TABL5901
Principles of Australian Taxation Law

Course Outline
Semester 1, 2016

Part A: Course-Specific Information
# Table of Contents

## PART A: COURSE-SPECIFIC INFORMATION

1. ABOUT THE LECTURER .......................... 2
2. LETTER OF INTRODUCTION ...................... 2
2.1 Staff Contact Details .......................... 3
3. COURSE DETAILS .................................. 3
3.1 Teaching Times and Locations .................. 3
3.2 Units of Credit .................................. 3
3.3 Suggested Study Commitment ................. 3
3.4 Summary of Course .............................. 3
3.5 Relationship to Other Courses ................ 3
3.6 Course Objectives .............................. 3
3.7 Student Learning Outcomes ................... 4

## HOW TO USE THIS PACKAGE ................. 5

1. Features of the Study Guide .................. 6

## TEXTBOOKS AND REFERENCES ............... 8

6.1 Prescribed Textbook/s .......................... 8
6.2 Citation and Style Guide ....................... 8
7. SUPPORTING YOUR LEARNING ................. 8
7.1 Tax Flexible Delivery Student Guide .......... 8
8. ASSESSMENT ....................................... 8
8.1 Assessment submission dates .................. 9
8.2 Final Examination ............................... 9
8.3 Assignment 1 .................................... 9
8.3.1 Evaluation criteria ........................ 10
8.4 Assignment 2 .................................... 10
8.4.1 Evaluation criteria ........................ 12

## COURSE EVALUATION AND DEVELOPMENT .... 12
10. SUGGESTED COURSE SCHEDULE ............. 13
PART A: COURSE-SPECIFIC INFORMATION

1 ABOUT THE LECTURER
Kathrin Bain
MTax (UNSW), LLB (Hons1), BBus (Accounting) (Griffith), CTA

Kathrin Bain is a lecturer in the School of Taxation and Business Law (Atax). Prior to joining Atax, Kathrin was a senior tax consultant at KPMG in Brisbane, where she specialised in corporate taxation and the research and development tax incentive.

Kathrin holds a Bachelor of Laws with First Class Honours and a Bachelor of Business (Accounting) from Griffith University. In 2009 she completed the Masters of Taxation program through Atax, where she was awarded the KPMG Prize for Top Graduating Student. She is a Chartered Tax Adviser with the Tax Institute of Australia.

Her research interests include international taxation (including double tax agreements and transfer pricing) and tax policy.

2 LETTER OF INTRODUCTION

Welcome to Principles of Australian Taxation Law which is, for most of you, your course with the School of Taxation & Business Law’s program.

The students in this course primarily consist of those undertaking postgraduate level study but coming from backgrounds outside of law or commerce. This course is designed to provide all students with the same grounding in taxation concepts as well as introducing students to the basic skills needed in a law course. We aim to provide you with an understanding of the core building blocks of the Australian taxation system, and to teach you how to apply some of the central concepts to a given situation.

The process involved in learning the material is not simply a delivery of information by the lecturers. You will be expected to engage the material and work with it. You will be expected to work with the concepts in the material (including completing the module activities), and to contribute to discussions in the webinar conferences. Your views are important.

I wish you luck in your studies and look forward to working with you in this course.
2.1 Staff Contact Details

Lecturer-in-charge: Kathrin Bain
Phone No: +61 (2) 9385 9541
Email: k.bain@unsw.edu.au

Consultation Times – by appointment.

3 COURSE DETAILS

3.1 Teaching Times and Locations
You are expected to commence study for this course in Week 1. Six webinars will be held throughout the semester. Details of these will be provided via the course website as well as the timetable made available through the Atax Bulletin.

This course is fully on-line using the University’s learning management system, Moodle.

3.2 Units of Credit
The course is worth 6 units of credit.

3.3 Suggested Study Commitment
You should plan to spend an average of 10 hours per week on this course to perform well (including class attendance, online participation, assignments, examination preparation etc). The information included on the overview page of each module should help you plan your study time.

3.4 Summary of Course
This course provides students from Australia and other jurisdictions with a technical overview of the essential elements of the Australian taxation system. Whilst the focus of this course is income taxation, it also provides an introduction to fringe benefits taxation, goods and services tax and the taxation of superannuation. In addition, ethical and professional responsibilities of tax advisers are considered.

3.5 Relationship to Other Courses
This course is a pre-requisite for students wanting to undertake further studies in taxation at a postgraduate level who come from a background outside law or commerce and have not previously studied taxation at a tertiary level.

