



# Journal of Australian Taxation

## TABLE OF CONTENTS

2019 NATIONAL TAX CLINIC PROJECT: CURTIN UNIVERSITY – CURTIN TAX CLINIC .....	1
Donovan Castelyn, Stephanie Bruce and Annette Morgan	
2019 NATIONAL TAX CLINIC PROJECT: MELBOURNE LAW SCHOOL TAX CLINIC .....	27
Sunita Jogarajan, Kate Fischer-Doherty and Julian Panetta	
INTERPROFESSIONAL COLLABORATIVE PRACTICE IN PRO BONO TAX CLINICS: A CASE STUDY APPROACH .....	49
Ann Kayis-Kumar, Gordon Mackenzie and Michael Walpole	
THE GRIFFITH TAX CLINIC .....	64
Brett Freudenberg, Colin Perryman, Kristin Thomas and Melissa Belle Isle	
2019 NATIONAL TAX CLINIC PROJECT: THE UNIVERSITY OF TASMANIA TAX CLINIC .....	96
John McLaren	
2019 NATIONAL TAX CLINIC PILOT PROJECT: WESTERN SYDNEY UNIVERSITY .....	116
Connie Vitale and Michelle Cull	
2019 NATIONAL TAX CLINIC PROJECT: UNISA TAX CLINIC.....	137
Robert B Whait	
2019 NATIONAL TAX CLINIC PROJECT: JAMES COOK UNIVERSITY TAX CLINIC.....	162
Van Le and Tina Hoyer	
NATIONAL TAX CLINIC PROGRAM IN THE NORTHERN TERRITORY, AUSTRALIA: A PROJECT MODEL INNOVATION .....	174
Indra Abeysekera	
2019 NATIONAL TAX CLINIC PROJECT: THE ANU TAX CLINIC .....	193
Ben Raines and Sonali Walpola	

## FOREWORD

This special edition of the Journal of Australian Taxation consists of individual articles from the 10 Australian universities that have established Tax Clinics as part of the National Tax Clinic Program, which was and continues to be funded by the Commonwealth Government. Curtin University established the Curtin Tax Clinic in Perth, Western Australia as a pilot program in 2018 which proved to be so successful that the program was expanded to all parts of Australia. Ten Australian universities were then selected by the Government, based on research and other criteria.

In Western Australia, Curtin University continued with their established tax clinic. In Victoria, the University of Melbourne was selected; in New South Wales, the University of New South Wales and Western Sydney University were selected; in Queensland, Griffith University and James Cook University were selected; in Tasmania, the University of Tasmania was selected; in South Australia, the University of South Australia was selected; in the Northern Territory, Charles Darwin University was selected; and in the Australian Capital Territory, The Australian National University was selected.

Each article in this special edition is written by the tax academics and tax clinic staff engaged in each of their tax clinics, with each article discussing the unique operating structures used in order to comply with the requirements of the Australian Government. The National Tax Clinic Program is an initiative funded by the Australian Government to help individuals, small businesses, not-for-profit organisations and charities that may not be able to afford professional advice and/or representation with their tax-related affairs. While each Tax Clinic operates independently, the program is supported by the Australian Taxation Office ('ATO').

The perceived benefits of participating in the program were highlighted in the ATO's National Tax Clinic Guidelines and are described as follows:

- Engaging with the community through the provision of free advice, guidance, and assistance on tax matters including; lodgement, debt, and review to individuals and small business entities who cannot afford professional advice or who have never engaged the services of a tax professional;
- Supporting the community by creating and delivering valuable educational activities to improve understanding of the current tax system;

- Enabling wider involvement in highlighting and reducing issues and problems in the current tax system through advocacy;
- Assisting accounting, legal and financial planning students to gain ‘hands-on’ real life work experience to improve both their technical skills and soft skills, and expose them to different cultural and organisational practices, thus providing students with greater success in securing and maintaining employment;
- Contributing towards the Tax Practitioner Board education requirements for students to become a registered Tax Agent; and,
- Assisting in further developing students’ knowledge and skills as the future of the tax profession and especially the ethical value of giving their time and expertise to those members of society in need of tax assistance.

Each contribution in this issue portrays how each Tax Clinic has put into practical operation these guidelines and provides insight into how this initiative has greatly enhanced access to our tax system for Australian taxpayers.

I have closely followed the development of the Tax Clinics over the past couple of years and have kept in contact with the personnel doing the hard yards at the coalface of a number of the Tax Clinics. I am heartened to see the work being done. It is only through sheer determination of the academics, support staff and students that we can provide a valuable resource for those taxpayers in our community who are in need of tax help. I commend the authors of these excellent articles for their commitment to each of their Tax Clinics.

I would like to express my thanks to the student editors from Curtin University that provided editorial assistance in producing this special edition of the journal. The students involved are as follows:

- *Benjamin Cochrane* – Bachelor of Laws, Bachelor of Commerce (Economics)
- *Nigel Smith* – Bachelor of Laws, Bachelor of Arts (Journalism)
- *Patrick Norman* – Bachelor of Laws, Bachelor of Commerce (Taxation)
- *Tanya De Souza-Meally* – Bachelor of Laws

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# 2019 NATIONAL TAX CLINIC PROJECT: CURTIN UNIVERSITY – CURTIN TAX CLINIC

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## ABSTRACT

*This article chronicles the experience of the Curtin Tax Clinic during the 2019 National Tax Clinic Program pilot. Relevantly, this work provides a detailed overview of the design of the Curtin Tax Clinic, the role of clinical staff, student involvement, and the services provided to clients. Reflective accounts of the student experience and client case studies demonstrate the perceived value, and key learnings and challenges of the initiative. Observably, students found that their experience in the Curtin Tax Clinic promoted their sense of community and belonging, in addition to improving their understanding of taxation law and developing greater confidence in their social and professional abilities. Additionally, clients benefited from the suite of taxation services offered by the Curtin Tax Clinic, with many reporting high levels of satisfaction and improved understanding of their taxation obligations. The article concludes with an endorsement for the National Tax Clinic Program and provides key recommendations for the continued success of the initiative.*

**Keywords:** Curtin Tax Clinic, National Tax Clinic Program; experiential learning

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## I INTRODUCTION

The landscape of Australian tax and legal education is rapidly evolving.<sup>1</sup> In part, this evolution is catalysed by advances in digital technologies and the globalisation of economies,<sup>2</sup> and is further supplemented by the desire of employers to recruit candidates who not only possess the relevant technical ability but are also innovative, motivated and personable.<sup>3</sup> Moreover, competition between universities, particularly in the field of legal and business education, also plays a critical role in stimulating the expansion and innovation of tax and legal courses, as business and law schools strive to deliver increasing numbers of graduates into the commercial jobs market.<sup>4</sup>

In response to the heightened demand for universities to deliver ‘career ready graduates’<sup>5</sup> and aided further by altruistic motivation, two of the authors Castelyn and Morgan (the ‘Founders’), co-founded the Curtin Tax Clinic in early 2018.<sup>6</sup>

The Curtin Tax Clinic served as the impetus for the National Tax Clinic Program (‘NTCP’)<sup>7</sup> which now provides government funding to 10 tax clinics located within universities across

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<sup>1</sup> See, eg, Margaret Thornton, ‘Deregulation, Debt and the Discipline of the Law’ (2014) 39(4) *Alternative Law Journal* 213; Michael Douglas and Nicholas van Hattem, ‘Australia’s Law Graduate Glut’ (2016) 41(2) *Alternative Law Journal* 118; Michael McNamara, ‘University Legal Education and the Supply of Law Graduates: A Fresh Look at a Longstanding Issue’ (2018) 20(2) *Flinders Law Journal* 223; Lin Mei Tan and Fawzi Laswad, ‘Key Employability Skills Required of Tax Accountants’ (2019) 14(1) *Journal of the Australasian Tax Teachers Association* 211.

<sup>2</sup> Tan and Laswad (n 1) 211.

<sup>3</sup> Colloquially referred to as a ‘career ready graduate’. See Adrian Evans et al, *Australian Clinical Legal Education: Designing and Operating a Best Practice Clinical Program in an Australian Law School* (ANU Press, 1<sup>st</sup> ed, 2017) 12–14; Tan and Laswad (n 1) 211.

<sup>4</sup> Department of Education, *Higher Education Statistics Collection: Higher Education Trends: Field of Education* (TRIM reference D19/1363972, 28 October 2019); See also Evans et al (n 3).

<sup>5</sup> Universities Australia, *Career Ready Graduates* (Report, June 2019).

<sup>6</sup> Curtin Tax Clinic (Website) <<https://businesslaw.curtin.edu.au/law/tax-clinic/>>.

<sup>7</sup> Ann Kayis-Kumar and Jack Noone, ‘Measuring the Social Impact of University-Based Pro Bono Tax Clinics: Co-Creating a Framework for Evidence-Based Evaluation’, *Austaxpolicy: Tax and Transfer Policy Blog* (Blog Post, 3 October 2019) <<https://www.austaxpolicy.com/measuring-the-social-impact-of-university-based-pro-bono-tax-clinics-co-creating-a-framework-for-evidence-based-evaluation/>>.

Australia.<sup>8</sup> The primary aim of the NTCP is to assist members of the Australian community who are otherwise unable to afford professional taxation advice or representation.<sup>9</sup>

Against this background, this article will reflect on the operation of the Curtin Tax Clinic (‘the Clinic’) over the NTCP pilot period, which broadly corresponds with the calendar year, 1 January 2019 to 31 December 2019.

Accordingly, Part II of this work will provide a brief, albeit necessary overview of the motivations for establishing the Clinic, and will outline the operational design and implementation of the Clinic with reference to the participation of academic clinical staff, students and clients. Part III and IV will provide anecdotal and reflective accounts of the student and client experience in (or with) the Clinic. Much of the discussion in these Parts is informed by key observations surrounding the clinical learning experience and the academic perspective, in view of the challenges experienced while operating and administering the Clinic. Having regard to the observations made in earlier Parts of this work, Part V will offer recommendations for the continued success and improvement of the Clinic in the context of the NTCP, before concluding in Part VI.

## II ORIGINS OF THE CURTIN TAX CLINIC AND CLINIC DESIGN

The Clinic is the practical manifestation of the Clinical Tax Education Project (‘CTEP’), a project funded by Curtin University and administered over the course of 2018.<sup>10</sup>

The educational and altruistic motivations which catalysed the CTEP continue to inform the operation of the Clinic and underpin the philosophy of the NTCP. Accordingly, it is both

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<sup>8</sup> Australian Treasury, *Mid-Year Economic and Fiscal Outlook 2019-20* (Interim Report, December 2019) 283. Per the Honourable Josh Frydenberg (Treasurer of the Commonwealth of Australia) and Mathias Cormann (Minister for Finance of the Commonwealth of Australia): ‘The Government will provide \$4.0 million over four years from 2019–20 to fund tax clinics across the country, following the success of a Tax Clinics pilot program’.

<sup>9</sup> National Tax Clinic Program (Website) <<https://www.ato.gov.au/General/Gen/National-Tax-Clinic-program/>>. See also Prime Minister Scott Morrison, ‘Keynote Address’ (Speech, Australian Chamber of Commerce and Industry Annual Dinner, 28 November 2018) <<https://www.pm.gov.au/media/australian-chamber-commerce-and-industry-annual-dinner>>. Relevantly, the Prime Minister announced the establishment of ‘ten new tax clinics ... to provide free assistance to small businesses and individuals with disputes with the ATO. These tax clinics will ensure small businesses in need have access to specialist advice from tax practitioners and students in the field on a pro bono basis.’

<sup>10</sup> The project was awarded a Curtin Learning and Teaching Innovation Grant in the sum of \$25,000.

necessary and instructive to explore the core rationale and development of the CTEP prior to reflecting on the operation of the Clinic in 2019.<sup>11</sup>

### A *Project Rationale*

The CTEP was conceived with the dual purpose of (i) responding to the evolving demands placed on Australian tax and legal education, in recognition of the emerging needs of industry,<sup>12</sup> and (ii) facilitating access to free and reliable tax advice for unrepresented taxpayers seeking to meet or comply with their tax-related affairs.

Each purpose is informed by an understanding of the literature concerning service-based learning pedagogical practices,<sup>13</sup> and scholarship in the field of social, and specifically, access to justice research in Australia and abroad.<sup>14</sup>

While it is not the objective of this article to traverse the already well-established themes associated with these two bodies of literature, it remains important to recognise the primary contentions often advanced in these distinct — though not uncomplimentary — fields of study, and how the CTEP sought to respond to these challenges.

#### 1 *Demands of Industry and the Future of the Tax Profession and Tax Education*

In the context of this work and the CTEP, the terms ‘industry’ and ‘tax profession’ conflate the practice of law and accounting. Accordingly, discussion in this section is intended to reflect the views of the firms and associated operators working in these disciplines, in recognition of

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<sup>11</sup> For convenience, reference to the CTEP may also be taken to refer to the Curtin Tax Clinic.

<sup>12</sup> See generally above n 1 and accompanying texts.

<sup>13</sup> See, eg, Christine Broughan, Graham Steventon and Lynn Clouder (eds), *Global Perspectives on Teaching Excellence: A New Era for Higher Education* (Routledge, 2018); David Greatbatch and Jane Holland Gunn, *Teaching Quality in Higher Education: Literature Review and Qualitative Research* (Report, 19 May 2016) 5 <<https://www.gov.uk/government/publications/teaching-quality-in-higher-education-literature-review-and-qualitative-research>>; Vicky Gunn and Anna Fisk, *Considering Teaching Excellence in Higher Education: 2007–2013* (Report, October 2013) <<http://eprints.gla.ac.uk/87987/1/87987.pdf>>.

<sup>14</sup> See generally Mary Anne Noone, ‘Access to Justice Research in Australia’ (2006) 31(1) *Alternative Law Journal* 30; John Schamber and Sandra Mahoney, ‘The Development of Political Awareness and Social Justice Citizenship Through Community-Based Learning in a First-Year General Education Seminar’ (2008) 57(2) *Journal of General Education* 75; Jeff Giddings, *Promoting Justice through Clinical Legal Education* (Justice Press, 2013); Lisa Anderson, ‘Useful, Usable and Used’: Sustaining an Australian Model of Cross-Faculty Service Learning by Concentrating on Shared Value Creation’ (2017) 10 *Gateways: International Journal of Community Research and Engagement* 58; Evans et al (n 3).



the myriad of professional legal and accounting advisors or groups that are permitted to provide tax advice.<sup>15</sup>

Over the course of the previous three years — and in some cases, well beforehand — professional service firms,<sup>16</sup> associations<sup>17</sup> and various government stakeholders,<sup>18</sup> have extended insight into the challenges and opportunities faced by the tax profession.

Recently, the Inspector General of Taxation released a substantive report of these observations in their review of the Future of the Tax Profession (‘the Review’).<sup>19</sup>

The Review comprehensively ‘examined the challenges and opportunities presented by new and emerging digital technologies, along with the accompanying social, policy and regulatory impacts on the administration of the tax system and the tax profession.’<sup>20</sup> It highlighted the need for ‘all participants within the tax system to take prompt action to address the upcoming challenges and realise the benefits presented by emerging opportunities.’<sup>21</sup>

As regards the future tax workforce and their respective capabilities,<sup>22</sup> relevant challenges for higher education included, but were not limited to, ensuring that higher education courses

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<sup>15</sup> For reference in the Australian context, see *Tax Agent Services Act 2009* (Cth) (‘TASA 2009’); *Tax Agent Services Regulations 2009* (Cth) schs 1 (‘Requirements to become a recognised association’), 2 (‘Eligibility for registration as BAS agent, tax agent or tax (financial) adviser: prescribed requirements’).

<sup>16</sup> See, eg, Stephen Coakley and Abs Osserian, *Australia’s Future Tax Professional* (Report, September 2018) <<https://www2.deloitte.com/au/en/pages/tax/articles/future-tax-professional.html>>; Christopher Kong, *Tax Function of the Future* (Professional Series, 2017) <<https://www.pwc.com/gx/en/services/tax/publications/tax-function-of-the-future.html>>; PwC, *The Tax Professional of the Future Staying Relevant in Changing Times* (Professional Series, June 2017) <<https://www.pwc.com.au/tax/assets/tax-reporting-strategy/tfof-tax-professional-future-jun17.pdf>>.

<sup>17</sup> See, eg, Law Council of Australia, Submission No X to Inspector General of Taxation, *Review into the Future of the Tax Profession* (28 July 2017); CPA Australia Ltd, Submission to Inspector General of Taxation, *Review into the Future of the Tax Profession* (4 August 2017); Financial Planning Association of Australia, Submission to Inspector General of Taxation, *Review into the Future of the Tax Profession* (28 July 2017); Chartered Accountants Australia and New Zealand, Submission to Inspector General of Taxation, *Review into the Future of the Tax Profession* (8 August 2017).

<sup>18</sup> Inspector General of Taxation, *Review into the Future of the Tax Profession* (Final Report, 3 April 2019), incorporating responses from the Australian Taxation Office (‘ATO’), Tax Practitioners Board (‘TPB’), and Government.

<sup>19</sup> *Ibid.*

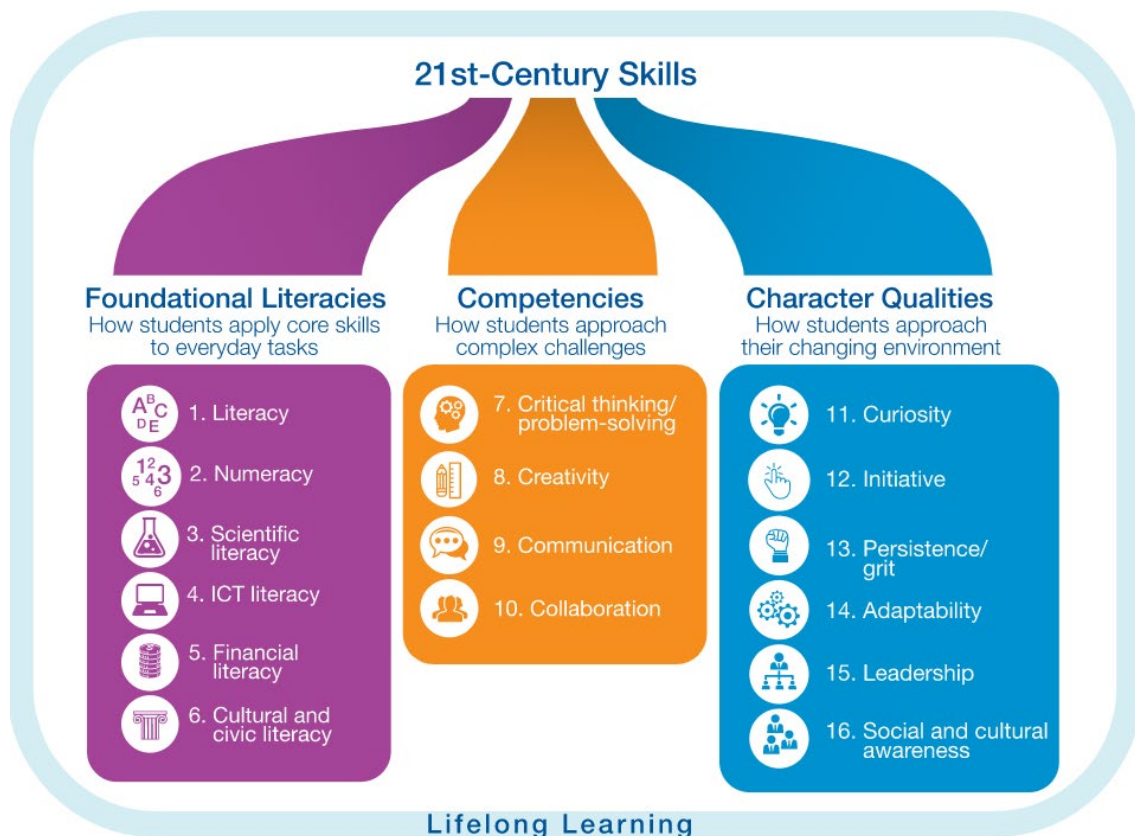
<sup>20</sup> *Ibid.* iii.

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

<sup>22</sup> *Ibid.* 51–59.

continued to develop foundational literacies, competencies, and characteristics that are critical for the 21<sup>st</sup> century.<sup>23</sup> Figure 1 below depicts the framework and characteristics of the 21<sup>st</sup> century skills matrix.<sup>24</sup> In the context of this work and the CTEP, the 21<sup>st</sup> century skills matrix accords with desirable graduate attributes; accordingly, these terms may be used interchangeably.

FIGURE 1 – 21<sup>ST</sup> CENTURY SKILLS MATRIX<sup>25</sup>



Though not central to the objectives of this article, it is contextually useful to note that the relationship between each skillset has been described as follows:

<sup>23</sup> Ibid 52. See also World Economic Forum, *New Vision for Education Unlocking the Potential of Technology* (Report, 2015) (‘WEF’).

<sup>24</sup> WEF (n 23). It is also relevant to note that these domains accord with Curtin University’s graduate capabilities and educational standards frameworks. See Leigh Smith and Christina Do, ‘Law Students’ Awareness of University Graduate Attributes’ (2018) 11 *Journal of the Australasian Law Teachers Association* 68.

<sup>25</sup> WEF (n 23).

*Foundational Literacies* represent how students apply core skills to everyday tasks. These skills serve as the base upon which students need to build more advanced and equally important competencies and character qualities.<sup>26</sup>

*Competencies* describe how students approach complex challenges. For example, *critical thinking* is the ability to identify, analyse and evaluate situations, ideas and information in order to formulate responses to problems. *Creativity* is the ability to imagine and devise innovative new ways of addressing problems, answering questions or expressing meaning through the application, synthesis or repurposing of knowledge. *Communication* and *collaboration* involve working in coordination with others to convey information or tackle problems.<sup>27</sup>

*Character Qualities* describe how students approach their changing environment. Amid rapidly changing markets, character qualities such as *persistence* and *adaptability* ensure greater resilience and success in the face of obstacles. *Curiosity* and *initiative* serve as starting points for discovering new concepts and ideas. *Leadership* and *social and cultural awareness* involve constructive interactions with others in socially, ethically and culturally appropriate ways.<sup>28</sup>

Responding to this framework entails complimentary challenges for both tax and legal education. Firstly, in recognition of the foundational literacies and core competencies, tax and legal education should ideally modify or expand their course offerings by including disruptive technologies and other subjects tailored to future learning needs. This may include courses which embed developing competencies surrounding data analytics, robotic process automation and artificial intelligence.<sup>29</sup> Secondly, in recognition of the character qualities, tax and legal education should ideally focus on developing ‘soft skill’ competencies, which have often been described as ‘compris[ing] a mind-set, underpinned by essential human qualities such as intuition, creativity, passion, responsibility and kindness, courage, and self-awareness’.<sup>30</sup> By

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<sup>26</sup> Ibid 2.

<sup>27</sup> Ibid 3.

<sup>28</sup> Ibid 3.

<sup>29</sup> Inspector General of Taxation (n 18) 5–17.

<sup>30</sup> See Komla Tsey et al, ‘Developing Soft Skills: Exploring the Feasibility of an Australian Well-Being Program for Health Managers and Leaders in Timor-Leste’ (2018) *Sage Open* 1, 3.

contrast, ‘hard skills or capacities’ comprise industry-specific technical skills, ‘acquired through means of self-study, work experience, education, or training’.<sup>31</sup>

A substantial body of literature acknowledges the integration of work-integrated or service-based learning practices into the curriculum as an appropriate pedagogical mechanism to broadly nurture and promote each aspect of the 21<sup>st</sup> century skills matrix.<sup>32</sup> Though not without limitations,<sup>33</sup> the success of work-integrated or service-based learning practices is largely attributed to the design of these initiatives. Simplistically, these initiatives endeavour to blend theoretical concepts with practice-based learning, and commonly involve engagement with a workplace or community setting, where students interact and network with industry and community partners.

While these initiatives are not free from contention, the CTEP nevertheless recognised work-integrated learning (‘WIL’) as the appropriate pedagogical strategy to respond to the evolving demands placed on Australian tax and legal education as a result of the emerging needs of industry.

The operation of the CTEP in this respect was guided by the following objectives:

1. Enhancing the student experience and developing graduate attributes through facilitating awareness of workplace culture and expectations; and,
2. Improving students’ practical and technical competencies for future professional practice, and to further develop an appreciation for their chosen profession.

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<sup>31</sup> Ibid.

<sup>32</sup> See Fiona Purdie et al, ‘Are Work-Integrated Learning (WIL) Students Better Equipped Psychologically for Work Post-Graduation than Their Non-Work-Integrated Learning Peers? Some Initial Findings from a UK University’ (2013) 14(2) *Asia-Pacific Journal of Cooperative Education* 117; Denise Jackson, ‘The Contribution of Work-Integrated Learning to Undergraduate Employability Skill Outcomes’ (2013) 14(2) *Asia-Pacific Journal of Cooperative Education* 99; Timothy Thomas et al (eds), *Research and Development in Higher Education: Learning for Life and Work in a Complex World* (HERDSA, Vol 38, 2015); Organisation for Economic Cooperation and Development (‘OECD’), *Skills Beyond School* (Working Group, 2017) <<http://www.oecd.org/education/skills-beyond-school/>>.

<sup>33</sup> See, eg, Indra Abeysekera ‘Issues Relating to Designing a Work-integrated Learning Program in an Undergraduate Accounting Degree Program and its Implications for the Curriculum’ (2006) *Asia-Pacific Journal of Cooperative Education* 7

Empirical research demonstrating the success of these two objectives is currently being undertaken and is earmarked for future distribution. Anecdotal evidence and observations commenting on the perceived success of these objectives is discussed in later Parts of this work.

## 2 *Access to Justice*

The relationship between clinical programs and access to justice is well established in legal education.<sup>34</sup> Though not specifically addressed in the literature, identical relationships exist in the context of tax education, as will be demonstrated below.

In the broadest sense, ‘access to justice is not just a matter of bringing cases to a font of official justice, but of enhancing the justice quality of the relations and transactions in which people are engaged’.<sup>35</sup> Importantly, this removes the idea of justice from an exclusively legal context, and addresses justice in ‘primary institutional locations of [people’s] activity – home, neighborhood, workplace, business setting and so on’.<sup>36</sup>

Access to justice is a multifaceted concept. It can be a measure of the extent to which justice is done by law in a range of ways, such as ‘punitive retribution, victim recognition, wealth redistribution, loss compensation and rights vindication’.<sup>37</sup> It may also be used to advance social causes both progressive and conservative.<sup>38</sup>

Facilitating access to free and reliable tax advice, thereby supporting unrepresented taxpayers, embodies the ambulatory nature of justice. Accordingly, to manifest its objectives, the CTEP sought (and continues) to operate under the auspice of it is four core service pillars: advice, representation, education and advocacy. Each pillar is aligned to a practice which has been demonstrated to promote access to justice and broadly accords with the four practical services detailed below.

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<sup>34</sup> See above n 14.

<sup>35</sup> Marc Galanter, ‘Justice in Many Rooms’ in Mauro Cappelletti (ed), *Access to Justice and the Welfare State* (Sijtoff, 1981) 147, 161.

<sup>36</sup> *Ibid* 161–162.

<sup>37</sup> Evans et al (n 3) 99.

<sup>38</sup> *Ibid*.

*(a) Disclaimer*

The Clinic is structured as a sole practice. The Clinic Director is (and at all relevant times has been) a registered tax agent, and maintains this registration in recognition of the requirements of the Tax Practitioners Board.<sup>39</sup> As a registered practice, the Clinic is authorised to provide taxation services.

Moreover, the Clinic is permitted to advertise these services; the Commissioner of Taxation has approved each member of the NTCP as a scheme, by notice published in the Gazette, as required by sections 50-10(1)(e) and 50-10(2)(e) of the *Tax Agent Services Act 2009* (Cth).<sup>40</sup>

*(b) Advisory*

The advisory pillar of the Clinic concerns the provision of timely and accurate tax advice, and the referral or conduct of casework for unrepresented, and oftentimes at risk, taxpayers.<sup>41</sup>

This includes, but is not limited to, the provision of general and complex advisory work surrounding income tax, stamp duty, capital gains tax, residency, and tax administration. Moreover, this pillar may also require the Clinic to perform compliance support services such as prior year tax return preparation and where appropriate, lodgement.

The distinction between general and complex advisory work is somewhat discretionary and is largely informed by the practical experience of the clinical director or supervisors. For completeness, an illustration of each category is embedded in the discussion in Part III.

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<sup>39</sup> See *TASA 2009* s 20–5.

<sup>40</sup> See Commonwealth, Scheme to Provide BAS and Tax Agent Services on a Voluntary Basis, No C2019G0023, 8 March 2019.

<sup>41</sup> See Attorney-General's Department, *A Strategic Framework for Access to Justice in the Federal Civil Justice System* (Report, September 2009); Kayis-Kumar and Noone (n 7); Curtin Tax Clinic, *Annual Report 2019* (Report, August 2020) <<https://www.linkedin.com/feed/update/urn:li:activity:6577819156249366528>>.

*(c) Representation*

The representation pillar of the Clinic concerns the provision of appropriate levels of representation in client dealings both administratively, with the Australian Taxation Office (‘ATO’) or Administrative Appeals Tribunal (‘AAT’),<sup>42</sup> or judicially through minor courts.<sup>43</sup>

While the Clinic is permitted to provide representation insofar as administrative dealings are concerned, matters which require legal advice or representation are referred to the Clinic’s network of industry partners. For completeness, an illustration of this process is embedded in the discussion in Part III.

*(d) Education*

The educational pillar of the Clinic concerns the provision of education services for taxpayers and stakeholders in respect of Australia’s taxation laws through outreach programs, media and community seminars.<sup>44</sup>

*(e) Advocacy*

The advocacy pillar of the Clinic concerns the identification of individual and systematic areas of concern surrounding the administration of tax laws or more broadly, tax policy. This includes, but is not limited to, drafting submissions to Parliament, raising concerns through the appropriate channels with the ATO, or engaging in national discussion with key stakeholders.<sup>45</sup>

In recognition of the above, the following sections provide a brief conceptual overview of how the Clinic operated in 2019.

## *B The Clinic Model*

The Clinic, commensurate with its structure on inception, continued to operate as a boutique tax practice from physical premises located in Building 407, Room 216 at Curtin University, Bentley, Western Australia. In 2019, an opportunity also arose, enabling the Clinic to mobilise

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<sup>42</sup> Though not relevant in 2019, representation could also extend to assisting clients with matters in the Administrative Appeals Tribunal.

<sup>43</sup> Curtin Tax Clinic (n 41).

<sup>44</sup> Ibid.

<sup>45</sup> See Curtin Tax Clinic, Submission to Treasury, *Review of the Tax Practitioners Board* (27 August 2019).

and expand its reach to regional Western Australia. This was undertaken on two occasions when the Clinic travelled to Broome in August and Albany in October, with both trips aiming to provide tax assistance to regional and remote communities.<sup>46</sup>

Promotion of the Clinic was conducted through various platforms, including social media, radio interviews, newspaper advertisements, and most relevantly, word of mouth.

The Clinic was primarily staffed by the Founders, who, in addition to their clinical responsibilities, are both academic staff members of Curtin Law School. The Clinic was provided additional assistance from volunteer members of the tax profession and the Curtin student body.

For the period which broadly corresponds to 1 January through 30 June and the month of December 2019, the Clinic was open for three days each week; from 1 July through 30 November 2019, the Clinic operated five days per week to reflect the increased demand for tax-related services during the end of financial year and tax return lodgement period.<sup>47</sup> When operating, the Clinic would regularly take appointments from 9am through 4pm.

The appropriateness and adoption of this model was first informed by the broad body of international literature and continued success of internationally recognised clinical tax programs — such as the United States’ Low-Income Taxpayer Clinics and Volunteer Income Tax Assistance initiative<sup>48</sup> — and second, by the capacities of the Founders and volunteers.

An abbreviated list of milestones accomplished by the Clinic is contained in Appendix A.

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<sup>46</sup> See Curtin Tax Clinic (LinkedIn, October 2019) <<https://www.linkedin.com/feed/update/urn:li:activity:6585013708295143424>>; Curtin Tax Clinic (LinkedIn, August 2019) <<https://www.linkedin.com/feed/update/urn:li:activity:6573061556895129600>>.

<sup>47</sup> The period 1 July through 30 November is colloquially referred to as ‘tax time’ in Australia, in recognition of individual taxation return filing periods.

<sup>48</sup> See Cynthia Blanthorne and Stu Westin, ‘VITA: A Comprehensive Review of the Literature and an Analysis of the Program in Accounting Education in the US’ (2016) 31(1) *Issues in Accounting Education* 51; C David Strupeck and Donna Whitten, ‘Accounting Service-Learning Experiences and the IRS Volunteer Income Tax Assistance Programme: A Teaching Note’ (2004) 13(1) *Accounting Education* 101. See, eg, Internal Revenue Service, ‘Low Income Taxpayer Clinics’ (Web Page, June 2020) <<https://www.irs.gov/advocate/low-income-taxpayer-clinics>>; Benefits.Gov ‘Volunteer Income Tax Assistance’ (Web Page, 2020) <<https://www.benefits.gov/benefit/1543>>.



## 1 *Student Involvement*

Since inception, students have participated in the Clinic on a voluntary basis. Voluntary, as opposed to credit-based participation is an approach endorsed by the clinical tax WIL literature. Blanthorne and Westin, for example, note that tax clinics which rely on the voluntary support of students receive participants who are motivated by civic duty and a true desire to learn when compared to the credit-based structure which may engender a lack of participatory enthusiasm.<sup>49</sup>

The application process for student participants was intended to simulate the traditional approach to recruitment. Accordingly, an advertisement indicating that the Clinic was seeking volunteers was distributed via email announcement across the University's learning management software. A complementary advertisement was also shared on social media.<sup>50</sup> Applicants were asked to provide a cover letter indicating why they wanted to participate in the Clinic, a current curriculum vitae and recent academic transcript.

Suitability for the position was assessed on the follow criteria:

1. Quality of cover letter: Particular emphasis was placed on how the student articulated their desire to be involved in the Clinic and whether the structure of the letter communicated this desire in a logical and coherent manner.
2. Appropriateness of course of study: Desirable candidates were enrolled in either a Bachelor of Laws, Bachelor of Commerce (Taxation) double degree or Bachelor of Commerce (Accounting/Taxation) or equivalent, in their second to third year of study. Applications from both domestic and international students were highly encouraged.
3. Prior experience: It was desirable, although not essential, that candidates had prior tax-related experience. On this point, the Founders considered that prior experience which demonstrated an ability to work both autonomously, collaboratively, and in a customer or other client-focused environment, was more relevant.

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<sup>49</sup> Blanthorne and Westin (n 48). See also Strupeck and Whitten (n 48); Brett Long and Mehmet Kocakulah, 'VITA, the MTC and the Modern Accounting Curriculum (Part I)' (2007) *Tax Adviser* 474; Brett Long and Mehmet Kocakulah, 'VITA, the MTC and the Modern Accounting Curriculum (Part II)' (2007) *Tax Adviser* 692.

<sup>50</sup> See, eg, Curtin University, 'UniHub' (Website, 2020) <<https://unihub.curtin.edu.au/students/login?ReturnUrl=%2f>>.

Shortlisted applicants were asked to attend an interview with the Founders, following which successful candidates were invited to join the Clinic as student volunteers.

Over the course of the NTCP trial, the Clinic was supported by 31 student volunteers. Appendix B provides an extract of the Clinic’s Policies and Procedures Manual, which details some of the tasks a student volunteer may have been asked to perform.

Student volunteers were also exposed to ongoing training and development facilitated by the Founders and members of the tax profession. The ongoing training was instrumental in delivering on the educational objectives of the initiative and often complemented dealings concerning client matters. When not delivered by the Founders, ongoing training involved members of the profession dedicating their time to deliver skills-based workshops and insights into the use of emerging technologies in their practice.<sup>51</sup>

In volunteering their time, students could elect to receive formal recognition of their participation in the Clinic through the ‘Curtin Extra’ certification program, which formally recognises a student’s participation in various co-curricular activities upon graduation.<sup>52</sup>

## 2 *Client Involvement*

The Clinic assisted in excess of 300 eligible clients throughout the course of the NTCP trial period.<sup>53</sup>

Eligibility was, and continues to be, determined on an informed discretionary basis. Eligibility generally accords with the following requirements:

1. Currently unrepresented by a tax agent: The Clinic is intended to offer complimentary, non-competitive services to taxpayers who are unable to afford professional tax-related advice.
2. Australian resident or permanent/temporary resident (or equivalent): This precautionary requirement ensures that the Clinic’s onboarded matters fall within the

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<sup>51</sup> See Curtin Tax Clinic (n 41) for illustrations of the training sessions held throughout 2019.

<sup>52</sup> Curtin Extra is Curtin’s official form of recognition for participation in co-curricular programs. See Curtin University, ‘Curtin Extra’ (Web Page, 2020) <<https://students.curtin.edu.au/experience/curtin-extra/>>.

<sup>53</sup> Curtin Tax Clinic (n 41).

clinical staff's expertise, while also affording sufficient flexibility to enable the Clinic to assist taxpayers who have recently migrated to Australia for study or work.

3. Individual or small business: Given the perceived complexities of Australia's taxation landscape, individual or small business taxpayers were identified as those most likely to need and benefit from the Clinic's services.<sup>54</sup>

Summarily, eligibility is assessed on the basis of need, as well as a combination of personal and financial factors. Importantly, there is no financial limit attached to who may apply for assistance from the Clinic.

Further research examining the socio-economic and demographic characteristics of the Clinic's clients is currently underway, though the reflections below speak broadly to the character and nature of typical clientele and matters the Clinic might assist with.

### III REFLECTIONS FROM PARTICIPANTS

#### A *Research Approach*

A critical aspect of this article is to provide key observations from the Clinic over the course of the NTCP trial period. The Founders have relied on their subjective experience as an essential component of the research study,<sup>55</sup> particularly to report on the challenges faced by the Clinic, and to provide insight into the experiences associated with operating the Clinic. Accordingly, the research approach adopted in this article is largely a reflective case study. Reflections from the academics involved, combined with anecdotes from student volunteers and clients throughout the trial period, primarily inform this discussion.

#### B *Key Learning Experiences: Students*

Observable learning outcomes for students involved in the Clinic included: an improved sense of community; belonging and inclusivity; a sense of pride and purpose; an appreciation and

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<sup>54</sup> For an informative discussion on the complexities of the Australian taxation regime, see Binh Tran-Nam, 'Tax Reform and Tax Simplification: Conceptual and Measurement Issues and Australian Experiences' in Simon James Adrian Sawyer and Tamer Budak (eds), *The Complexity of Tax Simplification* (SpringerLink, 2016).

<sup>55</sup> Charlotte Aull Davies, *Reflexive Ethnography: A Guide to Researching Selves and Others* (Routledge, 1999).

understanding of the link between theory and practice; and, soft and technical skills development.

### 1 *Community, Belonging and Inclusivity*

It was evident that students who participated in the Clinic developed not only an appreciation for serving members of the community, but also strong bonds among their peers and clinical staff, with one student volunteer commenting:

“After hearing great stories of the work done by the [Clinic], I thought it would be a great opportunity to give back to the community in some way. I am limited to only one half-day per week, but so far, the experience has been positive and allows me to utilise the skills I have learnt in a pragmatic way. I was a little nervous starting out, but the nerves were quelled early by the friendly and welcoming nature of the team. This gave of a real sense of eagerness and motivation to provide positive experiences for the volunteers and our clients.”

### 2 *Pride and Purpose*

It was evident that, in working directly with clients, students were more attentive to the needs of others and developed a palpable sense of pride in the work they performed. In particular, students have commented that:

“The [Clinic] has provided an abundance of incredible opportunities for me as a student. Volunteering at the [Clinic] has been my first experience in the tax field and it has allowed me to help unrepresented taxpayers, assist other students lodging their tax returns, answer enquiries regarding the tax affairs of different clients, as well as going to two different conferences held for experienced tax professionals ... I am extremely grateful for this opportunity; it is fulfilling and rewarding. I am able to apply to real cases what I have been learning at University and help the community with their tax enquiries”

“My work at the [Clinic] in terms of interacting with unrepresented taxpayers through walk-in or telephone enquiries significantly improved my client service skills, which are applicable to my current role at the ATO in the Prosecutions Department.”

### 3 *Theory and Practice*

Most students reported an improved understanding and appreciation for the relationship between the theory taught in the classroom and the practice of the Clinic. In complement,

students who participated in the Clinic were better able to consolidate their technical tax knowledge:

“[M]y work at the [Clinic] assisted in strengthening my tax technical knowledge, which put me in a strong position to work in the tax law field. By being exposed to various taxation issues such as capital gains tax, international tax, and GST in my role at the [Clinic], I was able to become more accustomed to the relevant legislation and regulatory requirements.”

“[W]orking in the clinic, I could apply what I have learnt from class to practice, especially in cases such as when claiming deductions and preparing tax returns for clients.”

#### 4 *Soft Skills Development*

In addition to their technical knowledge, students also reported improvement in their ability to communicate and empathise with clients and their peers:

“It has been a really great experience working alongside my supervisors and my colleagues. I gained many new skills in my pocket including public speaking, liaising with clients, and more importantly, my English has improved.”

“I was able to develop my soft skills and become more confident in speaking with new clients. Additionally, I learnt the important lesson of only eliciting the most relevant information so as to make the process as efficient as possible.”

These observations support the view that, as an educational tool, the Clinic initiative promoted the development of key graduate attributes, while broadly improving students’ practical and technical competencies.

#### C *Client Reflections*

Feedback from clients is reproduced as brief, illustrative case studies below, to better demonstrate the key service pillars and capabilities of the Clinic. These case studies and subsequent comments, which are representative of each pillar, were collected following a series of phone interviews over the course of the NTCP pilot period.<sup>56</sup>

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<sup>56</sup> Previously reported in the Curtin Tax Clinic’s Annual Report: see Curtin Tax Clinic (n 41).

