

## THE GRIFFITH TAX CLINIC

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### ABSTRACT

*Griffith University (Queensland) was one of 10 Australian universities chosen to be part of the 2019 National Tax Clinic Project. This project sought to expand the foundational work done by Curtin University (Western Australia) to establish student tax clinics across Australia. The objectives of these clinics were to provide greater access to justice for unrepresented taxpayers, a rich learning environment for students, and greater tax literacy for the community. The Griffith Tax Clinic opened its doors to the public in July 2019. This article reports on the experience of the Griffith Tax Clinic, in its first year of operation, and sets out key learning outcomes and recommendations gleaned from that experience.*

**Keywords:** internship, tax, student learning, work integrated learning, tax literacy

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## I INTRODUCTION

The National Tax Clinic Project was announced in late 2018 and formally launched in January 2019 at the Australasian Tax Teachers Conference.<sup>1</sup> This project was to expand upon the successful first six months of operation of the Curtin Tax Clinic, led by Annette Morgan and Donovan Castelyn.<sup>2</sup> The Curtin Tax Clinic allows tax students to provide assistance to unrepresented taxpayers under the supervision of experienced tax practitioners. The National Tax Clinic Project is premised on expanding the concept of student tax clinics and the assistance they provide to the community by opening 10 tax clinics across Australia within just a few months.<sup>3</sup> To engage the university sector, seed funding of \$100,000 each was offered to selected universities. As work integrated learning ('WIL') can be costly and risky, the seed funding was essential in engaging university management.<sup>4</sup> The prestige element attached to external funding also facilitated the adoption of the project by university management.

The 10 universities were chosen for their respective geographical spread across Australia, as well as their own intrinsic value and expertise.<sup>5</sup> The reasons for Griffith University's success in being selected include its well-recognised interest in social justice, the strength of its tax program in South East Queensland (including the Tax Minor offered as a part of its Bachelor of Commerce), the tax research and teaching expertise of its staff, and a recognised expertise in WIL.

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<sup>1</sup> Stuart Robert, 'Address to the Australasian Tax Teachers Association 31st Annual Conference' (Speech, Duxton Hotel, Perth, 16 January 2019) <<https://ministers.treasury.gov.au/ministers/stuart-robert-2018/speeches/address-australasian-tax-teachers-association-31st-annual>>. This grant opportunity was announced on 28 November 2018 as part of a Federal Government initiative to trial a National Tax Clinic program. It supported the establishment of up to 10 tax clinics across Australia to assist unrepresented individuals and small businesses with their tax affairs.

<sup>2</sup> For more details regarding the Curtin Tax Clinic, see: <<https://businesslaw.curtin.edu.au/law/tax-clinic/>>.

<sup>3</sup> Robert (n 1).

<sup>4</sup> Craig Cameron et al, 'The Program Risks of Work-Integrated Learning: A Study of Australian University Lawyers (2018) 40(1) *Journal of Higher Education Policy and Management* 67.

<sup>5</sup> Pursuant to the ATO Sponsorship National Tax Clinics program trial, the list of eligible applicants was determined by having regard to the key outcomes and desired outputs of the grant opportunity, being: established and run by universities with students undertaking relevant studies; a tax clinic established in each state and territory, with a focus on having a population that could benefit from the tax clinic; the ability to establish a tax clinic in a short time frame; established abilities in key skills including tax, law, accounting, and dispute resolution; and the ability to engage tax professionals on a pro bono basis.

There was no single model of a clinic required to be implemented. The objectives of the National Tax Clinic Project were to provide: greater access to justice for unrepresented taxpayers (including micro and small businesses); a rich learning environment for students; an avenue to identify systematic problems in the tax system; and to improve community tax literacy.<sup>6</sup> Each of these objectives are discussed in more detail below.

## A Access

### 1 *Individuals*

Dealing with tax law can be complicated. Many obligations fall on the taxpayer to ensure that what is disclosed and declared for tax purposes is correct. This complexity is particularly acute given that Australia utilises a self-assessment system. While the Australian Taxation Office ('ATO') provides resources and guidance for clarification, the resources are confusing, and the ATO is often seen as intimidating:<sup>7</sup>

For certain disadvantaged groups, access to institutional legal procedure is not optional simply due to the lack of information that will allow them to identify a legal issue, the apprehension to act against more powerful institutional players, or scepticism with regard to the possibilities that the legal system has to offer.<sup>8</sup>

This can lead to taxpayers having a high reliance on tax advisors. Australia has one of the highest utilisation rates of tax advisors to assist with the lodgement of tax returns; approximately 70% of individual tax returns are lodged through an agent.<sup>9</sup> However, not all

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<sup>6</sup> Pursuant to the ATO Sponsorship National Tax Clinics program trial: Tax Clinics operating from the end of March 2019 (in each of the selected universities) offered services including: providing free advice, guidance, and assistance on tax matters including lodgement, debt, review and appeal rights, and general tax law; representation of clients in dealings with the ATO on a pro bono basis; creation of educational activities in each tax clinic to improve understanding of the current tax system; and creation of advocacy facilities to enable wider involvement in highlighting and reducing issues and problems in the current system.

<sup>7</sup> Justin Dabner and Mark Burton, 'The "Enhanced Relationship" Model Collides with Reality: The Determinants of the Relationship between Tax Administrators and Tax Intermediaries' (2012) *Law and Society Association Annual Conference* <<https://ssrn.com/abstract=2701036>>; <http://dx.doi.org/10.2139/ssrn.2701036>.

<sup>8</sup> Yaniv Roznai and Nativ Mordechay, 'Access to Justice 2.0: Access to Legislation and Beyond' (Hebrew University of Jerusalem Legal Studies Research Paper Series No.16–12, 2015) 28.

<sup>9</sup> Australian Taxation Office, *Taxation Statistics 2016–17* (2018) <<https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Taxation-statistics/Taxation-statistics---previous-editions/Taxation-statistics-2016-17>>.

taxpayers are able to afford or know how to approach a tax agent. This includes new immigrants to Australia, who may have little understanding of the tax system. For these unrepresented people, navigating their way through the tax system can be daunting.

This can lead to taxpayers being non-compliant, whether intentionally or non-intentionally. Research suggests that non-compliant behaviour is not necessarily intentional, and that taxpayers who complete their own tax returns are most likely to be unintentionally non-compliant.<sup>10</sup> This can also lead to non-lodgement of tax returns. Non-lodgement can lead to penalties and interest, and can affect Centrelink payments, child support, and people's ability to get a home loan. Further non-compliance by low wealth individuals can be problematic for the ATO, as the relative cost of recovery may exceed the amount of tax revenue at stake.

## 2 *Small Businesses*

Another section of the economy which can struggle with tax compliance are micro and small businesses. For these businesses, tax compliance costs can be regressive,<sup>11</sup> and there can be a high reliance on the skills of the owner.<sup>12</sup> Small business owner tax literacy has been found to be higher than the literacy of the general public.<sup>13</sup> However, there are doubts about whether this knowledge is sufficient considering the extra tax complexity involved in running a business (including the different tax systems that need to be complied with).<sup>14</sup> Tax can present a multitude of problems for small businesses in terms of the financial constraints they may

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<sup>10</sup> Margaret McKerchar, 'The Impact of Complexity upon Unintentional Non-Compliance for Australian Personal Income Taxpayers' (PhD Thesis, University of New South Wales, 2002).

<sup>11</sup> Phil Lignier, Chris Evans and Binh Tran-Nam, 'Tangled Up in Tape: The Continuing Tax Compliance Plight of the Small and Medium Enterprise Business Sector' (2014) 29(2) *Australian Tax Forum* 217; Board of Taxation, *Scoping Study of Small Business Tax Compliance Costs: A Report to the Treasurer* (Attorney-General's Department, 2007) 7.

<sup>12</sup> James S Ang, 'Small Business Uniqueness and the Theory of Financial Management' (1991) 1(1) *Journal of Entrepreneurial Finance* 1; Santonu Basu, 'Problems of Small Business' (1986) 5(4) *Journal of Applied Economics and Policy* 92; Melissa Belle Isle and Brett Freudenberg, 'Calm Waters: GST and Cash Flow Stability for Small Businesses in Australia' (2015) 13(2) *eJournal of Tax Research* 492.

<sup>13</sup> Toni Chardon, Brett Freudenberg and Mark Brimble, 'Tax Literacy in Australia: Not Knowing Your Deduction from Your Offset' (2016) 31(2) *Australian Tax Forum* 321.

