

Abstract

This paper reports on the perceptions and early experience of staff in the Australian Taxation Office (Tax Office) with responsive regulation. The Tax Office adapted responsive regulation to take the form of the Australian Taxation Office Compliance Model (ATO Compliance Model), which was introduced into the Tax Office in early 1998.

Between December 1998 and July 1999, interviews were conducted with operative staff in Tax Office branch offices to determine the extent of staff acceptance and use of the ATO Compliance Model. These interviews examined perceptions of legitimacy of responsive regulation, and barriers to its adoption. Most of those interviewed thought the Compliance Model 'made sense'. Generally, interviewees saw the Model as legitimate because it encouraged creativity, increased job satisfaction, improved staff communication, and raised awareness of the needs of taxpayers.

There were both organisational and individual barriers, which resulted in some resistance to the ATO Compliance Model. However, resistance was more than balanced by enthusiasm. Overall, the changes required within the organisation to adopt responsive regulation were cultural, organisational and personal. Operative staff recognised the need for these changes, looked for intrinsic reward and were keen to acquire the skills needed to regulate responsively.

This paper should be read in conjunction with Centre for Tax System Integrity Working Paper No. 28, which reports on interviews with senior Tax Office staff who championed the implementation of the ATO Compliance Model.