3.6 Course Objectives
Upon completion of this course, students should have developed:

- an understanding of the legal framework within which Australian taxation operates, and of the policy considerations inherent in taxation generally
- the skills required to understand and apply legal cases, and to apply principles of taxation in solving problem questions;
- the ability to argue effectively and to consider issues from more than one point of view;
- a technical understanding of the key elements of Australia’s income tax system;
- a broad understanding of the operation of fringe benefits taxation;
- a broad understanding of the operation of the goods and services tax system; and
an understanding of the ethical responsibilities of tax advisers, and how to respond to ethical problems that may be faced in practice.

3.7 Student Learning Outcomes

Business Undergraduate Program Learning Goals and Outcomes

1. Knowledge: Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.
   You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.

2. Critical thinking and problem solving: Our graduates will be critical thinkers and effective problem solvers.
   You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.

3. Communication: Our graduates will be effective professional communicators.
   You should be able to:
   a. Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and
   b. Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.

4. Teamwork: Our graduates will be effective team participants.
   You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team’s processes and ability to achieve outcomes.

5. Ethical, social and environmental responsibility: Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.
   You will be able to:
   a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
   b. Identify social and cultural implications of business situations.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

<table>
<thead>
<tr>
<th>Program Learning Goals</th>
<th>Course Learning Outcomes</th>
<th>Course Assessment Item</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>This course helps you to achieve the following learning goals:</strong></td>
<td>On successful completion of the course, you should be able to:</td>
<td>This learning outcome will be assessed in the following items:</td>
</tr>
<tr>
<td>1 Knowledge</td>
<td>Demonstrate an understanding of the legal framework within which Australian taxation operates.</td>
<td>Module Activities, Assignments, Examination</td>
</tr>
<tr>
<td>2 Critical thinking and problem solving</td>
<td>Interpret statutory information and be able to critically review legislative provisions in applying taxation provisions to a range of practical scenarios.</td>
<td>Module Activities, Assignments, Examination</td>
</tr>
<tr>
<td></td>
<td>Demonstrate an understanding and apply legal cases and principles of</td>
<td></td>
</tr>
</tbody>
</table>

business.unsw.edu.au
CRICOS Code 00098G
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>taxation in solving tax problems. Argue effectively and to consider issues from more than one point of view. Identify appropriate and relevant sources, and to effectively analyse and apply these sources in the construction of written legal argument.</td>
</tr>
<tr>
<td>3a</td>
<td>Written communication</td>
<td>Develop clear, effective and well-reasoned analysis of the tax consequences of practical scenarios. Apply correct citation and referencing conventions in properly acknowledging all source material used.</td>
</tr>
<tr>
<td>3b</td>
<td>Oral communication</td>
<td>Not specifically addressed in this course.</td>
</tr>
<tr>
<td>4</td>
<td>Teamwork</td>
<td>Not specifically addressed in this course.</td>
</tr>
<tr>
<td>5a</td>
<td>Ethical, environmental and sustainability responsibility</td>
<td>Not specifically addressed in this course.</td>
</tr>
<tr>
<td>5b</td>
<td>Social and cultural awareness</td>
<td>Not specifically addressed in this course.</td>
</tr>
</tbody>
</table>

### 4 HOW TO USE THIS PACKAGE

If you are new to flexible learning you should carefully read this Course Outline. It contains most of the relevant information about how this course will be run and the expectations of you as a student. You should also refer to the Suggested Study Schedule at the end of this Course Outline as a guide to completing your coursework. So as to get the most out of your study we recommend that you follow this study schedule through the course and fit various time demands into a well-organised diary. Systematic study through the Semester is the key to success in a flexible learning program.

The Study Guide (which includes this Course Outline and the individual Modules and is sometimes referred to as the study materials or course materials) can help you in three ways.

1. It sets out a clear path of study over the Semester and helps you plan your workload. It also identifies learning outcomes and key concepts at the start of each module and provides a series of activities to help you learn actively and manage your own progress through the course.
2. It contains the core content for the course (often with reference to legislation, textbooks and other relevant material). The structure and layout of the Study Guide is designed to highlight key points and assist your revision for assignments, research papers and examinations.
3. It tells you when to refer to textbooks, legislation and other readings, giving precise details of what you should read.

4.1 Features of the Study Guide
Each module includes a range of features to assist you in managing your learning and developing study skills. These features include:

- Overview page
- Heading levels
- Learning outcomes and key concepts
- Module text
- Activities and feedback
- Readings
- Margin notes
- Instructional icons

Please familiarise yourself with the Key to Instructional Icons on the following page. These icons are intended to help you navigate the study materials and to encourage active learning.
5 KEY TO INSTRUCTIONAL ICONS

compulsory reading
write responses outside the Study Materials

Optional readings
Write a response in the Study Materials

note this important point
pause to reflect

Recall earlier work
prepare for discussion in an Audio Conference or Webinar

discuss with colleague
discuss with study group

Access Moodle or the internet
undertake investigation or research

use video resource
use audio resource

use software
perform fieldwork

Only some of the media shown in the instructional icons are used in this course.
6 TEXTBOOKS AND REFERENCES

