ACCG3020
Taxation Law and Practice
Session 2, Online-scheduled-weekday 2022

Department of Accounting and Corporate Governance

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General Information

Unit convenor and teaching staff
Unit Convenor
Yega Muthu
yega.muthu@mq.edu.au
Wednesday 5-7pm via zoom

Rahat Munir
rahat.munir@mq.edu.au

Credit points
10

Prerequisites
(20cp at 2000 level or above including (BUSL250 or BUSL251 or ACCG2051)) or 40cp in LAW units at 2000 level

Corequisites

Co-badged status

Unit description
This unit introduces students to the tax framework operating in Australia. It looks at the regulatory environment and the impact of the conceptual framework on key areas of taxation including income tax; goods and services tax; and fringe benefits tax. After completing this unit, students will be able to recognise, describe and analyse taxation issues and apply tax concepts to problems encountered in a contemporary setting.

Important Academic Dates
Information about important academic dates including deadlines for withdrawing from units are available at https://www.mq.edu.au/study/calendar-of-dates

Learning Outcomes
On successful completion of this unit, you will be able to:

**ULO1**: Identify tax issues and apply the provisions of relevant tax legislation to real-life situations

**ULO2**: Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions

**ULO3**: Present, evaluate and use numerical and statistical information related to taxation
including the use of accounting software

ULO4: Apply research skills to source and interrogate tax law materials and interpret complex legal information

ULO5: Produce professionally written tax advice which presents a clear and well supported justification of guidance given

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Final Exam</td>
<td>60%</td>
<td>No</td>
<td>7-25 November 2022</td>
</tr>
<tr>
<td>Online Quiz</td>
<td>10%</td>
<td>No</td>
<td>22.08.22</td>
</tr>
<tr>
<td>Case study</td>
<td>20%</td>
<td>No</td>
<td>Week 9</td>
</tr>
<tr>
<td>Assessed Coursework</td>
<td>10%</td>
<td>No</td>
<td>Week 13</td>
</tr>
</tbody>
</table>

Online Final Exam

Assessment Type 1: Examination
Indicative Time on Task 2: 30 hours
Due: 7-25 November 2022
Weighting: 60%

A two-hour online examination (open book) will be held during the University Examination period.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software
- Apply research skills to source and interrogate tax law materials and interpret complex legal information

Online Quiz

Assessment Type 1: Quiz/Test
Indicative Time on Task 2: 10 hours
Due: 22.08.22
Weighting: 10%

The Online Quiz will consolidate students’ knowledge, skills, and capabilities in relation to the foundation principles of tax law and practice.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software

Case study
Assessment Type: Case study/analysis
Indicative Time on Task: 30 hours
Due: Week 9
Weighting: 20%

Students will be presented with a set of facts which will require them to identify the main tax issue(s), provide a detailed analysis of the tax issues, and apply relevant taxation laws to arrive at a conclusion in the form of a piece of advice. Students are required to communicate their professional tax advice via a 1500-word report.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software
- Apply research skills to source and interrogate tax law materials and interpret complex legal information
- Produce professionally written tax advice which presents a clear and well supported justification of guidance given
Assessed Coursework

Assessment Type 1: Participatory task
Indicative Time on Task 2: 15 hours
Due: Week 13
Weighting: 10%

The Assessed Coursework Task (10%) is comprised of two tasks: 5% for individual presentations to assigned Tutorial questions during Zoom Tutorial sessions. The other 5% is awarded for a Reflection Report (500-600 words) due in week 11 online via Turn-it-in.

On successful completion you will be able to:

- Identify tax issues and apply the provisions of relevant tax legislation to real-life situations
- Develop a suitable set of tax management strategies for a variety of taxpayers including international tax transactions
- Present, evaluate and use numerical and statistical information related to taxation including the use of accounting software
- Apply research skills to source and interrogate tax law materials and interpret complex legal information

1 If you need help with your assignment, please contact:
   - the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
   - the Writing Centre for academic skills support.

2 Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

Delivery and Resources

**Prescribed Texts** (Students must have access to these books AT ALL TIMES):
2. **Legislation**: Pinto and Sadiq, *2022 Fundamental Tax Legislation*, Thomson Reuters

**Unit Web Page**: The ACCG3020 homepage is at: [ilearn.mq.edu.au](http://ilearn.mq.edu.au).

You can directly access the Unit Guide, the Assessment Guide, the current lecture outlines, Echo 360 recordings, announcements related to the unit, library and other useful websites via the ACCG3020’s i-Learn site.

