

# 2019 NATIONAL TAX CLINIC PROJECT: THE ANU TAX CLINIC

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## ABSTRACT

*The ANU Tax Clinic was launched in August 2019 with the objective of delivering a social benefit to the community and providing a novel work-integrated learning opportunity for ANU Accounting students. The clinic provides information and guidance on income tax to lower-income individuals through one-on-one consultations and also provides free tax education seminars. In 2019, client consultations were conducted at the premises of community partner organizations at four locations in Canberra. This article describes the purpose and design of the ANU Tax Clinic, and provides an account of the 2019 experience, including how it has informed 2020 operations.*

**Keywords:** pro-bono tax clinics, work-integrated learning

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## I INTRODUCTION

The Australian National University ('ANU') is one of 10 universities receiving grant monies from the Federal Government to offer a pro bono tax clinic as part of the National Tax Clinics Program.<sup>1</sup> As part of this program, the ANU Tax Clinic<sup>2</sup> was launched in August 2019 within the ANU College of Business and Economics ('CBE'), with oversight and administrative support by the Research School of Accounting ('RSA'). The ANU Tax Clinic has been continued for 2020.

The ANU Tax Clinic operates in the peak tax season during the second half of the year with extensive advance planning occurring beforehand. The ANU Tax Clinic provides guidance and information on income tax through one-on-one consultations and tax education seminars. In one-on-one consultations, the ANU Tax Clinic is focused on assisting lower-income individuals, consistent with the philosophy of the National Tax Clinics program and the established university-run low income tax clinics of the United States.<sup>3</sup> Consultations are led by ANU Accounting students, under the supervision of a professional mentor with tax expertise. In 2019, consultations were offered at four locations in the Canberra region. This article describes key features of the ANU Tax Clinic and provides an overview of the 2019 experience and how it has informed planning for 2020.

## II CLINIC PURPOSE

The central purpose of the ANU Tax Clinic is to deliver a social benefit to the wider community by providing income tax guidance and information to lower-income individuals. A significant associated benefit is the provision of a rich work-integrated learning opportunity for ANU accounting students,<sup>4</sup> which furthers the ANU's central interest in achieving outstanding

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<sup>1</sup> See Australian Taxation Office, 'National Tax Clinic Program' (Web Page) <<https://www.ato.gov.au/General/Gen/National-Tax-Clinic-program/>>. For useful background to the establishment of the National Tax Clinics Program in Australia, see A Kayis-Kumar, J Noone, F Martin, and M Walpole, 'Pro Bono Tax Clinics: An International Comparison and Framework for Evidence-based Evaluation' (2020) 49 *Australian Tax Review* 110, 111-112.

<sup>2</sup> Research School of Accounting ANU, 'ANU Tax Clinic' (Web Page) <<https://www.rsa.anu.edu.au/rsa/anu-tax-clinic/>>.

<sup>3</sup> Afield, 'Social Justice and the Low-Income Taxpayer' 64 *Villanova Law Review* 347, 347-349.

<sup>4</sup> As to the expected benefits for students (based on the US experience) from interning in the tax clinic; see Fogg, 'Taxation with Representation: the Creation and Development of Low-Income Taxpayer Clinics' (2013) 67 (No.1) (Fall) *Tax Lawyer* 3, 5-6.

learning experiences and outcomes for students. A further expected benefit is the fostering of a long-term interest in pro-bono work and community service among students interning in the clinic.<sup>5</sup>

The ANU Tax Clinic offers tax guidance and information primarily through one-on-one consultations to clients who meet particular eligibility criteria. The clinic also provides tax education workshops and seminars. Consistent with the United States experience, it is expected that the ANU Tax Clinic would be particularly beneficial to people without much experience of the (Australian) tax system, including migrants and students, and generally to persons for whom English is a second language.<sup>6</sup>

The ANU Tax Clinic provides guidance and information to clients (as distinct from advice) and does not provide tax agent services. In practice, this means that students (under the supervision of tax professionals) will attempt to answer any question about income tax law and provide a view as to the application of income tax law provisions to the situation of interest raised by the client, but will not advise a client about what they should or should not do (apart from reinforcing the obligation to comply with the law). Admittedly, there may not often be a distinct line between information and advice, but one key distinguishing feature of an information provision service is the absence of recommendations to the client.<sup>7</sup> The ANU Tax Clinic does not draft or lodge documents for clients or act on their behalf. In all descriptions of the ANU Tax Clinic and promotional material, the assistance offered by the clinic is described as relating to information and guidance, as distinct from advice.

