

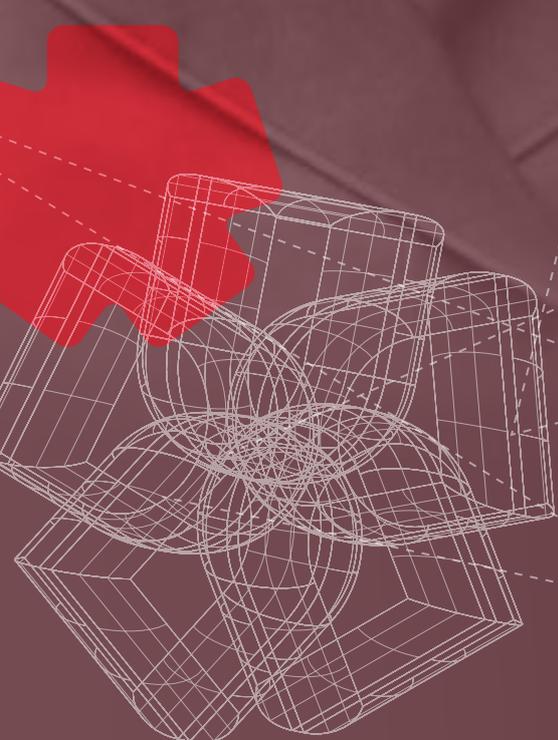


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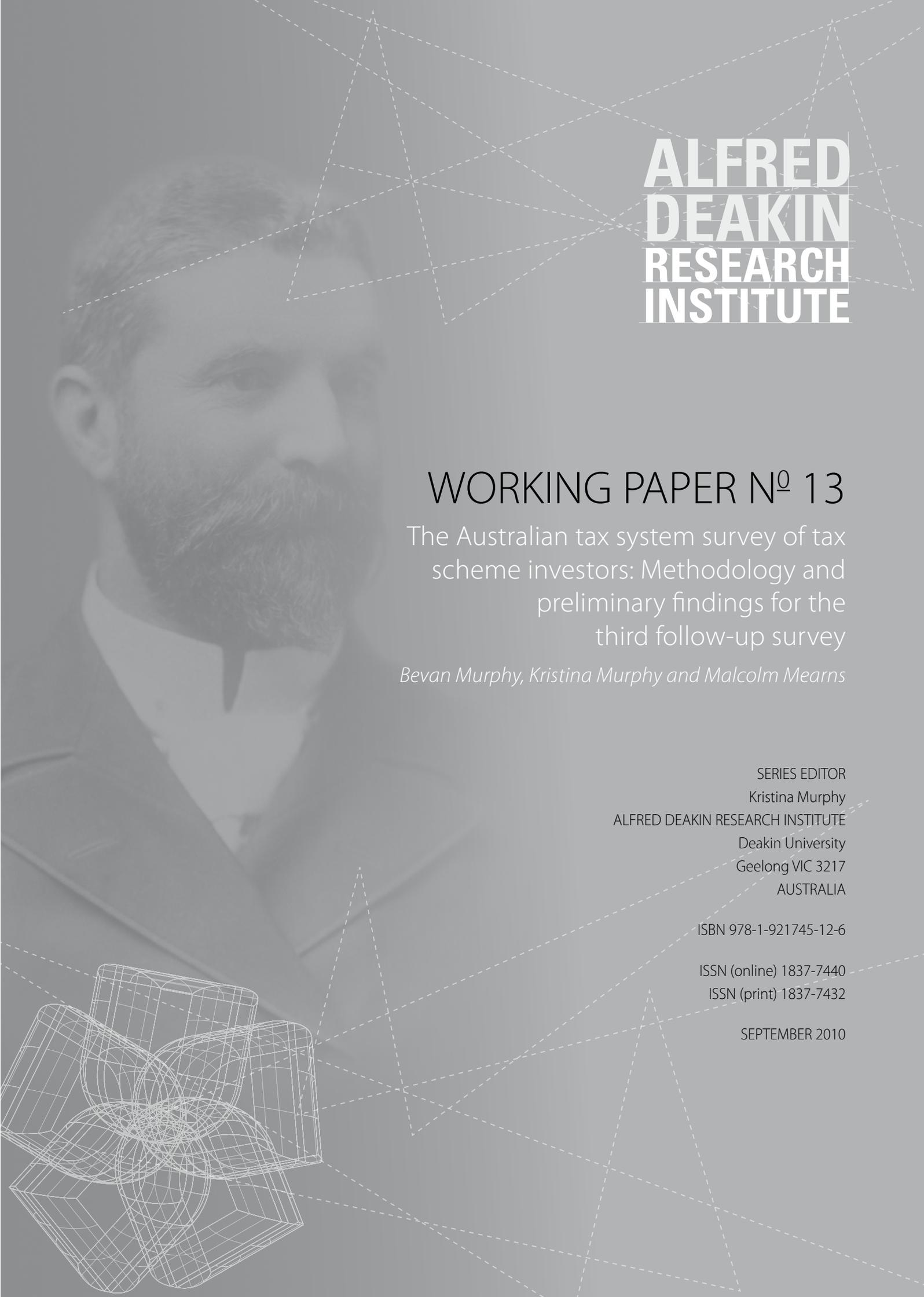
WORKING PAPER N^o 13

The Australian tax system survey of tax
scheme investors': Methodology and
preliminary findings for the
third follow-up survey

Bevan Murphy, Kristina Murphy and Malcolm Mearns



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A faded, grayscale portrait of Alfred Deakin, a man with a full beard and mustache, wearing a suit and tie, is the background of the cover. The text is overlaid on the right side of the image.

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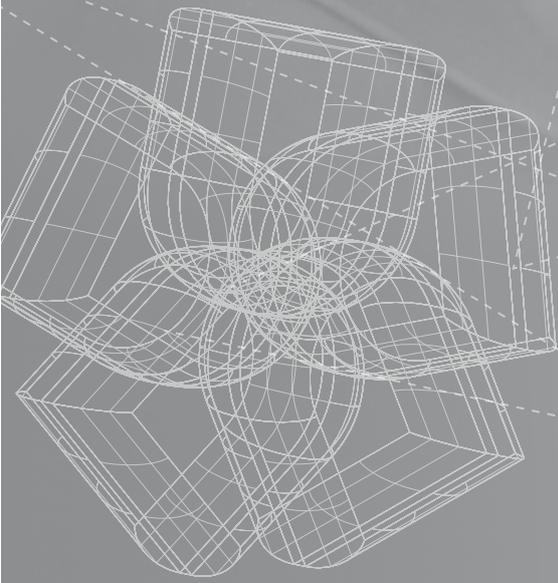
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ISBN 978-1-921745-12-6

ISSN (online) 1837-7440

ISSN (print) 1837-7432

SEPTEMBER 2010

A cluster of white wireframe geometric shapes, including cubes and spheres, is located in the bottom left corner of the cover.

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National Library of Australia

Cataloguing-in-Publication data:

Murphy, B.

'The Australian Tax System Survey of Tax Scheme Investors':

Methodology and Preliminary Findings for the Third Follow-up Survey

Bibliography

ISBN 978-1-921745-12-6

1. Taxation -- Australia
 2. Social surveys -- Australia -- public opinion
 3. Taxpayer compliance -- Australia -- public opinion
 4. Taxation administration and procedure -- Australia -- public opinion.
- I. Murphy, Bevan.
 - II. Alfred Deakin Research Institute.
 - III. Title. (Series: Alfred Deakin Research Institute; Working Paper no. 13).

336.200994

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'The Australian tax system survey of tax scheme investors': Methodology and preliminary findings for the third follow-up survey

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Malcolm Mearns

DATACOL RESEARCH PTY LTD

ABSTRACT

The report summarises the main findings from a longitudinal follow-up survey of Australian taxpayers who had invested in aggressive tax planning scheme during the 1990s. This report represents the findings from the third and final stage of a three-part project. In 2002, the first national survey of 6,000 scheme investors was taxpayers. Specifically, investors' views of the ATO and the Australian tax system, and how they perceived the ATO managed the schemes issue, were sought. The survey was also designed to explore why taxpayers invested in tax minimisation schemes, why there was such widespread taxpayer resistance against the ATO's debt recovery procedures, and perhaps more importantly, whether the aggressive tax planning market in Australia is supply or demand driven (see Murphy & Byng, 2002a, 2002b for detailed findings). A total of 2301 taxpayers completed the survey. In 2004 a second survey (The Follow-up Survey) was posted to 1,250 respondents of the 2002 Investors' Survey who had indicated that they were interested in participating in any subsequent research. A total of 652 of the taxpayers who completed the first survey in 2002 responded to the second follow-up survey (see Murphy & Murphy, 2010 of detailed findings).



In October 2008, a third-wave *Final Survey* was posted to 1,112 respondents who completed the first survey. The specific purpose of the *Final Survey* was to extend the findings of the first two surveys and to assess respondents' current feelings when considering the ATO, the tax system and the schemes matter. Of particular interest in the long-term impact that enforcement action can have on the emotional and financial well-being of taxpayers, as well as the long-term impact it has on subsequent tax compliance behaviours. 478 taxpayers who completed the first survey in 2002 completed the third survey; 379 of these respondents had completed all three surveys. This report discusses the methodology and logistics for conducting the Final Survey (Part 1), presents a descriptive analysis of some of the more important findings from the survey (Part 2), provides a detailed description of the scales used to measure a variety of concepts (Part 3), and includes a codebook that details the frequencies, means and standard deviations to each question of the survey (Part 4).

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INTRODUCTION

The Australian Taxation Office (ATO) detected a striking increase in mass-marketed tax effective scheme¹ investments in the mid to latter part of the 1990s. Aligned with this finding was a large increase in tax deductions claimed. In fact, over a five year period between 1993 and 1998, deductions being claimed by Australian taxpayers involved in these investments rose by approximately half a billion dollars (Murphy, 2002a). The ATO believed that these schemes exploited loopholes in the tax law and were designed in such a way to avoid tax. The conclusion was made that many participants' investments were primarily funded through tax deductions, with relatively little private capital at risk. Consequently, the anti-avoidance provisions of Part IVA of the Income Tax Assessment Act were applied to scheme related investments². Amended assessments were issued by the ATO to approximately 42,000 investors in 1998 to recover the tax owing, including an interest component and appropriate penalties³.

Many investors declared their innocence, arguing that the schemes they invested in had been marketed to them as a viable long-term investment in addition to being a legal tax minimising strategy, and that they had disclosed all deductions honestly to the ATO through their tax returns. As a result, the majority of investors initially defied the ATO's demands to settle their tax debts, claiming that to do so would be a false admission of guilt (see Murphy, 2002a). In response to the resistance exhibited by taxpayers, in February 2002, the ATO put forth a settlement offer that included abolishing the interest and penalties components on the scheme related tax debts and provided some investors with a two year interest free period in which to pay their remaining debt. It was only after this settlement offer that the majority of taxpayers involved agreed to settle their debts.

¹A tax scheme is an arrangement, whether legally enforceable or not, that is entered into by a taxpayer in order to obtain a tax benefit (Deutsch, Fullerton, Gibson, Hanley, Plummer & Snape, 2001).

²Part IVA of the Income Tax Assessment Act 1936 empowers the ATO to deny or 'cancel' an investor's tax benefit where a reasonable person would conclude that the sole or dominant purpose for entering a scheme was to obtain a tax benefit. There are a number of elements that must be satisfied before Part IVA will apply: (a) there must be a scheme; (b) a tax benefit must be obtained in connection with that scheme; and (c) the scheme must have been entered into after 27 May 1981.

³Before invoking Part IVA of the Tax Act, the ATO undertakes intelligence work to identify and audit schemes they believe to be suspicious. This process can take anything up to two years to complete for any one scheme (see Williams, 2001). If then the ATO determines that Part IVA applies to a scheme, this will be communicated to the promoter and investors in the form of a position paper. It is only after this process that the ATO issues amended assessments to the investors.



The Initial “2002 Investors’ Survey”

Despite the ATO’s right to audit and litigate non-compliant taxpayers, they concede that future compliance is critical and that building a trusting taxpayer rapport encourages this outcome. In 2002, researchers at the Centre for Tax System Integrity at the Australian National University were engaged by the ATO to construct a survey to be completed by scheme investors. *The Australian Tax System Survey of Tax Scheme Investors* (i.e., *Investors’ Survey*; Murphy, 2002b) was constructed to gain insight into scheme investors’ beliefs, attitudes, and motivations to guide better regulation practice in the future. Of particular interest were investors’ views of the ATO and the Australian tax system, and how they perceived the ATO managed the schemes issue. The *Investors’ Survey* also examined taxpayers’ reasons for investing in tax schemes (is aggressive tax planning supply or demand driven?) and their subsequent resistance to the ATO’s debt recovery procedures.

The *Investors’ Survey* was posted to a random sample of 6,000 scheme investors in January 2002. A 43% response rate was obtained consisting of 2,301 completed surveys (for details of the methodology see Murphy & Byng, 2002a). An important finding from the survey was that investors’ resistance to the ATO was related to their perception that they had not received procedural justice from the ATO. That is, resistance expressed was less about the money investors stood to lose, and more about how investors felt they had been treated by the ATO during the enforcement process. Investors also expressed that the ATO’s actions had negatively impacted on their emotional well-being and on their family life.

As a result of these findings, a follow-up investors’ survey entitled *The Australian Tax System – Fair or Not? You be the Judge* (i.e., *Follow-up Survey*; see Murphy and Murphy, 2010) was constructed in 2004 to see how taxpayers’ attitudes and views towards the ATO and the tax system may have changed across time.

The “2004 Follow-up Survey”

The 2004 *Follow-up Survey* examined the long-term effects that the ATO’s management of the schemes issue had on taxpayers’ attitudes and well-being. Investors’ perceptions of justice, how justice judgements may be established, and the emotional impact the ATO engagement may have had on taxpayers, were also investigated.

It was found that the majority of investors were committed to the tax system. However, investors continued to have high levels of resistance towards the ATO, which reflects doubts about the intentions of the ATO to behave cooperatively and benignly to taxpayers. Not surprising then, investors reported low levels of trust in the ATO, and felt that they had been treated poorly. Following on from these findings was that the majority of investors’ believed an enforcement strategy should have an ‘innocent until proven guilty’ philosophy which would treat individuals with

respect and dignity. It was also found that two years on from the ATO's scheme settlement offer, 80% of the respondents still reported a lot of built up emotion when contemplating the schemes matter. They expressed moderate levels of anger, anxiety and depression (anger being the dominant emotion) when thinking about the matter.

The Current “2008 Final Follow-up Survey”

A third and final survey (hereafter titled *Final Survey*) was constructed in 2008 to extend the findings of the first two surveys and to assess respondents' current feelings when considering the ATO, the tax system and the schemes matter. This third wave survey was funded independently by the Australian Research Council (Chief Investigator Kristina Murphy; Grant No DP0666337). Of particular interest to the third wave survey was the long-term impact that enforcement action can have on the emotional and financial well-being of those it affects. Also of interest was whether enforcement action has a positive or negative impact on future tax compliance behaviour. The intent is that by gaining a greater understanding of possible long-term impacts, public policy development may be enhanced.

This report presents the findings from this third wave *Final Survey*. The report is divided into four parts. Part 1 sets out to describe the methodology used to undertake the *Final Survey*; specifically, the method of sampling, follow-up processes, response rates, sample representativeness, data processing, missing data, and possible confounding factors that may affect the data. Part 2 summarises some of the main findings from the survey. Part 3 of the report details the scales used to measure each of the major concepts discussed in Part 2. Finally, Part 4 presents a codebook of the findings which details the breakdown of responses to each question in the survey.

PART 1: SURVEY METHODOLOGY

Datacol Research Pty. Ltd. managed the *Final Survey* field work and data preparation for this study on behalf of Deakin University⁴. Survey data were collected over a seven-month period from October 2008 to April 2009. Surveys were posted to taxpayers' home addresses and non-respondents were followed up using four subsequent rounds of reminder mail between November 2008 and January 2009 (see Table 1 for details). Completed and returned surveys were also sent by post using a reply-paid envelope. No incentives for completion were offered.

The *Final Survey* was the third conducted on a sample population of scheme investors first drawn in 2002 with the assistance of the ATO (see Murphy, 2002b). An initial sample of 6,000 investors yielded a response from 2,301 taxpayers in 2002, of which 1,250 provided their name and address for further research. In 2004,

⁴ Chief Investigator Kristina Murphy moved from the Australian National University to Deakin University in 2007.



a second questionnaire was sent to those who provided their details, to which 652 responded. The 1,250 taxpayers who originally consented to be involved in further research were again followed up in 2008; 138 were declared out of scope for the 2008 *Final Survey* due to death, illness or having moved. So approximately six years after the initial *Investors' Survey*, 1,112 taxpayers were sent another questionnaire as part of the third wave *Final Survey*.

The *Final Survey*, designed by Kristina Murphy, was prepared as a 28-page self-completion questionnaire booklet of B5 size (250mm by 172mm) containing 295 questions. The questionnaire consisted of a number of psychometric scales measuring attributes of interest such as justice, emotions, trust, and compliance behaviour. Questions covered topics such as life satisfaction, attitudes to the schemes settlement offer, views of the ATO and tax system, perceptions of treatment by the ATO, mental well being, taxpaying behaviour, and taxpayer demographics.

The questionnaire included reference to the Deakin University Ethics Committee Approval and provided respondents with the project number (EC 222-2007) and an e-mail contact should respondents wish to make an inquiry or complaint. The questionnaire also contained a reminder time-line of events to assist the respondent in recalling the previous questionnaires they had completed, as well as their original scheme investment and the ATO rulings. At the end of the questionnaire interested respondents were invited to include their name and contact details if they were prepared to be involved in a face to face interview about their experiences. 212 respondents to the *Final Survey* agreed to be involved in an in-depth interview if required.

Distribution and addressing non-responses

The survey process was modelled on the Dillman Total Design Method (Dillman, 1978). The method provides for an engaging survey booklet with a clear question layout and for multiple mailings following up non-respondents over a period of time. This method has been used by a number of major academic mail surveys conducted in Australia in recent times (e.g., Bean, Gow & McAllister, 1998; Kelly & Evans, 1998; Murphy & Murphy, 2010).

The first survey package was posted to each taxpayer in the sample on 23 October 2008 and comprised a covering letter, the questionnaire and a reply-paid envelope.⁵ Table 1 presents the dates for the mailout of the survey and reminder letters. The covering letter accompanying the first survey package explained the intent of the study; specifically, that the researcher was interested in seeing how taxpayers' attitudes and views towards the ATO, the tax system, and their enforcement

⁵Due to a Datacol handling error, eighty 1st questionnaires were not posted to respondents until after their 1st reminder letters had been sent out. The mistake was discovered after receiving telephone calls from respondents who advised they had not received the questionnaire but had received the 1st reminder letter. The missed 1st questionnaires were posted immediately. From then on these cases were followed up in the same way as the rest.

experience may have changed in the six years since the initial *Investors' Survey*. The letter also identified Deakin University as the sponsoring organisation, reminded the respondents of their previous participation, guaranteed respondent confidentiality, and referred potential respondents to a 1800 freecall number should they have any questions.

To prevent respondents from declaring that they had missed the cut off, no return date was nominated for the questionnaire. Investors who agreed to participate were asked to return their completed questionnaires in a reply-paid envelope to Datacol Pty Ltd for analysis. Each questionnaire was sent out labelled with a unique ID number to allow for the marking off of completed questionnaires and the cessation of further reminder activity. Once a survey was returned no further reminders were sent out.

Following an interval of 21 days from the initial mail-out (i.e., 13 November 2008), 841 taxpayers were sent a reminder letter encouraging them to have their say and to respond as soon as possible. On 8 and 9 December 2008 a second questionnaire package was posted to 647 non-respondents.⁶ On 30 December 2008 a further reminder was posted to the 523 non-respondents. A third and final reminder letter was then posted to the remaining 476 non-respondents on 23 January 2009. By 29 April 2009, a total of 478 useable surveys had been received; 379 of these respondents had completed all three surveys.

Datacol's 1800 survey help line number was used throughout the survey fielding period so that respondents could call in and ask questions or pass on information. A total of 42 calls were made to this help line during the fielding period. About one third of these calls were to request a replacement questionnaire. Half the calls were evenly distributed between refusals, notification that the respondent was dead or incapacitated, and those having trouble answering and wanting assistance. A very small number could not remember ever having made an investment; a surprising finding given they had responded to an earlier survey on the issue. It is possible this small number of participants were not the named recipient on the postal envelope.

Table 1: Survey posting dates

Description	Number of Postings	Date of Posting
1 st Questionnaire	1112	23 Oct 2008
1 st Reminder letter	841	13 Nov 2008
2 nd Questionnaire	647	8-9 Dec 2008
2 nd Reminder letter	523	30 Dec 2008
3 rd Reminder letter	476	23 Jan 2009
Cut off for receipt of questionnaires		29 Apr 2009

⁶Like the first questionnaire package, this comprised a covering letter, a copy of the questionnaire and a reply-paid envelope.



Response rates

'Response rate is typically related to the size of the questionnaire and to the mode of delivery' (Mearns & Braithwaite, 2001, p5). Given the size of the *Final Survey*, a mail-out survey was considered the best option. As mentioned previously, a deadline for receipt of completed surveys was not specified to the recipient. However, Datacol imposed a cut-off for acceptance of returns in late April 2009 to allow data processing to be finalised. Only one questionnaire had its ID labels removed by the respondents in an effort to guarantee their anonymity. This did not preclude their data from analyses, but it does preclude linking results across time.

Approximately 189 questionnaires were returned to sender or were returned with notes saying that the respondent was overseas or was deceased or otherwise incapable of completing the survey. A number of refusals (18) were received from individuals by post, telephone or e-mail. After five mailings, the *Final Survey* achieved an unadjusted response rate of 43%⁷ and after adjusting for out-of-scope individuals an adjusted response rate of 51.8% was obtained. The number of responses classified by type is shown in Table 2. Given that the addresses for respondents were by now at least 4 years old and in most cases 6 years old, a number of incorrect addresses must be expected.

