

Centre for Tax System Integrity

The Australian National University

GRADUATES' HOPES, VISIONS & ACTIONS

Project mission: "giving Australian graduates a say on the HECScheme"

A survey from The Australian National University 2000

ABOUT THIS SURVEY

This survey is being conducted to understand how graduates feel about their tertiary education experiences and also how they view their own taxpaying behavior. The answers to these questions will give us valuable information and a clearer understanding of graduates' course experiences, their views on the HECScheme and the concerns they may have more generally about taxation.

All the information you provide will be treated in the strictest confidence. No personal details will be revealed to anyone. We have asked for some background information from you. This is not meant to be an invasion of privacy but we value this information as it allows us to assess how people in different circumstances have different interests and views on the HECScheme.

Please answer all sections carefully and return the questionnaire to us as soon as possible.

HOW TO ANSWER

To answer most questions, you need only to circle a number. For example:

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree	
The government in Canberra is doing a good job	1	2	3	4	5	6	If you slightly agree with the statement, circle "4"

With some questions, you will need to write down your comments. All responses to this survey are very important to us. There are no right or wrong answers - we just want to know your own opinion.

Enjoy the questionnaire. And thank you very much for helping.

Dr Eliza Ahmed Research School of Social Sciences Australian National University CANBERRA ACT 0200 Phone: (02) 6249 0119

ALL INFORMATION WILL BE TREATED IN THE STRICTEST CONFIDENCE.

PART I

Below are some statements about what graduates think of the Higher Education Contribution Scheme (HECS). Please indicate the extent to which you agree with the following statements by circling the number closest to your own view.

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
1. The HECScheme should be abolished	1	2	3	4	5	6
2. It's okay if people don't repay their HECS debt	1	2	3	4	5	6
3. It's okay not declaring to your employer that you have a HECS debt	1	2	3	4	5	6
4. People are not satisfied with the HECScheme	1	2	3	4	5	6
5. The HECScheme favors the rich over the poor	1	2	3	4	5	6
6. The HECScheme is functioning very well as it is	1	2	3	4	5	6
7. In general, the HECScheme is a fair system	1	2	3	4	5	6
8. "Students who pay up front are eligible to have a 25% discount rate" – this is unfair	1	2	3	4	5	6
9. "Differential rates of HECS apply to commencing students depending upon the type of course (e.g., medicine, science) undertaken" – this is unfair	1	2	3	4	5	6
10. Recently, the threshold level for compulsory payment of a HECS debt was lowered. This is unfair	1	2	3	4	5	6
11. People are very resentful about repaying a HECS debt	1	2	3	4	5	6
12. There are more negatives than positives in the HECScheme	1	2	3	4	5	6
13. When I think about repaying a HECS debt, I feel as if I am losing out	1	2	3	4	5	6

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
14. Repaying a HECS debt prevents me from spending money on things that are important to me	1	2	3	4	5	6
15. Not repaying my HECS debt puts my reputation at risk	1	2	3	4	5	6
16. I think people gain by paying HECS up front because they get a 25% discount	1	2	3	4	5	6
17. Deferring HECS makes people feel like they are losing money because the debt is indexed for inflation each year	1	2	3	4	5	6
18. You are ahead if you get a degree first, then pay HECS afterwards	1	2	3	4	5	6
19. Deferring a HECS debt gives you a chance to avoid repaying the debt	1	2	3	4	5	6
20. In general, I don't think of the benefits – I just see the HECScheme as taking money from my pocket	1	2	3	4	5	6

The following statements are about your feelings toward the HECScheme. Please indicate the extent to which you agree with them by circling the number closest to your own view.

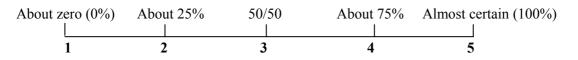
	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
1. Repaying a HECS debt is the right thing to do	1	2	3	4	5	6
2. Repaying a HECS debt is a responsibility	1	2	3	4	5	6
3. Even if the Tax Office finds that I am not repaying my HECS debt, they will respect me in the long run as long as I admit this mistake	1	2	3	4	5	6
4. The HECScheme is encouraging to those who are financially unable to pursue higher education	1	2	3	4	5	6

