

Taxation Education in Secondary Schools – What Are Students Actually Being Taught?

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Abstract

This study evaluates what students in secondary schools are being taught about the Australian Taxation System and if those lessons are enough to benefit them when they become taxpayers. The study looked firstly at their experiences whilst at secondary school and the various course subjects that covered some form of education regarding the Australian Taxation System. Secondly the study asked the participations to consider if a more formal standardised approach to teaching taxation education in secondary school should be introduced and if they had received this themselves if it would have benefitted them when they first become taxpayers. The findings of the study found that the majority of the participations agreeing that a more formal structure should be introduced and that having a better understanding of taxation at the time entering into the taxation system would be of great benefit. It is suggested that the Education Department needs to work with the Australian Taxation Office and other relevant agencies to develop a standalone taxation education programme that is compulsory within all secondary schools in Australia rather than the ad hoc system that is currently being experienced by students.

Introduction

There is currently a strong push in all OECD countries to improve financial literacy in schools and teach children the importance of being financially responsible when they enter the workforce.¹ In Australia, programmes are being discussed and implemented by a number of authorities to achieve this outcome.² This includes a change to the official education programme through The Australian Curriculum, Assessment and Reporting Authority (ACARA) but on review of the official changes there is little evidence of a major introduction of taxation education to students as part of these programmes.³

Taxpayer behaviour is of concern to many revenue authorities around the world including Australia.⁴ Studies have shown that taxpayer's compliance can be affected by many factors including education.⁵ The literature shows that educating taxpayers about the social and financial impacts of a taxation system can improve their

¹ See eg, Ministerial Council for Education, Early Childhood Development and Youth Affairs, *National Consumer and Financial Literacy Framework* (2009); Organisation for Economic Cooperation and Development (OECD), *PISA 2012 Assessment and Analytical Framework: Mathematics, Reading, Science, Problem Solving and Financial Literacy* (OECD Publishing, 2013).

² <http://www.financialliteracy.gov.au/media/546585/report-403-national-financial-literacy-strategy-2014-17.pdf>

³ <http://www.australiancurriculum.edu.au/overview/7-10>

⁴ See eg, *Forum on Tax Administration: Small/Medium Enterprise (SME) Compliance Subgroup Information Note Understanding and Influencing Taxpayers' Compliance Behaviour* November 2010, Centre for Tax Policy and Administration; Organisation for Economic Cooperation and Development (OECD).

⁵ *The Influence of Education of Tax Avoidance and Tax Evasion*, Jeyapalan Kasipillai, Norhani Aripin and Noor Afza Amra; *eJournal of Tax Research* (2003) vol 1 no 2 pp 134-146

willingness to comply with their countries taxation policies.⁶ Taxation education introduced in early years of secondary schooling could help to create taxpayers who understand their responsible when it comes to their countries taxation systems.⁷

The author⁸ conducted a study to evaluate the past experiences of undergraduate student who were studying the introductory unit of Taxation at Curtin University in Semester One 2016 of the types of taxation education they were provided with in their secondary schooling. The study also asked the undergraduates what in their view were the most important areas of financial literacy and what should be taught to students whilst they are in secondary school. They expressed the view that had they been taught about taxation whilst at school it would have better prepared them for when they did become taxpayers.

The purpose of this paper is to discuss the results of the survey and provide some preliminary insights to what the current state of play is in secondary schools with relation to providing taxation education to students and to consider how taxation is rated amongst the other components of financial literacy.

It is of extreme importance that a subject dealing with taxation is included in any new school curriculum that may be introduced as taxation will be a major facet of everyday life when these children become taxpayers. Taxation forms a large part of financial literacy, as it is only after taxpayers have paid their taxation liability that they can spend what is left.

Literature Review

“Since the vast number of scholars will be the taxpayers of the future, implementing tax education at school level should greatly enhance the success of the tax system”⁹

There is an increasing call for education to be provided to students on the principles of their countries taxation system. It is held that educating school student about taxation will allow them to have a basic knowledge of their taxation affairs as well as to make informed decisions about their tax affairs. Increasing the level of the taxpayer’s knowledge about taxes will lead to an increase in the attitude of taxpayers about their tax affairs. This will result in an increase in the level of the country’s tax compliance rate and ultimately resulting in the overall increase in the revenue of the government.¹⁰

⁶ For evidence of the importance of education in improving voluntary compliance in Malaysia at the time of introducing self assessment see Loo, E.C. and J.K. Ho, 2005, ‘Competency of Malaysian Salaried Individuals in Relation to Tax Compliance Under Self Assessment’, *eJournal of Tax Research*, Vol. 3 No. 1, pp. 47-64.

⁷ Oberholzer, R. & Nel, M. 2006. *The Road to an Improved Tax Curriculum in South African Schools. Education as Change*, 10(1):105-119.

⁸ Annette Morgan is a lecturer at the Curtin Law School within the Department of Taxation

⁹ *Ibid* 7 (Oberholzer & Nel, 2006:105).

An example of such discussions can be seen from the following extract from an article published in the UK.¹¹

Teach Tax in Schools, says tax groups

Basic tax education should be taught in schools, two leading tax groups have told the Department of Education (DfE) as part of a review into the National Curriculum.

Both the Chartered Institute of Taxation (CIOT) and the Low Incomes Tax Reform Group (LITRG) have argued that the education of taxes should be re-included in the citizenship part of the national curriculum.

The LITRG said the promotion of a basic grounding in tax and finance for students at an early stage of their education would reap real benefits in the future.

According to the CIOT, the DfE should concentrate on three main areas of education.

Tax and the political/economic system – the reasons for taxation, why it is levied and its relationship to the political system Tax and civic responsibility – taxation and law ... tax and mathematics – basic numeracy to work out tax rates and allowances.

CIOT president, Stephen Coleclough, commented: “Most school children will one day become employees when they will need to be able to understand a PAYE coding notice or payslip and to be able to identify when it is wrong. Many will go into business where tax is a key cost and administrative burden that cannot be ignored. An understanding of taxation – how it works, why it is necessary and what the obligations of the taxpayer are – is an essential part of financial education. Without it we do not believe that citizens will have the skills and knowledge to manage their money well and make sound financial decisions.

Studies into the knowledge of secondary school students has found that their knowledge of their countries taxation system and taxation authorities is minimal to non-existent. Findings from the Qualitative Research with Younger Canadians found that youth have a minimal awareness and understanding of income taxation and that understanding of how income taxation works is especially limited among youth aged 16 and 17.¹² The results of the study undertaken by the author of this paper also supports these assumptions.

Studies undertaken on the attitude of the taxpayer towards taxation in relation to the taxpayer’s level of tax knowledge provide support that educating the young will ensure that they become a good tax citizen.

¹¹ Gibson Booth, *Chartered Accountants and Business Advisers*

¹² www.cra-arc.gc/qncv/pr/yth-eng.html

A study was conducted by Eriksen and Fallan¹³ where they performed an investigation to determine whether an increase in specific tax knowledge influences a person's attitude towards taxation. The study was performed in Norway between two groups of students. The first group, the control group, chose Marketing as a subject in the second year of their BA Education degree. The second group, the experimental group, chose tax legislation. The aim of the study was firstly, to determine whether an increase in a person's knowledge of taxation, increased with the length of the education irrespective of the content of such education, and secondly to determine whether that person's attitude towards taxation improved in relation to the increase in knowledge.

The result of the study was that knowledge can result in a better argument between how taxpayers understand the tax system and the fairness thereof. Knowledge of the tax system might change the taxpayer's attitude towards taxation and what they previously experienced as unequal treatment by the tax authorities, may be conceived as a means to fund a system of service delivery by the government. The study drew a parallel between the increase in tax knowledge and the two dimensions of tax attitude namely, tax ethics and the taxpayer's perception of fairness. It is suggested that tax attitudes can be improved through better tax knowledge, and when such attitudes towards taxation improve, an increase in the level of tax compliance and a reduction in the propensity of taxpayers and citizens to evade taxes is experienced.

In their conclusion of whether an increase in tax knowledge changed a taxpayer's attitude towards taxation, Eriksen and Fallan suggested that it would be a step in the right direction to introduce the teaching of tax law and tax knowledge as a compulsory module in social science teaching in schools.

Another study on improving a country's tax compliance rate through educating the taxpayer by Sarker¹⁴ concluded his views by stating the importance of educating the young, who are the next generation of taxpayers, on the significance and the role of taxes as a means of enhancing taxpayer consciousness.

