



UNSW
THE UNIVERSITY OF NEW SOUTH WALES
FACULTY OF LAW

Atax™ matters

Taxing the virtual world

Reforming the
Commonwealth
Grants Commission

New Master of Taxation
and Financial Planning

Issue 7

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From the Head of School's Desk

2008 HAS MARKED A NUMBER OF important milestones for Atax. Earlier in the year, our first intake of students into the LLM Taxation specialisation commenced in March; secondly, we developed, in consultation and cooperation with the superannuation and financial planning industry, a new Master of Taxation and Financial Planning which was launched by the UNSW Vice Chancellor, Professor Fred Hilmer at a function hosted by IFSA in October. This new Master of Taxation and Financial Planning is the product of collaboration between Atax, the School of Law within the Faculty of Law, and Banking and Finance in the Australian School of Business. Given the industry encouragement during the development of this program and the high level of interest by prospective students, we are very confident it will be a great success.

During 2008, Atax sought to further build on its extensive international linkages and to this end, forged links with the UK Chartered Institute of Taxation (CIOT) and especially to its Advanced Diploma in International Taxation (ADIT). A reciprocal arrangement has been made to promote our Master of International Taxation amongst ADIT students and CIOT members and CIOT's ADIT to Atax students. This is an important collaboration which both Atax and CIOT feel will greatly benefit both organisations.

Continuing a long tradition of hosting and organising major conferences, Atax organised in Sydney in March 2008, the 7th Biennial International Tax Administration conference

which was attended by leading international tax administrators from some 13 countries. In April 2008, Atax held the 20th Annual GST and Indirect Tax Workshop in Noosa, celebrating the occasion with an acknowledgement of the many attendees who have participated in this workshop for as many as 17 of the 20 years it has been continuously held.

As in previous years, Atax again played host to many international visitors including this year's Atax Visiting Research Fellows who came from NZ and Hungary. A large number of academic visitors and delegations again visited from Korea, China, Japan, US and the UK.

In reading through this 7th Atax Matters, I am sure you will appreciate the breadth and depth of what Atax is and does best – excellence in tax education, research and international outreach. If you would like more information on current Atax programs and activities, the Atax website is the place to visit. If you have suggestions or questions, do not hesitate to contact either myself or the Faculty of Law Student Services Team.

Remember too that if you are an Atax Alumnus, we want you to keep in touch. In 2008, the Law Faculty Alumni significantly increased its Alumni activities and we again have big plans for 2009. So do not forget to keep in touch with our new and expanded range of activities for Law Alumni by registering on www.atax.unsw.edu.au/alumni/

Neil Warren
Head of School

The new Master of Taxation and Financial Planning launched in October

feature: **taxing the virtual world**

Taxing the **virtual world**

Keeping up with
online communities:
Exploring legal challenges
in virtual worlds



WHILE THE PAST DECADE HAS seen a focus on addressing the challenge to legal tax concepts arising from the growth in e-commerce, the challenge has now shifted to addressing the emergence of the virtual world. In many ways, e-commerce was relatively straightforward to accommodate because it was still based around a market economy – whether it be for tangibles or intangible goods and services.

In contrast, the virtual world poses a very different challenge because it is characterised by a computer-based simulated environment where users inhabit and interact with virtual representations of themselves ('avatars') and others.

At first glance one might presume any interest in virtual-world activity by government agencies is fanciful. However, these virtual economies are particularly sophisticated and now cross-over with real world economic activity. For example, worlds such as *Second Life* have currency exchanges where users can trade real-world currencies for virtual-world currencies and vice versa. This direct link between actual currency and virtual-world goods and services means that virtual-world goods arising from virtual-world activities can create real-world wealth.

Atax's Associate Professor Michael Walpole is part of a Faculty of Law team (including Professor David Brown, Lyria Bennett Moses, Janice Gray, Alana Maurushat, Irene Nemes, and David Vaile) engaged in a Faculty Research Grant funded project investigating 'Keeping up with online communities: Exploring legal challenges in virtual worlds'.

The challenge for the research team is that the virtual world has many dimensions. Not only are there virtual lives lived through avatars in *Second Life*, but there is a whole virtual world of games (such as *Everquest*, *World of Warcraft*, *Second Life*, *Diablo*, *There*, *World of Kaneva*, *The Sims*, *Habbo Hotel* to name only a few), that individuals can become part of. However, what happens if that virtual life flows over to the real world? Already lives are being traded – and threatened...and ended.

The research team is investigating the many and varied legal aspects of participation in virtual worlds: understanding and responding to crime in the virtual world; unravelling the concept of virtual property; and considering an appropriate approach to applying the taxation system to activities in and around virtual worlds.

Virtual economies are particularly sophisticated and now cross-over with real world economic activity.

For example, is the sabotage of an avatar through identity theft in the virtual world a crime in the real world? Is for example, the income and wealth generated in the virtual world taxable in the real world? At the time of writing, Linden Lab (the owner of *Second Life*) claimed to have a total money supply of almost 5.3 billion Linden dollars which on their Lindex foreign exchange market was worth about US\$20 million. The *Second Life* game provides many opportunities for players to trade and engage in business transactions, including virtual land development and sales. *Second Life* has also attracted real world corporations, many of whom have established a presence within the virtual world including BMW, Dell, Nike and Deutsche Bank to name a few.