Table 2: Number and percentage of responses to the *Final Survey*, classified by type

Class of response	Number	Unadjusted percentage	Percentage in scope
Drawn sample	1112	100.0	
Out of scope – Returned to sender (left address, not known at address, overseas)	178	16.0	
Out of scope – Deceased	10	0.9	
Out of scope – Incapable (illness, age, away from home)	1	0.1	
Total in scope	923	83.0	100.0
Explicit refusals	18	1.6	2.0
Completed surveys	478	43.0	51.8

Sample representativeness

Usually, the collection of socio-demographic data can be used to provide an indication of the extent to which the sample is representative of the population under study (in this case the population of tax scheme investors). However, the limited amount of demographic data made available in 2002 from the ATO's database of

⁷Such response rates are not unusual in the tax context, with some arguing that tax surveys cannot be expected to yield higher than a 30% to 40% response rate (e.g., Wallschutzky, 1984; 1996). Further, longitudinal surveys always experience attrition between the original and follow-up periods.

scheme investors made it difficult to make any real comparison between the sample and the Investor population.⁸ Of the information that was available, only sex and state of residence comparisons could be made.⁹

Table 3: Distribution of males and females in the *Final Survey* and the ATO database of scheme investors

Sample group	Sample proportion	Investor population proportion
Male	83.9	77.4
Female	15.5	18.6
Missing	0.6	4.0
Total	100.0	100.0

Note: Significantly different if Chi square (df=1) > 3.841, p<0.05.

When comparing the sex distributions of the sample and population (see Table 3), it was found that men were slightly over-represented (6.5%) and women were slightly under-represented (-3.1%), although this result just reached significance. Comparisons of the state distribution of returned surveys (i.e., the sample) with the population figures revealed no significant differences for the majority of the states with the exception of the ACT and South Australia (see Table 4). Respondents from the ACT and South Australia were slightly over-represented in the *Final Survey*. This finding is not of too much concern, however, given the follow-up nature of the study.

Table 4: Comparison between State distribution in the population and sample

State	Population		Sample		Significantly different#	Absolute difference %
	N	%	N	%		
ACT	559	1.7	18	3.8	Yes	2.1
NSW	7423	22.8	99	20.7	No	-2.1
NT	364	1.1	1	0.2	No	-0.9
QLD	4365	13.4	53	11.1	No	-2.3
SA	1817	5.6	43	9.0	Yes	3.4
TAS	192	0.6	2	0.4	No	-0.2
VIC	4032	12.4	50	10.5	No	-1.9
WA	13741	42.3	209	43.7	No	1.4
Missing			3	0.6		
Total	32493	100.0	478	100.0		

Note: #Yes if Chi square (df=1) > 3.841, p<0.05.

⁸Note that the population information was provided in de-identified form only in an excel spreadsheet.

⁹Of the available information on investors' gender, only titles were provided on the ATO database (e.g., Miss, Mr, Ms) and approximately 1,300 of the 32,493 titles were gender neutral (e.g., Dr, Captain).



Data processing and coding

Questionnaires that were more than half-completed were sent for data entry. Data entry was done manually by data processing operators at Datacol Research Pty Ltd and the data set was single-punched.

Following data entry, the quantitative data were examined closely by Datacol Research Pty Ltd to ensure there were no out-of range values and that all variables and values were labelled. This cleaned data file was then passed on to the researchers at Deakin University for analysis.

Item non-response

Item non-response or missing data in the *Final Survey* was quite low. For example, the missing data on the age and sex variables were 4.2% and 0.6% respectively. Typically, percent missing on the attitudinal variables throughout the survey have been between 1% and 10%, with the vast majority being under 5%.

Possible confounding factors

Response time

From the time that respondents first received their surveys to the time that the final completed survey was returned to Datacol, a period of six months had elapsed. The question of whether early responders are different from late responders is therefore an interesting methodological question. If there are differences any future analysis of the data needs to take these differences into account. In order to explore this question, a regression analysis was performed using the number of days taken to return the survey as the variable of interest. Two demographic variables; several variables measuring respondents' perceived fairness of the ATOs' treatment of them; and respondents' level of anger toward the ATO, were used to predict 'time to complete survey'. As can be seen in Table 5, the only significant predictors of 'time to complete survey' was the respondents' age ($\beta = -0.28$, $p < 0.001$) indicating that older respondents took longer to respond to the survey. No other variables in the regression analysis predicted 'time to complete survey', indicating that there were no substantial differences between early and late responders.

Table 5: Regression analysis to predict the ‘time to complete survey’ of completed survey

Predictor	Regression coefficient (metric)	Standard error of coefficient	Standardised coefficient (β)	T	Sig T [@]
Sex	-4.481	5.254	-0.054	-0.853	0.395
Age	-1.092	0.251	-0.283	-4.357	0.000
Respondents agree with ATO decisions.	-1.353	2.575	-0.040	-0.525	0.600
ATO decisions are favourable to respondent.	-2.543	2.108	-0.089	-1.206	0.229
Respondents believed the decision to disallow the scheme was fair.	-1.844	3.689	-0.043	-0.500	0.618
Respondents believed they got what they deserved.	4.162	3.898	0.094	1.068	0.287
Respondents believed you shouldn't let the ATO push you around.	-3.125	2.614	-0.078	-1.196	0.233
Respondents felt angry with ATO.	0.102	2.173	0.004	0.047	0.963
Respondents felt they wanted to get even with ATO.	2.583	2.559	0.070	1.009	0.314
(Constant)	125.939	24.397		5.162	0.000
R		0.341			
R ²		0.116			
Adjusted R ²		0.081			
Standard error of estimate		31.296			
df		9, 223			
F		3.261 [@]			

[@] Significant at 0.05 level



PART 2: PRELIMINARY FINDINGS

The *Final Survey* consisted of eight different sections, each designed to measure tax scheme investors' attitudes and opinions towards the ATO and tax system. This section of the report highlights some of the more important findings from each of these sections. In addition, at the back of this report is a codebook that details the breakdown of responses to each question from the survey. It should be noted that the results presented here are preliminary descriptive results. In-depth analyses examining the drivers of attitudes toward taxpaying and the drivers of tax compliance are yet to commence.

Section 1: Six years on – Your views are still important to us

The first section of the *Final Survey* contained socio-demographic questions to obtain information about respondents' sex and age. These items were primarily assessed to ensure that respondents who had completed either the Wave 1 or Wave 2 surveys in 2002 and 2004, respectively, were the same taxpayers who completed the Wave 3 survey.

The majority of respondents to the survey were male (84.4%) and 15.6% were female.¹⁰ This over-representation of men responding to the survey was normal and is consistent with the findings from the first two surveys. In fact, ATO records show that men were more likely than women to invest in aggressive tax planning schemes. The overall average age of respondents was 55.78 years old (SD = 8.54) with respondents ranging from 29 to 81 years of age. The average age for male respondents was 55.55 years, with male respondents ranging from 29 to 81 years of age, and the average age of female respondents was 57.04 years with female respondents ranging from 32 to 76 years of age.

Additional questions in Section 1 of the survey were framed in a manner to gain current feelings about life and to gauge if any major life events had occurred for respondents since the initial *Wave 1 Investors' Survey*.

Fourteen life events were listed (e.g., got married; bought a house) to examine whether significant life events may have occurred since 2002. These items were primarily assessed to control for adverse events that may affect respondents' responses to the remainder of the survey. Respondents were asked to circle either 'No' or 'Yes' if the event had occurred in their life in the last 6 years since January 2002. Generally, 'Yes' responses were quite low (10%) for the majority of the events. The four most prominent life events reported included: having a close friend die (41.6%); changing jobs (36%); buying a house (26.5%); and having been seriously ill (19.9%). Despite its relatively low occurrence, it is interesting to note that 32 respondents (6.9%) reported having been in trouble with the ATO since the schemes incident.

¹⁰ 0.6% of respondents did not provide their gender.

An eight-item scale¹¹ based on the work of Cummins and colleagues (2001) was then used as a measure of well-being to assess how respondents felt about their life at the time of completing the survey. Respondents were asked about how they felt about their life as a whole, and other items assessed how they felt about subjects such as 'standard of living', 'financial situation' and 'marriage'. Scores on the scale ranged from 1 ('delighted') to 8 ('terrible'). It was found that for the most part respondents were pleased with their present life circumstances ($\underline{M} = 3.31$, $\underline{SD} = 1.08$).

Section 2: The ATO's settlement offer and you

In February 2002, the ATO announced that for investors who had been victims of aggressive marketing and bad advice that led to their investment in tax schemes, the penalty and interest component of their scheme-related tax debt would not have to be paid. However, this was contingent on taxpayers entering into an arrangement with the ATO to settle their outstanding scheme-related tax debt. In some instances, a two year interest free period was granted in which to pay back to remaining debt.

At the time of completing the *Final Survey* in 2008, 97 percent of respondents reported that they had now paid off their scheme-related tax debt. However, when questioned about whether the ATO's settlement offer had been fair (a question used to assess distributive justice¹²), 63% reported that the offer had been either 'completely unfair' or 'partly unfair'. Only 20% of respondents viewed the offer as 'partly fair' or 'completely fair'. Sixty four percent of respondents also indicated that repaying their tax debt to the ATO caused them financial hardship.

A six-item scale based on the work of Tyler and Blader (2000) was then used to assess the perceived outcome favourability of the settlement offer. Scores on the scale ranged from 1 ('completely unfair/strongly disagree') to 5 ('completely fair/strongly agree'). It was found that respondents were dissatisfied with the settlement offer believing that the outcome was not favourable to them ($\underline{M} = 2.16$, $\underline{SD} = 0.85$).

One question, based on the work of Tyler (2006) was used to measure perceptions of fair treatment from the ATO during the settlement process. Scores on this question ranged from 1 ('completely unfair') to 5 ('completely fair'). Claims by the scheme investors that the ATO had treated them poorly during the initial enforcement process (see Murphy, 2002a) led us to be interested in how they perceived the treatment they received during the subsequent settlement process. Approximately 27 percent of respondents felt the treatment they received during the settlement process was fair, however, on average, investors still perceived the treatment they received during that time to be unfair ($\underline{M} = 2.61$, $\underline{SD} = 1.33$).

¹¹See Part 3 for information on how the scales were constructed.

¹²Distributive justice (Tyler, 1997) refers to the perceived fairness of outcomes.



Respondents were also provided with three additional questions regarding the ATO's initial decision to disallow scheme related tax deductions and were asked to rate the fairness of the treatment they had received at that time. Scores on the scale ranged from 1 ('completely unfair') to 5 ('completely fair'). It was found that respondents perceived the ATO's initial decision to be unfair ($M = 1.77$, $SD = 0.90$). Importantly, it can be seen that there was some improvement in taxpayers' perceptions of fair treatment from the ATO between the initial enforcement process and the settlement process.

Section 3 and Section 4: Your views of our Tax Office & Your views of our Tax System

Section 3 and 4 of the survey contained a large number of questions designed to measure taxpayers' views about the ATO and the tax system. Section 3 examined views about the Tax Office, while Section 4 assessed views about taxpaying and the tax system. Perceptions of procedural justice received from the ATO were assessed, along with taxpayers' motivational posturing towards the ATO and tax system, and their perceptions of the legitimacy of the ATO and its system of laws.

Procedural Justice

Section 3 listed 31 general statements that described feelings respondents' may have had regarding how the ATO treats taxpayers. These statements were designed to examine aspects of procedural justice with responses ranging from 1 'strongly disagree' to 5 'strongly agree'. Procedural justice concerns the perceived fairness of the procedures involved in decision-making and the perceived treatment one receives from a decision maker. All up, nine separate procedural justice scales were measured in Section 3.

First, three aspects of procedural justice in the taxation context were measured using multi-item scales adapted from Tyler (1997); these scales included 'ATO is fair', 'neutrality', and 'respect'. One's judgment about whether or not an authority is motivated to treat them in a fair way, to be concerned about their needs, and to consider their arguments has been shown to be the primary factor that people consider when evaluating authorities (Tyler & Degoey, 1996; Tyler & Lind, 1992). If an authority deals fairly with its community or is viewed as 'attempting' to be fair, the motives of that authority are seen as trustworthy and a long-term commitment to accepting its decisions is fostered. Neutrality includes assessments of honesty, impartiality, and the use of fact, not personal opinions, in decision-making. A level playing field is sought with equal treatment for all parties. As people are seldom in the position to know the correct outcome, they focus on the evidence that the procedures are even-handed. Research has also shown that being treated politely, with dignity and respect, and having genuine respect shown for one's rights and social status, all enhance feelings of fairness. These findings are especially striking

in that such treatment is essentially unrelated to the manner in which their dispute is resolved (Tyler, 1997; 2001).

Two additional aspects of procedural justice were measured using multi-item scales adapted from Braithwaite and Makkai (1994). These scales included 'ATO engagement in the consultation process', and 'the degree to which the ATO communicates to taxpayers that they consider them to be trustworthy'. Consultation and trustworthy treatment are thought to be precursors to feeling respected and were considered to be particularly important in the context of the enforcement process for scheme investors.

Finally, two further procedural justice scales adapted from Tyler and Blader (2000) were measured to examine the ATO's 'quality of decision making' and 'quality of treatment', and two scales developed by Kristina Murphy, were used to measure 'interpersonal fairness/treatment' and whether taxpayers are given a 'voice' (i.e., whether the ATO allows citizens to have a say and listens to their views). Voice refers to the opportunity for groups to comment on or inform an authority's decision, and allows them to have some level of input into processes that affect them (Folger, 1977). Voice provides for some level of local control and is premised on notions of accountability and participation. In short, attention to the idea of voice builds trust both within and across social groups (e.g. between the ATO and scheme investors) and is an important predictor of whether people perceive a process to be just (Folger, 1977).

As can be seen in Table 7, the ATO was rated below the midpoint on all of the measures of procedural justice. According to respondents, the ATO performed particularly poorly on the consultation measure, implying that the ATO did not consult widely with scheme investors before issuing amended assessments. This being the case, it is not surprising that respondents' tended to believe that the ATO didn't listen to their views. It should be noted that respondents may not have been aware that extensive consultation between the ATO and promoters/advisers who represented investors had been conducted. While the ATO would argue that it is not part of their role to consult individual taxpayers prior to amending their assessments, the findings suggest taxpayers would value such a process. Overall, the findings on the procedural justice measures indicate that scheme investors feel they have been poorly treated by the ATO.



Table 7: Respondents' mean scores on the nine procedural fairness scales

Scales	Mean	Std. Deviation
<i>Procedural Justice</i>		
ATO is fair	2.28	0.81
Neutrality	2.64	0.78
Respect	2.43	0.94
Consultation	2.28	0.73
Trustworthy treatment from the ATO	2.53	0.87
Quality of decision making	2.64	0.79
Quality of treatment	2.71	0.83
Interpersonal fairness/treatment	2.93	1.01
Taxpayers given a voice	2.27	0.72

Motivational Postures

Motivational postures have been used to describe the various ways individuals choose to align themselves with a regulatory authority, and are considered predispositions to compliant or non-compliant behaviour (Braithwaite, Makkai, Braithwaite, & Gibson, 1993; Braithwaite, 1995). In the taxation context, five motivational postures have been identified including: (a) commitment, (b) capitulation, (c) resistance, (d) disengagement, and (e) game-playing (Braithwaite, Reinhart, Mearns, & Graham, 2001; Braithwaite, 2003).

Commitment refers to a belief that one feels morally obligated to pay tax, and does so with good will for the benefit of the broader community. Capitulation refers to a belief that if one accepts the authority of, and adheres to rules and regulations of the ATO, then the ATO will act favourably. Resistance refers to a belief that the ATO's intentions are less than accommodating and 'provides the rhetoric for calling on taxpayers to be watchful, to fight for their rights, and to curb Tax Office power' (Braithwaite, 2003, p. 18). Disengagement also communicates resistance, but here taxpayers have surpassed the notion of challenging the ATO. Instead, taxpayers feel no remorse for their wrong actions believing that they are impervious to the ATO if they choose not to pay their taxes. The main objective of a disengaged taxpayer is to keep distance between themselves and the ATO. Finally, game-playing refers to taxpayers who enjoy the 'game' of finding the grey areas of tax law and the challenge of minimising tax. In fact, they believe the ATO respects them for being creative in their tax affairs (thus, game-players comply with the 'letter' of the law, but not necessarily its 'spirit').

In the previous two surveys of tax scheme investors, Braithwaite's original measures of motivational posturing were assessed. The original measures for the motivational postures assess both posturing toward the Tax Office and toward the tax system in the same measures. However, we suggest that taxpayers may in fact posture differently toward the Tax Office and the tax system. It could be the case that people feel committed toward paying taxes, but they do not feel committed to doing

as the ATO wishes. Similarly, taxpayers may feel particularly resistant towards the ATO as an organisation, but do not feel resistant about paying taxes. The previous measurements of motivational posturing did not allow this distinction to be assessed. Hence, the *Final Survey* specifically assessed scheme investors' posturing toward both the Tax Office as an organisation and the tax system in separate sets of scales. Posturing toward the ATO was assessed in Section 3, while posturing toward the tax system was assessed in Section 4 of the survey.

Posturing toward the tax system

With respect to the population under study, the posture receiving the strongest endorsement among scheme investors toward the tax system was 'commitment'. Specifically, it was found that 96.6% of respondents reported being highly committed to the tax system and paying tax (see Figure 1)¹³. This was followed by the posture of 'resistance' (65.7%), 'capitulation' (35.4%), 'game-playing' (12.8%), and 'disengagement' (3.8%).

Posturing toward the ATO

Unlike the posturing toward the tax system, where there appeared to be quite an obvious distinction between each motivational posture, and a downward trend from the most favoured posture being commitment to the least favoured being disengagement, posturing toward the ATO was somewhat more erratic. In this instance, the strongest posture held by scheme investors toward the ATO was 'resistance' (75.1%), followed very closely by 'commitment' (73.8%). The posture of 'capitulation' came next (55.3%), with 'disengagement' (3.1%) and 'game-playing' (3%) being adopted by relatively few respondents.

It is interesting to note that scheme investors reported more commitment to the tax system than the ATO (a 21.5% difference), as well as having less resistance and less capitulation to the tax system (differences of 9.4% and 19.9% respectively). Opposing these findings was a greater amount of game-playing toward the tax system than the ATO. However, it should be noted that the posture of game-playing toward the ATO only contained one item (Section 3.6, question 20), in contrast to the 4-item game-playing scale developed for the tax system. Finally, a similar pattern of results for disengagement to the ATO and tax system was found.

¹³ Taxpayers scoring 3.01 or higher on each of these scale were considered more extreme on the posturing scales.



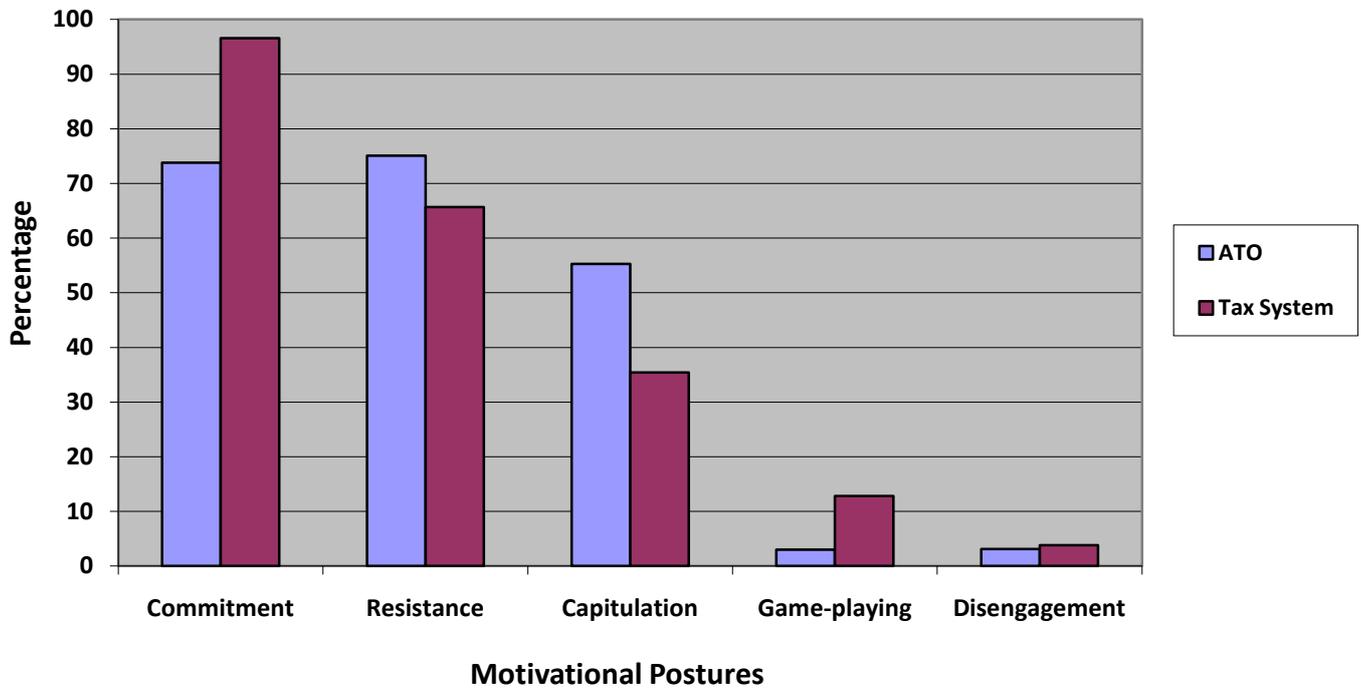


Figure 1: Level of endorsement for motivational postures toward (a) the ATO and (b) taxpaying and the tax system.