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<sup>5</sup> Consistent with the US experience, it is expected that student interns in the clinic are more likely to make pro bono social contributions in their future careers compared to those who have not participated in community service in their formative years; see Balian, Efrat, Plunkett, Jager, 'An Evaluation of a University-based, Pro Bono Tax Services Program for Low-Income Taxpayers' (2018) 8 *Tax Development Journal* 1, 4.

<sup>6</sup> Office of the Taxpayer Advocate, *Low Income Tax Payer Clinics Program Report* (2018) ('LITC Report') 14.

<sup>7</sup> The distinction is utilised in the context of legal aid clinics; see generally, Robertson and Giddings, 'Informed litigants with nowhere to go': self-help legal aid services in Australia' (2001) 26(4) *Alternative Law Journal* 184.

### III CLINIC PARTICIPANTS

#### A *ANU Tax Clinic Team*

In both 2019 and 2020, the ANU Tax Clinic has utilised grant monies to employ a part-time tax clinic manager and administrative assistant. In 2019 and 2020, three academics from RSA have been responsible for oversight, and the overall strategic direction of the ANU Tax Clinic. In 2019 in particular, personnel in CBE's employability and engagement team were instrumental in (i) recruiting the professional mentors who volunteered their services to the ANU Tax Clinic; and (ii) arranging the involvement of for-purpose sector organisations (Anglicare, Belconnen Community Service and Woden Community Service), which provided the premises for face-to-face consultations.

#### B *Student Interns*

Students were selected through the CBE Internship Program, which is a one-semester unit providing course credit and available at undergraduate and postgraduate levels. This Program provides students with an opportunity to gain real-world experience in an organisation through a workplace internship of 4 weeks full-time equivalent. In 2019, seven of the eight students interning in the ANU Tax Clinic provided 2 hours per week to the clinic, with their remaining hours at another organisation. One student was recruited as the ANU Tax Clinic Intern. This student provided 12 hours per week to the clinic. By comparison, in 2020, all students involved in the ANU Tax Clinic are interning exclusively in the clinic.

It was also a requirement that students must have completed or be enrolled in the Taxation Law unit offered by RSA at either the undergraduate or postgraduate level. This was to ensure that students in the clinic were equipped with the core knowledge needed to provide guidance on tax matters, and to facilitate work integrated learning, so students have the opportunity to apply concepts and theories learnt in the classroom to real-world situations in a professional environment.<sup>8</sup>

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<sup>8</sup> For a detailed examination of student benefits from participating in tax clinics; see generally Balian (n 7).

### *C Industry Supporters and Professional Mentors*

In 2019, the ANU Tax Clinic had twelve industry supporters, including CPA Australia, CA ANZ, and several accounting firms. The logos of industry supporters were displayed on the 2019 ANU Tax Clinic webpage. The professional mentors volunteering in the clinic were either from industry supporters or attended in their personal capacity. Several mentors were ANU alumni.

### *D For-Purpose Partners*

For-purpose sector partners (Anglicare, Belconnen Community Service and Woden Community Service) provided the premises where client appointments were conducted. Memorandums of understanding were signed with the relevant for-purpose partners, which set out the agreed basis on which the ANU Tax Clinic would provide information and guidance at the various sites. The community partners were chosen based on location, with the aim of increasing accessibility for vulnerable and lower-income individuals. Four off-campus sites in Canberra were used between August to October 2019:

- Junction Youth Centre in Civic/the city (owned by Anglicare);
- Gordon Community Centre in Gordon (owned by Anglicare);
- the Belconnen Community Service in Belconnen; and
- the Woden Community service in Woden.

The Civic site, the Junction Youth Health Service, was only available for clients under the age of 25 years.

## IV PROMOTION AND ADVERTISING

Particularly as the ANU Tax Clinic offers a pro bono service, effective promotion and advertising is seen as the key driver of client appointments.