Further studies have been undertaken on the topic of taxpayer compliance and the benefits of education but the participants have mainly been university students and it is not the intention of the author to provide commentary on these as the focus of the paper is on educating students in secondary schools.

Tax authorities are aware that it is very difficult to shift tax culture without education at an early age or without citizens voluntarily embracing tax payment. The investments being made in school-based and children's activities reflect the efforts of tax administrations to bring about a long-term cultural shift in attitudes and behaviour

¹³ Eriksen, K. & Fallan, L. 1996. Tax knowledge and attitudes towards taxation; A report on a quasi-experiment. *Journal of Economic Psychology*, 17:387-402.

¹⁴ Sarker, T.K. 2003. *Improving Tax Compliance in Developing Countries via Self Assessment Systems – What Could Bangladesh Learn from Japan*. *Aisa-Pacific Tax Bulletin*, 9(6):1-34.

towards taxes. The idea of citizenship, based on rights and responsibilities, is a key element of many taxpayer education programmes.¹⁵

Many tax authorities are wanting to implement tax education into schools as it helps to build tax literate schoolchildren and university students who in turn become good taxpayers. Currently several of the OECD countries have programmes aimed at school children –

Jamaica, for example, expanded and re-launched its Schools Tax Education Programme (STEP), targeting not just secondary and tertiary schools, but also the primary level, through fun and engaging programmes for children.

Kenya implemented its Schools Outreach Programme to inculcate a taxpaying culture among future taxpayers.

Mauritius' tax administration has undertaken tax sensitisation at secondary schools.

Morocco has been engaged in educating school children in tax literacy since 2000.

Malaysia targets school-aged children with its tax camp, speech competition and new Kidzania junior tax office.

Peru in addition to its education activities for schoolchildren, began new courses in 2009 directed at primary and secondary school teachers to ensure quality teaching of tax matters.

Within the USA the tax education program for youth is based on a computerised system whereby school students have access to internet services and they can access relevant teaching modules. The system is broken into two areas one being a student site and the other a teacher side. It has been argued the focus of the Inland Revenue Service (IRS) involvement in tax education to be primarily and largely focused on tax preparation and filing assistance, tax collection, enforcement and compliance matters rather than a comprehensive, citizen-wide tax education that has the potential for a better and more successful and effective tax administration.¹⁶

In relation to Australia which has a similar web based digital resource as the USA, this was launched in 2012 by the then Commissioner of Taxation Michael D'Ascenzo To help students understand the principles of taxation and superannuation. Tax, Super + You is a resource to help students gain a better understanding of how the taxation system works to support the community and how superannuation can provide for their retirement income.

The ATO developed the resource to ensure it would be able to be integrated as easily as possible into any class curriculum. It includes suggested lesson plans to help

¹⁵ *Building Tax Culture, Compliance and Citizenship: A Global Source Book on Taxpayer Education, OECD 2013*

¹⁶ *Nwanna. G. & Richards. D. 2010. The Imperative of Basic Tax Education for Citizens. American Journal of Business Education, 3(9):61-66.*

teachers when needed but also can be used as a self-paced learning tool, lessening the demand on teachers.

The website is still current and contains valuable information on purpose of tax as well as the concepts of income/business etc But it is not compulsory and subject to teachers using the page or understanding the overall concepts. The source could be used in a more compulsory manner in a class environment rather than just an online programme. It is also suggested that the programme could be expanded to teach students to do their own tax returns.

Another incentive of the Australian Government via ASIC¹⁷ was to introduce financial literacy into schools is the Money Smart programme. At the time of its introduction by the former minister Bernie Ripoll¹⁸ he said

“it’s critically important to have a formal structure for consumer and financial literacy education in schools.

Effective consumer and financial education empowers students in the face of social, economic and moral challenges they will face.

Through consumer and financial education, students will learn:

- *How to manage their money and plan for future needs and wants, now and into the future;*
- *How to balance risk and reward to make informed decisions in consumer and financial contexts;*
- *They’ll learn about the rights and responsibilities of consumers in modern society, and the wider impact of our everyday decisions; and*
- *They’ll learn the language of money and how to navigate the ever-changing consumer and financial landscape.”*

On review of the Money Smart website for schools it can be seen that taxation does not form any part of modules available for use in teaching classrooms or as a part of the national school curriculum.¹⁹

Currently there is approx. 53 schools across Australia signed up for the Money Smart School programme which adds support that any form of financial literacy including taxation has to be included into the national curriculum as a standalone subject and taught at all secondary schools.

¹⁷ ASIC – Australian Securities Investments Commission

¹⁸ Bernie Ripoll Former Member of the Australian House of Representatives

¹⁹ https://www.moneysmart.gov.au/media/555802/economicsbusinessmapping7_10.pdf

Another major hurdle to ensuring taxation education within classrooms is that the educators themselves being teachers need to have an understanding of the subject matter. In the UK financial literacy was brought into secondary school curriculum two years ago, in a follow up report in 2017 it found that one in five teachers leading classes do not believe they know enough about the subject.²⁰

As stated by the OECD²¹ achieving long-term, sustainable cultural change envisioned by taxpayer education champions requires building solid alliances with the education sector, making this a critical challenge for taxpayer education. Working with ministries of education is key for enabling tax authorities to engage with schools and to develop content that is relevant and accessible to students – the next generation of potential taxpayers.

Whilst there is a number of great initiatives being developed and promoted by various public sector organisations and the government is actively involved both domestically and internationally on reforms for financial literacy, the end result at the moment is a mix match of programmes and not all areas of financial literacy are being covered. The author has spent a considerable amount of time reviewing these programmes and the national school curriculum and found a great lack of attention being given to the area of taxation. As you can see further in the paper, taxation education is strongly supported by students who have themselves recently left their secondary schooling.

In Australia the government needs to ensure that a comprehensive programme of financial literacy covering the areas of finance, budgeting, banking, superannuation, retirement and especially taxation is designed by both educators and professional in those areas and a core subject be introduced on a compulsory basis within all schools in Australia. Students need to have life skills when they leave secondary school and a major component of those skills in understanding their own financial literacy.

²⁰ Put in review

²¹ *BUILDING TAX CULTURE, COMPLIANCE AND CITIZENSHIP: A GLOBAL SOURCE BOOK ON TAXPAYER EDUCATION* © OECD 2013

Objective of the Study

The objective of the study was to evaluate a number of different areas including:

- 1) The type of taxation education that undergraduate students at Curtin University received whilst attending secondary school.
- 2) If undergraduate students at Curtin University feel that there is a need for a compulsory form of taxation education to be provided to students in secondary schools.
- 3) The confidence levels of undergraduate students at Curtin University when they completed their first income tax return.
- 4) To ascertain within the areas of financial literacy what was of most importance to the undergraduate students.

Methodology

A questionnaire was administered on Curtin University undergraduate students who were studying a first year taxation unit to determine what previous knowledge they gained at their secondary schools on the Australian Taxation system and if they felt they would have been better equipped to deal with their first experience of completing a taxation return had they received some form of formal education to gain knowledge about the Australian Taxation System.

Survey Procedure

The questionnaire was distributed to Curtin University students undertaking an introductory unit into Australian Taxation Laws in Semester One 2016 as well as OUA Students in Study Period 1.

Data Collection Method

The instrument used for this research was a survey questionnaire. The questionnaire was sent to a total of 457 students. From the total questionnaires that were distributed there was 211 total responses providing a response rate of 46.17%.

The Questionnaire

The questionnaire contained areas on

- Personal information
- Previous education on taxation provided via their secondary school
- Knowledge of taxation and confidence levels to complete income tax returns prior to and after studying a course of taxation.
- Should a compulsory form of study in the area of taxation be undertaken by secondary school students
- The areas of importance in financial literacy

Data Analysis

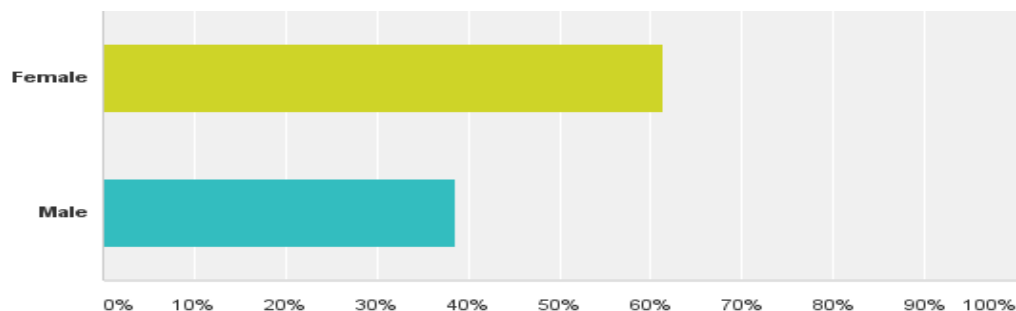
The responses derived from the questionnaires were analysed by the author. The author used Survey Monkey to administer the questionnaire to students and results extracted via excel.