Other virtual worlds like *World of Warcraft* also encourage the trade of in-game items and currency between players. *World of Warcraft* is also associated with a lively trade outside the game which feeds an industry of people generating in-game wealth for sale to other players. This activity, including 'gold farming' and account transfer breaches Blizzard Entertainment's End User Licence Agreement with players, but this practice continues.

Many of the world's tax authorities have adopted a robust and optimistic approach to the application of tax laws to virtual world activities. However, bold statements by authorities regarding the taxation of virtual worlds belie considerable legal and practical difficulties. It is these difficulties that Michael Walpole and other members of the research team are investigating. Michael's work identifies that although some taxes may work within the virtual world context, others may not work in theory or practice. Virtual world 'supplies' to Australian residents may fall within the GST rules on account of the broad definitions in that law. Taxes like capital gains tax and other income tax rules may be more difficult to apply because there is doubt concerning which aspects of virtual worlds fall within the proprietary paradigm (as property lawyers Janice Gray and Lyria Bennett Moses have identified). These issues undermine concepts such as 'consideration' in GST, and the definition of a 'CGT asset'. There is also disagreement in the legal academic literature as to whether it is sound policy to treat virtual property as 'real' property at all. The issues involved are further clouded by the complex end user agreements between the owners of the virtual world games and the participants.

It is expected that the research will have a variety of outcomes with the first to be published early in 2009. ■

feature: **reforming the CGC**

The all important question ... is whether root-and-branch reform is needed to better reflect the needs and demands of our changing federation

by **Professor Neil Warren***
Head of School, Atax

Reforming the **Commonwealth Grants Commission**

IN 2006–07, THE FEDERAL GOVERNMENT COLLECTED 81.9% of all taxation revenue (primarily from income and consumption taxes) while being responsible for only 54.5% of total general government outlays. This contrasts with States which collected only 15.3% of taxation revenue (mainly from payrolls, property, insurance and gambling) and were responsible for 40.5% of all general government outlays. A high level of vertical fiscal imbalance (VFI) therefore characterises the Australian federation.

Australia's solution to this VFI is transfers from the Commonwealth to the States. However, States and Territories have had a long held concern about whether the Commonwealth could be relied upon to provide funding which acknowledged their differing needs, especially amongst the smaller States. For this reason, the Commonwealth Grants Commission (CGC) was established by the Commonwealth in July 1933. Its role is to provide advice to the Commonwealth on the principle of horizontal fiscal equalisation (HFE) which states that "each State should be given the capacity to provide the average standard of State-type public services, assuming it does so at an average level of operational efficiency and makes an average effort to raise revenue from its own sources."

This process of HFE is focused on equalising each State's capacity to provide services – not how actual services are provided. This focus on the inputs rather than the outputs of States' service delivery is designed to provide States with the capacity to provide services while leaving each State free to determine its own specific priorities when expending their untied general revenue grants.

The challenge for the CGC has been deciding how to advise the Commonwealth on distributing General Revenue Payments (GRP(s)) to States when those payments are based directly on the revenue from the GST. The problem for States is that between 1998–99 and 2005–06, State tax revenue rose by 25%, while grants increased 100% (and total revenue by 57%). As a consequence, a far greater proportion of States' revenue is subject to the CGC HFE process so it is not surprising that there has been increasing dissent in recent years over the CGC HFE methodology. This has been led by States such as NSW which in 2005–06 contributed some \$2.5 billion per annum of NSW-sourced GST revenue (\$366 per head) to other States (excluding Victoria and the ACT). Even on a per capita distribution basis, HFE results in \$2 billion per annum (\$293 per head) being distributed away from NSW.

The all important question now being asked is whether all that is needed is a 'tune-up' of the CGC methodology or whether more fundamental root-and-branch reform is needed so as to better reflect the needs and demands of our changing federation.

At issue here is the basic fact that it is not acceptable to have a grants allocation framework which distorts the growth of a State's tax base, its investment infrastructure or its budget planning practices. It is also questionable to have in place Commonwealth policies designed to make specific purpose payments (SPPs) to States which are performance tested and to simultaneously have a CGC HFE methodology which treats

these as just another source of State tax revenue and as a result, acts to undermine the distribution of these SPPs. It is likewise anomalous to claim precision with a HFE methodology which cannot be supported by the data or economic theory.