In 2019, public awareness of the ANU Tax Clinic was facilitated by the following:

- Launching a website;
- Community partner newsletters and electronic communications;
- Posters and flyers being displayed at community centres;

- Trifold brochure distribution at clinic workshops, the ACT Library service, Theo Notaras Cultural Centre, CatholicCare, and ANU Residence halls;
- The ANU Tax Clinic banner being displayed at community centres during the opening hours for clinic;
- Advertising inside local buses; and,
- Media exposure as further detailed below.

In August 2019 (the first month of clinic operations), several media forums were accessed to increase public awareness of the ANU Tax Clinic including:

- Online and print media, including an article in *Canberra Weekly*;
- Radio interviews (RSA academic staff as well as a tax clinic intern and a professional mentor have participated in interviews, including a live session on ABC radio); and,
- Television (an RSA academic and ATO representative were interviewed for WIN news on the official launch day of the clinic).

There is necessarily a time lag between promotion activities and community response as reflected in client bookings. The relatively few clients in the clinic's opening weeks in August 2019 is largely attributed to a lack of sufficient community awareness of the clinic. In 2019, advertising and promotion commenced in earnest just prior to the opening of the clinic. Ideally, a concerted marketing campaign should begin a few months prior to the time the clinic opens for appointments. Fortunately, in 2020, with the extensive establishment work having been done in 2019, the ANU Tax Clinic was able to focus on marketing at a much earlier stage, with an effective social media campaign having started several months prior to when the clinic opened for appointments. Directly as a result of the 'lesson learned' from the 2019 experience, the 2020 clinic also opened for bookings well ahead of when appointments were to actually take place, the consequence being that there were relatively large numbers of clients in the early weeks of the 2020 clinic.

## V CORE SERVICES

This section provides a summary of key features relating to client consultations and educational seminars/ workshops, being the core services provided by the ANU Tax Clinic.

## *A Client Consultations*

In 2019, face-to-face consultations were the norm. The clinic opened for client appointments in the week commencing 12 August 2019 and closed on 25 October 2019. Appointments were available for 10 weeks. The clinic was open on Tuesdays (in Civic), Wednesdays (in Woden and Gordon in alternative weeks) and Fridays (in Belconnen). The clinic was open for bookings 9am-5pm on Tuesdays and for part of the day on Wednesday and Friday.

### *1 Eligibility Criteria*

In 2019, access to the ANU Tax Clinic was limited to individuals in the ACT with a pre-tax (family) income no greater than \$60,000 per annum,<sup>9</sup> who did not operate a business and who were not currently represented by a tax agent. Eligibility criteria were publicised on the ANU Tax Clinic website, online booking form and promotional material. Clients were required to self-assess eligibility prior to making a booking. The eligibility conditions were relaxed on a discretionary basis, including in one compelling case referred to the clinic by the ATO. During the course of the 2019 clinic, it became apparent that the eligibility criteria were probably too restrictive for the purpose of achieving the clinic's purpose of assisting vulnerable and lower-income individuals. The criteria have been considerably relaxed in 2020, with the pre-tax income limit being increased to \$80,000 and assessed on an individual instead of a family basis. The restrictions to non-business income and ACT residency have been removed, and the only condition strictly enforced is that the client is not currently represented by a tax agent.

### *2 Format of Client Consultations*

Client consultations are student-led, with the professional mentor providing guidance and input where needed. The student and mentor have advance notice of the tax issue that the client will seek advice about, with students doing some research and preparation prior to the meeting. In preparing for meetings, students have drawn on their knowledge from their tax studies, ATO website material and the Question and Answer booklet developed by the clinic. In the session, the student invites the client to ask any question about income tax or completing a tax return

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<sup>9</sup> The income threshold was drawn from Tax Help criteria; see <Australian Taxation Office, 'Tax Help Program' (Web Page) <<https://www.ato.gov.au/individuals/lodging-your-tax-return/tax-help-program/>>.

(including accessing myGov). Students proceed to answer questions under the supervision of the tax professional.