### 1 *General Advice*

Client A was referred to the [Clinic] by the Street to Home program following the non-lodgement of income tax returns spanning a 10-year period. The Street to Home program had assisted Client A in preparing seven outstanding returns but was unable to help with the remaining three income tax returns. The [Clinic] met with Client A to assist them in accurately compiling their tax returns, troubleshooting access to information issues and cross-checking the ATO's pre-filing data.

Client A noted that they were impressed with 'the ease of it all. I didn't know how to do my taxes and they helped me work through it to sort out all my tax problems within one or two sessions ... really, really, helpful fortunately'.

### 2 *Complex Advice*

Client D was referred to the [Clinic] by a prominent Sydney tax lawyer when Client D was unable to continue paying for legal representation. Client D had received a sizeable default assessment raised by the ATO in relation to a property sold nine years prior. The property had been partially used as a main residence and also as a resort. Client D had minimal records given the effluxion of time and rural location of the property, and had attempted to object to the ATO's default assessment. The [Clinic] assisted Client D in challenging the Commissioner's unfavourable objection decision and assisted Client D in identifying what information available to them would be most relevant in supporting their position. The [Clinic] successfully managed to reduce the majority of Client D's debt and negotiated an appropriate payment plan that the taxpayer was able to meet.

Client D noted their matter was 'a nightmare, and the financial stress destroyed my relationship'. The [Clinic's] service however 'was wonderful. I don't know what I would have done if I didn't have the support because I was in a weak position and it was very hard for me to prove my case. But everything done was professional and thorough ... nothing but the highest regard'.

### 3 *Representation*

Client C attended the [Clinic] upon receiving a second prosecution and licence suspension notice for failing to adhere to a court order issued six months earlier. That court order imposed

\$17,000 in penalties for Client C’s failure to lodge 12 income tax returns and nine business activity statements across a 12-year period. Client C’s non-lodgement was exacerbated by their debilitating stress and anxiety. The [Clinic] assisted Client C, through the facilitation of pro-bono legal representation to seek an adjournment of the court proceedings to enable Client C to bring their tax affairs up-to-date. Client C noted that they were impressed with ‘the fact that they could do it all for me, all I had to do was sit there and answer questions, not even look at the forms’. Client C wished that the [Clinic] was ‘more widely advertised so more people [could] use the service ... so everybody has it available to them’.

#### 4 *Education*

Client E was referred to the [Clinic] by their therapist for assistance in the preparation and lodgement of five outstanding income tax returns. The non-lodgement of Client E’s tax affairs was attributable to ‘pent up anxiety’ concerning the need to complete official government documents and was exacerbated by other psycho-social factors. The [Clinic] assisted Client E in compiling documentation for the relevant assessment years and diligently walked Client E through the basic income tax return requirements. The [Clinic] also offered to guide Client E through the process of preparing their tax return and lodging through the myGov portal.

Client E notes: ‘This year I have lodged and done it all myself ... leading up to it, I was seriously considering another trip to the Clinic, but knowing that it was such a simple lodgement for this particular financial year, now that everything is up-to-date ... I discovered [after looking online] ... that group certificates are sent to the ATO and then declared tax ready ... [hence] I just went through the process online and that was quite simple’.

#### 5 *Advocacy*

Client B attended the [Clinic] after having been convicted on 52 counts of failing to lodge income tax returns and/or business activity statements across a 13-year period. Client B had previously operated a business. The Clinic assisted Client B in getting their tax affairs up-to-date, resulting in Client B being assessed with a significant tax liability which they were unable to meet. Client B’s assets had drastically declined in value and given their age, Client B’s sole income stream was their aged pension. Accordingly, the [Clinic] helped Client B to lodge a financial hardship application which was successful and relieved the financial burden on Client

B. The [Clinic] was also able to assist Client B in finding lost superannuation which has successfully been returned to them.

Client B did not wish to provide comments.

#### IV KEY SUCCESSES AND CHALLENGES

##### A *Client Experience*

For the client perspective, success is predicated on the initiative promoting access to justice for members of the Australian community. In this context, the case studies, as well as the total number of clients served, provide sufficient testimony to the value and necessity of the program and its endeavour to promote access to justice. How the notion of value is quantified requires explanation. Using the common metrics of time and money, the authors note that:

- The approximated value of the work performed by the Clinic over the NTCP trial period equated to \$318,150, as representative of the investment by academic staff and student volunteers over the period of the NTCP trial.<sup>57</sup>
- Approximately \$1,400,000 in debt was corrected or written off,<sup>58</sup> corresponding with 78% of matters being resolved.
- 30 matters involved prosecution by the ATO and required additional legal support. The pro-bono work contributions by our industry partners equated to a value in excess of \$100,000. This involved the preparation of 585 income tax returns and/or business activity statements.<sup>59</sup>

These representations and results are emblematic of the success of the initiative over the course of the NTCP trial. The additional commitment of funds to the project perhaps further confirms this success, although further empirical study is needed to confirm this hypothesis.

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<sup>57</sup> Annette Morgan (LinkedIn, February 2020) <[https://www.linkedin.com/posts/annette-morgan-30564913b\\_the-australasian-tax-teachers-association-activity-6627410588098273280-lUdi](https://www.linkedin.com/posts/annette-morgan-30564913b_the-australasian-tax-teachers-association-activity-6627410588098273280-lUdi)>.

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.



## B *Academic Experience*

It is the view of each academic involved in the Clinic that the Clinic's service developed a greater sense of appreciation for the provision of taxation advice, and reinforced the value associated with experiential learning.

Moreover, working with the Clinic's body of student volunteers, particularly on challenging matters, cultivated a sense of unity and a deeper awareness for the capabilities of the student cohort at Curtin University.

While there were many additional positive attributes to the experience, it is perhaps more relevant to reflect on what challenges presented and what obstacles needed to be overcome. The three most pressing issues identified in 2019 included: workload and workflow management; balancing client and student expectations; and, recognition and promotion of the Clinic. Each issue is discussed in further detail below.

### 1 *Workload and Workflow Management*

As the Clinic operated on a timeline dictated primarily by the needs of its clients, it was difficult to anticipate how busy the Clinic would be on any given week. This presented a scheduling challenge for both staff and students.

While nominal hours were allocated in the academic workflow for clinical staff, these hours were often inadequate for the realities of clinical practice. Oftentimes, staff were balancing their clinical duties with the requirements of teaching and research, and were frequently required to work well beyond conventional academic hours.

From a student perspective, given the limited availability of each volunteer due to study or personal commitments, the Clinic faced challenges on two extremes where the Clinic was either understaffed or overstaffed.

While time management and associated organisational strategies were implemented to better manage workflow, the reality of any practice is that these approaches, while good in theory, may not be adequate to manage what eventuates on any given day. This is an important lesson for any future tax practitioner and was treated as such by the student volunteers.

## 2 *Client and Student Expectations*

There is often a disconnect between reality and expectation, and this was true of the experience in the Clinic. Like most tax practices, there are often certain views that clients harbour which may be challenging to manage, particularly in the context of dispute resolution processes.

The most prevalent challenge was balancing the clients' need for information and the pace with which the relevant authority or authorised personnel would inform on a reply. For both staff and students alike, this provided an excellent learning opportunity around managing client expectations.

From a student perspective, it was incumbent on the academic staff to ensure that each volunteer was receiving a similar experience. While not achievable at all times, careful planning and workflow management coupled with honest communication and real time feedback from the student volunteers facilitated an amicable and valuable experience for all involved.

## 3 *Recognition and Promotion*

Lack of awareness surrounding the project and scepticism from various stakeholders presented challenges for the Clinic's promotion.

Surmounting these obstacles required the Founders to engage in ongoing discussions with industry, regulatory authorities and relevant professional associations. Awareness of the project has continued to improve over the life of the initiative, though consultation is still necessary on occasion.

## V RECOMMENDATIONS

In recognition of the challenges considered above, and ultimately, to advance the underlying mission and observable success of both the Clinic and the NTCP, the authors submit the following three recommendations.

### *A Recommendation 1: Enable Organisations Beyond Universities to Operate Tax Clinics*

It is likely that the NTCP will remain an instructive and necessary part of the Australian tax landscape. However, confining tax clinics to operating primarily within a university setting

may not be the most sensible approach to advancing the underlying motivations of the initiative. This is particularly true when considering the philosophy of access to justice.

While the current model is adequate in the short-term, opportunities for the growth of the initiative should be expanded to other organisations, such as not-for-profits or other social enterprises. Expanding the initiative in this way, particularly in remote and regional areas of Australia, gives greater scope for the delivery of necessary, free and reliable tax advice.

### *B Recommendation 2: National Steering Committee*

It is acknowledged that logistical, funding, and other challenges surrounding oversight and expertise will impact on Recommendation 1. Accordingly, to advance Recommendation 1, as well as various complementary objectives, the establishment of a national steering committee should be considered. This committee would comprise elected members of identifiable stakeholder groups, such as members of the NTCP, industry, professional associations, other academic organisations, and relevant government bodies. Critically, the steering committee would seek to make informed decisions concerning:

1. The appropriateness and sustainability of both clinical structures and funding models.
2. Identifiable areas of need across Australia.
3. Best practice approaches to operating a tax clinic and associated reporting requirements.
4. Taxpayer eligibility criteria.

As regards identifiable challenges, it is considered that adopting both recommendations would serve to better inform the public of the initiative, and reduce complications surrounding recognition and promotion. Moreover, this recommendation may also serve to reduce workflow concerns and avail opportunities for the development of further referral networks.

### *C Recommendation 3: Develop National and Global Opportunities to Enhance Student Learning*

Commensurate with the educational philosophy engendered by the NTCP, a natural corollary to enhancing student learning would be to formalise a program which facilitates national and international clinical exchange.

The pedagogical reasons for exchange programs are well established. Such programs are expected to develop the following attributes:<sup>60</sup>

- Understanding of an array of different cultural and community perspectives.
- Awareness and adoption of alternative, multi-faceted approaches to learning.
- Analytical and problem-solving skills.
- Enhanced interest in global issues as well as a broader general knowledge.
- Self-development and awareness leading to enhanced self-confidence and self-esteem.
- Maturity and social poise fuelled by the necessity to confront challenges outside of a familiar support network and/or comfort zone.

It is envisaged that the clinical exchange program would see clinical students from the Clinic, and/or other NTCP members, venture to a partner institution located domestically or internationally for the period of one semester. Reciprocally, the partner institution would nominate a clinical student from their program to facilitate the exchange.

Moreover, clinical students engaged in the exchange would participate in the activities and assessments of the partner clinic and receive credit and/or recognition for their involvement over the course of the exchange.

Further research into the efficacy of these programs particularly with regard to developing graduate attributes is needed prior to commencement.

As regards identifiable challenges, it is considered that adopting this recommendation would serve to better manage student expectations and facilitate a unique educational experience. Moreover, this recommendation may also serve to reduce workflow concerns and avail opportunities for intra-university collaboration.

## VI CONCLUSION

This article demonstrates the intrinsic and illustrative benefits associated with experiential learning in the Clinic over the NTCP trial period. Part I and II explored the underlying philosophy for this initiative and examined the altruistic and evidenced-based motivations for the Clinic's establishment. Part III and IV complimented the prior evaluation by engaging in

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<sup>60</sup> See generally Abdulrahman AI-Youbi, Adnan HM Zahed and William G Tierney, *Successful Global Collaborations in Higher Education Institutions* (SpringerLink, 2019).

the process of reflection and confirmed that, by the metrics ascribed to this work, the program successfully developed the students' understanding of taxation in practice and improved awareness of workplace culture and expectations, while providing significant value to eligible members of the community. Part V made three recommendations: that the initiative be expanded beyond the confines of a university to avail the benefits of tax clinics to a wider segment of the Australian population; that a steering committee be established to improve efficiencies and organisational aspects of the NTCP; and lastly, that both domestic and international opportunities to enhance student learning be developed, such as a clinical exchange program.

In recognition of each Part, it is the authors' hope that this work advances the literature in this field and provides a platform for further research. The authors express their gratitude to those who have been involved with the initiative at any time in the past, and to those who continue to support the present and future aspirations of both the Clinic and the NTCP.

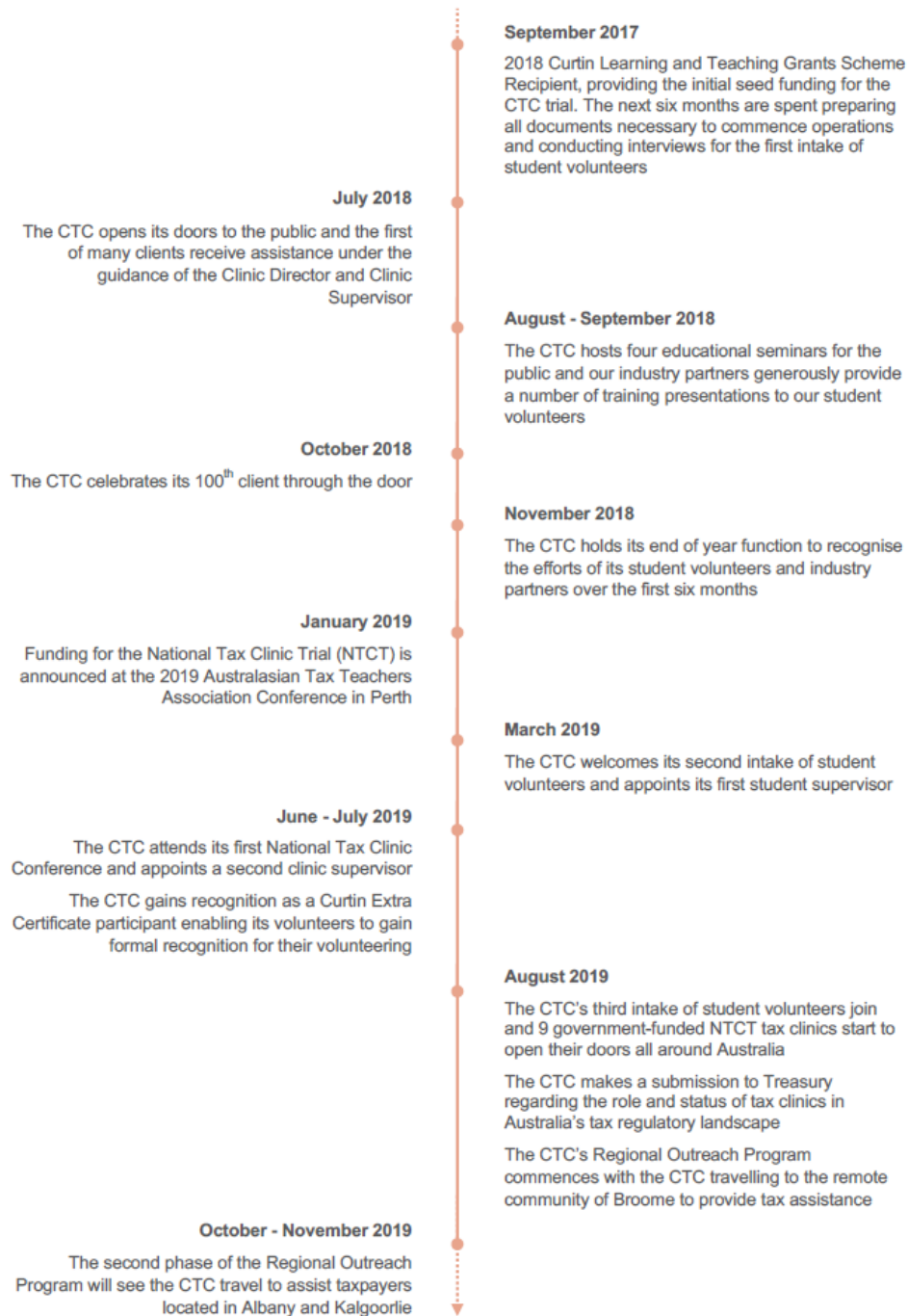
Moreover, the authors, and in particular the Founders of the Curtin Tax Clinic, wish to thank Curtin University for providing the initial funding for this project and subsequently, the Federal Government for endorsing and committing additional and continued funding to this initiative and the NTCP.

To the student volunteers, industry partners, academic and professional colleagues, and fellow NTCP participants: your encouragement, generosity, dedication, and belief in this initiative is deeply appreciated and testament to the continued success of each tax clinic in Australia.

## APPENDIX A

### Curtin Tax Clinic Annual Report 2019

#### MILESTONES



**APPENDIX B**

SAMPLE VOLUNTEER POSITION DESCRIPTION

<b>Name:</b>	
<b>Position Title:</b>	Student Volunteer
<b>Description:</b>	The position of Student Volunteer supports the Curtin Tax Clinic’s (“CTC” or “ <b>the Clinic</b> ”) mission of providing assistance to unrepresented taxpayers through the effective and appropriate provision of information, advice or representation.
<b>Key Responsibilities:</b>	<p>Under the direction and supervision of an appropriate supervisor, key responsibilities include, but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ Preparation and drafting of tax related advice or memorandum;</li> <li>▪ Scheduling, attending and managing client meetings in person or via teleconference;</li> <li>▪ Facilitating discussions with clients and appropriate regulatory agencies;</li> <li>▪ Contributing to the knowledge bank of the Clinic and advancing tax awareness and education in the community; and</li> <li>▪ Administration</li> </ul>
<b>Reports to:</b>	Annette Morgan (Clinic Director) & Donovan Castelyn (Clinic Manager)
<b>Length of Engagement:</b>	
<b>Commencement Date:</b>	
<b>Time Commitment:</b>	

## 2019 NATIONAL TAX CLINIC PROJECT: MELBOURNE LAW SCHOOL TAX CLINIC

SUNITA JOGARAJAN,<sup>\*</sup> KATE FISCHER-DOHERTY<sup>\*\*</sup> AND JULIAN PANETTA<sup>\*\*\*</sup>

### ABSTRACT

*In 2019, Melbourne Law School ('MLS') ran a tax clinic for vulnerable taxpayers under the Federal Government's National Tax Clinic trial. The trial was administered by the Australian Taxation Office. This paper discusses the experience of setting up and running the MLS Tax Clinic in 2019. The paper covers the clinic design, the activities undertaken by the clinic (advice, representation, education, and advocacy), and the observations and reflections of those involved – clients, tax practitioners, academics, and students. The paper concludes by making several recommendations in relation to legal and administrative reform to improve the tax experience for vulnerable taxpayers.*

**Keywords:** tax, clinical legal education, advocacy, education, client representation

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## I INTRODUCTION

In 2019, Melbourne Law School ('MLS') welcomed the Federal Government's invitation to participate in the National Tax Clinic trial. MLS has a longstanding public interest focused clinical legal education programs with subjects such as Public Interest Law Clinic, Disability Human Rights Clinic, Sustainability Business Clinic and the NDIS and Disability Benefits Clinic.<sup>1</sup> The addition of a tax clinic, focused on assisting vulnerable taxpayers, was seen as a natural and favourable addition to the existing program. However, the tax clinic represented MLS' first in-house, client-facing clinic and thus involved significant set-up in a short period of time. This article sets out our experience in establishing and running the MLS Tax Clinic in 2019, as well as the lessons learned and our recommendations arising from that experience.

Section II outlines the design of the MLS Tax Clinic and discusses the involvement of students, clients, and tax practitioners in assisting vulnerable taxpayers through advice and representation services, educational activities and advocacy of tax reform. Section III summarises the observations and reflections regarding the Tax Clinic experience from the perspectives of clients, volunteer tax practitioners, and academics. Students were invited to participate in a formal survey at the commencement and conclusion of their Tax Clinic experience and this data is also discussed in Section III. Section IV provides several recommendations relating to tax literacy, administrative and legal reform arising out of the Clinic experience. Finally, Section V provides some concluding remarks regarding the critical factors to the success of the Clinic in 2019 and future research.

## II CLINIC DESIGN

The Federal Government broadly recommended that tax clinics undertake four categories of activities as part of the National Tax Clinic trial. The four categories of activities were advice to taxpayers, representation of taxpayers, advocacy of tax reform, and educational activities. At MLS, these activities were carried out in different ways. The work done to assist individual taxpayers (advice and representation) was performed through the 'MLS Tax Clinic'. The educational activities were organised by MLS academic staff and presented by tax practitioners, academics and Australian Taxation Office ('ATO') staff. Finally, the advocacy

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<sup>1</sup> The Public Interest Law Clinic encompasses an employment law clinic, refugee law clinic and civil justice clinic. For more information on MLS' clinics program, see: <https://law.unimelb.edu.au/students/jd/enrichment/pili>.

work was done by MLS Juris Doctor ('JD') students through a legal research paper and oral presentations to ATO staff.

### *A Advice and Representation Activities*

As mentioned above, advice and representation services to individual clients was performed through the 'MLS Tax Clinic'. The MLS Tax Clinic is registered as a 'community legal service' with the Victorian Legal Services Board.<sup>2</sup> The MLS Tax Clinic operated from August to October (tying in with the tax lodgement period for individuals).<sup>3</sup> During this period, the Clinic operated three half-day client-facing sessions and three half-day preparatory sessions per week. As the Clinic could accommodate three concurrent interviews per hour, the Clinic had the capacity to see 27 clients per week (one-hour appointment per client). In most weeks, the Clinic operated at full capacity and additional client-facing sessions were added in the last few weeks of October to meet client demand.

It was fortunate that existing office space could be repurposed for the Clinic and as such, the MLS Tax Clinic was located within the MLS building on campus. The Clinic is well located for access by both clients and volunteer tax practitioners. MLS is situated at 185 Pelham Street, Carlton, adjacent to the main University of Melbourne campus. The street address makes the Clinic easily locatable for potential clients unfamiliar with the University. Additionally, MLS is conveniently close to the Melbourne CBD and is well serviced by public transport (bus, tram, train). There is also ample on-street and off-street public parking in the vicinity. For clients able to travel but for whom public transport costs present a barrier to attending in person, the Clinic made available Myki Explorer packs which permit one-day unlimited travel on public transport in Melbourne.

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<sup>2</sup> The ATO obtained confirmation from the Tax Practitioners Board that tax agent registration is not required for the provision of tax services for no fee or reward. The promotion of such services was specifically allowed for through a gazettal by the Commissioner of Taxation effective 8 March 2019. However, due to concerns that the Tax Clinic's services could constitute 'unqualified legal practice' under the Legal Profession Uniform Law, it was considered necessary to register the MLS Tax Clinic as a 'community legal service'. See further, University of Melbourne Submission to the Review of the Tax Practitioners Board available at <https://treasury.gov.au/consultation/c2019-t398920> (accessed 6 May 2020).

<sup>3</sup> Outside this period, MLS reached an agreement to refer urgent matters to tax practitioners for assistance on a pro bono basis. In such cases, the client would be a client of the practitioner rather than the MLS Tax Clinic. Several clients were referred to MLS from the ATO and the office of the Inspector General of Taxation during this time and on-referred to volunteer tax practitioners.

The Clinic space comprises three meeting rooms, two offices and a reception area. The meeting rooms are fitted with two doors, video surveillance and panic buttons, as needed to meet occupational health and safety requirements. The Clinic space is set aside for use exclusively by the Clinic and can only be accessed by the Clinic's supervisor and students using swipe card access. Additionally, any hard copy material related to the Clinic is stored in a locked filing cabinet in the Clinic supervisor's locked office which can only be accessed by the supervisor. The accessibility and suitability of the premises were significant factors in making the decision to locate the Clinic at MLS.

The Clinic was staffed by a full-time clinic supervisor who is a practicing legal practitioner. The clinic supervisor was assisted in the set-up and educational aspects of the Clinic by two academic staff members. There were also nineteen students working at the Clinic and they worked on client matters in groups of two or three. The clinic supervisor was assisted in supervising the students by volunteer tax practitioners who attended the clinic for all client-facing sessions. Initially, practitioners sat in with students during client interviews but after a couple of weeks, practitioners worked in one of the offices while students met with clients and then discussed the client's issues with the practitioners and agreed on the appropriate course of action. The Clinic was structured similarly to a law or accounting practice with the students being the 'junior employees', the tax practitioners being the 'managers' and the clinic supervisor being the 'partner'. Ultimate sign-off for all work at the Clinic sat with the clinic supervisor.

### 1 *Student Involvement*

The MLS Tax Clinic was offered as a clinical legal education subject that could be undertaken by MLS students as an elective subject in the JD. As mentioned above, MLS has a long-standing and strong commitment to offering public interest law subjects and the MLS Tax Clinic was a natural addition to that program.

Clinical legal education, as a form of experiential learning, provides students with the opportunity to deepen and extend their classroom learning through hands-on practice. In particular, experiential learning subjects can assist students to develop their professional and interpersonal skills (including communication skills) and enhance problem-solving and

capacity to deal with unfamiliar problems and situations.<sup>4</sup> They are well-suited to fulfilling a number of Threshold Learning Outcomes for the JD including ethical decision-making and professional judgment, self-management and interpersonal skills and the application of legal knowledge to contemporary social problems.<sup>5</sup> Clinical methodologies, including an emphasis on reflective practice, enhance students capacity for lifelong learning - students ‘learn how to learn’ from their experience.<sup>6</sup>

Students were required to have completed introductory taxation studies either in their prior undergraduate degree or during their JD studies, prior to enrolling in the MLS Tax Clinic. Students were assessed through a reflective writing piece, oral presentation (based on a case or situation experienced by the student at the Clinic), and a legal writing brief or research essay. The reflective component to the course design and assessment regime was modelled on the format used in MLS’ other clinical subjects and reflects best practice in clinical learning design. It has long been recognised that systematic reflection on experience is needed to capture and consolidate deep learning from that experience.<sup>7</sup> In this case, students were encouraged to reflect not only on their learning about tax law in practice but also on the broader implications of the kind of matters and clients assisted through the Clinic for their future legal and taxation practice.

## 2 *Client Involvement*

In establishing the National Tax Clinic trial, the Federal Government indicated that tax clinics were to assist ‘vulnerable’ taxpayers. However, no prescriptive guidance as to who qualified as a ‘vulnerable’ taxpayer was provided. The MLS Tax Clinic adopted the working definition that a ‘vulnerable’ taxpayer was a low-income individual (annual income less than \$60,000, in line with Tax Help qualification criteria), an individual with low financial literacy or an

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<sup>4</sup> Sally Kift, ‘21st century climate for change: Curriculum design for quality learning and engagement in law’ (2008) 18 *Legal Education Review* 1; Roy Stuckey et al, *Best Practices for Legal Education: A Vision and a Roadmap* (2007); Deborah Maranville et al, *Beyond Best Practices: Transforming Legal Education in a Changing World* (Lexis Nexis 2015).

<sup>5</sup> Council of Australian Law Deans, *Juris Doctor Threshold Learning Outcomes* (March 2012) <https://cald.asn.au/wp-content/uploads/2017/11/Threshold-Learning-Outcomes-JD.pdf>.

<sup>6</sup> Evans et al, *Australian Clinical Legal Education* (2016) 153, citing Roy Stuckey et al, *Best Practices for Legal Education: A Vision and a Roadmap* (2007).

<sup>7</sup> Evans et al, *Australian Clinical Legal Education* (2016); Michele Leering, ‘Conceptualising Reflective Practice for Legal Professionals’ (2014) 23 *Journal of Law and Social Policy* 83.

individual from a non-English speaking background.<sup>8</sup> In the case of businesses, assistance was limited to disputes with the ATO or general establishment information, not tax planning. This decision was made on the basis that tax planning costs should be factored into a business plan and the tax clinic should not be used as a substitute for paid tax advice in such cases. This limitation was accepted by clients and well received by the profession.

In 2019, the MLS Tax Clinic saw a wide range of clients, reflecting the broad marketing activities undertaken to promote the Clinic. The Tax Clinic was advertised through the following channels:

- Inclusion in the MLS Events Newsletter (sent to approximately 3,700 recipients);
- Brochures and advertisements on plasma screens located at the City of Melbourne’s Multicultural Hub;<sup>9</sup>
- Email and hard copy communication and brochures sent to 88 State MPs, 16 Federal MPs, 34 community legal centres, 45 community centres or neighbourhood houses, 44 financial literacy organisations and/or charities, and 20 community libraries;<sup>10</sup>
- Inclusion in the weekly staff newsletter for four weeks (sent to more than 10,000 recipients);
- Inclusion in the student online noticeboard (the University of Melbourne has more than 50,000 students);
- Paid Facebook campaign for a three-week period (ads attracted approximately 22,000 unique viewers);
- Inclusion in the ATO’s small business newsroom (4000+ ‘hits’ on Tax Clinic item); and,
- Inclusion in ATO social media – Twitter and LinkedIn (700+ ‘clicks’).

Each of these marketing channels resulted in taxpayers visiting the Clinic. In addition, clients were also referred to the Clinic by the ATO and the office of the Inspector General of Taxation.

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<sup>8</sup> The MLS Tax Clinic was able to register for the Federal Government’s Translation and Interpretation Service which enabled the Clinic to use an interpreter for free.

<sup>9</sup> The Multicultural Hub is a community space operated by the City of Melbourne and located in the Melbourne CBD. Advertising through the Hub was identified as one avenue of reaching some target clientele groups such as new migrants and refugees.

<sup>10</sup> The University of Melbourne has existing partnerships with the Brotherhood of St Laurence and the Carlton Neighbourhood Learning Centre and in addition to the email and hard copy communication, academic staff visited these organisations to discuss the establishment of the MLS Tax Clinic.

The key client bases were University of Melbourne students and staff, refugees and low-income taxpayers referred through financial counselling providers and charitable organisations, and small businesses through the ATO's small business newsroom. In total, the MLS Tax Clinic assisted more than 230 clients in 2019. Approximately a quarter of these clients required more than one appointment.

Reflecting the diversity of the Tax Clinic clients, the range of issues dealt with by the Tax Clinic was also large. However, there were several key issues which came up repeatedly. Perhaps unsurprisingly, the two main questions for specific advice related to deductions and individual tax residency. In the case of deductions, clients either wanted advice in relation to specific expenses incurred or general guidance on what expenses could be claimed as deductions. The former group were assisted through specific advice while the latter group were provided with printouts of general information from the ATO website and this information was also explained orally to clients. Clients seeking assistance with determining their tax residency were generally quite sophisticated in that they had already worked through the ATO's tax residency decision tool but were not confident as to whether they had used the tool correctly and were in essence, seeking reassurance rather than a second opinion. Many taxpayers visited the Tax Clinic for assistance with payment plans and/or debt relief and the Clinic was generally able to assist these taxpayers quite easily.

A significant 'win' for the Tax Clinic in this regard was the waiver of a tax debt of approximately \$10,000 for a refugee who incurred the debt due to their employer not withholding tax as required and the taxpayer subsequently losing their job and being unable to repay the debt. Although the ATO had classified the debt as 'non-pursuit', it was clearly taking a toll on the taxpayer's mental health and the taxpayer was brought to the Clinic by a support worker from a charitable organisation. Following several phone calls to the ATO, the debt was waived and the relief for the taxpayer in having the debt waived was obvious to all involved.

Following mention in the ATO's small business newsroom, a large number of taxpayers sought assistance from the Clinic in relation to the establishment of a business. These businesses are best described as micro-businesses and, in these situations, the Clinic assisted by providing general information regarding the income tax and GST consequences of carrying on a business.

Finally, a significant number of taxpayers sought assistance from the Clinic in completing their first tax return and navigating myTax. Some taxpayers were quite knowledgeable and simply

wanted reassurance that they were fulfilling their obligations correctly while others required more detailed assistance. Again, the Clinic's assistance was limited to the provision of general information regarding tax returns and myTax. The MLS Tax Clinic is not a registered tax agent and does not provide lodgement services.

### 3 *Practitioner Involvement*

MLS enjoys a strong relationship with the tax profession with many tax professionals teaching in the Melbourne Law Masters and tutoring in the undergraduate tax program. It was therefore natural in establishing the MLS Tax Clinic to involve the tax profession. As mentioned above, volunteer tax practitioners were required to attend the Clinic's premises during the client-facing sessions and provide mentorship and guidance to the students. There was overwhelming interest from the profession in contributing to the Clinic and the number of practitioners had to be limited in 2019 as we trialled the model. The volunteer tax practitioners came from law firms, consulting firms, the Victorian Bar, and sole practitioners.<sup>11</sup> In the case of firm involvement, all of the firms committed at a firm level. However, some firms established a roster internally as to who would attend the Clinic while others had one particular practitioner attend the Clinic each week. The Clinic's decision not to provide tax planning advice to businesses was well received and practitioners, particularly sole practitioners, did not consider themselves to be in competition with the Clinic.

#### B *Educational Activities*

In addition to the information and education provided to individual clients through the MLS Tax Clinic, educational activities were also undertaken on a broader scale to the general community. The following three sessions were held in May 2019:

- Taxpayer Rights and Obligations presented by a tax practitioner and ATO staff and held at the City of Melbourne's Multicultural Hub on a Saturday morning (20+ attendees);

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<sup>11</sup> In 2019, the MLS Tax Clinic was supported by BDO Australia, Greenwoods + Herbert Smith Freehills, HWL Ebsworth Lawyers, Lachlan Molesworth (Victorian Bar), Perigee Advisers, Pitcher Partners, Sladen Legal, and Tax Scope.

- The Gig Economy presented by a tax practitioner, an employment law practitioner and an employment law academic, held at a University location on a weekday lunchtime (30+ attendees); and,
- Investment Income and Related Expenses presented by a tax practitioner and held at the MLS building on a weekday evening (70+ attendees).

The different locations and times were trialled to identify best practice going forward. The sessions were also professionally recorded and made available through the MLS Tax Clinic website and YouTube. The recordings have received more than 700 views to date.

### *C Advocacy Activities*

The Federal Government identified advocacy for tax and/or administrative reform as being one of the purposes of the National Tax Clinic trial. The MLS Tax Clinic has been involved in advocating for administrative reform informally through the ATO's local liaison officers and National Tax Clinic trial project lead. The main issue identified for reform was in relation to ATO debt practices. MLS JD students also undertook research projects on several issues identified as potentially affecting vulnerable taxpayers and being suitable for reform. All JD students are required to complete a research paper of approximately 8,000 words in the final year of their degree and the tax advocacy papers were completed through that subject. The tax advocacy stream was limited to five students. Two students who participated in the MLS Tax Clinic also chose to enrol in the tax advocacy stream while the remaining three students had not participated in the MLS Tax Clinic but had undertaken prior tax studies. The five students presented their research to ATO staff and their research papers were also provided to the ATO.

In 2019, two students revisited the question as to whether Australia should introduce a 'standard deduction' system. This research was prompted by the experience at the MLS Tax Clinic which indicated that many taxpayers consider it necessary to obtain advice in relation to their tax affairs due to the availability of deductions. The students examined the operation of a standard deduction in other jurisdictions such as the United States and South Korea. Based on their research, the students concluded that a standard deduction system has its merits but must be carefully designed.

One student considered whether the ATO should be separated into two divisions (administration and appeals), which is also a question that has been discussed by politicians



and the media. The student examined the experience in the United States which has separated the functions and found that there were many benefits but also significant financial costs in such a system.

Another student considered the appropriateness of applying a single tax-free threshold to a taxpayer who was receiving a salary and a compensation payment, which was treated as income, for the death of a spouse. The taxpayer's argument being that if the spouse were still alive, they would have two incomes and two tax-free thresholds. This issue was referred to the MLS Tax Clinic by the ATO. The ATO had concluded that the law was being applied correctly but queried whether this was an area for potential reform. Despite the apparent unfairness of the situation, the student's research indicated that the current law is appropriate, and reform is not necessary.

Finally, one student investigated the possibility of introducing a deemed tax residency status for international students. This issue also arose from the work at the MLS Tax Clinic where many international students attended the Clinic to obtain advice regarding their residency for Australian tax purposes. The student examined the tax treatment of international students in comparable jurisdictions such as New Zealand, Canada, the United Kingdom, and the United States. Based on this research, the student recommended a deemed tax residency status be introduced for international students with accompanying reforms. ATO staff thought that this proposal had merit, particularly in improving simplicity and certainty, but any push for reform has been superseded by later events.

### III OBSERVATIONS, REFLECTIONS AND SURVEY DATA

This section discusses the observations and reflections arising out of the MLS Tax Clinic experience in 2019. We did not systematically survey clients and tax practitioners for this article and the comments below are based on our informal conversations in the clinic setting. Similarly, the academics involved in establishing and running the Clinic were not interviewed or surveyed regarding the experience. However, students were invited to voluntarily complete a formal survey at the commencement and conclusion of the MLS Tax Clinic experience and this survey data is discussed below.

### A *Clients*

By all accounts, the clients who visited the MLS Tax Clinic were happy with the assistance provided. The assistance broadly fell into two categories – individualised assistance or advice unique to the taxpayer (e.g. advice on particular issues, assistance with debts) and general information adapted to the taxpayer’s circumstances (e.g. assistance with first tax return or myTax). In both scenarios, clients felt adequately assisted by the Clinic. The clients in the first group could have been assisted by a tax practitioner but met the Clinic’s criteria for free assistance. In most cases, these clients would not have sought paid assistance as they either could not have afforded such assistance, or the tax amounts involved were so small as to make any fees prohibitive. The clients in the second group would not have been able to obtain the assistance provided by the Clinic elsewhere. The ATO’s ‘Tax Help’ program serves a purpose but does not quite meet the needs of the second group of clients.

Several clients commented favourably on the level of supervision of the students assisting them in the Clinic (with tax practitioners and the clinic supervisor being present in the Clinic and actively supervising the students). This appeared to increase their confidence in the services provided by the Clinic. Interestingly, there was no discernible difference in client experience or satisfaction between having the practitioner in the room during the meeting and when students had to leave the room to discuss the client matter with the practitioner in another office. This is perhaps because the students had significantly developed their knowledge and interviewing skills by the time that they met with clients on their own.

As part of the application process, clients were asked to indicate their postcode. This information demonstrated that, although the Clinic’s clients were predominantly from suburbs close to the University, clients came to the Clinic from all over Melbourne. However, clients from regional locations did not come to the Clinic. This was expected in 2019 but going forward, it is expected that the MLS Tax Clinic will try to better serve regional taxpayers through a mobile clinic service. However, the logistics of involving students and volunteer practitioners will need to be considered. The Clinic is also considering the possibility of introducing a phone or video service for regional clients. One of the Clinic’s partner firms has a strong regional presence and there are opportunities to reach regional taxpayers through that relationship.

Perhaps the most significant challenge faced by the Clinic in 2019 was the number of clients who simply did not attend their appointment without prior notice. This was inconvenient for students who missed out on the experience and learning opportunity and for practitioners who had taken the time out of their workday to attend the Clinic. The situation improved after the Clinic's administrator started sending confirmation text messages and requiring confirmation of attendance on the day of appointment, but this was time consuming. We are looking into technological solutions to automate the process going forward. The challenge of clients failing to attend their appointments, while frustrating, did nonetheless provide another 'real life' reflection opportunity for students who were encouraged to consider the various reasons for client non-attendance, and their own preconceptions and responses.

### B *Tax Practitioners*

As mentioned above, tax practitioners were eager to be involved in the MLS Tax Clinic. The Clinic's proximity to the Melbourne CBD, certainly made it easier for practitioners to be involved along with all client-facing sessions being held during business hours.<sup>12</sup> All of the practitioners who volunteered in the Clinic in 2019 found it to be a rewarding experience and have already indicated that they would like to be involved again in 2020. Overall, practitioners were motivated to participate in the Clinic because of a desire to assist 'vulnerable' taxpayers as well as an interest in teaching and mentoring students. Practitioners felt that the opportunity to be involved in the Tax Clinic gave them a sense of 'giving back' to the community and enabled them to use their particular tax skills in a volunteer capacity. Several practitioners mentioned that they had previously tried to volunteer at community legal centres but found that these facilities do not provide tax services. They noted that the Clinic enabled them to do meaningful pro bono work. Practitioners who were motivated by a desire to be involved in teaching found the experience to be very rewarding as the students were far more engaged than they would be in a typical classroom scenario.<sup>13</sup> Further, practitioners felt that they had more to contribute as they were not just teaching legal content but also practical legal skills. Several practitioners noted that their interaction with the students really made them think about and improve skills such as how to succinctly get to the bottom of an issue, how to ask the right fact-finding questions and how to provide practical, comprehensible advice. Practitioners also felt

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<sup>12</sup> The firms that were involved indicated that they would be less likely to participate if the sessions were held outside business hours as they would not be able to require their staff to attend the Clinic outside work hours.

<sup>13</sup> One practitioner described the Clinic as a very 'hands-on' experience as compared to classroom teaching.

heartened watching the students improve their skills and grow in confidence over the course of the semester.

In the case of more junior practitioners who attended the Clinic (practitioners were required to have a minimum of 2 years post admission or qualification experience), the Clinic provided them an opportunity to assume a leadership role. At least one of these practitioners commented that the Clinic experience greatly boosted their self-confidence and leadership skills. Overall, all practitioners, including partners in firms, felt that the Clinic provided them with the opportunity to develop their listening, communication, and empathy skills in response to tricky and challenging personal situations. These practitioners are accustomed to complicated tax issues or complex commercial arrangements, but the Clinic's clients presented a very different set of challenges.

From a firm perspective, the involvement in the Clinic was seen as an opportunity to provide a point of difference for the firm as a potential employer. Firms also felt that existing employees viewed their employer more favourably following the decision to be involved in the MLS Tax Clinic. Some firms invited employees to volunteer to attend the Clinic while others simply instructed staff to attend as part of their work obligations. The Clinic was generally treated as a client of the firm and staff were able to bill the Clinic hours in the usual way for internal purposes and thus did not feel an additional pressure in terms of billable hours by attending the Clinic.

Finally, practitioners noted that the Clinic provided students with a remarkable opportunity to advance their practical skills in applying the law and improved them as prospective legal practitioners and employees. Indeed, several students received employment opportunities as a direct result of their involvement in the MLS Tax Clinic.