Findings

This section reports on the respondent's characteristics, and results of objectives introduced for this study.

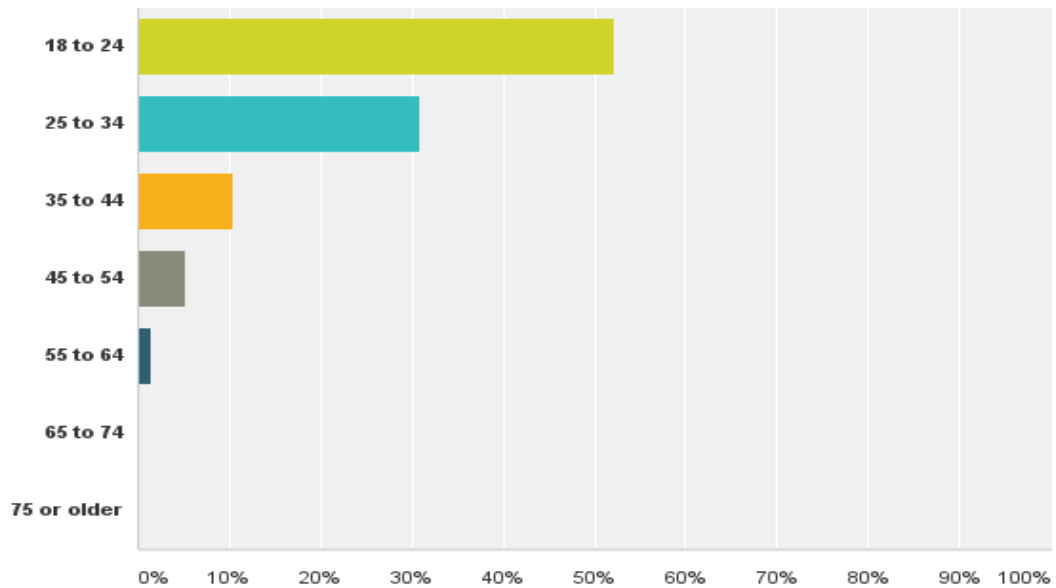
Question1: What is your gender?

This question was used to determine the gender of the respondents. It found that 61.43% of the respondents were female and 38.57% of the respondent's male. It was not surprising that nearly two thirds were female as often females are more likely to participate than men in surveys (Curtin et al 2000; Moore and Tarnai 2002; Singer et al 2000).



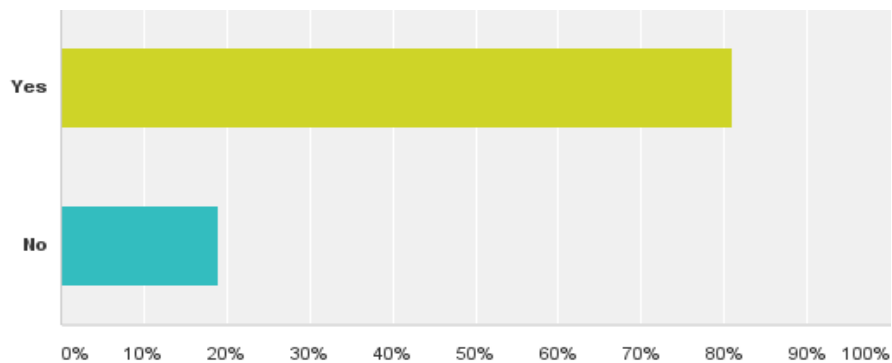
Question 2: What is your age?

This question was used to determine the age groups of the respondents. The majority of respondents were aged 18 to 24 making up 52.13% of the study group. The other respondents age groups were 25 to 34 (30.81%), 35 to 44 (10.43%), 45 to 55 (5.21%) and 55 to 64 (1.42%). This was expected by the author as the study group population consisted mainly of Undergraduate Commerce and LLB/Commerce Students and as part of their Commerce degree at Curtin University they are required to undertake the introductory unit of taxation (Introduction to Australian Taxation Laws). The second majority group consisted of those in the ranges of 24 to 34 and 34 to 44, this group made up 41.24% of the study group and this accounts for Curtin University offering the taxation unit via Open University Australia (OUA) where the majority of students are mature aged students.



Question 3: Are you an Australian citizen?

The paper is primarily aimed at looking at the taxation education provided at Australian Secondary Schools but due to the nationality diversity amongst students studying either internal, online or via OUA at Curtin University the citizenship of the study group needed to be established for the data to be viable. The question responses showed that 81.04% of the study group were Australian citizens.



Question 4: If you answered no to question 3, what is your country of citizenship? (If you have dual citizenship then please provide details of all countries)

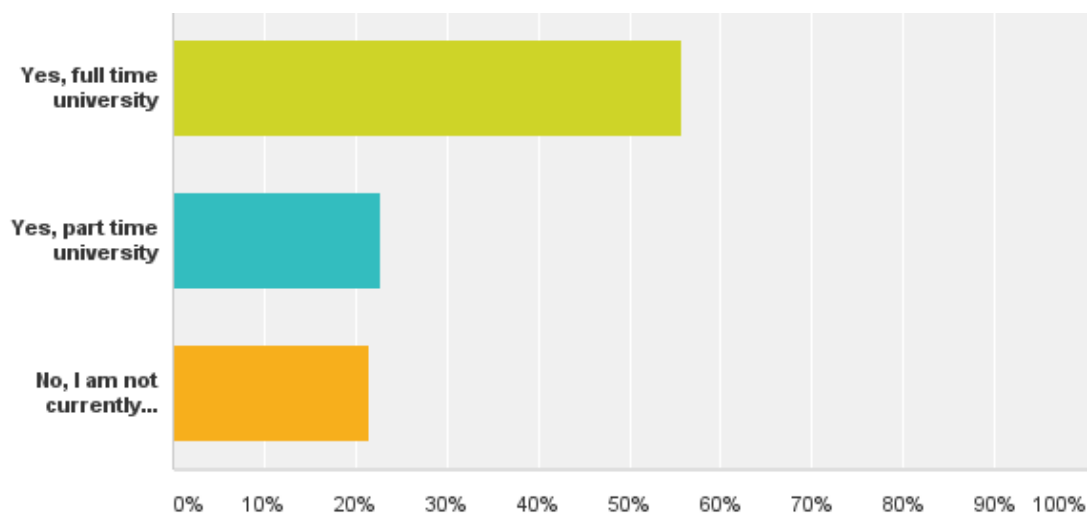
The author of the study wanted to gather further information from those that responded “No” regarding Australian Citizenship which was asked in question 3. As it could provide some valuable information regarding taxation education within secondary schools in the countries named by the minority of the study group who were not Australian citizens. On further analysis of the data on this question it was discovered that 43 respondents were not Australian Citizens and they came from 21 different

countries. Whilst the data from these respondents is limited it does give us an indication of their experiences whilst in secondary school.

Countries ... Sri Lanka, Mauritius, India, Zimbabwe, China, Malaysia, Iran, Nepal, Singapore, Hong Kong, Russia, Pakistan, Thailand, Philippines, South Africa, Ireland, New Zealand, Indonesia, Tanzanian, Taiwan and United Kingdom.

Question 5: Are you currently enrolled as a student at an Australian University?