**Delivery Format and Other Details:**

**Lectures and Tutorials**

The main means of presentation is by way of 13 two-hour lectures and 12 weekly tutorials of one hour duration. Lectures cover the basic material as outlined in the listed topics, as well as noting where each topic fits into the overall framework of the tax regime. The Lectures will be recorded on Echo 360 on a weekly basis.

Each week’s lecture outlines (PowerPoint slides) will also be posted on i-Learn prior to the formal lecture. They are not intended to be a substitute for lecture attendance. These outlines are only core notes and they are **NOT** intended to be treated as stand alone resources nor in place of lecture attendance. They are provided for your convenience. You cannot rely on these outlines to the exclusion of the allocated reading tasks for each week. You are expected to prepare your own notes from the prescribed reading set out in this unit’s Assessment Guide to supplement the material set out in the lecture outlines.

**The Tutorial sessions will be run online via Zoom as well as in face-to-face modes.** The Tutorial questions for each week’s class are also to be found in the unit’s Assessment Guide. The tutorial questions have been designed to provide a practical application of the principles discussed in lectures. Tutorials will involve an analysis and discussion of preset questions based on the previous week’s lecture. They therefore complement and consolidate the topics covered in lectures. **It is essential that adequate preparation be undertaken BEFORE each tutorial in**...
order for the full benefit to be gained.

**Attendance and participation in Tutorials are compulsory.** Students - *(including those enrolled in the i-Lecture stream)* - will therefore be expected to attend and to participate in tutorials through, contributions to class discussions, formal presentations during tutorials, and showing an interest in other learning activities conducted by the Tutor.

**Classes**

- The timetable for classes can be found on the University web site at: [http://www.timetables.mq.edu.au/](http://www.timetables.mq.edu.au/)
  - Students can only change their allocated lecture or tutorial class in the first three (3) weeks through the e-Student system and only when there is a vacancy in that class.
- If a student changes classes in the first three weeks, it is their responsibility to inform both their old tutor and their new Tutor. Failure to inform Tutors about the change in class allocation may result in a student not obtaining all the class marks for which all students are eligible.
- You must attend your official tutorial class. Tutors will keep attendance records and you can only attend class or sit for the class presentation in your registered tutorial. Please ensure that you know your Tutor’s name and your tutorial class number.
- Students enrolled in the i-Lecture stream are expected to attend the weekly tutorials and to participate in completing the "Assessed Coursework" components of this unit.
- In cases where classes have been missed because of illness or misadventure, it is up to the student to provide relevant documentation - (such as medical certificates or other reports) - explaining the reasons for their absence. The documentation must be lodged with BESS in accordance with the special consideration application procedure.
- Students are expected to arrive on time and not to leave until the class ends.
- If you have a recurring problem that makes you late, or compels you to leave early, have the courtesy to discuss this with your lecturer/tutor.
- Students who disturb or disrupt in lectures and tutorial class will be asked to leave.

**Prizes**
The Department of Accounting and Corporate Governance Prize for Taxation Law and Practice is awarded for proficiency in the Sessions 1 and 2 offerings of this unit respectively.

http://www.businessandeconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

Recommended Readings: RECOMMENDED TEXTBOOKS

The acquisitions of the following are OPTIONAL. Students should consult the lecturer before making a purchase from books in this category.

Any of the following books may also be of use:

- Woellner, Barkoczy, Murphy, Evans and Pinto, *Australian Taxation Law* (31st edn, Oxford University Press 2021)
- Sadiq, *Australian Taxation Law Cases* (Thomson Reuters, 2022)

Note: It is pointless having an out of date edition of the textbook. REFERENCE MATERIALS

While references to the prescribed weekly readings for this Unit are set from standard textbooks on taxation, references will also be made during the lectures to reported cases, rulings and other pronouncements issued by the Australian Taxation Office.

1. **Commentaries**: Both CCH and Thomson Reuters provide an on-line service covering a commentary on the relevant legislation, rulings and reports and other pronouncements of the Australian Taxation Office. These on-line tax services are also available in multi-volume loose-leaf formats.

The on-line service of CCH can be accessed from the University Library’s database.