### *C Academics*

One observation arising out of the Tax Clinic experience is that for many 'vulnerable' taxpayers, fulfilling their tax obligations can be the cause of significant anxiety. This is not because they are in any way doing the wrong thing or trying to minimise their tax but because of a lack of understanding of their obligations and a belief that any small error will have severe consequences. There were two particular groups for whom the Clinic's services clearly had a positive impact on mental health. The first group, as may be expected, were taxpayers who

were in a dispute with the ATO or had outstanding debts. In such cases, the resolution of their issues with the ATO removed a significant cause of stress. The second group were taxpayers who were completing their tax return for the first time. In our interactions with them, many of these taxpayers were obviously stressed by the task and were extremely grateful for the assistance received. Although their tax affairs were relatively straightforward, these clients often expressed their thanks and relief at knowing that they were fulfilling their obligations correctly. Many of these clients expressly stated that they were less stressed about tax after their visit to the Clinic and were confident that they would be able to complete their tax return on their own in future.

A second observation relates to the independence of the Clinic from the ATO. Although the Clinic received Federal Government funding in 2019 (this was made clear on the Clinic's website) and the National Tax Clinic trial was administered by the ATO, this does not appear to have had any impact on the perceived independence of the Clinic from the Government and the ATO.<sup>14</sup> In fact, clients accepted the advice from the Clinic as being unbiased but questioned the information provided on the ATO website. This was particularly obvious in situations where the Clinic was providing general information and printed the information from the ATO website. Some clients stated that they had gone to the ATO website but were unsure as to whether the information provided was correct. However, they were reassured by the Clinic's confirmation that the ATO information was accurate. The Clinic's experience in 2019 indicated that the independence of the Clinic from the ATO is crucial to its success. Some clients commented that they did not use the 'Tax Help' program as it is an ATO service. However, it must also be noted that a large part of the success of the Clinic in 2019 was due to the productive working relationship between the Clinic and the ATO's local liaison officers and the National Tax Clinic trial project lead. The support of these ATO staff was vital in ensuring that clients could be helped in a timely manner. This was particularly important in the context of the Clinic's limited operation period.<sup>15</sup>

Thirdly, the tax clinics are particularly suited to the University environment as much of the Clinic's work was time consuming (e.g. repeated phone calls to the ATO regarding debts,

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<sup>14</sup> There is no question that the Federal Government funding and the ATO administration had any impact on the actual independence of the Clinic.

<sup>15</sup> Arrangements were made for any outstanding client matters at the conclusion of the Clinic be handled by the clinic supervisor or be referred to volunteer tax practitioners, but this did not prove necessary in 2019.

explanations regarding tax issues). This work either would not be done by a tax practitioner or would be too costly even if it could be done by a tax practitioner. However, it was perfect for a University-based Clinic as these matters provided students with important experience. The Clinic was happy to take the time to educate taxpayers regarding their tax obligations and tax return preparation and adopted the philosophy that we wanted to get taxpayers to a position where they were comfortable meeting their tax responsibilities going forward (assuming their circumstances did not change). In contrast to tax practitioners, the Clinic's preference is not to have repeat business.

Fourthly, the Clinic experience provided an important reminder of the need to manage the expectations of both students and clients. Students were frustrated by clients who did not attend their meetings or were unprepared and also by their inability to explain or analyse a client issue. Similarly, it was necessary to manage clients' expectations as to the scope of assistance that could be provided by the Clinic.

Finally, the advocacy work enabled students to do meaningful legal research. The legal research topics were identified as a result of the Clinic experience and in conjunction with ATO staff. Students appreciated the opportunity to present their research to ATO staff and felt like they were making a difference with their work. As mentioned above, final year JD students are required to complete a legal research paper as part of their degree and therefore, the tax advocacy stream was beneficial for all involved.

#### D *Students*

Students were unanimously positive regarding their Clinic experience. This was reflected in the responses to the 'subject experience survey' conducted by the University and the overall satisfaction questions in the student check-in survey.<sup>16</sup> Students appreciated the practical nature of the subject and the ability to apply the law to real-world cases, the opportunity to develop skills such as client interviewing and file management, the ability to work closely with a range of tax practitioners, and the fact that they were helping the broader community. Students noted that the Clinic experience enabled them to observe a range of different approaches to client interviewing and management and identify best practices. They felt that this approach gave

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<sup>16</sup> The responses to the overall satisfaction questions on the student check-in survey are included as Appendices to this article.

them a head start in developing their own skills. Students also liked the collaborative nature of the subject as students were required to work in teams of two and three with the volunteer tax practitioners and clinic supervisor in developing solutions to client issues.

At the first session, students were asked their motivation in choosing to undertake the Tax Clinic subject. Broadly, a third of the students were motivated by the fact that the Clinic would assist ‘vulnerable’ taxpayers and they wanted to ‘do good’. A third of the students elected to do the subject because of its practical nature and felt that it would improve their practical legal skills and employability. And a third of the students opted to do the subject because it was a tax clinic and they had enjoyed their previous tax studies and were considering a career in tax. As noted above, the focus of the Clinic on ‘vulnerable taxpayers’ brought it squarely within the framework of the existing MLS Clinics program, despite the fact that taxation law itself may not – at first glance – appear to be a key focus for public interest practice. In this way, the Clinic may have provided an opportunity for some JD students who would not otherwise have chosen a ‘public interest’ focussed subject to engage with the importance and challenges of this work in the context of their own future career aspirations.

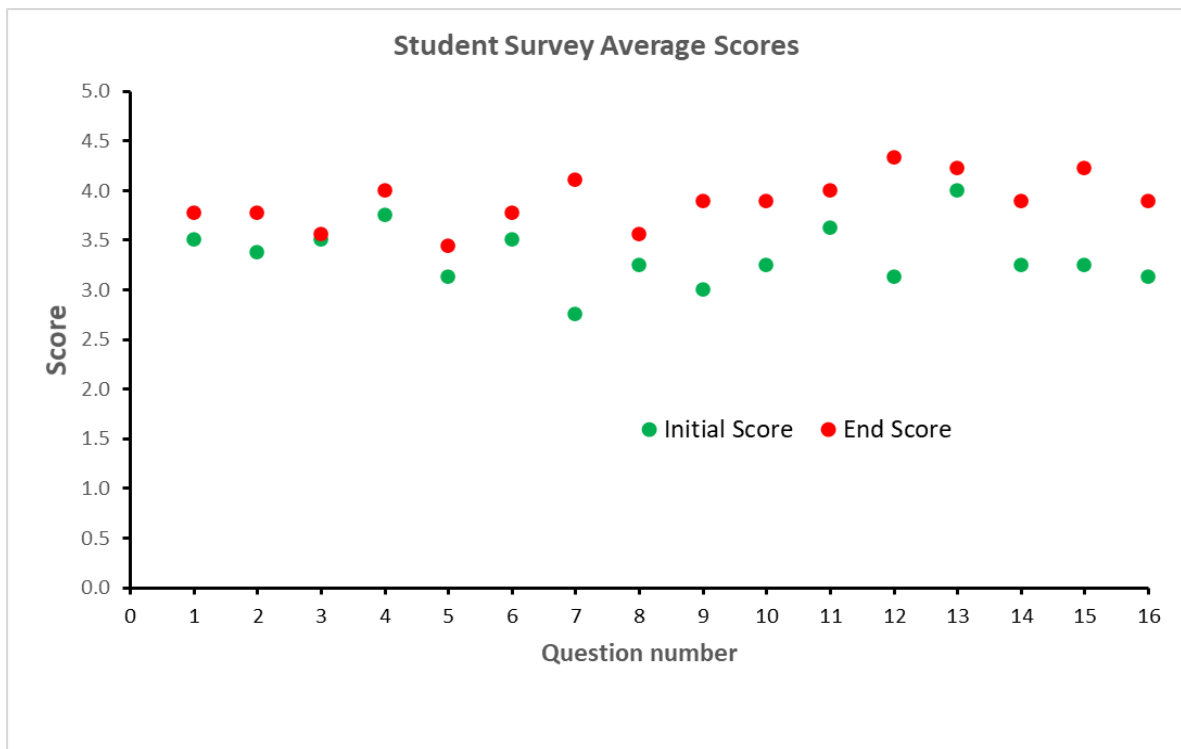
The initial survey undertaken at the commencement of the Tax Clinic was completed by 9 students (5 males, 4 females; 5 international students, 4 domestic students). All of the students were in the 20-30 age range. Six students had at least one parent who had graduated from University. Interestingly, only three students did not have prior relevant working experience (i.e. at a law or accounting firm). The end survey undertaken at the conclusion of the Tax Clinic was also completed by 9 students but it does not appear to be the exact same 9 students based on the demographic data (4 male, 4 female, 1 prefer not to say; 3 international students, 6 domestic students). Again, all of the students were in the 20-30 age range. Five students had at least one parent who had graduated from University while four did not and seven of the nine students had prior relevant working experience.

The graph below clearly demonstrates that students’ confidence in their abilities improved following the Tax Clinic experience (0 = *not confident*; 1 = *a little confident*; 2 = *slightly confident*; 3 = *moderately confident*; 4 = *quite confident*; 5 = *very confident*).<sup>17</sup>

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<sup>17</sup> The full survey results and questions are included in the Appendices.

FIGURE 1 – STUDENT SURVEY AVERAGE SCORES



Unfortunately, as it appears that it was not the same students who completed the initial and end surveys, and the survey tool did not enable us to track individual student responses to the survey questions, it is not possible to draw any specific conclusions from the data. However, some general observations can be made regarding the student experience. First, students were reasonably confident of their abilities even at the start of the clinic experience with most students choosing ‘moderately confident’, ‘quite confident’ or ‘very confident’ in assessing their abilities. This is likely because the students are postgraduate students and as indicated by the demographic data, many had relevant prior working experience. Second, the biggest improvements could be seen in question 7 regarding communicating with clients in an effective manner and question 12 regarding contributing ideas for a team result. This is reflective of the Clinic experience and the expectations of students working in the Clinic. The next biggest improvements were in question 9 regarding being clear when presenting ideas and question 15 regarding the ability to analyse topics to identify what information is required to produce a good result. Again, these improvements can be attributed to the Clinic experience and the nature of the work undertaken by students at the Clinic. Little or no improvement was seen in question 3 regarding being better able to manage time and in question 13 regarding being able to research tax issues confidently. With regard to researching tax issues, students were already reasonably confident of their abilities in this regard at the commencement of the Tax Clinic



experience, with an average score of 4.0, and this is likely because students were required to have completed tax studies prior to undertaking the Tax Clinic subject.

#### IV RECOMMENDATIONS

This section outlines our recommendations arising from the Tax Clinic experience in 2019. These recommendations broadly fall into two categories – legal reform and administrative reform. However, there is one recommendation that does not fall into either category. The Clinic experience indicates that there is a need to improve tax literacy in the general community. Most first-time tax return preparers (generally high school or university students in their first part-time job and subject to PAYG withholding) are aware of the fact that they need to complete a tax return but not much beyond that. The ATO is making strides in this direction with the ‘Tax, Super and You’ program and it is possible that taxpayers will be better informed going forward.<sup>18</sup> However, based on the Clinic’s experience in 2019, it would appear that more needs to be done to improve tax literacy in the general community.

##### A *Legal Reform*

There are two areas for potential legal reform that were highlighted by the Clinic experience in 2019, as discussed above under the Clinic’s advocacy activities. Both of these reforms would improve simplicity, one of the criteria for a good tax system.<sup>19</sup> The first potential reform is to simplify ‘deductions’ whether this be through the introduction of a ‘standard deduction’ or some other mechanism. There are certainly good policy reasons for the availability of deductions but perhaps for taxpayers with taxable income of less than \$60,000, the tax system ideal of simplicity should take precedence over other considerations such as equity and efficiency. The removal of general deductions for low-income taxpayers could be accompanied with the introduction of a standard deduction or an increase in the low and middle-income tax offset. The second potential reform is in relation to the tax residency status of international students. Again, a desire to be comprehensive and apply general residency principles is creating unnecessary uncertainty and complexity. The introduction of a deemed tax residency status for international students should be considered.

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<sup>18</sup> Tax, Super and You available at <https://www.taxsuperandyou.gov.au/> (accessed 9 May 2020).

<sup>19</sup> Kenneth Asprey, *Taxation Review Committee Full Report* (1975) 15.

## B *Administrative Reform*

The Clinic experience also highlighted two areas of potential administrative reform. First, we should consider the option that low-income taxpayers who only have salary income that has been subject to PAYG withholding should not have to lodge a tax return. It is important for such taxpayers to lodge a tax return as they are generally due a refund. However, the obligation to lodge a standard tax return is quite onerous for these taxpayers. A simplified tax return with minimal questions regarding other income and private health insurance should be considered. Anecdotal evidence indicates that, in the UK, taxpayers with only salary income can elect to confirm by phone that they do not have any other income and are not required to lodge a tax return. Data matching and myTax have made the tax return process easier but simplification for low-income taxpayers with only salary income should be a priority and will remove a lot of unnecessary anxiety.

The second potential area for administrative reform is in relation to the information produced on the ATO website. The website includes general information, fact sheets, guides, decision tools, public rulings, practical compliance guidelines, and law administration practice statements. There is a wealth of information which is tremendously useful to the sophisticated user. However, the Clinic experience indicates that the general community is either overwhelmed by the ATO resources, do not understand the ATO guidance or do not trust it. The Clinic experience indicates that taxpayers not using a tax agent are generally not assisted by the ATO's online resources. And if it is the case that the ATO's online resources are largely for tax agents, this could and should streamline the ATO's work. Systematic research into who is using the ATO's online information and its true value is required to better understand where ATO resources should be located.<sup>20</sup> Our assessment is that there is currently a lot of very good work being done which is not being used or valued by its target audience.

## V CONCLUSION

Overall, the Tax Clinic experience in 2019 was a positive one for all involved – clients, students, practitioners, and academics. The Clinic provided all parties with different benefits

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<sup>20</sup> For example, the resources currently being spent on producing online information for the general community could be reallocated to focus on simplification such as the Office of Tax Simplification in the UK: Office of Tax Simplification available at <https://www.gov.uk/government/organisations/office-of-tax-simplification> (accessed 9 May 2020). The OTS is an independent adviser to the UK government on simplifying the UK tax system.

and is a welcome addition to the MLS' public interest focused clinical legal education program. There were a few challenges in establishing and running the Clinic in 2019 but these were largely due to the short-time frame involved and none were insurmountable. Two factors were critical to the success of the Clinic in 2019. First, the collaborative nature of the National Tax Clinic trial, particularly the generosity of the pioneering Curtin Tax Clinic, meant that Clinics were not in competition and happy to share ideas, information, and experiences. Second, as mentioned above, the ATO local liaison officers and the National Tax Clinic trial project lead were extremely supportive of the program and provided whatever assistance was necessary. This enabled the Clinic to assist as many clients as possible in a timely manner. It is reassuring that the Federal Government has committed to continuing to fund tax clinics at Universities. The benefits for all parties are clear to see. However, systematic research into the student and client experience is necessary to better understand the value of tax clinics to both universities and the general community.

**APPENDIX A**

STUDENT CHECK-IN SURVEY – OVERALL CONFIDENCE QUESTIONS

The students responded as follows in assessing their abilities (the number of students who picked a particular response is indicated with the first line representing the initial survey and the next line (shaded grey) representing the end survey):<sup>21</sup>

	<i>How confident are you in your ability to ...</i>	Not confident	A little confident	Slightly confident	Moderately confident	Quite confident	Very confident
1	... accomplish difficult tasks when faced with them.			2	1	4	1
					3	5	1
2	... perform quite well under pressure.			2	2	3	1
				1	1	6	1
3	... better manage time.			1	2	5	
					4	5	
4	... begin a career in the Degree I am studying.			1	2	3	2
					2	5	2
5	... achieve my career goals.			2	3	3	
				1	3	5	
6	... understand what is expected of me as a professional advisor.				5	2	1
					3	5	1
7	... communicate with clients in an effective manner.	1		1	4	2	
					1	6	2
8	... structure and write an advice.		1		3	4	
					5	3	1
9	... be clear when presenting my ideas.			3	3	1	1
				1	2	3	3
10	... communicate with colleagues in an effective manner.			2	3	2	1
					3	4	2
11	... coordinate tasks within my work group.				3	5	
					2	5	2
12	... contribute ideas for a team result.			2	3	3	
					1	4	4
13	... research tax issues confidently.				2	4	2
					2	3	4
14	... use a range of software applications.			2	2	4	
				1	2	3	3
15	... analyse topics to identify what information I need to produce a good result.			2	2	4	
					1	5	3
16	... critically evaluate the relevance, reliability and authority of information I find so that I know what to use and what to discard.		1		4	3	
					3	4	2

<sup>21</sup> One student in the initial survey only provided the demographic data and did not respond to the confidence questions.

**APPENDIX B**

STUDENT CHECK-IN SURVEY – OVERALL SATISFACTION QUESTIONS

<i>Please rate the extent to which you agree with the following statements:</i>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	Participating in the Tax Clinic was a valuable learning experience				1	8
2	Working on client issues improved my learning				2	7
3	Being part of the Tax Clinic provided an insight into professional life				3	6
4	Being part of the Tax Clinic is effective to improve my understanding of tax law				1	8
5	Being part of the Tax Clinic is effective to develop my teamwork skills				2	7
6	Being part of the Tax Clinic is effective to develop my problem-solving skills				3	6
7	Being part of the Tax Clinic is effective to develop my research skills			1	4	4
8	Being part of the Tax Clinic is effective to develop my written communication skills		1		3	5
9	Being part of the Tax Clinic is effective to develop my oral communication skills				2	7
10	Being part of the Tax Clinic is effective to develop my professional identity				3	6
11	Being part of the Tax Clinic is effective to develop my interest in doing pro bono work in the future				3	6
12	Being part of the Tax Clinic has improved my ability to empathise with people				3	6
13	I felt supported by my supervisors/mentors at the Tax Clinic					9
14	I would recommend participating at the Tax Clinic to fellow students					9

# INTERPROFESSIONAL COLLABORATIVE PRACTICE IN PRO BONO TAX CLINICS: A CASE STUDY APPROACH

ANN KAYIS-KUMAR,<sup>\*</sup> GORDON MACKENZIE<sup>\*\*</sup> AND MICHAEL WALPOLE<sup>\*\*\*</sup>

## ABSTRACT

*As one of the initial universities in the Federal Government's National Tax Clinic Pilot Program, the University of New South Wales ('UNSW') Tax Clinic provides free, independent and confidential tax advice and support to financially vulnerable individuals and small businesses across New South Wales ('NSW').*

*One of the greatest challenges in establishing a free tax clinic is in ensuring that only those who are genuinely in need have access to the service. Further, tax law is a unique area of law whereby access to the transfer system (that is, welfare benefits) is often predicated on the requirement for individuals to be up-to-date with their tax affairs. This itself presents an additional barrier in access to justice.*

*So, by adopting an interprofessional collaborative approach, UNSW Tax Clinic offers vulnerable taxpayers – who meet criteria that are both transparent and nuanced – the ability to obtain free tax advice and support.*

**Keywords:** tax clinics, free tax advice, access to justice

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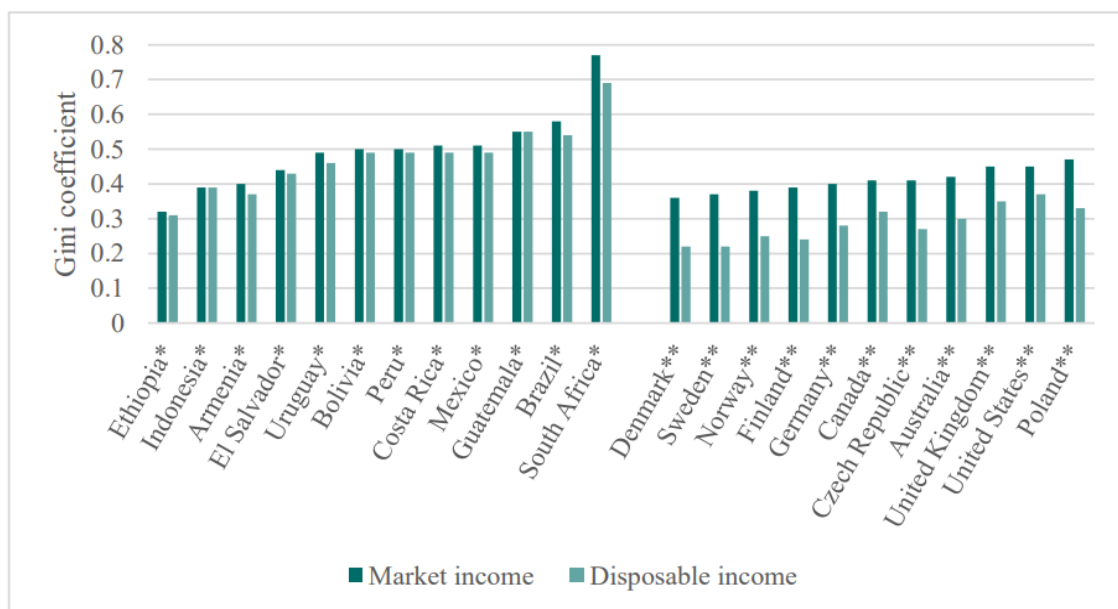
I INTRODUCTION

The study and practice of taxation law has a public relations problem. Despite one of the central tenets of taxation policy and design being ‘equity’, tax problems are often perceived as being the domain of the wealthy. Indeed, tax justice is often conceptualised in the context of the taxation of multinationals.

It is surprising that not more has been done in the context of assisting financially vulnerable taxpayers – both domestically and internationally.

The tax literature is often focused on only one side of the equation; that is, tax law only, without also considering the tax and transfer system as a whole. Even when the tax and transfer system is conceptualised holistically, the analysis is often focused on the distributional impact of taxes and transfers. While high income countries generally achieve significant social impact through direct taxes and transfers (as shown in Figure 1 below), this macro-level analysis does not focus on identifying systemic issues in the tax and transfer system faced by financially vulnerable groups.

FIGURE 1 – MARKET AND DISPOSABLE INCOME OF VARIOUS COUNTRIES



Source: Countries ranked in increasing order of market income Gini. Armenia (Younger et al., 2014), Bolivia (Paz-Arauco et al., 2014), Brazil (Higgins and Pereira, 2014), Costa Rica (Sauma and Trejos, 2014), El Salvador (Beneke et al., 2015), Ethiopia (Hill et al., 2014), Guatemala (Cabrera et al., 2014), Indonesia (Jellema et al., 2014), Mexico (Scott, 2014), Peru (Jaramillo, 2013), South Africa (Inchauste et al., 2014) and Uruguay (Bucheli et al., 2014) in World Bank (2014), OECD (2011); \* annual observation for year between 2009-2012; \*\* OECD data mid-2000s.

Yet, there is an increasing emphasis in the international literature that tax policies should not be solely concerned with revenue generation but should also ‘stress the necessity of the consideration of social function[s] when imposing and collecting taxes’.<sup>1</sup> Most notably, in the early 2000s, Sammartino and Toder emphasised that it is important for policymakers to continually seek new ways of using the tax system to assist low-income families, and to widen their access to free/subsidised health care, paid child care and labour market opportunities.<sup>2</sup> More recently, McPhail has suggested tax policies should be centred around maximising revenue while minimising costs to economic health and social wellbeing.<sup>3</sup> This has been reaffirmed by Taite who highlights that tax policies should be implemented in a balanced way that provides benefits to taxpayers across the income spectrum.<sup>4</sup> Furthermore, Musaeva et al emphasise that tax policies, particularly *income* tax policies, are not only effective fiscal tools, but also tools for implementing social policies and for guaranteeing justice in taxation.<sup>5</sup>

Thus, the advent of tax clinics goes to the core of delivering positive social impact and achieving social justice by overcoming barriers to tax justice. As observed by Afield:

Tax justice, however, is in fact a social justice issue. The most illustrative example of the social justice gains that can occur when tax justice is prioritized as an area of need can be found in the work of low-income taxpayer clinics ... Appreciating the social justice components of tax justice is not solely an academic issue of definitional precision — failing to understand the connection between tax work and social justice has negative societal consequences as well.<sup>6</sup>

The structure of this paper is as follows. Section 1 is an introduction. Section 2 provides some background material on the existing social impact ecosystem and the potential role of

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<sup>1</sup> Vladimíra Žofčinová, Zuzana Horváthová and Andrea Čajková, ‘Selected Social Policy Instruments in Relation to Tax Policy’ (2018) 7(11) *Social Sciences* 241, 242.

<sup>2</sup> Frank Sammartino and Eric Toder, ‘Social Policy and the Tax System’ (Research Report, Urban Institute, 1 January 2002) 21.

<sup>3</sup> Joseph Eugene McPhail, ‘The Cost of Government: How Taxes Affect Economic Health and Social Well-Being’ (MS Thesis, Iowa State University, 2008) 75.

<sup>4</sup> Phyllis C Taite, ‘Exploding Wealth Inequalities: Does Tax Policy Promote Social Justice or Social Injustice?’ (2014) 36(3) *Western New England Review* 201, 218.

<sup>5</sup> Khaibat Magomedtagirovna Musaeva et al, ‘Problems of Implementation of Principles of Social Justice and Economic Efficiency in the Mechanism of Charging Personal Income Tax in the Russian Federation’ (2015) 5(3) *International Journal of Economics and Financial Issues* 105, 106.

<sup>6</sup> Walter Edward Afield, ‘Social justice and the low-income taxpayer’ (2019) 64(3) *Villanova Law Review* 347, 347.



Australia’s National Tax Clinic Program in this setting. Section 3 makes observations from a pilot year of integration into the social impact ecosystem, including challenges and key findings. Section 4 is the conclusion.

## II THE SOCIAL IMPACT ECOSYSTEM

In our view, the ‘missing piece of the puzzle’ that tax clinics are ideally positioned to fill is the gap between free *tax assistance* (including the Australian Taxation Office’s (‘ATO’) Tax Help Program,<sup>7</sup> which does not give tax advice) and independent, professional *tax advice*. While the ATO’s Tax Help Program serves a genuine need for community assistance, it has limited scope because it can only assist in preparing simple, mostly current-year returns for low income people – and it therefore does not provide tax advice. Moreover, small businesses (including sole traders) are not eligible. Low income individuals, with Australian Business Numbers, engaged in the ‘gig’ economy are also not eligible.

UNSW Tax Clinic is the first tax clinic nation-wide to be integrated into the financial counselling sector. Almost all clients are obtained via ‘warm referrals’ from the financial counselling profession. For completeness, financial counsellors work in not-for-profit community organisations providing free, independent and confidential advice and support to people experiencing financial stress.<sup>8</sup>

However, financial counsellors are unable to lodge tax returns. Yet, outstanding tax returns prevent taxpayers’ access to the full range of Centrelink benefits. This leaves many clients who see financial counsellors unable to afford the necessities including food, accommodation and transport. This may present an access to tax justice issue because those with late tax returns are more likely to come from socio-economically disadvantaged communities.<sup>9</sup>

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<sup>7</sup> Melinda Jone, ‘A Preliminary Evaluation of Australia’s Tax Dispute Resolution System in the Context of the ATO’s Reinvention Program’ (2019) 34(3) *Australian Tax Forum*; Michael D’Ascenzo, ‘Successful Experimentation in ATO policy and execution-the importance of stakeholders: Nurturing a culture of innovation’ (Address by Alison Lendon First Assistant Commissioner on behalf of Michael D’Ascenzo, Commissioner of Taxation to the Annual L21 Public Sector Leadership Series, Sydney, October 2012); Michael D’Ascenzo, ‘Modernising the Australian Tax office (ATO)’ (Indaba, South Africa, 11 June 2014).

<sup>8</sup> Paul Ali, Lucinda O’Brien and Ian Ramsay, ‘Perspectives of Financial Counsellors and Consumer Solicitors on Personal Insolvency’ (Report, Centre for Corporate Law and Securities Regulation, 15 September 2015).

<sup>9</sup> Ann Kayis-Kumar et al., ‘Accounting for financial wellbeing: Quantifying the unmet need for pro bono tax advice’ (forthcoming).

Further, many clients need assistance with serious hardship applications, debt relief and waivers. This is not considered ‘work’ in paid practice.<sup>10</sup> However, it is incredibly difficult for financially vulnerable clients (who are often struggling with many other issues)<sup>11</sup> to make such applications without the knowledge and expertise of a tax professional. Indeed, many would not even know that such options exist.

Only registered tax agents are authorised to professionally lodge tax returns as part of a tax agent service (pursuant to section 90-5 of the *Tax Agent Services Act 2009* (Cth)). So, we provide our clients – all of whom are financially vulnerable – with a pro bono tax agent service. That is, our team of registered tax agents provide free and independent tax advice to financially vulnerable taxpayers who otherwise would not have access to tax advice across NSW. This service is year-round and we specifically target vulnerable taxpayers in genuine financial distress.

#### *A Defining ‘Financially Vulnerable’*

Identifying – and engaging with – vulnerable taxpayers is critically important for the integrity of the clinic’s work. Further, such an emphasis is vital in managing both expectations and perceptions of the value of this program within the tax profession and the wider community

The importance of helping vulnerable taxpayers has also been identified by government, including in Recommendation 34 of the House of Representatives Standing Committee on Tax and Revenue’s List of Recommendations in relation to the 2016-17 Annual Report of the Australian Taxation Office (extracted below):

#### **Recommendation 34**

The Committee recommends that the Government establish a fully independent low cost external support mechanism which provides vulnerable taxpayers (who meet transparent criteria) the ability to provide funded, or part funded legal representation.

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<sup>10</sup> Ann Kayis-Kumar, ‘Tax justice as social justice: Are financially vulnerable people and small businesses falling through the cracks?’, *Accountants Daily* (Web Article, 26 June 2020) <<https://www.accountantsdaily.com.au/columns/14542-tax-justice-as-social-justice-are-financially-vulnerable-people-and-small-businesses-falling-through-the-cracks>>.

<sup>11</sup> Ann Kayis-Kumar, Jack Noone, Fiona Martin and Michael Walpole, ‘Performers and sole traders find it hard to get JobKeeper in part because they get behind on their paperwork’, *The Conversation* (Web Article, 25 May 2020) <<https://theconversation.com/performers-and-sole-traders-find-it-hard-to-get-jobkeeper-in-part-because-they-get-behind-on-their-paperwork-137997>>.

The design and operation of the US Low Income Taxpayer Clinics program could be considered as a model for an Australian initiative.<sup>12</sup>

Thus, transparent and nuanced criteria are vital.

Means tests in the pro bono tax/legal domain are typically centred around income levels. This is demonstrated in the eligibility tests for Legal Aid, which include a means test as one of its four-prong eligibility criteria:

1. The Jurisdiction Test looks at whether legal aid is available in that jurisdiction and area of law.
2. The Means Test looks at your income and assets. If you are eligible, we look at how much contribution you will pay towards the cost of the service. Our means test indicator is a guide to help you assess whether you may be financially eligible for legal aid in those matters where Legal Aid has a means test.
3. The Merit Test looks at whether it is reasonable in all the circumstances to grant aid taking into account, among other criteria, whether the your matter has a reasonable prospect of success and whether providing legal assistance will benefit you.
4. The Availability of Funds Test means that aid will only be granted if Legal Aid NSW considers that there are sufficient funds available.<sup>13</sup>

In the US context, the Low Income Tax Clinics utilise an income-based means test, with income ceilings at 250% of Poverty Guidelines and weighted for size of the taxpayer's family.<sup>14</sup> Each clinic decides whether a prospective client meets the income guidelines and other criteria before agreeing to represent a taxpayer.

There are advantages and disadvantages with using an income/assets-based means test approach. A significant disadvantage is that vulnerability is more nuanced than income/asset levels alone. For example, women experiencing domestic and family violence (including

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<sup>12</sup> House of Representatives Standing Committee on Tax and Revenue, *2017 Annual Report of the Australian Taxation Office: Fairness, Functions and Frameworks - Performance Review* (Report, February 2019) xxv, 180-181.

<sup>13</sup> Legal Aid NSW, 'Legal aid eligibility tests' (Web Page, 26 March 2019) <<https://www.legalaid.nsw.gov.au/get-legal-help/applying-for-legal-aid/policy-easy-guide/legal-aid-tests>>.

<sup>14</sup> Internal Revenue Services, 'Information for Taxpayers Seeking LITC Services' (Web Page, 2020) <<https://www.irs.gov/advocate/low-income-taxpayer-clinics/low-income-taxpayer-clinic-income-eligibility-guidelines>>.

financial abuse) can often be temporarily financially disadvantaged as well as emotionally distressed.

So, it is important not to conflate ‘low income’ and ‘financial vulnerability’. An unintended consequence of applying an income/assets-based means test is that some prospective clients may satisfy the criteria but not be financially vulnerable, and others may be financially vulnerable but not fit the strict criteria.

Other literature conceptualises ‘financial vulnerability’ as people who are experiencing severe or high financial stress. This is a more sophisticated framework by which to determine financial vulnerability.

The Centre for Social Impact defines financial resilience as ‘the ability to access and draw on internal capabilities and appropriate, acceptable and accessible external resources and supports in times of financial adversity’.<sup>15</sup> The four components identified through the literature as being crucial to being able to bounce back from financial shocks are:

1. Economic resources: income; savings; debt management; capacity to raise \$2,000 in an emergency; and ability to meet cost of living expenses.
2. Financial products and services: access to, and demand for bank accounts; credit; and insurance.
3. Financial knowledge and behaviour: knowledge of, and confidence using financial products and services; use and willingness to use financial advice; and proactive financial behaviours.
4. Social capital: level of social connections; likelihood of getting financial support from social connections in times of crisis; and the need for and access to community and government support.<sup>16</sup>

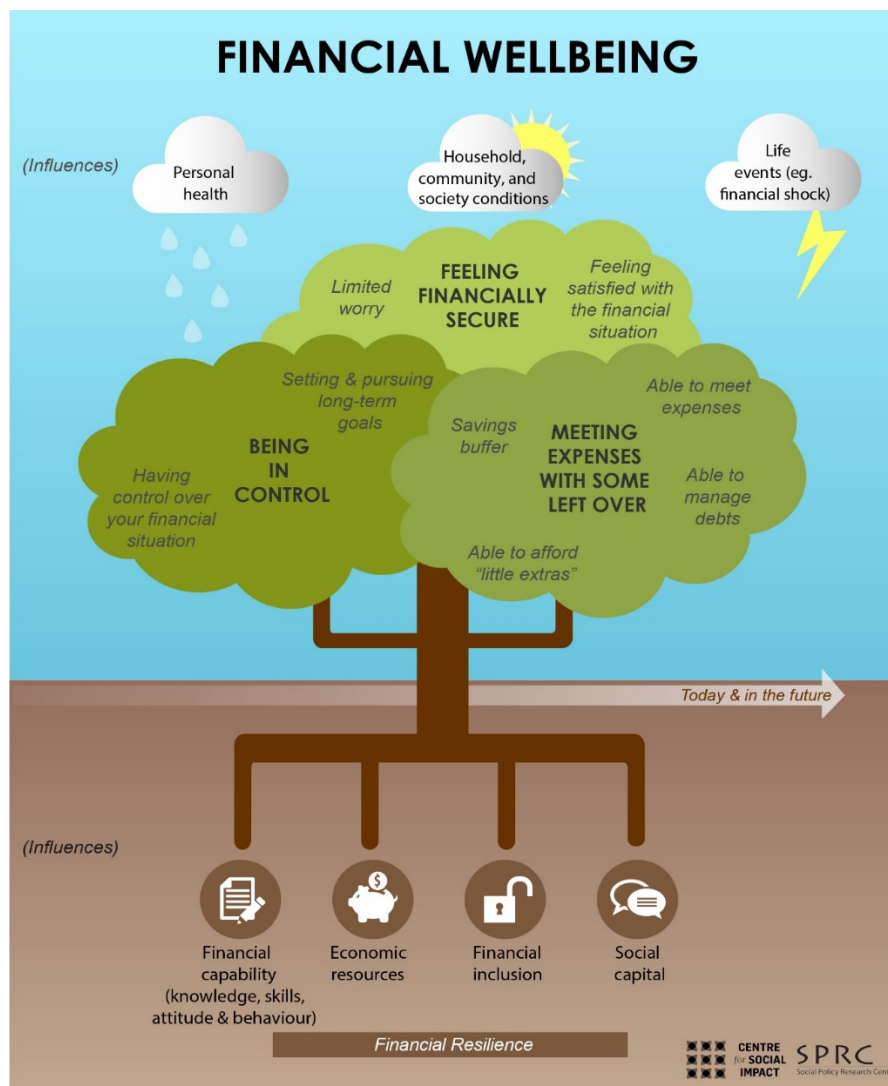
This financial resilience framework encourages considering a more complete picture of a person’s background, experiences and needs. It can also be conceptualised within the broader context of financial wellbeing, which is illustrated in Figure 2 below.

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<sup>15</sup> Centre for Social Impact, ‘Financial security and the influence of economic resources: Financial Resilience in Australia’ (Report, December 2018) 10.

<sup>16</sup> Ibid.

FIGURE 2 – OVERVIEW OF FINANCIAL WELLBEING<sup>17</sup>



Similarly, the eligibility criteria used by the financial counselling profession is expansive and includes questions such as the following:

**How do I know if I need financial counselling?**

- Are you having difficulties managing your money?
- Are you spending more than you earn?
- Are you experiencing financial difficulties due to unemployment, illness or personal problems?
- Are you struggling with managing debt and ongoing expenses?
- Is your vehicle about to be repossessed?

<sup>17</sup> Centre for Social Impact, ‘New report reveals financial wellbeing is about more than the finances’ (Media Release, 26 September 2017) <<https://www.csi.edu.au/news/media-release-new-report-reveals-financial-wellbeing-about-more-finances/>>.

- Are you behind on your rent or mortgage repayments?
- Have you received a legal notice regarding your debts or unsure about your legal responsibilities?<sup>18</sup>

This offers considerable benefits over a simple assets/income-based means test. Accordingly, by ‘piggybacking’ off the existing clients assisted – and vetted – by the financial counselling sector, UNSW Tax Clinic offers an eligibility pathway that is unique by both international and domestic standards in the context of pro bono tax clinics.

An additional benefit of working with the existing social impact ecosystem is that it encourages a unique opportunity for interprofessional collaborative practice.

### B *Identifying Opportunities for Interprofessional Collaborative Practice*

Widely used in relation to the healthcare system, interprofessional teams can target vulnerable populations who face ongoing health disparities. Patients from vulnerable populations often present in community settings with multiple comorbidities, which benefit from a team approach focusing on prevention and enhancing their quality of life.<sup>19</sup> This is of relevance in the tax clinic setting, however an even more pressing need is interprofessional collaboration between tax clinics and the financial counselling profession.

While there is considerable literature on financial literacy and tax literacy (and their inter-relationship),<sup>20</sup> there is a relative dearth of literature in relation to financial counselling. The remainder of this section outlines this existing literature and, in doing so, highlights existing gaps in this literature.

Financial counselling is uniquely positioned to engage with otherwise marginalised and vulnerable populations. This includes culturally and linguistically diverse clients, Indigenous

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<sup>18</sup> Wesley Mission, ‘Financial counselling’ (Web Page, 2019) <<https://www.wesleymission.org.au/find-a-service/mental-health-and-hospitals/counselling/financial-counselling/>>.

<sup>19</sup> Terry Eggenberger et al., ‘Interprofessional education and practice guide: developing interprofessional community-based clinical experiences’ (2019) 6(1) *Cogent Medicine*.

<sup>20</sup> A detailed analysis of this is beyond the scope of this paper. See further: Toni Chardon, Brett Freudenberg, Mark Brimble, ‘Tax Literacy in Australia: Not Knowing Your Deduction from Your Offset’ (2016) 31 *Australian Tax Forum* 321; Brett Freudenberg et al., ‘Tax literacy of Australian Small Business’ (2017) 18(2) *Journal of Australian Taxation* 21-61; Toni Chardon, Mark Brimble and Brett Freudenberg, ‘Tax and superannuation literacy: Australian and New Zealand perspectives’ (2016) 22(4) *New Zealand Journal of Tax Law and Policy* 327.

Australians, people experiencing mental health problems, women experiencing financial abuse, and people in regional and remote communities, among others.

Beyond a focus on financial issues, there is literature suggesting a clear need to take into account emotional and social issues which extend beyond the financial domain.<sup>21</sup>

Publications by Financial Counselling Australia indicate that financial counsellors have been able to help their clients achieve financial independence,<sup>22</sup> improve their overall wellbeing,<sup>23</sup> and negotiate debt waivers and more feasible repayment plans.<sup>24</sup>

Of most relevance in the tax context, financial counsellors can also briefly explain the tax consequences of certain types of payments, how they may affect Centrelink payments and how they interact with existing debts. This ensures that in the short-term, recipients will be able to understand and assess the options available to them.<sup>25</sup>

Meanwhile, by helping recipients develop practical strategies to safeguard their money and encouraging them to consider investment options, financial counsellors can also help their clients build long-term financial resilience and improve their overall wellbeing.<sup>26</sup>

Evidence of these outcomes is also explored in the existing literature.

Table 1 below, summarises the short-, medium- and long-term effects of financial counselling on the financially vulnerable groups they serve.

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<sup>21</sup> Shirley Morrissey and Joseph Reser, 'Natural disasters, climate change and mental health considerations for rural Australia' (2007) 15(2) *The Australian Journal of Rural Health* 120.

<sup>22</sup> Financial Counselling Australia, 'Assisting clients affected by Family violence: the results of a survey of financial counsellors and financial capability workers' (Report, October 2016) 5, 19, 36.

<sup>23</sup> *Ibid* 6, 17, 19, 26, 32.

<sup>24</sup> *Ibid* 6, 12, 15–16, 21, 27, 33–4.

<sup>25</sup> Financial Counselling Australia, Submission No 2 to Senate Standing Committees on Economics, Parliament of Australia, *Inquiry into Credit and Financial Services Targeted at People in Financial Hardship* (November 2018).

<sup>26</sup> *Ibid*.

