

# 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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\* Senior Lecturer, UniSA Business, University of South Australia, Adelaide, South Australia.

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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.