<sup>14</sup> Brett Freudenberg et al, 'Tax Literacy of Australian Small Businesses' (2017) 18(2) *Journal of Australian Taxation* 21.

have.<sup>15</sup> This includes the costs of complying, including time<sup>16</sup> and stress for the owner,<sup>17</sup> and the cost of actually paying the tax, and managing this as part of their cashflow.<sup>18</sup> The struggle of small businesses to meet their tax obligations is illustrated by the fact that, in 2017–18, small businesses earning less than \$10 million were responsible for almost two-thirds of the total tax debt recognised by the ATO.<sup>19</sup> Due to financial constraints, small businesses may not seek sufficient advice prior to commencing the business, or in the early stages of the business.<sup>20</sup> This lack of advice may contribute to high failure rates of new businesses in comparison to established firms, with many businesses in early stages ceasing to exist past five years.<sup>21</sup> Additionally, small businesses that don't possess a sufficient level of tax literacy can lead to intentional and/or unintentional non-compliance behaviour.<sup>22</sup>

Small businesses are an integral part of the Australian economy. They account for nearly 96%<sup>23</sup> of all private sector businesses and contribute some 34% of the total gross value added of the economy.<sup>24</sup> There are over 1,062,000 individuals as sole traders conducting 'micro' sized businesses, and another 3,000 individuals conducting 'small' sized businesses.<sup>25</sup> It is estimated

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<sup>15</sup> Belle Isle and Freudenberg (n 12); Michael Peel, Nicholas Wilson and Carole Howorth, 'Late Payment and Credit Management in the Small Firm Sector: Some Empirical Evidence' (2000) 18(2) *International Small Business Journal* 17.

<sup>16</sup> Lignier, Evans and Tran-Nam (n 11).

<sup>17</sup> Nahida Faridy et al, 'The Hidden Compliance Cost of VAT: An Exploration of Psychological and Corruption Costs of VAT in a Developing Country' (2016) 14(1) *eJournal of Tax Research* 166.

<sup>18</sup> Melissa Belle Isle, Brett Freudenberg and Tapan Sarker, 'Is the Literacy of Small Business Owners Important for Cash Flow Management?: The Experts' Perspective' (2018) 13(1) *Journal of Australasian Tax Teachers Association* 31.

<sup>19</sup> Australian Taxation Office, *Management of Small Business Tax Debt* (Australian National Audit Office, 2019).

<sup>20</sup> OECD, *Taxation of SMEs in OECD and G20 Countries No 23* (OECD Tax Policy Studies, 2015); Biagio Marco Pizzacalla, *Developing a Better Regime for the Preferential Taxation of Small Business* (PhD Thesis, Monash University, 2014).

<sup>21</sup> *Ibid* 23.

<sup>22</sup> Newman Wadesango et al, 'Literature Review on the Impact of Tax Knowledge on Tax Compliance among Small Medium Enterprises in a Developing Country' (2018) 22(4) *International Journal of Entrepreneurship* 1, 2, 4.

<sup>23</sup> Australian Bureau of Statistics, *Counts of Australian Businesses, Including Entries and Exits, Jun 2010 to Jun 2014* (Catalogue No 8165.0, 2 March 2015). Count includes non-employing businesses and businesses employing 1–20 employees.

<sup>24</sup> Australian Bureau of Statistics, *Australian Industry, 2013–14* (Catalogue No 8155.0, 2015).

<sup>25</sup> Australian Taxation Office, *Taxation Statistics 2013* (2015).

that small businesses employ 4.8 million people, representing 45.7% of all private sector employees.<sup>26</sup>

By the very nature of modern economies, conducting a business raises several legal and tax literacy issues. The United Nations and the World Bank have examined ‘entry barriers’ in countries to assess how small businesses and entrepreneurs are able to become familiar with regulation.<sup>27</sup> There is growing acknowledgement that access to and understanding of government regulation can decrease employment costs and assist the profitability of small businesses.<sup>28</sup> Also, assistance to increase understanding of operating a business may improve compliance, as there would be ‘a better realization of rights and fulfilment of obligations’.<sup>29</sup> While the role of advisors can be important to assist small businesses, there can be a reluctance to utilise advisors, for reasons including financial constraints and attitude.<sup>30</sup> Due to these circumstances, being able to access free support from student tax clinics could be an important avenue of support for small businesses, especially micro businesses.

### B *Learning for Students*

Transitioning from university to future professional careers can be challenging for students. The knowledge and skills that may have provided academic success may not directly translate into the workplace.<sup>31</sup> Developing an ‘understanding of, and in, professional practice’ is seen as one way to aid this transition.<sup>32</sup> This is supported by consistent evidence of a skills gap between

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<sup>26</sup> Australian Bureau of Statistics (n 24).

<sup>27</sup> Roznai and Mordechay (n 8).

<sup>28</sup> Joan-Josep Vallbé and Núria Casellas, ‘What’s the Cost of e-Access to Legal Information: A Composite Indicator’ in *Doing Business: Past, Present, and Future of Business Regulation* (McDonough School of Business, Georgetown University, 2014) <[https://pure.uva.nl/ws/files/2331714/157635\\_S8\\_3.pdf](https://pure.uva.nl/ws/files/2331714/157635_S8_3.pdf)>.

<sup>29</sup> Roznai and Mordechay (n 8) 26.

<sup>30</sup> Margaret McKerchar, ‘Understanding Small Business Taxpayers: Their Sources of Information and Level of Knowledge of Taxation’ (1995) 12 *Australian Tax Forum* 25, 32; Ian G Wallschutzky and Brian Gibson, ‘Small Business Cost of Tax Compliance’ (1993) 10(4) *Australian Tax Forum* 511, 528.

<sup>31</sup> Denise Jackson, ‘Re-Conceptualising Graduate Employability: The Importance of Pre-Professional Identity’ (2016) 35(5) *Higher Education Research & Development* 925.

<sup>32</sup> Gloria Dall’Alba and Jörgen Sandberg, ‘Unveiling Professional Development: A Critical Review of Stage Models’ (2006) 76(3) *Review of Educational Research* 383, 401.

graduates and industry expectations,<sup>33</sup> which includes ‘generic skills’ and ‘professional awareness’.<sup>34</sup>

The tax clinics provide the potential for a rich learning environment for the university students involved, and provide a WIL experience, even though clinics may be conducted on campus.<sup>35</sup> WIL programs are typically described as ‘educational programs which combine and integrate learning and its workplace application, regardless of whether this integration occurs in industry or whether it is real or simulated’.<sup>36</sup>

WIL has long been touted as providing a critical learning environment for students to address the skills gap by offering a ‘rich, active and contextualised learning experience’.<sup>37</sup> The potential benefits of WIL include improving students’ technical knowledge (such as tax law),<sup>38</sup> their generic skills (such as problem solving, oral communications and team work),<sup>39</sup> and their self-

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<sup>33</sup> Binh Thanh Bui and Brenda Porter, ‘The Expectation-Performance Gap in Accounting Education: An Exploratory Study’ (2010) 19(1–2) *Accounting Education* 23; Paul De Lange, Beverley Jackling and Anne-Marie Gut, ‘Accounting Graduates’ Perceptions of Skills Emphasis in Undergraduate Courses: An Investigation from Two Victorian Universities’ (2006) 46(3) *Accounting and Finance* 365.

<sup>34</sup> Precision Consultancy, *Graduate Employability Skills*, Prepared for Business, Industry and Higher Education Collaboration Council (Precision Consultancy, 2007); Marie H Kavanagh and Lyndal Drennan, ‘What Skills and Attributes Does an Accounting Graduate Need? Evidence from Student Perceptions and Employer Expectations’ (2008) 48 *Accounting and Finance* 279.

<sup>35</sup> In some jurisdictions the term ‘service learning’ may be used, as the students are providing free advice to community groups.

<sup>36</sup> Mary Atchison et al, *Work-Integrated Learning Paper* (RMIT University, 2002) 3.

<sup>37</sup> Belinda McLennan, ‘Work-Integrated Learning (WIL) in Australian Universities: The Challenges of Mainstreaming WIL’ in *Proceedings of the Career Development Learning: Maximising the Contribution of Work Integrated Learning to the Student Experience NAGCAS Symposium* (NAGCAS, 2008) <<http://tls.vu.edu.au/vucollege/LiWC/resources/NAGCASpaper-final10June08.pdf>>.

