

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

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ABSTRACT

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

Keywords: tax clinic; work integrated learning

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I INTRODUCTION

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

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

A Services Provided by the Tax Clinic

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

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

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

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

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

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

Clinics participating in the LITC Program:

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

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

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

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

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

II THE TAX CLINIC MODEL

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

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

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

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

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

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

A *The Legal Basis of the Tax Clinic*

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

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

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

The UTAS Tax Clinic is not aimed at obtaining a Tax Agents registration as a corporate tax agent or requiring one of its tax academics to apply for an individual Tax Agent registration. At this stage, no tax academic involved in the Tax Clinic is interested in obtaining an individual Tax Agent registration. At present the clinic is mentored by tax academics who help to build the student's confidence in client interaction and practical taxation-based knowledge. Once students have been trained to a competent level, they are then able to take consultations on their own involving simple tax returns without deductions where the assessable income is less than \$18,200.² This usually involves teaching clients how to use the ATO portal to lodge their personal tax return and Business Activity Statements ('BAS') if applicable. This helps reinforces the students' knowledge and allows the clients to learn how to lodge their own tax return in future years. All tax returns are lodged by the client using their myGov website access in conjunction with Tax Clinic advisers and students. The client also makes the declaration that the information provided is correct at the time they lodge their tax return electronically.

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

III STUDENT ENGAGEMENT

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

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

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

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

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

The Student agrees to use their best endeavours to:

Act with due care, skill and diligence;

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

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

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

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

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

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

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

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

A Work Integrated Learning: The National Perspective

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

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

8. Increase WIL opportunities for international students and for domestic students to study offshore.⁴

The UTAS Tax Clinic is fostering greater opportunities with WIL for international students as most of the interns are international students. This approach by the UTAS Tax Clinic is in line with Universities Australia in creating WIL intern positions in the area of accounting and taxation law. In 2018, Universities Australia (UA) undertook a national survey of the WIL activities that occurred in 2017 across Australia's 39 comprehensive universities.⁵ The survey is the first data collection of its kind, and the survey results provide the higher education sector with a baseline from which to measure progress.⁶ The results clearly demonstrate the extent and diversity of WIL activities across the higher education sector and reflect the commitment of universities to improving graduate employability. The report examined the level of student participation in WIL in 2017 and found that 451,263 students had a WIL experience.⁷ Of the total number of students who undertook a WIL experience in 2017, 104,140 had more than one WIL experience during the year. This made a total of 555,403 WIL activities in 2017.⁸ This equates to one in three university students (37.4 per cent) enrolled in Australia in 2017.⁹

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

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

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

⁶ Ibid 8.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid 18.

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

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

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

B Work Integrated Learning: Tax Clinic Internships

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

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

¹¹ Ibid 2.

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

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

C Student Statistics

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

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

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

D Areas of Research Undertaken by Students

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

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

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

E *Students Reflections*

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

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

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

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

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

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

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

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

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

IV CONTRIBUTION TO THE PUBLIC

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

A *Tax Clinic Statistics*

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

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

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

B Budget and Financial Position of the Tax Clinic

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

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

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

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

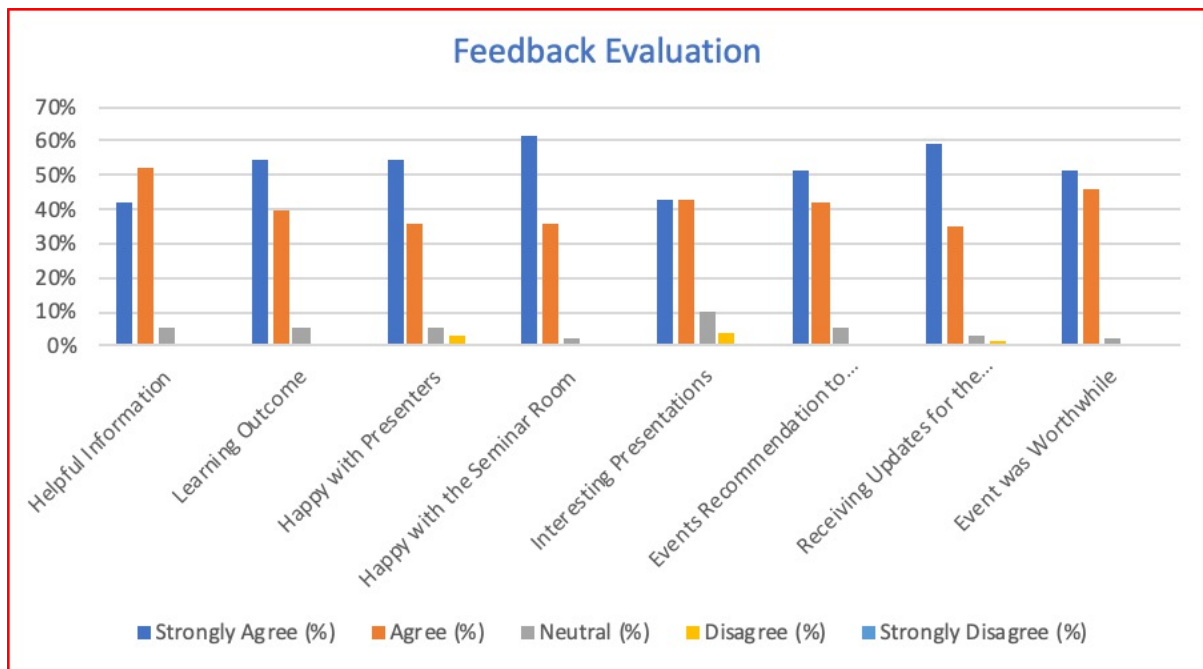
C Community Involvement

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

1 Public Seminars

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

FIGURE 1 – FEEDBACK EVALUATION



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

2 School Projects

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

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

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

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

3 *Moving Forward: 2020 and Beyond*

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

V CHALLENGES FOR THE FUTURE SUCCESS OF THE UTAS TAX CLINIC

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

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

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

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

VI CONCLUSION

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

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