1. **Useful Internet sites**: Internet resources are a very valuable source of information relating to current developments on taxation issues. Some useful sites include:

   1. **ATO website**: The Australian Taxation Office Internet site www.ato.gov.au. This site offer access to:

      - all ATO rulings and other pronouncements
      - current ATO publications
      - legislation
Australian and selected overseas tax case law
all ATO forms

1. Access to other internet sites which are relevant to tax issues can be located at:


Chartered Accountants Australia and New Zealand: [https://www.charteredaccountantsanz.com/](https://www.charteredaccountantsanz.com/)

1. Professional Reference Texts


(iii) Cases, rulings, and legislation can also be accessed from the following sites:

- Cases: Australian Legal Information Institute site [http://www.austlii.edu.au](http://www.austlii.edu.au)

This site contains relevant information including policy submissions canvassing tax reform.

For a weekly update on tax developments, students are advised to consult either CCH Tax Week or the Thomson Reuters Weekly Tax Bulletin; the former can be accessed from the University Library’s database
1. Update on Tax Developments

Articles in legal and accounting journals are invaluable aids in keeping up to date with developments in tax law and practice. These include:


Tax Law Journal reference list

- 2022 *Australian Master Tax Guide* (CCH), 70th ed
- 2022 *Australian Tax Handbook* (Thomson Reuters)
- 2022 *Australian Master GST Guide* (CCH)
- 2022 *Australian GST Handbook* (Thomson Reuters)
### Professional Text Guide

- 2022 *Australian Master Tax Guide* (CCH), 70th ed
- 2022 *Australian Tax Handbook* (Thomson Reuters)
- 2022 *Australian Master GST Guide* (CCH)
- 2022 *Australian GST Handbook* (Thomson Reuters)

### Unit Schedule

<table>
<thead>
<tr>
<th>Week Commencing</th>
<th>Lecture</th>
<th>Topic</th>
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<tbody>
<tr>
<td>25 July 2022</td>
<td>1</td>
<td>Study Skills for Tax Law</td>
</tr>
</tbody>
</table>

**Operating Framework of the Australian Tax System:**

- Constitutional basis of taxation - relationship between the Commonwealth and the States;
- Sources of income tax law;
- Structure of the income tax legislation and how the parts fit together

**Tax Administration: In brief**

- operation and enforcement of the Act and ancillary legislation;
- the assessment process; appeal procedures;
- rights and remedies of the Commissioner and taxpayer;
- tax agents.
<table>
<thead>
<tr>
<th>Week Commencing</th>
<th>Lecture</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1 August 2022</td>
<td>2</td>
<td>The concept of income:</td>
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<td></td>
<td></td>
<td>• distinction between &quot;income&quot; and &quot;capital&quot;;</td>
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<td></td>
<td></td>
<td>• exempt income;</td>
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<td></td>
<td></td>
<td>• residence and source; derivation of income</td>
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<tr>
<td></td>
<td></td>
<td>Calculation of Tax Payable:</td>
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<td></td>
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<td>• Formulas, Rates &amp; Offsets</td>
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<td></td>
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<td>Tax collection mechanisms</td>
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<td>8 August 2022</td>
<td>3</td>
<td>The Income Concept: Incidental Issues</td>
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<td></td>
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<td>• Income from Personal Services and Employment</td>
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<td>• Income and Business</td>
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<td></td>
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<td>• Fruit and tree analysis</td>
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<td></td>
<td></td>
<td>• Income from Property Interest</td>
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<tr>
<td>15 August 2022</td>
<td>4</td>
<td>Assessable Deductions:</td>
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<td></td>
<td></td>
<td>• The general provision</td>
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<td></td>
<td></td>
<td>• Substantiation of expenses</td>
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<tr>
<td>22 August 2022</td>
<td>5</td>
<td>Assessable Deductions II:</td>
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<td></td>
<td></td>
<td>• Specific Provisions related to deductions</td>
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<td>• ONLINE QUIZ-DUE in WEEK 5 (Monday 22.08.22 from 12-1pm)</td>
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<tr>
<td>Date</td>
<td>Topic</td>
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<tr>
<td>29 August 2022</td>
<td>Statutory Income:</td>
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<td></td>
<td>• Taxation of capital gains and losses;</td>
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<tr>
<td></td>
<td>• Calculation of capital gains and losses;</td>
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<td></td>
<td>• Inter-relationship with the income taxing provisions</td>
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<td></td>
<td>Revision:</td>
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<td></td>
<td>How Topics 1-6 fit together</td>
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<tr>
<td>5 September 2022</td>
<td>Other key Taxes such as Fringe Benefits Tax and Goods and Services Tax</td>
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<td></td>
<td>• What is exempt and non-exempt</td>
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<td></td>
<td>• GST- goods and services which are subject to a 10% levy</td>
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<td>Mid-Session Break 12 September to 25 September 2022</td>
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<tr>
<td>26 September 2022</td>
<td>Principles of Compensation</td>
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<td></td>
<td>• Compensation for losses incurred by individuals</td>
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<td></td>
<td>• Compensation for business losses</td>
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<td></td>
<td>• Composite claims</td>
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<td></td>
<td>• Reimbursement of previously deducted expenses</td>
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</tbody>
</table>