<sup>38</sup> John Arnold et al, ‘Students’ Perceptions of Competence Development in Undergraduate Business Related Degrees’ (1999) 24(1) *Studies in Higher Education* 43.

<sup>39</sup> WIL can have a positive influence on student generic skills such as interpersonal skills, written and oral communication, team work, self-management, professionalism (Alison Blackwell et al, ‘Transforming Work Experience in Higher Education’ (2001) 27(3) *British Educational Research Journal* 269); and academic performance (Stephen Gomez, David Lush and Margaret Clements, ‘Work Placements Enhance the Academic Performance of Bioscience Undergraduates’ (2004) 56(3) *Journal of Vocational Education & Training* 373).

efficacy<sup>40</sup> and professional identity,<sup>41</sup> which can in turn aid their motivation towards studies.<sup>42</sup> Such skills may be highly desired by employers.<sup>43</sup>

It has been demonstrated that students with the least professional experience can benefit from participation in WIL.<sup>44</sup> Prior work by Blissenden demonstrated improved learning outcomes for tax students engaged with providing free tax return preparation advice.<sup>45</sup>

### C Systematic Problems

Australia's tax system is complex. Layers of complexity occur due to how tax laws interact with other laws, systems, and government benefits. For example, there has long been concern about the higher effective marginal tax rates for someone moving from social security to earning their own wage income.<sup>46</sup> Furthermore, certain tax avoidance provisions, such as the personal services income provisions, have been implemented to inhibit certain practices, but

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<sup>40</sup> WIL has been shown to influence student self-efficacy. Students in WIL programs obtain a richer understanding of the key attributes of success, and improved self-efficacy when faced with a variety of situations, as they have a history of numerous, varied experiences (Mark Scherer et al, 'The Self-Efficacy Scale: Construction and Validation' (1982) 5(2) *Psychological Reports* 663; Brett Freudenberg et al, 'A Penny for Your Thoughts: Can Participation in a Student-Industry Conference Improve Students' Presentation Self-Efficacy and More?' (2008) 1(5) *The International Journal of Learning* 188).

<sup>41</sup> In career terms, WIL can enhance student understanding of the work environment and employer expectations (Carol-Joy Patrick et al, *The WIL [Work Integrated Learning] Report: A National Scoping Study* (Queensland University of Technology, 2008), can facilitate career awareness, progression and direction (Richard Coll et al, 'An Exploration of the Pedagogies Employed to Integrate Knowledge in Work-Integrated Learning' (2009) 43(1) *Journal of Cooperative Education & Internships* 14), and can improve graduate employment outcomes (Blackwell et al (n 39)).

<sup>42</sup> An appreciation of professional knowledge through WIL activities has provided students with career direction and an understanding of what skills are relevant for future career success (Brett Freudenberg, Mark Brimble and Craig Cameron, 'The Building of a Professional: Creating Greater Career Identity within a Degree' (2009) 16(10) *The International Journal of Learning* 253).

<sup>43</sup> Sarah Davidson, 'Future Tensions in Professional Associations', in J Guthrie, E Evan and R Burrirt (eds), *Relevance and Professional Associations in 2026* (RMIT and Chartered Accountants ANZ, 2016) 79–83; Sharon Hayes, Brett Freudenberg and Deborah Delaney, 'Role of Tax Knowledge and Skills: What Are the Graduate Skills Required by Small to Medium Accounting Firms' (2018) 13(1) *Journal of Australasian Tax Teachers Association* 152.

<sup>44</sup> Mahmoud Haddara and Heather Skanes, 'A Reflection on Cooperative Education: From Experience to Experiential Learning' 8(1) *Asia-Pacific Journal of Cooperative Education* 67; Brett Freudenberg and Anna Mortimore, 'Building Students' Self-Efficacy through the 'Tax Firm' Case Studies: The Effect of Prior Professional Work Experience' *Journal of Australasian Tax Teachers Association* (forthcoming).

<sup>45</sup> Michael Blissenden, 'Service Learning: An Example of Experiential Education in the Area of Taxation Law' (2006) 16(1) *Legal Education Review* 183.

<sup>46</sup> Helen Hodgson, 'Progressivity in the Tax Transfer System: Changes in Family Support from Whitlam to Howard and Beyond' (2014) 12 (1) *eJournal of Tax Research* 218.



may catch unaware taxpayers in their broad application.<sup>47</sup> It was hoped that the tax clinics could provide a voice to highlight systematic issues of the tax system, and raise these issues to relevant policy makers.

#### D *Tax Literacy (Education)*

Another aspect of the tax clinics was to provide greater tax literacy to the public. Having a greater understanding of tax is seen as a critical component to people's overall financial literacy.<sup>48</sup> Having low tax literacy can lead to adverse outcomes for individuals. It can also lead to penalties, late lodgement, and increased stress.<sup>49</sup> It was hoped that the tax clinics would provide a platform to increase tax literacy, by helping people understand their tax obligations and how to lodge tax returns, as well as conducting free public education seminars.

Prior Australian research has found 'evidence of a high commitment to compliance' by taxpayers. Low tax law literacy impedes a full realisation of this commitment,<sup>50</sup> and may mean that people miss out on government concessions or benefits provided through the tax system. Research has demonstrated that education and tax law literacy can positively impact compliance.<sup>51</sup> It appears that taxpayers consider that if they increased their tax literacy, their tax compliance would improve.<sup>52</sup> Increased tax literacy may improve taxpayers' attitudes

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<sup>47</sup> *Income Tax Assessment Act 1997* (Cth) divs 84–7. For example, while the Personal Services Income provisions inhibit contractors setting up business structures. Although some people are forced into operating as a business in a contractor relationship even though they would have preferred an employment relationship.

<sup>48</sup> Toni Chardon, 'Weathering the Storm: Tax as a Component of Financial Capability' (2011) 5(2) *Australasian Accounting Business and Finance Journal* 53.

<sup>49</sup> Chardon, Freudenberg and Brimble (n 13).

<sup>50</sup> McKerchar (n 10) 298.

<sup>51</sup> Paul Nzioki and Rawlings Osebe, 'An Analysis of Factors Affecting Tax Compliance in the Real Estate Sector in Kenya: A Case Study of Real Estate Owners in Nakuru Town, Kenya' (2014) 5(11) *Research Journal of Finance and Accounting* 1.

<sup>52</sup> Natrah Saad, 'Tax Knowledge, Tax Complexity and Tax Compliance: Taxpayers' View' (2014) 109 *Procedia-Social and Behavioral Sciences* 1069.

toward the tax system,<sup>53</sup> which may in turn encourage compliance.<sup>54</sup> Of course whether their behaviour would change is questionable.<sup>55</sup>

Chardon et al, reporting on the tax law literacy scores of Australians, found that 19% of Australians had tax literacy scores classified as either ‘poor’ or ‘low’, with an overall mean score of 52% of the maximum score.<sup>56</sup> The level of knowledge that an individual possesses of tax systems is posited to have a relationship with their ability to budget, communicate with advisors, make decisions, and understand their rights and obligations.<sup>57</sup> Additionally, having a greater understanding of tax law can enable individuals to uphold their rights, as they are empowered to ‘identify, understand and enforce their legal rights’.<sup>58</sup> For example, research demonstrates that a lack of knowledge and confidence about the superannuation law system can be part of the reason why employees do not act when their superannuation guarantee is underpaid. If individuals do not know their rights, available avenues of redress are also unknown.<sup>59</sup>

Improved tax literacy can lead to individuals having a better understanding of their legal obligations, and thereby the potential to avoid legal problems.<sup>60</sup> As Haapio states, ‘legal knowledge is most valuable when it is used before things go wrong ... everyone’s resources are saved’.<sup>61</sup> Ignorance can cause people to be unnecessarily involved with the legal system,

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<sup>53</sup> Knut Eriksen and Lars Fallan, ‘Tax Knowledge and Attitudes towards Taxation: A Report on a Quasi-Experiment’ (1996) 17(3) *Journal of Economic Psychology* 387.

<sup>54</sup> Nurlis Islamiah Kamil, ‘The Effect of Taxpayer Awareness, Knowledge, Tax Penalties and Tax Authorities Services on the Tax Compliance: Survey on the Individual Taxpayer at Jadobdetabek and Bandung’ (2015) 6(2) *Research Journal of Finance and Accounting* 104.