TABLE 1 – EFFECTS OF FINANCIAL COUNSELLING ON FINANCIALLY VULNERABLE

AUTHORS	SHORT-TERM EFFECTS	MEDIUM-TERM EFFECTS	LONG-TERM EFFECTS
Brackertz (2013) <sup>27</sup>	<ul style="list-style-type: none"> <li>▪ Resolution or alleviation of debt issues</li> <li>▪ Relieves financial stress</li> <li>▪ Helps those in need avoid bankruptcy/legal action</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial literacy (how to prioritise debt, how to budget and how to choose appropriate financial products to suit their individual needs)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop longer-term financial management strategies</li> <li>▪ Improve physical and mental wellbeing</li> <li>▪ Strengthen relationships with family and friends</li> </ul>
University of Adelaide’s ‘Paying it Forward’ study (2014) <sup>28</sup>	<ul style="list-style-type: none"> <li>▪ Successfully negotiated debt reductions</li> <li>▪ Moratoriums, waivers and grants</li> </ul>		<ul style="list-style-type: none"> <li>▪ Financial literacy</li> <li>▪ Stabilised housing</li> <li>▪ Improved health and wellbeing</li> </ul>
Financial and Consumer Rights Council <sup>29</sup>	<ul style="list-style-type: none"> <li>▪ Basic IT literacy</li> <li>▪ Financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obtain services, support benefits, government concessions and hardship provisions</li> <li>▪ Reduced stress and anxiety</li> </ul>	
Ali, O’Brien and Ramsay (2015) <sup>30</sup>	<ul style="list-style-type: none"> <li>▪ Financial literacy (making more informed decisions regarding their financial problems)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduce unnecessary delay</li> <li>▪ More efficient court processes resulting in less wastage of court resources</li> </ul>	

### III CASE STUDY OF UNSW TAX CLINIC

This section provides an overview of the clinical operation of UNSW Tax Clinic and highlights its pilot year observations.

<sup>27</sup> Nicola Brackertz, ‘The impact of financial counselling on alleviating stress in low income households: A national Australian empirical study’ (2014) 13(3) *Social Policy and Society* 389-407.

<sup>28</sup> Parvin Mahmoudi, Ann-Louise Hordacre and John Spoehr, ‘Paying it forward-Cost benefit analysis of the Wyatt Trust funded financial counselling services’ (Report, Australian Workplace Innovation and Social Research Centre, 2014).

<sup>29</sup> Financial Counselling Victoria Inc, ‘How a financial counsellor can help’ (Web Page, 2020) <<https://fcvic.org.au/about-financial-counselling/>>.

<sup>30</sup> Paul Ali, Lucinda O’Brien and Ian Ramsay, ‘Perspectives of Financial Counsellors and Consumer Solicitors on Personal Insolvency’ (Report, Centre for Corporate Law and Securities Regulation, 15 September 2015).



### *A Overview of Operations*

UNSW Tax Clinic provides free tax advice, representation and education to people in financial distress. It is operated by UNSW Business School’s School of Taxation & Business Law (the ‘School’).

Open 48 weeks in the year, UNSW Tax Clinic offers a range of appointment types depending on client circumstances and location. Specifically:

- Telephone appointments (across NSW including rural and remote communities as far as 800 kilometres north, 390 kilometres south and 685 kilometres west);
- Outreach locations (in Sydney CBD, Bondi Junction and Eastlakes); and,
- On-campus (at UNSW’s ‘Nucleus: Student Hub’).

In terms of personnel, the School employs three registered tax agents as Clinic Supervisors, each for only one day per week, to guide and mentor students involved in the UNSW Tax Clinic. Clinic Supervisors are paid at university sessional rates – as such, substantially lower than professional fees. Clinic Supervisors are the only people who give tax advice to clients (as part of a tax agent service).

Our students are an integral part of our clinic. UNSW Tax Clinic students are UNSW Business School and/or UNSW Faculty of Law students at either undergraduate or postgraduate level. Their role is to take instructions, attend client interviews, draft correspondence, assist with education seminars and conduct relevant research. These activities are completed in either their capacity as Enrolled Students (course codes are TABL3033/TABL5933)<sup>31</sup> or as Student Volunteers (for AHEGS recognition on their academic transcripts).

To ensure continuity of service, the School employs an Administrative Assistant as Clinic Officer who makes client appointments and assists with general clinic operations. Our Clinic Officer works part-time flexibly, thereby ensuring that clients hear from UNSW Tax Clinic within 1-2 business days at most.

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<sup>31</sup> Launching in June 2019, UNSW Tax Clinic was the first tax clinic nation-wide to offer a specialist tax clinic course.

The School also engages pro bono tax professionals – including from the Big 4 (PwC and KPMG) to assist our Clinic Supervisors with client matters (but not providing tax advice).

## B *Pilot Year Observations*

UNSW Tax Clinic’s pilot year gave rise to a number of surprising findings. Many of these have been the subject of government submissions, and are summarised below.

### 1 *Barriers to Tax Justice for Financially Vulnerable People*

There are widespread community perceptions that if someone has a tax problem then they are sufficiently wealthy to be able to afford paid professional advice. However, UNSW Tax Clinic’s observations indicate that long-term outstanding tax returns prevent access to the full range of Centrelink benefits in financially vulnerable clients. Yet, those with late tax returns are more likely to be from socio-economically disadvantaged communities.<sup>32</sup>

Further, financially vulnerable clients may have complex and historical tax issues (including unsustainable company/trust structures set up by their former tax agents), and be at risk of bankruptcy. This is in addition to other financial and mental health issues.<sup>33</sup>

### 2 *Issues Faced by Small Business Clients*

Around 40% of the UNSW Tax Clinic’s clients run small businesses (often as sole traders). At the end of the pilot year (following just 6 months of operation), our small business clients had substantial tax debts (averaging approximately \$115,000) that arose from multiple years of overdue tax returns and Business Activity Statements (‘BAS’). On average, we see around 36 outstanding BAS returns per client (ranging from 1-80).

If a client’s business is not profitable, they cannot afford to pay for an accountant to finalise their income tax returns and BAS. Further compounding this is the notion that the client often does not understand their tax and legal obligations as a company director. This is evident from our research into insolvent trading cases, which have a disproportionate impact on directors of proprietary companies, compared to those of public companies, resulting in personal liability

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<sup>32</sup> Ann Kayis-Kumar et al, ‘Accounting for financial wellbeing: Quantifying the unmet need for pro bono tax advice’ (forthcoming).

<sup>33</sup> Ann Kayis-Kumar et al, ‘Pro Bono Tax Clinics: An international comparison and framework for evidence-based evaluation’ *Australian Tax Review* (forthcoming).

of the director for the corporate debts, and which often ends in the director's bankruptcy. In addition, our experience at UNSW Tax Clinic also shows that many small business clients cannot afford to pay their accountant to complete their tax returns and BAS and/or finalise their tax position before filing for bankruptcy.

As a result, amongst other things, these clients have multiple years of overdue BAS returns (and, consequently, have outstanding GST payment obligations) – indeed, we have seen several going back to when GST started in 2000. These clients continue to incur significant penalties on these outstanding amounts.

From what we have observed within our small business clients, we would suggest that there is a need for clear, unemotional advice on what the implications are for directors who become insolvent. This advice should, or would likely, extend to implications concerning cost, effect on personal and family assets, and opportunities for financial rehabilitation.<sup>34</sup>

### 3 *Regulatory Barriers to Engaging Tax Professionals*

One of the key barriers for tax practitioners who wish to engage in pro bono tax advice is that they currently need to intermingle their non-clinic clients with their clinic clients. The compliance profiles of these two groups are understandably very different and, in our experience, agents are apprehensive that their reputation with the ATO may be affected by the often poorer compliance records of their tax clinic clients. It is relatively straightforward to overcome this hurdle.

Specifically, a separate tax agent registration for university-based clinics would remove the need for professional indemnity ('PI') insurance to cover pro bono tax agents for any civil claims arising from their pro bono tax advice. The insurance burden would shift to the clinic itself. UNSW Tax Clinic has already expressed this view to Federal Treasury in the form of a submission to its Review of the Tax Practitioners Board (August 2019).<sup>35</sup>

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<sup>34</sup> Michael Walpole, Ann Kayis-Kumar and Gordon Mackenzie, Submission to Australian Small Business and Family Enterprise Ombudsman, *Inquiry into Insolvency Practices* (24 January 2020) <<https://www.asbfeo.gov.au/sites/default/files/documents/II010%20UNSW%20Tax%20Clinic%20redacted.pdf>>.

<sup>35</sup> Michael Walpole, Ann Kayis-Kumar and Gordon Mackenzie, Submission to Treasury, *Review of the Tax Practitioners Board* (29 August 2019) <[https://treasury.gov.au/sites/default/files/2019-09/c2019-t398920\\_-\\_unsw\\_tax\\_clinic.pdf](https://treasury.gov.au/sites/default/files/2019-09/c2019-t398920_-_unsw_tax_clinic.pdf)>.

#### IV CONCLUSION

The National Tax Clinic Project is an opportunity to address some of the longstanding problems associated with the lack of access to justice for vulnerable groups. A remedy for this lack of access is valuable for tax morale and contributes to an enhanced compliance culture. Facilitating a healthy compliance culture is valuable to the ATO, and to the nation generally. Education and representation of clients also assist the ATO in dealing with problem clients and sets the path for a better relationship with such clients. In addition, the facility to address their tax compliance problems reduces stress and improves the mental health of taxpayers who have put themselves on the wrong side of the tax administration table. The UNSW Tax Clinic has made it a principal objective to assist such taxpayers.

Anything that can assist tax clinics to operate more easily (such as the registration of clinics generally to reduce regulatory professional barriers) would be of benefit to the program of assisting problem clients and would, in the long run, benefit the nation. Similarly, the preponderance of small business taxpayers amongst the population of clients in need of free independent tax advice accentuates the value of the clinics given the important role of small business in the Australian economy. The UNSW Tax Clinic aims to be a significant part of the solutions that the National Tax Clinic initiative intends to deliver.

## THE GRIFFITH TAX CLINIC

BRETT FREUDENBERG,\* COLIN PERRYMAN,\*\* KRISTIN THOMAS\*\*\* AND MELISSA BELLE ISLE#

### 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 Burritt (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

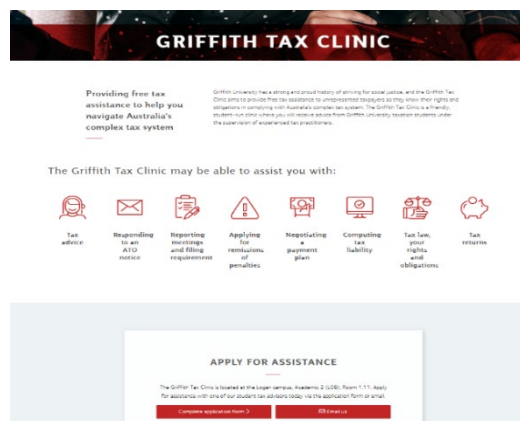


FIGURE 4 – TAX CLINIC OFFICE SPACE



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.

## 2019 NATIONAL TAX CLINIC PROJECT: THE UNIVERSITY OF TASMANIA TAX CLINIC

JOHN McLAREN\*

### ABSTRACT

*This article provides an assessment of the challenges involved in establishing a tax clinic in Tasmania and the achievements over the past twelve months from its inception in March 2019. The article also presents an evaluation of the objectives for the future of the tax clinic. The ten university tax clinics are designed to build practical experience for students who are the future of the tax profession. The clinic's offer student volunteers and/or interns the opportunity to work with unrepresented taxpayers under the direct supervision of qualified tax professionals. The experience will also help students forge their own path and potentially focus on an area of tax that they are interested in, thanks to the exposure and experience gained through the clinic. This article will examine, in depth, the creation of a tax clinic at the University of Tasmania ('UTAS') followed by an analysis of the performance of the tax clinic in meeting the objectives of the Australian Government. The final part of the article will discuss the future of the tax clinic and its associated challenges.*

**Keywords:** tax clinic; work integrated learning

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## I INTRODUCTION

The UTAS Tax Clinic is a part of the National Tax Clinic Program which is funded by the Commonwealth Government. Ten Australian universities were selected based on research and other criteria and the University of Tasmania was included in the ten. In Victoria, the University of Melbourne was selected; in New South Wales the University of New Wales and Western Sydney University were selected; in Queensland Griffith University and James Cook University were selected; in the Northern Territory Charles Darwin University was selected; in South Australia the University of South Australia was selected and in Western Australia Curtin University was selected. The Curtin University Tax Clinic that had been operating for 12 months provided the new nine tax clinics with copies of their legal documents such as a client agreement, deed of participation for students and templates for client information. These precedents were invaluable in establishing the UTAS Tax Clinic.

The main objective for the tax clinics was to fill a gap in the market for those individuals and small businesses that may not be able to afford proper tax advice and representation. The Tax clinics are a means to resolve issues, provide advice and education services as well as represent and advocate for taxpayers. It is about helping people who may otherwise fall through the cracks. The tax clinics are also designed to build practical experience for students who are the future of the tax profession. The clinics offer student volunteers and student interns the opportunity to work with unrepresented taxpayers under the direct supervision of qualified tax professionals. The experience also helps students forge their own path and potentially focus on an area of tax that they are interested in, thanks to the exposure and experience gained through the clinic.

### *A Services Provided by the Tax Clinic*

An overview of the services provided by the UTAS Tax Clinic are as follows:

- Individual tax returns
- Lodgement obligations of Small Business Entities ('SBE')
- Complex tax issues on:
  - Goods and Services Tax ('GST')
  - Fringe Benefit Tax
  - Capital Gain Tax

- Superannuation and retirement
- Centrelink assistance and payments
- Advocacy in tax regulation and the legislation
- Dispute Assist and private rulings
- Applying for remission of penalties
- Negotiating a payment plan with the Australian Taxation Office ('ATO')
- Age Pension related issues or concerns

In addition, the University of Tasmania Tax Clinic also assists clients in the following way:

- when they need some advice on a taxation matter;
- when they are uncertain of how to respond to a notice from the ATO;
- when they require assistance with their tax affairs such as:
  - Meeting;
  - Reporting, or filing requirements; or,
  - Assistance with computing tax liability;
- when they are dissatisfied with an assessment and want to know what their rights are; and,
- when they have an ongoing issue with the ATO.

There is a similar program in the United States ('US') called the Low-Income Taxpayer Clinic or 'LITC'. The program celebrated 20 years of operation in 2018 and similarly helps American taxpayers who enter disputes with the Internal Revenue Service ('IRS'). The American LITC program has approximately 134 clinics and has a matching federal grant program that provides up to \$100,000 per year to qualified organisations to represent low income taxpayers in controversies with the IRS and provide education and outreach to taxpayers who speak English as a second language ('ESL'). Qualified organisations include, among others, academic institutions and not-for-profit organisations throughout the US that must meet the goals of the program.

Clinics participating in the LITC Program:

- Provide pro bono representation on behalf of low-income taxpayers in tax disputes with the IRS, including audits, appeals, collection matters, and federal tax litigation. LITC's can also help taxpayers respond to IRS notices and correct account problems;

- Educate low income and ESL taxpayers about taxpayer rights and responsibilities; and,
- Identify and advocate for issues that impact low income taxpayers.

LITC services are free or low cost for eligible taxpayers. Although LITCs receive partial funding from the IRS, clinics, their employees, and their volunteers are completely independent of the IRS.<sup>1</sup>

In Australia, the ten Universities in the National Tax Clinic program have been running tax clinics across the country over the past one year. Operated independently, these clinics are being used to provide free tax advice and support to the public by students studying tax-related courses under the supervision of a qualified tax advisor.

Section two of the article will provide an outline of the design and operation of the Tax Clinic including the role played by academics, students and industry. This section will include observations of the challenges faced in establishing the Tax Clinic such as putting in place the administrative functions as well as communicating with the public and clients.

## II THE TAX CLINIC MODEL

The UTAS Tax Clinic commenced in March 2019 in Hobart and Launceston. The two tax clinics operate on the university campuses in Hobart and Launceston and pay commercial rent to the University. Both sites consist of two consulting rooms, a reception area and a kitchen used by the students and to provide refreshments to clients and themselves. The clinics have a similar appearance to that of any accounting or professional practice with students taking the role of receptionists and tax advisers accompanied by a senior tax mentor.

The UTAS Tax Clinic is a friendly, student-run clinic where clients receive free advice from an experienced tax advisor who is teaching Taxation Law at the University and from the students under the supervision of their mentor. The clinic focuses on unrepresented and lower income clients, addressing an acknowledged gap in the market. It is not intended or expected to take clients from professional tax advisors and accountants. In many instances, assistance was provided to international students in lodging their individual tax return where they had no refund or refunds less than \$100. It is clear from operating the tax clinic for the first year that

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<sup>1</sup> Internal Revenue Service ('IRS'), 'Low Income Tax Clinics' (Web Page) <<https://www.irs.gov/advocate/low-income-taxpayer-clinics>>.



the main client base is University of Tasmania students and their spouses. By far most of the student client base is made up of international students who are studying, working, and living in Australia for the first time. The need for the international students to obtain knowledge of the Australian taxation system and their compliance responsibilities is seen as a major objective of the tax clinic.

Students and University staff from the Tax Clinic provided information pamphlets at the student orientation functions at the start of the year and in the middle of the year to make new students aware of the free tax clinic services to assist them in understanding their tax compliance obligations. It became very clear when first helping the international students as clients that the ‘Employee Declaration Form’ that is required at the start of any employment was not being understood correctly. For example, international students did not recognise that they were ‘residents’ for tax purposes and that they had no idea about ‘claiming the tax-free threshold’. The result being that in many instances they had tax deducted under the Pay-As-You-Go (‘PAYG’) withholding system when this should not have been the case. This information is now contained in documents that were prepared by the intern students in response to issues that arose when helping clients. Now when a new client makes an appointment these summaries are sent to the client prior to the actual interview, this way the client is prepared. Over time the data base of tax advice relevant to the client profile of the tax clinic has been accumulated and is a valuable resource for both new clients and new students.

The Tax Clinic has advised a considerable number of members of the public in Tasmania on a diverse range of taxation issues, but by far the majority of clients are based around their connection with the University of Tasmania either as current students or former students.

#### A *The Legal Basis of the Tax Clinic*

At this stage, the Tax Clinic does not employ the services of a Registered Tax Agent with their own lodgement portal to lodge tax returns for clients and to provide tax advice to clients. Instead, the UTAS Tax Clinic relies on the legal authority to provide tax advice and tax agent services by way of a Notice of Gazettal issued by the Commissioner of Taxation. The Commonwealth Gazette notice stated that:

Pursuant to section 50-10 of the *Tax Agent Services Act 2009*, the Commissioner of Taxation declares by this notice under section 50-10 of the *Tax Agent Services Act 2009* that, pursuant to paragraph 50-10(1)(e) and paragraph 50-10(2)(e) of the *Tax Agent Services Act 2009*, the

following scheme is to provide BAS and tax agent services on a voluntary basis for the purposes of that paragraph of the Act: the National Tax Clinic program. This notice is valid from 8 March 2019.

The UTAS Tax Clinic is not aimed at obtaining a Tax Agents registration as a corporate tax agent or requiring one of its tax academics to apply for an individual Tax Agent registration. At this stage, no tax academic involved in the Tax Clinic is interested in obtaining an individual Tax Agent registration. At present the clinic is mentored by tax academics who help to build the student's confidence in client interaction and practical taxation-based knowledge. Once students have been trained to a competent level, they are then able to take consultations on their own involving simple tax returns without deductions where the assessable income is less than \$18,200.<sup>2</sup> This usually involves teaching clients how to use the ATO portal to lodge their personal tax return and Business Activity Statements ('BAS') if applicable. This helps reinforces the students' knowledge and allows the clients to learn how to lodge their own tax return in future years. All tax returns are lodged by the client using their myGov website access in conjunction with Tax Clinic advisers and students. The client also makes the declaration that the information provided is correct at the time they lodge their tax return electronically.

Without the Commissioner of Taxation providing the above authorisation, the Tax Clinic would not be authorised to provide tax advice to clients even at no charge. To do so would be unlawful pursuant to the *Tax Agents Services Act 2009*.

### III STUDENT ENGAGEMENT

One of the primary goals is to provide real life experience to students; readying them for the work force once they have completed their studies and to provide better tax literacy to the public. A further goal of the Tax Clinic is to educate and encourage members of the public to lodge their tax return and related documents such as a Business Activity Statement by themselves in the future.

When students are selected to be part of the internship program or act as volunteers, they are required to sign a Deed of Participation which contains extensive clauses relating to their conduct and the need to maintain the confidentiality of information.<sup>3</sup> The Deed also contains a

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<sup>2</sup> In Australia a resident individual does not pay income tax on the first \$18,200 of taxable income.

<sup>3</sup> This Deed of Participation is based on the original deed provided by the Curtin University Tax Clinic.

requirement that they must abide by the code of conduct contained in the *Tax Agent Services Act 2009*. If they fail to comply with the code of conduct, then this may result in termination or re-allocation of the internship or volunteer position. The deed requires the student to comply with the following:

The Student agrees to use their best endeavours to:

Act with due care, skill and diligence;

- a) Acquire the knowledge, skills, attitudes, and behaviors required for the professional practice of taxation under the supervision of experienced tax practitioners;
- b) Abide by the *Tax Agent Services Act 2009*.

If the Student had, or is aware of an actual, potential or perceived Conflict of Interest or breach of the *Tax Agent Services Act 2009*, they must promptly notify the Manager.

The new students are constantly reminded that the Tax Clinic has always been established along similar lines to an actual tax practice and they are expected to act in a professional manner. It is on this basis that their actual time spent in the clinic and the basis of their experience would satisfy the practice requirements of the Tax Practitioners Board and the Professional Accounting bodies.

It is through the internship program that students have been able to gain invaluable experience within their chosen field as well as having an opportunity to interact and learn about the diverse area of taxation law. In addition, the tax clinic has provided the same opportunities to volunteers who have studied taxation at the University of Tasmania. As part of this program, 15 postgraduate students and 20 volunteers have participated in the tax clinic during the second part of 2019 and in the first semester of 2020 there were 28 undergraduate and postgraduate students enrolled in the internship subjects and 6 volunteers. There are always more students wanting to enrol as interns and volunteers each semester and there are not sufficient places available. The students have benefited in numerous ways as discussed below. Two specific Tax Clinic intern subjects were developed, and these subjects are discussed below.

The UTAS Tax Clinic operates for 11 months each year with two intakes of students over each semester of study. The Australian financial year runs from 1 July to 30 June each year and Semester one for students starts usually in mid-February until early June and semester two starts mid-July to November each year. The busy tax time for individuals lodging their annual tax return is from July through to the end of October. This means that students in the second

semester of study have more clients to deal with and more interesting tax issues to help to resolve. In the first semester there are less clients wanting to lodge tax returns and the clients that do seek assistance from the Tax Clinic have tax issues that relate to establishing a business or more esoteric tax problems.

This situation presents challenges for the management of the Tax Clinic in trying to create a structured learning environment. The students are there to react to the requirements of the clients, no matter what the problem. Ensuring that all students during the first semester are able to experience a fulfilling and challenging work environment in the Tax Clinic requires a great deal of work by the clinic manager and academic tax advisers. The challenge of encouraging students to provide their time during the non-teaching periods such as November, December, January, and February in order to maintain the Tax Clinic also requires work. Clients want assistance all year round and it would be remiss not to be available during this period.

At the end of each semester the intern students and volunteer students are given a certificate in recognition of their work in the tax clinic. The certificate acknowledges the benefits gained in attaining greater tax technical skills and soft skills. The need for students to acquire and develop their soft skills is a valuable requirement for all students and the experience in the Tax Clinic further enhances those skills.

#### *A Work Integrated Learning: The National Perspective*

The importance of work integrated learning ('WIL') is now recognised as a valuable part of the university experience for students. The National Strategy on WIL proposes action in eight key areas:

1. Provide national leadership to expand Work Integrated Learning (WIL)
2. Clarify government policy and regulatory settings to enable and support growth in WIL
3. Build support - among students, universities, employers across all sectors and governments - to increase participation in WIL
4. Ensure the investment in WIL is well targeted and enables sustainable, high quality experiences, stakeholder participation and growth
5. Develop university resources, processes, and systems to grow WIL and engage business and community partners
6. Build capacity for more employers to participate in WIL
7. Address equity and access issues to enable students to participate in WIL

8. Increase WIL opportunities for international students and for domestic students to study offshore.<sup>4</sup>

The UTAS Tax Clinic is fostering greater opportunities with WIL for international students as most of the interns are international students. This approach by the UTAS Tax Clinic is in line with Universities Australia in creating WIL intern positions in the area of accounting and taxation law. In 2018, Universities Australia (UA) undertook a national survey of the WIL activities that occurred in 2017 across Australia's 39 comprehensive universities.<sup>5</sup> The survey is the first data collection of its kind, and the survey results provide the higher education sector with a baseline from which to measure progress.<sup>6</sup> The results clearly demonstrate the extent and diversity of WIL activities across the higher education sector and reflect the commitment of universities to improving graduate employability. The report examined the level of student participation in WIL in 2017 and found that 451,263 students had a WIL experience.<sup>7</sup> Of the total number of students who undertook a WIL experience in 2017, 104,140 had more than one WIL experience during the year. This made a total of 555,403 WIL activities in 2017.<sup>8</sup> This equates to one in three university students (37.4 per cent) enrolled in Australia in 2017.<sup>9</sup>

In terms of international students, the report found that the overall WIL participation rate of international students – 38.2 per cent – was relatively similar to that reported for domestic students (37.1 per cent), and participation rates were also comparable at both undergraduate (39.5 per cent vs 38.7 per cent) and postgraduate coursework levels (36.6 per cent vs 36.7 per cent).<sup>10</sup>

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<sup>4</sup> National Strategy on Work Integrated Learning in University Education (2017) <<http://cdn1.acen.edu.au/wp-content/uploads/2015/03/National-WIL-Strategy-in-university-education-032015.pdf>>.

<sup>5</sup> 'Work Integrated Learning Universities' (Final Report No 4, Universities Australia, April 2019) <<https://internationaleducation.gov.au/International-network/Australia/InternationalStrategy/EGIPProjects/Documents/WIL%20in%20universities%20-%20final%20report%20April%202019.pdf>>.

<sup>6</sup> Ibid 8.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid 18.

The Report on the National Strategy on Work Integrated Learning in University Education contained the following statement on the importance of WIL programs:

For students, WIL experiences such as placements and work-oriented projects, where industry and community partners contextualise education, can make a real difference to their skills and capacity. Students, and subsequently graduates, better apply knowledge, adjust to, integrate with and become resilient in the workplace, engage in challenges and improve outcomes. Unsurprisingly student demand for WIL is high, as many recognise the opportunity it provides to develop, apply and contextualise what they are learning – give life to theory and reinforce teaching practice. Graduates identify WIL as having positive impact in making the transition to work and their competitiveness in the labour market, often identifying the practical experience they gained through WIL as crucial to getting a job.<sup>11</sup>

The intern students have reinforced the above WIL benefits that they have gained from working in the Tax Clinic and the reflection assignments completed by the students as part of their assessment confirms the importance of their experience in the Tax Clinic. It also explains why there are many students each year wanting to be part of the Tax Clinic as interns and volunteers.

#### *B Work Integrated Learning: Tax Clinic Internships*

Students are able to enrol in either BFA739 Tax Clinic Internship (Postgraduate) or BFA304 Tax Clinic Internship (Undergraduate) in order to undertake an internship program with the tax clinic. These two subjects were created specifically for the tax clinic and provide training in soft skills as well as tax technical knowledge and practical applications of that knowledge. The assessment items in the two internship subjects require evidence of research of client specific tax problems and a reflective assignment on their work experience in the tax clinic. Student volunteers are also allowed to be involved in the tax clinic to assist them with their soft skill development as well as practical taxation knowledge.

Research tasks are assigned by the Academic Tax mentor to build the students' academic knowledge and create a resource for all future students. The tasks that are used for assessing the students' performance in the subject are dependent upon the different requirements of the client. For example, the research and guide prepared by students relating to the taxation consequences of being an Uber driver is invaluable as it requires practical knowledge of GST

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<sup>11</sup> Ibid 2.

and income tax through the use of an Australia Business Number (ABN) as a sole trader. The student interns are assessed in various ways throughout the course of the semester, including research tasks, attending training courses, providing constructive feedback and sitting a general knowledge tests on taxation law.

Each semester a select few interns are asked to perform a leadership role on a voluntary basis to then help train the next intake of interns. This provides those students with additional soft skills such as people management experience. On an average there are five students at the clinic each day including interns and volunteers who are supervised by a leader and two students each day manage the Launceston Tax Clinic. The Hobart tax clinic operates on five working days each week from 9.00 am to 6.00 pm, whereas the Launceston tax clinic operates on two days each week. The University of Tasmania has provided a separate office at the Hobart and Launceston campuses which consist of two consulting rooms and a reception area at both sites.

### *C Student Statistics*

From March 2019 when the UTAS Tax Clinic commenced operation, there has been a substantial interest in students wanting to become part of the tax clinic team. It was possible to take most of the students who applied, hence enabling the clinic to be open five days per week in Hobart from 9.00 am until 6.00 pm. This meant that throughout semester two, 2019 the clinic had 28 students enrolled as interns who worked eight hours per week. The clinic then had another 27 student volunteers who worked a minimum of four hours per fortnight and five student leaders who worked a minimum of eight hours per week. The interns and volunteers gained valuable experience in both taxation work and workplace dynamics, while the interns also completed one of their elective units towards their degree. The student leaders were exposed to all the above while at the same time gaining both technical, people and workflow management skills. In semester one of 2020, there were 28 intern students and ten volunteers working in the Tax Clinic.

The tax clinic is set up like any accounting or tax practice with the usual filing systems and documentation. All students are required to sign a contract which ensures the confidentiality of client data. The clients also sign a contract which allows for student involvement and statistical reporting on the nature of the matter to the ATO. At no stage are tax file numbers ('TFN') kept at the tax clinic and all confidential information is returned to the client at the end of the appointment. This aspect of the operation of the tax clinic is critical to minimising any privacy

issues. In the current year clients are not required to provide their address as confidentiality is of the client's details is of paramount importance. The ATO requires a detailed report on the activity of the Tax Clinic every month. They also require details of the number of hours worked by both students and academic tax advisers. The monitoring is required for both ATO purposes and the Australian Treasury and the Australian Government Minister, the Assistant Treasurer.

#### *D Areas of Research Undertaken by Students*

Students are required to produce a written paper either on their own or in a small group on a specific tax issue that has arisen when assisting a client. The area of research is entirely dependant on the requirements of the client and the research output is then used to inform future clients and new students working in the clinic. The database of research and information is expanding every semester. The following list of topics provides an excellent description of the areas of taxation law covered by the UTAS Tax Clinic:

- Uber Drivers and Uber Eats and other digital platform forms of business – this research required not only knowledge of GST, the use of a logbook for the apportionment of deductions for business related travel but also assistance with basic bookkeeping for income and deductions.
- Home stay income – the research examined the assessability of payments by students renting a room in a home during their period of study at school or university.
- A music student who is in receipt of a scholarship but also performs at functions – research was conducted into the averaging provisions for performers so that they do not pay more income tax in good years but are able to average their income for tax purposes.
- A complex capital gains issue for a retiree where they had reinvested dividends in a share reinvestment program and had subsequently disposed of the shares. The students designed a spreadsheet for the clients to use in the future in order to calculate their gains or losses.
- The drafting and lodgement of a Notice of Objection for a client that had incurred a debt on the basis that they had incorrectly been advised that they were not a resident of Australia for tax purposes.

These are an example of a few of the areas researched by the students during the first year of operation of the Tax Clinic.



### E *Students Reflections*

The reflection exercise is designed to elicit feedback on the benefits of working in the Tax Clinic and to highlight any issues that might be improved or varied. In terms of assisting clients with the basic skills required in lodging an individual tax return for taxpayers who were new to Australia and the Australian tax system, the following examples were provided by students working in the Tax Clinic:

The most obvious issues that have presented themselves whilst assisting clients with their tax issues have generally been related to international students. One of the questions that must be answered is: ‘are you an Australian resident for tax purposes?’ Often, we had clients who were selecting ‘no’ for this question as they were not permanent residents, but rather international students, and so assumed they were not residents and answered no. In most, if not all situations, our clients were studying in Australia for over six months, making them residents for tax purposes. We believe that there needs to be less ambiguity regarding this question, perhaps providing some examples of when individuals are residents for tax purposes, e.g. the three residency tests.

Second, we noticed individuals were having difficulty with the Medicare section of their individual returns. When entering for an exemption, in the case of an international student, they were then prompted to enter details for their private health provider. This section however, only relates to Australian residents with private health cover and an international student’s private health cover is not accepted. This created confusion as they were being prompted to enter their private health insurance details, entering them, and then being told they were wrong. If an individual has previously indicated they are an international student, this secondary step should not appear.

Last, we faced a few issues when trying to obtain a linking code for clients to link their myGov accounts to the ATO service. The process is incredibly tedious, and many clients would have preferred it if the initial steps could have been completed in their native language as they had difficulty understanding what was required. Considering the initial steps of obtaining a linking code over the telephone are recorded messages, having these initial steps being recorded in other languages would provide callers the option to hear the process in their own native tongue.

In terms of feedback by students working as interns, the following comments reflect their personal experience of the time spent in the clinic:

“As an international student I was totally unprepared to provide advice on Centrelink benefits, Senior Health card holders and age pensions. It would be helpful to have an introduction to these issues before commencing.”

“I have studied much as an intern and gained experience of the local business environment. I have also learnt the solutions to tax issues but also the characteristics as an excellent accountant.”

“It has been a fantastic journey to work as an intern. The internship experience will definitely be an important part of my study journey in Tasmania. The most important part at the tax clinic was receiving clients. To be honest, I was nervous but excited when receiving my first client. Gradually my knowledge on tax has been enhanced and my communication skills have improved which ultimately has built my confidence.”

“My most memorable experience working at the clinic would be meeting with all the clients. At the tax clinic I met with clients who own small businesses and I practised how to deal with business deductions and the business activity statement. It has been a great opportunity for me to expand my knowledge into the real world.”

#### IV CONTRIBUTION TO THE PUBLIC

One of the main objectives of the UTAS Tax Clinic is to assist low-income and unrepresented members of the public and to conduct educational programs for the public. The following information provides an overview of the extent of the community involvement that the Tax Clinic made during the past 12 months from its opening in March 2019.

##### A *Tax Clinic Statistics*

From the data collected and reported to the ATO, many individuals contacted the UTAS tax clinic for their tax related issues. In particular, the clinic assisted a total of 158 individuals with tax matters. In addition, 28 small business owners also obtained tax advice. In the case of not-for-profit and other clients the tax clinic recorded a total of 14 assisted cases. The assistance provided to clients consisted of students and University staff having face to face meetings, phone calls and email correspondences with each client. During the period, students handled 516 interactions with individuals, 91 interactions with individuals for small business advice

and 19 interactions for not-for-profit and other clients. The interactions with the tax clinic clients were always handled with the outmost urgency by the team of staff and students in just the same way as a normal accounting practice.

The students at the tax clinic effectively advised 167 clients on lodging tax returns, debt related issues, superannuation, partnership, self-education, and Centrelink benefits. In total 289 individual tax returns were lodged where the Tax Clinic students assisted the client in lodging their tax return through their own myGov account. All the tax returns and other lodgements such as Business Activity Statements were lodged through the individual client's myGov account. This eliminated the need to have a registration with the Tax Practitioners Board and eliminated any legal liability that might have been an issue for a registered tax agent. In terms of public liability, the University of Tasmania is required to provide insurance cover under the terms of the agreement with the ATO. The other goal of the tax clinic is to assist taxpayers who have a tax debt or a tax dispute with the Australian Taxation Office. There were 2 cases where students assisted clients with debt negotiations and dispute resolution.

#### *B Budget and Financial Position of the Tax Clinic*

The Australian Government provided the Tax Clinics with funding of AUD 100,000 per year. From this amount the Tax Clinic pays for salary costs of the manager, commercial rent of the premises, marketing costs, computers and related IT costs, and research costs. The UTAS Tax clinic calculated the in-kind costs of running the tax clinic attributing a charge-out rate for the academic tax advisers and the students providing administrative and tax advice. The student charge-out rate also included the student leaders, interns, and volunteers. The following hours of service were provided by the Tax Clinic:

- Academic staff: 224 hours at \$250 per hour.
- University administrative staff: 453 hours at \$100 per hour.
- Senior student leaders 5: 892 hours at \$60 per hour.
- Students directly assisting clients in the clinic: 558 hrs at \$50 per hour.
- Students' attendance at the Tax Clinic: 3,564 hrs at \$0 per hour.

In terms of staff hours and at the hourly rates, the UTAS Tax Clinic contributed on a notional basis, value of AUD 182,720.

If a value was attributed to each client in terms of what it would have cost each individual if they had attended a public practice where they would have been charged at commercial rates, the estimate is AUD 159,937. This figure does not consider the cost of public seminars and other promotional activities.

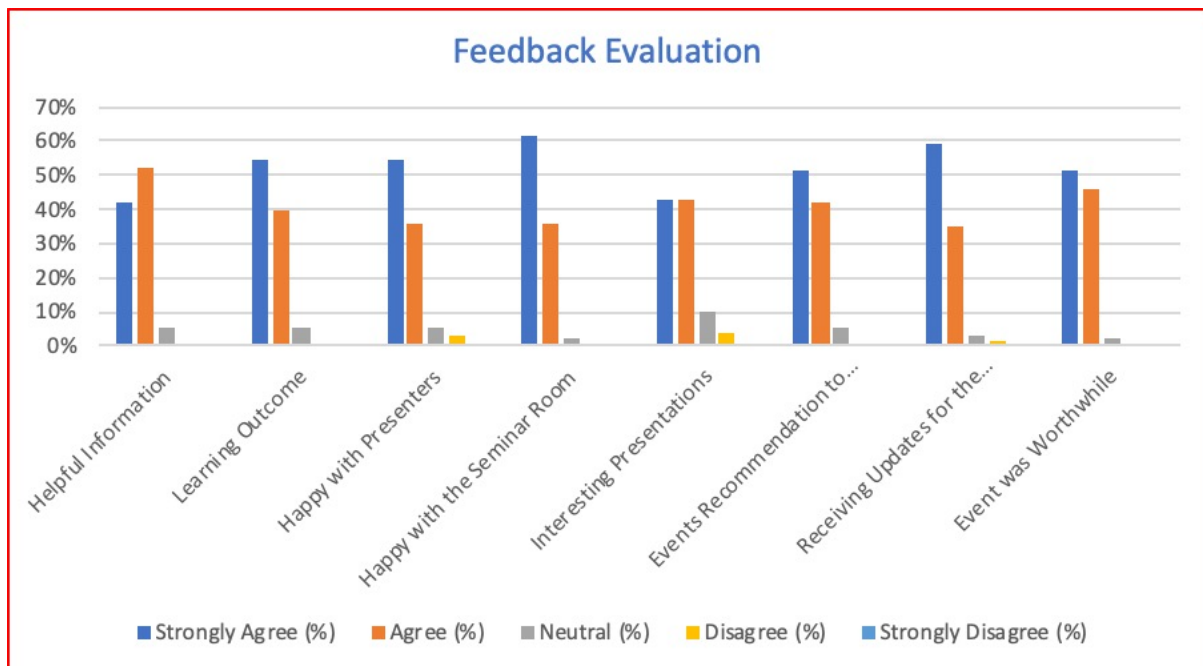
### *C Community Involvement*

One of the main aims of the National Tax Clinic program was to assist in educating the public about basic taxation law and compliance requirements. The University of Tasmania is committed to giving back to the community and engaging with the community. To achieve this aim of improving the tax literacy of the community the UTAS Tax Clinic conducted a range of public seminars and school visits.

#### *1 Public Seminars*

Three seminars were conducted by the tax clinic on 7, 14 and 21 June 2019 in Hobart at the University of Tasmania. The topics covered at the three seminars were on how to lodge a tax return, small and micro-businesses taxation issues and superannuation for individuals and small businesses, respectively. A total of 123 individuals including UTAS students attended these seminars and at the end of each session the participants were requested to fill-in a feedback survey form. It was designed to help the tax clinic better understand the needs of the community and improve the focus if required. The feedback survey collected during the three seminars was analysed to highlight the areas of improvement. The survey comprised eight quantitative questions and three qualitative questions; the quantitative components have been presented graphically below.

FIGURE 1 – FEEDBACK EVALUATION



The above sessions were conducted in Launceston on 18, 25 July and 1 August 2019. Other than these seminars, a free retirement seminar – ‘Transition to Retirement’ was held on 7 and 11 November 2019 in both Hobart and Launceston respectively to help the public understand the level of contributions paid into their superannuation fund by their employer and the way in which the contributions are taxed in Australia.

## 2 School Projects

Several schools in Hobart invited the tax clinic to present to their students aged between 15-18 on their tax responsibilities as they embark on their employment journey. Students from the Tax Clinic presented a one-hour seminar (including Q&A time) at the schools which outlined the process the students will need to go through in order to enter the workforce and be tax compliant. In total around 200 students at several schools attended the seminars. There were school visits planned for 2020 but they had to be cancelled due to the coronavirus pandemic.

Specifically, the seminars presented by the Tax Clinic interns provided advice on the following topics:

- How to apply for a tax file number;
- What is the purpose of tax file number;
- Lodging a tax return;

- What deductions are allowed; and
- Responding to and dealing with the ATO;

### 3 *Moving Forward: 2020 and Beyond*

Students from the tax clinic were invited to host pop-up stalls within libraries in Hobart and Launceston. The aim was to assist members of the public in those local areas in need of tax advice. Having a presence in more public and an easily accessible environment would benefit those in need of tax assistance with help from students at the tax clinic. At the beginning of the year arrangements were made to spend one day a week in these seven libraries: UTAS Library; Hobart City Library; Kingston Library; Rosny Library; Glenorchy Library; Sorell Library; and Launceston Library. However, due to the coronavirus pandemic this was not possible.

