, and serves on the Inquiry Panel constituted under the Legal Profession Act as well as CPA Australia’s Disciplinary Panel and its Singapore’s Division’s committees.

Kay Kheng completed the Master of Taxation at UNSW in 2008 via distance mode.

"The way Atax has delivered the MTax program has exceeded my expectations," said Kay Kheng. “Being a ‘remote’ student, I appreciated very much the quality course materials and excellent lecturers.”
Ben Smythe
Director
Heffron

Ben Smythe is a Director of Heffron, a firm that specialises in providing self managed superannuation fund (SMSF) services to both accountants and financial advisers. A UNSW Bachelor of Economics and Master of Commerce graduate, Ben has been involved in the superannuation industry for over 13 years. He started part-time study in the Master of Taxation program, motivated by the close correlation between tax and superannuation and his interest in studying and analysing taxation legislation.

When the Master of Taxation and Financial Planning program commenced in 2009, Ben made the switch. “Given that I deal with financial planners most days at work, I thought it would be a good opportunity to get to know the more technical features of the industry,” said Ben.

“The new program not only provides a sound understanding of taxation policy, which is of enormous benefit when working in the superannuation advice area, it also provides knowledge and understanding of the financial planning industry.”

Master of Taxation and Financial Planning
Faculty of Law
2010
planning Wealth

**MASTER OF TAXATION & FINANCIAL PLANNING: FILLING THE GAP IN THE MARKET**

Funds management in Australia is the fourth largest of its kind in the world. With over 2000 pages of superannuation tax and regulatory legislation, plus more change to come as a result of both the Henry Review and the Cooper Review, there is a clear need for practising accountants, lawyers and financial planners to get the highest level of education. With the extended knowledge, professionals can offer improved transaction, compliance and advice services in this area.

The Master of Taxation and Financial Planning program fills this gap, giving students an understanding of taxation policy which they could then adapt and integrate when the rules change.

The convenor of the program is Senior Lecturer Gordon Mackenzie, a former global tax director for AMP. The program was designed with input from senior advisors in the personal wealth industry, the Investment and Financial Services Association and Self-Managed Super Fund Professionals’ Association of Australia as well as professional bodies, CPA and ICAA, and the ATO. It covers the critical areas in personal wealth management of tax, regulation and economics.

**UNSW Faculty of Law Memorabilia**

Following requests from Alumni for a range of Law memorabilia, the Faculty of Law is pleased to present a selection of quality merchandise available via the UNSW Bookshop.

Embroidered Polo Shirts, Cotton Caps, Striped Silk Ties, Silver Lapel Badges.

Order Online: 
www.bookshop.unsw.edu.au/lawalumni/
Atax appointed to Government’s Tax Design Advisory Panel

Assistant Treasurer, Senator Nick Sherry announced the Federal Government’s Tax Design Advisory Panel in October 2009 and the Australian School of Taxation (Atax), UNSW was the only University to be appointed to the panel. Also named on the Panel with Atax are five accounting firms, five law firms and two economic research and modelling houses.

“The Panel will complement the resources available within Treasury and the Tax Office by providing ready access to some of the best private sector brains in the field,” the Assistant Treasurer said.

This announcement confirmed the very high reputation and expertise of Atax staff.

Promotions

Congratulations to Margaret McKerchar and Michael Walpole who have been promoted to Professor at the Faculty of Law, UNSW.

Michael Walpole has been appointed as Associate Head of School (Research) and Helen Hodgson as Associate Head of School (Education) for Atax.

Fiona Martin awarded the International Fiscal Association Prize

Fiona Martin was awarded the International Fiscal Association (IFA) Prize for Doctoral Research in an Area of Comparative Tax for her research in tax law and charity law. The prize sponsored Fiona to attend the IFA conference in Vancouver, Canada in September.

Margaret McKerchar awarded the Graham Hill Medal

Margaret McKerchar was awarded the Graham Hill Medal for services to the Australasian Tax Teachers Association in January 2009, at the ATTA conference in New Zealand. This medal recognises Margaret’s long standing commitment to teaching tax, services to ATTA on its executive committee, the editorial board of the Journal, and mentoring role to colleagues and PhD students in tax.

Staff Appointments

Michael Walpole has been appointed an International Research Fellow at the Oxford University Centre for Business Taxation. The Centre for Business Taxation is a leading centre for interdisciplinary work in business taxation and the appointment recognises Michael as a leading international researcher in taxation.

Margaret McKerchar has a two year appointment (from 1 January 09) as a visiting Associate Professor at Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia.

Kathrin Bain has been appointed Associate Lecturer at Atax from January 2010. Prior to joining Atax, Kathrin was a Senior Consultant in KPMG Brisbane’s Tax Division. Kathrin holds an LLB (Hons) and BBus (Accounting) from Griffith University, and has recently completed her Master of Taxation through Atax.

For the past year, Kathrin has been Atax’s research assistant, providing research support to academic staff. “I’ve thoroughly enjoyed my past year at Atax. The research assistant position meant I was involved in research across a diverse range of taxation areas whilst also allowing me to contemplate where I wanted my own future research focus to lie”, said Kathrin.

Kathrin will also be commencing a higher degree by research, which will focus on Double Tax Agreements.
2010 ATTA CONFERENCE

Changing Times
— Changing Taxes

20 - 22 January 2010
Law Building, UNSW

UNSW is hosting the Australasian Tax Teachers Conference in January 2010 at the Faculty of Law. Keynote speakers include Dr Ken Henry, Secretary to the Treasury; The Honourable Richard Edmonds, Judge of the Federal Court of Australia; and Michael D’Ascenzo, Commissioner of Taxation.

Conference program and registration:
http://www.atax.unsw.edu.au/attaconference

BUSINESS REGULATION AND TAX IN CHINA CONFERENCE

10 February 2010
Law Building, UNSW

Keynote speakers include Professor Yangbin from Xiamen University China and Associate Professor Wei Cui from the Chinese University of Politics and Law in Beijing.

9TH TAX ADMINISTRATION CONFERENCE

Tax Administration: Building Bridges

7 - 9 April 2010
Sydney Marriott Hotel

Keynote speakers include Dato’ Hasmah binti Abdullah, CEO/Director General Inland Revenue Board, Malaysia; Professor Richard Bird, University of Toronto, Canada; Michael D’Ascenzo, Commissioner of Taxation, Australia; Dave Hartnett, Permanent Secretary for Tax and Commissioner of HM Revenue & Customs, UK; Ali Noroozi, Inspector-General of Taxation, Australia; Bob Russell, CEO of Inland Revenue, New Zealand.

2010 ATAX GST & INDIRECT TAX WORKSHOP

15 - 16 April 2010
Sheraton Noosa, Queensland

With rising government debt, expect the Australian Government to leave no stone unturned in its pursuit of the last tax dollar – and this will be especially the case with the GST. Tax advisors and practitioners need to take time out to explore the practical and technical GST issues which may impact on their organisation and clients in 2010 and beyond.

The GST & Indirect Tax Workshop offers the perfect opportunity to debate and explore current and emerging GST issues.

Further information on these events is available at: www.atax.unsw.edu.au
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W: www.atax.unsw.edu.au
T: +61 (2) 9385 2227
E: atax@unsw.edu.au