<sup>55</sup> McKerchar (n 10).

<sup>56</sup> Chardon, Freudenberg and Brimble (n 13).

<sup>57</sup> Chardon (n 48).

<sup>58</sup> Suzie Forell and Hugh McDonald, Law and Justice Foundation of NSW, *Beyond Great Expectations: Modest, Meaningful and Measurable Community Legal Education and Information* (Justice Issues Paper No 21, December 2015) 1.

<sup>59</sup> Brett Freudenberg and Scott Sargent, ‘Not So Guaranteed: Superannuation Guarantee and Australian Small Businesses’ (2015) 30(1) *Australian Tax Forum* 89.

<sup>60</sup> Brett Freudenberg, ‘Beyond Lawyers: Legal Literacy for the Future’ (2017) 45(5) *Australian Business Law Review* 387.

<sup>61</sup> Helena Haapio, ‘Legal Literacy: Helping Clients to Help Themselves’ (2002–03) 21 *Preventative Law Reporter* 7, 12.

which can create costs to the individual and society.<sup>62</sup> In contrast, improved legal literacy (including tax law) can lead people to being able to take preventative action that ‘avoids escalation and crises’.<sup>63</sup> Even when a dispute arises, being legally literate may open avenues to avoid court proceedings, ‘leading to outcomes that are quicker, less stressful and less costly for both sides in a dispute’.<sup>64</sup>

### E *Industry Engagement*

Another potential advantage of the tax clinics is to create a platform to allow tax industry professionals to provide pro bono assistance to the community or the student body. The law profession has a strong tradition of pro bono legal community clinics,<sup>65</sup> but these clinics largely do not include tax law. This is partly due to tax being an area of specific expertise, and its overlap with accounting. Accountants have traditionally been seen as the advisors of choice for tax, especially for compliance work.<sup>66</sup> Through the tax clinics, accounting and tax law professionals could provide pro-bono assistance, by assisting with technical compliance issues, or mentoring students and staff.

Consequentially, the tax clinics may have a positive impact in several areas. Whether this can be realised is largely dependent on how the clinic is implemented and conducted. Given the possible variance of the student tax clinics across Australia, lessons may potentially be learned from the different models adopted.

Part two of this article provides an outline of the design the Griffith Tax Clinic implemented, including the participation of academics, industry, students, and the expected clientele. The third part provides some key observations of the Griffith Tax Clinic experience, including key challenges in running the clinic, the key learning experience from the academic point of view, key learning outcomes for students, and the client’s perspective. After analysis of these

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<sup>62</sup> Wanda Cassidy and Pat Pitsula, ‘Forging a New Pathway: Learning from Experience and Research to Shape Practice in Public Legal Education Efforts in Canada’ (2005) 15(2) *Education Law Journal* 113.

<sup>63</sup> PLEAS Task Force, *Developing Capable Citizens: The Role of Public Legal Education* (Russell Press, 2007) 9.

<sup>64</sup> *Ibid.*

<sup>65</sup> Roznai and Mordechay (n 8) 23.

<sup>66</sup> Robyn Rutley, Sophie Elliott and Raelle Tatarynowicz, *ATO: Small Business Engagement Report* (TNS, 2016) 36–7. The role of accountants is even greater when small businesses seek advice about tax law, as an accountant is the first mentioned advisor 80% of the time.

preliminary results, recommendations are proposed in the fourth part of the article before a conclusion is drawn.

## II CLINIC DESIGN

The foundation work to establish the Griffith Tax Clinic was undertaken from March to June 2019, with seed funding of \$100,000. The Griffith Tax Clinic opened its doors in Trimester 2, July 2019, with its first appointed cohort of 14 student tax advisors. Additionally, the clinic operated over summer in Trimester 3, 2019, with 11 student tax advisors.

Griffith University has five physical campuses stretching 70 kilometres from Brisbane to the Gold Coast in Queensland. The Logan campus was selected for the location of the tax clinic for a number of strategic reasons. These include being in an area with a high migrant population and low socioeconomic status. Geographically, it is mid-way between Griffith's other campuses, allowing students from all campuses to have the opportunity to work at the tax clinic. Additionally, the Logan campus had the required office space and relative ease of car park access, given its smaller size compared to the other larger campuses.

The Griffith Business School contributed \$5,000 towards the office fit out for the Griffith Tax Clinic. Furthermore, it provided substantial in-kind contribution (of equipment/supplies and staff time) of approximately \$50,000 for the 'set-up' of the tax clinic and provides a further \$40,000 of in-kind contributions for each trimester that the clinic operates.

The in-kind contribution from the university in terms of set-up included office furniture, computer and phone equipment, staff time for website design (Figure 3), legal services, office design, marketing, academic coordination, and ad hoc administrative staff support. In terms of on-going in-kind contributions, the university provides free use of office space (Figure 4), phone and internet expenses, electricity and heating/cooling, web site maintenance, media assistance, free car parking for clients, advertising, legal services, IT software, ad hoc administrative staff, and academic staff. The \$100,000 grant was used to pay for some of the office fit out, clinic staffing, clinic library, office uniforms, professional photos, banners, stationery, and simple catering for public seminars. Consequently, the total cost (including in-kind contributions) of setting up and running the Griffith Tax Clinic in 2019 was in the vicinity of \$230,000.

FIGURE 3 – TAX CLINIC WEBSITE

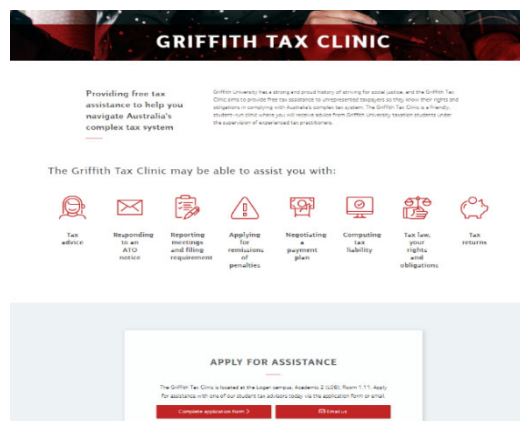


FIGURE 4 – TAX CLINIC OFFICE SPACE



It is important to acknowledge the generosity of the staff at the Curtin Tax Clinic, who willingly shared resources and the experience of establishing the first tax clinic the year beforehand. Without such sharing of resources, the ability to successfully implement a student tax clinic in four months would not have been possible. Some of the key activities that were part of the foundation set up work are detailed in Table 2.

TABLE 2 – SET-UP FOUNDATION WORK

| FOUNDATION ACTIVITIES   |
|---|
| Discussions with Legal Services about the grant agreement, the legal ramifications of running a student tax clinic, and the development of a Client Deed and a Student Deed.  |
| Discussions with insurance to see whether the activities of the students and staff at the tax clinic are covered.   |
| Set up of IT support: Establishment of a web site for the clinic ( <a href="http://www.griffith.edu.au/griffith-tax-clinic">www.griffith.edu.au/griffith-tax-clinic</a> ), online client application form, generic tax clinic email account and phone number, use of OneDrive as a central secure document repository, including the requirement for students to be appointed as staff to have secure access to resources. SMS messaging service. |
| Set up of physical office space: Location, fit out, room security, signage, painting, computers and phone connection, furnishings, car parking access for clients.  |
| Purchase of tax library for clinic, pull-up banner and stationery.  |
| Development of tax clinic office procedures: client tracker, storage/collation of client records, phone, email, and meeting etiquette.  |
| Appointment of key staff: Registered Tax Agent.   |
| Development of student orientation procedures and enrolment requirements.   |
| Development of research agenda and ethics approval.   |

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Initial marketing of the clinic to students for enrolments, and to the community for potential clients.

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*A The Clinic Model: 2019*

The Griffith Tax Clinic operated two days per week in the 12 weeks of teaching both in Trimester 2 and 3 (summer) of 2019. The hours of operation were 9am – 4pm. Approximately once a month, an evening public seminar was held from 6pm – 8pm. This meant that, over 2019, there were approximately 350 hours of operation (48 days). The tax clinic is scheduled to operate each trimester over the year (36 weeks). This maintains some momentum, as there is continual engagement with key stakeholders (community, clients, industry, and students) throughout the year — although with breaks for non-teaching weeks. The selected days of operation considered the amount of ‘workflow’ that the tax clinic was likely to expect. The busy time was Trimester 2, as the tax returns of unrepresented individuals were due by 31 October. Trimester 3 was less busy and appeared to cater for non-lodgers and people appealing ATO assessments and decisions. Trimester 1 is expected to be quieter (February to May), but given the clientele of the clinic, there still should be demand for assistance.