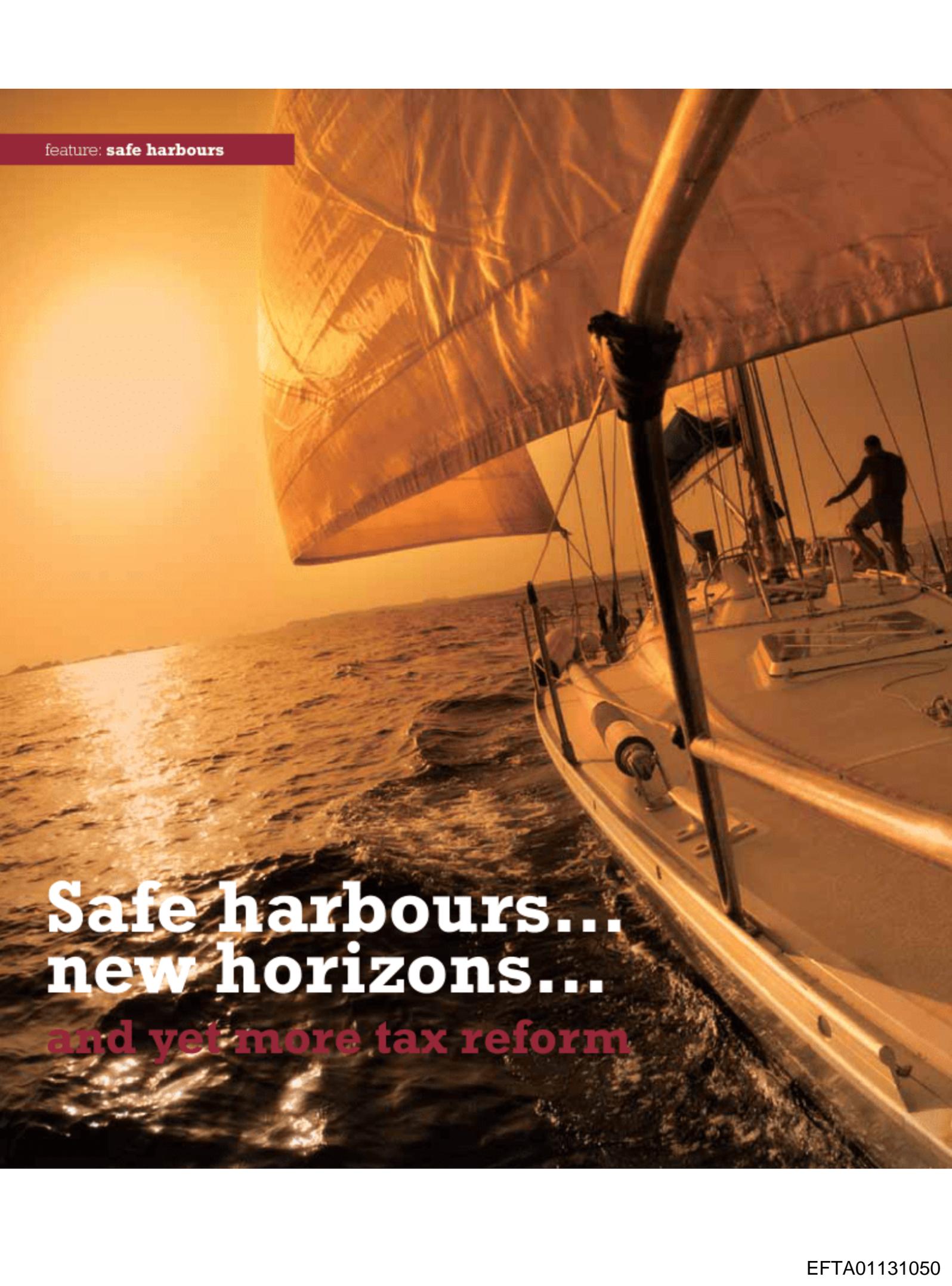
The question then is whether the current approach to allocating the GST revenue should be overhauled and whether SPPs and other Commonwealth payments to States should be excluded given the move to performance testing of States in receipt of these payments. The answer must be 'yes' – but should we trade-up to the overhaul evident in the new Canadian model, more radically trade-up to a new model as did the Swiss (who have also associated their reforms with expenditure reassignment) or follow Germany in its push for major reform?

What Australia seems incapable of doing is bringing about reform. While there is broad agreement that allocating 100% of the GST according to HFE principles has adverse consequences as well as being too redistributive, reform has proven elusive. The reality is that such a review cannot be left to the States (collectively or individually). Rather, it would be best served through an independent review, as in Canada, which could consider issues such as:

- excluding some or all of selected taxes and expenditure from HFE considerations;
- excluding some States from HFE (as does Canada when it excludes some Provinces);
- simplifying the tax/expenditure classifications in the HFE methodology (as with Canada's reduction from 33 to five tax categories);
- distributing the grant 'pool' part by per capita and part on HFE principles;
- changing the treatment of SPPs (including allocating the majority of SPPs by per capita and treating these as out-of-scope and performance related);
- making assessed relativities more timely such as by using a three year weighted average (as in Canada) in place of the current five year unweighted average;
- reviewing expenditure and tax assignment (as in Switzerland and Germany) including revisiting the principle of subsidiarity;
- examining different tax assignments and tax sharing arrangements (as in Germany); and
- reviewing (regularly) the consultative framework to reflect better the balance of national and regional interests.

In calling for change, this article is not recommending the abandonment of the HFE principle. What is at issue is how best to ensure the HFE principle applied in the Australian federation works to address the challenges now confronting the nation in an increasingly competitive and integrated global economy. To this end, only a fundamental and independent review of intergovernmental fiscal arrangements will achieve this task. Canada, Switzerland and Germany have been able to undertake such major reviews – why cannot Australia. ■

* This article is based on Warren, N.A. 2008, "Reform of the Commonwealth Grants Commission: It's all in the Detail", *UNSW Law Journal*, 31(2):530-552.



feature: **safe harbours**

**Safe harbours...
new horizons...
and yet more tax reform**

A safe harbour affords taxpayers some certainty and assurance, but can also provide an opportunity for exploitation

ATAX HOSTED SOME OF THE world's top tax administrators and academics at the *8th Tax Administration Conference* held at the Marriott Hotel, Circular Quay, Sydney on 26-28 March 2008. Professor Chris Evans and Associate Professor Michael Walpole – the conference convenors – identified 'Safe Harbours and New Horizons' as the central theme for the conference, a theme readily embraced by key speakers including the Commissioner of Taxation Michael D'Ascenzo; New Zealand Commissioner Bob Russell; David Butler and Richard Highfield of the OECD; the Inspector General of Taxation David Vos AM; Nina Olson of the US Internal Revenue Service; and Professor John Hasseldine from the UK.