## V CHALLENGES FOR THE FUTURE SUCCESS OF THE UTAS TAX CLINIC

The Tax Clinic at the University of Tasmania was successful in obtaining funding until March 2021, and the following summary of what has been achieved to date and what could be achieved in the future is discussed below:

- The continued involvement of more than 60 students in the tax clinic as interns and volunteers. Evidence of the benefits of involvement in the tax clinic is available from the students as part of their reflective assessment and the survey which has Ethics approval from all of the universities involved in the National Tax Clinic program. The survey is handed to the students at the start of their involvement in the Tax Clinic and then another survey at the end of their experience. The data from the survey is currently being analysed and will be published in the near future.
- The continued growth in client numbers involving a wide range of tax and business-related problems as awareness of the UTAS Tax Clinic increases in Tasmania.
- Building greater awareness of the tax clinic by being promoted on the Australian Taxation Office website, the Taxation Ombudsman, and the Financial Counselling Service of Australia, to name just a few of the organisations supporting the National Tax Clinic Program.
- The continued public awareness from educational seminars and this year with webinars that are then being made available on YouTube. In 2020 a special webinar was

conducted for NDIS disability support workers to help them with their tax knowledge and compliance.

- The expanded role in school engagements up from three schools in 2019 to at least 10 in 2020-2021. During 2019 the students presented at three schools in Hobart on basic tax knowledge using slides that they had developed themselves. The fact that students gave the presentations added an extra dimension to the presentations because the school students appeared to be more comfortable asking questions of the presenters. This could be further developed so that an understanding of taxation law and compliance requirements became part of the school curriculum and the tax clinic could be involved in delivering the subject in a formal way. Currently the ATO is looking at school level education of taxation law and compliance requirements as being a national issue that should be seriously considered by all governments in Australia.
- The continued engagement with the Tasmanian libraries by providing services to the library clients on tax matters. In 2019 six libraries in Hobart and Launceston wanted the tax clinic students to attend one day a week for public consultations. This would have been achieved except for the Coronavirus pandemic making it impossible to achieve this year.
- The need to expand the UTAS Tax Clinic presence into the North and North-West part of Tasmania by establishing a strong tax clinic presence at the University of Tasmania campuses in the region. These tax clinics would be managed by students from the region and Launceston in particular.
- Obtaining recognition by CPA Australia and the Tax Practitioners Board that the time spent in the tax clinic by students qualifies as prior work experience. The nature of the work experience undertaken by the students satisfies the requirements of the profession in both enhancing the technical skills but also developing soft skills through client contact and the administration of an office established as a tax practice. This requirement should be finalised soon as the Curtin University Tax Clinic has already obtained approval for the work experience to be recognised.

## VI CONCLUSION

The UTAS Tax Clinic has been created from nothing by hard work and dedication from staff and students and is now an established institution within the University of Tasmania. The Tax Clinic was from the start deemed by the University leaders to be a worthwhile project to not

only provide students with a practical learning experience but also to give back to the Tasmanian community. Without the support of the University the tax clinic would not have been started. Without the support of a few academic and professional staff from the Tasmanian School of Business and Economics it would not have attracted as many students or clients that it has today. It will continue to grow in terms of students being involved and members of the public requiring tax advice and assistance in complying with a set of complex laws. If the Tax Clinic can maintain its current level of support then all of the challenges discussed above will be met and tax clinics throughout Australia will be recognised for all of their hard work and the benefits to the Australian society in general. The Australian Government wanted students involved in the university tax clinics throughout the country to be encouraged to give back to society by providing pro bono assistance to low income taxpayers and individuals wanting to establish small businesses.



## 2019 NATIONAL TAX CLINIC PILOT PROJECT: WESTERN SYDNEY UNIVERSITY

CONNIE VITALE AND MICHELLE CULL\*

### ABSTRACT

*This article reports the experience of the federally funded National Tax Clinic pilot conducted at Western Sydney University during 2019. It outlines the design of the Tax Clinic, the role of academics, student involvement and the assistance provided to clients. Observations of the Tax Clinic experience are reported using a reflective case study approach combined with results from student and client surveys. Key findings include the main challenges in launching and running the clinic, the academic's experience, learning outcomes for students and the client's perspective of value. Overall, students found their work-integrated learning experience in the Tax Clinic was effective in developing their communication skills, problem solving skills and research skills in addition to improving their application of taxation law, developing their professional identity and improving their empathic ability. Besides having their tax matters attended to, clients benefited from taxation education, leading to improved confidence in tax and many reporting improved financial and mental wellbeing. The paper also provides recommendations to improve efficiency of the Tax Clinic and to extend its reach and improve financial and tax literacy education.*

**Keywords:** accounting, education, employability, financial literacy, skills, tax, wellbeing, work-integrated learning

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## I INTRODUCTION

The National Tax Clinic program is an initiative funded by the federal government to help individuals, small businesses, not-for-profit organisations and charities that may not be able to afford professional advice and representation with their tax affairs. Ten universities across Australia, including Western Sydney University ('WSU'), have been funded as part of this program, with at least one tax clinic in every state and territory. While each tax clinic operates independently, the program is supported by the Australian Taxation Office ('ATO'). The opportunity for WSU to become involved in the National Tax Clinic program came about in January 2019 with approval granted after an internal and external review process.

The perceived benefits of participating in the program were highlighted in the ATO National Tax Clinic Guidelines<sup>1</sup> and aligned with the University's strategic plan for 2018-2020.<sup>2</sup> The benefits identified by WSU were as follows:

- Engaging with the community of Greater Western Sydney through providing free advice, guidance, and assistance on tax matters including: lodgement, debt, and review to individuals and small business entities ('SBEs') who cannot afford professional advice;
- Supporting the community by creating and delivering valuable educational activities to improve understanding of the current tax system;
- Enabling wider involvement in highlighting and reducing issues and problems in the current tax system through advocacy;
- Assisting accounting and financial planning students to gain 'hands-on' real life work experience to improve both their technical skills and soft skills and expose them to different cultural and organisational practices, thus providing students with greater success in securing and maintaining employment;
- Contributing towards the Tax Practitioner Board ('TPB') education requirements for students to become a registered Tax Agent; and,

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<sup>1</sup> Australian Taxation Office, *National Tax Clinic Trial Grant Opportunity Guidelines* (2018) 1.1, 6.

<sup>2</sup> Western Sydney University, *Securing Success: 2018–2020 Strategic Plan* (Report, 16 June 2020) <[https://www.westernsydney.edu.au/\\_\\_data/assets/pdf\\_file/0004/844672/STRA2627\\_Securing\\_Success\\_Strategic\\_Plan\\_2018-2020\\_Web.pdf](https://www.westernsydney.edu.au/__data/assets/pdf_file/0004/844672/STRA2627_Securing_Success_Strategic_Plan_2018-2020_Web.pdf)>.

- Assisting in further developing students' knowledge and skills as the future of the tax profession.

The benefits listed above can be split in to two major themes: community outreach and student learning. In terms of community outreach, the Tax Clinic provided an opportunity to improve tax literacy and tax compliance to individuals who were not currently represented or in a vulnerable situation. Further, the Tax Clinic would be able to also empower individuals to efficiently manage their personal finances, as in order to manage their personal finances effectively, individuals need to be educated on their tax obligations and tax entitlements which can affect their disposable income, and thus their expenditure, saving and investment decisions.<sup>3</sup> Tax education provided through the clinic is seen as an efficient and effective way of building trust and increasing public engagement in the taxation system,<sup>4</sup> especially as the services provided by students and staff are non-threatening and less intimidating to tax illiterate clients than if they were to directly approach the ATO or seek out the services of a professional accountant.

Meeting tax liabilities on time and the claiming of appropriate tax deductions has the potential to influence an individual's financial wellbeing<sup>5</sup> and understanding the tax system can assist individuals to plan ahead, consider the implications of their financial decisions and make ends meet during times of hardship or unexpected shocks.<sup>6</sup> As a result, it has been argued that literacy in tax and superannuation should be part of financial capability measures<sup>7</sup> in Australia, with 19% of Australians found to have a 'poor' or 'low' level of tax literacy.<sup>8</sup> Further, only 45.4% of participants in an Australian study understood the difference between a tax offset and

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<sup>3</sup> Dajana Cvrilje, 'Tax Literacy as an instrument of combating and overcoming tax system complexity, low tax morale and tax non-compliance' (2015) 4(3) *The Macrotheme Review* 156, 156–167.

<sup>4</sup> OECD/FIIAPP, *Building Tax Culture, Compliance and Citizenship: A Global Source Book on Taxpayer Education*, OECD Publishing, Paris (2005) <<https://doi-org.ezproxy.uws.edu.au/10.1787/9789264205154-en>>.

<sup>5</sup> Cvrilje (n 3).

<sup>6</sup> OECD, 'PISA 2018 Results (Volume IV): Are Students Smart about Money?' (OECD Publishing, Paris, 2020) <<https://doi.org/10.1787/48ebd1ba-en>>.

<sup>7</sup> T Chardon, 'Weathering the storm: tax as a component of financial capability' (2011) 5(2) *Australasian Accounting Business and Finance Journal* 53, 53–68.

<sup>8</sup> Toni Chardon, Brett Freudenberg and Mark Brimble, 'Tax literacy in Australia: not knowing your deduction from your offset' (2016) 31 *Australian Tax Forum* 321, 321–362.

tax deduction<sup>9</sup> and in a study of Australian university students, less than 30% knew the difference between a tax offset and tax deduction.<sup>10</sup> Common to both studies was that lower income individuals were less likely to understand taxation matters while confidence in taxation matters has also been found to be lower in this group.<sup>11</sup> Targeted assistance through a University Tax Clinic which focused on low income individuals would benefit both university students as well as the broader community in improving tax confidence and literacy, which in turn increases their financial capability, leading to better financial outcomes for themselves, and the economy as a whole.

It is necessary for taxation professionals to be aware of the financial and tax literacy of their clients, the demographic groups most likely to have poor levels of financial literacy and to learn the most effective ways of communicating financial and tax concepts to clients.<sup>12</sup> The Tax Clinic would provide accounting and taxation students – future tax professionals – with exposure to a range of clients, particularly those with low levels of financial and tax literacy which would aid in their development of communication and empathic skills needed for their future employment.

Where students are participating in actual professional work and engaging directly with the community, they are experiencing authentic learning<sup>13</sup> which Lave and Wenger suggest is a *condition* for the effectiveness of learning.<sup>14</sup> The Tax Clinic would provide a fertile environment for the effective learning of accounting students – not just technical skills but also the softer skills relating to communication, culture, empathy and professional behaviour. While the acquisition of technical skills in taxation is important for the future accountant, generic skills such as writing, verbal communication skills and interpersonal skills have arguably

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<sup>9</sup> Ibid.

<sup>10</sup> M Cull and D Whitton, 'University Students' Financial Literacy Levels: Obstacles and Aids' (2011) 22 (1) *The Economic and Labour Relations Review* 99, 99–114.

<sup>11</sup> Toni Chardon, Brett Freudenberg and Mark Brimble, 'Are Australians under or over confident when it comes to tax literacy, and why does it matter?' (2016) 14(3) *eJournal of Tax Research* 650, 650–682.

<sup>12</sup> Toni Chardon et al, 'University Students and Tax Literacy: Opportunities and Lessons for Tax Teaching' (2016) 11 *Journal of the Australasian Tax Teachers Association* 85, 85–102.

<sup>13</sup> Josh Radinsky et al, 'Mutual benefit partnership: A curricular design for authenticity' (2001) 33(4) *Journal of Curriculum Studies* 405, 405–430.

<sup>14</sup> J Lave and E Wenger, *Situated Learning: Legitimate Peripheral Participation* (New York: Cambridge University Press, 1991).

become more important for career success.<sup>15</sup> Australian employers of graduate accountants expect Australian universities to produce accounting graduates who are ‘work-ready’ with strong generic skills, such as interpersonal skills, team work and self-management.<sup>16</sup> Personal and interpersonal skills have also recently been found to be the most frequently mentioned skills in advertisements for tax accountants.<sup>17</sup> Further, previous studies indicate that work-integrated learning (‘WIL’) activities such as those proposed by the Tax Clinic, improve students’ self-efficacy and generic skills<sup>18</sup> as well their professional skills and professional identity.<sup>19</sup> In addition, a recent study found statistically significant differences between university students who had relevant work experience and those who did not.<sup>20</sup> The students who had relevant work experience perceived less difficulty with assessment tasks which required the formulation of financial strategies suitable to the personal situation of a fictional client than those who had non-relevant work experience or no work experience.<sup>21</sup> Thus, it was considered that the Tax Clinic would provide an ideal environment for students to further develop, practice and refine their generic skills, professional skills and technical skills and produce accounting students who were work-ready.

This article sets out what occurred in 2019 during the pilot program operation of the Western Sydney University Tax Clinic. Section Two of this article provides an outline of the design of the Tax Clinic, including the participation of academics and industry, student involvement and the expected clientele. Section Three provides the research methodology undertaken. The fourth section provides some key observations of the Tax Clinic experience in terms of key

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<sup>15</sup> Paul Kenny et al, ‘Improving the Students’ Tax Experience: Team-Based Learning Approach for Undergraduate Accounting Students’ (2015) 10(1) *Journal of the Australasian Tax Teachers Association* 43, 43–66.

<sup>16</sup> Irene Tempone et al, ‘Desirable generic attributes for accounting graduates into the twenty-first century: The views of employers’ (2012) 25(1) *Accounting Research Journal* 41, 41–55.

<sup>17</sup> Lin Mei Tan and Fawzi Laswad, ‘Employability skills required of tax accountants’ (2019) 14(1) *Journal of the Australasian Tax Teachers Association* 211, 211–239.

<sup>18</sup> M Brimble et al, ‘Collaborating with Industry to Enhance Financial Planning and Accounting’ (2012) 6(4) *Australasian Accounting Business and Finance Journal* 79, 79–93; B Freudenberg, M Brimble and C Cameron, ‘Where there is a WIL there is a way’ (2010) 29(5) *Higher Education Research & Development* 575, 575–588; B Freudenberg et al, ‘Professionalising Accounting Education – The WIL Experience’ (2011) 45(1) *Journal of Cooperative Education and Internships* 80, 80–92.

<sup>19</sup> K MacDonald et al, ‘Realizing the professional within: The effect of work integrated learning’ (2014) 15(2) *Asia-Pacific Journal of Cooperative Education* 159, 159–178.

<sup>20</sup> M Cull, ‘Learning to produce a financial plan: student perceptions of integrating knowledge and skills’ (2019) 5(1) *Financial Planning Research Journal* 29, 29–54.

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

challenges in launching and running the clinic, the key learning experience from the academic point of view, key learning outcomes for students and the client's perspective of value. Through the analysis of the results, recommendations are proposed, with future research being outlined in the fifth section of the article before concluding.

## II CLINIC DESIGN

The WSU Tax Clinic was a new and exciting initiative for the university and required a number of factors to be considered in order to make it work. These included the location, opening hours, program structure and eligibility, resources, staffing, student involvement and community outreach and recruitment of clientele. Each of these factors is now discussed in turn.

### A *Location and Opening Hours*

It was proposed that the WSU Tax Clinic be located on Level 5 of the Peter Shergold building at 169 Macquarie St, Parramatta. This location was chosen for several reasons. The Parramatta location was central to the Western Sydney community and readily accessible by public transport with bus stops and the local train station only metres away and within easy walking distance. The building itself was open to the public and wheelchair accessible. Three existing consulting rooms were chosen to be utilised as these rooms were available for booking by academic staff and were equipped with a computer, landline phone and 2 desks and 2 chairs each. The area outside these rooms provides a suitable waiting area where clients could effectively be triaged. Appropriate signage was placed on the ground floor of the building and on level 5 outside the lifts to direct clients to the Tax Clinic.

It was initially proposed that the Tax Clinic would be open for 8 hours across 2-3 weekdays. A roster would be used to ensure that students and staff were appropriately allocated to staff the Clinic. Opening hours were to be continually reviewed and expanded if and as needed, depending on demand. For first semester, the WSU Tax Clinic was open Tuesdays 9.00am – 1.00pm and Wednesdays 12.00pm-4.00pm. Clients tended to avoid the early morning and late afternoon timeslots. This may have been due to peak hour traffic or commitments with school aged children. In second semester the operating hours were amended to Tuesdays and Wednesdays, 10.00am – 2.00pm. By avoiding the early start and 4.00pm finish, there were more appointment slots booked allowing the clinic to assist more taxpayers. Eliminating the 4.00pm finish also provided greater accessibility to the ATO as the ATO office hours closed at

4.00pm. Phone calls to the ATO for assistance at earlier time slots were more fruitful than at 3.30pm.

### B *Staffing*

At WSU, it was decided that only staff that were currently registered Tax Agents with the Tax Practitioner’s Board (‘TPB’) would be permitted to supervise students in the Tax Clinic. The accounting discipline staff at WSU included 3 permanent staff who were registered Tax Agents and a small number of sessional staff who were currently teaching accounting students who were also registered Tax Agents. Initially only permanent staff were utilised in the Tax Clinic but due to an unforeseen illness of a permanent staff member, 2 sessional staff were also utilised in the Tax Clinic in 2019. It was envisaged that appropriately qualified industry contacts would be approached to provide pro-bono supervision or educative roles in the Tax Clinic once the Tax Clinic was established. Further, the eleventh level of the University’s Peter Shergold building was tenanted by PricewaterhouseCoopers (‘PwC’), making the WSU Tax Clinic a convenient place for PwC staff to provide pro-bono support and assistance if they so desired.

The Tax Clinic employed a Tax Clinic Practice Manager to oversee the operations of the Clinic and provide supervision for students and academic staff members working in the clinic. The Tax Practice Manager held appropriate accounting qualifications and experience, was a currently registered Tax Agent and a member of an appropriate professional body.

### C *Program Structure, Student Enrolment and Eligibility*

The initial model for WSU involved the Tax Clinic to be voluntarily staffed with students undertaking relevant studies including tax, accounting, law, or dispute resolution. However, the WSU Tax Clinic initially focused on accounting students. The first cohort was enrolled in the existing work-integrated learning (‘WIL’) unit 200920 *Enterprise Internship* with the view to create a new stand-alone unit titled ‘*Taxation Internship*’.

The opportunity to work in the Tax Clinic was open to all undergraduate business students who met the following conditions:

- concurrently enrolled, or successfully completed 200187 *Taxation Law*
- Grade Point Average (‘GPA’) > 4.0
- approved by their Academic Course Advisor

The second cohort were also required to attend and ‘pass’ a short interview before being accepted to work in the Tax Clinic. Should the number of students applying for the Tax Clinic internship exceed the number of student places available, preference was given to students completing the Bachelor of Accounting (Tax Specialisation) and students with a higher GPA. In the instance where students were part way through their degree and had no elective space available to enrol in the internship unit, these students were given the opportunity to have the internship unit recognised as an equivalent to *200118 The Accountant as a Consultant* for graduation purposes.

Students were appointed a suitably qualified academic supervisor for their term of the internship in the Tax Clinic. Students were required to agree to an internship learning contract, including the agreed rostered hours of work in the clinic, as well as a confidentiality agreement. Students completing their internship in the Tax Clinic were expected to complete a minimum equivalent of 120 hours of study to comply with Tertiary Education Quality and Standards Agency (‘TEQSA’) requirements. These hours were split between rostered clinic hours, workshops (online and face-to-face) and self-study (including reflection and assessment).

#### *D Additional Resources*

There were a number of additional resources that were required for the WSU Tax Clinic. These included three laptop computers; purchase of Sage® HandiTax software; working copies of Australian Master Tax Guide 2019 – 64th Edition, Australian Master GST Guide 2019 – 20th Edition and Australian Income Tax Legislation 2019; a mobile phone for use outside the booking hours of the clinic; signage for the Tax Clinic, and printing of flyers to promote the Tax Clinic in the community.

In addition to the everyday running of the Tax Clinic, the staff and students were encouraged to hold a number of educative events and seminars for community groups. These events required booking of event spaces to conduct presentations and also the provision of catering services to provide refreshments to the attendees.

The WSU Tax Clinic also utilised existing University resources such as email (through a dedicated email address), internet access, printers, scanners, website space, and a confidential electronic storage system. In addition, the Office of Marketing and Communication, the WSU Media team and a number of professional staff were required to assist in promoting the Tax



Clinic's operations and events. For example, these staff worked together with academic staff and students to create a short high quality video to promote the Tax Clinic. A dedicated website was also created for the Tax Clinic.

### *E Student Involvement*

The Tax Clinic was run through a WIL unit and also had student volunteers who had previously completed the unit. In 2019 there were 18 enrolled students who were trained and supervised by academic staff who were also registered Tax Agents.

In the first offering of Tax Clinic we chose not to have student volunteers. The decision was made that student volunteers could only commence from the second session on the premise that the students had received appropriate training in a previous offering. This was to ensure that students were adequately trained and that they were well aware of the Tax Clinic procedures.

To be accepted into the approved WIL unit and to work in the Tax Clinic, the students needed to meet the following requirements:

- concurrently enrolled or successfully completed the unit 200187 Taxation Law;
- GPA taken into account should the number of students applying for the Tax Clinic exceed the number of student places available; and,
- an interview with the Tax Clinic Manager, prior to their position being approved.

In the first offering 10 students were appointed. For successful completion of the unit the students were required to complete a minimum of 40 hours face to face participation in the clinic, group training and assessment tasks. The assessment tasks were:

1. Curriculum Vitae and response to project tender (10%).
2. A reflective report (30%).
3. Staff training (30%).
4. An Individual report (30%).

We wanted the students to be an integral part in the establishment of the Tax Clinic (co-creation). It was important for students to know that the Tax Clinic model was based on continuous improvement, and that their involvement was paramount. As a starting point we asked the students to develop a process for meeting with tax clinic clients. The students with

our assistance developed a list of instructions to follow when a potential new client attended the clinic. These instructions are currently at their fourth revision, with the procedure being constantly improved. The list of procedures included greeting the potential client, establishing their eligibility, and always ensuring that no client (even those deemed ineligible) left feeling as though they were not assisted. For example, if we could not assist the client we would ensure that we recommended a service that could. Other procedures that were developed included guidelines for completing client working papers, procedures for creating and storing client files, and a procedure for installing the student version of HandiTax.

#### F *Client Involvement*

The Tax Clinic focused on unrepresented and lower income or vulnerable taxpayers to address an acknowledged gap in the market. These taxpayers were in the form of individuals or small business entities (SBEs). The ATO revised the SBE eligibility threshold from 1 July 2016 upwards to a \$10 million turnover, however the WSU Tax Clinic chose to use the previously set threshold of \$2 million which we believed we could realistically service and wasn't beyond the capability of students.<sup>22</sup> The SBE taxpayers took the form of sole traders, partnerships, self-managed superannuation funds, companies and trusts.

The sourcing of clientele was carefully planned. We wanted to take every opportunity to send the right message to the community and our future clients. One of the objectives of the WSU Tax Clinic was to assist the local community through the creation and delivery of educational activities to improve the understanding of the current tax system. To this end we incorporated a seminar on work-related deductions into our official launch to highlight our mission and to source potential clientele. Additionally, we sent out a university wide email (to all staff and students) promoting our services and encouraging our network to refer potential clients to our service. Flyers were created and distributed targeting potential clients, these included Centrelink, the Salvation Army and Wesley Mission. There was an online presence through social media posts, and we created our own web page. The National Tax Clinic trial was

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<sup>22</sup> Australian Taxation Office, *Work out if you're a small business for the income year* (Web Page, 4 June 2019) <<https://www.ato.gov.au/business/small-business-entity-concessions/eligibility/work-out-if-you-re-a-small-business-for-the-income-year/>>.

covered by Jotham Lian (2019) an Accountants Daily journalist who further expanded our reach.

In 2019 the WSU Tax Clinic represented 138 taxpayers comprising of 106 individuals and 32 SBEs. Matters included:

- Assistance in maintaining records for business revenue, expenses, GST and PAYG withholding;
- My Gov registrations;
- Preparation and lodgement of current and late business activity statements;
- Preparation and lodgement of current and prior year taxation returns;
- ABN registrations and deregistrations; and,
- Remission of late lodgement fees and interest.

The WSU Tax Clinic lodged 211 outstanding forms including taxation returns and business activity statements in the period from the ‘official’ launch of the clinic in May 2019 to December 2019.

In addition to the community seminar on work-related deductions, the WSU Tax Clinic has delivered two educational seminars. One was to “Many Rivers” a not for profit organisation that offers free business support to low or no income individuals, and the second to the Campbelltown Chamber of Commerce. These seminars showcased how to utilise projected cash flow calculations to assist in business decision making. It also highlighted the importance of choosing a tax professional that was suited to the individual needs of the business. A large accounting firm isn’t always the best decision for a start-up business. The Chamber of Commerce presentation also include a game of Kahoot, which is a game-based learning platform incorporating the fun feature of competing with your peers. Kahoot was used as an engaging ice-breaker and also to introduce accounting specific terminology.

### III RESEARCH APPROACH

The purpose of this paper is to provide key observations from the 2019 experience of conducting a Tax Clinic. In order to incorporate such insights into this paper, the academics directly involved in establishing the WSU Tax Clinic have included a reflexive ethnographic form of research that fully utilises the subjective experience as an intrinsic part of the research

study<sup>23</sup>, particularly to report on the major challenges faced by the Clinic and to provide insights into the experiences of the academic in establishing the Clinic. Thus, the research approach adopted in this paper is largely a reflective case study approach. It includes reflections from the academics involved combined with results from student and client surveys administered during 2019.

Both surveys reported in this study utilised a five-point Likert scale and an option for open-ended comments. An online survey link was emailed to participants and a paper version was made available to those who requested this option. Participation in both surveys was entirely voluntary and individual participants were not able to be identified.

For student surveys, this paper reports on student satisfaction measures in terms of their learning from their experience in the Tax Clinic. There were 17 student surveys administered and 15 surveys were returned fully completed which provided a response rate of 88%. The results from the client surveys report on client satisfaction with the Tax Clinic experience in addition to confidence, financial empowerment, financial literacy and wellbeing. Of 133 client surveys administered, there were only 20 surveys returned fully completed resulting in a 15% response rate.

While it is acknowledged that survey sample sizes are small, the information is useful in obtaining insights into the experiences of students and clients as part of the Tax Clinic pilot and this also supplements the observations reported using a reflective case study approach. Further, more comprehensive results can be established when combined and analysed with data from other participating Tax Clinics.

#### IV OBSERVATIONS

This section outlines key observations from the 2019 operation of the Tax Clinic in terms of challenges in launching and running the clinic, the key learning experience from the academic point of view, key learning outcomes for students and the client's perspective of value.

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<sup>23</sup> Charlotte Aull Davies, *Reflexive ethnography: A guide to researching selves and others* (Routledge, 1999).

### A *Key Challenges*

The biggest challenges in launching and running the clinic were the administrative challenges that come with the structure of a large public educational institution. As the Tax Clinic served multiple purposes, being a for-credit teaching/WIL unit, a community outreach tool, and a professional practice model, it did not easily fit into the existing structures and processes. In addition to the many levels of approval required within the university to commence operation of the Tax Clinic and approve use of resources for the clinic, the university required disclosure of the Tax Clinic activities to be provided to the university's insurer. Further to the requirement for these approvals and disclosures, there were six key challenges to the launching of the Tax Clinic.

Firstly, students were required to meet a number of conditions before being permitted to enrol in the unit and work in the Tax Clinic. This led to a greater administrative burden, particularly on the academic staff that had to veto the students before allowing them into the Tax Clinic. Secondly, as students would be dealing with 'real' clients, they were required to complete additional training and complete confidentiality agreements and learning contracts. Training materials, agreements and contracts were not readily available and needed to be prepared by staff in preparation for the first intake of students. These materials then required continuous review and updating throughout the pilot of the Tax Clinic to ensure that they suited the specific needs of the clinic.

Thirdly, sourcing capable staff who were appropriately qualified, staff who held a current tax agent registration and were willing and able to dedicate part of their workload to supervise students in the Tax Clinic was a challenge, particularly as staff had already negotiated 2019 workloads prior to the launch of the Tax Clinic. The correct choice of staff was seen as crucial to the successful launch and running of the clinic and in the case of the nominated Tax Clinic Practice Manager, previously allocated teaching had to be renegotiated and allocated to other equally competent staff. As with all instances of coordination and supervision of WIL curriculum, it is important that WIL be appropriately resourced and acknowledged as an

integral part of both teaching and learning and community engagement, while also valued in the promotion process.<sup>24</sup>

Fourth, was the challenge in locating and subsequently booking appropriate physical spaces to conduct student training, consult with clients and host educational events. As the Tax Clinic ran outside the normal teaching sessions and needed to remain open during semester breaks (particularly during the peak tax season), it did not conform to the requirements of the standard timetabling system. To avoid clashes with other classes taken by students, a manual booking system was used which also required additional approvals to override the automated system.

A further challenge was accessing relevant tax software (in this case Sage® HandiTax), the ‘myGov’ website and the Tax Agent Portal. Staff in the Tax Clinic had to rely on their networks and contacts provided by the ATO in order to work through these access issues. While the Tax Clinic Practice Manager had access to the Tax Agent Portal through their own tax agent registration, students and other academic supervisors did not have such access which was required in order for them to provide appropriate advice to clients. As a result the Tax Clinic Practice Manager had to be readily available during the operating hours of the Tax Clinic.

Finally, dealing with the mental wellbeing of clients affected by hardship cases such as domestic violence, the elderly, loss of loved ones, illness and mental health issues was an additional challenge which required sensitivity and was at times emotionally draining for both staff and students. Further, this required the tax clinic supervisors to schedule in de-briefing sessions with students who were involved in the interaction with such clients to also ensure the students’ wellbeing. To maximise the learning and further build the communication and empathic skills of students, such experiences were then later shared with the full cohort that provided for further discussion and reflection. Such activities drew considerable resource time from supervising staff and the tax clinic manager but viewed as essential for the welfare of all parties involved and to prepare students for the ‘real world’.

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<sup>24</sup> Carol-joy Patrick et al, *The WIL [Work Integrated Learning] report: A national scoping study* (Australian Learning and Teaching Council [ALTC] Final report, Queensland University of Technology, December 2008).

### B *Key Learning Experience: Academic*

The best learning experience from the academic point of view was observing the shift from theory to practice. The tax clinic students are gaining work experience from working in a taxation practice with industry specific software and also experience the job application and interview process before they secure a spot as a tax clinic adviser. In managing the WIL experience, the academic is required to facilitate the engagement between the student and industry, ensuring the experiential learning is simultaneously constructively aligned with curriculum and assessment tasks.<sup>25</sup>

As commented by Connie Vitale in *Accountants Daily*:

It's a real advantage for students to be able to actually be prepared by applying some practical skills to a lot of the theory that they've learnt at university. Universities deliver a lot of theoretical subjects but not a lot of practical skills, so this allows us to give them those practical skills which are fundamental for them to become employed ... From a student's perspective, I think it is going to be a fundamental part of their career readiness development, and they are really learning the conversion from theory to practice, and being given the opportunity to deal with the public in real-life situations is just invaluable.<sup>26</sup>

Academics have the ability to set assessment tasks to focus on not just the technical skills but also the soft skills that the students are developing. Academic supervisors are also able to assist the students in reflecting on their experience and the skills they are developing through their completion of an assessable reflective journal. This assessment task has also demonstrated to the academic staff that the students are enjoying the experience whilst developing their transferable and employability skills. Receiving this type of feedback from students makes for a rewarding experience for an academic.

Preparing the students to apply the theory that they have learnt in the classroom into practical applications through advising taxpayers is resource intensive and will continue to be challenging. The students need to be flexible, adaptable and open to learning. Information in the real world is not governed by a textbook; it is constantly changing and research by both

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<sup>25</sup> Connie Vitale, Dorothea Bowyer and Leopold Bayerlein, 'Developing and Presenting a Framework for Meeting Industry, Student and Educator Expectations in University Degrees' (2020) 14 (1) *e-Journal of Business Education & Scholarship of Teaching* 59, 59–67.

<sup>26</sup> Jotham Lian, 'Trial tax clinics a hit with community, educators', *Accountants Daily* (online, 8 July 2019) <<https://www.accountantsdaily.com.au/business/13249-trial-tax-clinics-a-hit-with-community-educators>>.

staff and students is required to ensure that the latest information is sought prior to giving advice. The Tax Clinic is a simulated practice giving students the opportunity to experience every aspect of working. Students were required to complete administrative duties, including setting up the physical appearance of the clinic (bollards and chains to separate the waiting area from the office area), assessing client eligibility, triaging clients, setting up client files, completing working papers, scanning completed files and archiving files to an online secure database upon completion. Students continued to liaise with clients via email, and through report writing. When large cases were accepted by The Clinic, a working group was established allowing the students the opportunity to display/develop their leadership and management skills. Students also assisted in developing the resources for community presentations.

### *C Key Learning Experience: Students*

Students in the Tax Clinic were overwhelmingly grateful for their time in the Tax Clinic and the experience helped all students develop a wide range of technical and ‘soft’ skills. Feedback from a five-stage Likert scale survey indicated that all student respondents agreed/strongly agreed that participating in the WSU Tax Clinic was a valuable learning experience for them and provided an insight into professional life. Further, all students agreed/strongly agreed that the WSU Tax Clinic experience was effective in developing their problem-solving skills, research skills, written communication skills and oral communication skills. Many students commented on the development in their communication skills. Some indicative comments from students about these skills follow below.

“In the clinic we were put in an advisory role. The challenge here was being able to maintain effective communication, adhere to the tax law but without the authoritative appearance. During my time in the clinic I experienced a vast array of clients and needed to be able to communicate with them, specifically when clients seemed dishonest, I needed to be professional and not abrupt. The tax clinic granted me some experience with this which I am grateful for.”

“The clinic has provided many opportunities to liaise with clients from various backgrounds, ranging from little to no financial literacy. This has helped enhance my communication skills by toning the conversations to the client’s level”.



Other learning outcomes for students included expanding their understanding of taxation law, developing their professional identity and improving their ability to empathise with people. A number of indicative comments from students with regards to how the Tax Clinic aided their understanding and application of taxation law follow:

“Through our training we were provided with various scenarios and tasked with advising clients on taxation matters. This experience was valuable, improving my understanding of tax law by requiring the ability to explain these matters to clients. Further meeting with clients of the tax clinic provided additional repeated exposure to various taxation issues, from substantiation requirements to business income and expenses and capital gains tax.”

“The tax clinic puts into practice the theoretical component of the taxation law unit. The tax clinic improved my understanding of the tax law, and allowed me to comprehend the information in a practical manner, cementing the application of legislation. The practical educational element of tax law introduces a completely new dimension of learning. Through client experiences, and the diversity in situations the application of tax law is used accommodating the scenarios presented within the clinic.”

“My participation in the tax clinic translated the theory I'd learnt in previous tax law units into practical application. The requirement to have an understanding of the relevant tax law for specific financial years wasn't clear to me before partaking in the Tax Clinic. I now know that it is important to have a comprehensive understanding of both the current tax law application, but also the historical changes in tax law that may be relevant when providing advice regarding earlier periods.”

“Each client had a different situation, which required students to apply suitable tax knowledge to solve the issues. This helped better understanding of the realistic aspect of tax law in the real life.”

In addition, all students felt supported by their academic supervisor and would recommend participating at the Tax Clinic to fellow students. All but one student also agreed that being part of the Tax Clinic helped to develop their interest in doing pro- bono work in the future. Two students have volunteered additional time in the Tax Clinic since completing the for-credit internship unit and since completing their degree.

The technical skills, communication skills and empathic skills along with the development of a pro-bono culture for those students who participated in the WSU Tax Clinic demonstrate how

valuable the Tax Clinic has been in preparing and developing the future tax professional. Millennials seek a ‘fun’ dream job combined with open and honest communication.<sup>27</sup> Having students engaged in cooperative education with hands on experience prior to entering the workforce is important to millennials. The Millennial Survey conducted by Deloitte highlighted that the majority of millennials stated a lack of employability skills (technical and non-technical) when leaving the higher education sector. Regardless of nationality and gender, millennials reported that it was only after graduation, and in an organizational setting, where their skills and experience on the job allowed them to fully meet their career ambitions.<sup>28</sup>

#### D *Key Client Experience*

The clients see the Tax Clinic as a safe place as they are meeting with independent tax professionals that are not directly employed by the Australian Taxation Office. Further, attending a Tax Clinic at a university where students provide advice may be viewed as less intimidating than attending the ATO or visiting an accountant. This situation was highlighted by Connie Vitale in her quote in the *Accountants Daily*: “What we’re seeing is taxpayers that have been fearful to actually complete issues that they have outstanding and they see the tax clinic as a safe place to come to resolve those issues”.<sup>29</sup> The clients are being educated on taxation issues allowing them to be self-sufficient with their tax obligations in the future. The Tax Clinic utilises the myGov website to further empower the client. An unexpected positive of the WSU Tax Clinic has been the observation of the stress relief of the taxpayer improving their overall mental wellbeing.

This was indicative in the following comments from the client survey:

“Thank you so much, this is such a relief I am now able to sleep at night.”

“Staff were professional and relieved my stress. Thank you.”

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<sup>27</sup> KPMG, *Meet the millennials* (Web Page, 10 June 2020) <<https://home.kpmg.com/content/dam/kpmg/uk/pdf/2017/04/Meet-the-Millennials-Secured.pdf>>.

<sup>28</sup> Deloitte, *Mind the gaps the 2015 Deloitte millennial survey* (Web Page, 10 June 2020) <<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-wef-2015-millennial-survey-executivesummary.pdf>>.

<sup>29</sup> Lian (n 26).

“I am incredibly grateful to have had access to the Tax Clinic. It reduced my stress as I had not done a Tax return for the past 2 years, and was earning an income as an employee and under my personal ABN which was overwhelming when I attempted to do my Tax alone.”

The Tax Clinic provides education to the public as well as education to the students working in the clinic. The provision of this education has the flow-on effect of improving the taxpayer’s mental wellbeing and in many cases their financial position. The positive impact to client education was evident in the following comments:

“Everyone is very friendly and approachable, that makes me dare to ask questions and discuss more about the things I don’t understand. It’s a very good experience overall.”

“This tax clinic has improved my confidence managing my tax affairs. [The client recommends] simple brochures on the ATO for 'dummies'. The current ones have assumed knowledge within making it difficult to comprehend to someone who has no idea about tax.”

“What was helpful to me was the staff explained everything thoroughly, they didn't just do it for me, they taught me how to do so that in the future I'm able to complete it independently. They answered any questions I had to the best of my ability, they also showed me the services accessible and how to contact the ATO directly.”

Additionally, the clients were asked, ‘What were your original expectations of the Tax Clinic and how did your visit to the Tax Clinic compare?’ Clients reported that their expectations were met and, in some cases, exceeded. This is displayed in the following quotes:

“I expected to complete my tax returns for the past few years and not only did they fulfil that expectation I was able to learn how tax returns work, what I can and cannot claim etc.”

“I just expected the staff to lodge my tax return, the visit was very pleasant and exceeded my expectations. The staff and students at Western Sydney University explained everything thoroughly at the tax clinic, I was able to lodge my own tax return independently. I am much more confident in completing my tax return and am more informed on tax and how it works overall.”

Overall, we can report that the client experience has been positive. Each client who has visited the clinic has had their tax issues satisfactorily resolved. The possible improvement in a client’s financial and mental wellbeing as a result of their visit is encouraging. The ability in some cases for the clients to independently complete their own tax returns is commendable.

## V RECOMMENDATIONS

In the WSU Tax Clinic, The Tax Clinic Practice Manager is the only individual with access to the Tax Agent Portal through their own tax agent registration. As a result the Tax Clinic Practice Manager has to be readily available during the operating hours of the Tax Clinic which leads to inefficiency in the staffing of the clinic. It would be more efficient to issue the Tax Clinic with its own Tax Agent registration, allowing the currently employed Tax Agents to be the nominated representative/s, freeing up the Tax Clinic Practice Manager to complete other duties. If the Tax Clinic had its own Tax Agents registration, they could also electronically lodge prior year returns not available through myGov and also lodge SBE returns using a working copy of HandiTax. Currently these taxation returns are completed manually and posted to the ATO which is resource and time intensive.

We propose expanding our services through the implementation of a mobile service. A mobile service would allow for further reach to clients who cannot visit the clinic in person. Further we propose online appointments for clients who are computer literate but may not be able to attend in person due to distance or other factors.

The second half of the year, especially during Tax season is very busy leaving us less time for crucial staff training. To help with this we recommend creating a series of interactive staff training videos for students to complete when they are not meeting with clients. The implementation of an orientation and training week prior to the commencement of Tax season would also ease the pressure on the Tax Clinic Practice Manager.

Finally, the Western Sydney University Tax Clinic could extend its reach and improve financial and tax literacy education through engaging with secondary schools as it has been found that taxation is an area that 15 and 16 year olds would like to know more about<sup>30</sup> and is also an area of financial literacy that has traditionally performed poorly<sup>31</sup> with the latest Program for International Student Assessment (PISA) showing that more than 9% of 15 year olds in Australia have never heard of the term ‘income tax’ and more than 31% while learning of the

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<sup>30</sup> Toni Brackin, ‘Overcoming tax complexity through tax literacy – an analysis of financial literacy research in the context of the taxation system’ (Paper presented at Australasian Taxation Teachers Association Conference, Brisbane, 22-24 Jan 2007).

<sup>31</sup> ANZ, ‘ANZ Survey of Adult Financial Literacy in Australia’ (AC Nielsen, November 2005).

term, could not recall what it meant.<sup>32</sup> Engagement with this age group might be through educative classroom visits and presentations and/or could include an annual tax competition where high school students from the Western Sydney catchment area would be encouraged to take part and provide possible answers to a case study scenario, with prizes and an awards ceremony for the finalists. With support from the ATO and other tax clinics, this could culminate in a national competition.