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
5. I enjoy the challenge of not repaying my HECS debt	1	2	3	4	5	6
6. The Tax Office is more interested in catching you for not repaying a HECS debt, than helping you repay the debt	1	2	3	4	5	6
7. I don't care if I am not repaying my HECS debt	1	2	3	4	5	6
8. Repaying one's HECS debt ultimately advantages future students	1	2	3	4	5	6
9. One should repay the HECS debt and share in the cost of providing education	1	2	3	4	5	6
10. Not repaying the HECS debt is violating the right of future students	1	2	3	4	5	6
11. It's disappointing that some graduates do not repay their HECS debt	1	2	3	4	5	6
12. The community loses benefit because some graduates do not repay their HECS debt	1	2	3	4	5	6
13. Graduates who do not repay their HECS debt spoil things for future students	1	2	3	4	5	6

PART II

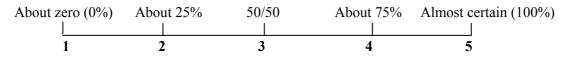
• Imagine that you chose to defer payment of your HECS debt and you are now required to repay the debt through the taxation system. You DO NOT repay the debt.

1. What do you think the chances are that you will get caught?



• Suppose that you did get caught. What are the chances that you would have to face the following legal consequences?

2. Pay a substantial fine + pay the debt you owe with interest.



3. Pay the debt you owe with interest.

About z	ero (0%)	About 25%	50/50	About 75%	Almost certain (100%)
	1	2	3	4	5

• Look at the legal consequences again. How much of a problem would they be for you?

4. Pay a substantial fine + pay the debt you owe with interest	No problem	A small problem	A medium problem	A large problem
	1	2	3	4
5. Pay the debt you owe with interest	1	2	3	4

6. Assume that you had to pay a substantial fine or penalty. How likely is it that the following would occur?

	Not likely	May happen	Likely	Almost certain
1. Feel that I had let down my family	1	2	3	4
2. Feel ashamed of myself	1	2	3	4
3. Feel angry with myself for what I did	1	2	3	4
4. Feel concerned to put matters right and put it behind me	1	2	3	4
5. Feel that what I had done was wrong	1	2	3	4
6. Feel bad about the trouble I'd caused	1	2	3	4
7. Feel humiliated	1	2	3	4
8. Feel that I have harmed my reputation	1	2	3	4
9. Feel that I am being noticed by everyone in a negative way	1	2	3	4
10. Feel embarrassed	1	2	3	4
11. Feel unable to decide, in my own mind, whether or not I had done the wrong thing	1	2	3	4

	Not likely	May happen	Likely	Almost certain
12. Feel guilty	1	2	3	4
13. Feel angry with the Tax Office	1	2	3	4
14. Feel bothered by thoughts that I was being unfairly treated by being given a penalty	1	2	3	4
15. Feel that I wanted to get even with the Tax Office	1	2	3	4
16. Pretend that nothing was happening	1	2	3	4
17. Make a joke of it	1	2	3	4
18. Rise above it	1	2	3	4
19. Feel like blaming the Tax Office as it failed to make me aware of my responsibilities	1	2	3	4
20. Feel like I am the victim here as I was not made aware of my responsibilities	1	2	3	4
21. Feel like "So what? I am asked to pay a fine and I don't care"	1	2	3	4
22. Regret the mistakes I have made	1	2	3	4
23. Feel insecure about what others are thinking about me	1	2	3	4

PART III

Please answer the following questions which ask about your HECS payment and income tax returns.

1.	Do you have a HECS debt?	Yes No					
2.	Which HECS payment option	did you choose Up front pay Partial up fi Deferred pa	yment op cont payn	nent op	tion	 1 2 3	
3.	If your HECS payment was m	ade up front, wi Yourself Parent Employer Other (pleas	••••	? Yes Yes Yes	No No No	 	

4. Imagine that you chose to defer payment of your HECS debt. You are now about to commence a job and you need to fill out an employment declaration form. If you don't declare that you have a HECS debt, you have 67% chance of <u>not getting caught</u> and 33% chance of <u>getting caught</u> with a substantial fine.

• In this hypothetical situation, which of the following two choices would you favor? (circle the number you would favor)

- i Would you declare that you have a HECS debt?
 - Or
- ii Would you NOT declare that you have a HECS debt?

If you have deferred your HECS payment AND if you are employed, start from Q5 \mathcal{S} . If you paid up front AND if you are employed, start from Q9 \clubsuit . If you have never lodged an income tax return OR if you are unemployed, start from Q20 \clubsuit .