Over 20 speakers from academia, Treasury, revenue authorities and professional bodies from Australia and overseas, discussed topics ranging across all aspects of tax administration, from technical legal aspects through to the research into such issues as behavioural aspects of tax compliance.

Several keynote speakers debated the conference's topic of 'safe harbours' as a feature of tax administration and tax collection. On the one hand, it was said, safe harbours can be damaging and provide an artificial opportunity for unacceptable exploitation of tax shelters by taxpayers and their advisers. The contrary view

was that in areas of great complexity (of which there are many in tax) a safe harbour affords taxpayers some certainty and the assurance that they can function within acceptable parameters without the risk of their actions leading to penalties. The creation of safe harbours on this view could provide the ATO with the means to contain potentially unacceptable activity within acceptable bounds and if abuse occurs, the terms of the safe harbour might be changed. With committed views on both sides, full agreement was not reached.

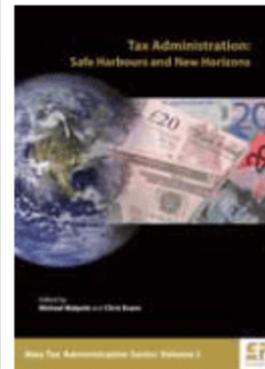
There was also a very strong theme within the conference focussing on taxation compliance costs, building on the Atax reputation in the field. These papers ranged from an assessment of Australia's performance in containing compliance costs, to an examination of Ethiopia's VAT from the perspective of compliance costs.

Associate Professor Peter Edmundson from UTS and Atax PhD candidate Philip Lignier were joint winners of the Cedric Sandford Award for the best conference paper. Peter wrote about tax evasion and the tort of conspiracy after the UK's *Total Network* case involving VAT carousel fraud. Philip's paper was on the managerial benefits of tax compliance in the small business sector. Philip has since completed his research and was awarded his PhD at the September 2008 UNSW graduation.

The conference also saw the launch of AustLII's powerful new tax library, comprising a searchable database including state and federal taxation law and top tax journals, developed in conjunction with Atax (see <http://www.austlii.edu.au/au/special/tax/>).

Papers from the conference are available in *Tax Administration: Safe Harbours and New Horizons*, edited by Michael Walpole and Chris Evans, published by Fiscal Publications.

Planning is already under way for the 9th conference in the series which will be held in Sydney from 6-8 April 2010. ■



Tax Administration: Safe Harbours and New Horizons

Edited by
Michael Walpole and Chris Evans,
Fiscal Publications 2008

<http://www.fiscalpublications.com/>

The articles in this collection cover the wide range of developments currently exercising those involved in planning, implementing and monitoring tax administration systems around the world. It includes valuable contributions and insights from the OECD and from the very highest levels in national tax authorities in countries such as Australia, the USA, New Zealand and the UK.

Discussions in this collection cover such topics as efficiency issues and tax returns, tax simplification, compliance costs management, innovative approaches to anti-avoidance, legal professional privilege in tax matters, perceptions of tax evasion, managerial benefits of tax compliance, and the integration of customs and income tax administration.

This collection is an important tool for tax professionals, academics, researchers, tax administrators, students, and anyone concerned with the way tax systems operate, what issues they are currently facing, and how they are developing around the world at present.

feature: **new MTFP**

New postgraduate program:
**Industry supports
launch of exciting
new degree**

Finance community gathers for the launch of Atax's new Master of Taxation and Financial Planning

THE RECENT LAUNCH OF the new Atax Master of Taxation and Financial Planning was attended by an impressive line up of the key groups in the finance and financial planning industry in Australia. The event was hosted by the Investment & Financial Services Association (IFSA) at their newly designed offices overlooking Darling Harbour in Sydney.

The Self-Managed Super Fund Professionals' Association (SPAA) was represented as was the Financial Planning Association (FPA) and the accounting profession had a strong turn out from CPA Australia, ICAA, Taxation Institute of Australia and the major chartered firms. The financial institutions such as AMP, Commonwealth Bank, Macquarie, ING and Deutsche Bank were drawn to the launch. Senior people from the ATO also attended and have a clear interest in this area because of their revenue collection and regulator responsibilities.

So, what was the incentive for the creation of this new degree?

It is well known that personal wealth accumulation in Australia has three main drivers:

- First, the tax breaks which the Government gives to help people fund their own retirement. Australia is a world leader in this area;
- Second, the regulation of the personal wealth accumulation system is one of the most robust and complex in the world. Again, we lead the world in the way that we regulate this sector; and
- Finally, choosing assets and where to invest personal savings.

It was the winning combination of these three elements that attracted the industry and the professions to the launch.

The industry has been telling us that there are insufficient academic resources supporting this area, yet there is a huge demand for high-level tax, legal and economic technical advice on financial planning and taxation issues.

Now, UNSW, through Atax, has sought to address these three drivers in its new Master of Taxation and Financial Planning program, by combining the expertise in taxation from Atax, compliance and legal issues from the Law School and asset selection from the Australian School of Business.

Who will enrol in this new degree?