## VI CONCLUSION

The National Tax Clinic program pilot at Western Sydney University in 2019 successfully achieved its objectives with Western Sydney University continuing with the Tax Clinic operations in 2020. Although the running of the Tax Clinic is time and resource intensive, this paper has demonstrated that the value of the benefits provided by the Tax Clinic far outweighed these inconveniences. In its first year of operation, the program assisted at least 138 vulnerable individuals and small business enterprises that were not able to afford professional advice and representation with their tax affairs. Additional benefits involved educating clients in the taxation system and empowering them to take charge of their own taxation matters.

An unexpected outcome of the Tax Clinic program was improving clients' mental health as they felt a burden being lifted by having their taxes sorted in a supportive environment. As clients had their tax matters sorted and were educated about how to complete their tax return and access government resources, managing taxes was no longer seen as a daunting task and clients felt more confident in the tax system. The added benefit is likely to be improved rates of tax compliance rates in the future.

As educators, the Tax Clinic has provided our accounting students with invaluable work experience in a simulated taxation practice environment, aiding their development of technical skills and professional skills, including communication and empathic skills needed to make them work-ready. Further, the work experience gained by students in the Tax Clinic provided them with the opportunity to see first-hand how their skills can help the vulnerable in the community, creating a culture of social citizenship for our future tax professionals.

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<sup>32</sup> OECD, 'PISA 2018 Results (Volume IV): Are Students Smart about Money?' (OECD Publishing, Paris, 2020) <<https://doi.org/10.1787/48ebd1ba-en>>.

# 2019 NATIONAL TAX CLINIC PROJECT: UNISA TAX CLINIC

ROBERT B WHAIT\*

## ABSTRACT

*The National Tax Clinics Trial was announced in 2018 to establish 10 tax clinics throughout Australia, at least one in every state. These clinics are important in improving the tax literacy and capability of taxpayers who cannot afford a tax agent and for students to gain valuable practical experience before entering the profession. This article uses an exploratory case study approach to describe the process in establishing UniSA Tax Clinic (the ‘Clinic’) and operating it for the first year. The description is based around three key aspects necessary for the Clinic’s success: students, clients and resources. Recommendations for future Clinic offerings include the development of a strategic plan, more robust tracking of marketing effectiveness and automated record keeping. Suggestions for future research include analysing the effect of the clinics on students’ and clients’ tax capability and discovering why certain taxpayers avoid their tax obligations for many years so that appropriate interventions can be developed. Many members of the taxpaying public do not understand fundamental tax terminology nor the substantiation requirements for allowable deductions. This article recommends research to understand and address these shortcomings.*

**Keywords:** Tax clinics, UniSA, tax capability, compliance, work integrated learning

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## I INTRODUCTION

In late 2018, the National Tax Clinic trial was announced to establish 10 tax clinics in universities across Australia with at least one in each state and territory. The purpose of the clinics was for students to gain valuable work experience in providing free tax services (under supervision) to those who cannot afford a tax agent and to increase public awareness of tax matters. The success of the clinics as a collective group would be evaluated after the trial period. The University of South Australia ('UniSA') was offered an opportunity to establish a clinic in April 2019 and a formal agreement to establish a clinic was made with the Australian Taxation Office ('ATO') in early May 2019. This presented an invaluable experiential learning opportunity for students of UniSA, but it presented enormous challenges. This article's objective is to describe the establishment of UniSA Tax Clinic (the 'Clinic') and its operation from May 2019 to June 2020. This may be expressed by the following research question: 'How was UniSA Tax Clinic established and how did it operate during the trial period?'

UniSA is the most recently established of the three South Australian universities. It markets itself as the university of enterprise and encourages academics to form teaching and research relationships with industry and government. The Clinic broadly fits within this remit as it provides experiential learning and job ready skills for students and liaises with certain industry sectors in helping its clients.

Up to April 2020, UniSA's Division of Business housed the disciplines of accounting, finance, property, economics, marketing, management and law. Marketing, management and law each had their own schools while accounting, finance, economics and property comprised the School of Commerce. The Clinic was established in the School of Commerce. In April 2020, all schools within the university were abolished as part of a restructure and replaced by units. Now, the disciplines mentioned above, except for law, reside within the Business Unit along with the Clinic.

The development of students' enterprise skills has been a recent focus in UniSA's three-year undergraduate and two-year postgraduate business programs. While a course can teach numerous enterprise skills, it is only necessary to focus on a couple since other courses will take care of the rest. Tax courses at UniSA focus on developing ethical awareness and problem solving and written communication skills at an advanced level. The Clinic extends development of these skills even further.

Establishing a clinic necessitated UniSA signing a grant agreement with the ATO as administrators of the trial. This agreement broadly encompassed operating a student led clinic for two semesters, hosting four to six public seminars and conducting research into systemic issues that adversely affect taxpayers fulfilling their tax obligations. This article is written in partial fulfillment of the agreement's research requirements by describing the story behind UniSA Tax Clinic's establishment and first year of operation required by that agreement. Insights from clients and students from surveys conducted will be provided where relevant.

In addition to researching systemic tax issues, other goals of the trial are to increase awareness of taxation in the community (mainly through education), to provide tax help to those in the community who cannot afford a tax agent and would not otherwise be able to obtain it, and provide students with an opportunity for experiential learning in tax. The common thread among these three broad goals involves improving tax literacy and capability. These goals have significantly influenced how the Clinic was established and certain aspects of its operation. Rather than simply act for clients, the Clinic aims to empower them to do their own tax to reduce the likelihood that they will need the Clinic's help in the future.

This article is structured as follows. Since the National Tax Clinics trial aims to improve tax literacy and capability for taxpayers and students, the following section provides a brief literature review on financial and tax literacy and capability as well as work integrated learning (WIL) programs. The third section will describe the Clinic's design, including details of student, client and public involvement. The fourth section will outline the research method undertaken. The fifth section will describe the process of establishing and operating the Clinic during the trial period. After this, section six concludes the article and provides recommendations and suggestions for future research.

## II LITERATURE REVIEW

The tax clinics were established to help members of the public who cannot afford a tax agent to comply with their tax obligations. They aim to educate the public about tax and to provide students with an experiential learning opportunity in taxation to assist them in securing future employment. This section will briefly discuss the literature on financial and tax literacy and capability and then discuss the literature concerning the effectiveness of WIL programs for business students. This article is not about whether tax clinics have improved tax literacy and capability for students or clients, but rather it tells the story of establishing and operating the



Clinic during the trial period. Consequently, the purpose of this review is to highlight the level and importance of improving tax literacy and capability and the role that the Clinic may have in that process.

There are numerous studies on financial literacy, the details of which are beyond the scope of this article. These tend to focus on basic financial knowledge and numeracy skills noting differences in literacy in accordance with various demographic variables such as age, gender and education.<sup>1</sup> Chardon argues that tax literacy is an important aspect of financial literacy since tax affects a person's overall financial position and returns.<sup>2</sup> Chardon, Freudenberg and Brimble have shown that 81% of Australians have a tax literacy score ('TLS') at a 'basic' or higher level.<sup>3</sup> While this appears to signal quite good levels of tax literacy among the Australian population, it also means that 19% have a TLS in the poor or low category.

Financial literacy research turned its attention to financial capability<sup>4</sup> and Australian tax literacy studies did the same with a particular focus on confidence.<sup>5</sup> This is because financial and tax literacy is not only about technical skills but includes being able to 'make sense of financial activities, seek out information, feel able to ask relevant questions and be able to understand and interpret the information that they subsequently acquire'.<sup>6</sup> Structural barriers

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<sup>1</sup> See, eg, Maarten CJ van Rooij, Annamaria Lusardi and Rob JM Alessie, 'Financial Literacy and retirement planning in the Netherlands' (2011) 32 *Journal of Economic Psychology* 593; A Lusardi, 'Financial literacy and Financial decision making in older adults' (2012) 36(2) *Journal of the American Society on Aging* 25; Annamaria Lusardi and Olivia S Mitchell, 'The economic importance of financial literacy: Theory and Evidence, (2014) 52(1) *Journal of Economic Literature* 5; Robert L Clarke, Melinda Sandler Morrill and Steven G Allen, 'The role of financial literacy in determining retirement plans' (2012) 50(4) *Economic Inquiry* 851.

<sup>2</sup> Toni Chardon, 'Weathering the storm: tax as a component of financial capability' (2011) 5(2) *Australasian Accounting and Business and Finance Journal* 53.

<sup>3</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, 351.

<sup>4</sup> Lusardi (n 1); Michael S. Finke, John S. Howe and Sandra J. Huston, 'Old Age and the Decline in Financial Literacy' (2016) 63(1) *Management Science* 213.

<sup>5</sup> Toni Chardon, Brett Freudenberg and Mark Brimble 'Are Australians under or over confident when it comes to tax literacy, and why does it matter?' (2016) 14(3) *eJournal of Tax Research* 650 ('Are Australians under or over confident').

<sup>6</sup> D Widdowson and K Hailwood, 'Financial Literacy and its role in promoting a sound financial system' (2007) 70(2) *Reserve Bank of New Zealand Bulletin* 37, 46 as quoted in Chardon, Freudenberg and Brimble (n 5) 657.

such as a lack of trust in financial intuitions can reduce confidence and inhibit financial decision making and a similar phenomenon may occur in the tax context.<sup>7</sup>

Tax clinics can therefore play a vital role in improving the tax literacy and capability of its citizens through education, empowerment and removing structural barriers such as a lack of trust in the ATO. There are potentially many taxpayers who cannot afford a tax agent who lack the requisite tax literacy and capability to fulfil their tax obligations.

University WIL courses help bridge the gap between the classroom and the workplace and increasing students' capability and confidence (or self-efficacy) is important in that process.<sup>8</sup> In business and commerce, generic skills such as communication, teamwork and ethics are highly valued in addition to technical skills.<sup>9</sup> While a variety of these skills can be learned in a traditional university setting, WIL courses allow them to be developed further prior to employment in more realistic but safe environments.<sup>10</sup> Stone, Lightbody and Whait argued that the development of listening skills is the responsibility of the student, the university, and the profession.<sup>11</sup> This tripartite responsibility can be extended to other professional accounting and tax skills and tax clinics provide an opportunity for universities to further enhance their graduates with these skills.

For both students and clients of the clinic, improving education is an important aspect of improving tax compliance.<sup>12</sup> The Clinic can do this via its public seminars and through helping those who cannot afford an agent. This article is not directly about whether the tax clinics have been successful in improving tax literacy and capability. Instead it will narrate the story of establishing and operating the Clinic using a case study method. The literature review

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<sup>7</sup> Braam Lowies, et al, *The Financial Capability of Older People. A report prepared for Financial Literacy Australia* (University of South Australia, 2019).

<sup>8</sup> Brett Freudenberg et al, 'I Am What I Am, Am I? The Development of Self-efficacy through Work Integrated learning' (2013) 19 *The International Journal of Pedagogy and Curriculum* 177.

<sup>9</sup> 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 the Australasian Tax Teachers Association* 152.

<sup>10</sup> Freudenberg et al (n 8).

<sup>11</sup> Gerard Stone, Margaret Lightbody and Rob Whait, 'Developing accounting students' listening skills: Barriers, opportunities and an integrated stakeholder approach' (2013) 22(2) *Accounting Education* 168.

<sup>12</sup> Brett Freudenberg, 'Tax Literacy of Australian Small Business' (2017) 18(2) *Journal of Australian Taxation* 21.

highlights the level and importance of improving tax capability and the role that tax clinics may have in that process.

### III CLINIC DESIGN

#### A *The Clinic Model: 2019 and 2020*

In keeping with the clinic agreement, UniSA established a student led clinic to provide free tax services to those who cannot afford a tax agent. The Clinic is unable to promote itself as a tax agent since none of the staff involved are registered with the Tax Practitioners' Board. While it is generally an offence under the *Tax Agent Services Act 2009* (Cth) (TASA) for a person who is not a tax agent to advertise that they will provide tax services,<sup>13</sup> TASA allows the Clinic to advertise its free services since the National Tax Clinic Trial is listed in the Commonwealth Government Gazette.<sup>14</sup> Since there was no tax agent, all tax lodgements were made under each client's name using paper-based returns or online through the government's *myGov* and *myTax* portals. Some clients completed and lodged their return during their meeting with the Clinic or they completed it at their leisure later after receiving assistance and advice in accordance with their needs and capabilities. This is consistent with the Clinic's vision of improving clients' tax capability and empowerment.

The Clinic's hours of operation were 10am to 3pm from Tuesday to Thursday during the main teaching semesters (10 weeks each) in the latter half of 2019 and the first half of 2020. The period from August to October 2019 will be referred to as the first offering while the period from March to May 2020 will be referred to as the second offering. The Clinic was located at UniSA's City West Campus which is in Adelaide's central business district close to public transport. In addition to this, during the first offering, the Clinic operated through the Hackham West Community Centre<sup>15</sup> on Wednesdays from 10am to 3pm.

Key staff during the establishment and operation of the Clinic were the tax academic (myself) to oversee its establishment and its ongoing operation including marketing, information technology (IT) needs and recruitment of students. A supervisor with recent tax practice

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<sup>13</sup> *Tax Agent Services Act 2009* (Cth) s 50-10.

<sup>14</sup> Australian Tax Office, 'Section 50-10, *Tax Agent Services Act 2009*' in Commonwealth, *Government Notices Gazette*, 8 March 2019.

<sup>15</sup> Hackham West is an outer southern suburb of Adelaide.

experience, but without tax agent registration, was present to manage the day to day operation of the Clinic and to supervise and approve students' work. Administrative staff consisted of the School of Commerce manager (until schools were abolished) and two support staff. The administrative support was provided on an ad-hoc basis.

### B *Student Involvement*

It was decided almost immediately that all students who participated ought to be recognised for their participation in some way. Two elective courses were established for this purpose, one at postgraduate level and one at undergraduate level. Pre-requisites comprised completion of the extant undergraduate or postgraduate taxation law course with a credit grade or higher and a Grade Point Average (GPA) of 5 or higher for their program. Students who met those pre-requisites were identified and invited to apply to participate in the Clinic in the subsequent semester. This application entailed the submission of a Curriculum Vitae (CV) and a cover letter explaining why the student wanted to participate. Selected students were subsequently interviewed in person by myself so that I could gauge their keenness and their verbal communication and presentation skills. Enrolment in the Clinic WIL course necessitated students having a spare elective, but students that did not have one spare elective were able to participate as volunteers. In the second half of 2019, the Clinic comprised seven enrolled students and three volunteers. In the first half of 2020, the Clinic comprised six enrolled students and five volunteers. All enrolled students completed the Clinic WIL course successfully and all students received a certificate acknowledging their participation.

All students were expected to attend an induction day, spend one day per week in the Clinic and watch the weekly lecture delivered online. Enrolled students were assessed by the clinic supervisor on their participation according to several criteria (weighing 45%), had to complete a weekly quiz associated with the weekly online lecture (10%), and submit a report reflecting on their time in the Clinic (45%). Masters students were assessed more stringently in both their participation by the supervisor and by having to complete an additional critical aspect of their reflection. This necessitated the selection and description of a systemic issue or problem with the tax system that they observed during their time in the Clinic and the provision of a potential solution to address that problem.

### *C Client Involvement*

One Clinic's purpose is to help taxpayers who cannot afford a tax agent by providing free tax advice, advocacy, education, and representation. Since the Clinic did not provide legal services or services via a registered tax agent, the levels of advocacy and representation that the Clinic could provide were limited. Consequently, the focus was on the provision of advice, education and general assistance. Legal services were beyond the Clinic's scope since no practicing lawyers are involved and UniSA already has a separate legal advice clinic.

The number and type of clients assisted during both offerings are shown in Table 1:

TABLE 1 – NUMBER AND TYPE OF CLIENTS IN CLINIC OFFERINGS 1 AND 2

OFFERING	SMALL BUSINESS	INDIVIDUAL NON-BUSINESS
1: August to October 2019	21	52
2: March to May 2020	13	23
Total	34	75

Clients were sourced from general promotional activities such as UniSA student and staff notices and portals, the Clinic's website and links to it, radio interviews, Facebook, flyers left at various locations, visits to community and legal centres, and word of mouth. Promotion will be discussed further below.

The main type of work performed, particularly during the first offering, were income tax returns but these were not necessarily simple lodgements. Instead there were often other complicating factors either as part of the tax return completion or as separate issues such as:

- Residency;
- Foreign income;
- Deductions for small businesses or individual non-business;
- Offsets;
- Personal services income;
- Losses;
- Rental income;
- Fringe benefits tax;
- Australian Business Number and Goods and Services Tax;

- Centrelink reporting; and,
- Superannuation.

Many clients had one or more of these issues meaning that they were coming to the Clinic for a variety of reasons.

In the second offering, the focus shifted away from lodgement of the 2019 tax year to lodgement of previous years and associated tax debt (if any) or getting ready for lodgement in the coming year. There was an increase in demand for help with Goods and Services Tax ('GST') and associated Business Activity Statements ('BAS'). While there were fewer clients during the second offering, the work associated with some clients was greater and more complex with students having to work through many years of data to prepare many years of income tax returns or BAS which sometimes necessitated preparing financial statements. Data for the number of returns lodged in the first offering was not kept, but the Clinic assisted with the lodgement of 43 returns or returns not necessary in the second offering. Some clients sought help to work through issues pertaining to JobKeeper, JobSeeker and the early release of superannuation schemes. The Federal Government and the ATO were keen for the tax clinics to support those who had been affected by the bushfires in late 2019 and early 2020, but no clients came forward requesting assistance in relation to this.

#### *D Public Engagement*

While not technically clients of the Clinic, the attendees at seminars benefited through the provision of free educational public seminars and the opportunity to ask questions afterward. Just over 100 people in total attended the seminars covering the following topics:

- Deductions for employees;
- Deductions for small business;
- Doing your taxes and navigating Australia's tax system for the first time;
- Knowing your tax rights and meeting your obligations; and,
- Tax and your investments.

These were generally held in the evening beginning at 5:30 pm, except for one which was held at 11 am. Their duration was 1 hour including question time. The sessions were not recorded to not frighten away attendees and to maintain confidentiality. Attendees raised numerous questions.

Now that the Clinic has been described, the method used to study its establishment and operation for the first 12 months will now be discussed.

#### IV RESEARCH METHOD

As discussed above, the primary research question is: ‘How was UniSA Tax Clinic established and how did it operate during the trial period?’ The method used to study this is a single, holistic case study. This section will explain this method, why it is appropriate to address the research question, and the specific processes adopted.

Case studies are defined as empirical inquiries that investigate ‘contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident.’<sup>16</sup> They can be exploratory by gathering information to understand events within organisations<sup>17</sup> thereby making it an appropriate method to describe the recent establishment of the Clinic and its operation for the first 12 months. Exploratory case studies can lead to new insights that inform further research questions.<sup>18</sup> The new research will be discussed in section six.

Gray outlines a very broad process to conduct exploratory case studies on contemporary events.<sup>19</sup> He suggests focusing on a unit of analysis of the event and gathering data from multiple sources relevant to it. In this case study, the focal point is the establishment and operation of the Clinic within UniSA. This is a single case study since the establishment and operation of the Clinic is a unique case (or event) within UniSA and it is holistic since it is concerned with the entire process of establishing and operating it during the trial period. Data gathered comprised documentary sources and direct observations and recollections from myself as UniSA Tax Clinic founder and manager. It also includes comments from student and client surveys that were completed at the end of each offering. Students were asked to comment about the effect of the Clinic in one of the following:

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<sup>16</sup> Robert K Yin, *Case Study Research; Design and Methods* (Sage Publications, 2<sup>nd</sup> ed, 1994) 13 cited in David E Gray, *Doing Research in the Real World* (Sage Publications Ltd, 2004) 123.

<sup>17</sup> Bruce L Berg, *Qualitative Research Methods for the Social Sciences*, (Allyn and Bacon, 3<sup>rd</sup> ed, 1998).

<sup>18</sup> JJ Shaughnessy and EB Zechmeister, *Research Methods in Psychology* (McGraw-Hill, 1990) cited in Berg (n 17) 217. See also RE Stake, ‘The case study method in social inquiry’, in R Gomm, M Hammersley and P Foster (eds), *Case Study Method: Key Issues, Key Texts* (Sage Publications, 2000) cited in Gray (n 16) 123.

<sup>19</sup> Gray (n 16).

- Improving their understanding of tax law;
- Developing teamwork skills;
- Developing research skills;
- Developing communication skills; and,
- Developing their professional identify.

Additionally, students were invited to provide any other comments for improvement of the Clinic experience.

Clients were asked about their expectations, what prevented them from seeking assistance earlier, what steps, services and assistance will help them improve their confidence in managing their tax affairs, and whether they had any other comments. Ethical clearance was obtained prior to conducting all surveys.

Exploratory case studies do not require a theoretical framework therefore one will be absent from this article.<sup>20</sup> The case study write up will consequently be descriptive in the form of a narrative, but it will not describe events linearly.<sup>21</sup> Instead, it will be thematic in nature to facilitate subsequent theoretical development<sup>22</sup> where the themes comprise the challenges in establishing the Clinic and operating it during the trial period. The challenges are centred around students, clients and resources. Now that the method has been discussed, the next section will focus on the case study narrative.

## V OBSERVATIONS

This section narrates the establishment of the Clinic and its operation during the trial period in thematic fashion based on the challenges faced. The narration will include a description of my learning experiences and comments from the student's and the client's perspective from the surveys.

The challenges in establishing the Clinic were numerous and exacerbated by the relatively short timeframe available. UniSA signed its clinic agreement with the ATO in early May 2019 and an operational clinic needed to be established by the beginning of the next semester in August

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<sup>20</sup> Gray (n 16) 126.

<sup>21</sup> Ibid 146.

<sup>22</sup> Ibid 126 and 146.



2019. Fortunately, UniSA senior management was highly supportive of the Clinic's establishment as was the School of Commerce manager who was instrumental in dealing with the numerous administrative matters. It must be acknowledged that the ATO was instrumental in the Clinic's establishment by providing a forum for the various tax clinics to exchange resources and ideas and by providing feedback, encouragement and guidance.

Challenges arose since student led clinics tend not to fit within extant university systems, policies and procedures that are generally geared toward courses and programs. Although there is a course associated with the Clinic, establishing a clinic is equivalent to establishing a professional tax practice within a university setting. Courses require a certain amount of time to gain required approvals, timetable classes and recruit students. The course associated with the Clinic needed to be approved, timetabled and have students enrolled relatively quickly. None of the challenges could have been met without the support of UniSA senior management, the Dean of Teaching and Learning, Academic Board, various administrators, marketing and IT staff and other experienced academics including those involved in operating community clinics elsewhere. The support and advice provided by staff from Curtin Tax Clinic and UniSA Legal Advice Clinic was especially appreciated.

Once support from UniSA senior management was obtained, the success of the Clinic hinged on three separate components: clients, students and resources. If any of one of these three failed to eventuate, or only be present in low numbers, then the Clinic would not achieve its objectives. These three components comprise the themes that form the narrative in this section.

The level of public demand for the Clinic's services and how many students would want to enrol was completely unknown. There was more optimism about gaining resources, but the short timeframe somewhat negated that optimism. A leap of faith (or blind optimism) was required as well as a positive attitude to ensure that pessimism and stress did not take over leading to wasted time and resources. Time management and keeping on task were critical so that the numerous important but minor matters were dealt with and not forgotten. Flexibility was required to deal with issues when they arose with delegation where appropriate. In my time as a coordinator of academic courses, I had become self-sufficient by managing the course and engaging tutors with minimal administrative assistance. Establishing the Clinic was a much more complex task requiring a much broader skill set and the involvement of many more people. From my perspective, this represented a significant challenge, but my desire to

establish a successful tax clinic within UniSA was the primary motivator to meet these challenges. I am grateful that other staff at UniSA shared that desire.

Many decisions turned on others creating a vicious circle, but decisions had to be made to move forward. One foundational decision concerned the days and hours of the Clinic's operation. This was one example of the leap of faith required in making decisions due to lack of knowledge of client and student demand. After consulting with other clinics regarding their hours, I decided that the Clinic would operate three days per week for five hours each day. There was no real justification for these days and hours, apart from it appearing reasonable, but once this decision was made, it formed the basis on which many others were made.

The rest of this section will discuss the themes based on challenges the Clinic faced surrounding students, clients and resources. Each theme will be discussed in turn, but they are not mutually exclusive so some interrelated discussion will occur where relevant. The discussion about resources is divided into subthemes as indicated. After this, I will briefly discuss the impact of COVID-19 on the Clinic's operations and my learning outcomes.

#### *A Students*

This section will discuss the process of recruiting students, their attendance at induction day and establishment of the Clinic's WIL courses. The Clinic draws from students who have just completed the pre-requisite tax course in the in the preceding semester. With the level of student demand for participation being unknown, the only option was to invite all eligible students to apply to participate. As mentioned above, eligible students were those who earned a credit grade or higher in the pre-requisite tax course and a GPA of 5 or higher across their main degree program. Invitations were sent personally via email. The pre-requisite tax course comes toward the end of their program so many students had already gained employment or used up all available electives. Consequently, only a fraction of the students who were invited to apply did so.

Students were warned that places were limited and that they should treat the application process like they were applying for a real job. During my interview with each student, I discussed their aspirations, strengths and weaknesses and the contents of their cover letter and CV. The background of the Clinic's formation, how students would be assessed, induction day training, and number of hours of participation they were expected to complete were discussed. There

was opportunity for them to ask me questions. Since I was concerned about the level of client demand in the second offering, I asked the students how they would react if there was not much to do on a given day and how they would spend their time. I did this to gauge their level of initiative and resilience in case client demand was low. A few extra questions regarding how the students cope with stress and respond to unfamiliar tasks were posed to students applying for the second offering as was a question about researching how to perform an unfamiliar task. In the first offering, all students who applied were accepted into the Clinic, but this was not the case for the second offering with five students who applied not being accepted.

All successful applicants were expected to attend induction day and any student that did not would be precluded from further participation. The purpose of induction day was to enable students to meet each other and the clinic supervisor and for orientation. The induction days for both offerings provided an introduction to the *TASA* and its relevance for the Clinic with a focus on ethical issues such as confidentiality, acting in the client's best interests, not being reckless and the like. It was emphasised that the clinic supervisor and me may be referred to as tax professionals, since we are both members of the profession, but not tax agents since that it is an offence under the *TASA*. The first offering had sessions devoted to leadership, communication, working together and understanding their personality types (and their relevance to the workplace) and working with others. This was so that students could learn about non-technical aspects of being in tax practice. I intended to allocate students to their day in the Clinic according to compatible personality traits, but that did not eventuate since each student's availability was the determining factor in deciding their participation day.

The second offering's induction day was different. While the focus on the *TASA* remained, the focus shifted toward the Clinic's supervisor conveying her experience and perspective gained during the first offering by discussing what client tasks would be undertaken and what was expected of students during their time in the Clinic. A presentation was made by financial counsellors from the Uniting Care Wesley Bowden (UCWB) financial counselling service to orient students to the types of issues they might come across when helping clients that they have referred to us. These clients might have several other issues apart from tax which may adversely impact on their ability to fulfil their tax obligations such as homelessness, mental health issues, broader health issues and substance issues.

In some respects, students are resources of the Clinic too, but I was reluctant to impose on their other studies. Students were only expected to participate during the 10 weeks of the semester, however the Clinic remained open for one day per week during the mid-semester break in the first offering and in the second offering the Clinic remained open for an extra week to make up for lost time due to COVID-19 closure (to be discussed further below). Students who did not participate during these extra times were not penalised.

Survey responses showed that participation improved students' understanding of the law and their research skills. Students learned about the types of resources that are available to address a variety of tax issues. Interestingly, students commented that their pro bono work ethic had been awoken through realising how many people need help with their tax affairs but cannot afford it.

Now that the processes to recruit and assess students has been discussed, it is time to discuss the process of obtaining clients.

### B *Clients*

This section will discuss the process of marketing and promoting the Clinic to potential clients as well as organising public seminars and developing of partnerships with third parties for referrals. Throughout all marketing and promotion, it was made clear that only taxpayers who could not afford a tax agent would be eligible for assistance. Some relevant client comments from the survey will be summarised at the end of this section.

Marketing the Clinic to build a client base was multifaceted encompassing numerous techniques. Flyers, factsheets and a website were developed to pre-determined and pre-approved UniSA formats. Internal notices were sent through staff and student portals with broader reach into the community attempted by contacting organisations with which UniSA already formed partnerships that would likely have eligible taxpayers among their clients. Response from these organisations was generally muted, however. Some promotion occurred through radio interviews and newspaper and Internet articles. I experienced a steep learning curve in navigating the marketing and promotion policies and procedures of the university. This was a key reason why administrative support was so beneficial to the Clinic's establishment, particularly from the School of Commerce manager.

Marketing and promotion presented challenges in communicating clearly, but even the best intentions can result in messages being misunderstood. For example, even though promotional flyers stated that the Clinic would provide ‘free tax advice for taxpayers...’, some perceived ‘taxpayers’ to only include employees and expressed surprise that it would be able to provide services to eligible small business. To combat this, two flyers were developed for the second offering, one for individuals and another for small business, each with further detail about the specific services that the Clinic can help with.

In addition to their educative function, public seminars were used for promotion in the hope that some attendees would later request help from the Clinic. The seminar on employment deductions was overwhelmingly the most well attended with approximately 60 people and this would likely have been higher if it were not for a wild storm that evening. Seminar topics were varied as an experiment to gauge interest in them and to target particular groups who might need a certain type of help – especially in the second offering.

Prior to each clinic offering, I strived to be proactive in marketing the Clinic rather than be passively waiting for clients to make enquiries. Before the first offering, I spent considerable time travelling to community legal centres around the Adelaide metropolitan area to speak to them about the Clinic and handout flyers. Some of the centres were more receptive than others. I also visited community small business and financial counselling organisations. While most people I spoke to acknowledged that tax clinics are a good idea, most did not refer clients. Only one financial counselling organisation showed significant and lasting interest to become a good referral source.

There was some level of scepticism among community centres and financial counsellors that the Clinic would be able to help to a significant degree. Generally, there appeared to be a lack of knowledge about who might need the Clinic’s services. This is potentially a symptom of taxation being a private matter for many people or it being a lower priority among those seeking free legal and financial help. If so, then marketing strategies should be based on broad promotion since it is very difficult to target specific markets and individuals. Marketing strategies ought to build a wide and persistent community awareness that help is available and where it can be obtained so that eligible taxpayers can get it when they need it. As mentioned in the literature review above, recognising when to get help and being able to get it is one aspect

of tax and financial capability, therefore working to improve such capabilities are an important part of marketing.

Given the expectation of reduced client demand during the second offering, I attempted to be proactive again. Scepticism about the ability of the Clinic to be able to help people remained, but relationships with third parties formed during the first offering started to bear fruit. Some of the clients referred had numerous years of outstanding tax returns to complete so while there was fewer clients in the second offering, the work associated with some was more extensive. Attempts to attract clients who required help due to the bushfires were not successful, but shortly thereafter COVID-19 shifted focus away from bushfires. One marketing strategy that the Clinic attempted in the second offering was to discuss a current and topical tax issue in the press and mention the Clinic in the process. Whether this and other marketing strategies has been successful has not been determined but doing so is a recommendation for future clinic offerings.

While some promotion efforts may appear to have been time wasted, there is anecdotal evidence that it increased awareness of the Clinic in the broader community. How promotion can be directed more efficiently and effectively to those who need the Clinic's help remains a challenge. The requirement to comply with tax laws is so broad that it is a difficult market to target in the absence of any other identifying characteristics.

Surveys of clients revealed that that the time and cost of managing their tax affairs had prevented them from successfully doing so. Many clients sought clarification and explanation of calculations of taxable income and tax payable as well as confirmation of how to treat various income and deduction items.

Now that the process of establishing and operating the Clinic has been discussed from the perspective of attracting clients, the next section will discuss resourcing issues.

### *C Resources*

This section will discuss a variety of resourcing issues concerning staffing, workloads, property resources and office space, the development of the Clinic's policies and procedures, IT, partnerships, tax agent registration and ATO reporting.

## 1 *Staff*

Staff were critical to the Clinic's establishment and success, particularly administrative support staff and the clinic supervisor. The School of Commerce manager helped significantly by securing the resources discussed in this section aided by two other administrative staff. Numerous skills and experience that these staff members gained over many years working at UniSA was drawn upon. The Clinic would not have been established without their support, experience and encouragement. During the Clinic's operation, one administrative staff member acted as reception and helped students with various matters such as making appointments and with numerous IT issues. The School of Commerce manager helped with IT, recruitment of the clinic supervisor, occupational health and safety issues, the content of marketing and promotion materials including the Clinic website and organising and promoting the public seminars. All support staff willingly performed these functions in addition to their usual responsibilities.

## 2 *Workloads*

Traditional academic workloads incorporate activities such as teaching, research, course development, assessment and relevant administration. While these were relevant to the running of the Clinic's WIL courses, they were not so relevant for the establishment and ongoing operation of the Clinic itself. This involved such things as establishing clinic policies and procedures, marketing, setting up IT, inspecting and establishing the physical spaces, having to deal with ad hoc issues related to those resources, preparing and providing public seminars and all the numerous meetings and discussions regarding the above. With traditional academic tasks, workload is established and provided for in an enterprise bargaining agreement, but establishing a clinic is not a traditional academic task. Issues could arise at any time making the keeping of records of time spent difficult. As the only UniSA academic in charge of the teaching of taxation at UniSA, there are numerous responsibilities and demands that I must meet which I cannot delegate. While my teaching responsibilities during the first offering were paid out with clinic funds, it was just substituted for other teaching as I had to develop course materials for the Clinic's WIL courses instead including online quizzes and weekly online lectures. Therefore, I experienced no net reduction in teaching workload during the first offering. Overall, the establishment of the Clinic substantially increased my workload, but the exact amount was difficult to quantify since my focus was aimed at the Clinic's establishment and success.

### 3 *Physical Office Space*

Obtaining appropriate physical space of an adequate size was a challenge. Rooms were not plentiful and potentially required refurbishment, including expansion. Traditional teaching spaces like lecture theatres and tutorial rooms were appropriate for induction day but were not appropriate for the provision of tax services and associated work by students. Since offices occupied by academic staff and research students were too small there was discussion of knocking down a wall to combine two rooms, but it was decided to not be too disruptive while the Clinic was in the trial phase. Despite these issues, an office for the clinic manager was easily found as was office space for students in a secure, open plan area. The reception of the then School of Commerce was used for the Clinic reception and a meeting room was established next to it. Now that the university's restructure has commenced, including a consolidation of campuses, the location of the Clinic and where the students work may change in the future.

Desks and chairs were all purchased for the meeting room that was painted and carpeted. A sandwich board for placement outside the entrance, as well as banners, were designed and purchased. The university provided various other furniture and IT equipment. The university supplied computers which were used until the warranty period had passed upon which they were replaced out of the Clinic's funds. Clinic specific filing systems and stationery was purchased, but in general the Clinic used university stationery.

### 4 *Policies and Procedures*

The policies and procedures manual of the UniSA Legal Advice Clinic was used as a starting point for the Clinic's policies and procedures. It included numerous forms and templates. Other documentation was provided courtesy of Curtin Tax Clinic. Not having to develop these completely anew significantly helped to quickly establish the Clinic. The Clinic supervisor tailored the policies and procedures and templates for specific circumstances through the benefit of her experience and these are being continuously improved.

### 5 *Information Technology*

The Clinic required IT resources including hard drive space for students to access and save electronic files. Meetings with IT staff were held to discuss the Clinic's needs. It was decided that client files ought to be kept on the university's hard drives rather than using cloud based



services to enhance security and allow for back-ups to be easily taken, but this presented challenges since students do not normally have access to the university's hard drives. IT staff provided the solution by establishing a 'tax clinic' folder within the system and providing students access via a username and password. It was my responsibility to manage the permissions within this folder so that students can edit and save documents. Establishing a telephone line and website was more routine and was performed with assistance from the marketing area.

## 6 *Partnerships*

Partnerships or informal agreements with the third parties, while not resources in the strict sense, are an important part of a successful clinic. The Clinic had an informal agreement with the Hackham West Community Centre during the first offering as it was thought that there was a community that needed help with their taxes that would not be willing or able to come into the city to get help with their tax. It was also considered a good outreach opportunity. I took one or two students with me to Hackham West each Wednesday during the first offering, but there was little demand, and it was not regarded as a good use of students' time. The arrangement was not renewed for the second offering. An informal agreement was made with UCWB financial counsellors to mutually refer clients. The referred clients can often have numerous issues in addition to tax, such as homelessness or mental illness etc, but they need to be in the right frame of mind and in the right circumstances to address their tax obligations. If not, they may be overwhelmed by their other issues and miss or cancel their appointment.

## 7 *Tax Agent Registration*

A key issue to resolve early was whether to obtain tax agent registration and if so, whether to establish the Clinic in its own registered entity or operate the Clinic within the existing UniSA structure and register an individual instead. It quickly became apparent that the university would not allow the Clinic to be established under its own entity – citing the need for a business case and that only two such entities had been established in the entire history of the university. Thus, the only option for tax agent registration was for the clinic to obtain the services of an individual who had it or for myself to obtain registration. The short time-frame available within which to establish the clinic dictated that it operate without registration, at least for the first offering, especially since the person contracted to supervise the students also lacked it. Ironically, the Clinic's ability to meet its objectives were enhanced by not having registration

since it would force the Clinic and its clients to work together in lodging returns via *myGov* and *myTax* rather than via tax agent software which does not require the client's direct participation. While there are advantages to tax agent registration, namely being able to contact the ATO directly without obtaining the client's specific permission and gaining access to tax agent portal information these advantages were not considered critical to the Clinic's operation, however, this situation is being routinely considered.

## 8 *ATO Reporting*

It was part of the clinic agreement to report statistics to the ATO on a monthly and ad hoc basis. Systems to capture the information automatically were not developed and not deemed a priority in the first year of operation. A client tracker (courtesy of Curtin Tax Clinic) was used to capture essential client information and keep track of client work and the details for ATO reports were drawn from that. Overall, the process to produce the monthly reports was inefficient. Some information was difficult to track such as the number of repeat meetings the clinic had with a client. Categorising the data into the right part of the ATO report was problematic partly due to ambiguity in the categories. A recommendation to automate the reporting process is made in section six.

Now that issues concerning resources have been discussed, I will now briefly discuss the impact of COVID-19 on the Clinic's operations and then I will discuss my learning outcomes.

### D *COVID-19*

COVID-19 provided an extra complication during the second offering which affected students, clients and resources. The Clinic was shut down in late March 2020 when all UniSA staff, except those who were deemed essential, were told to work from home. This affected all practicum courses, except for UniSA's Health Clinic. The Clinic resumed one month later but with social distancing and hygiene protocols. Students could not work in proximity and all client meetings were performed via the telephone. Video conferencing facilities were already planned for installation in the Clinic meeting room, but these were not installed in time to be used at all during the second offering. However, such facilities are ready for the upcoming third offering while allowing the Clinic to serve remoter communities. Fortunately, two out of the four weeks of the shutdown were during the mid-semester break. With the Clinic extended for a week at the end of the semester, only one week was lost overall.

### E *Learning outcomes*

Like the students, I have several learning experiences that I can take away from my experience. Having worked in academia for the last 15 years means that establishing a tax clinic presented a significant addition to my responsibilities and posed numerous challenges. While I found this was daunting and at times overwhelming, I learned that a lot can be achieved with patience, persistence and a positive attitude. I also learned to rely on others and that having a vision helps others to come on board and give assistance. Even though I relied on others for certain tasks, I took responsibility for any errors or mistakes as I am ultimately responsible for the Clinic. Fortunately, however, there were not many, and they were mainly minor in nature. Relationships with all stakeholders including the ATO, staff, clients and interested parties are paramount as is managing people effectively. Establishing the Clinic and continuing to operate it necessitated keeping track of numerous small tasks and ensuring that they were all completed in a timely fashion. I could not afford to procrastinate lest bottlenecks developed. Other staff were helpful in keeping me on task, but my time management and organisational skills were sorely tested and developed in the process.

The success of the Clinic relied on a certain amount of luck. Signing the agreement with the ATO occurred during teaching of the undergraduate tax course meaning there was a significant pool of students to draw from for the first offering in the subsequent semester.<sup>23</sup> It was timely that the first offering of the Clinic fell in the tax season meaning that many taxpayers would be focusing on their tax at that time. This greatly reduced the risk of low client demand during the first offering and allowed us to learn and make changes for the more challenging second offering.

I found establishing and operating the Clinic to be a significant growth experience. I learned that after many years of having the same type of work that I could meet a challenge and do new things. Despite being a coordinator of university courses, I had never regarded myself as a manager, so this experience has given me the confidence to do similar things when required.

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<sup>23</sup> The undergraduate taxation course has approximately double the number of students compared to the postgraduate taxation course.

Now that the story of the establishment and operation of the Clinic has been discussed with respect to challenges surrounding students, clients and resources, this article will now conclude and discuss some recommendations will be discussed followed by a brief conclusion.

## VI RECOMMENDATIONS AND FURTHER RESEARCH

This section will conclude and discuss recommendations that can be made from the above discussion for future clinic offerings and future research opportunities that arise out of this case study.

### *A Recommendations*

From the observations discussed above, there are several recommendations that can be made. Many of these are consequent of the Clinic being established and operational in a relatively short space of time.

The first recommendation is to development a business plan including a vison, relevant strategic objectives and key performance indicators related to the objectives. This necessitates the collection of data and the preparation of reports to track performance against the key performance indicators. Goal setting and feedback on performance is important for growth and development and a strategic plan can help give the Clinic focus and direction. It can help to communicate the future direction of the Clinic to staff and stakeholders to align everybody's interests. Decisions made in haste early in a clinic's establishment can be difficult to change. A strategic plan can help to remedy such decisions by providing a narrative that justifies any recommended changes where they align with a clinic's goals and objectives. An associated recommendation is to prepare an annual report to communicate the performance and position of the clinic against its goals and key performance indicators to interested parties. The annual report can also be used as a marketing and promotion tool.