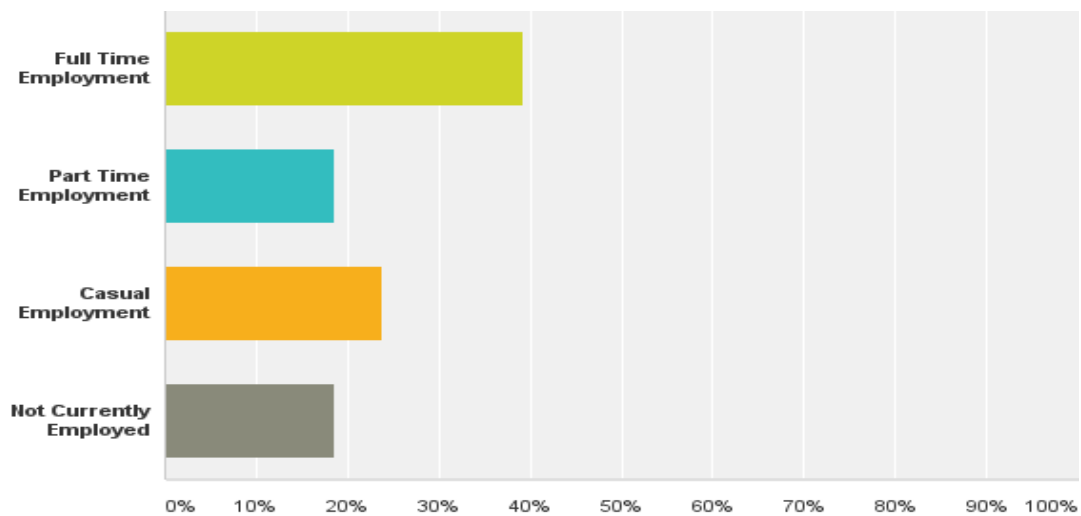
Of the respondents 78.57% are currently attending university either on a fulltime (55.71%) or part time (22.86%) basis. As the taxation unit An Introduction to Australian Taxation Laws was offered via OUA in which many students study part time, an assumption has been made that they make up the majority of the 22.86% of part time students and the fulltime students are the on campus students attending Curtin University. Within this question it was a surprise to see that 21.43% of the respondents were not currently enrolled at an Australian University. The request for students to complete the survey was done in a number of ways, direct emails to student email accounts and also a general posting on the Facebook page utilised by the author to communicate with taxation students, the page is also available to past students. It is believed that 45 past students also participated in the survey.



Question 6: What is your current employment situation?

The employment aspect of the study group was also considered to be a necessary part of the research as only those respondents in employment would be taxpayers and be able to complete the questions within the survey regarding their confidence and ability to complete their taxation returns. 81.52% of the study group were in some form of employment. Fulltime employment accounted for 39.34% and was the largest group, this was due in part to the fact that the taxation unit was being undertaken by OUA students who often are made up of fulltime employees who study on a part time basis. Most undergraduate students within the age group of 18-24 often undertake

part-time or casual employment whilst studying at university on a full-time basis. 18.48% of the study group was not currently employed.



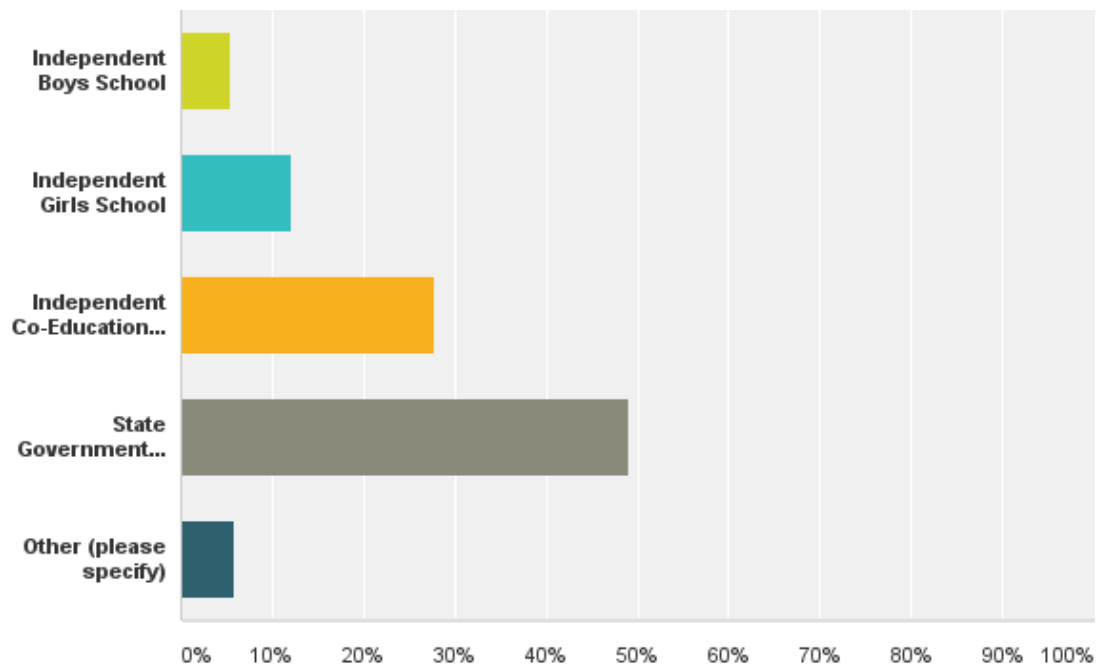
Question 7: What year did you leave secondary school?

The table below provides the data to represent the year in which the respondents left secondary school. It collates with the age ranges in that the students within the ages of 18-24 who make up 52.13% of the study group would have left school between 2014 and 2009 and the table shows that those corresponding years equate to 50.01%. The unit Introduction to Australian Taxation Laws is a second year unit so only those students who left school in 2014 and prior would have studied it.

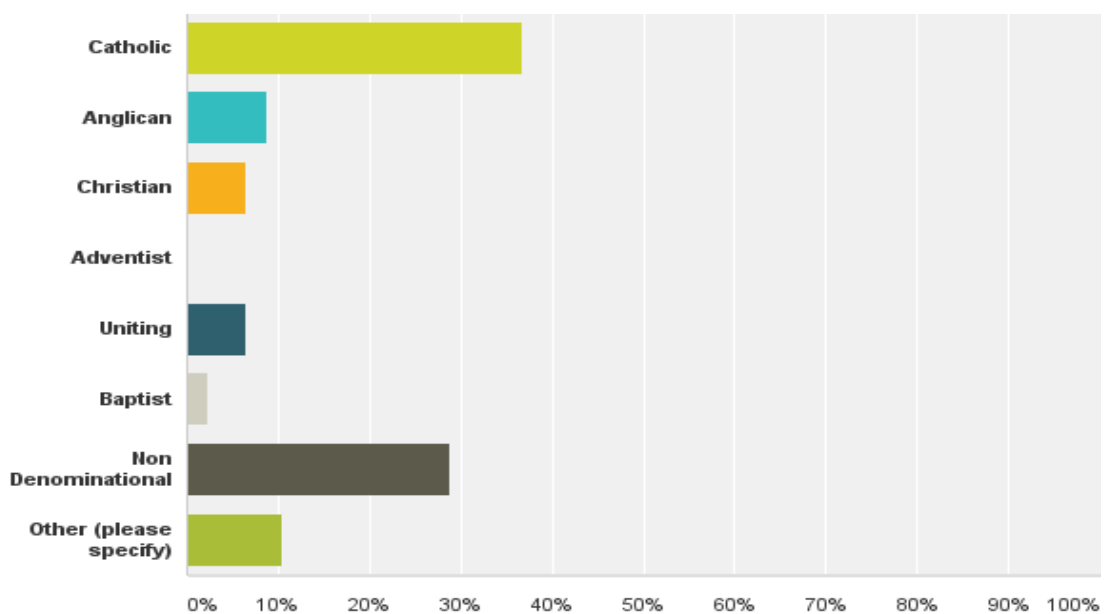
Answer Choices	Responses	
2014	3.37%	7
2013	13.46%	28
2012	10.10%	21
2011	9.62%	20
2010	4.33%	9
2009	9.13%	19
2008	6.73%	14
2007	1.92%	4
2006	4.81%	10
2005	4.33%	9
Other (please specify)	32.21%	67
Total		208

Question 8: In relation to your secondary education please indicate the type of educational institution you attended