The Master of Taxation and Financial Planning is designed for mid-career financial planners and associated professionals, accountants and lawyers servicing the financial planning industry, and those wishing to move into this growing area from the private and government sectors.

The response to the new program has been positive and the first cohort of students will commence early in 2009.

Master of Taxation and Financial Planning

Program structure

Master of Taxation and Financial Planning
8 courses (48 units of credit);
4 compulsory courses

Graduate Diploma in Taxation and Financial Planning

6 courses (36 units of credit);
4 compulsory courses

Graduate Certificate in Taxation and Financial Planning

4 courses (24 units of credit);
All 4 courses are compulsory

Compulsory Courses

- > Taxation Strategies in Financial Planning
- > SMSF Law
- > Introduction to Financial Planning
- > Taxation of Superannuation

Elective Courses

- > Tax Policy
- > Taxation of Property Transactions
- > Taxation of Employee Remuneration
- > Taxation of Industry and Technology
- > Taxation of Trusts
- > Taxation of Corporate Finance
- > Taxation of Corporations
- > Taxation of Capital Gains
- > Advanced Debt Capital Markets and Securitisation
- > Funds Management, Superannuation and Insurance
- > Securities and Financial Markets Regulation
- > Real Estate Finance & Investment
- > Financial Planning Advice
- > Personal Financial Planning and Management

How is the program offered?

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. Further information is available at:

www.atax.unsw.edu.au/mtfp



Research at Atax

Research at Atax continues to go from strength to strength with 2008 being an exemplary year in terms of new enrolments in higher degrees by research and in theses completed.

An Exemplary Year in Research

Congratulations to Dr Philip Lignier who was awarded his doctorate this year. His thesis entitled "Identifying and estimating managerial benefits induced by compliance with taxation requirements of Australian SMEs" was supervised by Professor Chris Evans and Associate Professor Margaret McKerchar. Campbell Rankine's thesis entitled "An examination of the Australian system of the taxation of trusts with proposals for the adoption of an 'entity' based approach" and supervised by Associate Professor Michael Walpole, is currently at review stage.

Wollela Abehodie Yesegat's doctorate thesis on administrative compliance costs and compliance behaviour in respect of VAT in Ethiopia was submitted for examination at the end of October. Wollela is the first of Atax's full-time research students to submit her doctoral thesis, so this marks an important milestone for Atax. Wollela will be missed by her supervisors Associate Professors Binh Tran-Nam and Margaret McKerchar and all at Atax as she and her family return home to Ethiopia.

In the second semester of 2008, we welcomed both Muzainah Mansor and Izlawanie Muhammad into the PhD program as full-time candidates. Muzainah is undertaking an analysis of the performance of the Malaysian indirect tax system and Izlawanie is studying the impact of education and attitudes of corporate tax auditors in Malaysia and their impact on taxpayer compliance. Other new enrolments in the PhD program in 2008 include Peter Hill and Ian Ross-Gowan, both of whom are studying part-time. The number of PhD candidates further increased in 2008 as both Dianne Miller and Hanna Zakowska successfully articulated from the Master of Taxation by Research program into the PhD.

MTax by Research Attracts Students Starting Out in Research

In 2008 David Bowler, Maureen Noonan, Victoria Roberts and Jason Kerr all undertook their Dissertation Proposals and we look forward to seeing their research progress in 2009. John Thomson is currently writing his Masters thesis on self-managed superannuation funds under the supervision of Gordon Mackenzie.

As at the end of October 2008, Atax had 28 research students. While compliance costs and compliance behaviour continue to be areas of strength for Atax, the diversity of topics currently being undertaken by our research students is inspiring. They range from black-letter law topics such as John Bevacqua's study on the legal remedies for administrative errors, to tax policy topics such as Evgeny Guglyuvatyy's study on environmental taxes and emission trading schemes; Fiona Martin's study on the taxation of Indigenous charities and Helen Hodgson's study on the family tax transfer system.

Lastly, we would like to congratulate Atax's Research Assistant, Cindy Chan, who has recently taken a position at CCH as a Tax Writer. Cindy's time with Atax will be remembered fondly by both staff and students for her calm demeanour and 'can do' attitude.

Academic Research Surges During Sabbatical

"Having a semester on sabbatical is a dream-come-true for any keen researcher, the only problem being how quickly the time goes by!" said Associate Professor Margaret McKerchar when she returned from sabbatical leave in July 2008. This is a sentiment shared by many academics.

Margaret's main project was a book on the theory and practice of research design in the disciplines of tax, law and accounting. The project came about mainly from working with research students unable to find a suitable text to help them grapple with the theory and design of research in the context of multi-disciplinary tax research. The book is now at the review stage by a leading publisher. Other research and writing projects undertaken by Margaret during her leave included a paper on the history of land tax in Australia (with Associate Professor Cynthia Coleman) for the Tax History Conference held at Cambridge University in June; a paper on the impact of increasing regulation on the quality of services provided by tax agents (with Kim Bloomquist of the IRS and Sagit Leviner) for the Tax Research Conference held in Galway in September. Two papers were also completed with Drs Ern Chen Loo and Ann Hansford on taxpayer compliance in Malaysia and a paper on the research and development tax concessions and green innovations accepted at the 9th Global Conference on Environmental Taxation held in Singapore in September.