As indicated above, in 2019 face-to-face consultations were the norm, but occasionally some appointments were conducted virtually on Skype. By comparison, in 2020, the clinic is operating on an entirely virtual basis with Zoom appointments being used, unless the client prefers a phone consultation. In 2019, clients who were unable to manage their schedule or were currently overseas were helped by the ANU Tax Clinic through the medium of live video chat. For example, one case involved a client temporarily living overseas who was seeking advice about their Australian-sourced income earlier in the income year. The student and mentor conducted the Skype call and directed the client to the ATO website containing relevant information.

### 3 *Volume of Client Activity*

There were few client appointments in the first month of clinic operations in August 2019, reflecting the very short lead time that the clinic had for promotion and advertising. Appointments progressively increased in September and October 2019. There were a total of 55 appointments in 2019. The most popular sites were Civic (located in the city) and Belconnen, both more centrally located than Woden and Gordon. The age restriction (25 years and under) at the Civic site (the Junction Youth Centre) reduced the client appointments that would otherwise have been generated. Many clients who were ineligible (above 25) expressed a preference for an appointment at the Civic site. While they were directed to an appointment at another site, only a proportion went ahead. By comparison, in 2020, with the clinic having a far longer period to devise an effective promotional campaign and with the enhanced accessibility offered by the virtual service, total client appointments in the first five weeks of operations were more than 60, exceeding the total number in 2019.

### 4 *Translation Services*

Consistent with the US experience, it is expected that English as a Second Language (ESL) taxpayers will benefit greatly from tax clinics in Australia.<sup>10</sup> In order to adequately assist ESL taxpayers, the ANU Tax Clinic registered with the Translating and Interpretation Service

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<sup>10</sup> Office of the Taxpayer Advocate (n 8) 5.



provided by the Department of Home Affairs. There were approximately six client requests for a translator in 2019. The languages requested included Chinese and Spanish. Ultimately, translation services were not needed as the client's questions were easy to resolve without such assistance or the client brought a family member with them who was able to translate. The Gordon tax clinic site requested tax information in Arabic to increase awareness of the ANU Tax Clinic for clients in the Tuggeranong area. By comparison, in 2020, while the government translation service is available as an option, both students and mentors in the clinic with language proficiency in the client's native language (most commonly, Mandarin) have acted as translator.

### B *Tax Education Workshops and Seminars*

In 2019, the clinic coordinated a series of workshops that provided information about how to navigate myGov and lodge a tax return online. Three one-hour workshops with the same content were delivered by ATO representatives at ANU campus on 15 August 2019 immediately following the official launch of the clinic. ATO representatives explained how to create a myGov account and how to link it with myTax, and went through a demonstration version of how to lodge a tax return online using myTax. These workshops were especially beneficial for international students who would have arrived recently in Australia with limited knowledge about the Australian taxation system. The workshops were well attended with 105 participants, the majority being ANU students.<sup>11</sup> The workshops had been publicised to CBE students and staff via email and CBE TV screens, with registration being required.

The ANU Tax Clinic hosted a seminar titled 'how to maximise your tax benefits' on campus in CBE on 14 October 2019. Both CBE staff and students were invited by email, and registration was required. The event was also promoted on CBE TV screens. The seminar, which was presented by a professional mentor in the ANU Tax Clinic, covered tax benefits that were both relevant to staff (on higher incomes) and students. The seminar presenter did an excellent job of providing important general information (e.g. who is required to lodge a tax return) as well as accurately and comprehensively outlining the major tax benefits and concessions available under Australian income tax law. Content included useful guidance on the deductibility of home office expenses, work-related travel expenses, self-education

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<sup>11</sup> A similar practice takes place in the United States, with university tax clinics providing practical workshops to students on how to lodge a tax return: Ibid 14.

expenses, and the tax benefits associated with negative gearing. Even where material had more obvious immediate relevance to staff on higher incomes, the content was also of high interest to students because most would work in Australia in the near future. The seminar was well attended with close to 50 attendees. This tax benefits seminar generated extremely positive feedback. For example, one ANU staff member commented that ‘it was a great workshop! Very informative’. The high interest from staff and students in the seminar content was evident by the numerous and detailed questions they asked the seminar presenter.