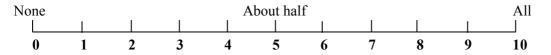
♪ 5. Did you declare in your Employment Declaration that you had a HECS debt?	Yes	No	
6. Does your employer know that you have a HECS debt?		Yes	No
7. Does your employer deduct additional tax installments for your HECS debt?	•••	Yes	No
8. Do your financial circumstances prevent you from repaying your HECS debt?	•••	Yes	No

♣9. Have you any income tax returns not yet completed from previous years?	•••	Yes	No
10. Did you lodge an income tax return for 1999-2000 financial year?	•••	Yes	No

11. How much of your income in the 1999-2000 financial year did you get paid in <u>untaxed</u> cash? (i.e. notes and coins rather than cheque or directly deposited into a bank account)

Less than 5%		1
Between 5 and 20%	•••	2
Between 20 and 50%		3
More than 50%	•••	4
Did not get paid any untaxed cash	•••	$5 \rightarrow skip to Q13 $

12. How much of your <u>untaxed</u> cash income did you declare on your 1999-2000 income tax return? (please circle a number)



▼ 13. As far as you know, did you exaggerate the amount of deductions or rebates in your 1999-2000 income tax return?
 A lot ... 1
 Ouite a bit 2

	Quite a bit Somewhat A little Not at all	···· ····	2 3 4 5			
14. Has the Tax Office ever asked ques	tions to check th	ne accura	acy of your tax re	eturn?	Yes	No
15. Do you have any outstanding debt w	with the Tax Off	ice? (no	t including HEC	S debt)	Yes	No
16. As far as you know, did you report	all the money yo	ou earne	d in your 1999-2	000 income tax- 	return? Yes	No
17. Have you ever been fined or penaliz	zed in some way	by the	Tax Office?		Yes	No
18. Have you ever had an audit or other	investigation b	y the Ta	x Office?		Yes	No
19. Have you ever contested an assessm	nent given by the	e Tax O	ffice?		Yes	No
▲20. Have you ever requested informat	tion about your t	tax situa	tion from the Tax	x Office?	Yes	No
21. Have you ever requested general in	formation about	the tax	system from the	Tax Office?	Yes	No

PART IV

Now think about how you see the Tax Office and think of your own payment of personal income tax. Please circle the number closest to your view.

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
1. Paying tax is the right thing to do	1	2	3	4	5
2. Paying tax is a responsibility that should be willingly accepted by all Australians	1	2	3	4	5
3. I don't care if I am not doing the right thing by the Tax Office	1	2	3	4	5
4. I enjoy the challenge of minimizing the tax I have to pay	1	2	3	4	5
5. Even if the Tax Office 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
6. The Tax Office is more interested in catching you for doing the wrong thing, than helping you do the right thing	1	2	3	4	5

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
7. It's impossible to satisfy the requirements of the Tax Office completely	1	2	3	4	5
8. If I find out that I am not doing what the Tax Office wants, I'm not going to lose any sleep over it	1	2	3	4	5
9. I like the game of finding the grey area of tax law	1	2	3	4	5
10. The Tax Office is encouraging to those who have difficulty meeting their tax obligations through no fault of their own	1	2	3	4	5
11. If government contributes to society's well-being, it is only right that we comply with it's tax legislation	1	2	3	4	5
12. I should pay tax and share in the cost of providing health care	1	2	3	4	5
13. I should pay tax and share in the cost of providing defense for the country	1	2	3	4	5
14. I should pay tax and share in the cost of building national highways	1	2	3	4	5
15. I am happy to pay tax as long as other people do	1	2	3	4	5
16. If other people don't pay their taxes, I don't see why I should	1	2	3	4	5
17. People should comply with the tax system because it is the law	1	2	3	4	5
18. Citizenship carries with it a duty to pay tax	1	2	3	4	5
19. Citizenship carries with it a shared responsibility between Government and citizen	1	2	3	4	5
20. I believe paying tax is good for our society, and therefore it is good for each of us	1	2	3	4	5
21. I am not really concerned whether my paying tax benefits the country as a whole	1	2	3	4	5
22. I am willing to make personal sacrifices by paying tax for the good of the country as a whole	1	2	3	4	5