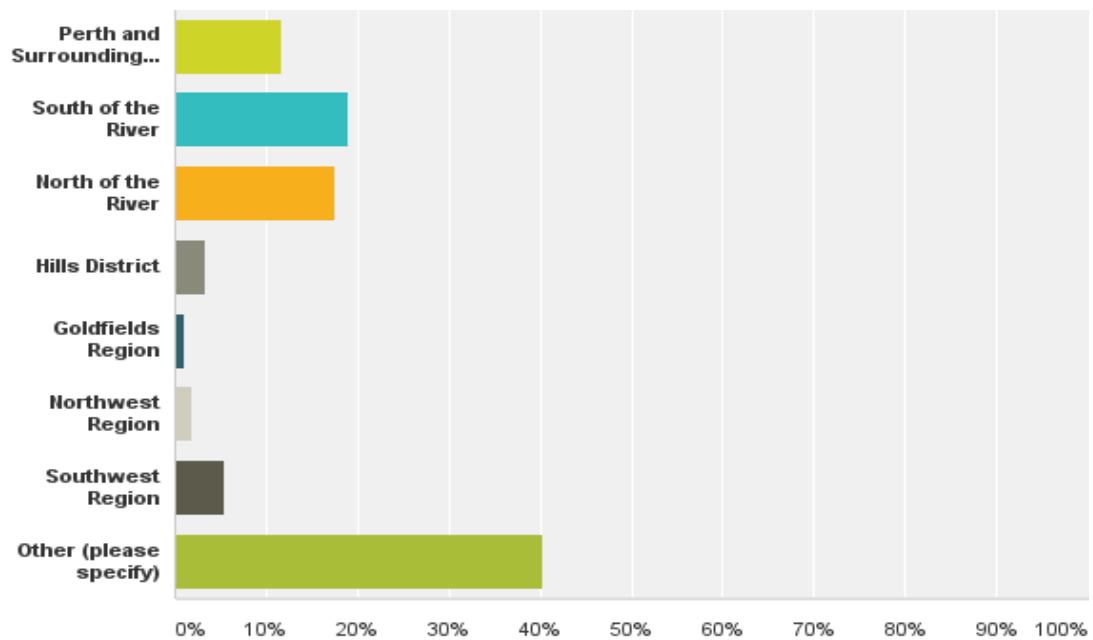
The students attending independent schools and state government schools was nearly evenly split and this gives us a good indication of what both streams of education providers are doing within their schools regarding taxation education.



Question 9: If you attended an independent educational institution please indicate which one



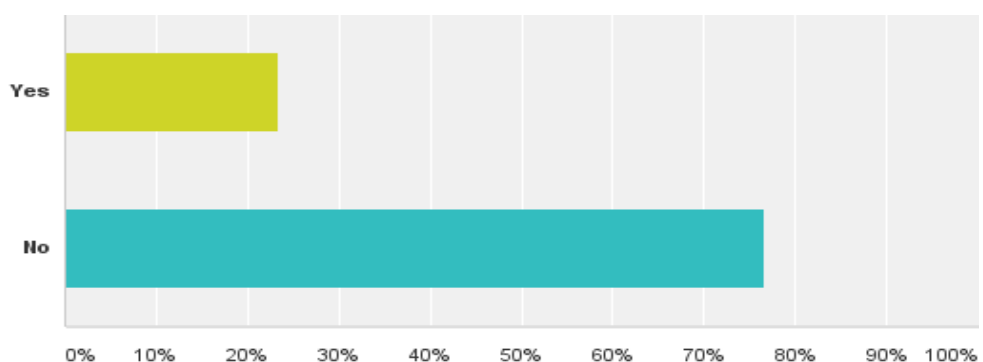
Question 10: Where was your educational institution located?



Questions 9 and 10 were asked only for the purposes of gathering information regarding various education providers and their locations for use in possible further studies.

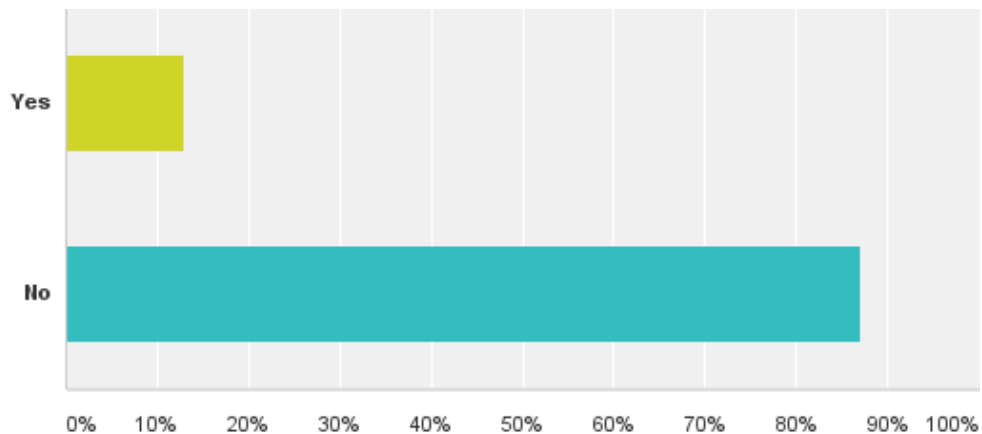
Question 11: Looking back to your secondary education schooling, did you receive any information on taxation from your school?

Only 23.44% of the respondents received some form of taxation education whilst at school, that leaves 76.56% receiving no education on the topic of taxation at all. This was a major question within the study that the author wanted to explore as it was their belief that there was no standardized programmes within secondary schools that involved the teaching of taxation. The results have proven this to be the case in that many students are not receiving adequate knowledge about the Australian Taxation System. The overwhelming majority of these students will be taxpayers for most of their lives yet the education system does not require that students be taught about taxation and leaves it up to individual schools or teachers to decide how they will educate their students about the taxation system.



Question 12: Did your school provide any structured lessons that explained to students the purpose of taxation?

It was found that only 13.02% of students attended a structured lesson on the purposes of taxation. This leaves 86.98% of students having no knowledge of the purposes of taxation, thus they don't realise that the taxation raised from individuals and corporations is used to fund essential community services.



Question 13: If you answered yes to questions 11 or 12, please indicate from the list below the types of information or lessons provided

The majority of lessons provided to students were on the role of taxation in society and what taxes are used for in society. Taking into account the positive responses in questions 11 and 12 it still only accounts for 36.46% of students receiving education about the purposes of taxation in society.

Answer Choices	Responses
What the role of taxation is in society	32.08% 17
The organisations involved within the taxation system	0.00% 0
How to complete a taxation return	1.89% 1
What types of income are assessable	5.66% 3
What types of deductions are claimable	0.00% 0
Where to obtain information to assist you to find out more information about taxation system	0.00% 0
What taxes are used for in society	22.64% 12
Types of different business structures in particular the tax that applies to them	9.43% 5
Other (please specify)	28.30% 15
Total	53

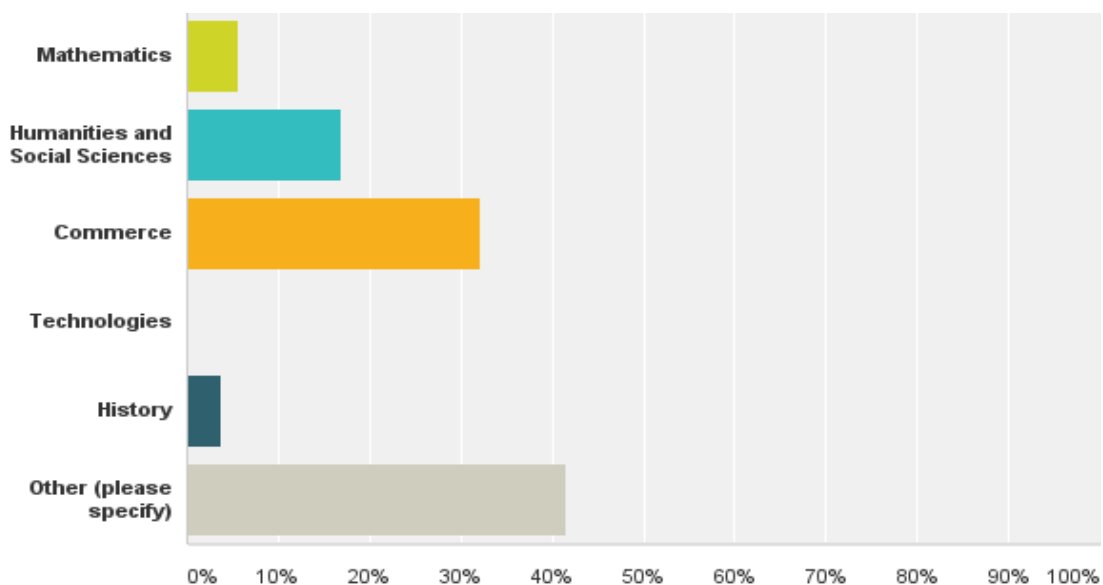
The 28.38% of the *other* as noted by the participations were:

- Accounting for GST
- Taxation as an Economic Tool to Improve Growth
- How to obtain a Tax File Number (TFN)
- Basic Business Studies Course
- Accounting and Company Tax
- Historical Information

Of this the majority of students advised that the lessons were on how to apply for a tax file number. The Australian Taxation Office had a program whereby they would attend secondary schools to provide this service to students and teachers but this program has now been discontinued, so many students would not be receiving this service and it would be up to schools and individual teachers to whether they provided assistance to students to obtain TFN's.