Associate Professor Michael Walpole spent 'the Michaelmas term' of 2008 as a visitor to the Law Faculty and the Centre for Business Tax (in the Said Business School), Oxford University. He was engaged primarily in comparative VAT/GST work (with Senior Research Fellow Dr Rita de la Feria) on the taxation of financial services, and completing a book on the taxation of goodwill. Michael also used the time in Oxford to commence collaborative work on the role of taxation in firms' choice of location of intellectual property. While in

Europe Michael made presentations on aspects of his work to the UK Treasury, the Chartered Institute of Taxation (London); Birmingham and Bournemouth Universities; as well as to the Vienna University of Economics and the National University of Ireland.



Wollela Abehodie Yesegat (centre) with Binh Tran-Nam and Margaret McKerchar



Michael Walpole outside the Said Business School, University of Oxford



International Visitors & Linkages

Atax's linkage with Asia continued to develop through 2008. Professor Bob Deutsch, Gordon Mackenzie and Nolan Sharkey of Atax developed and facilitated intensive courses on international taxation during 2008 for three separate teams of officers from the Korean National Tax Service (NTS).

In June, Associate Professor Binh Tran-Nam was invited by the Korean Institute of Public Finance (KIPF) to deliver a paper on recent Australian tax reforms at the Korea and the World Economy VII conference held at KIPF (Seoul) and Kwangon National University (Chuncheon). In October, Dr Jae Jin Kim, a Fellow at the KIPF, visited Atax during his trip to Sydney to conduct research on credit card fees in Australia.

In mid 2008, we farewelled Tian Peiyu, a senior taxation official from Xinjiang China who spent a year at Atax working closely with Nolan Sharkey on comparative tax administrative issues.

Throughout the year, Atax continued to receive a steady flow of international visitors. The Abe Greenbaum Fellow for 2008 was Audrey Sharp from the University of Auckland. During her four-week stay at Atax, Audrey presented a paper on NZ charitable laws and its impact upon the taxation treatment of Maori authorities. In collaboration with Atax's Senior Lecturer Fiona Martin, Audrey produced several papers for publication.

Atax Research Fellow for 2008 was Borbála Kolozs, formerly Associate Professor at Eötvös the Loránd University, Hungary. During her five-week stay at Atax, Borbála presented a seminar on tax compliance from the European perspective and collaborated with Professor Chris Evans and Associate Professor Margaret McKerchar. Other international presenters were Professor Reuven Avi-Yonah (University of Michigan), Associate Professor Grant Richardson (City University of Hong Kong) and Professor Steven Sheffrin (University of California at Davis).

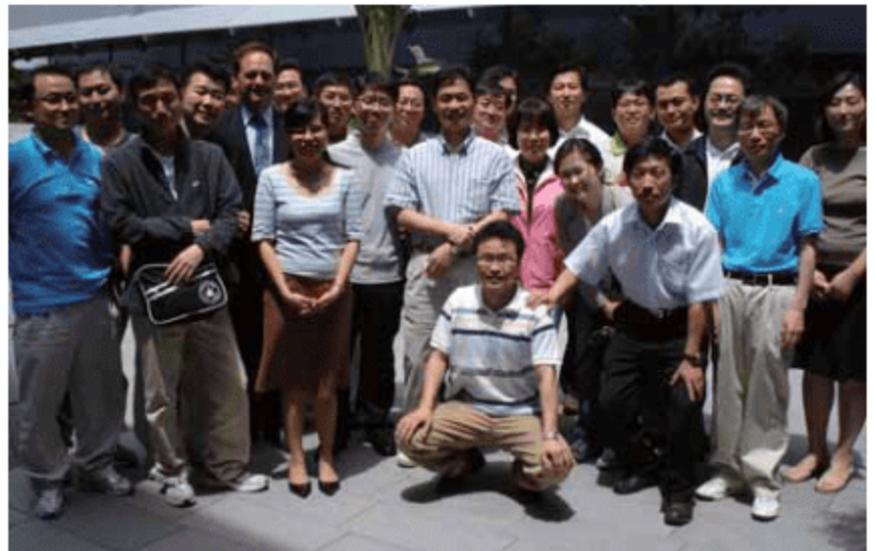
Out of Africa

Professor Chris Evans was invited to deliver a keynote address at the inaugural International Tax Conference organised by the Nigerian Joint Tax Board held in Abuja, the administrative capital (Canberra in an African setting) in October 2008. He spoke on the topic of improving taxpayer compliance in Nigeria and delivered a paper co-written with Atax colleague, Associate Professor Margaret McKerchar. Nigeria is currently dangerously over-reliant on oil revenues and desperately needs to improve its tax revenue collection from non-oil sources.

Highlights of Chris's trip included the opportunity to discuss Nigeria's tax collection crisis in specially arranged meetings with members of the National Assembly Senate and House of Representatives Finance Committees; the two day conference itself with over 400 delegates from the various Federal and State Boards of Inland Revenue, judges, and practitioners; and meeting Madam Hasmah Abdullah, the CEO of the Malaysian Inland Revenue Board, who was the other keynote speaker. Chris also used the visit to discuss the proposed new Master of Revenue Administration program with senior Nigerian Tax Board officials. The program is scheduled to be launched in early 2010 and is aimed primarily at tax administrators from developing countries in Africa, Asia and the Pacific.