Legitimacy

Within political psychology, procedural justice is widely hypothesised to be an antecedent of legitimacy. The feeling of obligation to defer or accept decisions made by an authority is typically labelled legitimacy. Researchers (for example, Tyler, 1997; Tyler & Lind, 1992) have argued that people who feel they have been treated fairly by an authority regard their authority status as more legitimate. If an organisation is perceived to be legitimate then people are generally more likely to follow and accept their decisions. Questions assessing the legitimacy of an authority usually ask people to rate how confident they are in the authority and how obligated they feel to obey their directives. Survey items assessing the perceived legitimacy of the ATO (both confidence and obligation to obey the ATO) were placed in both Section 3.6 and Section 4.3 of the survey, respectively. These scales were based on those developed by Tyler (1997).

In a recent publication, Murphy, Tyler & Curtis (2009) argue that while an authority itself may be seen to have legitimate authority, the rules and laws it tries to enforce may also hold legitimacy. They suggested that the distinction between the legitimacy of an *authority*, and the legitimacy of the *laws* that an authority enforces is conceptually important, and should be considered in procedural justice research. Hence, Sections 4.2 and 4.3 also listed 11 and five statements, respectively, asking respondents to

rate (a) their confidence in the tax system and its rules, and (b) their obligation to obey the law. These statements were developed by Kristina Murphy.

Hence, overall, two scales assessed perceptions of the legitimacy of the ATO (confidence in ATO and obligation to obey ATO), and two scales measured perceptions of the legitimacy of the law (confidence in tax system and obligation to obey tax laws). Respondents were asked to indicate to what extent they agreed with each statement making up the four legitimacy scales, ranging from 1 ('strongly disagree') to 5 ('strongly agree').

As can be seen in Table 8, responses tended to fall around the midpoint of each of the four legitimacy scales (with most respondents neither agreeing nor disagreeing with the majority of the statements). This finding is somewhat important given it is essential for authorities to have high levels of legitimacy if they hope to gain cooperation and voluntary compliance from the public. It is also extremely important for people to see the laws they are being asked to obey as legitimate. If not then there is the concern that people will avoid their obligations to obey the law.

Table 8: Respondents' mean scores on the four legitimacy scales

Scales	Mean	Std. Deviation
<i>Legitimacy of the ATO</i>		
Confidence in ATO	2.82	0.70
Obligation to obey ATO	3.09	0.62
<i>Legitimacy of tax system and laws</i>		
Confidence in tax system	2.90	0.63
Obligation to obey the law	3.41	0.59

Section 5: The treatment you received from the Tax Office

In 1989 John Braithwaite published his influential book *Crime, Shame and Reintegration*. In it he canvassed his theory of reintegrative shaming. Reintegrative shaming theory has been posited as being a general theory of crime because it synthesizes the predictions of several theoretical perspectives of criminal behaviour into a single framework. Its most distinctive contribution is to focus attention on the effect of 'shaming', with shaming conceived of as encompassing all forms of social disapproval. The theory argues that the importance of social disapproval has previously been underestimated by Western criminal justice institutions, as well as by criminological theory more generally. Reintegrative shaming theory is premised on the idea that justice interventions will be most effective at reducing re-offending when they communicate disapproval of offending in a way that reintegrates an offender back into a law-abiding community (Murphy, 2010).



Hence, the theory's primary argument is that the communication of shaming (i.e., disapproval) is of central importance to understanding the effect that criminal justice actions have on the subsequent offending behaviour of individuals. Two forms of shaming that occur in response to offending can be distinguished: (a) shaming that is reintegrative in nature; and (b) shaming that is stigmatic in nature. Shaming that is reintegrative in nature is carried out in a respectful and healing manner. Here, disapproval of an act is communicated with respect, and special effort is given to avert labelling the offender as a bad person, and to terminate disapproval with rituals of forgiveness or reconciliation. Shaming criminal behaviour is complemented by ongoing social rewarding of alternative behaviour patterns. It is predicted that reintegrative forms of shaming will result in less re-offending. Conversely, shaming that is stigmatic involves communicating disapproval of a person with disrespect, where offenders are labelled with out-casting identities (e.g., thief, tax cheat, rapist), and there are no rituals to terminate disapproval. Reintegrative shaming theory predicts that this latter type of shaming results in greater levels of re-offending.

In the present study, six questions based on Harris' (2001) work formed scales to ascertain the level of stigmatisation scheme investors felt in response to their treatment by both (a) the ATO and (b) by their friends and relatives (e.g., 'Do you think there was some kind of implication about the kind of person you are?'). Scores on the scales ranged from 1 ('strongly disagree') to 5 ('strongly agree'). It was found that respondents were more likely to feel stigmatised by the ATO ($M = 3.36$, $SD = 0.55$) than by their friends and relatives ($M = 2.72$, $SD = 0.46$).

A further five questions based on Harris' (2001) work formed scales to assess the level of forgiveness expressed to scheme investors by both (a) the ATO and (b) by people they know (e.g., 'People/The ATO made it clear to me that I can put the whole thing behind me'). Again, scores on the scales ranged from 1 ('strongly disagree') to 5 ('strongly agree'). It was found that respondents perceived the ATO as less likely to forgive their indiscretions ($M = 2.68$, $SD = 0.51$) than their acquaintances ($M = 2.82$, $SD = 0.49$).

These findings taken together are important because they suggest that tax authorities need to be careful in the amount of stigmatising shaming they may inflict on potential tax offenders. They also suggest that it may be worthwhile for Tax authorities to express forgiveness over indiscretions.

Section 6: Trust

Section 6 of the *Final Survey* was designed to gain a better understanding of how taxpayers' experiences with the ATO over the previous few years had affected their level of trust in the organisation. Respondents' level of trust was measured through an eight-item scale developed by Braithwaite (1997). Scores on the scale ranged from 1 to 5, with a high score indicating greater levels of trust in the operations and behaviour of the ATO. The scale included measures such as whether respondents

thought the ATO could be trusted to administer the tax system fairly, whether it acted in the interests of all Australians and whether the ATO dealt with citizens openly and honestly. It was found that respondents generally lacked trust in the ATO ($M = 2.84$, $SD = 0.73$) with their mean score falling slightly below the midpoint on the 5 point scale.

A series of questions were then asked to determine how respondents' views about the ATO may have changed over the past decade as a result of their experiences with them. Three sets of four questions each examined: (a) taxpayers' changing levels of trust in the ATO between 1996, 2000, 2002 and 2008; (b) their changing perceptions in the ATO's fairness from 1996 to 2008; and (c) taxpayers' level of cooperation with the ATO from 1996 to 2008. Another set of four questions examined changing views about the fairness of tax laws between 1996 and 2008, and the final set of four questions examined respondents' efforts to minimise their taxes between 1996 and 2008.

As can be seen, in each set of four questions, the time periods in question were the year 1996 (before scheme related tax deductions were disallowed); the year 2000 (after scheme related tax deductions were disallowed); the year 2002 (after the scheme settlement offer); and the year 2008 (current time). Across all scales, answers were given on a 1 to 5 scale. For the trust, ATO fairness, cooperation, and tax law fairness questions, higher scores represented more favourable evaluations. In contrast, a higher score on the tax minimisation questions indicated taxpayers were more likely to indicate they would put greater effort into minimising taxes.

As can be seen in Figure 2, with the exception of 'effort to minimise taxes', respondents reported more favourable views towards the ATO and tax paying in 1996 than any other year. Specifically, in 1996 the ATO was considered more trustworthy, cooperative and fair, and tax laws were considered to be fairer. This was before the ATO took action against them. Negative evaluations across the four attitude scales were at their most extreme in 2000 (after the ATO had moved to disallow their scheme related tax deductions). It can also be seen from Figure 2 that respondents' trust in the ATO, their perceived fairness of the ATO, and their perceived fairness of the tax law in general had a positive increasing trend over time from 2000. However, the responses recorded in 2008 were still considerably lower than in 1996 before the scheme investment conflict occurred. This trend for views about the ATO to be changed significantly after a negative encounter supports findings in other criminological contexts (see Skogan, 2006). In the context of policing, Skogan reported that "police may get essentially no credit for delivering professional service, while bad experiences can deeply influence people's views of their performance and even legitimacy" (p99). He went on to demonstrate that the impact of having a bad experience is four to fourteen times as great as that of having a positive experience. He found that the factors associated with having a good experience included being treated fairly and politely and receiving service that was prompt and helpful.



Other than a marginal drop from 1996 to 2000, respondents' reported level of cooperation with the ATO basically remained constant over time. This result suggested that respondents believed that they were consistently cooperative with the ATO throughout the entire scheme related time-frame ($M = 4.04$, $SD = 0.67$).

The results yielded from the questions relating to respondents' efforts to minimise taxes marked the greatest deviation from the other time-frame questions presented in Figure 2. It can be seen that the ATO's enforcement action in 1998 had a slight impact on taxpayers' efforts to minimise their taxes in 2000. However, this impact was minimal. In fact, efforts to minimise taxes remained largely unchanged between 1996 and 2008. One would have expected taxpayers to cease placing a large amount of effort in minimising taxes out of fear that they may be subsequently fined again for inappropriate deductions. This finding may signal a degree of psychological reactance in response to the ATO's enforcement action as taxpayers continued to try to recoup the financial losses they had incurred as a result of their scheme involvement (Brehm & Brehm, 1981).

According to the theory of psychological reactance, punishment poses a potential threat to freedom. Essentially, reactance is motivated by the individual's basic need for self-determination in effecting his or her own environment (Grandpre et al., 2003). The theory predicts that, when an individual's perceived freedom is threatened by a proscribed attitude or behaviour (i.e., punishment from the ATO), the individual will experience a motivating pressure toward re-establishing the threatened freedom (Heilman & Toffler, 1976). Basically a threat to a freedom (e.g., financial security) increases not only the attractiveness of that freedom but the attempts to exercise the freedom as well (Fogarty, 1997). One way to restore a threatened freedom is to simply engage in the forbidden behaviour or embrace the attitude threatened by the proscription (Brehm, 1966). Such a response is termed "restoration" since it satisfies or restores the targets' need for self-determination and control. Additionally, reactance may often be followed by aggression or hostility aimed at the threatening agent (Wicklund, 1974; Worchel & Brehm, 1970). In this instance the response would also be expected to include concomitant message and source derogation as a potent form of restoration of the threatened freedom. This can be demonstrated by the fact that taxpayers blamed the ATO for the predicament they found themselves in (see Murphy & Byng, 2002b).

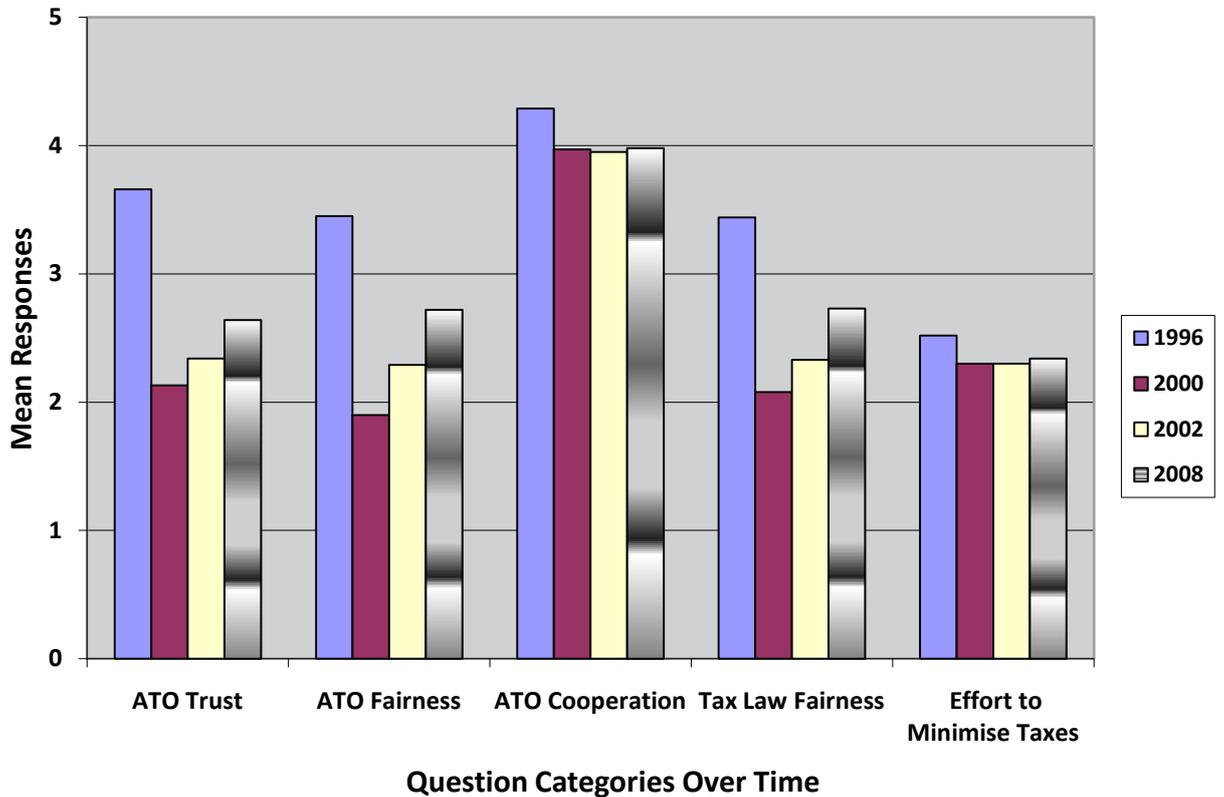


Figure 2: Changes in views about the ATO, cooperation, and efforts to minimise tax from 1996 to 2008.

Section 7: Your mental well-being

Emotional impact of being involved in tax schemes

Being accused of tax avoidance by the ATO does not only have financial implications for the people involved, but can also have an emotional impact on people’s lives. Section 7 of the *Final Survey* was designed specifically to examine how the schemes situation may have impacted on respondents’ sense of emotional well-being. The set of questions assessed in Section 7 were informed by Braithwaite’s (1989) theory of reintegrative shaming.

In the revision of Braithwaite’s (1989) reintegrative shaming theory, Braithwaite and Braithwaite (2001) suggest that individuals respond to, or manage, shame differently, and that the way in which this shame emotion is managed has important implications for future behaviour. A considerable research tradition shows that one way of managing shame is through acknowledgment of the emotion, and that this response is associated with empathy for victims, less anger, and less externalisation of blame. Thus, it has been posited that reintegrative shaming results in lower offending, at least in part, because it is more likely to promote acknowledgement of



shame by offenders. In contrast, it is argued that stigmatic shaming is less likely to elicit acknowledgement of shame, or a sense of remorse in an offender because it serves to humiliate an individual. Here, individuals are more likely to by-pass shame whereby they externalise blame for what has happened and are more likely to direct anger towards the entity expressing disapproval; an emotional state which has been referred to as unacknowledged shame or shame displacement. Such feelings of hostility increase the probability of defiance and non-compliance exhibited by the offender in the future.

Hence, Section 7 contained 39 statements describing the way respondents' felt about their involvement in tax schemes at the time of completing the survey. Respondents were asked to indicate to what degree they associated with each statement (responses ranging from 1 'definitely do not feel this at all' to 5 'definitely feel this a great deal'). From the 39 statements, two multi-item scales were constructed to measure the concept of shame management, with both shame acknowledgment and shame displacement being measured. An additional four multi-item scales measured the 'discrete emotions' of anger, anxiety, depression, and shame.

In this instance, respondents' were reluctant to acknowledge any shame they may have experienced for their involvement in the schemes matter ($M = 2.12$, $SD = 0.80$). So too, respondents were moderately likely to displace any shame ($M = 2.44$, $SD = 0.73$). Interestingly, when asked directly how much blame respondents placed on various entities (Section 7.8), the ATO ($M = 2.94$, $SD = 0.93$) followed closely by another 'professional' ($M = 2.78$, $SD = 1.08$) were considered responsible.

Three scales adapted from Shaver et al. (1987) and one from Harris (2001) examined the discrete emotions of anger, anxiety, depression, and shame respectively. It was found that respondents' levels of anger, anxiety and depression were quite low at the time of completing the third survey in 2008 (anger being the emotion more often reported). Shame as an individually distinct emotion was also shown to be very low. Collapsing respondents' scores into categories either side of the midpoint on the scales provided more revealing expressions of emotion. That is, respondents scoring '1 through 3' were considered to have 'low' expressions of the particular emotion, while those scoring '3.01 through 5' were considered to have 'high' expressions of the emotion (see Table 9 for all mean responses and aggregate percentages).

Table 9: Mean emotional responses and aggregate percentages# describing current feelings regarding tax scheme involvement.

Emotion	Mean	Standard Deviation	Low (%)	High (%)
Anger	2.62	0.90	68	32
Anxiety	2.25	0.99	78	22
Depression	2.07	1.07	83	17
Shame	1.93	0.77	90	10

Low = scores ranging 1 through 3; high = scores ranging 3.01 through 5.

Self-reported tax compliance behaviour

Section 7 of the survey also examined a ‘self reported tax compliance’ scale developed by Kristina Murphy. The scale consisted of six statements that described how the schemes situation may have affected the respondents’ taxpaying behaviour. All of the statements were framed in a manner that attempted to illustrate negative compliance behaviour (e.g., ‘I no longer declare all of my income’ or ‘I am now more defiant towards the ATO’). Scores on the scale ranged from 1 (‘strongly disagree’) to 5 (‘strongly agree’). Overall, the majority of respondents disagreed with the statements ($\underline{M} = 1.93$, $\underline{SD} = 0.64$) indicating that they believed that their compliance behaviour was not adversely affected.

Another set of questions in Section 7 formed a three-item scale examining people’s personal ethics regarding taxpaying and cash earnings. Scores on the scale ranged from 1 (a response of ‘No!!’) to 5 (a response of ‘Yes!!’) — the intermediary responses being ‘No’, ‘Don’t Know’ and ‘Yes’. It was found when combining the ‘Yes’ responses (i.e., a definite indication of honest taxpaying behaviour) versus combining the ‘No’ and ‘Don’t Know’ responses (i.e., generally indicating dishonest or potentially dishonest taxpaying behaviour) that 85% of respondents had a definitive response of ‘Yes!!’ or ‘Yes’, compared to only 15% of respondents having a response of ‘No!!’, ‘No’ or ‘Don’t Know’. This result suggests that respondents tend to have strong personal ethics concerning taxpaying behaviour ($\underline{M} = 3.92$, $\underline{SD} = 0.77$). Consistent with this finding was the result that respondents primarily see themselves as honest taxpayers when positioning themselves within the tax system ($\underline{M} = 4.41$, $\underline{SD} = 0.64$; Section 7.9). Surprisingly, respondents reported that honest taxpaying behaviour was considered as important as being a member of the Australian community ($\underline{M} = 4.41$, $\underline{SD} = 0.67$). Wenzel (2001a; 2001b) has also shown that most people believe they should be honest in their tax dealings.

Section 8: Taxpaying behaviour

Section 8 of the *Final Survey* examined taxpaying behaviour using a number of different measures associated with compliance. Examples of these measures included willingness to cooperate with the ATO, the presence of outstanding debts



or tax returns, and involvement in the cash economy. Section 8.1 investigated taxpayer's willingness to cooperate with the ATO, in both reporting tax offenders and when dealing with their own tax affairs. Respondents were asked, if the situation arose, to indicate the likelihood that they would cooperate with the ATO. The four-item scale was based on a cooperation scale developed by Sunshine and Tyler (2003), and scores on the scale ranged from 1 ('very unlikely') to 5 ('very likely'). The majority of respondents claimed that they would be more likely than not to cooperate with the ATO ($M = 3.47$, $SD = 0.72$). However, when examining each of the four questions individually, respondents were most likely to cooperate with the ATO when the matter concerned their own tax affairs (q8.1.3; $M = 4.31$, $SD = 0.66$) and least likely when asked to 'report a tax offender to the ATO' (q8.1.4; $M = 2.44$, $SD = 1.09$). Interestingly, a recent article from the *Daily Telegraph* cites 56,767 public tip-offs to the ATO in the past financial year, equating to more than 152 people per day being 'dobbed' in for tax evasion (Carswell, 07 May 2009). Perhaps this apparent tendency to inform the ATO of known tax evaders does not extend to taxpayers previously penalised for tax noncompliance.

When questioned about their outstanding tax debts, only 4% of respondents indicated that they had a debt, of which 29% were scheme related. Six percent of respondents had failed to lodge a tax return in the last three years, and the majority (97%) indicated that they reported all the money they earned in their most recent tax return. It was found that 6% of investors had worked for cash-in-hand payments in the past 12 months, with 94% reporting that it made up less than 5% of their entire income, and 69% claimed that they had declared it all in their most recent return. Ten percent of respondents said they had exaggerated (in some form) the amount of deductions or rebates claimed in their most recent tax return. Further, 90% were 'absolutely confident' that all deductions and rebates claimed were legitimate, 9% said they were 'unsure about some of them', and approximately 1% 'didn't have a clue' (as someone else prepared the return for them).

Sixty-eight percent of respondents indicated that they had put some form of effort (be it little to a lot) into planning their financial affairs to legally pay as little tax as possible, with 29% claiming to have looked at several methods to do so. Intriguingly, only 29% of respondents indicated that they would 'definitely not' consider taking advantage of the tax system in the future given the chance.

Finally, Section 8 of the survey also aimed to assess the main principles underlying deterrence theory. If we look at the traditional means of obtaining compliance from individuals, it is via social control. Social control seeks to deter rule breaking by threatening to punish wrongdoing. From this perspective, deterrence theory argues that the fear of possible future punishment leads people to comply with the law. People's risk calculations are potentially shaped by both: (a) the anticipated likelihood of punishment; and (b) by judgments about its severity. Of the two, research consistently suggests that it is the likelihood of punishment that is particularly important in shaping behaviour (for a discussion of this see Grasmick & Bursik, 1990). Such deterrence approaches to compliance are currently the

dominant model of motivation within most criminal justice systems, including in the Australian tax system. In extending deterrence theory, Grasmick and Bursik (1990) proposed that informal social control can also influence compliance behaviour. They propose that one's 'conscience' can function as a potential source of punishment which can also vary in its certainty and severity. So the threat of guilt feelings or shame for doing something which the person considers morally wrong can act as another potential form of punishment. Grasmick and Bursik propose that 'in contemplating whether or not to engage in a particular behaviour, individuals take into account whether they would feel ashamed and the effect that shame might have on their self-image or self-esteem' (p840). They argue that the greater the perceived threat of shame, the lower the likelihood will be that they will commit the crime.