The shop front is located in a building on the edge of campus, and is close to car parking, to reduce the chance of clients getting lost on campus. The office is secured, with an open plan divided by partitions. The office consists of two work desks (one for the tax agent and the office manager), plus three client meeting desks with computers and large monitors: Figure 5. Outside of this office is a waiting area, equipped with chairs. The open plan was to allow for the potential of multiple client meetings to occur simultaneously, and to allow the tax agent to supervise activities on an as-needed basis. If a client was identified as having a particularly sensitive matter, then only one appointment would be made for that time.

In terms of staffing, a registered tax agent was employed as a sessional staff member of the university. This was to ensure that there would be appropriate supervision on each day of operation: Figure 6. The tax agent chosen had a wealth of experience, including prior work with the ATO, as a tax academic at a university, as well as running their own tax practice. It was thought that relying on industry to offer pro bono time was too problematic and ad hoc. There needed to be someone there with the necessary experience and knowledge of office procedures. This consistency and assurance was critical, given that many clinic students were participating through a formal WIL course, rather than just volunteering. While larger firms

may have had the staff capacity to donate time, they were not sure if their staff would have the relevant expertise likely to be needed. Larger firms mainly deal with more complicated corporate matters rather than individual tax returns. Smaller firms who would likely have more of the expertise required did not have the capacity to be able to guarantee involvement. Additionally, engaging a registered tax agent provided the benefit of being able to access the Tax Agent Portal with the ATO. The portal provides more details and resources to assist in resolving client matters.

FIGURE 5 – CLIENT MEETING DESK

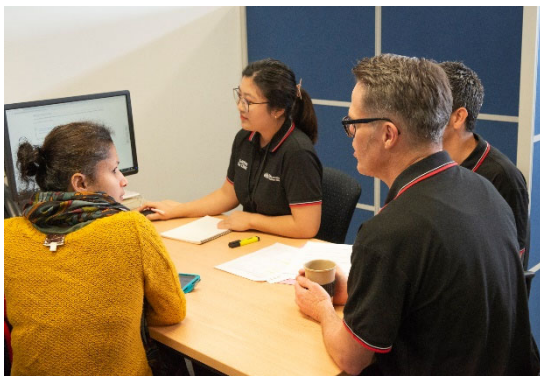
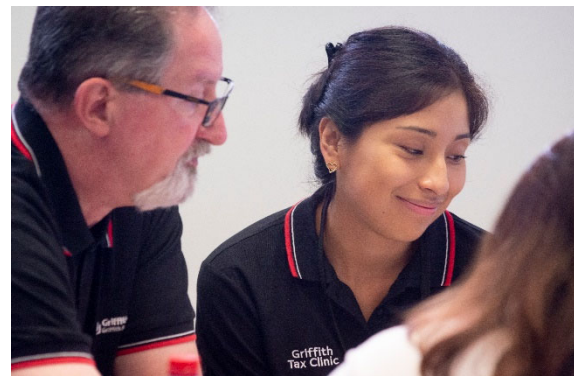


FIGURE 6 – TAX CLINIC STAFFING



Some of the professional bodies struggled at times with their support of the tax clinics. Nationally, the professional bodies stated there was support of the project in principle. However, at the State and local level there were concerns that the tax clinics were appropriating work from their membership base. This was despite assurances that assistance would only be to ‘unrepresented’ taxpayers.

Additionally, tax academic staff supported the clinic. Support included: ensuring appropriate controls and standards of operation; assistance with the development and delivery of the free tax educational seminars; assistance with student induction and supervision; promotion and recruitment of students; coordination of the Griffith internal administration systems; liaising with key stakeholders (internal and external); developing, drafting, and distributing marketing material to ensure the promotion of the tax clinic; and the reporting of key data for stakeholders (including the Government). The tax academic was able to assist with student tax advisors’ queries and client meetings as needed. Pursuant to the university workload model, the academic staff member was allocated 30 hours of teaching time per trimester — equivalent to four days’ work over four months, or approximately two hours per week. No formal workload allocation was given for the set-up phase of the clinic.

In the second offering of the Griffith Tax Clinic in Trimester 3, a part-time ‘office manager’ was appointed. The office manager assisted with the coordination of client meeting bookings, following up clients, allocation of tasks to students, monitoring of the client tracker, and reporting to the funding agency. This extra assistance eased the burden on the tax agent and the academic. It should be recalled that the tax clinic involves supervising junior staff, who change every four months.

The student tax advisors were allocated a particular day of operation. For the first offering, there were seven students per day, which reduced to six students per day for the second offering. Six per day was a more manageable number of students to supervise. Students were paired up with each other, although pairing arrangements could alter: Figure 7. The idea of pairing was to combine students with complimentary skills, to reduce stress when conducting a client interview, and to provide an extra set of hands and ideas should further resources be needed.

FIGURE 7 – PAIRING OF STUDENT ADVISORS



FIGURE 8 – TAX CLINIC UNIFORM



An office uniform was provided for all staff and student tax advisors, consisting of a black polo shirt with the ‘Griffith Tax Clinic’ logo. It was the expectation that everyone would wear this on workdays, together with appropriate complimentary formal clothing: Figure 8.

Workflow consisted of potential clients filling in the online application form, which would then flow through to the tax clinic’s email account. This application would be assessed for eligibility, and, if appropriate, allocated to a student tax advisor. Eligibility requirements were that the person was unrepresented (did not have a tax agent), lived in Australia, and was an individual or small business entity. Students undertook initial background research, and then called the client to clarify points and organise a meeting time. The meeting would then be confirmed with an email, which included documents to bring and parking arrangements. An



SMS reminder was sent the day before the meeting. In preparation for the meeting, students would do further background research and update the client tracker. On the day of the meeting, the client would be greeted by the students and taken to the meeting desk. As much as possible, the students would be expected to lead the discussion, with assistance/clarification provided by the tax agent supervising the meeting. During the meeting, students would complete the Client Information Sheet, and ensure the Client Deed was signed. If required, the client could be walked through their online tax return. At the conclusion of the meeting the client would be advised of any other steps required, including further meetings. A final email would be sent to the client to confirm the outcome of the meeting. Students would complete a file note, and at all stages update the client tracker with the issues covered, the time spent, and the relevant advisors involved.

### *B Student Involvement*

Students could participate at the Griffith Tax Clinic either through a formal WIL course, with the tax clinic as an ‘industry partner’, or they could volunteer their time. Students were likely to volunteer if they had no more capacity for electives in their degree, or if they were a post-graduate student. In 2019, a total of 25 students worked at the clinic (14 in Trimester 2, 11 in Trimester 3), with approximately two-thirds participating through the WIL course. Students were predominantly from the undergraduate commerce degree, with approximately one quarter doing a law degree. Students were required to have completed approximately half of their degree, including the Introduction to Tax course, and have the intention of taking the Advanced Tax course. Students would lodge an expression of interest together with their curriculum vitae, after which an interview could be conducted. Initially there was a grade point average threshold, although this was not strictly enforced, depending upon the interview outcome. Due to the university’s insurance policy, students needed to be current and not recently graduated students.

FIGURE 9 – STUDENT TAX ADVISORS  
OUTSIDE THE OFFICE



FIGURE 10 – ELECTRONIC BADGE FOR  
VOLUNTEERS



Students undertaking the WIL course had four assessment items in addition to the approximately 80 hours of work required. The assessments were: a dream job application; three reflective diary entries focusing on problem solving, interpersonal skills, and professional identity; an oral presentation; and a tax policy report. The oral presentations were generally given during one of the public or community education seminars, and were about a particular tax topic (see the discussion below). The 1,500 word tax policy report provided students the opportunity to research and write about an issue that arose while working at the clinic. Topics included: immigrant tax literacy; small business tax literacy; skills required for a student tax advisor; tax complexity for small businesses; tax compliance in a digital economy; and the effect of goods and services tax for small businesses. Depending on their assessment items, students were awarded a grade from 1–7, 7 being the highest.