Question 14: If you answered yes to question 11 or 12, please indicate from the list below the subject classes that contained discussions on taxation

The majority of lessons regarding taxation were taken in Commerce (32.08%) but it should be noted that this is not a compulsory subject within the education stream within secondary schools. HASS and Maths which are compulsory subjects only accounted for less than a quarter of the responses. The other mentioned by the students included, Accounting, Economics, Politics and Law, Form Groups/Year Coordinators and Career guidance's. These subjects within the other label are not compulsory. This reflects that there is no standardised programme and that it is delivered on an ad hoc basis within a variety of different subjects of which some students are not attending as it is not a compulsory component of their education.



Question 15: When you left secondary school, please rate your knowledge level on the following areas

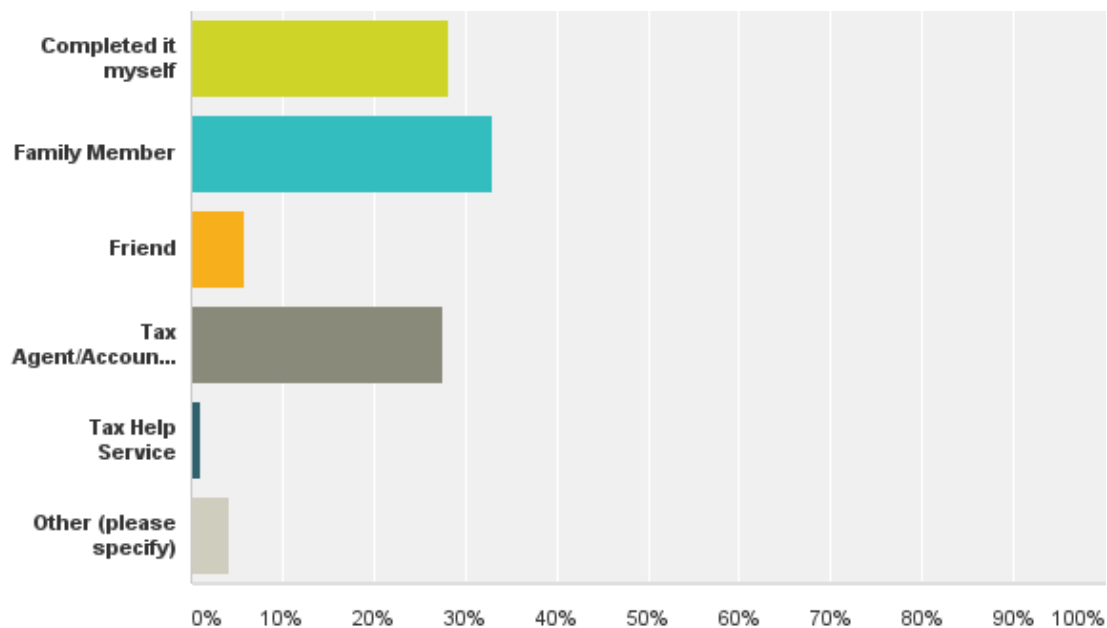
	Very Poor	Poor	Average	Good	Excellent	Total	Weighted Average
Purpose of taxation in society	22.51% 43	20.42% 39	32.98% 63	20.42% 39	3.66% 7	191	2.62
General understanding of taxation responsibilities	20.42% 39	31.41% 60	30.37% 58	15.71% 30	2.09% 4	191	2.48
Where to obtain assist regarding taxation responsibilities	25.65% 49	41.36% 79	20.94% 40	10.47% 20	1.57% 3	191	2.21
Which organisations are part of the taxation system	29.84% 57	37.70% 72	24.61% 47	7.33% 14	0.52% 1	191	2.11
How to complete a taxation return	49.74% 95	29.32% 56	11.52% 22	7.85% 15	1.57% 3	191	1.82
How to understand a taxation assessment	47.37% 90	32.63% 62	12.63% 24	5.79% 11	1.58% 3	190	1.82
How to complete a Tax File Number Declaration	27.75% 53	19.37% 37	23.56% 45	20.42% 39	8.90% 17	191	2.63
How to apply for a Tax File Number	24.61% 47	16.23% 31	24.08% 46	20.94% 40	14.14% 27	191	2.84

The data contained in the above table is of extreme importance as it shows in most cases that the participant's knowledge was either very poor or poor. Looking at each item individually and analysing it further we can see that firstly the *purpose of taxation in society* the majority of participants had a good knowledge of this topic and this can be accredited to the fact that within question 13 this was the highest ranking area that students learnt in their schooling. Within *general understanding of taxation responsibilities* it is concerning that 51.83% of participants lack knowledge in this area, it is extremely important that taxpayers understand their responsibilities when it comes to their countries taxation system. 67.01% of the participants do not have knowledge of where to find assistance regarding their taxation responsibilities and this coincides with the next question where 67.54% do not know the organisations involved in the taxation system. More alarming is that 79.06% did not know how to complete a taxation return when they left high school, the majority of them would at this stage be a taxpayer with employment on either a casual, part-time basis. 80% did not understand how to interrupt a taxation assessment. The majority of participations after leaving school did know how to apply for a tax file number but as mentioned previously this is mainly due to the ATO programme of attending schools and assisting students obtain a TFN. Whilst 52.88% did understand how to complete a Tax File Number Declaration it is still a concern that 47.12% did not, as the TFN Declaration is very important document that needs to be completed correctly in order that an employee is taxed correctly.

This data shows that the actual knowledge of many of the participants on leaving secondary school on matters regarding somewhat simple taxation matters was well below average and of a concern.

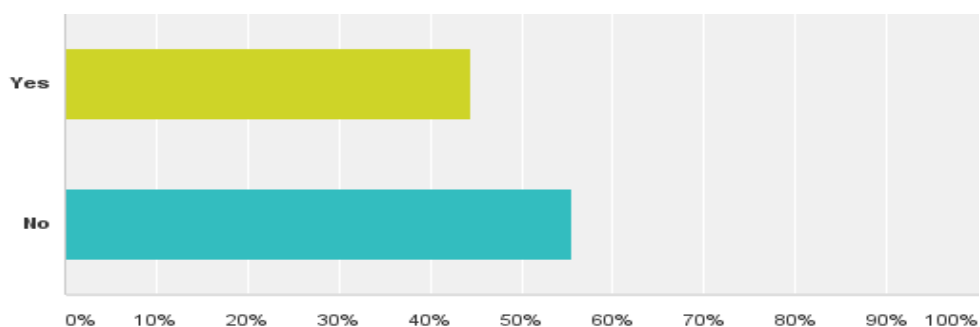
Question 16: Looking back to when you lodged your first income tax return, please indicate from the list below who completed the return or assisted you

The majority of the participants when it came to completing their first income tax return relied on either a family member (32.98%), Tax Agent/Accountant (27.66%) or completed it themselves (28.19%). An interesting point to note is that only 1% of the participations choose to use the tax help service offered by the ATO.



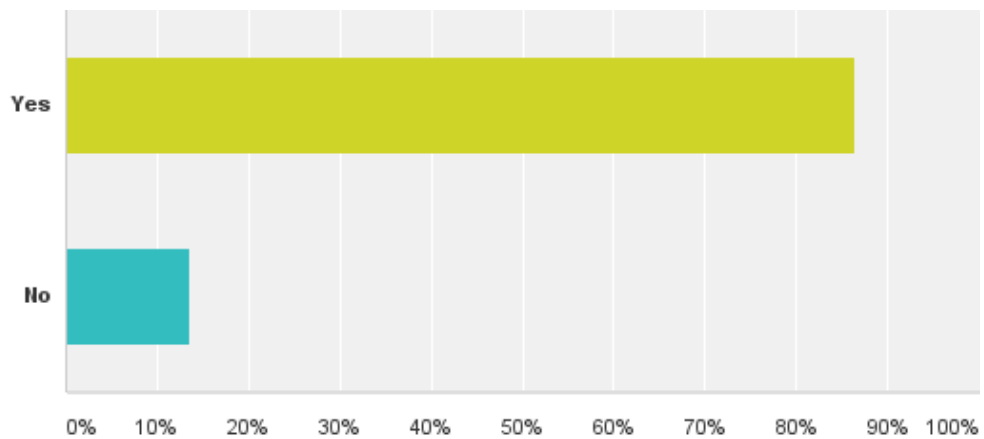
Question 17: If in the previous question you answered "Completed it myself" were you confident that you had completed it correctly?

Only 44.44% of the participations who completed their first tax return by themselves were confident it had been completed correctly. Leaving 55.56% who did their own return but who were not confident of the returns correctness when it was lodged.