Section 8 of the survey, therefore, provided respondents with two hypothetical scenarios about tax evasion. Participants were asked to imagine themselves either: (1) claiming \$5000 as work deductions when the expenses had nothing to do with work; or (2) not declaring \$5000 of cash income they had earned outside their regular job. Survey respondents were asked to indicate on a 1 (About 0%) to 5 (almost certain 100%) scale the chances would be of them getting caught for each of the two offences. Respondents were also asked a further three questions about whether if they did get caught for these offences if they would feel embarrassed, feel guilty, or that the consequences would be a problem for them (each measured on a 1 (not at all) to 5 (very much) scale). Table 10 presents the findings for both of these two scenarios.

Table 10 shows that on average, taxpayers are more likely to believe they will get caught evading taxes if their non-compliance involves claiming illegitimate work deductions (31% believed there was an almost certain chance of being caught) than if they failed to declare cash income. Surprisingly, few people believed there was an almost certain chance of being caught if they failed to declare cash income (10% of respondents). It can also be revealed that being caught for claiming work expenses illegitimately has greater consequences to the person than if they are caught not declaring cash income ($M = 4.21$ vs $M = 4.01$, respectively). Similarly, the informal sanctioning of self-imposed embarrassment and guilt plays less of a role in the cash income scenario. Such findings suggest that the stigma involved with not declaring all cash earnings is not as high as other forms of tax evasion.

Table 10. Mean scores to the deterrence-based questions.

Question		\$5000 work deduction		\$5000 cash income
Chances of getting caught		3.73		2.54
How much a problem		4.21		4.01
Embarrassment		4.00		3.79
Guilt		4.04		3.73

Higher scores reflect a greater deterrent capacity of the punishment.



PART 3: SCALE DEVELOPMENT

The *Final Survey* contained items designed to measure attributes of interest such as trust, perceived fairness, shame acknowledgement, shame displacement, procedural justice and distributive justice. It included a wide range of questions measuring interaction between the tax system and the respondent, respondents' emotional well-being and their attitudes towards the ATO and the tax system. Respondents' demographic and background variables were also examined. In total, the 28-page self-completion questionnaire contained 295 questions (see Part 4 of the report for a Codebook of all questions).

Section 1: Six years on – Your views are still important to us

Well-being

Cronbach's alpha = 0.89; scores on a 1=delighted to 8=terrible scale. A lower score on this scale indicates a greater satisfaction with life.

- How do you feel about your life as a whole?
- Your standard of living-- the things you have, like housing, washer, clothes, stereo, car, etc?
- Your income and financial situation?
- And your job -- how satisfied are you with your work? >> *Leave blank if not employed*
- Your hobbies, garden, sports and such?
- Your sense of purpose and meaning in life?
- How do you feel about your marriage? >> *Leave blank if not married*
- Your neighbourhood?

Section 2: The ATO's settlement offer and you

Procedural Justice

Outcome favourability/fairness

Cronbach's alpha = 0.88; scores on a 1=completely unfair/strongly disagree to 5=completely fair/strongly agree. A higher score on this scale indicates a greater satisfaction with the outcome.

- Do you think the ATO's settlement offer was fair?
- You were satisfied with the outcome
- The outcome you received was fair
- The outcome you received was what you expected
- You received the outcome you deserved
- How fair was the initial outcome you received?

Fair treatment

Cronbach's alpha = 0.88; scores on a 1=completely unfair to 5=completely fair. A higher score on this scale indicates a greater level of fair treatment from the ATO.

- When making their decision to disallow your scheme related tax deduction, how fair were the procedures the ATO use
- How fair do you regard the opportunities you were given to present your opinion in the decision process
- How fairly do you think you were treated by the ATO

Section 3 & 4: Your views of our Tax Office & Your views of our tax system

Procedural Justice

Neutrality

Cronbach's alpha = 0.72; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception of neutrality used.

- The ATO gives equal consideration to the views of all Australians
- The ATO gets the kind of information it needs to make informed decisions
- The ATO is generally honest in the way it deals with people

Citizen trust in ATO to be fair

Cronbach's alpha = 0.86; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception of fairness.

- The ATO considers the concerns of average citizens when making decisions
- The ATO cares about the position of taxpayers
- The ATO tries to be fair when making their decisions

Respect

Cronbach's alpha = 0.77; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater perceptions of respectful treatment.

- The ATO respects the individual's rights as a citizen
- The ATO is concerned about protecting the average citizen's rights



Trustworthy treatment from the ATO¹⁴

Cronbach's alpha = 0.55; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO trusts taxpayers.

- The Tax Office treats people as if they can be trusted to do the right thing
- The ATO treats people as if they will only do the right thing when forced to*

Consultation

Cronbach's alpha = 0.64; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO consults citizens about the tax system.

- The ATO is more concerned about making their own job easier than making it easier for taxpayers*
- The ATO consults widely about how they might change things to make it easier for taxpayers to meet their obligations
- The ATO goes to great lengths to consult with the community over changes to their system

Quality of decision making

Cronbach's alpha = 0.71; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO makes quality decisions.

- The ATO can usually be trusted to make decisions that are right for the country as a whole
- The ATO's rules and procedures are equally fair to everyone
- The ATO's decisions are made based upon facts, not personal biases and opinions

Quality of treatment

Cronbach's alpha = 0.83; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO treats citizens well through the decisions it makes.

- My rights are respected by the ATO when decisions are made
- The ATO treats people with dignity and respect
- The ATO usually gives an honest explanation for their decision
- The ATO follows through on the decisions and promises it makes

¹⁴ Items denoted with a * indicate the item has been reverse scored for the purpose of forming a scale (i.e., if a participant responded '1' it was reverse scored to reflect a response of '5').

Interpersonal fairness/treatment

Cronbach's alpha = 0.90; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO treats citizens politely.

- All taxpayers are treated politely by the ATO
- I personally feel that I am treated politely by the ATO

Voice

Cronbach's alpha = 0.23; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO listens to its citizens.

- The ATO listens to my point of view
- The ATO listens to the views of some groups of taxpayers more than others*

Motivational Postures

Motivational Postures toward the tax system

Commitment

Cronbach's alpha = 0.84; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates more commitment.

Below are statements that describe ways people see the tax system

- I feel a moral obligation to pay my tax
- Overall, I pay my tax with good will
- I resent paying tax*
- I accept responsibility for paying my fair share of tax
- I think of taxpaying as helping the government do worthwhile things
- Paying tax is the right thing to do
- Paying tax is the responsibility that should be willingly accepted by all Australians
- Paying my tax ultimately advantages everyone



Capitulation

Cronbach's alpha = 0.55; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates higher degrees of capitulation.

Below are statements that describe ways people see the tax system

- The tax system may not be perfect, but it works well enough for most of us*
- I may not like paying tax, but paying tax is a part of life that we must accept*
- Our tax system is not set up to help taxpayers meet their obligations
- Our tax system needs to undergo significant changes to make it a fairer system for all

Resistance

Cronbach's alpha = 0.30; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater resistance.

Below are statements that describe ways people see the tax system

- It's impossible to obey all tax laws completely
- As a society we need more people willing to take a stand against unfair tax laws

Disengagement

Cronbach's alpha = 0.70; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater levels of disengagement.

Below are statements that describe ways people see the tax system

- I don't care if I am not doing the right thing by our tax laws
- I personally don't think that there is much that can happen to me if I choose not to pay tax
- I don't really know what is expected of me from our tax laws and I'm not about to ask
- If I find out I am not obeying our tax laws, I'm not going to lose any sleep over it

Game playing

Cronbach's alpha = 0.82; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates higher degrees of game playing.

Below are statements that describe ways people see the tax system

- I like the game of finding the grey area of tax law
- I enjoy spending time working out how changes in the tax system will affect me
- I enjoy talking to friends about loopholes in the tax system
- I enjoy the challenge of minimising the tax I have to pay

Motivational Postures toward the ATO

Commitment

Cronbach's alpha = 0.53; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates more commitment.

Below are statements that describe ways people see the ATO

- Overall, I am committed to doing the right thing by the ATO
- I resent the ATO*
- Following the ATO's decisions is a responsibility that should be willingly accepted by all Australians
- I feel a moral obligation to do what the ATO asks me to do

Capitulation

Cronbach's alpha = 0.65; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates higher degrees of capitulation.

Below are statements that describe ways people see the ATO

- The ATO is encouraging to those who have difficulty meeting their obligations through no fault of their own
- If you cooperate with the ATO, they are likely to be cooperative with you
- Even if the ATO finds that I am doing something wrong, they will respect me in the long run as long as I admit my mistakes
- No matter how cooperative or uncooperative the ATO is, the best policy is to always be cooperative with them

Resistance

Cronbach's alpha = 0.75; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater resistance.

Below are statements that describe ways people see the ATO

- It's impossible to satisfy the requirements of the ATO completely
- The ATO is more interested in catching you doing the wrong thing, than helping you do the right thing
- It's important not to let the ATO push you around
- If you don't cooperate with the ATO, they will get tough with you
- Once the ATO has you branded as a non-compliant taxpayer, they will never change their mind
- As a society we need more people willing to take a stand against the ATO



Disengagement

Cronbach's alpha = 0.67; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater levels of disengagement.

Below are statements that describe ways people see the ATO

- I don't care if I am not doing the right thing by the ATO
- I personally don't think that there is much the ATO do to me to make me pay tax if I don't want to
- I don't really know what the ATO expects of me and I'm not about to ask
- If the ATO gets tough with me, I will become uncooperative with them
- If I find out that I am not doing what the ATO wants, I'm not going to lose any sleep over it

Game playing

Scores on a 1=strongly disagree to 5=strongly agree scale. A higher score indicates greater levels of game playing toward the ATO.

Below are statements that describe ways people see the ATO

- The ATO respects taxpayers who can give them a run for their money

Legitimacy

Confidence in our tax system

Cronbach's alpha = 0.90; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the law has legitimacy.

- I question the legitimacy of our underlying tax laws*
- I feel our tax laws and policies reflect the needs of taxpayers
- I question the fairness of the ATO's rules and policies*
- Australia's tax system does not protect my interests*
- I question the fairness of our tax system*
- I agree with many of the values and rules that define what the ATO stands for
- Our tax laws are generally consistent with the views of ordinary Australians about what is right and wrong
- Your own feelings about what is right and wrong usually agree with the ATO's rules and policies
- Your own feelings about what is right and wrong usually agree with what is written in our tax laws
- The moral values underlying our tax laws are similar to your own
- I have a great deal of confidence in the tax system

Confidence in the ATO

Cronbach's alpha = 0.88; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception that the ATO has legitimacy.

- The ATO works in ways consistent with Australian norms and values
- I have a great deal of confidence in the ATO as an organisation
- I question the legitimacy of the ATO's authority over me*
- The ATO is an organisation that represents what the Australian people believe in
- The ATO has too much power*
- I have a great deal of confidence in the ATO's ability to administer the tax system

Obligation to obey the law

Cronbach's alpha = 0.75; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater obligation to obey the law.

- Respect for tax laws is an important value for people to have
- The tax system is most effective when people obey the law
- People should obey tax laws even when they go against what they think is right
- I should willingly accept our tax laws even when I disagree with them
- Disobeying tax laws is seldom justified

Obligation to obey the ATO

Cronbach's alpha = 0.69; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater obligation to obey the ATO.

- Respect for tax officials is an important value for people to have
- The tax system is most effective when people follow the ATO's rulings
- People should follow the decisions of the ATO even when they go against what they think is right
- I should accept decisions made by the ATO even when I disagree with them
- Disobeying the ATO is seldom justified



Section 5: The treatment you received from the Tax Office

Stigmatisation from acquaintances

Cronbach's alpha = 0.69; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception of being stigmatised by acquaintances.

- Do you think there was some kind of implication about the kind of person you are
- Do you feel you were treated as though you were likely to commit another offence?
- Do you feel as though negative judgements were made by your friends and relatives about what kind of person you are
- Do your friends and relatives say that it was not like you to do something wrong?*
- Do you feel as though you were accepted as basically law abiding by your friends and relatives?*
- Do you feel as though you were treated as a trustworthy person by your friends and relatives?*

Stigmatisation from authority

Cronbach's alpha = 0.86; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception of being stigmatised by the ATO.

- Do you think there was some kind of implication about the kind of person you are
- Do you feel you were treated as though you were likely to commit another offence?
- Do you feel as though negative judgements were made about what kind of person you are
- Do the ATO say that it was not like you to do something wrong*
- Do you feel as though you were accepted as basically law abiding by the ATO*
- Do you feel as though you were treated as a trustworthy person*

Forgiveness from acquaintances

Cronbach's alpha = 0.55; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception of being forgiven by acquaintances.

- People made it clear to me that I can put the whole thing behind me
- People indicated that I should be forgiven
- Some people say that I had learnt my lesson and now deserve a second chance
- Even though the matter is behind me, I still feel that others have not forgiven me for what I have done*
- Some of the people who are important to me rejected me because of my involvement in tax schemes*

Forgiveness from authority

Cronbach's alpha = 0.84; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates a greater perception of being forgiven by acquaintances.

- The ATO made it clear to me that I can put the whole thing behind me
- The ATO indicated that I should be forgiven
- The ATO indicated that I had learnt my lesson and now deserve a second chance
- Even though the matter is behind me, I still feel that the ATO will not forgive me for what I have done*
- I felt the ATO rejected me as a law-abiding citizen because of my involvement in tax schemes*

Section 6: Trust

Cronbach's alpha = 0.89; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater trust and confidence in the ATO.

Think of the ATO and what it has been doing over the past few years. To what extent do you agree or disagree with the following statements.....The ATO:

- Has misled the Australian people*
- Acted in the interests of all Australians
- Turned its back on its responsibility to Australians*
- Caved in to pressure from special interest groups*
- Is trusted by you to administer the tax system fairly
- Takes advantage of people who are vulnerable*
- Meets its obligations to Australians
- Is open and honest in its dealings with citizens



Section 7: Your mental well-being

Shame acknowledgement

Cronbach's alpha = 0.88; scores on a 1=definitely do not feel this at all to 5=definitely feel this a great deal. A higher score on this scale indicates greater acknowledgement of one's shame.

- I feel I let down my family
- I feel ashamed of myself
- I feel regret
- I feel angry with myself for what I did
- I feel concerned to put matters right and put it behind me
- I feel that what I had done was wrong
- I feel bad about the harm and trouble I'd caused
- I feel humiliated
- I feel embarrassed
- I feel guilty

Shame displacement

Cronbach's alpha = 0.64; scores on a 1=definitely do not feel this at all to 5=definitely feel this a great deal. A higher score on this scale indicates greater displacement of one's shame.

- I feel unable to decide, in my own mind, whether or not I had done the wrong thing
- I feel angry with the ATO
- I feel bothered by thoughts that I was being unfairly treated
- I feel that I wanted to get even with the ATO
- I feel like hitting out and blaming others

Anger

Cronbach's alpha = 0.83; scores on a 1=definitely do not feel this at all to 5=definitely feel this a great deal. A higher score on this scale indicates greater levels of anger.

- I feel full of bitterness
- I feel angry with the ATO
- I want to get even with the ATO
- I feel resentful towards the ATO
- I feel extremely annoyed
- I feel like hitting out and blaming others

Anxiety

Cronbach's alpha = 0.87; scores on a 1=definitely do not feel this at all to 5=definitely feel this a great deal. A higher score on this scale indicates greater levels of anxiety.

- I feel a great deal of distress
- I continuously feel tense
- I feel worried about what others think of me
- I am constantly worrying about the future
- I feel anxiety

Depression

Cronbach's alpha = 0.88; scores on a 1=definitely do not feel this at all to 5=definitely feel this a great deal. A higher score on this scale indicates greater levels of depression.

- I feel a great deal of sadness
- I feel a great deal of despair
- I feel quite depressed

Shame

Cronbach's alpha = 0.90; scores on a 1=definitely do not feel this at all to 5=definitely feel this a great deal. A higher score on this scale indicates greater levels of shame.

- I feel regret
- I feel ashamed because people criticized me for what I had done
- I feel embarrassed because I was the centre of attention
- I feel worried about what others thought of me
- I feel awkward and aware of myself
- I feel bad because what I did might have hurt someone
- I feel that I had stuffed up future opportunities
- I feel I am a failure
- I feel like I have lost respect among my friends



Self-reported compliance

Cronbach's alpha = 0.80; scores on a 1=strongly disagree to 5=strongly agree. A higher score on this scale indicates greater levels of noncompliance.

- I now try to avoid paying as much tax as possible
- I no longer declare all of my income
- I now use the tax system in a negative way to recoup the financial losses I have incurred
- I am now more defiant towards the ATO
- I now look for ways to purposefully cheat the tax system
- I now look for many ways to recoup my financial losses

Personal ethics

Cronbach's alpha = 0.65; scores on a 1=No!! to 5=Yes!!. A higher score on this scale indicates stronger personal ethics towards taxpaying.

- Do you think you should honestly declare cash earnings on your tax return
- Do you think it is acceptable to overstate tax deductions on your tax return*
- Do you think working for cash-in-hand payments without paying tax is a trivial matter*

Section 8: Taxpaying behaviour

Willingness to cooperate with ATO

Cronbach's alpha = 0.67; scores on a 1=very unlikely to 5=very likely. A higher score on this scale indicates greater willingness to cooperate with the ATO.

- Call the ATO to discuss a problem you are having with your taxes
- Willingly assist a tax officer if asked
- Cooperate with the ATO if they want to clarify some aspect of your tax return
- Report a tax offender to the ATO

PART 4: DESCRIPTION OF CODEBOOK

Part 4 of this report presents a codebook of the findings from the *Final Survey*. The codebook is located after the reference section and lists all of the questions used in the survey, and details the breakdown of responses to each of these questions. Specifically, the number of respondents answering each question is provided, along with their response (e.g., how many circled the 'strongly agree' option, how many circled the 'strongly disagree' option, and so on). The number of respondents who refused to answer a specific question was also documented. Finally, means and standard deviations for every question in the survey are listed.



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Author Acknowledgement

The authors would like to acknowledge the funding support of the Australian Research Council (Grant Number: DP0666337).



1. SIX YEARS ON – YOUR VIEWS ARE STILL IMPORTANT TO US

In our two earlier surveys, taxpayers indicated to us that the Australian Taxation Office's (ATO) action against them in relation to tax schemes had a detrimental effect on their lives. This included effects on health, emotional and financial well-being, and family stability. Now that six years have past since we first heard from you, we'd like to hear about how you currently feel about your life and situation. But first.....

1.1. {t3q11} What is your sex?

	n	%
Male.....1	401	84.4
Female2	74	15.6
Total Valid	[475]	[100.0]
Missing Data	(3)	(0.6)

1.2. {t3q12} What is your age in years? _____ years See Appendix One

1.3. Please circle either "No" or "Yes" to tell us whether or not each of the following events has occurred in your life in the last 6 years since January 2002.

a. {t3q13a} Got married?			No	Yes	Total Valid	Missing Data	
Mean 1.06	n	433	29	[462]	(16)		
Std Dev 0.24	%	93.7	6.3	[100.0]	(3.3)		
b. {t3q13b} Got divorced?			No	Yes	Total Valid	Missing Data	
Mean 1.05	n	438	24	[462]	(16)		
Std Dev 0.22	%	94.8	5.2	[100.0]	(3.3)		
c. {t3q13c} Had a child born?			No	Yes	Total Valid	Missing Data	
Mean 1.10	n	417	46	[463]	(15)		
Std Dev 0.30	%	90.1	9.9	[100.0]	(3.1)		
d. {t3q13d} Been seriously ill yourself?			No	Yes	Total Valid	Missing Data	
Mean 1.20	n	374	93	[467]	(11)		
Std Dev 0.40	%	80.1	19.9	[100.0]	(2.3)		
e. {t3q13e} Changed jobs?			No	Yes	Total Valid	Missing Data	
Mean 1.36	n	299	168	[467]	(11)		
Std Dev 0.48	%	64.0	36.0	[100.0]	(2.3)		
f. {t3q13f} Been sacked or laid off from a job?			No	Yes	Total Valid	Missing Data	
Mean 1.12	n	409	55	[464]	(14)		
Std Dev 0.32	%	88.1	11.9	[100.0]	(2.9)		
g. {t3q13g} Bought a house?			No	Yes	Total Valid	Missing Data	
Mean 1.27	n	341	123	[464]	(14)		
Std Dev 0.44	%	73.5	26.5	[100.0]	(2.9)		
h. {t3q13h} Been declared bankrupt?			No	Yes	Total Valid	Missing Data	
Mean 1.01	n	460	4	[464]	(14)		
Std Dev 0.09	%	99.1	0.9	[100.0]	(2.9)		
i. {t3q13i} Had a spouse or child die?			No	Yes	Total Valid	Missing Data	
Mean 1.02	n	453	11	[464]	(14)		
Std Dev 0.15	%	97.6	2.4	[100.0]	(2.9)		
j. {t3q13j} Had a close friend die?			No	Yes	Total Valid	Missing Data	
Mean 1.42	n	274	195	[469]	(9)		
Std Dev 0.49	%	58.4	41.6	[100.0]	(1.9)		
k. {t3q13k} Been in trouble with the law?			No	Yes	Total Valid	Missing Data	
Mean 1.01	n	457	6	[463]	(15)		
Std Dev 0.11	%	98.7	1.3	[100.0]	(3.1)		
l. {t3q13l} Been in trouble with the ATO?			No	Yes	Total Valid	Missing Data	
Mean 1.07	n	435	32	[467]	(11)		
Std Dev 0.25	%	93.1	6.9	[100.0]	(2.3)		

1	--	Delighted
2	--	Very pleased
3	--	Pleased
4	--	Mostly satisfied
5	--	Mixed feelings
6	--	Mostly dissatisfied
7	--	Unhappy
8	--	Terrible

		Delighted								Terrible		Total Valid	Missing Data
1.4. How do you currently feel about your life?													
a. {3q14a} How do you feel about your life as a whole?		1	2										
Mean	3.28	n	36	123	110	121	64	14	7	8		[477]	(1)
Std Dev	1.37	%	7.5	25.8	23.1	25.4	13.4	2.9	1.5	0.4		[100.0]	(0.2)
b. {3q14b} Your standard of living—the things you have, like housing, washer, clothes, stereo, car, etc?		1	2	3	4	5	6	7	8				
Mean	3.12	n	36	141	130	107	39	12	12	0		[477]	(1)
Std Dev	1.33	%	7.5	29.6	27.3	22.4	8.2	2.5	2.5	0.00		[100.0]	(0.2)
c. {3q14c} Your income and financial situation?		1	2	3	4	5	6	7	8				
Mean	3.71	n	21	93	112	111	85	31	19	5		[477]	(1)
Std Dev	1.52	%	4.4	19.5	23.5	23.3	17.8	6.5	4.0	1.0		[100.0]	(0.2)
d. {3q14d} And your job – how satisfied are you with your work? >> Leave blank if not employed		1	2	3	4	5	6	7	8				
Mean	3.52	n	25	80	95	74	54	24	10	5		[367]	(111)
Std Dev	1.55	%	6.8	21.8	25.9	20.2	14.7	6.5	2.7	1.4		[100.0]	(23.2)
e. {3q14e} Your hobbies, garden, sports and such?		1	2	3	4	5	6	7	8				
Mean	3.49	n	23	85	151	118	59	27	9	2		[474]	(4)
Std Dev	1.34	%	4.9	17.9	31.9	24.9	12.4	5.7	1.9	0.4		[100.0]	(0.8)
f. {3q14f} Your sense of purpose and meaning in life?		1	2	3	4	5	6	7	8				
Mean	3.48	n	33	99	125	102	76	20	18	1		[474]	(4)
Std Dev	1.47	%	7.0	20.9	26.4	21.5	16.0	4.2	3.8	0.2		[100.0]	(0.8)
g. {3q14g} How do you feel about your marriage? >> Leave blank if not employed		1	2	3	4	5	6	7	8				
Mean	2.66	n	101	134	55	55	26	13	3	9		[396]	(82)
Std Dev	1.62	%	25.5	33.8	13.9	13.9	6.6	3.3	0.8	2.3		[100.0]	(17.2)
h. {3q14h} Your neighbourhood?		1	2	3	4	5	6	7	8				
Mean	3.06	n	41	126	163	88	41	11	6	2		[478]	(0)
Std Dev	1.28	%	8.6	26.4	34.1	18.4	8.6	2.3	1.3	0.4		[100.0]	(0.0)

2. THE ATO'S SETTLEMENT OFFER AND YOU

In 2002, the Australian Tax Office (ATO) put forward a settlement offer to many taxpayers who had been caught up in mass marketed tax schemes. This offer included abolishing penalties and interest on scheme-related tax debts and provided some investors with a 2-year interest free period in which to pay their remaining debt. This set of statements and questions asks you what you thought about the settlement offer.