## VI SYSTEMIC ISSUES REVEALED BY THE 2019 EXPERIENCE

There have been a variety of issues that clients presented to the ANU Tax Clinic. Some issues have been relatively straightforward to resolve while others have been quite complex and have really challenged the student and mentor. A summary of these issues will be outlined in this section.

### A *Lack of Computer Literacy and Internet Access*

It soon became apparent that some members of the community did not have computer or Internet access, or were not comfortable with using computers/the Internet. As has been recognised in the United States, the increasing online orientation and digitisation of tax authority services can inhibit lower-income individuals from accessing tax services and obtaining tax guidance.<sup>12</sup> Indeed, the first-hand experience of students and mentors in the ANU Tax Clinic indicates that a lack of access or unfamiliarity with computers and the Internet impeded some taxpayers in getting help with their tax affairs given that online platforms are the most common means by which tax information is offered to the public. Fortunately, the ANU Tax Clinic was still able to provide assistance to at least some persons who had such concerns as they had heard of the clinic through print media and made phone contact with the clinic (thereby bypassing the need to book an appointment using the clinic web form). The ANU Tax Clinic was able to book the clients in by phone and check eligibility.

In addition to creating an initial hurdle to seeking help, the lack of access to computers/the Internet among some members of the community also led to an unfamiliarity with the myGov system.

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<sup>12</sup> Afield (n 5) 365.

The ANU Tax Clinic assisted such clients both by answering any substantive questions about income tax law and also through showing them how to use the myGov system. At all tax clinic consultations, students had access to tablets where they were able to show relevant material and information online, for example, by displaying videos about how to link a myGov account to the myTax system.

### B *MyGov Problems*

Clients have come to the clinic with issues about myGov and myTax, including error problems with linking their myGov account to the myTax system. For example, in one case the student discovered, after some research on the ATO website, that individuals need to call the ATO to obtain a unique linking code to link the two systems. The ATO contact number was provided to the client and it was noted that they should have necessary personal information ready before making the call. The client was grateful for the information provided in the consultation.

### C *Very Limited Tax Knowledge*

The ANU Tax Clinic has dealt with clients who seem to have very limited knowledge about the Australian tax system. A case on point was a client who had been studying in Australia for 8 months. They had the intention to start part time work and had obtained a TFN, but had not been able to find a suitable job. With the client not having the knowledge nor the information being readily available to them, they did not know they had to lodge a non-lodgement advice through the ATO website. The ANU Tax Clinic was able to guide the client as to their obligations and give them information about creating a myGov account and linking it with myTax.

In some consultations, clients have had very basic questions, such as ‘what is a tax return?’ and ‘what is a financial year?’.<sup>13</sup> It was also clear that many clients did not have the knowledge to answer fundamental questions such as ‘what is included in my taxable income?’ and ‘am I an Australian resident for tax purposes?’. A case on point about residency involved a parent asking about their adult child’s tax residency status. Their child had been working/studying in a European country for the last four years, and the parent had particular concerns about the child’s HECS debt. The clinic’s approach to this situation was to first provide guidance on how

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<sup>13</sup> A lack of knowledge about basic and fundamental aspects of completing a tax return is consistent with the US experience, see LITC report (n 8) 14-15.

to determine residency status. To do this, the ATO's Tax Time Tool Kit booklet/Individual Tax Return Instruction Booklet was used, and hypothetical examples within the booklet concerning residency were used to provide guidance to the client in relation to their situation.

To provide concise and consistent information to clients with questions like these, the ANU Tax Clinic has developed a Question and Answer booklet. This booklet is a summary of important income tax information from the ATO website and is used by students to guide them with answers and ensure consistency with ATO information. There are hyperlinks to the ATO website throughout the booklet so students can look up the correct information efficiently. This booklet is being used by the 2020 tax clinic interns who have updated it as needed to reflect current income tax law requirements.

#### *D Reassurance*

A number of clients have come to the clinic for reassurance about lodging their tax return. In some cases, clients seemed quite capable of completing their tax return, but they were often worried that they might make a mistake. An example of this was a foreign couple who arrived in Australia in the previous year. They were lodging their tax return for the first time. They were postgraduate students, and it was evident that they were capable as they had their tax return filled out correctly. They just required some reassurance that what they had done was correct; they also had some minor questions about being exempt from the Medicare levy and whether they had to upload their payment summary. The clients were positive about the service the clinic provided to them and left with the expectation that they would submit their return with more confidence.