6.1 Prescribed Textbook/s
This is referred to throughout the Study Guide as ‘Textbook’.
In addition, you must purchase or have access to one of the following publications:
OR
2016 Concise Tax Legislation and Study Guide (Sydney: LexisNexis Butterworths, 2016)
OR

6.2 Citation and Style Guide
In presenting written work for assessment in this course you must use an appropriate and consistent style for referencing and citation. The following is a selection of acceptable citation and style guides, which you may use as the basis for your written work. You must purchase or have access to one of the following publications.
(This is free to download and is the citation style guide used by the majority of Australian legal journals.)

7 SUPPORTING YOUR LEARNING

7.1 Tax Flexible Delivery Student Guide
The Tax Flexible Delivery Student Guide is a vital source of information for students studying tax flexible learning courses. It provides information about your enrolment, the School of Taxation and Business Law and details on webinars and audio conferences. You can access the 2016 Guide from your Moodle course website(s).

8 ASSESSMENT
Assessment for ALL students undertaking this course will be on the basis of:

(a) Assignment 1 20%
(b) Assignment 2 30%
(c) Final examination 50%
In order to pass this course, a student enrolled in this course must obtain:

- 50 per cent or more of the total marks available in the course and
- at least 40 per cent of the marks available for the final examination in the course.

The research plan and assignment must be submitted electronically through Moodle. Please refer to Appendix A for guidelines on assignment preparation and rules for electronic submission of assignments (as well as information on deadlines and penalties for late submission).

8.1 Assessment submission dates

You may be asked to submit your assignment through Turnitin, which will allow you to check your work for inadvertent plagiarism. You will do this via Moodle. Note that the version lodged at the due date will be taken as your final submission in the course. For information on Turnitin functions and how to interpret originality reports please refer to the following online resource:

http://www.turnitin.com/static/training/student.php

8.2 Final Examination

Examinations are held from Friday 10 June to Monday 27 June 2016 for Semester 1, 2016. Students are expected to be available for exams for the whole of the exam period.

The final examination timetable is published prior to the examination period via the Atax Bulletin and on the School’s website at:

https://www.business.unsw.edu.au/about/schools/taxation-business-law/student-support/examinations

This is not a negotiable schedule. The School of Taxation & Business Law publishes the exam schedule as a matter of courtesy, and to ensure that any clashes of examinations are brought to our attention.

8.3 Assignment 1

Due date: Submit via Moodle by 4 April 2016 (23:59, *AEST)
Weighting: 20%
Word limit: 1800 words (plus or minus 10%)

*Australian Eastern Standard Time

Required:

Analyse the decision of the Full Federal Court in Nelson v Commissioner of Taxation [2014] FCAFC 163. The case is available on Austlii or the Taxation Library database which is available through the UNSW Library internet site.

Your analysis should include discussion of the following:

1. The facts of the case
2. The parties involved in the case
3. The history of the case
4. The arguments put forward by each party
5. The issue(s) to be decided
6. The decision(s) of the Court
7. The reasoning of the Court in reaching its decision
8. Any significant consequences of the decision

Your assignment must be your own analysis of this case.

8.3.1 Evaluation criteria
The following criteria will be used to grade assignments:

- ability to locate and analyse correct legal sources, understanding those sources and their underlying rationales and policy
- use of legal reasoning to come to a well-developed conclusion
- use of critical analysis when discussing and synthesising legal sources
- clarity of communication—this includes development of a clear and orderly structure and the highlighting of core arguments (including, where appropriate, headings)
- sentences in clear and, where possible, plain English—this includes correct grammar, spelling and punctuation
- correct referencing and bibliographic style in accordance with a recognised and appropriate citation and style guide (when uploading, check your footnotes have been correctly submitted).

You are will be required to read beyond the study materials (as the case is not included in those materials) to do the assignment.

An important note on word limits
Assignments are exercises in filtering material and communicating it succinctly. Quantity is not to be confused with quality. Lecturers will uniformly apply this principle in their assessment of assignments.

Most word processing packages indicate word lengths, or otherwise some manual check must be done in the drafting process. Indicate the actual number of words of your assignment in the space indicated on your assignment cover sheet.

8.4 Assignment 2

Due date: Submit via Moodle by 9 May 2016 (23:59 *AEST)
Weighting: 30%
Word limit: 2500 words (plus or minus 10%)

*Australian Eastern Standard Time

Required:
Read the below hypothetical factual scenario. Calculate Peter’s taxable income for the year ended 30 June 2016 and his net tax payable, showing all workings.
Facts:
Peter Small is a whitegoods retailer operating as a sole trader. He is widowed and has two young children. He presents you with the following records for the year ended 30 June 2016. Peter has not bought or sold any assets (other than trading stock) during the year.