2.1. {t4q21} Have you now paid off your-scheme related tax debt to the ATO?

	n	%		
Yes	1	441	96.7	-- continue -- skip to Q2.3
No	2	15	3.3	
Total Valid		[456]	[100.0]	
Missing Data		(22)	(4.6)	

2.2. {t4q22} Did paying off your scheme-related tax debt to the ATO cause you financial hardship?

	n	%	
Yes	1	267	64.3
No	2	148	35.7
Total Valid		[415]	[100.0]
Missing Data		(63)	(13.2)

2.3. {t4q23} Do you think the ATO's settlement offer was fair?

			Completely Unfair	Partly unfair	Neither unfair or fair	Partly fair	Completely fair	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.27	n	162	125	78	70	21	[456]	(22)
Std Dev	1.22	%	35.5	27.4	17.1	15.4	4.6	[100.0]	(4.6)

2.4 {t4q24} How fair was the treatment you received from the ATO during your settlement process?

			Completely Unfair	Partly unfair	Neither unfair or fair	Partly fair	Completely fair	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.61	n	129	91	115	72	50	[457]	(21)
Std Dev	1.33	%	28.2	19.9	25.2	15.8	10.9	[100.0]	(4.4)

2.5. {t4q25} I was generally satisfied with the way the ATO handled the settlement process...

			Definitely Not	Not really	Somewhat	Yes	Definitely Yes	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.40	n	130	121	112	82	12	[457]	(21)
Std Dev	1.15	%	28.4	26.5	24.5	17.9	2.6	[100.0]	(4.4)

2.6. {t4q26} Did the settlement offer go some way to alleviating your concerns about the ATO's initial handling of the schemes issue?

			Definitely Not	Not really	Somewhat	Yes	Definitely Yes	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.19	n	166	129	80	69	12	[456]	(22)
Std Dev	1.16	%	36.4	28.3	17.5	15.1	2.6	[100.0]	(4.6)

2.7. When thinking about the ATO's settlement offer to tax scheme investors, would you say.....

			Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
			1	2	3	4	5		
1. {t5q271} You were satisfied with the outcome			1	2	3	4	5		
Mean	2.14	n	156	146	87	59	5	[453]	(25)
Std Dev	1.07	%	34.4	32.2	19.2	13.0	1.1	[100.0]	(5.2)
2. {t5q272} The outcome you received was fair			1	2	3	4	5		
Mean	2.21	n	144	144	96	64	5	[453]	(25)
Std Dev	1.07	%	31.8	31.8	21.2	14.1	1.1	[100.0]	(5.2)
3. {t5q273} The outcome you received was what you expected.....			1	2	3	4	5		
Mean	2.81	n	78	97	134	125	20	[454]	(24)
Std Dev	1.15	%	17.2	21.4	29.5	27.5	4.4	[100.0]	(5.0)
4. {t5q274} You received the outcome you deserved			1	2	3	4	5		
Mean	1.82	n	212	155	55	26	7	[455]	(23)
Std Dev	0.96	%	46.6	34.1	12.1	5.7	1.5	[100.0]	(4.8)

2.8. We would like you to think about when the ATO first made their decision to disallow your scheme related tax deductions. Below are some questions that relate to the fairness of that decision. Circle the number closest to your view.

			Completely unfair	Partly unfair	Neither unfair nor fair	Partly Fair	Completely fair	Total Valid	Missing Data
			1	2	3	4	5		
1. {t5q281} When making their decision to disallow your scheme related tax deduction, how fair were the <u>procedures</u> the ATO used.....			1	2	3	4	5		
Mean	1.62	n	275	113	38	25	5	[456]	(22)
Std Dev	0.93	%	60.3	24.8	8.3	5.5	1.1	[100.0]	(4.6)
2. {t5q282} How fair do you regard the opportunities you were given to present your opinion in the decision process			1	2	3	4	5		
Mean	1.81	n	245	101	71	33	7	[457]	(21)
Std Dev	1.04	%	53.6	22.1	15.5	7.2	1.5	[100.0]	(4.4)
3. {t5q283} How fairly do you think you were treated by the ATO			1	2	3	4	5		
Mean	1.86	n	234	113	61	37	12	[457]	(21)
Std Dev	1.09	%	51.2	24.7	13.3	8.1	2.6	[100.0]	(4.4)
4. {t5q284} How fair was the initial outcome you received.....			1	2	3	4	5		
Mean	1.73	n	254	117	49	28	9	[457]	(21)
Std Dev	1.01	%	55.6	25.6	10.7	6.1	2.0	[100.0]	(4.4)

3. YOUR VIEWS OF THE TAX OFFICE

This section of the survey asks you about your views about the Tax Office and the way it deals with taxpayers. We would like to hear what you think.

3.1. **{t5q31}** How often do you agree with the decisions made by the Tax Office (the ATO)?

		Almost never	On occasion	Sometimes	Mostly	Almost always	Total Valid	Missing Data	
		1	2	3	4	5			
Mean	3.19	n	21	83	160	172	19	[455]	(23)
Std Dev	0.94	%	4.6	18.2	35.2	37.8	4.2	[100.0]	(4.8)

3.2. **{t6q32}** How often are the decisions of the ATO favourable to you?

		Almost never	On occasion	Sometimes	Mostly	Almost always	Total Valid	Missing Data	
		1	2	3	4	5			
Mean	2.61	n	104	97	157	91	17	[466]	(12)
Std Dev	1.14	%	22.3	20.8	33.7	19.5	3.6	[100.0]	(2.5)

3.3. **{t6q33}** Do you think the ATO's initial decision to disallow your scheme related tax deductions was fair?

		Completely Unfair	Partly unfair	Neither unfair or fair	Partly fair	Completely fair	Total Valid	Missing Data	
		1	2	3	4	5			
Mean	1.44	n	330	97	27	15	3	[472]	(6)
Std Dev	0.79	%	39.9	20.6	5.7	3.2	0.6	[100.0]	(1.3)

3.4. **{t6q34}** Do you think you got what you deserved when the ATO told you to pay back your scheme related tax debt?

		Definitely Not	Not really	Maybe	Yes somewhat	Definitely Yes	Total Valid	Missing Data	
		1	2	3	4	5			
Mean	1.52	n	286	136	29	17	0	[468]	(10)
Std Dev	0.77	%	61.1	29.1	6.2	3.6	0.00	[100.0]	(2.1)

3.5. Below are a number of general statements that describe the way you may feel the Tax Office deals with and treats taxpayers. Circle the number closest to your view.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data	
		1	2	3	4	5			
1. {t6q351} The Tax Office (ATO) treats people as if they can be trusted to do the right thing.....		1	2	3	4	5	Total Valid	Missing Data	
Mean	2.52	n	86	167	107	112	1	[473]	(5)
Std Dev	1.05	%	18.2	35.3	22.6	23.7	0.2	[100.0]	(1.0)
2. {t6q352} The ATO respects the individual's rights as a citizen.....		1	2	3	4	5	Total Valid	Missing Data	
Mean	2.50	n	107	135	122	107	2	[473]	(5)
Std Dev	1.09	%	22.6	28.5	25.8	22.6	0.4	[100.0]	(1.0)
3. {t6q353} The ATO gives equal consideration to the views of all Australians.....		1	2	3	4	5	Total Valid	Missing Data	
Mean	2.24	n	124	171	119	58	1	[473]	(5)
Std Dev	0.98	%	26.2	36.2	25.2	12.3	0.2	[100.0]	(1.0)
4. {t6q354} The ATO is more concerned about making their own job easier than making it easier for taxpayers.....		1	2	3	4	5	Total Valid	Missing Data	
Mean	3.47	n	22	61	147	160	83	[473]	(5)
Std Dev	1.07	%	4.7	12.9	31.1	33.8	17.5	[100.0]	(1.0)
5. {t6q355} The ATO consults widely about how they might change things to make it easier for taxpayers to meet their obligations.....		1	2	3	4	5	Total Valid	Missing Data	
Mean	2.30	n	106	174	143	47	3	[473]	(5)
Std Dev	0.95	%	22.4	36.8	30.2	9.9	0.6	[100.0]	(1.0)
6. {t6q356} The ATO is concerned about protecting the average citizen's rights.....		1	2	3	4	5	Total Valid	Missing Data	
Mean	2.36	n	103	163	144	59	3	[472]	(6)
Std Dev	0.98	%	21.8	34.5	30.5	12.5	0.6	[100.0]	(1.3)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data	
7. {7q357} The ATO considers the concerns of average citizens when making decisions		1	2	3	4	5			
Mean	2.91	n	101	222	105	43	0	[471]	[7]
Std Dev	0.88	%	21.4	47.1	22.3	9.1	0.0	[100.0]	(1.5)
8. {7q358} The ATO cares about the position of taxpayers		1	2	3	4	5			
Mean	2.14	n	119	202	114	34	1	[470]	(8)
Std Dev	0.89	%	25.3	43.0	24.3	7.2	0.2	[100.0]	(1.7)
9. {7q359} The ATO gets the kind of information it needs to make informed decisions		1	2	3	4	5			
Mean	2.70	n	52	141	177	98	3	[471]	(7)
Std Dev	0.94	%	11.0	29.9	37.6	20.8	0.6	[100.0]	(1.5)
10. {7q3510} The ATO tries to be fair when making their decisions		1	2	3	4	5			
Mean	2.52	n	78	157	148	86	0	[469]	(9)
Std Dev	0.98	%	16.6	33.5	31.6	18.3	0.0	[100.0]	(1.9)
11. {7q3511} The ATO goes to great lengths to consult with the community over changes to their system		1	2	3	4	5			
Mean	2.01	n	138	218	90	23	2	[471]	(7)
Std Dev	0.85	%	29.3	46.3	19.1	4.9	0.4	[100.0]	(1.5)
12. {7q3512} The ATO treats people as if they will only do the right thing when forced to		1	2	3	4	5			
Mean	3.48	n	19	72	105	210	63	[469]	(9)
Std Dev	1.04	%	4.1	15.4	22.4	44.8	13.4	[100.0]	(1.9)
13. {7q3513} The ATO is generally honest in the way it deals with people		1	2	3	4	5			
Mean	2.96	n	48	91	169	157	6	[471]	(7)
Std Dev	0.99	%	10.2	19.3	35.9	33.3	1.3	[100.0]	(1.5)
14. {7q3514} The ATO is pretty consistent in the way they do their job		1	2	3	4	5			
Mean	2.95	n	64	97	117	180	11	[469]	(9)
Std Dev	1.11	%	13.6	20.7	24.9	38.4	2.3	[100.0]	(1.9)
15. {7q3515} If you are treated unfairly by the ATO, it is easy to get your complaint heard		1	2	3	4	5			
Mean	2.15	n	135	175	119	36	5	[470]	(8)
Std Dev	0.96	%	28.7	37.2	25.3	7.7	1.1	[100.0]	(1.7)
16. {7q3516} If the ATO makes a mistake, it is extremely difficult to get		1	2	3	4	5			
Mean	3.59	n	21	53	119	176	97	[466]	(12)
Std Dev	1.08	%	4.5	11.4	25.5	37.8	20.8	[100.0]	(2.5)
17. {7q3517} The ATO can usually be trusted to make decisions that are right for the country as a whole		1	2	3	4	5			
Mean	2.69	n	66	128	160	112	2	[468]	(10)
Std Dev	0.00	%	13.8	26.8	33.5	23.4	0.4	[100.0]	(0.0)
18. {7q3518} The ATO's decisions are made based upon facts, not personal biases and opinions		1	2	3	4	5			
Mean	2.98	n	38	103	170	144	13	[468]	(10)
Std Dev	0.98	%	8.1	22.0	36.3	30.8	2.8	[100.0]	(2.1)
19. {7q3519} The ATO's rules and procedures are equally fair to everyone		1	2	3	4	5			
Mean	2.25	n	111	192	104	58	3	[468]	(10)
Std Dev	0.98	%	23.7	41.0	22.2	12.4	0.6	[100.0]	(2.1)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
20. {7q3520} My rights are respected by the ATO when decisions are made.....		1	2	3	4	5	[466]	(12)
Mean	2.46	n 92	146	151	75	2	[100.0]	(2.5)
Std Dev	1.00	% 19.7	31.3	32.4	16.1	0.4		
21. {8q3521} The ATO treats people with dignity and respect.....		1	2	3	4	5	[474]	(4)
Mean	2.46	n 95	147	155	73	4	[100.0]	(0.8)
Std Dev	1.01	% 20.0	31.0	32.7	15.4	0.8		
22. {8q3522} The ATO usually gives an honest explanation for their decisions.....		1	2	3	4	5	[473]	(5)
Mean	2.77	n 59	145	120	144	5	[100.0]	(1.0)
Std Dev	1.05	% 12.5	30.7	25.4	30.4	1.1		
23. {8q3523} The ATO follows through on the decisions and promises it makes.....		1	2	3	4	5	[471]	(7)
Mean	3.14	n 40	71	156	193	11	[100.0]	(1.5)
Std Dev	0.99	% 8.5	15.1	33.1	41.0	2.3		
24. {8q3524} The ATO gives people an opportunity to express their views before decisions are made.....		1	2	3	4	5	[474]	(4)
Mean	2.29	n 112	184	106	71	1	[100.0]	(0.8)
Std Dev	1.00	% 23.6	38.8	22.4	15.0	0.2		
25. {8q3525} I am able to influence the decisions made by the ATO.....		1	2	3	4	5	[472]	(6)
Mean	1.70	n 230	180	41	15	6	[100.0]	(1.3)
Std Dev	0.85	% 48.7	38.1	8.7	3.2	1.3		
26. {8q3526} The ATO usually acts in ways consistent with your own values about what is right and wrong.....		1	2	3	4	5	[474]	(4)
Mean	2.53	n 89	146	148	83	8	[100.0]	(0.8)
Std Dev	1.04	% 18.8	30.8	31.2	17.5	1.7		
27. {8q3527} All taxpayers are treated politely by the ATO.....		1	2	3	4	5	[474]	(4)
Mean	2.82	n 73	98	153	142	8	[100.0]	(0.8)
Std Dev	1.08	% 15.4	20.7	32.3	30.0	1.7		
28. {8q3528} I personally feel that I am treated politely by the ATO.....		1	2	3	4	5	[473]	(5)
Mean	3.04	n 58	69	150	188	8	[100.0]	(1.0)
Std Dev	1.05	% 12.3	14.6	31.7	39.7	1.7		
29. {8q3529} The ATO listens to my point of view.....		1	2	3	4	5	[474]	(4)
Mean	2.32	n 117	155	136	65	1	[100.0]	(0.8)
Std Dev	1.00	% 24.7	32.7	28.7	13.7	0.2		
30. {8q3530} The ATO provides the public with thorough explanations of its decisions and processes.....		1	2	3	4	5	[474]	(4)
Mean	2.40	n 101	175	110	84	4	[100.0]	(0.8)
Std Dev	1.04	% 21.3	36.9	23.2	17.7	0.8		
31. {8q3531} The ATO listens to the views of some groups of taxpayers more than others.....		1	2	3	4	5	[472]	(6)
Mean	3.78	n 13	20	113	238	88	[100.0]	(1.3)
Std Dev	0.89	% 2.8	4.2	23.9	50.4	18.6		

3.6. Below are some general statements that may describe your general feelings about the Tax Office. Circle the number closest to your view. (*please answer all questions*)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t8q361} Overall, I am committed to doing the right thing by the ATO.....		1	2	3	4	5		
Mean 4.29	n	2	3	20	281	169	[475]	(3)
Std Dev 0.62	%	0.4	0.6	4.2	59.2	35.6	[100.0]	(0.6)
2. {t8q362} I resent the ATO.....		1	2	3	4	5	Total Valid	Missing Data
Mean 2.94	n	52	129	144	96	53	[474]	(4)
Std Dev 1.17	%	11.0	27.2	30.4	20.3	11.2	[100.0]	(0.8)
3. {t9q363} Following the ATO's decisions is a responsibility that should be willingly accepted by all		1	2	3	4	5	Total Valid	Missing Data
Mean 2.98	n	26	142	140	151	17	[476]	(2)
Std Dev 0.99	%	5.5	29.8	29.4	31.7	3.6	[100.0]	(0.4)
4. {t9q364} I feel a moral obligation to do what the ATO asks me to do.....		1	2	3	4	5	Total Valid	Missing Data
Mean 3.55	n	10	65	90	276	35	[476]	(2)
Std Dev 0.89	%	2.1	13.7	18.9	58.0	7.4	[100.0]	(0.4)
5. {t9q365} The ATO is encouraging to those who have difficulty meeting their obligations through no fault of their own.....		1	2	3	4	5	Total Valid	Missing Data
Mean 2.70	n	57	128	193	96	2	[476]	(2)
Std Dev 0.94	%	12.0	26.9	40.5	20.2	0.4	[100.0]	(0.4)
6. {t9q366} If you cooperate with the ATO, they are likely to be cooperative with you.....		1	2	3	4	5	Total Valid	Missing Data
Mean 3.24	n	37	63	139	225	12	[476]	(2)
Std Dev 0.98	%	7.8	13.2	29.2	47.3	2.5	[100.0]	(0.4)
7. {t9q367} Even if the ATO finds that I am doing something wrong, they will respect me in the long run as long as I admit my mistakes.....		1	2	3	4	5	Total Valid	Missing Data
Mean 2.74	n	55	132	175	110	3	[475]	(3)
Std Dev 0.96	%	11.6	27.8	36.8	23.2	0.6	[100.0]	(0.6)
8. {t9q368} No matter how cooperative or uncooperative the ATO is, the best policy is to always be cooperative with them.....		1	2	3	4	5	Total Valid	Missing Data
Mean 3.87	n	3	28	60	322	64	[477]	(1)
Std Dev 0.73	%	0.6	5.9	12.6	67.5	13.4	[100.0]	(0.2)
9. {t9q369} It's impossible to satisfy the requirements of the ATO completely.....		1	2	3	4	5	Total Valid	Missing Data
Mean 3.36	n	9	97	143	171	57	[477]	(1)
Std Dev 1.00	%	1.9	20.3	30.0	35.8	11.9	[100.0]	(0.2)
10. {t9q3610} The ATO is more interested in catching you doing the wrong thing, than helping you do the right thing.....		1	2	3	4	5	Total Valid	Missing Data
Mean 3.43	n	11	95	122	174	74	[476]	(2)
Std Dev 1.05	%	2.3	20.0	25.6	36.6	15.5	[100.0]	(0.4)
11. {t9q3611} It's important not to let the ATO push you around.....		1	2	3	4	5	Total Valid	Missing Data
Mean 3.27	n	11	64	209	164	26	[474]	(4)
Std Dev 0.85	%	2.3	13.5	44.1	34.6	5.5	[100.0]	(0.8)

