The Community Hopes, Fears and Actions Survey was developed to obtain a snapshot of the beliefs, attitudes, values and motivations held by Australian citizens in relation to the Australian Taxation Office (Tax Office), the tax system, Australian democracy, and fellow taxpayers in 2000[1]. The survey was conducted during the introduction of a new tax system when Australia was changing from a country without a goods and services tax (GST) to one with such a tax.

Questionnaires were posted to a random sample of Australians in late May and early June 2000, with subsequent mailings in late July and early August. Some 7754 names were chosen at random from the publicly available electoral rolls. The response rate for the survey was 29%. Full details on the methodology of the study appear in Working Paper No. 4 (Mearns & Braithwaite, 2001).

The design of the survey was based on the following assumptions and propositions about tax compliance:

(a) Individuals are consciously aware of their own compliance behaviour in the area of taxation.

(b) The degree to which individuals believe they are complying with the law may not correspond to tax officer assessments of whether or not they are complying.

(c) The gap between the compliance beliefs of the taxpayer and tax officer is attributable to error on the part of either, different interpretations of what the law means, a desire to 'beat' the other, or some combination of these factors.

(d) The survey can examine only taxpayer perceptions of their compliance behaviour. Tax officer assessments and the gap between taxpayer perceptions and tax officer assessments are topics that are out of scope, although clearly important in examining the integrity of the tax system.

(e) Compliance is shaped by broad and relatively enduring factors that determine how individuals position themselves in relation to a regulatory system. An example of such a factor would be confidence in the system, that is, a belief that the system was legitimate and that it was going to last.

(f) Compliance is also shaped by specific factors that are bound by time and place. An example of such a factor would be physical well-being at the time of tax lodgment, or competing family or work obligations.

(g) The focus of this study is on the broad and relatively enduring factors because these are most important to questions relating to the redesign of tax systems.

(h) Through studying the more general and enduring drivers of compliance in individuals, principles can be extracted for managing the change process in the

---

tax system, and steering such change in directions that do not undermine the legitimacy of the system.

(i) The general model guiding the development of this questionnaire is as follows:
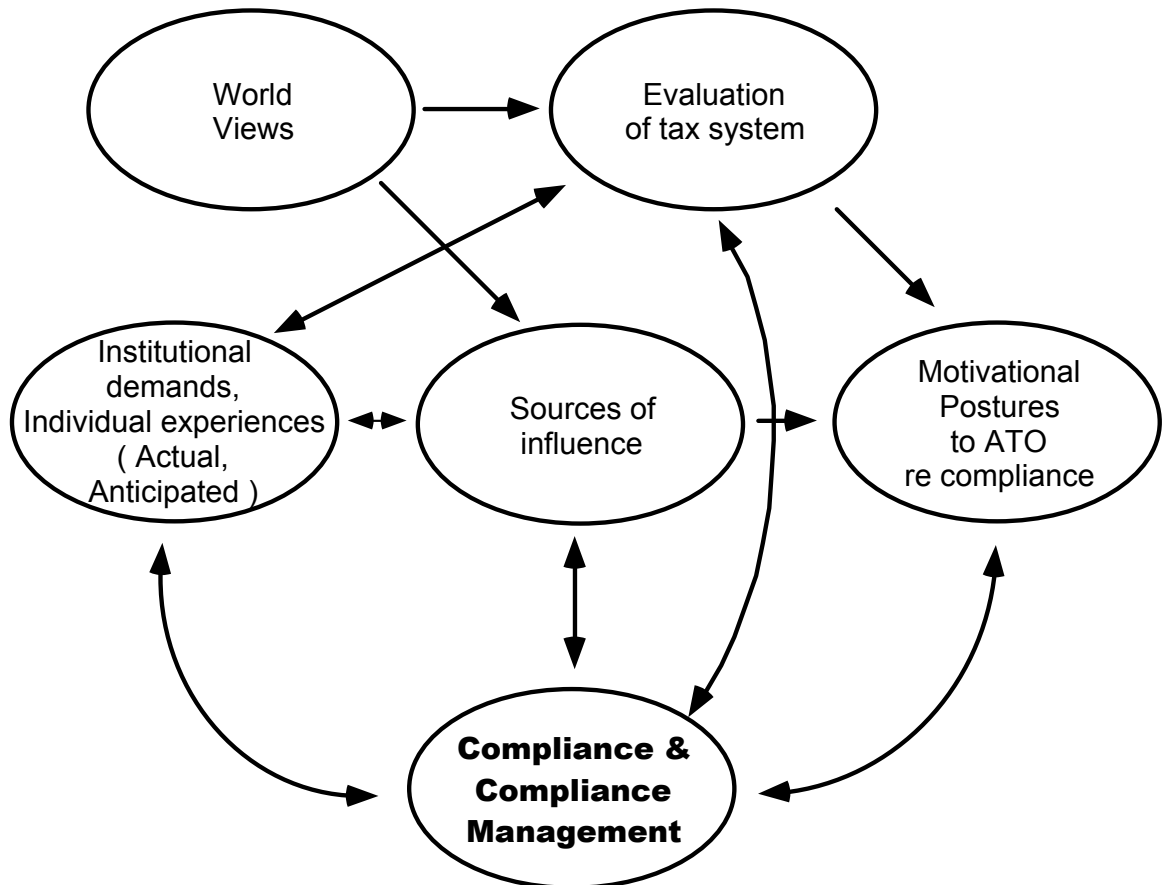
Each cluster of variables is described in the sections that follow, with reference to the items in the questionnaire that represent the particular construct. For instance, a number of questions are asked about world views. World views refer to our underlying beliefs about the kind of world we live in and want to live in. Such views are expected to influence the way we see the tax system and who is likely to influence and change our views, as indicated by the arrows in the above model. All the questions in the questionnaire that relate to world views are described in the next section of this working paper. We also identify their location in the questionnaire. The working paper proceeds to define each of the clusters described in the above model.

The unit of analysis for the model is the individual. Aggregated responses to the variables belonging to each cluster in the above model go to the heart of assessing the integrity of the tax system. Thus aggregated responses provide insight into areas of weakness for maintaining high tax system integrity. These issues are discussed in a forthcoming working paper.