

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

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### 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.”

<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>>.