			Strongly disagree	Disagree	Neither	Agree	Strongly agree		
12. {9q3612} If you don't cooperate with the ATO, they will get tough with you.....			1	2	3	4	5	Total Valid	Missing Data
Mean	3.95	n	5	17	73	284	97	[476]	(2)
Std Dev	0.77	%	1.1	3.6	15.3	59.7	20.4	[100.0]	(0.4)
13. {9q3613} Once the ATO has you branded as a non-compliant taxpayer, they will never change their mind.....			1	2	3	4	5	Total Valid	Missing Data
Mean	3.31	n	8	65	226	128	49	[476]	(2)
Std Dev	0.89	%	1.7	13.7	47.5	26.9	10.3	[100.0]	(0.4)
14. {9q3614} As a society we need more people willing to take a stand against the ATO.....			1	2	3	4	5	Total Valid	Missing Data
Mean	3.33	n	13	85	173	143	62	[476]	(2)
Std Dev	1.00	%	2.7	17.9	36.3	30.0	13.0	[100.0]	(0.4)
15. {9q3615} I don't care if I am not doing the right thing by the ATO.....			1	2	3	4	5	Total Valid	Missing Data
Mean	1.87	n	149	263	49	7	8	[476]	(2)
Std Dev	0.78	%	31.3	55.3	10.3	1.5	1.7	[100.0]	(0.4)
16. {10q3616} If the ATO gets tough with me, I will become uncooperative with them.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.24	n	61	273	107	27	4	[472]	(6)
Std Dev	0.78	%	12.9	57.8	22.7	5.7	0.8	[100.0]	(1.3)
17. {10q3617} I personally don't think that there is much the ATO can do to me to make me pay tax if I don't want to.....			1	2	3	4	5	Total Valid	Missing Data
Mean	1.61	n	215	236	18	3	2	[474]	(4)
Std Dev	0.64	%	45.4	49.8	3.8	0.6	0.4	[100.0]	(0.8)
18. {10q3618} I don't really know what the ATO expects of me and I'm not about to ask.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.52	n	38	218	157	54	6	[473]	(5)
Std Dev	0.85	%	8.0	46.1	33.2	11.4	1.3	[100.0]	(1.0)
19. {10q3619} If I find out that I am not doing what the ATO wants, I'm not going to lose any sleep over it.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.20	n	72	282	78	37	5	[474]	(4)
Std Dev	0.83	%	15.2	59.5	16.5	7.8	1.1	[100.0]	(0.8)
20. {10q3620} The ATO respects taxpayers who can give them a run for their money.....			1	2	3	4	5	Total Valid	Missing Data
Mean	0.00	n	132	230	97	14	5	[-477]	(478)
Std Dev	0.00	%	27.9	48.6	20.5	3.0	Missing	[100.0]	(100.0)
21. {10q3621} The ATO does its job well.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.86	n	50	93	206	122	3	[474]	(4)
Std Dev	0.94	%	10.5	19.6	43.5	25.7	0.6	[100.0]	(0.8)
22. {10q3622} The ATO works in ways consistent with Australian norms and values.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.78	n	54	121	176	119	3	[473]	(5)
Std Dev	0.97	%	11.4	25.6	37.2	25.2	0.6	[100.0]	(1.0)
23. {10q3623} I have a great deal of confidence in the ATO as an organisation.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.60	n	64	155	163	89	3	[474]	(4)
Std Dev	0.96	%	13.5	32.7	34.4	18.8	0.6	[100.0]	(0.8)
24. {10q3624} I question the legitimacy of the ATO's authority over me.....			1	2	3	4	5	Total Valid	Missing Data
Mean	2.50	n	53	218	136	47	20	[474]	(4)
Std Dev	0.96	%	11.2	46.0	28.7	9.9	4.2	[100.0]	(0.8)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
25. {t10q3625} The ATO is an organisation that represents what the Australian people believe in.....		1	2	3	4	5	[473]	(5)
Mean	2.58	n 47	175	183	65	3	[100.0]	(1.0)
Std Dev	0.87	% 9.9	37.0	38.7	13.7	0.6		
26. {t10q3626} I respect the ATO		1	2	3	4	5	[473]	(5)
Mean	2.88	n 47	107	178	136	5	[100.0]	(1.0)
Std Dev	0.97	% 9.9	22.6	37.6	28.8	1.1		
27. {t10q3627} The ATO has too much power.....		1	2	3	4	5	[472]	(6)
Mean	3.52	n 12	64	135	187	74	[100.0]	(1.3)
Std Dev	0.99	% 2.5	13.6	28.6	39.6	15.7		
28. {t10q3628} I have a great deal of confidence in the ATO's ability to administer the tax system.....		1	2	3	4	5	[472]	(6)
Mean	2.87	n 44	121	167	134	6	[100.0]	(1.3)
Std Dev	0.97	% 9.3	25.6	35.4	28.4	1.3		
29. {t10q3629} The ATO should have the power to do whatever they think is needed to deal with tax offenders.....		1	2	3	4	5	[473]	(5)
Mean	2.49	n 88	195	73	105	12	[100.0]	(1.0)
Std Dev	1.11	% 18.6	41.2	15.4	22.2	2.5		
30. {t10q3630} The ATO administers the tax system fairly.....		1	2	3	4	5	[474]	(4)
Mean	2.66	n 61	137	181	92	3	[100.0]	(0.8)
Std Dev	0.95	% 12.9	28.9	38.2	19.4	0.6		

4. YOUR VIEWS OF OUR TAX SYSTEM

4.1. The previous section asked about your views of the Tax Office itself. This section asks you about your views towards our tax system and towards paying taxes. We would like to hear what you think about our tax system, and whether these views may differ from your views of the ATO. Circle the number closest to your view.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t11q411} Overall, I pay my tax with good will.....		1	2	3	4	5	[474]	(4)
Mean	4.03	n 3	24	31	316	100	[100.0]	(0.8)
Std Dev	0.73	% 0.6	5.1	6.5	66.7	21.1		
2. {t11q412} I feel a moral obligation to pay my tax		1	2	3	4	5	[474]	(4)
Mean	4.11	n 3	9	35	314	113	[100.0]	(0.8)
Std Dev	0.66	% 0.6	1.9	7.4	66.2	23.8		
3. {t11q413} I resent paying tax		1	2	3	4	5	[472]	(6)
Mean	2.25	n 82	256	77	46	11	[100.0]	(1.3)
Std Dev	0.94	% 17.4	54.2	16.3	9.7	2.3		
4. {t11q414} I accept responsibility for paying my fair share of tax.....		1	2	3	4	5	[474]	(4)
Mean	4.18	n 4	9	10	327	124	[100.0]	(0.8)
Std Dev	0.64	% 0.8	1.9	2.1	69.0	26.2		
5. {t11q415} I think of taxpaying as helping the government do worthwhile things.....		1	2	3	4	5	[474]	(4)
Mean	3.81	n 8	44	68	265	89	[100.0]	(0.8)
Std Dev	0.91	% 1.7	9.3	14.3	55.9	18.8		
6. {t11q416} Paying tax is the right thing to do.....		1	2	3	4	5	[474]	(4)
Mean	4.13	n 0	4	35	332	103	[100.0]	(0.8)
Std Dev	0.56	% 0.0	0.8	7.4	70.0	21.7		
7. {t11q417} Paying tax is a responsibility that should be willingly accepted by all Australians.....		1	2	3	4	5	[473]	(5)
Mean	4.18	n 0	8	29	304	132	[100.0]	(1.0)
Std Dev	0.91	% 0.0	1.7	6.1	64.3	27.9		

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
8. {t11q418} Paying my tax ultimately advantages everyone.....		1	2	3	4	5		
Mean	3.99	n 4	25	49	287	108	[473]	(5)
Std Dev	0.79	% 0.8	5.3	10.4	60.7	22.8	[100.0]	(1.0)
9. {t11q419} The tax system may not be perfect, but it works well enough for most of us.....		1	2	3	4	5		
Mean	3.42	n 14	75	109	250	26	[474]	(4)
Std Dev	0.92	% 3.0	15.8	23.0	52.7	5.5	[100.0]	(0.8)
10. {t11q4110} I may not like paying tax, but paying tax is a part of life that we must accept.....		1	2	3	4	5		
Mean	4.11	n 1	8	18	360	87	[474]	(4)
Std Dev	0.55	% 0.2	1.7	3.8	75.9	18.4	[100.0]	(0.8)
11. {t11q4111} Our tax system is not set up to help taxpayers meet their obligations.....		1	2	3	4	5		
Mean	3.22	n 9	101	178	148	38	[474]	(4)
Std Dev	0.94	% 1.9	21.3	37.6	31.2	8.0	[100.0]	(0.8)
12. {t11q4112} It's important as a taxpayer to know your rights under the law.....		1	2	3	4	5		
Mean	4.14	n 0	7	35	318	114	[474]	(4)
Std Dev	0.60	% 0.0	1.5	7.4	67.1	24.1	[100.0]	(0.8)
13. {t11q4113} Our tax system needs to undergo significant changes to make it a fairer system for all.....		1	2	3	4	5		
Mean	4.10	n 2	24	72	201	175	[474]	(4)
Std Dev	0.87	% 0.4	5.1	15.2	42.4	36.9	[100.0]	(0.8)
14. {t12q4114} It's impossible to obey all tax laws completely.....		1	2	3	4	5		
Mean	3.30	n 12	108	123	179	48	[470]	(8)
Std Dev	1.02	% 2.6	23.0	26.2	38.1	10.2	[100.0]	(1.7)
15. {t12q4115} As a society we need more people willing to take a stand against unfair tax laws.....		1	2	3	4	5		
Mean	3.74	n 5	44	98	244	79	[470]	(8)
Std Dev	0.88	% 1.1	9.4	20.9	51.9	16.8	[100.0]	(1.7)
16. {t12q4116} I don't care if I am not doing the right thing by our tax laws.....		1	2	3	4	5		
Mean	1.90	n 108	312	40	3	5	[468]	(10)
Std Dev	0.66	% 23.1	66.7	8.5	0.6	1.1	[100.0]	(2.1)
17. {t12q4117} I personally don't think there is much that can happen to me if I choose not to pay tax.....		1	2	3	4	5		
Mean	1.65	n 189	266	10	3	2	[470]	(8)
Std Dev	0.60	% 40.2	56.6	2.1	0.6	0.4	[100.0]	(1.7)
18. {t12q4118} I don't really know what is expected of me from our tax laws and I'm not about to ask.....		1	2	3	4	5		
Mean	2.37	n 52	240	133	41	3	[469]	(9)
Std Dev	0.82	% 11.1	51.2	28.4	8.7	0.6	[100.0]	(1.9)
19. {t12q4119} If I find out I am not obeying our tax laws, I'm not going to lose any sleep over it.....		1	2	3	4	5		
Mean	2.09	n 80	300	61	24	4	[469]	(9)
Std Dev	0.76	% 17.1	64.0	13.0	5.1	0.9	[100.0]	(1.9)
20. {t12q4120} I like the game of finding the grey area of tax law.....		1	2	3	4	5		
Mean	2.11	n 96	258	89	21	5	[469]	(9)
Std Dev	0.81	% 20.5	55.0	19.0	4.5	1.1	[100.0]	(1.9)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
21. {t12q4121} I enjoy spending time working will out how changes in the tax system affect me		1	2	3	4	5	[469]	(9)
Mean	2.20	n 106	214	101	44	4	[469]	(9)
Std Dev	0.92	% 22.6	45.6	21.5	9.4	0.9	[100.0]	(1.9)
22. {t12q4122} I enjoy talking to friends about loopholes in the tax system.....		1	2	3	4	5	[470]	(8)
Mean	2.00	n 131	236	79	19	5	[470]	(8)
Std Dev	0.84	% 27.9	50.2	16.8	4.0	1.1	[100.0]	(1.7)
23. {t12q4123} I enjoy the challenge of minimising the tax I have to pay.....		1	2	3	4	5	[470]	(8)
Mean	2.65	n 73	154	131	89	23	[470]	(8)
Std Dev	1.10	% 15.5	32.8	27.9	18.9	4.9	[100.0]	(1.7)

4.2. The following section measures your confidence in our tax system.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t12q421} I question the legitimacy of our underlying tax laws		1	2	3	4	5	[470]	(8)
Mean	2.80	n 28	172	154	98	18	[470]	(8)
Std Dev	0.96	% 6.0	36.6	32.8	20.9	3.8	[100.0]	(1.7)
2. {t12q422} I feel our tax laws and policies reflect the needs of taxpayers.....		1	2	3	4	5	[469]	(9)
Mean	2.83	n 22	164	163	113	7	[469]	(9)
Std Dev	0.90	% 4.7	35.0	34.8	24.1	1.5	[100.0]	(1.9)
3. {t12q423} I question the fairness of the ATO's rules and policies.....		1	2	3	4	5	[470]	(8)
Mean	3.54	n 7	66	126	210	61	[470]	(8)
Std Dev	0.94	% 1.5	14.0	26.8	44.7	13.0	[100.0]	(1.7)
4. {t13q424} Australia's tax system does <u>not</u> protect my interests.....		1	2	3	4	5	[470]	(8)
Mean	3.17	n 5	120	163	152	30	[470]	(8)
Std Dev	0.92	% 1.1	25.5	34.7	32.3	6.4	[100.0]	(1.7)
5. {t13q425} I question the fairness of our tax system.....		1	2	3	4	5	[470]	(8)
Mean	3.63	n 5	67	87	247	64	[470]	(8)
Std Dev	0.93	% 1.1	14.3	18.5	52.6	13.6	[100.0]	(1.7)
6. {t13q426} I agree with many of the values and rules that define what the ATO stands for		1	2	3	4	5	[470]	(8)
Mean	3.39	n 7	54	176	217	16	[470]	(8)
Std Dev	0.79	% 1.5	11.5	37.4	46.2	3.4	[100.0]	(1.7)
7. {t13q427} Our tax laws are generally consistent with the views of ordinary Australians about what is right and wrong.....		1	2	3	4	5	[469]	(9)
Mean	3.13	n 17	114	133	200	5	[469]	(9)
Std Dev	0.92	% 3.6	24.3	28.4	42.6	1.1	[100.0]	(1.9)
8. {t13q428} Your own feelings about what is right and wrong usually agree with the ATO's rules and policies.....		1	2	3	4	5	[469]	(9)
Mean	2.95	n 18	151	145	149	6	[469]	(9)
Std Dev	0.92	% 3.8	32.2	30.9	31.8	1.3	[100.0]	(1.9)
9. {t13q429} Your own feelings about what is right and wrong usually agree with what is written in our tax laws		1	2	3	4	5	[467]	(11)
Mean	2.99	n 14	126	182	140	5	[467]	(11)
Std Dev	0.86	% 3.0	27.0	39.0	30.0	1.1	[100.0]	(2.3)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
10. {t13q4210} The moral values underlying our tax laws are similar to your own		1	2	3	4	5	[468]	(10)
Mean	3.19	n 14	97	149	203	5	[100.0]	(2.1)
Std Dev	0.88	% 3.0	20.7	31.8	43.4	1.1		
11. {t13q4211} I have a great deal of confidence in the tax system		1	2	3	4	5	[469]	(9)
Mean	2.57	n 49	183	162	71	4	[100.0]	(1.9)
Std Dev	0.90	% 10.4	39.0	34.5	15.1	0.9		

4.3. Below are some statements that describe your willingness to follow the directions of the Tax Office and obey the law. Circle the number closest to your view.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t13q431} Respect for tax officials is an important value for people to have.....		1	2	3	4	5	[469]	(9)
Mean	3.38	n 14	62	140	237	16	[100.0]	(1.9)
Std Dev	0.87	% 3.0	13.2	29.9	50.5	3.4		
2. {t13q432} The tax system is most effective when people follow the ATO's rulings		1	2	3	4	5	[469]	(9)
Mean	3.44	n 10	69	112	260	18	[100.0]	(1.9)
Std Dev	0.86	% 2.1	14.7	23.9	55.4	3.8		
3. {t13q433} People should follow the decisions of the ATO even when they go against what they think is right.....		1	2	3	4	5	[468]	(10)
Mean	2.71	n 33	198	112	120	5	[100.0]	(2.1)
Std Dev	0.96	% 7.1	42.3	23.9	25.6	1.1		
4. {t13q434} I should accept decisions made by the ATO even when I disagree with them.....		1	2	3	4	5	[469]	(9)
Mean	2.61	n 44	212	98	112	3	[100.0]	(1.9)
Std Dev	0.97	% 9.4	45.2	20.9	23.9	0.6		
5. {t14q435} Disobeying the ATO is seldom justified.....		1	2	3	4	5	[476]	(2)
Mean	3.23	n 10	123	114	208	21	[100.0]	(0.4)
Std Dev	0.95	% 2.1	25.8	23.9	43.7	4.4		
6. {t14q436} Respect for tax laws is an important value for people to have.....		1	2	3	4	5	[476]	(2)
Mean	3.79	n 3	24	79	334	36	[100.0]	(0.4)
Std Dev	0.68	% 0.6	5.0	16.6	70.2	7.6		
7. {t14q437} The tax system is most effective when people obey the law		1	2	3	4	5	[476]	(2)
Mean	3.82	n 4	20	70	344	38	[100.0]	(0.4)
Std Dev	0.66	% 0.8	4.2	14.7	72.3	8.0		
8. {t14q438} People should obey tax laws even when they go against what they think is right.....		1	2	3	4	5	[475]	(3)
Mean	3.11	n 15	136	117	197	10	[100.0]	(0.6)
Std Dev	0.95	% 3.2	28.6	24.6	41.5	2.1		
9. {t14q439} I should willingly accept our tax laws even when I disagree with them.....		1	2	3	4	5	[473]	(5)
Mean	2.84	n 24	179	125	139	6	[100.0]	(1.0)
Std Dev	0.95	% 5.1	37.8	26.4	29.4	1.3		
10. {t14q4310} Disobeying tax laws is seldom justified.....		1	2	3	4	5	[474]	(4)
Mean	3.48	n 9	72	105	259	29	[100.0]	(0.8)
Std Dev	0.89	% 1.9	15.2	22.2	54.6	6.1		

5. THE TREATMENT YOU RECEIVED FROM THE TAX OFFICE

5.1. We are interested in hearing about how you feel you were treated by the ATO over the schemes matter.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t14q511} Do you think there was some kind of implication about the kind of person you are		1	2	3	4	5		
Mean	3.46	n 21	97	92	175	90	[475]	(3)
Std Dev	1.14	% 4.4	20.4	19.4	36.8	18.9	[100.0]	(0.6)
2. {t14q512} Do you feel as though you were treated as a bad person.....		1	2	3	4	5		
Mean	3.64	n 15	79	74	202	104	[474]	(4)
Std Dev	1.09	% 3.2	16.7	15.6	42.6	21.9	[100.0]	(0.8)
3. {t14q513} Do you feel you were treated as though you were likely to commit another offence?.....		1	2	3	4	5		
Mean	3.32	n 16	108	139	132	80	[475]	(3)
Std Dev	1.10	% 3.4	22.7	29.3	27.8	16.8	[100.0]	(0.6)
4. {t14q514} Do you feel as though negative judgements were made about what kind of person you are.....		1	2	3	4	5		
Mean	3.53	n 15	90	91	183	95	[474]	(4)
Std Dev	1.11	% 3.2	19.0	19.2	38.6	20.0	[100.0]	(0.8)
5. {t14q515} Do the ATO say that it was not like you to do something wrong.....		1	2	3	4	5		
Mean	2.32	n 73	194	186	14	3	[470]	(8)
Std Dev	0.79	% 15.5	41.3	39.6	3.0	0.6	[100.0]	(1.7)
6. {t14q516} Do you feel as though you were accepted as basically law abiding by the ATO		1	2	3	4	5		
Mean	2.68	n 60	159	133	116	6	[474]	(4)
Std Dev	1.02	% 12.7	33.5	28.1	24.5	1.3	[100.0]	(0.8)
7. {t15q517} Do you feel as though you were treated as a trustworthy person		1	2	3	4	5		
Mean	2.51	n 70	171	157	75	2	[475]	(3)
Std Dev	0.94	% 14.7	36.0	33.1	15.8	0.4	[100.0]	(0.6)
8. {t15q518} Do you feel as though you were treated as a criminal.....		1	2	3	4	5		
Mean	3.25	n 34	108	113	144	76	[475]	(3)
Std Dev	1.18	% 7.2	22.7	23.8	30.3	16.0	[100.0]	(0.6)

5.2. We are now interested in hearing about how you feel you were treated by friends and relatives over the schemes matter.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t15q521} Do you think there was some kind of implication about the kind of person you are		1	2	3	4	5		
Mean	2.74	n 54	145	148	107	13	[467]	(11)
Std Dev	1.03	% 11.6	31.0	31.7	22.9	2.8	[100.0]	(2.3)
2. {t15q522} Do you feel as though you were treated as a bad person by friends and relatives?		1	2	3	4	5		
Mean	2.36	n 80	196	141	48	3	[468]	(10)
Std Dev	0.90	% 17.1	41.9	30.1	10.3	0.6	[100.0]	(2.1)
3. {t15q523} Do you feel you were treated as though you were likely to commit another offence?.....		1	2	3	4	5		
Mean	2.36	n 84	193	137	45	8	[467]	(11)
Std Dev	0.94	% 18.0	41.3	29.3	9.6	1.7	[100.0]	(2.3)

			Strongly disagree	Disagree	Neither	Agree	Strongly agree		
4. {t15q524} Do you feel as though negative judgements were made by your friends and relatives about what kind of person you are			1	2	3	4	5	Total Valid	Missing Data
Mean	2.43	n	91	178	114	76	9	[468]	(10)
Std Dev	1.04	%	19.4	38.0	24.4	16.2	1.9	[100.0]	(2.1)
5. {t15q525} Do your friends and relatives say that it was not like you to do something wrong?.....			1	2	3	4	5	Total Valid	Missing Data
Mean	3.25	n	31	82	147	152	54	[466]	(12)
Std Dev	1.08	%	6.7	17.6	31.5	32.6	11.6	[100.0]	(2.5)
6. {t15q526} Do you feel as though you were accepted as basically law abiding by your friends and relatives?			1	2	3	4	5	Total Valid	Missing Data
Mean	3.99	n	4	16	74	263	111	[468]	(10)
Std Dev	0.78	%	0.9	3.4	15.8	56.2	23.7	[100.0]	(2.1)
7. {t15q527} Do you feel as though you were treated as a trustworthy person by your friends and relatives?.....			1	2	3	4	5	Total Valid	Missing Data
Mean	3.98	n	6	17	76	251	117	[467]	(11)
Std Dev	0.82	%	1.3	3.6	16.3	53.7	25.1	[100.0]	(2.3)
8. {t15q528} Do you feel as though you were treated as a criminal by your friends and relatives?			1	2	3	4	5	Total Valid	Missing Data
Mean	1.92	n	170	191	91	12	5	[469]	(9)
Std Dev	0.87	%	36.2	40.7	19.4	2.6	1.1	[100.0]	(1.9)

5.3. Below are statements that ask how people you know may have responded to your situation.

			Strongly disagree	Disagree	Neither	Agree	Strongly agree		
1. {t16q531} People made it clear to me that I can put the whole thing behind me			1	2	3	4	5	Total Valid	Missing Data
Mean	3.34	n	11	51	195	190	22	[469]	(9)
Std Dev	0.82	%	2.3	10.9	41.6	40.5	4.7	[100.0]	(1.9)
2. {t16q532} People indicated that I should be forgiven			1	2	3	4	5	Total Valid	Missing Data
Mean	3.33	n	11	23	263	138	31	[466]	(12)
Std Dev	0.77	%	2.4	4.9	56.4	29.6	6.7	[100.0]	(2.5)
3. {t16q533} Some people say that I had learnt my lesson and now deserve a second chance			1	2	3	4	5	Total Valid	Missing Data
Mean	2.92	n	29	74	280	69	13	[465]	(13)
Std Dev	0.82	%	6.2	15.9	60.2	14.8	2.8	[100.0]	(2.7)
4. {t16q534} Even though the matter is behind me, I still feel that others have not forgiven me for what I have done			1	2	3	4	5	Total Valid	Missing Data
Mean	2.40	n	79	167	180	33	6	[465]	(13)
Std Dev	0.90	%	17.0	35.9	38.7	7.1	1.3	[100.0]	(2.7)
5. {t16q535} Some of the people who are important to me rejected me because of my involvement in tax schemes			1	2	3	4	5	Total Valid	Missing Data
Mean	2.10	n	148	166	120	27	7	[468]	(10)
Std Dev	0.96	%	31.6	35.5	25.6	5.8	1.5	[100.0]	(2.1)

5.4. Below are some statements that ask you about the ATO's communication with you after you may have settled your scheme-related tax debt.