**Important Notice:**

The Take-home Assignment (Case Study) will be posted on iLearn at 12:00 pm Monday, 3 October 2022. The written responses must be submitted at 12:00 pm on Tuesday 4 October 2022 via Turn-it-in on this unit’s iLearn facility.
### Timing Issues:

Tax accounting-derivation, cash v accruals, dividends, prepaid

### Trading Stock:

Accounting method, 'on hand', work in progress, lost or destroyed stock, value of closing stock, spare parts and consumables, 'arm’s length', small business entities (SBE)

### BUSINESS ENTITIES I:

**Sole Traders and Taxation of Partnerships**

**Superannuation**

- Concessional Contribution
- Non-concessional Contribution
- Low-income superannuation tax offsets
- Taxation of superannuation benefits paid to members, lump sum
- Taxation of benefits paid as income stream
- Entitlements to receive death benefit and taxation of a death benefit

### ENTITIES II:

**Taxation of Companies and Shareholders:**

- Issues related to corporate taxation
- Dividends and shares, imputation system
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 October 2022</td>
<td>12</td>
<td>Trust Estates and Beneficiaries; minors</td>
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<tr>
<td></td>
<td></td>
<td>• The tax and its applications in practice</td>
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<td></td>
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<td><strong>International Taxation</strong></td>
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<td></td>
<td></td>
<td>• Taxation of foreign source income of residents</td>
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<td></td>
<td></td>
<td>• Taxation of foreign residents-withholding tax, CGT</td>
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<td>• Investment overseas-companies and trusts</td>
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<tr>
<td></td>
<td></td>
<td>• Foreign Tax Offsets and Losses</td>
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<td></td>
<td></td>
<td>• Transfer pricing, treaties, exchange agreements</td>
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<tr>
<td>31 October 2022</td>
<td>13</td>
<td>Tax Administration</td>
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<tr>
<td></td>
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<td>Tax Lodgments, Assessments, Collection of Tax, Penalties, objections, reviews and appeals.</td>
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<td></td>
<td><strong>Anti-Avoidance Legislation and the Ethics of Tax Practice</strong></td>
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<tr>
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<td>• Alienation of Personal Services Income;</td>
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<td></td>
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<td>• Basic techniques of tax planning;</td>
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<td></td>
<td></td>
<td>• Ethical issues in tax practice</td>
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</tbody>
</table>

**Revision:**

How the entire course fits together

**FINAL EXAMINATION PERIOD 7-25 November 2022**

TBA SUPPLEMENTARY EXAM PERIOD
Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://policies.mq.edu.au). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- Academic Appeals Policy
- Academic Integrity Policy
- Academic Progression Policy
- Assessment Policy
- Fitness to Practice Procedure
- Assessment Procedure
- Complaints Resolution Procedure for Students and Members of the Public
- Special Consideration Policy

Students seeking more policy resources can visit Student Policies (https://students.mq.edu.au/support/study/policies). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit Policy Central (https://policies.mq.edu.au) and use the search tool.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/admin/other-resources/student-conduct

Results

Results published on platform other than eStudent, (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in eStudent. For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Academic Integrity

At Macquarie, we believe academic integrity – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free online writing and maths support, academic skills development and wellbeing consultations.

Student Support

Macquarie University provides a range of support services for students. For details, visit http://students.mq.edu.au/support/
The Writing Centre

The Writing Centre provides resources to develop your English language proficiency, academic writing, and communication skills.

- Workshops
- Chat with a WriteWISE peer writing leader
- Access StudyWISE
- Upload an assignment to Studiosity
- Complete the Academic Integrity Module

The Library provides online and face to face support to help you find and use relevant information resources.

- Subject and Research Guides
- Ask a Librarian

Student Services and Support

Macquarie University offers a range of Student Support Services including:

- IT Support
- Accessibility and disability support with study
- Mental health support
- Safety support to respond to bullying, harassment, sexual harassment and sexual assault
- Social support including information about finances, tenancy and legal issues

Student Enquiries

Got a question? Ask us via AskMQ, or contact Service Connect.

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the Acceptable Use of IT Resources Policy. The policy applies to all who connect to the MQ network including students.