- Opening stock as at 1 July 2015 at cost $38,000
- Purchases $420,000
- Sales $1,200,000
- During the year, Peter needed a new fridge for his home, and took one that was in his store. The fridge had a cost of $1,000, and if sold to a customer, would have been sold for $1,800.
- Closing stock as at 30 June 2016 at cost $62,000 (the closing stock figure does not include the fridge that Peter took for his private use).
- Interest received $650
- Fully franked dividends received $1200 (with imputation credits of $400)
- Lottery winnings $50,000
- Loan from bank $200,000
- PAYG instalments paid $60,000
- Private health insurance for himself and his children: $5,000
- Interest paid on business loan $12,000
- Interest paid on home loan $8,000
- Rent of shop premises $22,000
- Electricity for shop $4,000
- Telephone bills for phone in shop $2,000
- Insurance related to his business $3,000
- Wages (to unrelated persons) $62,000
- Provision for annual leave $2,000
- Personal superannuation $3,000
- Superannuation contribution for staff $1,500
- Motor vehicle expenses (delivery van) $12,000. The delivery van is only used to deliver whitegoods purchased to customers – there is no private use.
- Motor vehicle expenses (private vehicle travelling from home to work) $2,000
- Accountancy fee $1,000
- Entertainment of prospective customers $2,000
- Capital allowances $26,000

All figures are GST exclusive.

Make sure that you refer to all relevant legislation and case law in your answer and state clearly any assumptions that you have made.
You are will be required to read beyond the study materials (as the case is not included in those materials) to do the assignment.

8.4.1 Evaluation criteria
The following criteria will be used to grade assignments:

• ability to locate and analyse correct legal sources, understanding those sources and their underlying rationales and policy
• use of legal reasoning to come to a well-developed conclusion
• use of critical analysis when discussing and synthesising legal sources
• clarity of communication—this includes development of a clear and orderly structure and the highlighting of core arguments (including, where appropriate, headings)
• sentences in clear and, where possible, plain English—this includes correct grammar, spelling and punctuation
• correct referencing and bibliographic style in accordance with a recognised and appropriate citation and style guide (when uploading, check your footnotes have been correctly submitted).

You are will be required to read beyond the study materials (as the case is not included in those materials) to do the assignment.

An important note on word limits
Assignments are exercises in filtering material and communicating it succinctly. Quantity is not to be confused with quality. Lecturers will uniformly apply this principle in their assessment of assignments.

Most word processing packages indicate word lengths, or otherwise some manual check must be done in the drafting process. Indicate the actual number of words of your assignment in the space indicated on your assignment cover sheet.

Quality Assurance
The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

9 COURSE EVALUATION AND DEVELOPMENT
Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. In this course, we will seek your feedback through end of semester CATEI evaluations.
# 10 SUGGESTED COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Wk</th>
<th>Beginning</th>
<th>Module</th>
<th>Topic</th>
<th>Events and Submissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>29 February</td>
<td>1</td>
<td>The Australian legal system: A lawyer’s reasoning</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>7 March</td>
<td>1</td>
<td>The Australian legal system: A lawyer’s reasoning</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>14 March</td>
<td>2</td>
<td>Income tax: assessable income</td>
<td>Webinar 1</td>
</tr>
<tr>
<td>4</td>
<td>21 March</td>
<td>2</td>
<td>Income tax: assessable income</td>
<td></td>
</tr>
</tbody>
</table>
|    |                 |        | **Mid-semester break from Friday, 25 March to Sunday, 3 April 2016 inclusive**  
|    |                 |        | (NOTE: Daylight saving ends on Sunday, 3 April 2016)       |                        |
| 5  | 4 April         | 3      | Income tax: allowable deductions                          | Assignment 1           |
|    |                 |        |                                                          | Webinar 2              |
| 6  | 11 April        | 3      | Income tax: allowable deductions                          |                        |
| 7  | 18 April        | 4      | Capital gains tax                                         | Webinar 3              |
| 8  | 25 April        | 4      | Capital gains tax                                         |                        |
| 9  | 2 May           | 5      | Fringe benefits tax                                       | Webinar 4              |
| 10 | 9 May           | 6      | Australia’s superannuation system                         | Assignment 2           |
| 11 | 16 May          | 7      | Goods and services tax                                    | Webinar 5              |
| 12 | 23 May          | 8      | Anti-avoidance measures                                   |                        |
| 13 | 30 May          | 9      | The legal and ethical framework for tax advisers          | Webinar 6              |

**Examination period from Friday 10 June to Monday 27 June 2016**