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {16q541} The ATO made it clear to me that I can put the whole thing behind me		1	2	3	4	5	[475]	(3)
Mean	2.56	n 78	136	180	77	4	[475]	(3)
Std Dev	0.98	% 16.4	28.6	37.9	16.2	0.8	[100.0]	(0.6)
2. {16q542} The ATO indicated that I should be forgiven.....		1	2	3	4	5	[472]	(6)
Mean	2.34	n 97	145	205	23	2	[472]	(6)
Std Dev	0.87	% 20.6	30.7	43.4	4.9	0.4	[100.0]	(1.3)
3. {16q543} The ATO indicated that I had learnt my lesson and now deserve a second chance		1	2	3	4	5	[472]	(6)
Mean	2.33	n 97	147	205	20	3	[472]	(6)
Std Dev	0.87	% 20.6	31.1	43.4	4.2	0.6	[100.0]	(1.3)
4. {16q544} Even though the matter is behind me, I still feel that the ATO will not forgive me for what I have done		1	2	3	4	5	[472]	(6)
Mean	3.08	n 23	103	195	116	35	[472]	(6)
Std Dev	0.98	% 4.9	21.8	41.3	24.6	7.4	[100.0]	(1.3)
5. {16q545} I felt the ATO rejected me as a law-abiding citizen because of my involvement in tax schemes		1	2	3	4	5	[473]	(5)
Mean	3.14	n 28	113	151	127	54	[473]	(5)
Std Dev	1.09	% 5.9	23.9	31.9	26.8	11.4	[100.0]	(1.0)



You have completed more than half of the questionnaire! Why not have a coffee break before commencing the next section.

6. TRUST

6.1. We are interested in hearing about how your experience with the ATO over the past few years has affected your trust. Think of the ATO and what it has been doing over the past few years. To what extent do you agree or disagree with the following statements.

The Tax Office (ATO)...		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {17q611} Has misled the Australian people.....		1	2	3	4	5	[476]	(2)
Mean	3.23	n 15	110	158	138	55	[476]	(2)
Std Dev	1.03	% 3.2	23.1	33.2	29.0	11.6	[100.0]	(0.4)
2. {17q612} Acted in the interests of all Australians.....		1	2	3	4	5	[476]	(2)
Mean	2.73	n 39	171	150	112	4	[476]	(2)
Std Dev	0.94	% 8.2	35.9	31.5	23.5	0.8	[100.0]	(0.4)
3. {17q613} Turned its back on its responsibility to Australians.....		1	2	3	4	5	[476]	(2)
Mean	2.89	n 22	151	186	90	27	[476]	(2)
Std Dev	0.95	% 4.6	31.7	39.1	18.9	5.7	[100.0]	(0.4)
4. {17q614} Caved in to pressure from special interest groups.....		1	2	3	4	5	[474]	(4)
Mean	3.35	n 9	86	159	172	48	[474]	(4)
Std Dev	0.95	% 1.9	18.1	33.5	36.3	10.1	[100.0]	(0.8)

			Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
5. {17q615} Is trusted by you to administer the tax system fairly			1	2	3	4	5	[476]	(2)
Mean	2.96	n	32	136	138	157	13	[476]	(2)
Std Dev	1.00	%	6.7	28.6	29.0	33.0	2.7	[100.0]	(0.4)
6. {17q616} Takes advantage of people who are vulnerable			1	2	3	4	5	[476]	(2)
Mean	3.23	n	20	111	143	146	56	[476]	(2)
Std Dev	1.06	%	4.2	23.3	30.0	30.7	11.8	[100.0]	(0.4)
7. {17q617} Meets its obligations to Australians			1	2	3	4	5	[475]	(3)
Mean	3.07	n	21	93	198	157	6	[475]	(3)
Std Dev	0.87	%	4.4	19.6	41.7	33.1	1.3	[100.0]	(0.6)
8. {17q618} Is open and honest in its dealings with citizens			1	2	3	4	5	[476]	(2)
Mean	2.64	n	62	160	149	98	7	[476]	(2)
Std Dev	1.00	%	13.0	33.6	31.3	20.6	1.5	[100.0]	(0.4)

6.2. The following questions seek to find out how your views about the Tax Office may have changed over the past decade as a result of your experiences with them.

1. How much trust did you have in the Tax Office.....

a) {17q621a} Before they moved to disallow your scheme related tax deductions (eg. let's say in 1996)?

			No trust at all	Very little	Some trust	A lot of trust	A great deal of trust	Total Valid	Missing Data
			1	2	3	4	5	[473]	(5)
Mean	3.66	n	7	28	157	208	73	[473]	(5)
Std Dev	0.86	%	1.5	5.9	33.2	44.0	15.4	[100.0]	(1.0)

b) {17q621b} After they moved to disallow your scheme related tax deductions (eg. let's say in 2000)?

			No trust at all	Very little	Some trust	A lot of trust	A great deal of trust	Total Valid	Missing Data
			1	2	3	4	5	[473]	(5)
Mean	2.13	n	115	211	119	27	1	[473]	(5)
Std Dev	0.85	%	24.3	44.6	25.2	5.7	0.2	[100.0]	(1.0)

c) {18q621c} After they made their settlement offer to tax scheme investors (eg. 2002)?

			No trust at all	Very little	Some trust	A lot of trust	A great deal of trust	Total Valid	Missing Data
			1	2	3	4	5	[471]	(7)
Mean	2.34	n	73	197	170	29	2	[471]	(7)
Std	0.83	%	15.5	41.8	36.1	6.2	0.4	[100.0]	(1.5)

d) {18q621d} Today (eg. 2008)?

			No trust at all	Very little	Some trust	A lot of trust	A great deal of trust	Total Valid	Missing Data
			1	2	3	4	5	[472]	(6)
Mean	2.64	n	53	136	214	65	4	[472]	(6)
Std	0.89	%	11.2	28.8	45.3	13.8	.8	[100.0]	(1.3)

2. How fair did you think the Tax Office was.....

a) {18q622a} Before they moved to disallow your scheme related tax deductions (eg. let's say in 1996)?

			Not fair at all	Unfair	Not unfair Nor fair	Fair	Very Fair	Total Valid	Missing Data
			1	2	3	4	5	[474]	(4)
Mean	3.45	n	26	47	124	240	37	[474]	(4)
Std Dev	0.97	%	5.5	9.9	26.2	50.6	7.8	[100.0]	(0.8)

b) {18q622b} After they moved to disallow your scheme related tax deductions (eg. let's say in 2000)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	1.90	n	176	204	62	32	0	[474]	(4)
Std Dev	0.87	%	37.1	43.0	13.1	6.8	0.0	[100.0]	(0.8)

c) {18q622c} After they made their settlement offer to tax scheme investors (eg. 2002)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	2.29	n	113	179	116	65	1	[474]	(4)
Std Dev	0.99	%	23.8	37.8	24.5	13.7	0.2	[100.0]	(0.8)

d) {18q622d} Today (eg. 2008)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	2.72	n	65	118	178	107	5	[473]	(5)
Std Dev	1.00	%	13.7	24.9	37.6	22.6	1.1	[100.0]	(1.0)

3. How fair did you think our tax laws were.....

a) {18q623a} Before the ATO moved to disallow your scheme related tax deductions (eg. let's say in 1996)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	3.44	n	13	64	125	240	29	[471]	(7)
Std Dev	0.90	%	2.8	13.6	26.5	51.0	6.2	[100.0]	(1.5)

b) {19q623b} After the ATO moved to disallow your scheme related tax deductions (eg. let's say in 2000)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	2.08	n	131	219	79	42	2	[473]	(5)
Std Dev	0.91	%	27.7	46.3	16.7	8.9	0.4	[100.0]	(1.0)

c) {19q623c} After the ATO made their settlement offer to tax scheme investors (eg. 2002)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	2.33	n	101	187	117	65	3	[473]	(5)
Std Dev	0.98	%	21.4	39.5	24.7	13.7	0.6	[100.0]	(1.0)

d) {19q623d} Today (eg. 2008)?

		Not unfair					Total Valid	Missing Data	
		Not fair at all	Unfair	Nor fair	Fair	Very Fair			
		1	2	3	4	5			
Mean	2.73	n	59	126	175	107	5	[472]	(6)
Std Dev	0.98	%	12.5	26.7	37.1	22.7	1.1	[100.0]	(1.3)

4. How cooperative were you with the Tax Office.....

a) {19q624a} Before they moved to disallow your scheme related tax deductions (eg. let's say in 1996)?

							Total Valid	Missing Data	
		Extremely uncooperative	Uncooperative	Neither	Cooperative	Extremely cooperative			
		1	2	3	4	5			
Mean	4.29	n	3	4	18	279	170	[474]	(4)
Std Dev	0.64	%	0.6	0.8	3.8	58.9	35.9	[100.0]	(0.8)

b) {19q624b} After they moved to disallow your scheme related tax deductions (eg. let's say in 2000)?

			Extremely uncooperative	Uncooperative	Neither	Cooperative	Extremely cooperative	Total Valid	Missing Data
			1	2	3	4	5		
Mean	3.97	n	11	16	52	294	101	[474]	(4)
Std Dev	0.82	%	2.3	3.4	11.0	62.0	21.3	[100.0]	(0.8)

c) {19q624c} After they made their settlement offer to tax scheme investors (eg. 2002)?

			Extremely uncooperative	Uncooperative	Neither	Cooperative	Extremely cooperative	Total Valid	Missing Data
			1	2	3	4	5		
Mean	3.95	n	11	14	60	294	95	[474]	(4)
Std Dev	0.81	%	2.3	3.0	12.7	62.0	20.0	[100.0]	(0.8)

d) {19q624d} Today (eg. 2008)?

			Extremely uncooperative	Uncooperative	Neither	Cooperative	Extremely cooperative	Total Valid	Missing Data
			1	2	3	4	5		
Mean	3.98	n	9	11	58	300	95	[473]	(5)
Std Dev	0.77	%	1.9	2.3	12.3	63.4	20.1	[100.0]	(1.0)

5. How much effort did you put into minimising your taxes.....

a) {19q625a} Before the ATO moved to disallow your scheme related tax deductions (eg. let's say in 1996)?

			None	A little	Some	Quiet a bit	A lot	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.52	n	83	130	201	51	8	[473]	(5)
Std Dev	0.96	%	17.5	27.5	42.5	10.8	1.7	[100.0]	(1.0)

b) {20q625b} After the ATO moved to disallow your scheme related tax deductions (eg. let's say in 2000)?

			None	A little	Some	Quiet a bit	A lot	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.30	n	139	128	145	45	15	[472]	(6)
Std Dev	1.09	%	29.4	27.1	30.7	9.5	3.2	[100.0]	(1.3)

c) {20q625c} After the ATO made their settlement offer to tax scheme investors (eg. 2002)?

			None	A little	Some	Quiet a bit	A lot	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.30	n	145	125	133	53	16	[472]	(6)
Std Dev	1.12	%	30.7	26.5	28.2	11.2	3.4	[100.0]	(1.3)

d) {20q625d} How much effort do you put into minimising your taxes today (eg. 2008)?

			None	A little	Some	Quiet a bit	A lot	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.34	n	141	125	128	59	19	[472]	(6)
Std Dev	1.15	%	29.9	26.5	27.1	12.5	4.0	[100.0]	(1.3)

7. YOUR MENTAL WELL-BEING

7.1. Now we are interested in how the schemes situation has an had impact on your well-being.

			Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
			1	2	3	4	5		
1. {20q711} The situation surrounding my amended tax return has caused me a lot of embarrassment among my family.....									
Mean	2.68	n	86	153	103	92	41	[475]	(3)
Std Dev	1.22	%	18.1	32.2	21.7	19.4	8.6	[100.0]	(0.6)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
2. {t20q712} The situation surrounding my amended tax return has caused me a lot of embarrassment among my friends and acquaintances.....		1	2	3	4	5	[474]	(4)
Mean	2.58	n 90	150	131	75	28	[100.0]	(0.8)
Std Dev	1.14	% 19.0	31.6	27.6	15.8	5.9		
3. {t20q713} I regret the mistakes I made that led to the amendment of my tax return.....		1	2	3	4	5	[469]	(9)
Mean	2.60	n 107	148	84	87	43	[100.0]	(1.9)
Std Dev	1.27	% 22.8	31.6	17.9	18.6	9.2		
4. {t20q714} Getting involved in the issues surrounding my amended tax return went against my moral standards.....		1	2	3	4	5	[473]	(5)
Mean	2.51	n 88	171	120	74	20	[100.0]	(1.0)
Std Dev	1.09	% 18.6	36.2	25.4	15.6	4.2		
5. {t20q715} I can't believe I got involved in the issues surrounding my amended tax return		1	2	3	4	5	[471]	(7)
Mean	2.86	n 64	138	116	105	48	[100.0]	(1.5)
Std Dev	1.21	% 13.6	29.3	24.6	22.3	10.2		
6. {t20q716} I would never get involved again in the kind of thing that resulted in the amendment of my tax return.....		1	2	3	4	5	[473]	(5)
Mean	3.78	n 21	54	68	194	136	[100.0]	(1.0)
Std Dev	1.12	% 4.4	11.4	14.4	41.0	28.8		
7. {t20q717} I felt remorseful about the harm and anguish I caused my family during this incident		1	2	3	4	5	[473]	(5)
Mean	2.71	n 100	120	116	92	45	[100.0]	(1.0)
Std Dev	1.26	% 21.1	25.4	24.5	19.5	9.5		
8. {t20q718} I felt remorseful about the difficulty I presented the ATO by getting involved in these tax schemes		1	2	3	4	5	[473]	(5)
Mean	1.91	n 185	174	92	14	8	[100.0]	(1.0)
Std Dev	0.92	% 39.1	36.8	19.5	3.0	1.7		

7.2. Below are statements that describe how you may now feel about your involvement in tax schemes.

		Definitely do not feel this at all	Do not feel this	May feel this	Do feel this a little	Definitely feel this a great deal	Total Valid	Missing Data
1. {t21q721} I feel I let down my family							[473]	(5)
Mean	2.22	n 190	142	38	53	50	[100.0]	(1.0)
Std Dev	1.36	% 40.2	30.0	8.0	11.2	10.6		
2. {t21q722} I feel a great deal of distress							[474]	(4)
Mean	2.77	n 116	127	62	86	83	[100.0]	(0.8)
Std Dev	1.44	% 24.5	26.8	13.1	18.1	17.5		
3. {t21q723} I feel ashamed of myself.....							[473]	(5)
Mean	1.84	n 232	150	43	31	17	[100.0]	(1.0)
Std Dev	1.07	% 49.0	31.7	9.1	6.6	3.6		
4. {t21q724} I feel regret							[474]	(4)
Mean	2.72	n 120	111	85	96	62	[100.0]	(0.8)
Std Dev	1.38	% 25.3	23.4	17.9	20.3	13.1		
5. {t21q725} I feel angry with myself for what I did.....							[472]	(6)
Mean	2.24	n 169	154	49	65	35	[100.0]	(1.3)
Std Dev	1.27	% 35.8	32.6	10.4	13.8	7.4		

			Definitely do not feel this at all	Do not feel this	May feel this	Do feel this a little	Definitely feel this a great deal	Total Valid	Missing Data
6. {21q726} I feel concerned to put matters right and put it behind me.....									
Mean	3.21	n	65	76	120	119	92	[472]	(6)
Std Dev	1.31	%	13.8	16.1	25.4	25.2	19.5	[100.0]	(1.3)
7. {21q727} I feel ashamed because people criticized me for what I had done.....									
Mean	1.80	n	231	159	41	26	14	[471]	(7)
Std Dev	1.01	%	49.0	33.8	8.7	5.5	3.0	[100.0]	(1.5)
8. {21q728} I feel that what I had done was wrong.....									
Mean	1.55	n	285	142	29	10	7	[473]	(5)
Std Dev	0.82	%	60.3	30.0	6.1	2.1	1.5	[100.0]	(1.0)
9. {21q729} I feel bad about the harm and trouble I'd caused.....									
Mean	1.81	n	240	141	49	28	15	[473]	(5)
Std Dev	1.05	%	50.7	29.8	10.4	5.9	3.2	[100.0]	(1.0)
10. {21q7210} I continuously feel tense.....									
Mean	2.21	n	165	152	71	64	21	[473]	(5)
Std Dev	1.18	%	34.9	32.1	15.0	13.5	4.4	[100.0]	(1.0)
11. {21q7211} I feel full of bitterness.....									
Mean	2.62	n	129	113	89	92	50	[473]	(5)
Std Dev	1.35	%	27.3	23.9	18.8	19.5	10.6	[100.0]	(1.0)
12. {21q7212} I feel humiliated.....									
Mean	2.05	n	193	152	61	47	20	[473]	(5)
Std Dev	1.15	%	40.8	32.1	12.9	9.9	4.2	[100.0]	(1.0)
13. {21q7213} I feel embarrassed.....									
Mean	2.06	n	201	142	56	52	23	[474]	(4)
Std Dev	1.19	%	42.4	30.0	11.8	11.0	4.9	[100.0]	(0.8)
14. {21q7214} I feel unable to decide, in my own mind, whether or not I had done the wrong thing.....									
Mean	1.89	n	236	129	48	37	21	[471]	(7)
Std Dev	1.14	%	50.1	27.4	10.2	7.9	4.5	[100.0]	(1.5)
15. {21q7215} I feel guilty.....									
Mean	1.55	n	289	132	33	15	4	[473]	(5)
Std Dev	0.83	%	61.1	27.9	7.0	3.2	0.8	[100.0]	(1.0)
16. {21q7216} I feel angry with the ATO.....									
Mean	3.61	n	40	67	80	139	149	[475]	(3)
Std Dev	1.29	%	8.4	14.1	16.8	29.3	31.4	[100.0]	(0.6)
17. {21q7217} I feel embarrassed because I was the centre of attention.....									
Mean	1.92	n	211	153	58	34	16	[472]	(6)
Std Dev	1.08	%	44.7	32.4	12.3	7.2	3.4	[100.0]	(1.3)
18. {21q7218} I feel hopeful for the future.....									
Mean	3.61	n	24	49	126	164	110	[473]	(5)
Std Dev	1.10	%	5.1	10.4	26.6	34.7	23.3	[100.0]	(1.0)
19. {21q7219} I feel bothered by thoughts that I was being unfairly treated.....									
Mean	3.22	n	60	91	102	125	96	[474]	(4)
Std Dev	1.31	%	12.7	19.2	21.5	26.4	20.3	[100.0]	(0.8)
20. {21q7220} I want to get even with the ATO.....									
Mean	1.76	n	238	158	43	23	11	[473]	(5)
Std Dev	0.97	%	50.3	33.4	9.1	4.9	2.3	[100.0]	(1.0)