Chris Evans (fifth from left) with Madam Okauro, Madam Abdullah and other state and national officials on the steps of the National Assembly (parliament) in Abuja, Nigeria



Delegation from the Korean National Tax Service (NTS)



Leanne Dyke

BTax student

Complex Case Manager
Australian Taxation Office,
Melbourne

Leanne was the winner of *The New South Wales Bar Association Prize for the best performance in Tax Litigation* awarded in March 2008; she was also named in the Dean's list for achieving the highest mark for *Business Finance* in Semester 1, 2008.

Leanne's career in taxation began when she joined the ATO's Cadet Program after high school.

"Studying taxation was not something I had considered whilst at school, however the experience has been very rewarding," said Leanne. "The intricacies and continual evolution of the tax laws make for exceptionally interesting study and the lecturers at Atax are extraordinary and have provided me with immeasurable assistance, guidance and inspiration along the way."

Leanne is now a Complex Case Manager within the ATO's Debt business line. Her role involves managing complex debt cases, devising appropriate strategies based on relevant law and internal policies, and providing technical assistance to her colleagues.

Leanne expects to complete the Bachelor of Taxation program at the end of 2009 and is already looking to pursue further studies in taxation and law.



Warapong Ongkhunarak

LLM (Tax) '08

Senior Consultant
PricewaterhouseCoopers,
Bangkok

Warapong has an LLB from the Chulalongkorn University, Bangkok, Thailand and completed the LLM with the specialisation in Taxation at UNSW in June 2008. His career began in the tax practice group at Baker & McKenzie, followed by PricewaterhouseCoopers. Warapong said tax interested him because it is a necessary part of our society and "everyone is subject to tax, even after death".

He says that social and communication skills are probably the most important skills for practising law in Thailand.

"You not only need to know the law, you need to be able to communicate efficiently with your clients and the public officers".

Warapong returned to Thailand with great memories of his experience at UNSW. "I was impressed by the lecturers' knowledge and the resources provided by the university. In addition, I was able to get a bigger picture of global legal and tax systems through my interaction with other students from all over the world."



Stuart O'Neill

MTax '06

Partner
Mullins Lawyers, Brisbane

Stuart is one of 5 partners in the business services team at Mullins Lawyers. He practises with 10 other lawyers in commercial law, acting predominantly for private businesses and credit unions.

Stuart studied law and economics at the University of Queensland before commencing his legal career in Sydney. He returned to Brisbane in 2000 to get married and has been working there ever since.

As to why he undertook a Master of Taxation early on his career, Stuart says "I was encouraged by my peers to learn about tax simply because it is the most pervasive and dynamic area of commercial practice. Tax can be the biggest cost in any transaction and clients expect you to understand it."

Stuart did his MTax by distance education as that gave him the most flexibility around family and work commitments. Stuart said that the course materials have also proved to be a valuable resource.



Wollela Abehodie Yesegat

PhD in Taxation

Lecturer

Faculty of Business and
Economics, Addis Ababa
University, Ethiopia

Wollela came to Australia with her young family in 2005 after taking study leave from her lectureship at the Faculty of Business and Economics, Addis Ababa University, Ethiopia. She was the recipient of a competitively awarded Australian Government Endeavour International Postgraduate Research Scholarship to undertake a PhD in Taxation at Atax. In October 2008, her thesis on "Value added Tax in Ethiopia: A Study of Operating Costs and Compliance" was submitted for examination.

While in Australia, Wollela's daughters attended a local primary school and the family connected with the local Ethiopian community and made many friends.

Wollela was also an active participant in the Atax teaching program: tutoring in GST and accounting courses; involved in the updating of related course materials; and assisting in the organisation of a number of tax conferences undertaken by Atax.



Yasser El-Ansary

Appointed Tax Counsel
The Institute of
Chartered Accountants

Atax Alumnus Yasser El-Ansary (MTax '03) has recently been appointed to the high profile position of Tax Counsel of the Institute of Chartered Accountants in Australia.

Prior to joining the Institute, Yasser was Group Tax Manager for Australand Holdings Ltd, held positions at PwC, the Federal Department of the Treasury and Rio Tinto.

As Tax Counsel, Yasser will take the lead role in furthering the Institute's long-term relationships across all levels of government and the tax profession. He will continue to lobby the government and represent members on issues affecting the profession.

"I'm excited about the opportunity to play an active role in developing and influencing good tax policy debate in Australia. I think my experience working with small and large businesses will help me understand the different tax issues they face, and how some of those issues can be addressed through improvements in our current tax regime," Yasser said.



Atax celebrates 2000th graduate

Atax celebrated its 2000th graduate at the September 2008 Graduation. The Dean, Professor David Dixon congratulated Matthew Hardy (MTax '08) at a small gathering with Atax staff and Professor Hal Wootten (Foundation Dean of Law, UNSW) prior to the graduation ceremony. Professor Dixon also presented Matthew with the Dean's list award for achieving first place in his final course *International Tax: Anti-Avoidance*.

Matthew is currently a Senior Consultant in PricewaterhouseCoopers' Brisbane Corporate Tax practice. His association with Atax began when he took two Atax courses as an undergraduate while studying at the University of Queensland. He subsequently joined the MTax program in 2006. In Matthew's opinion, the flexible distance mode offered by Atax is perfectly designed for postgraduate education.

"The MTax program has enabled me to fulfil my study commitments without significantly impacting on my professional work and responsibilities. It has also given me a solid base on which to build my professional career. The knowledge and experience I have gained from it has allowed me to maintain a high level of technical excellence while focussing more on building relationships with my clients," Matthew said.