Volunteer students had the same hours of attendance and did two pseudo-assessments: a dream job application, and the three reflective diary entries. The volunteer students were encouraged to do one of the presentations. To recognise their contribution to the clinic, volunteer students were awarded an electronic Griffith Tax Clinic badge at the end of Trimester that they could add to their LinkedIn profile: Figure 10.

On their first day at the clinic, students would be taken through an induction process: Figure 11. Induction introduced students to: health and safety; electronic filing; the email system, the photocopier/scanner; the typical office day routine; the client correspondence template manual; the client tracker; how to open/close a client file; answering the telephone; role plays; how to greet a client; conducting client interviews (including client engagement letters); note-taking during meetings with clients and/or supervisors; and professionalism. Professionalism

includes: the Code of Conduct for Tax Agents; confidentiality; conflicts of interest; professional dress; ethics; Tax Practitioners Board requirements; and LinkedIn profiles.

FIGURE 11 – STUDENT INDUCTION



FIGURE 12 – PUBLIC TAX SEMINAR



### C *Client Involvement*

In Trimesters 2 and 3, the Griffith Tax Clinic received over 260 applications for assistance from individuals and small and micro businesses, the latter two making up approximately one-third of applications. This led to around 146 individual meetings held with clients. In these meetings, clients were assisted with: preparation and lodgement of tax returns; assistance with the ATO's online myGov system (including setting up myGov accounts and linking them with the online tax return system); clarifying the meaning of terms in their tax returns; and what deductions they were entitled to. Furthermore, some clients were assisted with negotiations with the ATO for objections to their assessments. This assistance included helping one person lodge over five years of late tax returns (including negotiating with the ATO about the remission of interest and penalties for late lodgements). The students helped people lodge amended returns for prior years, where, for example, clients had missed allowable deductions or incorrectly answered questions.

The people seeking assistance from the Griffith Tax Clinic included refugees, new immigrants, the elderly, people returning to work, and small businesses. Clients were sourced from numerous avenues, including the university community (especially students and staff new to Australia), media (print and radio), Facebook groups for the local community, local library press, State Government departments, entrepreneurial projects within Griffith University, the Small Business Association of Australia, and the ATO Small Business Newsroom.

For micro and small businesses, there were a number of enquiries about commencing new businesses, including overall tax obligations, registration for ABNs, and cashflow. Several applicants had queries regarding their small business operations, especially with online platforms such as Uber.

#### D *Education Seminars*

Over Trimesters 2 and 3 there were 16 free public or tailored workshops conducted to over 180 participants: Figure 12. At these workshops, participants worked through interactive case studies, which were seen as imperative to aid the public to understand the content and to be engaged. The free public seminars were held approximately once a month during the operation of the tax clinic. Seminars were advertised in print and radio media, Facebook groups, and local libraries. The topics presented included: ‘Superannuation and Tax’; ‘How to Deal with the Tax Office’; ‘Tax and Your Investments’; ‘Tax and Your Home’; ‘Tax and Your Small Business’; and ‘Tax Deductions for Individuals’.

The Griffith Tax Clinic was engaged to conduct a number of one-on-one tax workshops for various organisations. At these workshops, student tax advisors sat with participants to work through a number of tax case studies to help participants improve their tax knowledge and confidence: Figure 13. Topics at these tailored workshops included: ‘Tax and Small Business: Navigating Your Way’ for The Sisters Project; ‘Tax and My First Apprenticeship’ for Marsden State High School; ‘Tax and Commencing an Indigenous Business’ for the Department of Employment (Qld); ‘Australia’s Tax System’ for the Access Community Services in Logan; and ‘Tax and Being a University Student’ for the Griffith University Student Representative Council.

The Sisters Project aims to empower women by building their confidence and skills to start a small business.<sup>67</sup> The coordinators of this project did not have the expertise to advise about the tax consequences of commencing a business and approached the tax clinic for assistance. The student tax advisors assisted by explaining a case study that explored some of the tax issues relevant to their proposed businesses. At the Access Community Services in Logan, the student tax advisors conducted a workshop for recent Burmese immigrants about the Australian tax

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<sup>67</sup> For more information see: <<https://www.griffith.edu.au/griffith-business-school/departments/business-strategy-innovation/research/sisters-project>>.

system. This presentation included how the income tax rates apply to individuals, and the different tax treatment of employees compared to contractors. For Marsden State High School, a workshop was conducted with 20 year 11 and 12 students on ‘Tax and My First Apprenticeship: What Do I Need to Know?’. Through an interactive case study, the high school students were guided through tax issues relevant to commencing an apprenticeship, such as whether they would be an employee or a contractor, their superannuation entitlements, and the common deductions they should be entitled to. This included a candid discussion about the pitfalls of doing ‘cash in hand’ jobs.

These organisations tapped into the tax expertise of the Griffith Tax Clinic to help different segments of the community to better understand the tax system, including rights and obligations.

### E *Industry Engagement*

Industry engagement included assistance with the tax seminars, especially with ATO staff providing the ATO’s perspective about the seminar topic. Additionally, an industry visit provided the opportunity for student tax advisors to learn about the various exciting careers available in tax. Twenty-one Griffith student tax advisors travelled to Brisbane for industry visits with the ATO, Grant Thornton, PWC, and Deloitte Legal: Figure 14.

FIGURE 13 – TAILORED TAX WORKSHOPS



FIGURE 14 – INDUSTRY VISIT



At the ATO, students learned about the different areas they may have exposure to, such as high wealth individuals, transfer pricing and litigation, as well as the graduate training provided by the ATO. At Grant Thornton, students learned of the importance of seeking vacation work opportunities at firms, as a large percentage of graduate recruitment occurs through this mechanism. At PWC, students learned about the specialised areas of tax, such as employment

taxes, GST, stamp duty, and corporate tax advice. As tax straddles both accounting and law, students visited Deloitte Legal, where discussion concerned the importance of tax advisors having sound legal knowledge and being able to apply the law to a client's circumstances.

With this background to the operation of the Griffith Tax Clinic, some key observations from the experience are discussed in the next part.

### III OBSERVATIONS

Adopting a case study approach, the key observations from the clinic's 2019 operation concern challenges in running the clinic, and the key learning experiences from the perspective of the academic, students, and clients.

#### A *Key Challenges*

Some of the biggest challenges for the future viability of the Griffith Tax Clinic include marketing, client commitment, office administrative support, and academic workload recognition. Each of these are explored below.

The first key issue was marketing the tax clinic to the public, which was critical to ensure that the community was aware of the tax clinic and how to apply for its assistance. The support from Griffith University was ad hoc, disparate, and spread across a number of different internal divisions. For example, marketing support was variously sourced from: a university centralised 'media' team; particular administrative staff at a campus; faculty media, alumni, and community engagement staff of the Griffith Business Schools; the staff of the Dean of Engagement; and sometimes the administrative team at the Department level. Each team had their own priorities, target groups, and timeframes. The tax clinic staff were required to be proactive to ensure that messaging was distributed to the community. This proactivity included drafting up near complete media releases and social media posts, taking photos, and campaigning through Facebook group posts and local contacts. Community groups that may be interested in the tax clinic's services were directly approached to ensure as much awareness as possible. Over time, awareness grew, and a network was established. In the first few months of operation however, it was difficult to ensure that there was sufficient 'workload' for the student tax advisors. It was critical to establish a marketing list of contacts, and to produce at least quarterly updates of activities undertaken by the Griffith Tax Clinic. Quarterly updates ensured that momentum and awareness of the tax clinic was maintained (including photos). In

the first two trimesters of operation there were 11 formal media articles/mentions of the Griffith Tax Clinic, including in the local state and Logan region newspapers, and on ABC radio. Additionally, LinkedIn and Facebook posts were utilised, with nearly 8,000 views on one LinkedIn post about the ‘opening of the tax clinic’ in July 2019.

The second issue arising was client commitment. In particular, the actual attendance of clients at the meetings or seminars which they had scheduled or registered for. Up to one-third of clients did not show up to their scheduled meetings, and 50% of seminar registrations did not attend. Reasons for non-attendance could include forgetting, procrastinating (which may explain non-lodgement issues), mental health issues, and tax being seen as being too daunting. It is critical that client communication is clear, supportive, and timely. Communication can be difficult, as the clinic does not operate five days a week, nor in non-teaching weeks. During non-operational times, the email system needs to be monitored and reminders of client meetings sent. An SMS system was implemented in the first trimester of operation, which sends clients a short text message reminding them of their meeting the next day. This system had some success in improving attendance, as clients seemed more likely to use their phone, rather than an email system.