			Definitely do not feel this at all	Do not feel this	May feel this	Do feel this a little	Definitely feel this a great deal	Total Valid	Missing Data
21. {22q7221} I feel worried about what others think of me.....									
Mean	1.76	n	227	159	48	24	7	[465]	(13)
Std Dev	0.94	%	48.8	34.2	10.3	5.2	1.5	[100.0]	(2.7)
22. {22q7222} I feel a great deal of sadness									
Mean	2.20	n	176	142	55	64	28	[465]	(13)
Std Dev	1.25	%	37.8	30.5	11.8	13.8	6.0	[100.0]	(2.7)
23. {22q7223} I pretend that nothing happened.....									
Mean	2.17	n	142	179	77	54	12	[464]	(14)
Std Dev	1.07	%	30.6	38.6	16.6	11.6	2.6	[100.0]	(2.9)
24. {22q7224} I still feel good about myself, despite having been punished by the ATO.....									
Mean	3.93	n	29	40	68	125	201	[463]	(15)
Std Dev	1.22	%	6.3	8.6	14.7	27.0	43.4	[100.0]	(3.1)
25. {22q7225} I feel a great deal of despair.....									
Mean	2.06	n	185	157	53	46	22	[463]	(15)
Std Dev	1.16	%	40.0	33.9	11.4	9.9	4.8	[100.0]	(3.1)
26. {22q7226} I am constantly worrying about the future.....									
Mean	2.43	n	125	163	66	71	39	[464]	(14)
Std Dev	1.26	%	26.9	35.1	14.2	15.3	8.4	[100.0]	(2.9)
27. {22q7227} I feel resentful towards the ATO.....									
Mean	3.01	n	76	109	99	98	84	[466]	(12)
Std Dev	1.35	%	16.3	23.4	21.2	21.0	18.0	[100.0]	(2.5)
28. {22q7228} I feel awkward and aware of myself.....									
Mean	1.85	n	186	193	58	19	7	[463]	(15)
Std Dev	0.90	%	40.2	41.7	12.5	4.1	1.5	[100.0]	(3.1)
29. {22q7229} I make a joke of it.....									
Mean	2.09	n	156	177	73	45	11	[462]	(16)
Std Dev	1.05	%	33.8	38.3	15.8	9.7	2.4	[100.0]	(3.3)
30. {22q7230} I feel extremely annoyed.....									
Mean	3.05	n	73	105	92	117	78	[465]	(13)
Std Dev	1.33	%	15.7	22.6	19.8	25.2	16.8	[100.0]	(2.7)
31. {22q7231} I have risen above it.....									
Mean	3.89	n	19	42	83	147	173	[464]	(14)
Std Dev	1.13	%	4.1	9.1	17.9	31.7	37.3	[100.0]	(2.9)
32. {22q7232} I feel bad because what I did might have hurt someone.....									
Mean	1.69	n	242	165	25	24	8	[464]	(14)
Std Dev	0.92	%	52.2	35.6	5.4	5.2	1.7	[100.0]	(2.9)
33. {22q7233} I feel that I have stuffed up future opportunities.....									
Mean	2.21	n	177	143	52	51	40	[463]	(15)
Std Dev	1.29	%	38.2	30.9	11.2	11.0	8.6	[100.0]	(3.1)
34. {22q7234} I feel I am a failure									
Mean	1.74	n	242	152	34	21	15	[464]	(14)
Std Dev	1.00	%	52.2	32.8	7.3	4.5	3.2	[100.0]	(2.9)
35. {22q7235} I feel quite depressed.....									
Mean	1.94	n	223	132	47	40	23	[465]	(13)
Std Dev	1.17	%	48.0	28.4	10.1	8.6	4.9	[100.0]	(2.7)

			Definitely do not feel this at all	Do not feel this	May feel this	Do feel this a little	Definitely feel this a great deal	Total Valid	Missing Data
36. {t22q7236} I feel like hitting out and blaming others									
Mean	1.68	n	244	159	34	19	8	[464]	(14)
Std Dev	0.91	%	52.6	34.3	7.3	4.1	1.7	[100.0]	(2.9)
37. {t22q7237} I feel anxiety									
Mean	2.06	n	202	127	64	47	24	[464]	(14)
Std Dev	1.20	%	43.5	27.4	13.8	10.1	5.2	[100.0]	(2.9)
38. {t22q7238} I feel like I have lost respect among my friends									
Mean	1.60	n	263	148	33	13	6	[463]	(15)
Std Dev	0.84	%	56.8	32.0	7.1	2.8	1.3	[100.0]	(3.1)
39. {t22q7239} I feel remorse									
Mean	1.71	n	238	152	56	13	7	[466]	(12)
Std Dev	0.89	%	51.1	32.6	12.0	2.8	1.5	[100.0]	(2.5)

7.3. {t23q73} Do you think the schemes situation has left you feeling bitter about paying tax?

			Definitely Not	Not really	Somewhat	Yes	Definitely Yes	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.54	n	76	197	100	53	40	[466]	(12)
Std Dev	1.15	%	16.3	42.3	21.5	11.4	8.6	[100.0]	(2.5)

7.4. {t23q74} Do you think the schemes situation has left you feeling bitter towards the ATO?

			Definitely Not	Not really	Somewhat	Yes	Definitely Yes	Total Valid	Missing Data
			1	2	3	4	5		
Mean	3.11	n	45	122	119	96	84	[466]	(12)
Std Dev	1.25	%	9.7	26.2	25.5	20.6	18.0	[100.0]	(2.5)

7.5. {t23q75} Do you think the schemes situation has left you feeling bitter towards the Government?

			Definitely Not	Not really	Somewhat	Yes	Definitely Yes	Total Valid	Missing Data
			1	2	3	4	5		
Mean	2.89	n	56	152	105	93	60	[466]	(12)
Std Dev	1.23	%	12.0	32.6	22.5	20.0	12.9	[100.0]	(2.5)

7.6. Below are some statements that describe how your experience may have affected your taxpaying behaviour. (remember your answers will be kept confidential)

			Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t23q761} I am no longer prepared to make investments.....			1	2	3	4	5		
Mean	2.73	n	80	179	49	103	56	[467]	(11)
Std Dev	1.31	%	17.1	38.3	10.5	22.1	12.0	[100.0]	(2.3)
2. {t23q762} I now try to avoid paying as much tax as possible			1	2	3	4	5		
Mean	2.64	n	65	159	140	84	19	[467]	(11)
Std Dev	1.06	%	13.9	34.0	30.0	18.0	4.1	[100.0]	(2.3)
3. {t23q763} I no longer declare all of my income			1	2	3	4	5		
Mean	1.54	n	260	175	23	7	2	[467]	(11)
Std Dev	0.70	%	55.7	37.5	4.9	1.5	0.4	[100.0]	(2.3)
4. {t23q764} I now use the tax system in a negative way to recoup the financial losses I have incurred.....			1	2	3	4	5		
Mean	1.82	n	193	191	60	17	5	[466]	(12)
Std Dev	0.87	%	41.4	41.0	12.9	3.6	1.1	[100.0]	(2.5)
5. {t23q765} I am now more defiant towards the ATO.....			1	2	3	4	5		
Mean	2.05	n	143	197	93	28	6	[467]	(11)
Std Dev	0.93	%	30.6	42.2	19.9	6.0	1.3	[100.0]	(2.3)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
6. {t23q766} I now look for ways to purposefully cheat the tax system		1	2	3	4	5	[467]	(11)
Mean	1.47	n	290	142	31	2	2	
Std Dev	0.68	%	62.1	30.4	6.6	0.4	0.4	[100.0] (2.3)

7. {t23q767} I now look for many ways to recoup my financial losses		1	2	3	4	5	[466]	(12)
Mean	2.08	n	175	159	58	68	6	
Std Dev	1.09	%	37.6	34.1	12.4	14.6	1.3	[100.0] (2.5)

7.7. What do YOU think?

		No!!	No	Don't Know	Yes	Yes!!	Total Valid	Missing Data
1. {t23q771} Do YOU think you should honestly declare cash earnings on your tax return?		No!!	No	Don't Know	Yes	Yes!!	[466]	(12)
Mean	3.92	n	19	44	45	207	151	
Std Dev	1.08	%	4.1	9.4	9.7	44.4	32.4	[100.0] (2.5)

2. {t23q772} Do YOU think it is acceptable to overstate tax deductions on your tax return?		No!!	No	Don't Know	Yes	Yes!!	[467]	(11)
Mean	1.87	n	139	280	24	18	6	
Std Dev	0.78	%	29.8	60.0	5.1	3.9	1.3	[100.0] (2.3)

3. {t23q773} Do YOU think working for cash-in-hand payments without paying tax is a trivial offence?		No!!	No	Don't Know	Yes	Yes!!	[467]	(11)
Mean	2.30	n	123	196	46	88	14	
Std Dev	1.14	%	26.3	42.0	9.9	18.8	3.0	[100.0] (2.3)

7.8. How much blame do you place on each of the following people for the situation that led to the amendment of your scheme-related tax return? (please answer all questions)

		None	Some	A lot	Completely to blame	Total Valid	Missing Data
1. {t24q781} Yourself		1	2	3	4	[464]	(14)
Mean	1.83	n	159	237	55	13	
Std Dev	0.74	%	34.3	51.1	11.9	2.8	[100.0] (2.9)

2. {t24q782} Your tax agent		1	2	3	4	[463]	(15)
Mean	2.05	n	197	98	116	52	
Std Dev	1.06	%	42.5	21.2	25.1	11.2	[100.0] (3.1)

3. {t24q783} Another professional who advised you		1	2	3	4	[455]	(23)
Mean	2.78	n	89	59	170	137	
Std Dev	1.08	%	19.6	13.0	37.4	30.1	[100.0] (4.8)

4. {t24q784} The Tax Office		1	2	3	4	[466]	(12)
Mean	2.94	n	43	86	195	142	
Std Dev	0.93	%	9.2	18.5	41.8	30.5	[100.0] (2.5)

5. {t24q785} Someone else {t24q785s} _____ (specify)		1	2	3	4	[243]	(235)
Mean	1.79	n	161	9	37	36	
Std Dev	1.17	%	66.3	3.7	15.2	14.8	[100.0] (49.2)

7.9. We would now like you to think about the tax system and where you position yourself within the tax system. When you think about tax.....

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
1. {t24q791} Do you see yourself as a member of the Australian community		1	2	3	4	5	[470]	(8)
Mean	4.59	n	3	3	5	164	295	
Std Dev	0.62	%	0.6	0.6	1.1	34.9	62.8	[100.0] (1.7)

2. {t24q792} Do you see yourself as an honest taxpayer		1	2	3	4	5	[470]	(8)
Mean	4.57	n	3	0	5	179	283	
Std Dev	0.59	%	0.6	0.0	1.1	38.1	60.2	[100.0] (1.7)

		Strongly disagree	Disagree	Neither	Agree	Strongly agree	Total Valid	Missing Data
3. {t24q793} Is it important for you to be seen as a member of the Australian community.....		1	2	3	4	5	[470]	(8)
Mean	4.23	n 6	10	72	163	219	[470]	(8)
Std Dev	0.88	% 1.3	2.1	15.3	34.7	46.6	[100.0]	(1.7)
4. {t24q794} Is it important for you to be seen as an honest taxpayer		1	2	3	4	5	[470]	(8)
Mean	4.25	n 4	9	66	180	211	[470]	(8)
Std Dev	0.83	% 0.9	1.9	14.0	38.3	44.9	[100.0]	(1.7)

8. TAXPAYING BEHAVIOUR

8.1. If the situation arose, how likely would you be to..... (please answer every question)

		Very unlikely	Unlikely	Maybe	Likely	Very likely	Total Valid	Missing Data
1. {t24q811} Call the ATO to discuss a problem you are having with your taxes		1	2	3	4	5	[471]	(7)
Mean	3.18	n 65	99	74	152	81	[471]	(7)
Std Dev	1.32	% 13.8	21.0	15.7	32.3	17.2	[100.0]	(1.5)
2. {t24q812} Willingly assist a tax officer if asked.....		1	2	3	4	5	[471]	(7)
Mean	3.96	n 13	21	64	246	127	[471]	(7)
Std Dev	0.91	% 2.8	4.5	13.6	52.2	27.0	[100.0]	(1.5)
3. {t24q813} Cooperate with the ATO if they want to clarify some aspect of your tax return		1	2	3	4	5	[471]	(7)
Mean	4.31	n 1	6	27	249	188	[471]	(7)
Std Dev	0.66	% 0.2	1.3	5.7	52.9	39.9	[100.0]	(1.5)
4. {t24q814} Report a tax offender to the ATO		1	2	3	4	5	[471]	(7)
Mean	2.44	n 97	173	121	57	23	[471]	(7)
Std Dev	1.09	% 20.6	36.7	25.7	12.1	4.9	[100.0]	(1.5)

8.2. {t25q82} Do you have an outstanding debt with the ATO?

	n	%	
Yes.....	1	19	4.1
No.....	2	450	95.9
	Total Valid	[469]	[100.0]
	Missing Data	(9)	(1.9)

-- continue
-- skip to Q8.5

8.3. {t25q83} If yes, was this debt incurred within the past 6 years?

	n	%
Yes.....	1	15
No.....	2	7
	Total Valid	[22]
	Missing Data	(456)
		[100.0]
		(95.4)

8.4. {t25q84} If you do have an outstanding debt with the ATO, is it your scheme related tax debt?

	n	%
Yes.....	1	7
No.....	2	17
	Total Valid	[24]
	Missing Data	(454)
		[100.0]
		(95.0)

8.5. {t25q85} In the last three years have you missed lodging a tax return that you should have lodged?

	n	%
Yes.....	1	30
No.....	2	439
	Total Valid	[469]
	Missing Data	(9)
		[100.0]
		(1.9)

8.6. {t25q86} As far as you know, did you report all the money you earned in your most recent income tax return?

	n	%
Yes.....	1 455	97.2
No.....	2 12	2.6
Don't Know.....	3 1	0.2
Total Valid	[468]	[100.0]
Missing Data	(10)	(2.1)

8.7. {t25q87} Have you worked for cash-in-hand payments in the last 12 months?

	n	%	
Yes.....	1 27	5.8	-- continue -- skip to Q8.10
No.....	2 441	94.2	
Total Valid	[468]	[100.0]	
Missing Data	(10)	(2.1)	

8.8. {t25q88} How much of your income in the past 12 months did you get paid in cash?

	n	%
None.....	0 12	8.2
Less than 5%.....	1 125	85.6
Between 5% and 20%.....	2 6	4.1
Between 20% and 50%.....	3 0	0.0
More than 50%.....	4 3	2.1
Total Valid	[146]	[100.0]
Missing Data	(332)	(69.5)

8.9. {t25q89} How much of your cash income did you declare in your most recent income tax return? (please circle a number)

	Mean	Std Dev	n	%	0	1	2	3	4	5	6	7	8	9	10	Total Valid	Missing Data
	7.58	4.14	25	20.3	2	1	1	1	0	1	0	0	2	6	85	[123]	[355]
					1.6	0.8	0.8	0.0	0.8	0.0	0.0	1.6	4.9	69.1		(100.0)	(74.3)

8.10. {t25q810} As far as you know, did you exaggerate the amount of deductions or rebates in your most recent income tax return?

	n	%
A lot.....	1 3	0.6
Quite a bit.....	2 0	0.0
Somewhat.....	3 8	1.7
A little.....	4 38	8.1
Not at all.....	5 419	89.9
Total Valid	[468]	[100.0]
Missing Data	(10)	(2.1)

8.11. {t26q811} Think of the deductions and rebates you claimed in your most recent income tax return. Would you say you were ... (Circle the answer that best describes you)

	n	%
Absolutely confident that they were all legitimate.....	1 428	89.7
A bit unsure about some of them.....	2 42	8.8
Pretty unsure about quite a lot.....	3 0	0.0
Haven't a clue, someone else did it.....	4 7	1.5
Total Valid	[477]	[100.0]
Missing Data	(1)	(0.2)

8.12. {t26q812} Some people put in a lot of effort to plan their financial affairs in order to legally pay as little tax as possible. How much effort did you or your family devote to this objective in preparing for your most recent income tax return?

	n	%
A lot.....	1 39	8.2
Quite a bit.....	2 55	11.5
Some.....	3 111	23.3
A little.....	4 119	24.9
None.....	5 153	32.1
Total Valid	[477]	[100.0]
Missing Data	(1)	(0.2)

8.13. {t26q813} When you were preparing for the lodgement of your most recent income tax return, how well did you understand what the Tax Office expected of you? Would you say your understanding was...

	n	%
Extremely good.....	1	88
Good.....	2	162
Reasonable.....	3	162
Partial.....	4	39
Poor.....	5	24
Total Valid	[475]	[100.0]
Missing Data	(3)	(0.6)

8.14. {t26q814} In preparing for your most recent income tax return, did you look at several different ways of arranging your finances to minimize your tax?

	n	%
Yes.....	1	139
No.....	2	337
Total Valid	[476]	[100.0]
Missing Data	(2)	(0.4)

8.15. {t26q815} Since being penalised by the ATO for your scheme involvement, have you been penalised for any other tax offence?

	n	%
Yes.....	1	10
No.....	2	461
Don't Know.....	3	5
Total Valid	[476]	[100.0]
Missing Data	(2)	(0.4)

8.16. {t26q816} If you had the chance, do you think you would ever consider taking advantage of the tax system in the future?

								Total Valid	Missing Data
			Definitely Not	Probably Not	Depends on the circumstance	Probably Yes	Definitely Yes		
			1	2	3	4	5		
Mean	2.32	n	139	126	145	49	16	[475]	(3)
Std Dev	1.10	%	29.3	26.5	30.5	10.3	3.4	[100.0]	(0.6)

8.17. Imagine yourself in the following situation: You have claimed \$5000 as work deductions when the expenses have nothing to do with work.

1. {t27q8171} The chances that you will get caught are....

						Total Valid	Missing Data		
			About zero(0%)	About 25%	50/50	About 75%	Almost certain (100%)		
			1	2	3	4	5		
Mean	3.73	n	12	55	127	130	146	[4701]	(8)
Std Dev	1.10	%	2.6	33.7	27.0	27.7	31.1	[100.0]	(1.7)

2. {t27q8172} If you got caught, how much of a problem would the consequences be for you?....

						Total Valid	Missing Data		
			Not at all				Very much		
			1	2	3	4	5		
Mean	4.21	n	6	30	61	139	237	[473]	(5)
Std Dev	0.98	%	1.3	6.3	12.9	29.4	50.1	[100.0]	(1.0)

3. {t27q8173} Would you feel embarrassed?....

						Total Valid	Missing Data		
			Not at all				Very much		
			1	2	3	4	5		
Mean	4.0	n	31	27	72	123	220	[473]	(5)
Std Dev	1.20	%	6.6	5.7	15.2	26.0	46.5	[100.0]	(1.0)

4. {t27q8174} Would you feel guilty?....

						Total Valid	Missing Data		
			Not at all				Very much		
			1	2	3	4	5		
Mean	4.04	n	29	23	59	149	213	[476]	(5)
Std Dev	1.15	%	6.1	4.9	12.5	31.5	45.0	[100.0]	(1.0)

8.18. Imagine yourself in another situation: You have been paid \$5000 in cash for work that you have done outside your regular job. You don't declare it on your tax return.

1. {t27q8181} The chances that you will get caught are....

			1	2	3	4	5	Total Valid	Missing Data
Mean	2.54	n	119	127	120	56	47	[469]	(9)
Std Dev	1.26	%	25.4	27.1	25.6	11.9	10.0	[100.0]	(1.9)

2. {t27q8182} If you got caught, how much of a problem would the consequences be for you?....

			1	2	3	4	5	Total Valid	Missing Data
Mean	4.01	n	17	46	53	156	199	[471]	(7)
Std Dev	1.12	%	3.6	9.8	11.3	33.1	42.3	[100.0]	(1.5)

3. {t27q8183} Would you feel embarrassed?....

			1	2	3	4	5	Total Valid	Missing Data
Mean	3.79	n	43	43	72	125	188	[471]	(7)
Std Dev	1.30	%	9.1	9.1	15.3	26.5	39.9	[100.0]	(1.5)

4. {t27q8184} Would you feel guilty?....

			1	2	3	4	5	Total Valid	Missing Data
Mean	3.73	n	51	43	72	120	185	[471]	(7)
Std Dev	1.35	%	10.8	9.1	15.3	25.5	39.3	[100.0]	(1.5)

Thank you very much for filling out our survey. This is the last survey in our series.

{t28futur} However, we are thinking of conducting some in-depth personal interviews with people. We would like to discuss how the ATO should have dealt with the whole tax effective schemes matter. We are thinking of doing this sometime in 2009. Would you be prepared to speak with a member of my research team in the future?

	n	%
Yes..... 1	212	52.3
No..... 2	193	47.7
Total Valid	[405]	[100.0]
Missing Data	(73)	(15.3)

Thank you, could we please have your contact phone number so that we can call you directly to arrange an interview?

{t28homen} Home phone number **{t28mobno}** Mobile phone number

() _____

Has your address changed or do you expect to move in the next year? Please give us your latest address in case we can't reach you by telephone.

{t28addr} Address

{t28subur} Suburb **{t28state}** State **{t28pcode}** Postcode

THANK YOU VERY MUCH FOR FILLING OUT THE QUESTIONNAIRE!!

We know that this was a long questionnaire but the questions were important and we really appreciate your dedication in seeing it through to the end.

Please put your completed survey in the return reply-paid envelope and mail it back to us. If you have misplaced your reply-paid envelope, you can send your completed survey to: Reply Paid 170, Civic Square, ACT 2608. Your co-operation has been a great help. For those interested in the results of our past research please see <http://ctsi.anu.edu.au>. Thanks again and we wish you well in the future!

{t28comme} If you have any comments which you would like to add, please write them below.



APPENDIX ONE

1.2. What is your age in years? _____ *years*

Value Label	Value	Frequency	Valid %			
	29	1	0.2	58	17	3.7
	32	1	0.2	59	10	2.2
	35	1	0.2	60	15	3.3
	36	1	0.2	61	18	3.9
	37	1	0.2	62	21	4.6
	38	1	0.2	63	18	3.9
	39	2	0.4	64	7	1.5
	40	2	0.4	65	10	2.2
	41	1	0.2	66	13	2.8
	42	8	1.7	67	15	3.3
	43	11	2.4	68	8	1.7
	44	11	2.4	69	10	2.2
	45	16	3.5	70	5	1.1
	46	13	2.8	71	4	0.9
	47	16	3.5	72	3	0.7
	48	15	3.3	73	1	0.2
	49	15	3.3	74	1	0.2
	50	15	3.3	75	4	0.9
	51	18	3.9	76	1	0.2
	52	14	3.1	78	1	0.2
	53	17	3.7	79	1	0.2
	54	27	5.9	81	1	0.2
	55	23	5			
	56	21	4.6			
	57	23	5			
				Total	[458]	[100.0]
				Missing	(20)	(4.2)
				Mean	55.78	
				Std Dev	8.54	
				Median	55.00	