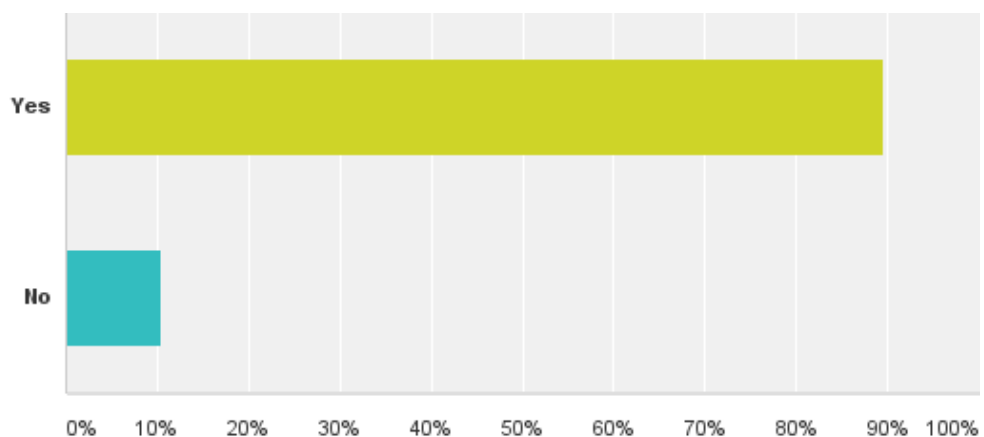
Question 18: Have you completed or are you currently undertaking a taxation course at University or TAFE since leaving secondary school?

As the majority of the participants have studied a taxation course or unit as part of their further education since leaving secondary school this would reflect a high yes response.



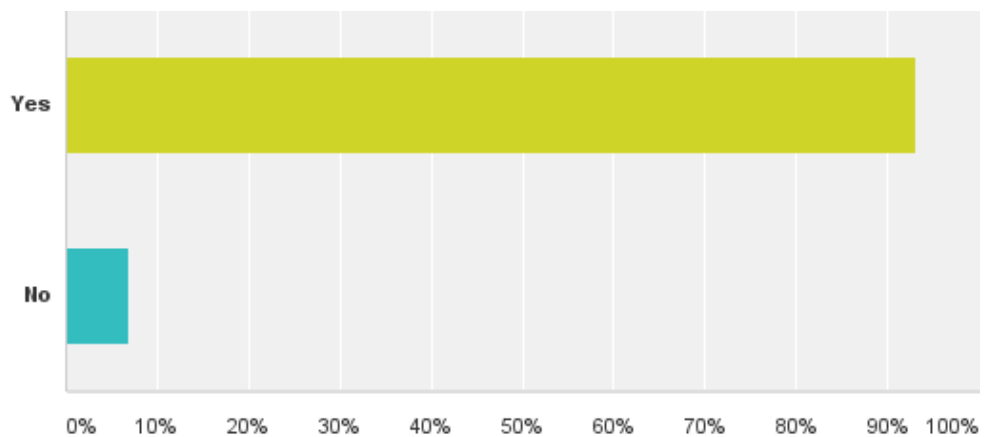
Question 19: If you answered yes to question 18 - since undertaking or completing the taxation course are you more confident in submitting your own taxation return

Overwhelming yes response to this question results in nearly 90% of the participants feeling more confident in submitting their taxation returns now after the complete of a course or unit of taxation undertaken as part of their further education. This result adds support to the argument that if all students in secondary school were provided with a standardised programme of education on the Australian Taxation System that they would be more confident in their own abilities to understand and complete their taxation affairs.



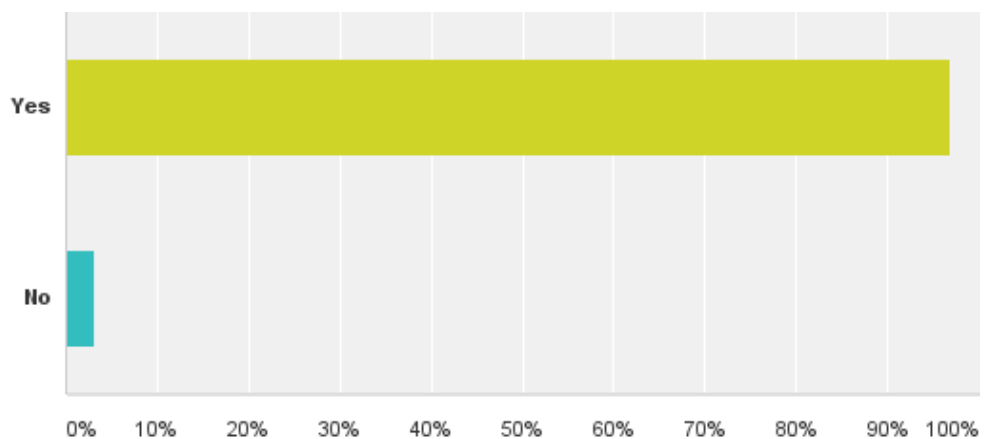
Question 20: Do you feel that it would have been beneficial to you to have studied taxation when you were in secondary school?

Over 93% of the participants felt that it would have been beneficial for them to have studied taxation whilst in secondary school to gain a better understand of the Australian Taxation System and to understand their own taxation obligations. This result also adds support to the argument that students needs to be taught about their countries taxations systems whilst at school.



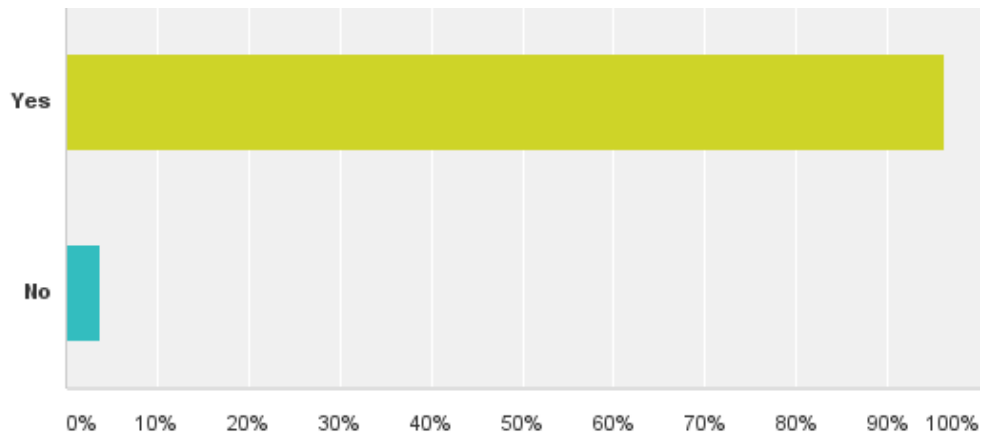
Question 21: Do you feel that students should know about the Australian taxation system so that when they start working they understand their rights as taxpayers?

97% of the participants agree with the question that was posed to them adding further support for compulsory taxation education in secondary schools, so that students have a better understanding of their rights as taxpayers.

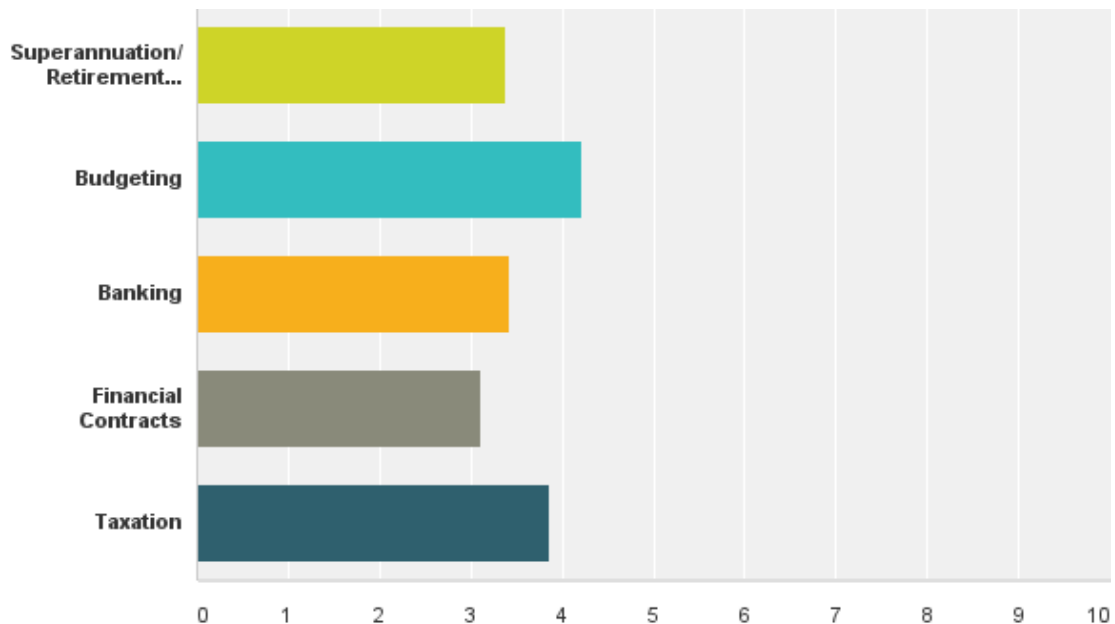


Question 22: Do you feel that students should know about the Australian taxation system so that they understand what their taxes do for the community?