Tracking the effectiveness of various marketing strategies is important to target marketing efforts. Many marketing and promotion activities were discussed above, but their impact is largely unknown. Any refinement of marketing will require this information, so it is recommended that a more concerted effort be made to track where clients heard about the Clinic so that the most effective marketing strategies and promotion techniques can be determined.

Significant time was spent manually gathering and calculating statistics for ATO reports in the absence of systems that could collect the information and report on it automatically. Therefore, it is recommended that automated data collection be developed where possible. It is expected that a database would be appropriate for this task and aid in the preparation of an annual report. The strategic plan will need to be developed first so that the types of data to collect are known.

### *B Further Research*

Further research into the Clinic can be directed towards students as well as clients and the taxpaying public more broadly. Many clients make appointments and cancel them or simply fail to turn up. There may be many reasons for this behaviour but it may be a result of lack of confidence and not wanting to deal with tax issues among other things. Further research to establish the causes of this behaviour can lead to recommendations toward preventing it so that the Clinic can help more taxpayers who need it.

On a related note, some clients have left their tax affairs unattended for many years. Further research can be directed towards understanding this phenomenon to find suitable interventions to enable such taxpayers to fulfil their tax obligations earlier. This is potentially a complex and multifaceted issue requiring a multi-disciplinary team and input from third parties such as financial counsellors and the like.

Surveys were conducted to determine the impact of the Clinic on the capability of students and clients and some of the results were discussed above. It is intended that further research will analyse and report the findings of these surveys. Additionally, focus groups can be used to obtain more rich data set and drill down into the clients' and students' views.

Many clients and attendees of the public seminars appear to not understand basic tax terminology and principles or the need to substantiate their tax deductions. Further research to understand the causes of such poor understanding and address these and similar shortcomings is recommended to improve compliance levels.

## VII CONCLUSION

Establishing and operating UniSA Tax Clinic was a tremendously challenging and rewarding experience. Students and clients benefited greatly too. It provided services and advice to over 100 clients who could not afford a tax agent across the first two offerings. This article provides

insights into process of establishing and operating the Clinic during the first two offerings and the amount of work and the level of cooperation provided by numerous staff who were buoyed by the vision to establish South Australia's first tax clinic.

# 2019 NATIONAL TAX CLINIC PROJECT: JAMES COOK UNIVERSITY TAX CLINIC

VAN LE\* AND TINA HOYER\*\*

## ABSTRACT

*James Cook University (JCU) embraced the opportunity to establish and operate a Tax Clinic under the National Tax Clinic Program. As the only regional university to take up the challenge, JCU aimed to deliver a valuable service to the North and Far North Queensland community, provide work experience and work integrated learning for JCU taxation law students, as well as pro bono opportunities for local tax practitioners. The JCU Tax Clinic (the Clinic) was successfully launched and became operational by July 2019. Since becoming operational, the Clinic has assisted many North and Far North Queensland individuals and small businesses and has been described as an absolute godsend.<sup>1</sup>*

*This article sets out what occurred in 2019 during the operation of the Clinic and specifically:*

- *provides an outline of the design model of the Clinic, and details the involvement of the Clinic staff, students, industry and the Clinics clients;*
- *sets out some key observations of the Clinic experience in terms of key challenges and learnings from the operation of the Clinic; and*
- *outlines the future plans for the Clinic.*

**Keywords:** JCU Tax Clinic, National Tax Clinic Program

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<sup>1</sup> Feedback received by email dated 29 October 2019 from a client referred to the JCU Tax Clinic by the Aboriginal & Torres Strait Islander Legal Service (Qld) Ltd, Townsville.

## I INTRODUCTION

James Cook University ('JCU') was one of ten Australian universities<sup>2</sup> participating in the pilot of the National Tax Clinic Program. Located in North Queensland<sup>3</sup>, with campuses in Townsville and Cairns, JCU was the only regional university to take up the challenge to establish a Tax Clinic. JCU embraced the opportunity to be part of the national pilot program and recognised the potential for delivery of positive social impact at both a national and local level.<sup>4</sup> The objectives of the JCU Tax Clinic (the 'Clinic') were to:

1. Provide tax advice and assistance to taxpayers who could not ordinarily afford specialised tax support in the North Queensland community;
2. Provide work experience for JCU students, through internships and student volunteer opportunities, in a real-life practice that supports students to be workforce ready upon graduation;
3. Provide pro bono opportunities for local tax practitioners and thereby foster a philanthropic mindset; and,
4. Deliver tax related educational seminars to educate and build the capability of, not only students, but also the community about tax related topics.

Despite many challenges, including the 2019 Townsville floods,<sup>5</sup> the Clinic was successfully launched and operational by July 2019. In 2019, the Clinic assisted many North Queensland individuals and small businesses. The Clinics success is reflected in very positive feedback received from its clients, staff, students, tax practitioners and community members.

Due to the short period of operation in 2019 (4 months) resulting in only limited data being collected, this article does not present any empirical research conducted by the Clinic. It is

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<sup>2</sup> The ten universities in the 2019 National Tax Clinic Program pilot were the Australian National University, Charles Darwin University, Curtin University, Melbourne University, James Cook University, University of New South Wales, University of South Australia, University of Tasmania and Western Sydney University.

<sup>3</sup> Reference to 'North Queensland' is the northern part of Queensland from the Burdekin region of Queensland and includes Far North Queensland.

<sup>4</sup> Ann Kyais-Kumar and Jack Noone, 'Measuring the Social Impact of University-based Pro Bono Tax Clinics: Co-creating a Framework for Evidence Based Evaluation' on *Austaxpolicy: Tax and Transfer Policy Blog* (3 October 2019) <<https://www.austaxpolicy.com/measuring-the-social-impact-of-university-based-pro-bono-tax-clinics-co-creating-a-framework-for-evidence-based-evaluation/>>.

<sup>5</sup> The original date for the launch of the Clinic was substantially delayed due to the 2019 floods which had a significant impact on the Townsville community, see <<http://www.townsville.qld.gov.au/community/2019weatherevent/>>.



planned to present such research in the future. Instead, this article sets out what occurred during the operation of the Clinic in 2019, especially the article:

1. Outlines the design model of the Clinic, including the involvement of the Clinics staff, students, tax practitioners and its clients;
2. Provides some key observations in terms of challenges and key learnings in the operation of the Clinic; and,
3. Sets out the plans for the future of the Clinic noting that government funding has been approved for a further four years.<sup>6</sup>

## II THE CLINIC DESIGN

### A *The Clinic*

The Clinic commenced operation on 4 July 2019 and over a four-month period provided advice and assistance to over 125 clients consisting of individuals and small businesses of North Queensland communities. The advice and assistance was provided by JCU Business and Law students under professional supervision provided by local tax practitioners on a pro bono basis. Significant effort was devoted to the design of the Clinics model to enable student participation in the Clinic, obtaining pro bono support from local tax practitioners, and the marketing of the Clinic and meeting the needs of the North Queensland community.

### B *The Clinic Model*

In 2019, the Clinic was located at the JCU Douglas Campus in Townsville, with two offices provided by JCU on an ‘in kind’ basis: one office was for the purpose of conducting the Clinic client interviews; and the other office was for the use of the students when telephoning clients, undertaking research, preparing for client interviews and finalising case notes. The government funding enabled the offices to be refurbished and fully equipped to a standard expected of the professional fully functional office.

The Clinic operated five days per week from 9am to 5pm. During its operational hours, potential clients were able to make enquires, or request an appointment, in person, by

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<sup>6</sup> Josh Frydenberg and Mathias Cormann, Parliament of Australia, *Mid-Year Economic and Fiscal Outlook 2019-20* (2019) 283.

telephone, email or by completing an online application form on the Clinics website.<sup>7</sup> Upon receipt of an application, the client would be contacted for further information, usually by the Clinic coordinator or a student. The applications were vetted to ensure eligibility for the Clinics services.<sup>8</sup>

The client interviews were scheduled to occur one afternoon per week. The client interviews were conducted or observed by students under the supervision of a qualified tax practitioner.<sup>9</sup> This arrangement enabled clients to make enquiries and for preparation for the client interviews to be conducted during the week. The tax practitioners were only required to attend the Clinic in person for one afternoon per week. Further information about Clinic participants roles is discussed below.

In 2019, the Clinic also operated mobile ‘pop-up’ clinics in the North Queensland towns of Ayr<sup>10</sup>, Ingham<sup>11</sup> and Cairns<sup>12</sup>. This initiative aimed to reach individuals and small businesses in more remote areas of North Queensland.

### C *The Clinics Mobile Service*

The Clinic commenced its mobile pop-up clinics visiting Ayr, Ingham and Cairns in its first four months of operation. These first visits were pilot opportunities for the Clinic to test whether pop-up clinics in the regional towns would be viable, and sustainable, as well as to

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<sup>7</sup> James Cook University (Web Page) <[www.jcu.edu.au/taxclinic](http://www.jcu.edu.au/taxclinic)>.

<sup>8</sup> A client was eligible for assistance from the Clinic if unrepresented and an individual or small business entity. On application, consideration was given to whether the client had the means to afford professional tax advice.

<sup>9</sup> A tax practitioner registered under the *Tax Agent Services Act 2009* (Cth) pt 2 div 20.

<sup>10</sup> Located 100km south of Townsville. According to 2016 Census QuickStats, Ayr had a population of 8,281. Australian Bureau of Statistics, *2016 Census QuickStats* (2016) Australian Bureau of Statistics <[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/UCL314003?opendocument](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/UCL314003?opendocument)>.

<sup>11</sup> Located 100km north of Townsville. According to 2016 Census QuickStats, Ingham had a population of 4,357. Australian Bureau of Statistics, *2016 Census QuickStats* (2016) Australian Bureau of Statistics <[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/UCL315041?opendocument](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/UCL315041?opendocument)>.

<sup>12</sup> Located 350km north of Townsville. According to 2016 Census QuickStats, Cairns had a population of 240,190. Australian Bureau of Statistics, *2016 Census QuickStats* (2016) Australian Bureau of Statistics <[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/306?opendocument](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/306?opendocument)>.

learn from the experience and feed-forward any learnings for improvements for future pop-up clinics.

The students took a hands-on approach to arranging the mobile service. Contact was made with local community centres to discuss the possibility of the Clinic visiting the town. Client appointments were pre-arranged and preparation for the client interviews was completed prior to the visit. The students and supervising tax practitioners travelled from Townsville to conduct the client interviews.

Lessons learned from the visits essentially concerned the need to effectively market the pop-up clinics. The effectiveness of the marketing directly impacted the number of client interviews scheduled. For example, the first planned pop-up clinic in Ayr resulted in very few client appointments due to ineffective marketing. Whereas a more targeted approach to the marketing of the Cairns pop-up clinic ensured a full day of client appointments.

Based on the experience, feedback from students, supervising tax practitioners and clients, it was determined there is a need for the mobile service and the pop-up clinics can operate effectively and in a sustainable way. The Cairns visit was particularly successful and as a result, plans were made to establish a permanent clinic in Cairns involving Cairns local tax practitioners and JCU students from the Cairns campus.

#### D *Marketing of the Clinic*

The Clinic recognised from the outset, the importance of effectively marketing its services. The Clinics marketing commenced with its launch event<sup>13</sup> which was attended by over 70 guests including members of the Townsville community, various government departments, small business operators and JCU staff. The launch event was facilitated by the student volunteers and included presentations by the Clinic directors, a Deputy Commissioner of Taxation and Assistant Commissioner of Taxation. The launch event was reported in local newspapers and on social media as well as televised by local media. Following the launch event, the Clinics brochures were distributed, banners and posters displayed throughout the university campuses, the office of the Department of Human Services, local community centres

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<sup>13</sup> Julia Bradley, 'Freeing Up Tax Advice', *Townsville Bulletin* (Australia), 3 July 2019, 14. WIN Townsville, 'A Free Tax Clinic is Being Run in Townsville by James Cook University Law and Business Students', *WIN News*, 25 June 2019 (Melissa Russell).

and various other locations. There was also a social media and email campaign and radio advertising.

### *E JCU Tax Clinic Staff*

The day to day operation of the Clinic was conducted by a part-time Clinic coordinator (25 hours per week) and overseen by two Clinic directors. The roles and responsibilities of the Clinic staff were as follows:

(i) Clinic Directors:

- establishment and overall strategic direction of the Clinic, operations, mobile visits, staff, tax professionals and student recruitments; and,
- liaison with JCU management, tax professionals, community and students.

(ii) Clinic Coordinator:

- management of the daily operations of the Clinic;
- recruitment and induction of student volunteers;
- organisation and coordination of student volunteers research projects;
- coordination, promotion and oversight of public seminars and events delivered by the Clinic to the Townsville and Cairns communities;
- development and implementation of marketing of the Clinic; and,
- liaison with JCU staffs and tax professionals, community and students.

The clinic coordinator was primarily responsible for managing student involvement.

### *F Student Involvement*

The JCU student involvement was either as a student volunteer, or student professional intern.

#### *1 Student Volunteers*

The student volunteers were enrolled at JCU studying a Bachelor of Laws, Bachelor of Business (Accounting) or dual degrees and had either completed or were enrolled in Taxation Law. The student volunteers were required to undergo a recruitment process in which application was made by submitting a covering letter and curriculum vitae and then participating in an interview with a Clinic Director and the Clinic Coordinator. The recruitment process:

- provided the student volunteers with an authentic experience of applying for a job; and
- enabled the Clinic Director and Coordinator to screen for suitability and set out their expectations of the student volunteers.

Each student volunteer was required to attend a half-day induction in which training was provided on myGov, ATO debt collection procedures, and the JCU Tax Clinic policies and procedures. The student volunteers were required to sign a Student Participation Deed and commit at least five hours per week to volunteering at the Clinic.

The student volunteers key responsibilities under the direction and supervision of the Clinic coordinator and qualified tax practitioners were as follows:

- research and preparation of tax related advice;
- attendance at client interviews in person or via teleconference;
- preparation of client interview file notes and follow up if required;
- facilitation of discussions with clients and appropriate regulatory agencies;
- contribute to the knowledge bank of the Clinic and advancing tax awareness and education in the community; and,
- research and prepare tax related education material for distribution and presentation to the local community.

In 2019, the Clinic recruited 12 student volunteers; the majority of which remained engaged and committed to the clinic throughout the 2019 period. The retention of student volunteers and ensuring their consistent attendance was a key challenge for the Clinic. As participation was voluntary, some student volunteers found it difficult to commit to the minimum five hours per week particularly at times during the semester when assessment was due. A key learning for Clinic staff was to carefully manage client appointments during periods of assessment.

## *2 Clinic Student Professional Intern*

Students at JCU studying a Bachelor of Laws, Bachelor of Business (Accounting) or dual degrees are required to complete a Work Integrated Learning ('WIL') program. The program is designed to develop and integrate employability skills into programs of study by increasing the interaction of industry and students. Each Intern must complete 100 hours placement.

For 2019, an interview process was conducted and the Clinic offered one student an internship. The decision to offer only one internship was for two reasons:

- at that stage, it was not known the extent of the demand for the Clinics services; and,
- there were concerns on whether the workload would be sufficient to provide the student intern with quality work.

In accordance with the learning outcomes agreed between the Clinic student intern and the Clinic, the key roles and activities of the Clinic student intern were to assist the Clinic Coordinator in the daily operation of the Clinic which included:

- processing Client enquiries by email, telephone or face to face interactions;
- organising client appointments with student volunteers and the tax practitioners;
- creating and maintaining client files and electronic databases;
- assisting and promoting public seminars delivered to the Townsville and Cairns communities; and,
- marketing the Clinic by developing and implementing marketing and advertising material.

The Clinic student interns learning and performance was assessed via progress reports prepared by the Clinic Coordinator and Director, as well as a final report at the end of term. The student intern was also required to complete self-assessment and reflection throughout the term of engagement. The 2019 student intern provided the following testimonial:

The JCU Tax Clinic internship was a fantastic learning experience from me, and I am truly grateful for it. Sitting in on client interviews as well as additional research strongly enhanced my understanding of tax law. I feel a lot more confident in talking about tax related matters.<sup>14</sup>

Based on the experience of the Clinic in 2019, it was determined it is viable and sustainable to offer more internships in the future.

### *G Tax Practitioner Involvement*

One of the Clinics main objectives was to provide local tax practitioners with an opportunity to engage in pro bono service. A Townsville accounting firm, Coutts Redington Chartered

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<sup>14</sup> JCU Tax Clinic student intern, 19 November 2019.

Accountants ('the firm'), expressed keen interest in providing pro bono services to the Clinic. The firm recognised its involvement with the Clinic provided the following opportunities:

- to engage in a social justice project in the North Queensland community;
- development opportunities for the firms staff;
- to observe student volunteers and identify potential new recruits for the firm; and,
- marketing opportunities.<sup>15</sup>

The firms service to the Clinic included:

- supervising, supporting, and mentoring the Clinic student volunteers and student intern;
- reviewing file notes and written advice prepared by students prior to sending to clients; and,
- attending interviews with clients in the presence of students, to provide guidance, feedback, and professional reflection.

The relationship between the tax practitioners and the Clinic was recognised as vital to the JCU Tax Clinic model, and therefore carefully managed to maintain the professional connection. The commitment was only one afternoon per week plus the guidance provided over the phone or by email. Over the course of 2019, a number of tax practitioners from the firm were involved in the Clinic. The following is a testimonial from one of the tax practitioners supervising at the Clinic:

“My involvement with the JCU Tax Clinic has been an extremely positive and rewarding experience. I have enjoyed the opportunity to provide a pro bono service and engage with JCU students and the North Queensland community.”<sup>16</sup>

A challenge with the Clinic was reluctance by supervising tax practitioners to deal with the less complex tax matters such as basic lodgement of income tax returns. The tax practitioners expressed a reluctance to deal with these matters, as there were other alternative ways to assist clients, and recognising that the tax practitioners time was best spent on complex cases and providing opportunities for student learning and student support. The Clinic directors were of

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<sup>15</sup> The firm's logo was displayed on all the Clinic's marketing material, which included flyers, banners, and email campaigns.

<sup>16</sup> Supervising Tax Practitioner JCU Tax Clinic, 19 September 2019.

the view that these less complex matters were an ideal training opportunity and confidence builder for the students. Recognising one of the main objectives of the Clinic was to educate the community, the Clinic took the approach of focusing on building the clients capabilities whenever possible when dealing with the less complex matters. For example, if a client was not registered with myGov, the student volunteers proved the client with instructions and guidance to attend to the myGov registration prior to the client interview.

An initiative for the future to address this challenge are plans to establish a TaxHelp<sup>17</sup> service at JCU. TaxHelp provides free assistance in the lodgement of simple income tax returns. The benefit of this is threefold because:

- the student volunteers can gain valuable experience interviewing and assisting clients thereby building their confidence and enhancing their interviewing skills;
- the Clinic can be a pathway to deal with the simple matters; and,
- the Townsville community would have access to a TaxHelp service.<sup>18</sup>

#### *H Client Involvement*

The target clients of the Clinic were North Queensland unrepresented individuals and small businesses.<sup>19</sup> Broadly, the services offered by the Clinic were:

- free advice and assistance on taxation matters;
- representation in dealings with the Australian Taxation Office ('ATO'); and,
- education to students, clients and the community on current taxation issues.

The Clinic emphasised it had no intention of competing with professional tax advisors and accountants or community legal services. The Clinics aim was to provide services to unrepresented North Queensland individuals and small businesses who could not ordinarily afford tax advice and assistance. The eligibility for the Clinics services was determined by the Clinic staff following consideration of the clients application for advice and assistance.<sup>20</sup>

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<sup>17</sup> Australian Taxation Office (Web Page) <[www.ato.gov.au/individuals/lodging-your-tax-return/Tax-Help](http://www.ato.gov.au/individuals/lodging-your-tax-return/Tax-Help)>.

<sup>18</sup> There are currently only two TaxHelp services operating in the Townville region, but all services are in outlying suburbs.

<sup>19</sup> A 'small business' is a sole trader, partnership, company or trust that has a turnover of less than \$10 million.

<sup>20</sup> Application was made by completion of an online application form, see: <[www.jcu.edu.au/taxclinic](http://www.jcu.edu.au/taxclinic)>.



The types of matters dealt with by the Clinic in 2019 included:

- income tax return and business activity statement ('BAS') lodgements current and previous years;
- tax debt advice and debt negotiation; and,
- business setup, salary sacrifice, declaration of foreign income.

Many of the Clinic's clients had years of outstanding lodgements and tax debt. For some clients, there were many challenges in their lives over a number of years which meant that meeting their tax obligations were not a main priority. Drawing on the facts of a number of common issues presented by clients to the Clinic, the below paragraph presents a case study example.

The Clinic was approached by a community legal service (the referring service) seeking assistance for one of its clients. The client was a single mother who had years earlier attempted to start a cleaning business. She had been advised to register for GST which she did. However, the business did not progress any further. The client was not aware of her taxation obligations as a result of the GST registration. The client moved several times over a number of years and did not receive any notices from the ATO. Over a period of years, the client accumulated a substantial tax debt, consisting of non-lodgement penalties and interest, and eventually she was prosecuted and fined in excess of \$12,000 and ordered to attend to the outstanding lodgements. The client sought advice from the referring service which then applied to the Magistrates Court to have the hearing re-opened. The referring service referred the client to the Clinic. The Clinic contacted the ATO and arranged for the clients GST registration to be deregistered retrospectively. The referring service then appeared before the Magistrates Court on behalf of the client which resulted in the client receiving a 2-year recognisance. The client was amazed and relieved by the outcome. A lawyer employed by the referring service recognised the referring service could not have assisted the client without the Clinics advice and assistance and stated 'the help and support from the JCU tax clinic was an absolute godsend'.<sup>21</sup>

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<sup>21</sup> JCU Tax Clinic client, 29 October 2019.

### III FUTURE RESEARCH PLANNED BY THE CLINIC

Recognising the positive social impact generated by the National Tax Clinic Program in the short term, there is grant funding to run the Clinics for a further four years. Ethics has been approved in order to collect data about the client and student experience, and once sufficient data is collected, the Clinic will be in a position to report empirically on client and student outcomes. The focus of the Clinics research will address the following questions:

- Does the Clinic contribute to a more socially just tax system?
- Does the Clinic build the capacity of clients, student volunteers and the profession?
- Does the Clinic support the development of a pro-bono mindset?
- Does the Clinic provide a platform for developing skills for students and tax professionals?
- Does the Clinic enable vulnerable groups to access valuable expertise they could not otherwise afford?

Working together with universities in the National Tax Clinic Program, JCU is looking forward to contributing to research on these topics in a meaningful way.

### IV CONCLUSION

In 2019, the Clinic achieved its objectives in delivering a valuable service to North Queensland individuals and small businesses, providing work experience and work integrated learning for JCU taxation law students, as well as pro bono opportunities for local tax practitioners. The feedback from the Clinic staff, the students and tax practitioners involved with the Clinic as well as its clients was very positive. Moving forward, the learnings gained in 2019, has ensured the Clinic is well prepared for the future in terms of its plans to expand its services and contribute to research.

# NATIONAL TAX CLINIC PROGRAM IN THE NORTHERN TERRITORY, AUSTRALIA: A PROJECT MODEL INNOVATION

INDRA ABEYSEKERA\*

## ABSTRACT

*This paper provides an overview of the activities undertaken by the Charles Darwin University Tax Clinic ('CDU Tax Clinic') — located in Australia's Northern Territory — as part of the inaugural National Tax Clinic Program conducted over the course of 2019. The CDU Tax Clinic was designed as a teaching clinic in order to assist unrepresented taxpayers with their taxation affairs while offering students real-world, client-based and practical experience. The project design considered the population distribution of the Northern Territory and ways of reaching unrepresented taxpayers located in three major towns, adopting an intrapreneurial and client-centred approach with the CDU Tax Clinic open seven days per week. In the period from late June 2019 to the end of October 2019, the CDU Tax Clinic served 266 clients in various ways, with six students undertaking work experience. The average time spent with a client was approximately two and a half hours. This paper provides a roadmap to maximising outreach to clients in a thinly populated geography. The findings are analysed in terms of clients who visited the CDU Tax Clinic and are generalisable to such populations. This paper shows the impact of a social project assisting socially disadvantaged groups, and a university engaging with the community through a professor and students.*

**Keywords:** free tax clinic, national tax clinic, Alice Springs, Darwin, Katherine, Northern Territory, Australia

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## I INTRODUCTION

In November 2018, the Honourable Prime Minister Scott Morrison announced the National Tax Clinic Program with an aim to reduce the regulatory tax burden placed on organisations.<sup>1</sup> Addressing the 31<sup>st</sup> Australasian Tax Teachers Conference held in Perth in 2018 ('2018 ATTA Conference'), the Assistant Treasurer, the Honourable Stuart Robert, provided further details about the program.<sup>2</sup> In his speech the Assistant Treasurer referred to the increasing complexity of taxation, providing examples such as: the income tax law having grown to more than six thousand pages; and, the fact that a single, 10-line section in the *Income Tax Assessment Act 1936* (Cth) concerning employees' non-salary remuneration was replaced by the *Fringe Benefits Tax Act 1986* (Cth) which runs to 474 pages. Not only have the taxation laws increased in complexity, they have also become weighty with more pieces of legislation enacted.

In reference to the Prime Minister's previously announced National Tax Clinic Program, the Assistant Treasurer then affirmed that the Australian government was committed to decreasing the regulatory burden of businesses and the tax burden. The Hon Stuart Robert added that, in order to reduce such burden, the government had allocated up to AUD \$10 million under a trial program which used the Curtin University tax clinic as proof of the concept. It was envisaged that each clinic would receive AUD \$100,000 for twelve months to support unrepresented individuals and small business taxpayers in order to assist them with general tax advice, and enable them to meet their tax obligations and reporting requirements. The Assistant Treasurer further noted that the interaction would lead to those service recipients understanding the taxation system and having more favourable interactions with the Australian Taxation Office ('ATO'). The Hon Stuart Robert stated that the National Tax Clinic Program would complement the long-standing Tax Help program which had run for more than 30 years. In his speech, he noted that ten city and regional universities have been selected for the program to

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<sup>1</sup> Australian Taxation Office, 'Supporting NFPs through Tax Clinics' (Web Page, 27 August 2020) <<https://www.ato.gov.au/Non-profit/Newsroom/Running-your-organisation/Supporting-NFPs-through-Tax-Clinics/>>.

<sup>2</sup> The Hon Stuart Robert MP, Assistant Treasurer, Address to the Australasian Tax Teachers Association 31st annual conference, Duxton Hotel, 1 St Georges Terrace, Perth (Web Page, 16 January 2019) <<https://ministers.treasury.gov.au/ministers/stuart-robert-2018/speeches/address-australasian-tax-teachers-association-31st-annual>>.

provide these services, because of the location and complementary courses offered and faculties in place.<sup>3</sup>

In December 2018, a letter sent to Charles Darwin University (the ‘University’) by the Hon Stuart Robert offered the University the opportunity to join the government’s National Tax Clinic Pilot Program. In that letter, it was noted that the program extends pro bono help to individuals and small businesses, provides help in understanding taxes and meeting tax obligations, and helps students build practical experience for entering the tax profession in the future. On behalf of the University, the author accepted the invitation, and became the grant recipient, designer and director of the program.

## II CLINIC DESIGN

### A *The Clinic Model: 2019*

The CDU Tax Clinic model was designed to operate over seven days, excluding public holidays. Relevantly, the weekday clinics operated from University’s city campus, known as the Waterfront campus, which is located on the outskirts of Darwin’s Central Business District. The designated and advertised hours for the CDU Tax Clinic were 11 am to 3 pm. The weekend tax clinic operated at various shopping centres between the same advertised hours. The rationale behind designing the CDU Tax Clinic in this way was that it represented the first time a project of this sort had been launched in the Northern Territory, and the concept of a tax clinic would be unfamiliar to the population. Accordingly, rather than calling the soon-to-be established tax clinic a ‘National Tax Clinic’, the author decided to use the code name ‘Free Tax Clinic’ because that name would imply that the clinic did not charge fees and was likely to arouse curiosity among the community, encouraging them to find out what they were being offered.

At the first face-to-face workshop held for tax clinic representatives in Sydney on 19 and 20 June 2019 (‘Representatives Workshop’), there was an opportunity for the author to present the tax clinic model designed for the University. The author informed the participants about

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<sup>3</sup> Relevantly, ten universities were (in alphabetical order): The Australian National University, Charles Darwin University, Curtin University, Griffith University, James Cook University, University of Adelaide, University of Melbourne, University of New South Wales, University of Tasmania, and The University of Western Sydney. In a later amendment to the list, University of Adelaide representation was replaced by the University of South Australia.

two challenges encountered in the design: firstly, the low population density of the Northern Territory (representing approximately one percent of the entire Australian population); and, secondly, the uneven distribution of that population within the towns of Darwin, Alice Springs and Katherine (representing almost three-fourths of the entire Northern Territory population). In the presentation, the author explained the radical design adopted, acknowledging that other universities had the benefit of pulling clientele because of the higher population density existing where their universities were located and with their planned locations for the tax clinic. The CDU Tax Clinic had to surmount this disadvantage to create a successful clinic in terms of the volume of clientele and the nature of the taxpayers it served. The location of Darwin, Alice Springs and Katherine is shown in Figure 1 below.

FIGURE 1 – LOCATION OF MAJOR TOWNS IN THE NORTHERN TERRITORY<sup>4</sup>



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<sup>4</sup> Bruce Jones Design Inc, 'Royalty Free Australia Printable, Blank Maps' (Web Page, 2019) <<https://www.freeusandworldmaps.com/html/Countries/Asia%20Countries/AustraliaPrint.html>>.

### B *Concept of 'Unrepresented Taxpayer'*

At the Representatives Workshop, the term 'unrepresented taxpayer' was lengthily discussed by various representatives of the participating universities. By way of context, The Hon Stuart Robert in his address to delegates of the 2018 ATTA Conference had introduced the term without providing a definition. He referred to a 'gap in the market' where individuals and small businesses could not afford tax representation, and to additional circumstances such as failing businesses, mental health problems, challenges in family life, and English language proficiency. The Hon Stuart Robert then pointed to challenges with the taxation system such as understanding and navigating it in order to comply and report, as well as the mix of taxation regimes needed to be dealt with such as income tax, goods and services tax, and fringe benefits tax.<sup>5</sup> Relevantly, when all these matters are brought together, the boundaries for a definition become more indefinite, rather than definite. On this point, the Hon Stuart Robert added another dimension to consider which he denoted in his speech as 'AREA', referring to the service coverage of a tax clinic: advice, representation, education and advocacy.

Bringing together all of these diverse aspects that characterise an unrepresented taxpayer (i.e. market gap, circumstances, system complexities and AREA) made it a challenging task to settle on a uniform definition at the Representatives Workshop. While the brainstorming session was useful, participants decided to have each tax clinic come up with their own best-suited operational definition of an unrepresented taxpayer. In the context of the CDU Tax Clinic, the author operationalised the concept as encompassing unrepresented and underrepresented taxpayers. The author associated non-representation with marginalisation. The concept of marginalisation has wide-ranging applications to people and events. For instance, policies are expressions of practice, and when they are adopted as national standards they can marginalise education for certain groups of people.<sup>6</sup> The literature defines marginalisation as the act of prejudice against certain groups in formal and informal settings.<sup>7</sup> Therefore, marginalisation leads to exclusion in formal and informal settings, with that exclusion being able to take the

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<sup>5</sup> The Hon Stuart Robert MP (n **Error! Bookmark not defined.**).

<sup>6</sup> Marika Matengu, Ailie Cleghorn and Riitta-Liisa Korkeamäki, 'Keeping the National Standard? Contextual Dilemmas of Educational Marginalization in Namibia' (2018) 62 *International Journal of Educational Development* 128, 135.

<sup>7</sup> Mandy Jollie Bako and Jawad Syed, 'Women's Marginalization in Nigeria and the Way Forward' (2018) 21(5) *Human Resource Development International* 425, 443.

form of social, political, or economic exclusion. Age,<sup>8</sup> gender<sup>9</sup> and ethnic considerations<sup>10</sup> are additional factors that can evoke marginalisation.

### C Locations for the CDU (Free) Tax Clinic

The CDU Tax Clinic operated on weekdays from the University's Waterfront campus, and on weekends, from various alternating shopping centres with these weekend sessions usually held in five different locations in the Darwin region: Waterfront campus housed in Darwin's CBD; Casuarina Square shopping centre; Karama Shopping Plaza; Gateway Shopping Centre Palmerston; and, Rapid Creek Business Park. Rapid Creek Business Park is a relatively small shopping centre, but hosts a weekend market that attracts migrant populations living in Darwin to buy tropical fruits and vegetables.

The Free Tax Clinic also operated in two regional towns in the Northern Territory: Alice Springs at Yeperenye Shopping Centre; and, Katherine at Katherine Central Shopping Centre. It is important to note that a few clients invited the CDU Tax Clinic to serve in their localities after attending Katherine Central Shopping Centre. There were four such locations that were visited to provide tax services at clients' request, and these were not planned sessions: Warlpiri Transient Camp, South Katherine; Casuarina Street, Katherine East; Katherine Public Park; and, Centrelink, Katherine.

Academic literature has extensively discussed and empirically investigated customer retention, on the premise that customers are already acquired.<sup>11</sup> A by-line of management guru, Peter Drucker, notes that '[t]he aim of marketing is to know and understand the customer so well [that] the product or service fits him and sells itself.'<sup>12</sup> Borrowing from the literature, marketing service requires three aspects that are applicable to the tax clinic situation:

<sup>8</sup> Thomas Scharf, Chris Phillipson, Paul Kingston and Allison E. Smith, 'Social Exclusion and Older People: Exploring the Connections' (2001) 16(3) *Education and Ageing* 303, 320.

<sup>9</sup> Bako and Syed (n 7).

<sup>10</sup> Flora Matherson et al., 'Development of the Canadian Marginalisation Index: A New Tool for the Study of Inequality' (2012) 103(Suppl. 2) *Canadian Journal of Public Health* S12, S16.

<sup>11</sup> Lawrence Ang and Francis Buttle, 'Managing for Successful Customer Acquisition: An Exploration' (2006) 22(3-4) *Journal of Marketing Management* 295, 317.

<sup>12</sup> China Business News, 'Reinventing Nutraceutical Ingredients Marketing', *Gale General OneFile* ( Web Article, 2 March 2016) <<https://link.gale.com/apps/doc/A508730212/ITOF?u=ntu&sid=ITOF&xid=b7ea522c>>.



1. Knowledge about the clients;
2. Intelligence developed over time about clients; and,
3. Interpreting such knowledge and intelligence to communicate the tax clinic experience.<sup>13</sup>

All three were absent upon launch of the new tax clinic project in the Northern Territory.

A matter that initially plagued the author when establishing the CDU Tax Clinic was the campus location in relation to client convenience when accessing the CDU Tax Clinic and providing face-to-face client service. Research shows that location selection is made considering several factors and numerous variables can influence the location selection for an enterprise. Conducting factor analysis, research found that cost and accessibility are the two most important factors.<sup>14</sup> Relevantly, conducting the CDU Tax Clinic at the Waterfront campus represented a sunk cost to the project, but providing services in Darwin's CBD requires bearing an actual rent cost. On the other hand, Darwin's CBD could provide a locational advantage for clients to access the clinic. The University's Waterfront campus is located on the outskirts of Darwin where wealthy people live, along with tourist attractions, and is close to Darwin Harbour. As the agreed project aim was to serve unrepresented clients, the concern was whether such clients would feel comfortable visiting the Waterfront campus, and whether clients would have easy access through public transport. Consequently, the author contacted a government department located in the CBD to explore the possibility of renting an office room, free of charge. Ultimately, however, this proposal did not come to fruition due to the department's unwillingness to offer a space to be used by the CDU Tax Clinic each weekday. Following this interaction, in May 2019, the author contacted another premise located in the heart of Darwin CBD to rent an office room, however the quote received was not affordable: the CDU Tax Clinic could not pay the requisite rent as well as conducting the other activities necessary for the project.

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<sup>13</sup> Ibid.

<sup>14</sup> Fahri Karakaya and Cem Canel, 'Underlying Dimensions of Business Location Decisions' (1998) 98(7) *Industrial Management & Data Systems* 321, 329.

### D *Approach to Advertising and Acquiring Clients*

Personal time was invested in customer acquisition, and marketing costs such as advertising and travel costs comprised total customer acquisition costs. The CDU Tax Clinic budget prepared and approved by the University, and further agreed to by the ATO had an allocation for marketing costs. As well as needing to monitor costs, the author, as Director of the CDU Tax Clinic, also maintained a close eye on acquiring unrepresented clients to provide services. Client acquisition requires major attention and is immensely important as it is the first stage of the client lifecycle. Relevant literature identifies that one half of enterprises have a client acquisition plan with a dedicated budget to accomplish successful outcomes.<sup>15</sup> One of the main activities in the tax clinic project was to develop a client acquisition plan. Creating awareness among unrepresented clients was a major activity; the plan was to focus on awareness advertising aimed at prospective clients.

As noted in Part I above, the author expressed interest in applying for the National Tax Clinic Pilot Trial grant in early January 2019, on behalf of the University. In late January 2019, the author visited NT News, the major newspaper company in Darwin, to discuss promoting the project through relevant newspapers. Soon after that meeting, NT News provided a quote containing recommended advice for the newspaper's advertising strategy for the project. In subsequent discussions, the contact person at NT News advised that the University awarded advertising through a media agency, and that the NT News could provide this advertising within the nominated budget. However, the quote that was received was beyond what the project could afford to allocate through the advertising budget line item.

Accordingly, in February 2019, the author contacted a radio station located in Darwin to find out how much it would cost to run a radio advertising campaign to promote the soon-to-be established tax clinic. Following a couple face-to-face meetings, a radio advertising strategy was recommended along with the corresponding budget – which was more than the newspaper advertising budget. Despite this, the fact that neither the newspaper nor the radio station could provide a cost per acquired client failed to convince the author to seriously consider the proposals.

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<sup>15</sup> Ang and Buttle (n 11).

## 1 *Social Advertising Campaign*

Advertising a social campaign can be for a cause (i.e. a heart foundation or cancer council), or a mission, such as helping unrepresented people with tax assistance (i.e. the Free Tax Clinic project). Research shows that the community favourably receives advertising with a social dimension; the community feel less exploited with social advertising done by profit-making entities.<sup>16</sup> Against this background, it was imperative that the social message contained in the any Free Tax Clinic advertisement matched the aims and objectives of the CDU Tax Clinic in order to increase client attention and cognition with regard to the advertisements. Although there is a common perception that no advertising money is spent without an economic purpose to advance economic objectives, empirical research shows the contrary – there are three types of advertising objectives including economic, non-economic, and a mix of economic and non-economic. Advertising with economic objectives follows a conventional advertising campaign to increase financial value; either as increase in earnings through, for example increased sales, or as increase in asset value through, for example increased brand equity or value. Non-economic or social advertising is intended to provide social benefits to individuals, groups such as society, or to targeted groups such as marginalised people and entities. Finally, mixed advertising has a dual purpose of economic and non-economic aims, and its positioning can be anywhere along the economic and non-economic continuum.

Free Tax Clinic advertising related to a social mission but required adherence to a limited advertising budget to contain costs. From a practical standpoint, the CDU Tax Clinic adopted a mixed advertising strategy. Measuring success with social advertising is a challenge, as pointed out in a previous study<sup>17</sup>, because the concept of success in social projects is not unidimensional. For example, social advertising can have an influence on concept sustenance because the longer effect of advertising can associate with project success. Social advertising can also influence the number of client visits, and associate with project success. Application of measurements like cost per customer acquisition is financial but strictly outside social advertising. In the current project, the author maintained a close eye on the effectiveness of the

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<sup>16</sup> Minette Drumwright, 'Advertising with a Social Dimension: The Role of Noneconomic Criteria' (1996) 60(4) *Journal of Marketing* 71, 87.

<sup>17</sup> Luca Bagnoli and Cecilia Megali, 'Measuring performance in social enterprises' (2011) 40(1) *Nonprofit and Voluntary Sector Quarterly* 149, 165.

advertising to help manage the advertising budget, and paid close attention to the cost of acquiring a client.

Research has shown three factors affect the success of a social advertising campaign, as described below:

1. The degree of freedom – here, the freedom to think and act innovatively and challenge conventional economic advertising campaigns.
2. The campaign objectives and campaign duration. For instance, the Free Tax Clinic advertising campaign was targeted towards unrepresented taxpayers and was best-suited to advertise during the individual income tax lodgement season. The advertising content must inspire and have a positive attitude towards unrepresented taxpayers.
3. The existence of a relationship with the mission at the core of the organisational activities, where the mission is accepted by the community.

Relevantly, the Assistant Treasurer stated in his address to delegates of the 2018 ATTA Conference that the ten universities had been earmarked due to the complementary courses they offered, with the University offering accounting courses that include taxation. It is here to note that the literature reports that mixed campaigns have a lower level of employee involvement and engagement compared to non-economic campaigns. A huge time involvement and engagement with the Free Tax Clinic project essentially required the author to become the sole designer and director, with good logistical support received from various sections of the University. Studies report that social advertising campaigns accompany visible effects and involvements:<sup>18</sup>

1. Stronger organisational commitment with the University promoting its name through the Free Tax Clinic. This constitutes an engagement with the community.
2. The campaign was undertaken with the single objective to provide taxation services, sharpening the focus of benefits.
3. The University was committed to supporting and integrating the project as a teaching clinic in providing practical work experience to students.

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<sup>18</sup> Ibid.

Since receiving the ATO grant funds and during the income tax season, the author consistently liaised with the media office and marketing office of the University. In April 2019, the University's photographer took a photograph of the author, as Director of the CDU Tax Clinic for use in relevant media releases. The media division of the University played a pivotal role in increasing awareness of the CDU Tax Clinic by making two media releases following receipt of the grant, with the first media release made on 7 May 2019.<sup>19</sup>

Media releases, through the social media newsroom, provide one of the best ways to inform journalists and bloggers about the latest happenings of an organisation. On this point,<sup>20</sup> a survey undertaken with public relations officers shows that news communication media has a strong impact on organisations. This survey also found that compared with blogs and social media communications, the traditional news media releases are more trustworthy, more credible, more accurate, truthful, and ethical.

