



14 March 2023

Select Committee on Cost of Living
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Parliament House
Canberra ACT 2600

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Dear Senate Select Committee,

UNSW Tax and Business Advisory Clinic is grateful for the opportunity to make a submission to the Cost of Living Inquiry.

As part of our commitment to addressing deep systemic injustice within the tax and transfer system and alleviating financial distress, we prioritise engagement with social workers, mental health support workers, financial counsellors and pro bono lawyers. As a result, we bring a unique perspective and focus to the Inquiry Items c (namely, *steps to ease cost of living pressures* and d (namely, *steps to ease cost of living pressures*)).

This submission is guided by a two-prong analysis of clinical observations of our financially vulnerable clients and our grassroots research.

1 Clinical observations

A snapshot of our client base from April 2019 to March 2023 date is as follows:

- 96% of clients needed professional advice on overdue lodgements and debt discussions
 - On average, 7 years behind on Individual Tax Returns and 5 years behind on BAS
- 73% of clients are microbusinesses
- 63% of clients are Centrelink recipients
- Most clients are experiencing overwhelming levels of financial distress (68% of clients experiencing a 8 or higher on a scale out of 10, with 37% experiencing a 10 out of 10);
- 55% of clients self-report mental health issues;
- 39% of clients self-report experiencing domestic violence.



able to complete or lodge tax returns. This presents a major gap in advice available to those in need.

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