The third major issue was the tax clinic’s administrative support. While various ad hoc administrative staff could be called upon to help with various issues, no administrative staff were appointed for the day-to-day running of the office. It should be recalled that the tax clinic involves the running of a tax firm with 6–12 staff members, most of whom are inexperienced student staff members. In the second running of the tax clinic, this issue was addressed by hiring a past student tax advisor as an office manager. This was important to ensure timely client communication, and that applications for assistance turned into actual client meetings/engagements.

The final key issue was the adequate recognition of academic involvement with the tax clinic. This is a continuing problem with WIL programs, as WIL does not fit well with the standard model of university teaching (with lectures and tutorials). As argued a decade ago, pervasive factors that may undermine WIL include lack of resources for teaching and learning development, coupled with the comparatively resource intensive WIL activities.<sup>68</sup> WIL

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<sup>68</sup> Mark Brimble and Brett Freudenberg, ‘Will WIL’ing Work?’ (2010) 28 *B-HERT Newsletter* 2 <<https://ssrn.com/abstract=1568545>>; <<http://dx.doi.org/10.2139/ssrn.1568545>>.

activities unfortunately seem to be ‘driven from the work of individuals and are usually seen as an add-on, rather than a systematic and integrated part of all programs’.<sup>69</sup> Of course, WIL can have numerous benefits for the university, including enhancing a university’s reputation, attracting future students, and positively influencing student satisfaction.<sup>70</sup> It is important to demonstrate these positives to university management, to encourage management to be more reasonable with workload recognition and support. While universities may support WIL in principle, they may struggle to give meaningful recognition to WIL, given workload models are largely based on traditional teaching models. Currently, the Griffith Teaching Model allocates approximately 30 hours per trimester for academics convening WIL courses. The actual hours of academic involvement are over three times this amount, being in the vicinity of 96 hours per trimester. It is critical that these excess hours be recognised, either in the ‘teaching’ load or the ‘service’ load. The non-recognition of these excess hours may lead to burnout, disengagement, and/or the academic’s career being jeopardised.<sup>71</sup>

## B *Key Learning Experiences*

### 1 *Academics*

The key learning experiences for academics involved with the tax clinic are set out below. A key experience gained was insight into how best to educate non-university students about tax, including the general public, recent immigrants, and high school students. It became clear that presentations needed to engage target audiences more, to get the message across succinctly. Simple case studies peppered throughout presentations allowed participants to work with the material. Further, the ability to have one-on-one assistance with student tax advisors, rather than an academic staff member, improved outcomes, as the students were seen as less intimidating. One of the most unique and memorable experiences was the excitement and interest shown by Burmese migrants towards a slide displaying individual marginal tax rates, of which the recent immigrants were previously unaware. These insights highlight how important the content and design of material is to assist those with little knowledge about tax. For people contemplating commencing their own business, there is much to consider at the

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<sup>69</sup> Ibid.

<sup>70</sup> Blackwell et al (n 39); Patrick et al (n 41); Kirsten MacDonald et al, ‘Realizing the Professional within: The Effect of Work Integrated Learning’ (2014) 15(2) *Asia-Pacific Journal of Cooperative Education* 159.

<sup>71</sup> Brett Freudenberg and Lisa Samarkovski, ‘Enthusiasm and the Effective Modern Academic’ (2014) 56(1) *Australian Universities Review* 22.



commencement phase. It is important that this knowledge is delivered in a way that makes the immense amount of information manageable.

## 2 *Students*

Student tax advisors were empowered by and grew with their experience over the trimester. The key learning outcomes for students are centred around helping the community, professional identity, confidence, generic skill development, and working with clients. Each of these is discussed below.

### *(a) Helping the Community*

A key driver for the National Tax Clinic Program is to help vulnerable community members learn to grapple with the Australian tax system. Students greatly appreciated being able to play a positive role in this regard:

“I was personally unprepared and surprised at how much value I found in being able to give back to the community, and to help improve the lives of its people who otherwise would have not been able to afford assistance. This new insight has helped me narrow my view on my future career goals, to ensure that I work in a position where I feel that I can have an effective impact on people’s lives and help empower them to resolve their tax issues.”

### *(b) Professional Identity*

Many student tax advisors in their final year of study gained valuable insight into their future professional career by working at the clinic:

“My perception of myself as a professional advisor over the course of the trimester has definitely changed. I have realised that while I have gained some knowledge about tax law from my studies, there is much more I need to learn to have a successful career. My time in the tax clinic has opened my eyes to what a tax agent can deal with on a daily basis, and how no day will be the same in this kind of career. The experience I have gained from my time in the tax clinic is priceless, and essential to assisting me in beginning a career as a tax agent.”

One insight concerns how, as advisors, you will not necessarily know everything; instead, advising is largely about being able to solve problems:

“When the trimester began, I had the impression that tax agents and those working in this area were geniuses who knew the law perfectly. It did not occur to me that they would need to perform research of their own to discover an answer or read the legislation to interpret an answer differently to how a website interprets it. I thought it would be black and white; this is legal, and this is illegal. This stems from my trainer position in a different career field, where you are expected to know every rule, procedure, and relevant standard perfectly. This revelation, combined with the aid the professors and mentors have given on how to read textbook legislation, has given me more confidence and ability to read and research legislation. This clinic has changed how I view researching as a whole. Before, if I needed to research an issue, it was because I was lacking something; either talent in the area or attention in class. Now, I view researching more as a method of reaffirming what to know.”

*(c) Confidence*

A person’s self-efficacy and confidence can be key determiners of their future actions. By putting students in challenging, but supported, positions, it appears that they have grown in their confidence and capabilities:

“Personally, I can say that my perception of myself as a professional advisor has positively changed over the course of the placement. While I have grown more confident in my professional skills, I acknowledge that I still have a large number of things to learn that further experiences will teach me.”

“Over the period of the internship, I have become more confident in my ability to work in teams, as the experience has expanded my understanding of the professional requirements in those situations. I have also learned how to professionally interact with clients in a respectful manner to ensure that I meet the clients’ and my personal expectations in that aspect. These professional skills have given me a boost in confidence when starting my professional career outside of university.”

*(d) Generic Skills Development*

In addition to their technical knowledge, the student tax advisors noted how their generic skills, such as communication and teamwork were enhanced:

“We’ve learned how to put into practice what we’ve learned at university, and how to communicate that to people as well. Some people come in quite nervous and not sure how to

deal with their money and being able to talk to them in a way that is reassuring, as well as giving them the information that they need to know, is beneficial.”

“Throughout my experience at the Griffith Tax Clinic, I have learned that, as a student advisor, it is not enough to know the information, you must also know how to effectively communicate the information in an articulate manner. As a professional advisor, clients seek advice from me in order to help them better understand certain issues. Therefore, it is important that I can explain the information that I already know in a simplified manner so that the clients may have a better understanding of their issues.”

“Through the Griffith Tax Clinic, I was able to build professional skills not only towards clients, but towards other student tax advisors as well. I have learned how to work in a team to serve one purpose: to meet the client’s expectations.”

### *(e) Working with Clients*

Students saw themselves working with clients, rather than for clients:

“I want to become a worker who interacts with and helps people understand the ‘whys’ behind their tax returns and is available for them to talk to if they have any questions outside of meetings. From this trimester alone, I have realised how much more confidence and connection with clients there is in comparison with just telling facts and ending the assistance there.”

“I found out before an appointment that the client had unfortunately experienced domestic abuse by her husband. We decided it was best that my female fellow advisor take the lead in the appointment, and I would back her up with questions she was unsure of. We were unsure if this dynamic made a difference to the client’s experience, but we felt that it could be possible she would feel more comfortable with a female leading the appointment.”

### *3 Clients*

It appears that clients are extremely grateful for the assistance provided to them, including for the indulgence of time to be able ask questions they had been too afraid or embarrassed to ask. Assistance included patiently stepping clients through, for example, myGov. Before their experience at the Griffith Tax Clinic, clients felt ‘overwhelmed by the [tax] process’. After their experience, clients felt they could ‘rest easy now that all [their] tax [was] up-to-date’, leaving them with a better understanding of ‘what was required of’ them:

“[I received] assistance with my tax return, and advice on taxation accounting for my new business ... I found the tax clinic staff to be extremely friendly, informative, and very professional ... [Clinic staff showed] excellent care and concern for me on a personal level.”