### VII FEEDBACK FROM 2019

In 2019, the ANU Tax Clinic conducted a client survey and community partner survey and also sought feedback from mentors and students to try and learn how well the clinic delivered services and how the clinic might attract more clients.

While the client survey had a relatively small sample size, it showed an overall positive result. Client appointments indicated that there was a substantial knowledge gap for clients (e.g. with several clients concerned about how to lodge their tax return, what constituted a financial year, and whether they were entitled to superannuation). In anonymous feedback forms, clients conveyed satisfaction with how the ANU Tax Clinic had assisted them.

Mentor feedback has been very positive. The ANU Tax Clinic’s mentors have expressed appreciation for being included as part of this pro bono tax service. In 2019, several mentors expressed their interest in continuing with the clinic in future years. Indeed, many mentors in the 2019 clinic were also mentors in 2020, with the benefit of Zoom technology even enabling the continued participation of a mentor in the ANU Tax Clinic after he had relocated to Sydney.

The community partner survey confirmed that the clinic offered a useful service to the residents that the community centres supported.

Both mentors and community partners recommended better targeting of the intended clientele in marketing activities. For example, the community partners suggested directly targeting clients through the following activities: providing marketing material to Woden seniors, translating marketing material into different languages (e.g. Arabic), linking with migrant resettlement services to provide income tax guidance, and delivering workshops at the youth refuges.

In 2019, the standard appointment was 20 minutes, but student and mentor feedback indicated that longer appointments would be beneficial. In many cases, it was necessary to extend the appointments as clients were seeking reassurance, and had limited knowledge of tax and supporting systems, such as myGov and myTax. This feedback was implemented in 2020, with the standard appointment being 30 minutes.

Feedback from students indicated that interning in the clinic had been an immensely positive experience. The ANU Tax Clinic enabled students to work in a professional environment and apply their knowledge of tax law. It was observed that students developed invaluable communication and professional skills through client appointments. Students were also able to develop rich mentoring relationships with the tax professionals volunteering in the clinic. Mentors were able to give students extremely useful guidance on such matters as how to deal with difficult questions from clients and how to communicate professionally with clients. Interaction with mentors substantially enhanced students’ employability, not only through improving their communication and professional skills, but in a variety of ways that directly led to employment opportunities, e.g. with mentors facilitating internships for students at their organisation.

For example, one student intern commented that ‘The ANU Tax Clinic is not like any other internship, where you are usually working in the background on a project. It gave me the opportunity to be on the frontline from day one, assisting clients directly with their tax-related queries ... I was not just learning through books and lectures, but I was also getting a chance to practically implement my learning with real-client cases.’

Another student intern commented ‘I was able to make a difference in the community, using the knowledge I obtained through my studies and helping people in need. This was really rewarding. Additionally, I was able to learn valuable new skills working with different tax professionals, as well as expand my professional network.’

Student feedback from 2019 was universally positive. This can be attributed to the fact that students were consistently engaged in productive tax-related work throughout their internship despite the relatively low numbers of clients seen in the clinic’s first month. For example, students were required to build their tax knowledge and prepare useful documents (e.g. the above-mentioned question and answer booklet) when they were not seeing clients.

## VIII CONCLUSION

In 2019, the ANU Tax Clinic achieved its core mission of assisting the community and delivering a rich learning opportunity for students. The establishment of the clinic involved substantial effort, including the preparation of numerous materials (e.g. assessments and protocols), recruitment of mentors and student interns, development of a feasible service delivery model, and launch of the clinic website. Fortunately, a significant volume of this work was either of a one-off nature or of direct benefit to the operation of the clinic in future years. A more intensive promotional campaign was identified as the main area for improvement and, as indicated, this feedback was valuable in informing planning for 2020. Overall, the 2019 experience was highly rewarding. As indicated, feedback from clients, student interns and mentors has been incredibly positive, and the substantial work and lessons learnt in 2019 will be instrumental to the successful operation of the ANU Tax Clinic in future years.