## 2 *Client Acquisition Plan*

The client acquisition plan comprised different, although convergent strategies, where each strategy aspect differed with intensity of action in order to carefully orchestrate the maximum awareness impact on prospective clients. The plan included: media releases made by the University; distribution of flyers to prospective clients at select shopping centres; newspaper advertisements when visiting regional town centres; DL-size flyer drops into letterboxes of residents located in postcodes that had been identified as high in prospective clients; paid radio advertising; visits to not-for-profits, charity organisations, cafes and bars that prospective clients tend to visit in order to display posters and leave flyers for prospective clients to take; displaying posters on community noticeboards in various Darwin suburbs and at the University; sharing Free Tax Clinic project flyers and information on social media such as Facebook and LinkedIn; displaying Free Tax Clinic boards inserted on A-shaped frames where tax clinics were conducted; web-form booking; and, inquiry by phone at any time.

The client acquisition plan comprised a mix of direct marketing and indirect marketing, such as mass advertising, to inform prospective clients about the Free Tax Clinic services. Direct

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<sup>19</sup> Charles Darwin University, 'CDU to Launch Free Tax Service' (Web Page, 7 May 2019) <<https://www.cdu.edu.au/newsroom/tax-clinics>>.

<sup>20</sup> Donald K Wright and Micelle D Hinson, 'How blogs and social media are changing public relations and the way it is practiced' (2008) 2(2) *The Public Relations Journal* 1.

marketing involves directly reaching prospective clients without using a middleperson for advertising. The purpose for undertaking direct marketing was to invest money in clients as a way to maximise the number of clients. The conventional direct marketing strategies are akin to strategies used in the 1960s and 1970s with an underlying assumption that clients share the same underlying behaviours – here, to visit the CDU Tax Clinic.<sup>21</sup> The reason for using a mix of direct marketing strategies (such as handing out leaflets, displaying the Free Tax Clinic posters at shopping centres, and making personal visits to selected organisations to promote the CDU Tax Clinic) is that each promotion method may appeal to different strands of clients, who have different underlying behaviours to attend the tax clinic. For example, prospective clients visiting charitable organisations may be unemployed and seniors. On the other hand, prospective clients visiting shopping centres and weekend markets may be a different segment of clients, such as females and ethnic groups. Directly marketing the Free Tax Clinic service awareness at different locations attracts different segments of clients, but within the common clientele of unrepresented clients. The CDU Tax Clinic could not use personalised direct marketing strategies due to its lack in possessing prior or prospective clients' information which would otherwise provide the clinic with knowledge and intelligence to personalise any marketing strategy. For example, two prospective clients meeting at a shopping centre may visit a tax clinic for two different reasons and purposes. If such knowledge and intelligence was formerly available, then those clients could be approached more effectively, and with less expense, for the CDU Tax Clinic to provide its services.

Display advertising is a useful client acquisition channel to deploy a limited marketing budget, as was the case with the Free Tax Clinic. Display advertising can help in creating brand awareness and promoting loyalty of clients.<sup>22</sup>

The DL flyer itself was a direct marketing object. Within that object, there were several direct marketing objects embedded. It had personal mobile numbers to contact the Director of the CDU Tax Clinic, as well as the web-form booking URL, while informing on targeted unrepresented taxpayers such as individuals, students, micro businesses and small businesses.

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<sup>21</sup> David Shepard, 'From the Practitioner: Direct Marketing, Round Three' (1997) 11(3) *Journal of Direct Marketing* 2.4.

<sup>22</sup> Syeda Khadeer Sultana, 'Is Display Advertising an Effective Customer Acquisition Channel?' (Web Page, 8 May 2019) <<https://www.way2target.com/blog/display-advertising-an-effective-acquisition-channel/>>.

The difference between marketing advertising and display advertising is that the latter appeals to a direct response from the customer and assists in converting the prospective client into a client.<sup>23</sup> A display advertisement generally provided directions to the location of the clinic, with pull up banners installed where the clinic operated to provide its services. The pull up banners contained the web-form booking URL address. Although the A-frame displays did not originally include the web-form booking URL, in later months, the Director of the CDU Tax Clinic personally pasted a paper sticker with contact mobile numbers and the web-form booking URL to provide prospective clients with relevant contact information. A prospective client may have immediately contacted the CDU Tax Clinic after noticing the display banner or have done so later; for example, because the prospective client may have attended the shopping centre for other reasons or may have seen the display advertisement while on their way to perform some other task.

The phone numbers and web-form booking URL allowed prospective clients to contact the Free Tax Clinic at their convenience. The author, in their capacity as Director of the CDU Tax Clinic, treated sharing such information as essential to building brand awareness of the Free Tax Clinic, as well as brand building of the accounting courses offered by the Asia Pacific College of Business and Law ('College'), and the University. The displays were deployed where the Free Tax Clinic operated: on weekdays at the Waterfront campus entrance, and on weekends at the relevant shopping centre. At the site of the clinic there were also pull up banners that not only served to contain an open space into a mobile semi-office, but also displayed the discipline, College and the University.

### *E Commencement of Operations*

The CDU Tax Clinic commenced its tax service on Saturday, 19 June 2019 at Palmerston Gateway Shopping Centre, with subsequent weekend sessions alternating between various shopping centres. The weekday tax clinic operated from the University's Waterfront campus. The CDU Tax Clinic also served clients who attended shopping centres and invited the clinic to visit their localities: three clients at Walpiri Transient Camp in Katherine; two clients at Casuarina Street in Katherine; two clients at Centrelink, Katherine; and, one client at Katherine

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<sup>23</sup> Candi Woodson, 'How to Use Display Advertising for Customer Acquisition' (Web Page, 14 June 2018) <<https://www.digitalcommerce360.com/2018/06/14/how-to-use-display-advertising-for-customer-acquisition/>>.

Public Park. By the end of the project on 30 October 2019, in just over four months, the CDU Tax Clinic had served 266 clients. Table 1 (below) provides a comprehensive overview of the locations where the tax clinic was conducted and served its clients.

TABLE 1 – SERVICE DELIVERY LOCATIONS OF THE FREE TAX CLINIC

<b>DATE</b>	<b>WEEKDAYS</b>	<b>VENUE</b>	<b>LOCATION</b>
Weekdays	Mon-Fri	Darwin city, Waterfront campus	Darwin City
<b>DATE</b>	<b>WEEKEND</b>	<b>VENUE</b>	<b>LOCATION</b>
22-Jun-19	Saturday	Palmerston Gateway Shopping Centre	Palmerston
29-Jun-19	Saturday	Casuarina Shopping Centre	Casuarina
06-Jul-19	Saturday	Karama Shopping Centre	Karama
13-Jul-19	Saturday	Rapid Creek Market	Rapid Creek
14-Jul-19	Sunday	Rapid Creek Market	Rapid Creek
20-Jul-19	Saturday	Alice Springs Shopping Centre	Alice Springs
21-Jul-19	Sunday	Alice Springs Shopping Centre	Alice Springs
27-Jul-19	Saturday	Casuarina Shopping Centre	Casuarina
28-Jul-19	Sunday	Casuarina Shopping Centre	Casuarina
03-Aug-19	Saturday	Darwin city, Waterfront campus	Darwin City
04-Aug-19	Sunday	Darwin city, Waterfront campus	Darwin City
10-Aug-19	Saturday	Katherine Shopping Centre	Katherine
11-Aug-19	Sunday	Katherine Shopping Centre	Katherine
17-Aug-19	Saturday	Palmerston Gateway Shopping Centre	Palmerston
18-Aug-19	Sunday	Palmerston Gateway Shopping Centre	Palmerston
24-Aug-19	Saturday	Casuarina Shopping Centre	Casuarina
25-Aug-19	Sunday	Casuarina Shopping Centre	Casuarina
31-Aug-19	Saturday	Alice Springs Shopping Centre	Alice Springs
01-Sep-19	Sunday	Alice Springs Shopping Centre	Alice Springs
02-Sep-19	Monday	Alice Springs Shopping Centre	Alice Springs
07-Sep-19	Saturday	Darwin city, Waterfront campus	Darwin City
08-Sep-19	Sunday	Darwin city, Waterfront campus	Darwin City
15-Sep-19	Saturday	Darwin city, Waterfront campus	Darwin City
16-Sep-19	Sunday	Darwin city, Waterfront campus	Darwin City
21-Sep-19	Saturday	South Katherine Camp and Public Park	Katherine



22-Sep-19	Sunday	South and East Katherine Camp, and Casuarina Street Visit	Katherine
23-Sep-19	Monday	Katherine Centrelink	Katherine
28-Sep-19	Saturday	Alice Springs Shopping Centre	Alice Springs
29-Sep-19	Sunday	Alice Springs Shopping Centre	Alice Springs
30-Sep-19	Monday	Alice Springs Shopping Centre	Alice Springs
05-Oct-19	Saturday	Palmerston Gateway Shopping Centre	Palmerston
06-Oct-19	Sunday	Palmerston Gateway Shopping Centre	Palmerston
12-Oct-19	Saturday	Casuarina Shopping Centre	Casuarina
13-Oct-19	Sunday	Casuarina Shopping Centre	Casuarina

The Free Tax Clinic aimed to delight clients by accommodating their every need. In this respect, the author, as Director of the clinic, adopted an unwritten motto to serve clients even before the client had contacted the clinic. This was done by sharing mobile numbers on flyers distributed to prospective clients, and providing a web-based form that would request information be immediately transferred to the tax clinic Director's office email address. This approach allowed the Director of the CDU Tax Clinic to respond to clients as soon as contact was made and often instantly. Ultimately, the tax clinic became as flexible as possible with the client in order to accommodate their preferred schedule. The client was provided with enough time to receive all the advice and services, putting the client at ease and in control. On average, the CDU Tax Clinic provided two-and-a-half hours of client face-to-face interaction time, a contrast to profit-making tax services.

Six students undertaking a Master of Professional Accounting course who had completed the taxation course unit, took part in the teaching clinic. The author was the only academic engaged in the 2019 inaugural CDU Tax Clinic as its Director; in this capacity, the author provided tax services alongside the student volunteers, while supervising and mentoring them. In addition to providing students with client experience, the author also prepared study modules on advanced taxation for students' further learning – these modules included superannuation, trusts and trust distributions, and taxation of companies.

### III CLINIC RESULTS

The success of a socially oriented project, such as the Free Tax Clinic, has multiple objectives. Accomplishing these objectives requires time and effort (the input), and activities conducted

(the process). It is certainly not value creation measured in money terms, but value creation measured in non-financial terms. The value creation has an output dimension which is objectively oriented and quantifiable, and an outcome dimension which is subjectively oriented and not quantifiable. In terms of the quantifiable output, interpreting these parameters requires due consideration of the context in which the project operated. Following are some key statistics of the Free Tax Clinic.

1. Input statistics:
  - 3 Radio interviews (not discussed).
  - 3 Newspaper articles (not discussed).
  - 2 University media releases (partially discussed).
2. Process statistics:
  - 373 direct client interaction hours invested by the author, as Director of the CDU Tax Clinic.
  - 303 direct client interaction hours invested by the CDU Tax Clinic student volunteers.
  - 2.5 hours (average) per client tax session.
3. Output statistics:
  - 266 tax clients.
  - 6 students gaining practical work experience in the clinic.
  - 3 advanced taxation modules prepared for students' further learning.
4. Outcome statistics:
  - 89 client feedback videos shared by clients.
  - 25 client feedback, bilingual and multi-lingual, shared by clients.
  - 6 videos prepared by the author, as Director of the CDU Tax Clinic, reflecting on the clinic experience.

Initially during the beginning period of the Free Tax Clinic's operation, after completing their tax clinic sessions clients were thankful for the services provided, however, the author was hesitant to request recorded feedback. Upon speaking with the University's marketing department, the author understood that the clinic could request that the client complete and sign the University's Talent Release Form. Following this exchange, it was mentioned to clients that if they were happy with the service provided, they could pose for a photo with the clinic team. Later still, the author realised that a better approach would be to ask whether the client

would like to share their experience and have it recorded by way of video. Clients were delighted to provide such video feedback.

During the period of the project, for display in that period only, the author also created a YouTube channel. The channel had several sections based on the location that the client had attended, including: feedback from Waterfront clients; feedback from Alice Springs clients; and, feedback from Katherine clients. The YouTube channel also had separate sections for videos based on other factors, including: feedback from Indigenous clients; feedback in bilingual and multi-lingual languages to house the client satisfaction videos; student feedback videos; and the author's own feedback under a section entitled 'Professor's reflections'. In response to those client videos, there were several feedbacks received from viewers, and the author has de-identified the clients.

Following are two examples of feedback received from the ATO on two separate videos:

“Thank you, [Client] and Indra. That was absolutely beautiful to be able to hear [Client] speak [their] language. There should be more of this.”

“Love that this message went out in three languages - so cool :)”

Provided below are a series of randomly selected feedback provided by clients in their feedback videos:

“Good evening everyone, my name is [Client] I met Indra, and Indra has been very helpful to file the income tax return, and I do want to mention to everyone that this is free of cost and you can always take the benefit provided by Charles Darwin University, and this is a very good service that Indra and his team is doing to the society. Do take benefit of this, and you will not lose anything. Have a good day. Great. Thank you.”

“Hi, my name is [Client]. I come from [Country]. I am a backpacker; I work here in Australia and I didn't know anything about tax part, and I saw Professor Indra of Charles Darwin University and it was very good and appreciate things like these you do.”

“Hi, my name is [Client], and I have been sitting here with Indra for hours doing my tax return for the past few years and I received so much help. He is being amazing and Charles Darwin University also amazing, thank you. Ah, I was just walking by and I saw signs. Free tax returns, and amazing, and I have been sitting here for a while with Indra and he is amazing. I have been this ten times now, but Indra, he is amazing, but ya, thank you so much, thank you Indra.”

“Hi, my name is [Client], and I was born in [Country 1] and brought up in [Country 2], and I am an Australian citizen, and I thought I would get some tax advice from the tax clinic, and I got great advice about my personal loan, personal tax, and all different strategies. I definitely recommend everyone to get some advice, get some ideas about how to understand the Australian law, taxation law, and you can minimise your tax. Thanks. Really appreciate it.”

“I heard about this from the newspaper some months ago. Then my [child] mentioned to me a few weeks ago. It was on the radio. I then ran into Indra at Casuarina shops, and obviously got here today. I have been putting this off for five years and played everything up apart from being financially. It is good for students to get hands-on experience of the real world. It is very much appreciated by me.”

#### IV CONCLUDING REMARKS

Research finds that those with prior entrepreneurial experience bring an advantage to starting subsequent entrepreneurial ventures. Although a lack in managerial experience is not a deterrent to starting entrepreneurial ventures, managerial skills and experience are advantageous to entrepreneurial ventures as these ventures call for a variety of skillsets in order to succeed. For example, these ventures require keeping a close eye on the budget, design, implementation and marketing, and leading and managing people.<sup>24</sup>

The inaugural launch of the National Tax Clinic Pilot Program required client-centred intrapreneurship. Entrepreneurship is about uncovering or developing opportunities to create value through innovative activities, to seize the opportunity with the use of resources or through a location.<sup>25</sup> Undertaking the activity as an employee is intrapreneurship, and undertaking it on one’s own accord is entrepreneurship. The literature points out that entrepreneurs enjoy high rewards and high risks, whereas intrapreneurship enjoys low rewards and high risks associated with the activity. Organisations can limit the rewards enjoyed from novel ideas designed and implemented which are out of the normal activities. Some organisations provide no reward on the basis that the organisation provides the resources used. In an organisational setting, the costs of mistakes can be high, as blaming the intrapreneur is likely even if not logical. Organisations also have various policies and procedures to follow, imposing bureaucracy, and

<sup>24</sup> Robert Hisrich, ‘Entrepreneurship/Intrapreneurship’ (1996) 45(2) *American Psychologist* 209, 222.

<sup>25</sup> Veronica Marier and Cristina Pop Zenovia, ‘Entrepreneurship versus Intrapreneurship’ (2011) *Review of International Comparative Management* 12(5) 971, 976.

the good work of an intrapreneur can be offensive to onlookers who perceive that the intrapreneur is gaining prominence. One study concludes that in the education sector, employees with intrapreneurial aspirations often do not receive much appreciation from their colleagues: '[t]hey are the heroes of your organization but, they are the ones that suffer most'.<sup>26</sup> A manager in that study mentioned the level of intrapreneurship that education tolerates: '[y]ou'd better not have too many extreme intrapreneurs in your department. And then I refer to people like Steve Jobs. You need them, but not as your own employees!'<sup>27</sup> With such empirical evidence in the education sector, an appropriate approach to innovative project design and implementation is to become an intrapreneur in bureaucracy, rather than an intrapreneur in entrepreneurship.

The author is humbled by the challenging tasks and adventurous journey of the design and implementation of the inaugural tax clinic conducted in the Northern Territory, Australia, over the 2019 year with the code name 'Free Tax Clinic'. The author considers it an honour to have become the sole creator and Director of the CDU Tax Clinic. There were many stakeholders who supported this initiative and made it possible, including: the Federal Government; the ATO; members of the community of practice of other universities in the National Tax Clinic Pilot Program; and various parties located at the University such as, the College, the Office of Research and Innovation, the Media Division, the Marketing Division, those students who participated in the tax clinic, and Uni-print. Whilst profusely thanking these stakeholders, the author gratefully dedicates this paper to the most important stakeholder, the Free Tax Clinic clients, for making it happen so gloriously.

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<sup>26</sup> Jo Boon, Marcel Van der Klink and Jose Janssen, 'Fostering Intrapreneurial Competencies of Employees in the Education Sector' (2013) 17(3) *International Journal of Training and Development* 210, 218.

<sup>27</sup> *Ibid* 220.

# 2019 NATIONAL TAX CLINIC PROJECT: THE ANU TAX CLINIC

BEN RAINES\* AND SONALI WALPOLA\*\*

## ABSTRACT

*The ANU Tax Clinic was launched in August 2019 with the objective of delivering a social benefit to the community and providing a novel work-integrated learning opportunity for ANU Accounting students. The clinic provides information and guidance on income tax to lower-income individuals through one-on-one consultations and also provides free tax education seminars. In 2019, client consultations were conducted at the premises of community partner organizations at four locations in Canberra. This article describes the purpose and design of the ANU Tax Clinic, and provides an account of the 2019 experience, including how it has informed 2020 operations.*

**Keywords:** pro-bono tax clinics, work-integrated learning

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## I INTRODUCTION

The Australian National University ('ANU') is one of 10 universities receiving grant monies from the Federal Government to offer a pro bono tax clinic as part of the National Tax Clinics Program.<sup>1</sup> As part of this program, the ANU Tax Clinic<sup>2</sup> was launched in August 2019 within the ANU College of Business and Economics ('CBE'), with oversight and administrative support by the Research School of Accounting ('RSA'). The ANU Tax Clinic has been continued for 2020.

The ANU Tax Clinic operates in the peak tax season during the second half of the year with extensive advance planning occurring beforehand. The ANU Tax Clinic provides guidance and information on income tax through one-on-one consultations and tax education seminars. In one-on-one consultations, the ANU Tax Clinic is focused on assisting lower-income individuals, consistent with the philosophy of the National Tax Clinics program and the established university-run low income tax clinics of the United States.<sup>3</sup> Consultations are led by ANU Accounting students, under the supervision of a professional mentor with tax expertise. In 2019, consultations were offered at four locations in the Canberra region. This article describes key features of the ANU Tax Clinic and provides an overview of the 2019 experience and how it has informed planning for 2020.

## II CLINIC PURPOSE

The central purpose of the ANU Tax Clinic is to deliver a social benefit to the wider community by providing income tax guidance and information to lower-income individuals. A significant associated benefit is the provision of a rich work-integrated learning opportunity for ANU accounting students,<sup>4</sup> which furthers the ANU's central interest in achieving outstanding

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<sup>1</sup> See Australian Taxation Office, 'National Tax Clinic Program' (Web Page) <<https://www.ato.gov.au/General/Gen/National-Tax-Clinic-program/>>. For useful background to the establishment of the National Tax Clinics Program in Australia, see A Kayis-Kumar, J Noone, F Martin, and M Walpole, 'Pro Bono Tax Clinics: An International Comparison and Framework for Evidence-based Evaluation' (2020) 49 *Australian Tax Review* 110, 111-112.

<sup>2</sup> Research School of Accounting ANU, 'ANU Tax Clinic' (Web Page) <<https://www.rsa.anu.edu.au/rsa/anu-tax-clinic/>>.

<sup>3</sup> Afield, 'Social Justice and the Low-Income Taxpayer' 64 *Villanova Law Review* 347, 347-349.

<sup>4</sup> As to the expected benefits for students (based on the US experience) from interning in the tax clinic; see Fogg, 'Taxation with Representation: the Creation and Development of Low-Income Taxpayer Clinics' (2013) 67 (No.1) (Fall) *Tax Lawyer* 3, 5-6.

learning experiences and outcomes for students. A further expected benefit is the fostering of a long-term interest in pro-bono work and community service among students interning in the clinic.<sup>5</sup>

The ANU Tax Clinic offers tax guidance and information primarily through one-on-one consultations to clients who meet particular eligibility criteria. The clinic also provides tax education workshops and seminars. Consistent with the United States experience, it is expected that the ANU Tax Clinic would be particularly beneficial to people without much experience of the (Australian) tax system, including migrants and students, and generally to persons for whom English is a second language.<sup>6</sup>

The ANU Tax Clinic provides guidance and information to clients (as distinct from advice) and does not provide tax agent services. In practice, this means that students (under the supervision of tax professionals) will attempt to answer any question about income tax law and provide a view as to the application of income tax law provisions to the situation of interest raised by the client, but will not advise a client about what they should or should not do (apart from reinforcing the obligation to comply with the law). Admittedly, there may not often be a distinct line between information and advice, but one key distinguishing feature of an information provision service is the absence of recommendations to the client.<sup>7</sup> The ANU Tax Clinic does not draft or lodge documents for clients or act on their behalf. In all descriptions of the ANU Tax Clinic and promotional material, the assistance offered by the clinic is described as relating to information and guidance, as distinct from advice.

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<sup>5</sup> Consistent with the US experience, it is expected that student interns in the clinic are more likely to make pro bono social contributions in their future careers compared to those who have not participated in community service in their formative years; see Balian, Efrat, Plunkett, Jager, 'An Evaluation of a University-based, Pro Bono Tax Services Program for Low-Income Taxpayers' (2018) 8 *Tax Development Journal* 1, 4.

<sup>6</sup> Office of the Taxpayer Advocate, *Low Income Tax Payer Clinics Program Report* (2018) ('LITC Report') 14.

<sup>7</sup> The distinction is utilised in the context of legal aid clinics; see generally, Robertson and Giddings, 'Informed litigants with nowhere to go': self-help legal aid services in Australia' (2001) 26(4) *Alternative Law Journal* 184.



### III CLINIC PARTICIPANTS

#### A *ANU Tax Clinic Team*

In both 2019 and 2020, the ANU Tax Clinic has utilised grant monies to employ a part-time tax clinic manager and administrative assistant. In 2019 and 2020, three academics from RSA have been responsible for oversight, and the overall strategic direction of the ANU Tax Clinic. In 2019 in particular, personnel in CBE's employability and engagement team were instrumental in (i) recruiting the professional mentors who volunteered their services to the ANU Tax Clinic; and (ii) arranging the involvement of for-purpose sector organisations (Anglicare, Belconnen Community Service and Woden Community Service), which provided the premises for face-to-face consultations.

#### B *Student Interns*

Students were selected through the CBE Internship Program, which is a one-semester unit providing course credit and available at undergraduate and postgraduate levels. This Program provides students with an opportunity to gain real-world experience in an organisation through a workplace internship of 4 weeks full-time equivalent. In 2019, seven of the eight students interning in the ANU Tax Clinic provided 2 hours per week to the clinic, with their remaining hours at another organisation. One student was recruited as the ANU Tax Clinic Intern. This student provided 12 hours per week to the clinic. By comparison, in 2020, all students involved in the ANU Tax Clinic are interning exclusively in the clinic.

It was also a requirement that students must have completed or be enrolled in the Taxation Law unit offered by RSA at either the undergraduate or postgraduate level. This was to ensure that students in the clinic were equipped with the core knowledge needed to provide guidance on tax matters, and to facilitate work integrated learning, so students have the opportunity to apply concepts and theories learnt in the classroom to real-world situations in a professional environment.<sup>8</sup>

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<sup>8</sup> For a detailed examination of student benefits from participating in tax clinics; see generally Balian (n 7).

### *C Industry Supporters and Professional Mentors*

In 2019, the ANU Tax Clinic had twelve industry supporters, including CPA Australia, CA ANZ, and several accounting firms. The logos of industry supporters were displayed on the 2019 ANU Tax Clinic webpage. The professional mentors volunteering in the clinic were either from industry supporters or attended in their personal capacity. Several mentors were ANU alumni.

### *D For-Purpose Partners*

For-purpose sector partners (Anglicare, Belconnen Community Service and Woden Community Service) provided the premises where client appointments were conducted. Memorandums of understanding were signed with the relevant for-purpose partners, which set out the agreed basis on which the ANU Tax Clinic would provide information and guidance at the various sites. The community partners were chosen based on location, with the aim of increasing accessibility for vulnerable and lower-income individuals. Four off-campus sites in Canberra were used between August to October 2019:

- Junction Youth Centre in Civic/the city (owned by Anglicare);
- Gordon Community Centre in Gordon (owned by Anglicare);
- the Belconnen Community Service in Belconnen; and
- the Woden Community service in Woden.

The Civic site, the Junction Youth Health Service, was only available for clients under the age of 25 years.

## IV PROMOTION AND ADVERTISING

Particularly as the ANU Tax Clinic offers a pro bono service, effective promotion and advertising is seen as the key driver of client appointments.

In 2019, public awareness of the ANU Tax Clinic was facilitated by the following:

- Launching a website;
- Community partner newsletters and electronic communications;
- Posters and flyers being displayed at community centres;

- Trifold brochure distribution at clinic workshops, the ACT Library service, Theo Notaras Cultural Centre, CatholicCare, and ANU Residence halls;
- The ANU Tax Clinic banner being displayed at community centres during the opening hours for clinic;
- Advertising inside local buses; and,
- Media exposure as further detailed below.

In August 2019 (the first month of clinic operations), several media forums were accessed to increase public awareness of the ANU Tax Clinic including:

- Online and print media, including an article in *Canberra Weekly*;
- Radio interviews (RSA academic staff as well as a tax clinic intern and a professional mentor have participated in interviews, including a live session on ABC radio); and,
- Television (an RSA academic and ATO representative were interviewed for WIN news on the official launch day of the clinic).

There is necessarily a time lag between promotion activities and community response as reflected in client bookings. The relatively few clients in the clinic's opening weeks in August 2019 is largely attributed to a lack of sufficient community awareness of the clinic. In 2019, advertising and promotion commenced in earnest just prior to the opening of the clinic. Ideally, a concerted marketing campaign should begin a few months prior to the time the clinic opens for appointments. Fortunately, in 2020, with the extensive establishment work having been done in 2019, the ANU Tax Clinic was able to focus on marketing at a much earlier stage, with an effective social media campaign having started several months prior to when the clinic opened for appointments. Directly as a result of the 'lesson learned' from the 2019 experience, the 2020 clinic also opened for bookings well ahead of when appointments were to actually take place, the consequence being that there were relatively large numbers of clients in the early weeks of the 2020 clinic.

## V CORE SERVICES

This section provides a summary of key features relating to client consultations and educational seminars/ workshops, being the core services provided by the ANU Tax Clinic.

## *A Client Consultations*

In 2019, face-to-face consultations were the norm. The clinic opened for client appointments in the week commencing 12 August 2019 and closed on 25 October 2019. Appointments were available for 10 weeks. The clinic was open on Tuesdays (in Civic), Wednesdays (in Woden and Gordon in alternative weeks) and Fridays (in Belconnen). The clinic was open for bookings 9am-5pm on Tuesdays and for part of the day on Wednesday and Friday.

### *1 Eligibility Criteria*

In 2019, access to the ANU Tax Clinic was limited to individuals in the ACT with a pre-tax (family) income no greater than \$60,000 per annum,<sup>9</sup> who did not operate a business and who were not currently represented by a tax agent. Eligibility criteria were publicised on the ANU Tax Clinic website, online booking form and promotional material. Clients were required to self-assess eligibility prior to making a booking. The eligibility conditions were relaxed on a discretionary basis, including in one compelling case referred to the clinic by the ATO. During the course of the 2019 clinic, it became apparent that the eligibility criteria were probably too restrictive for the purpose of achieving the clinic's purpose of assisting vulnerable and lower-income individuals. The criteria have been considerably relaxed in 2020, with the pre-tax income limit being increased to \$80,000 and assessed on an individual instead of a family basis. The restrictions to non-business income and ACT residency have been removed, and the only condition strictly enforced is that the client is not currently represented by a tax agent.

### *2 Format of Client Consultations*

Client consultations are student-led, with the professional mentor providing guidance and input where needed. The student and mentor have advance notice of the tax issue that the client will seek advice about, with students doing some research and preparation prior to the meeting. In preparing for meetings, students have drawn on their knowledge from their tax studies, ATO website material and the Question and Answer booklet developed by the clinic. In the session, the student invites the client to ask any question about income tax or completing a tax return

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<sup>9</sup> The income threshold was drawn from Tax Help criteria; see <Australian Taxation Office, 'Tax Help Program' (Web Page) <<https://www.ato.gov.au/individuals/lodging-your-tax-return/tax-help-program/>>.

(including accessing myGov). Students proceed to answer questions under the supervision of the tax professional.

As indicated above, in 2019 face-to-face consultations were the norm, but occasionally some appointments were conducted virtually on Skype. By comparison, in 2020, the clinic is operating on an entirely virtual basis with Zoom appointments being used, unless the client prefers a phone consultation. In 2019, clients who were unable to manage their schedule or were currently overseas were helped by the ANU Tax Clinic through the medium of live video chat. For example, one case involved a client temporarily living overseas who was seeking advice about their Australian-sourced income earlier in the income year. The student and mentor conducted the Skype call and directed the client to the ATO website containing relevant information.

### 3 *Volume of Client Activity*

There were few client appointments in the first month of clinic operations in August 2019, reflecting the very short lead time that the clinic had for promotion and advertising. Appointments progressively increased in September and October 2019. There were a total of 55 appointments in 2019. The most popular sites were Civic (located in the city) and Belconnen, both more centrally located than Woden and Gordon. The age restriction (25 years and under) at the Civic site (the Junction Youth Centre) reduced the client appointments that would otherwise have been generated. Many clients who were ineligible (above 25) expressed a preference for an appointment at the Civic site. While they were directed to an appointment at another site, only a proportion went ahead. By comparison, in 2020, with the clinic having a far longer period to devise an effective promotional campaign and with the enhanced accessibility offered by the virtual service, total client appointments in the first five weeks of operations were more than 60, exceeding the total number in 2019.

### 4 *Translation Services*

Consistent with the US experience, it is expected that English as a Second Language (ESL) taxpayers will benefit greatly from tax clinics in Australia.<sup>10</sup> In order to adequately assist ESL taxpayers, the ANU Tax Clinic registered with the Translating and Interpretation Service

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<sup>10</sup> Office of the Taxpayer Advocate (n 8) 5.

provided by the Department of Home Affairs. There were approximately six client requests for a translator in 2019. The languages requested included Chinese and Spanish. Ultimately, translation services were not needed as the client's questions were easy to resolve without such assistance or the client brought a family member with them who was able to translate. The Gordon tax clinic site requested tax information in Arabic to increase awareness of the ANU Tax Clinic for clients in the Tuggeranong area. By comparison, in 2020, while the government translation service is available as an option, both students and mentors in the clinic with language proficiency in the client's native language (most commonly, Mandarin) have acted as translator.

### *B Tax Education Workshops and Seminars*

In 2019, the clinic coordinated a series of workshops that provided information about how to navigate myGov and lodge a tax return online. Three one-hour workshops with the same content were delivered by ATO representatives at ANU campus on 15 August 2019 immediately following the official launch of the clinic. ATO representatives explained how to create a myGov account and how to link it with myTax, and went through a demonstration version of how to lodge a tax return online using myTax. These workshops were especially beneficial for international students who would have arrived recently in Australia with limited knowledge about the Australian taxation system. The workshops were well attended with 105 participants, the majority being ANU students.<sup>11</sup> The workshops had been publicised to CBE students and staff via email and CBE TV screens, with registration being required.

The ANU Tax Clinic hosted a seminar titled 'how to maximise your tax benefits' on campus in CBE on 14 October 2019. Both CBE staff and students were invited by email, and registration was required. The event was also promoted on CBE TV screens. The seminar, which was presented by a professional mentor in the ANU Tax Clinic, covered tax benefits that were both relevant to staff (on higher incomes) and students. The seminar presenter did an excellent job of providing important general information (e.g. who is required to lodge a tax return) as well as accurately and comprehensively outlining the major tax benefits and concessions available under Australian income tax law. Content included useful guidance on the deductibility of home office expenses, work-related travel expenses, self-education

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<sup>11</sup> A similar practice takes place in the United States, with university tax clinics providing practical workshops to students on how to lodge a tax return: *Ibid* 14.

expenses, and the tax benefits associated with negative gearing. Even where material had more obvious immediate relevance to staff on higher incomes, the content was also of high interest to students because most would work in Australia in the near future. The seminar was well attended with close to 50 attendees. This tax benefits seminar generated extremely positive feedback. For example, one ANU staff member commented that ‘it was a great workshop! Very informative’. The high interest from staff and students in the seminar content was evident by the numerous and detailed questions they asked the seminar presenter.

## VI SYSTEMIC ISSUES REVEALED BY THE 2019 EXPERIENCE

There have been a variety of issues that clients presented to the ANU Tax Clinic. Some issues have been relatively straightforward to resolve while others have been quite complex and have really challenged the student and mentor. A summary of these issues will be outlined in this section.

### A *Lack of Computer Literacy and Internet Access*

It soon became apparent that some members of the community did not have computer or Internet access, or were not comfortable with using computers/the Internet. As has been recognised in the United States, the increasing online orientation and digitisation of tax authority services can inhibit lower-income individuals from accessing tax services and obtaining tax guidance.<sup>12</sup> Indeed, the first-hand experience of students and mentors in the ANU Tax Clinic indicates that a lack of access or unfamiliarity with computers and the Internet impeded some taxpayers in getting help with their tax affairs given that online platforms are the most common means by which tax information is offered to the public. Fortunately, the ANU Tax Clinic was still able to provide assistance to at least some persons who had such concerns as they had heard of the clinic through print media and made phone contact with the clinic (thereby bypassing the need to book an appointment using the clinic web form). The ANU Tax Clinic was able to book the clients in by phone and check eligibility.

In addition to creating an initial hurdle to seeking help, the lack of access to computers/the Internet among some members of the community also led to an unfamiliarity with the myGov system.

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<sup>12</sup> Afield (n 5) 365.

The ANU Tax Clinic assisted such clients both by answering any substantive questions about income tax law and also through showing them how to use the myGov system. At all tax clinic consultations, students had access to tablets where they were able to show relevant material and information online, for example, by displaying videos about how to link a myGov account to the myTax system.

### B *MyGov Problems*

Clients have come to the clinic with issues about myGov and myTax, including error problems with linking their myGov account to the myTax system. For example, in one case the student discovered, after some research on the ATO website, that individuals need to call the ATO to obtain a unique linking code to link the two systems. The ATO contact number was provided to the client and it was noted that they should have necessary personal information ready before making the call. The client was grateful for the information provided in the consultation.

### C *Very Limited Tax Knowledge*

The ANU Tax Clinic has dealt with clients who seem to have very limited knowledge about the Australian tax system. A case on point was a client who had been studying in Australia for 8 months. They had the intention to start part time work and had obtained a TFN, but had not been able to find a suitable job. With the client not having the knowledge nor the information being readily available to them, they did not know they had to lodge a non-lodgement advice through the ATO website. The ANU Tax Clinic was able to guide the client as to their obligations and give them information about creating a myGov account and linking it with myTax.

In some consultations, clients have had very basic questions, such as ‘what is a tax return?’ and ‘what is a financial year?’.<sup>13</sup> It was also clear that many clients did not have the knowledge to answer fundamental questions such as ‘what is included in my taxable income?’ and ‘am I an Australian resident for tax purposes?’. A case on point about residency involved a parent asking about their adult child’s tax residency status. Their child had been working/studying in a European country for the last four years, and the parent had particular concerns about the child’s HECS debt. The clinic’s approach to this situation was to first provide guidance on how

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<sup>13</sup> A lack of knowledge about basic and fundamental aspects of completing a tax return is consistent with the US experience, see LITC report (n 8) 14-15.



to determine residency status. To do this, the ATO's Tax Time Tool Kit booklet/Individual Tax Return Instruction Booklet was used, and hypothetical examples within the booklet concerning residency were used to provide guidance to the client in relation to their situation.

To provide concise and consistent information to clients with questions like these, the ANU Tax Clinic has developed a Question and Answer booklet. This booklet is a summary of important income tax information from the ATO website and is used by students to guide them with answers and ensure consistency with ATO information. There are hyperlinks to the ATO website throughout the booklet so students can look up the correct information efficiently. This booklet is being used by the 2020 tax clinic interns who have updated it as needed to reflect current income tax law requirements.

#### D *Reassurance*

A number of clients have come to the clinic for reassurance about lodging their tax return. In some cases, clients seemed quite capable of completing their tax return, but they were often worried that they might make a mistake. An example of this was a foreign couple who arrived in Australia in the previous year. They were lodging their tax return for the first time. They were postgraduate students, and it was evident that they were capable as they had their tax return filled out correctly. They just required some reassurance that what they had done was correct; they also had some minor questions about being exempt from the Medicare levy and whether they had to upload their payment summary. The clients were positive about the service the clinic provided to them and left with the expectation that they would submit their return with more confidence.

### VII FEEDBACK FROM 2019

In 2019, the ANU Tax Clinic conducted a client survey and community partner survey and also sought feedback from mentors and students to try and learn how well the clinic delivered services and how the clinic might attract more clients.

While the client survey had a relatively small sample size, it showed an overall positive result. Client appointments indicated that there was a substantial knowledge gap for clients (e.g. with several clients concerned about how to lodge their tax return, what constituted a financial year, and whether they were entitled to superannuation). In anonymous feedback forms, clients conveyed satisfaction with how the ANU Tax Clinic had assisted them.

Mentor feedback has been very positive. The ANU Tax Clinic’s mentors have expressed appreciation for being included as part of this pro bono tax service. In 2019, several mentors expressed their interest in continuing with the clinic in future years. Indeed, many mentors in the 2019 clinic were also mentors in 2020, with the benefit of Zoom technology even enabling the continued participation of a mentor in the ANU Tax Clinic after he had relocated to Sydney.

The community partner survey confirmed that the clinic offered a useful service to the residents that the community centres supported.

Both mentors and community partners recommended better targeting of the intended clientele in marketing activities. For example, the community partners suggested directly targeting clients through the following activities: providing marketing material to Woden seniors, translating marketing material into different languages (e.g. Arabic), linking with migrant resettlement services to provide income tax guidance, and delivering workshops at the youth refuges.

In 2019, the standard appointment was 20 minutes, but student and mentor feedback indicated that longer appointments would be beneficial. In many cases, it was necessary to extend the appointments as clients were seeking reassurance, and had limited knowledge of tax and supporting systems, such as myGov and myTax. This feedback was implemented in 2020, with the standard appointment being 30 minutes.

Feedback from students indicated that interning in the clinic had been an immensely positive experience. The ANU Tax Clinic enabled students to work in a professional environment and apply their knowledge of tax law. It was observed that students developed invaluable communication and professional skills through client appointments. Students were also able to develop rich mentoring relationships with the tax professionals volunteering in the clinic. Mentors were able to give students extremely useful guidance on such matters as how to deal with difficult questions from clients and how to communicate professionally with clients. Interaction with mentors substantially enhanced students’ employability, not only through improving their communication and professional skills, but in a variety of ways that directly led to employment opportunities, e.g. with mentors facilitating internships for students at their organisation.

For example, one student intern commented that ‘The ANU Tax Clinic is not like any other internship, where you are usually working in the background on a project. It gave me the opportunity to be on the frontline from day one, assisting clients directly with their tax-related queries ... I was not just learning through books and lectures, but I was also getting a chance to practically implement my learning with real-client cases.’

Another student intern commented ‘I was able to make a difference in the community, using the knowledge I obtained through my studies and helping people in need. This was really rewarding. Additionally, I was able to learn valuable new skills working with different tax professionals, as well as expand my professional network.’

Student feedback from 2019 was universally positive. This can be attributed to the fact that students were consistently engaged in productive tax-related work throughout their internship despite the relatively low numbers of clients seen in the clinic’s first month. For example, students were required to build their tax knowledge and prepare useful documents (e.g. the above-mentioned question and answer booklet) when they were not seeing clients.

## VIII CONCLUSION

In 2019, the ANU Tax Clinic achieved its core mission of assisting the community and delivering a rich learning opportunity for students. The establishment of the clinic involved substantial effort, including the preparation of numerous materials (e.g. assessments and protocols), recruitment of mentors and student interns, development of a feasible service delivery model, and launch of the clinic website. Fortunately, a significant volume of this work was either of a one-off nature or of direct benefit to the operation of the clinic in future years. A more intensive promotional campaign was identified as the main area for improvement and, as indicated, this feedback was valuable in informing planning for 2020. Overall, the 2019 experience was highly rewarding. As indicated, feedback from clients, student interns and mentors has been incredibly positive, and the substantial work and lessons learnt in 2019 will be instrumental to the successful operation of the ANU Tax Clinic in future years.