News:



Lauren Milner receiving award from Professor David Dixon



Melbourne reunion: Professor Neil Warren, David Davenport and Nick Carney



Sydney lunch: Electra Frost, Christiane Boissezon and Maria Valentin

Federalism for the 21st Century

Professor Neil Warren is part of a research team awarded a \$273,000 ARC Discovery Grant to research "Federalism for the 21st Century – A Framework for Achieving Reform and Change. Other team members include Dr Andrew Lynch (UNSW); Professor Greg Craven (Australian Catholic University); and Professor George Williams (UNSW).

The funding will support a study into how improvements to Australia's federal constitutional system could return between \$9 billion and \$20 billion each year to taxpayers (up to 3% of GDP). The problem with the current federalism arrangements affects service delivery in areas like health and education and hampers our ability to meet new challenges like water scarcity and climate change. In developing clear criteria for improving Australia's federal constitutionalism this project will offer significant long term financial and other benefits to the nation and will also produce more specific benefits as a result of its case studies of health and water management.

Dean's List

Dean of the Faculty of Law, Professor David Dixon hosted two *Dean's List* receptions in 2008 (in May and September) to recognise and celebrate the achievements of the top performing students in the Faculty. The Dean's List is an acknowledgement of the efforts and success of the students from the Law School and Atax who achieve first place in their course in each semester. A number of Atax students received awards in both semesters, and some for multiple courses.

Atax Alumni gathered around Australia

Although networking may be a dirty word to Gen Y, the reality is that maintaining contact with former classmates and forming new friendships with like-minded individuals can expose you to unexpected business and job opportunities. To help our Alumni do just that, the Faculty of Law organised a number of Alumni events in 2008.

Our first event took place in April when Professor Bob Deutsch hosted the Atax Alumni lunch in Perth. The Law Alumni Chapter's *Look Who's Talking* event at Baker & McKenzie in August brought together Alumni from Law, Atax and the profession to hear from Shemara Wikramanayake (BCom/LLB '85) about her experience in investment banking. On 26 August, Professors Neil Warren and David Dixon chatted with Alumni over evening drinks in Melbourne's Bluestone Restaurant. At the Atax Alumni Sydney CBD Lunch on 24 September, Professors Neil Warren and Chris Evans were joined by Alumni from private and large corporate tax practices, law firms and the ATO. In September, Professors Neil Warren and Andrew Byrnes and Associate Professor Michael Walpole connected with Alumni in London over a casual dinner. We finished 2008's event calendar with the Faculty of Law's One-Year-Out Reunion at the Sky Phoenix Restaurant in Sydney where graduates from the classes of 2007 and 2008 enjoyed Yum Cha.

Atax graduates, please stay in touch and update your details at www.atax.unsw.edu.au/alumni

Watch out for your invitation via email to 2009's events!

Events:

BUSINESS TAX REFORM COLLOQUIUM

23 - 25 February 2009
Institute of Chartered Accountants, Sydney

Atax is teaming with the Monash University Tax Law and Policy Institute and the Institute of Chartered Accountants in Australia to organise a major colloquium in Sydney – *Business Tax Reform in Retrospect and Prospect* – designed to feed into the Henry Review of Taxation. Leading Australian and international tax academics will present papers detailing current reform trends and world best practice on over 20 separate aspects of business taxation, each followed by a commentary delivered by senior Australian tax practitioners.

21ST ANNUAL GST AND INDIRECT TAX WEEKEND WORKSHOP

16 - 18 April 2009
Sheraton Noosa, Queensland

Join us for the 21st Annual GST and Indirect Tax Weekend Workshop at the Sheraton Hotel Noosa. The conference outline will be available in December with full conference details and registration opening in early February 2009.

2010 CONFERENCE FOR THE AUSTRALASIAN TAX TEACHERS' ASSOCIATION

21 - 23 January 2010

The Faculty of Law at UNSW will be hosting the 2010 Conference for the Australasian Tax Teachers' Association (ATTA) in 2010. ATTA is a non-profit body formed to improve the standard of tax teaching in educational institutions across Australasia. The annual conference is an opportunity for tax academics, writers and administrators to meet to share their research and teaching with other professionals. Atax, with colleagues from the School of Business Law and Taxation, have started preparations to ensure that the conference is a huge success.

Conference details will be available at: www.atax.unsw.edu.au/attaconference

Further information on these events is available at: www.atax.unsw.edu.au



UNSW Faculty of Law Memorabilia

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

Embroidered Polo Shirts, Cotton Caps, Stripped Silk Ties, Silver Lapel Pins.

Order Online:
www.bookshop.unsw.edu.au/lawalumni/



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Graduate Diploma in Taxation and Financial Planning

Graduate Certificate Programs

Graduate Certificate in Taxation Studies
Graduate Certificate in Taxation and Financial Planning

Research Programs

Master of Taxation by Research
PhD

Continuing Education Courses

For those who wish to update their knowledge or skills in a particular area of taxation, Atax offers enrolment on a Continuing Education basis. Atax also delivers workshops on all relevant aspects of taxation for corporate clients.

Contact us or request an information pack detailing all our programs and flexible study options, such as intensive classes, single course study, city classes in Sydney CBD and flexible distance learning from anywhere in Australia or overseas.

More information, please contact us at:

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