96% of the participants agree with the question that was posed to them. It shows that the participants feel that if students know what their taxes do for the community they might have a greater respect for the Australian Taxation System and become a compliant taxpayer.



Question 23: Of the following please indicate what is the most important to least important to help you have a good financial understanding for making decisions about your future (with 1 being least important and 5 being most important)

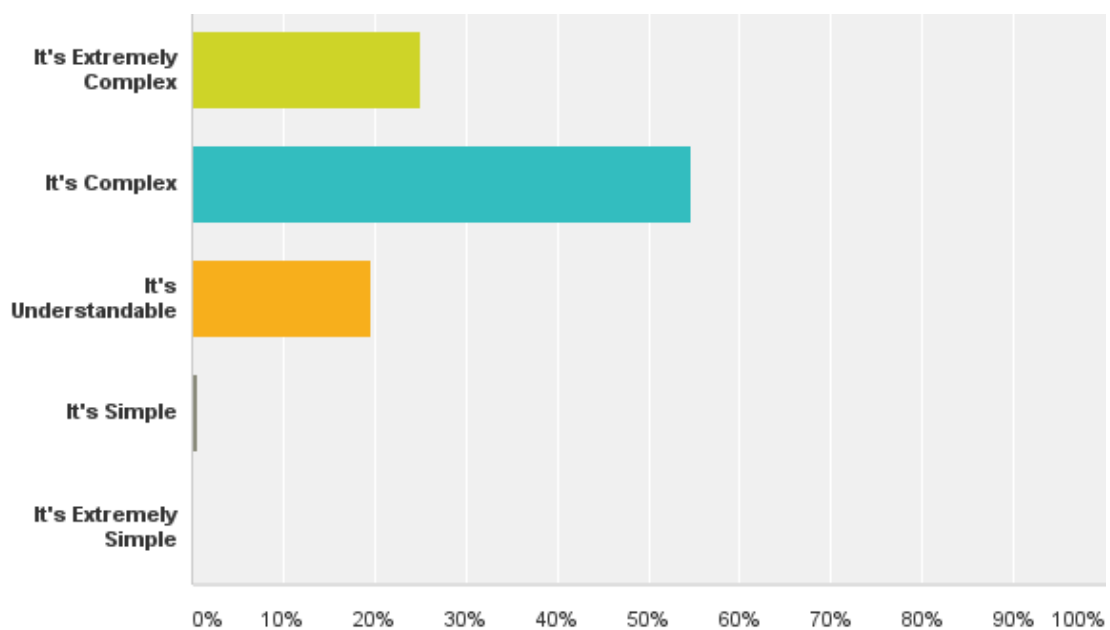


The most important aspect for most of the participants was the need to understand how to budget, taxation was the second most important aspect and superannuation

and retirement being the third most important aspect. Many discussions on financial literacy focus mainly on providing assistance in the areas of Superannuation and Retirement, Banking and budgeting, there is very little discussion on taxation being part of any financial literacy programmes. The data shown here provides evidence that taxpayers do want to know and understand more about taxation.

Question 24: How do you feel about the Australian Taxation System?

The majority of the participants felt that the Australian Taxation System was complex. Nearly 80% of the participants ranked the Australian Taxation System as either extremely complex or complex and 20% feel it's understandable or simple. The belief of many taxpayers in Australia is that the taxation system is too complex and hard to understand and this study reflects those sentiments. Complexity of taxation systems can lead to involuntary non-compliance by those taxpayers who do not fully understand their obligations as taxpayers. Education of taxpayers is a way of ensuring compliance but it is argued by the author that education should form part of secondary schooling education, as young minds are yet to form opinions about their countries taxation systems and by providing them with the necessary skills and knowledge they may become compliant taxpayers.



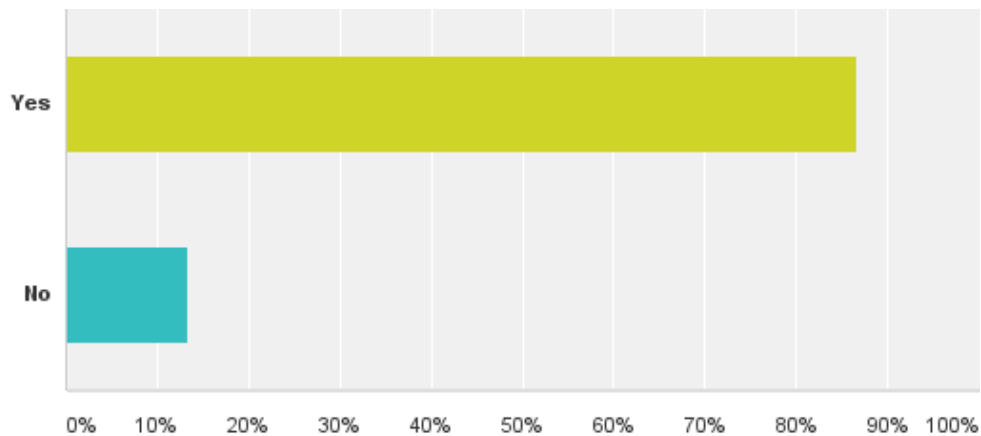
Question 25: How do you rate the Australian Government's management of the Australian Taxation System (with 1 being poor and 5 being excellent)?

Over 75% of the participants have a positive view of the Australian Governments management of the Australian Taxation System.

	1	2	3	4	5	Total	Weighted Average
How do you rate the Australian Governments management of the Australian Taxation System	6.49% 12	18.38% 34	49.73% 92	22.70% 42	2.70% 5	185	2.97

Question 26: Oliver Wendell Homes Jr once said "Taxes are what we pay for a civilized society" do you agree with this?

This view was supported by over 86% of the participants.



Conclusion

The results show that there is an overwhelming consensus for taxation education to be taught within secondary schools and that the students confidence levels in dealing with their own taxation affairs is much higher after they have completed a formal structured course on taxation. The benefits to taxation authorities is that there could be reductions in unintentional non-compliance as the students who are now taxpayers have a greater understanding of the taxation system they are a part of and what is required of them as tax paying citizens both in a moral and financial sense.

The author believes that the Australian Government needs to ensure that as part of the ongoing financial literacy program they are encouraging schools to be a part of that taxation is a major component of that program. A financial literacy program needs to be a stand-alone component of secondary education and not as it seems to be at the moment with a bit here and a bit there over a range of different subjects. It needs to be a compulsory programme to be taught in all secondary schools based on a

programme that is specially tailored to helping young Australians survive and thrive when they become adults and responsible for their own financial security.

The Australian Taxation Office also needs to take a stronger stance on making sure that any financial literacy programme to be implemented into schools in Australia has a strong focus on taxation. Taxation is the foremost important aspect of any financial literacy of a person, as you have to pay your taxes before you can start to budget or plan for retirement. The current financial literacy information is more focused on retirement and learning how to budget your finances and whilst they are very important areas when it comes to educating secondary students, the information being provided and taught to them also need to have a component of taxation.

The principal limitation to this study is due to the small sample size and the fact that it covered only those students studying at Curtin University in Bentley Western Australia. Consequently, it is not appropriate to make a generalization that all students in Australia would want to study taxation within their secondary education and find that doing so would benefit them in completing or understanding their own taxation affairs, although there are strong indications to suggest that this view is likely to be true. The findings of this study shows that education may significantly increase the confidence and ability of taxpayers to understand their own taxation affairs and have a general knowledge of the Australian Taxation System as a whole. More studies need to be carried out among students from other public and private universities so that the results can be realistically compared to gather more accurate responses. A comparison could also be made among undergraduates from different countries to investigate how the results would differ.