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
23. I am willing to make personal sacrifices by paying tax for promoting the common good in our society	1	2	3	4	5
24. I believe that if I do not pay tax it harms society as a whole	1	2	3	4	5
25. I believe that paying tax provides benefits to others beyond myself	1	2	3	4	5
26. It's disappointing that some people do not pay their tax	1	2	3	4	5
27. It makes difficult to govern the country when people don't pay their tax	1	2	3	4	5
28. The harm to the community through people not paying tax is regretful	1	2	3	4	5

PART V

Below are 16 goals that refer to our society, our nation, and to people in general. Please indicate the extent to which you accept or reject each of the following *as principles that guide your judgements and actions*. Do this by circling the number that comes closest to the way you feel about each goal. Use the following code to decide which number to select:

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	 1 = Reject 2 = Inclined to reject 3 = Neither reject nor accept 4 = Inclined to accept 5 = Accept as important 6 = Accept as very important 7 = Accept as of utmost importance 							
1. A Good Life for Others (improving t people in need)	he welfare of all	1	2	3	4	5	6	7
2. Rule by the People (involvement by a decisions that affect their community)	all citizens in making	1	2	3	4	5	6	7
3. International Cooperation (having a together to help each other)	ll nations working	1	2	3	4	5	6	7
4. Social Progress and Reform (reading of life for the better)	ess to change our way	1	2	3	4	5	6	7
5. National Greatness (being a united, s and powerful nation)	strong, independent,	1	2	3	4	5	6	7

3 = Neither reject i 4 = Inclined to acc 5 = Accept as impo 6 = Accept as very	 1 = Reject 2 = Inclined to reject 3 = Neither reject nor accept 4 = Inclined to accept 5 = Accept as important 6 = Accept as very important 7 = Accept as of utmost importance 						
6. A World at Peace (being free from war and conflict)	1	2	3	4	5	6	7
7. A World of Beauty (having the beauty of nature and the arts: music, literature, art, etc.)	1	2	3	4	5	6	7
8. Reward for Individual Effort (letting individuals prosper through gains made by initiative and hard work)	1	2	3	4	5	6	7
9. Human Dignity (allowing each individual to be treated as someone of worth)	1	2	3	4	5	6	7
10. National Security (protection of your nation from enemies)	1	2	3	4	5	6	7
11. Equal Opportunity for All (giving everyone an equal chance in life)	1	2	3	4	5	6	7
12. Freedom (being able to live as you choose whilst respecting the freedom of others)	1	2	3	4	5	6	7
13. Greater Economic Equality (lessening the gap between the rich and the poor)	1	2	3	4	5	6	7
14. The Rule of Law (living by laws that everyone must follow)	1	2	3	4	5	6	7
15. National Economic Development (having greater economic progress and prosperity for the nation)	1	2	3	4	5	6	7
16. Preserving the Natural Environment (preventing the destruction of nature's beauty and resources)	1	2	3	4	5	6	7

PART VI

The following statements seek your perception of the tertiary course you completed. If you completed a <u>double degree</u> or a <u>double major</u>, please think of the one which you <u>liked the least</u>.

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
1. The course developed my problem-solving skills	1	2	3	4	5	6
2. The course sharpened my analytic skills	1	2	3	4	5	6

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
3. The course helped me develop my ability to work as a team member	1	2	3	4	5	6
4. The course improved my skills in written communication	1	2	3	4	5	6
5. The course helped me develop the ability to plan my own work	1	2	3	4	5	6
6. The staff seemed more interested in testing what I had memorized	1	2	3	4	5	6
7. Too many staff asked me questions just about facts	1	2	3	4	5	6
8. I was generally given enough time to understand the things I had to learn	1	2	3	4	5	6
9. There was a lot of pressure on me to do well in this course	1	2	3	4	5	6
10. It was often hard to discover what was expected of me in this course	1	2	3	4	5	6
11. It was always easy to know the standard of work expected	1	2	3	4	5	6
12. My lecturers were extremely good at explaining things	1	2	3	4	5	6
13. The teaching staff of this course motivated me to do my best work	1	2	3	4	5	6
14. The staff put a lot of time into commenting on my work	1	2	3	4	5	6
15. The teaching staff normally gave me helpful feedback on how I was going	1	2	3	4	5	6
16. The course helped me to develop a well-defined career goal	1	2	3	4	5	6
17. The course brought a sense of achievement	1	2	3	4	5	6

	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
18. The skills I achieved during my course are now useless	1	2	3	4	5	6
19. The course helped me to grow professionally	1	2	3	4	5	6
20. The course helped me to get the best kind of job easily	1	2	3	4	5	6
21. The course facilitated my employment level	1	2	3	4	5	6
22. The course helped me to relate knowledge with practice	1	2	3	4	5	6

PART VII

Here are some questions relevant to national policy in relation to higher education. We greatly appreciate your answers to the following questions.