“Exceptional, friendly service explaining every step of what is required [to get] myself ready for tax time.”

#### IV RECOMMENDATIONS

WIL is a powerful tool to engage students in their learning environment. The National Tax Clinic project has provided an important catalyst to encourage universities to provide an avenue for social justice and practical student learning. With the Government’s investment of \$100,000 per university in 2019, a dynamic framework and network has been established across Australia. We suggest it has provided important returns to the community, student learning, tax administration, and the universities involved. However, WIL is not cheap, and is not without its risks. For example, the Griffith Tax Clinic resulted in Griffith University making in-kind contributions of approximately \$130,000 in 2019, which is in addition to the \$100,000 funding received.

We encourage the Federal Government to consider its future of funding, and gratefully acknowledge the recent announcement of another four-year commitment for the project.<sup>72</sup> Additionally, we encourage universities to consider how they could support the clinics if there was a withdrawal of funding. Drawing from the 2019 experience, some key recommendations are provided below.

##### *A Recommendations*

Some of the key recommendations relate to marketing, ATO support, industry support, and administration of the clinic. Each of these are addressed below.

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<sup>72</sup> Josh Frydenberg, ‘Mid-Year Economic and Fiscal Outlook 2019–20’ (Speech, 16 December 2019) 283, quoting ‘The Government will provide \$4 million over four years from 2019–20 to fund tax clinics across the country, following the success of a tax clinics pilot program. The tax clinics will support individuals and small business taxpayers by providing general taxation advice to help them meet their tax obligations and reporting requirements’.

## 1 *Marketing*

As discussed earlier, a hurdle encountered in the early stages of the Griffith Tax Clinic was the limited number of clients and community engagement resulting from the minimal marketing undertaken prior to opening. Engagement has improved over time thanks to the efforts of the stakeholders directly involved in the clinic. However, engagement could be improved with government support at a federal, state and local level. An important objective of the Logan campus location was to appeal to unrepresented taxpayer groups, including lower socio-economic groups, migrant groups, and small and micro business operators. To increase awareness to these groups, government at all levels could improve their support in the form of promotion to these taxpayers, particularly where government provides funding to organisations who target these groups. For example, the Logan City Council has developed the ‘Logan Office of Economic Development’ to assist small businesses with business matters, including establishing, sustaining, and growing their business. The tax clinic could be promoted within this group as a free service for unrepresented small business taxpayers. Similarly, the tax clinic could be invited to engage in educational workshops and presentations to these taxpayer groups. Marketing assistance could be facilitated through Centrelink, charities, and shelters. In 2019, there was brief mention of the national tax clinics in the ATO’s Small Business Newsroom, which led to clinics around Australia receiving numerous enquiries. Further advertising by the ATO could increase community engagement.

## 2 *ATO Support*

To edit and submit client tax returns, the tax clinic makes use of either the registered tax agent’s ATO portal access, or the client’s myGov account. Where the ATO portal is the necessary submission point, the tax clinic relies on a one user license. To support the ongoing education of the student advisors, access to the ATO portal for each clinic, with a multiple access license under the approval of a recognised supervisor, would be advantageous. This could be possible with an alternate level of the platform built in, which requires a clinic supervisor to review and sign off on any work carried out in the portal prior to submission. Alternatively, each student tax clinic could have its own Tax Agent number. A unique Tax Agent number would minimise risk to the clinic if agents leave and would also prevent the need to use the tax agents personal tax agent number. This would remove the potentiality of having a high rate of non-complying clients for the engaged tax agent. A unique Tax Agent number would increase students’

knowledge by familiarising them with the inner workings of the Tax Agent Portal, without privacy issues arising for the tax agent's other clients. Work could be done with the ATO to produce online content to refine some of the universal videos on topics addressing common issues arising at the clinics.

### 3 *Industry Support*

An area that could be improved is industry engagement. Beyond more pro bono work at the tax clinics, greater engagement could include mentoring of student tax advisors. Industry mentoring could range from a coffee to mentoring of a more technical nature. In particular, more talks about career planning with personal anecdotes would be beneficial for students. Resources could be developed to show examples of actual day-to-day work in the industry, so that students could see what their dream job might look like. This could be a 'day in a life' series, which could be filmed informally on a phone and shared. The series could include a career progression, with the day in the life of an intern followed by a day in the life of a senior manager in the same field/organisation.

### 4 *Administration of the Clinic*

As discussed, the Griffith Tax Clinic appointed a prior student tax advisor as the tax clinic office manager to ensure the effective running of the office. Although the engagement of a prior student advisor had benefits, particularly the familiarity of running the clinic, the ongoing use of prior students may have drawbacks. This is due to the 'turn over' of students completing their degrees and moving on to their professional careers. As discussed, most student tax advisors are past the midway point of their degree, meaning their time with the clinic as an employee would be limited. The best way forward could be to appoint an administration manager outside of the university student cohort. This option may be more viable if the tax clinic was able to operate on a more permanent basis with hours that correspond to a 'normal' working week.

As running the tax clinic is akin to running a small tax practice, office procedures could be improved with the utilisation of client management software ('CMS') for client and key performance indicator ('KPI') tracking. Currently, an excel spreadsheet is used as the client tracker. A more sophisticated CMS would give students a more authentic experience, by familiarising themselves with the workings of a CMS, and providing insight into self-

management in relation to KPIs. As a CMS is able to automate and capture interactions better, its implementation would reduce risk to universities.

To assist in further developing the technical knowledge of students, resources could be developed about more advanced tax topics, such as personal services income, fringe benefits tax, superannuation, and salary sacrifice. Such resources could be student developed and checked as an alternative piece of assessment.

While there has been sharing of knowledge between the various tax clinics, this could be improved by providing a formalised sharing point. Greater facilitation between clinics could see the development and sharing of resources, particularly for common issues.

A shortcoming of the current model of the Griffith Tax Clinic is its limited operation in accordance with university teaching periods. The tax clinic can be closed for five to six weeks between teaching periods, and only operates on certain days during teaching periods. This is in part a result of the limited funding currently available to operate the clinic. A major part of the funding is used to pay the tax agent and office manager. To address these issues, the university could increase its monetary contribution to the tax clinic. This increase could be used to pay the tax agent and office manager during periods that the clinic is normally closed. Alternatively, the university could support an academic staff member to upskill their qualifications to include the necessary requirements to register as a tax agent. This could satisfy one of the shortfalls of the teaching allocation for academics involved in facilitating the clinic. It could allow for a teaching allocation to be assigned to the academic for the days where the academic was the supervising tax agent. However, a problem with operating in non-teaching weeks is that the availability of students is limited, particularly during the weeks that students are preparing for and sitting exams for other courses.

To date, student tax advisors have suggested that their involvement with the Griffith Tax Clinic has been highly rewarding and beneficial to furthering their tax skills. A change to assessment could include a piece where students write a procedure for managing a certain process, or a fact sheet on an advanced topic (such as superannuation, fringe benefits tax, client check lists, foreign income, or rental properties). This assessment would encourage students to think about continued development, to critically assess procedures or issues, and to perhaps find better ways of doing things. The assessments could provide the clinic with useful resources for future operations.

Academics involved in the Griffith Tax Clinic are predominantly engaged as part of their ‘service’ allocation rather than the ‘teaching’ allocation of their workload. Considering that the ‘service’ portion is most often a smaller percentage of the workload, academics have less hours to commit to the tax clinic. To increase the hours of academics in the tax clinic, a larger part of their teaching could be assigned to the tax clinic. This could involve teaching student tax advisors how to further their research skills, especially considering the research expertise of academics, and that a large part of the role of tax advisors is researching and applying taxation law.

## V CONCLUSION

The 2019 National Tax Clinic Project had the ambitious goal of opening 10 student tax clinics across Australia within a few months. The objectives of these tax clinics were to improve access to assistance for unrepresented taxpayers, to improve tax literacy, and to provide a rich learning environment for students. The Griffith Tax Clinic has achieved a lot in its first year of operation. The early indicators are that clients have appreciated the support they received, and that students were able to develop critical skills and confidence. The success of the Griffith Tax Clinic is attributable to the commitment and dedication of its staff, students, clients, the ATO, and the other tax clinics involved. It is hoped that the Griffith Tax Clinic will continue and build upon its initial success, which will require the dedication and continued support of all those involved.