

## **Abstract**

This paper develops a different kind of analysis of the compliance policy of the High Wealth Individuals (HWI) Taskforce of the Australian Taxation Office (Tax Office). It takes as its starting point the perceptions of HWI advisers who report that they have a considerable capacity to secure compliance with the law simply by pointing out to clients that something is illegal. Hence, working with advisers is important. Most advisers say they want more face-to-face communication with analysts. It is concluded that there is a set of good policy reasons for the Tax Office to respond to this concern. When advisers did have contact with HWI Taskforce staff, they overwhelmingly found them fair and professional. There was only one case of a specific complaint of non-compliance with the Taxpayers' Charter from the 27 advisers interviewed.

The majority of advisers are also quite concerned about compliance costs from completing expanded returns. While abandoning the expanded return program would be a major mistake, there are a variety of ways the Tax Office can respond to these concerns. There was a lot of angst among advisers over the atmosphere of political 'witch hunt' that they felt permeated the initial establishment of the Taskforce.

A number of more specific perceptions, future evaluation research ideas and recommendations are listed at the back of this report. The key elements of the Australian Taxation Office Compliance Model (ATO Compliance Model) - understanding taxpayer behaviour, building community partnerships, increasing flexibility of Tax Office operations, and more and escalating regulatory options to enforce compliance - seem to be working to bring about some improvement in HWI compliance.