1. How useful would it be for you to get an explanation for the benefits of repaying the HECS debt quicker?

Not at all	•••	1
A little	•••	2
Somewhat	•••	3
Quite a bit	•••	4
A lot	•••	5

2. Are you well informed about what you need to do in order to repay your HECS debt?

Not at all	•••	1
A little	•••	2
Somewhat	•••	3
Quite a bit	•••	4
A lot	•••	5

3. How do you feel about having a <u>snapshot</u> about what the government is doing with the money you pay under HECS?

I don't need to know	•••	1
It's good to have a snapshot of it	•••	2
I strongly recommend this	•••	3

4. Which of the following provided you with useful information about HECS?

Secondary school	•••	1	
ATO school visit	•••	2	
University open day	•••	3	
Student administration	•••	4	
ATO information booklet	•••	5	
Media (e.g., website)	•••	6	
Family / friends	•••	7	
Other (please write)		8	

5. Which is the most useful way to receive necessary information concerning HECS?

Secondary school		1	-
ATO school visit	•••	2	
University open day	•••	3	
Student administration	•••	4	
ATO information booklet	•••	5	
Media (e.g., website)	•••	6	
Family / friends	•••	7	
Other (please write)	•••	8	

6. Have you felt that you are missing out on information about what you can legitimately claim as a tax

Not at all	•••	1
A little	•••	2
Somewhat	•••	3
Quite a bit	•••	4
A lot	•••	5

7. How much do you support the idea of exposing people who deliberately cheat the tax system (e.g., publishing names of those who deliberately evade tax in the ATO annual report by the Commissioner)?

Not at all	•••	1
A little	•••	2
Somewhat	•••	3
Quite a bit	•••	4
A lot		5

PART VIII

deduction?

The following questions ask you about yourself and your background. Please answer them by circling a number that describes you the best.

1. What is your gender?	Male	•••	1
	Female	•••	2

2. In what year were you born?

[___]

3. Which out of the following broad disciplines best describes your area of study?

Arts, education, nursing	1	L
Science, engineering, agriculture, architecture, business/eco	nomics 2	2
Law, medicine, veterinary science	3	5
Combined degree	4	ŀ
Other (please indicate)	5	5

4. Which year did you complete your tertiary course (if not completed, then indicate when you stopped studying)?

L	 	 1

5. Did your financial circumstances influence	e your –		
(a) Choice of course?	•••	Yes	No
(b) Choice of University?		Yes	No

(c) Type of attendance? (full-time/part-time)... Yes No

6. What was your type of attendance for the tertiary course?

Wholly or mainly full-time	•••	1
Wholly or mainly part-time	•••	2

7. Please select the category that best describes the type of work you do (If you are unemployed, please go to $Q10 \blacklozenge$).

Government sector	•••	1	
Private sector	•••	2	
Business	•••	3	
Educational institutions	•••	4	
Self-employed	•••	5	
Other (please indicate)	•••	6	

8. How long have you been working?

Less than 1 year	•••	1
1 - 2 years	•••	2
2 - 3 years	•••	3
More than 3 years	•••	4

9. Which out of the following ranges does your present income fall in?

less than \$20,000	•••	1
\$20,001 - \$30,000	•••	2
\$30,001 - \$50,000	•••	3
\$50,001 - \$75,000	•••	4
\$75,001 - \$100,000	•••	5
more than \$100,001	•••	6

♦ 10. Which out of the following ranges does your total household income fall in?

less than \$20,000	1
\$20,001 - \$30,000	2
\$30,001 - \$50,000	3
\$50,001 - \$75,000	4
\$75,001 - \$100,000	5
more than \$100,001	6

11. What is your state of residence?

•••	1
•••	2
•••	3
•••	4
•••	5
•••	6

12. Would you be willing to be contacted in the future? Yes No

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What can the government / the legislature / DETYA do to make the higher education system fairer? (please write)

What can be done to ensure the effectiveness of the HECScheme? (please write)

If you have any comments / experiences relating to the HECScheme that you would like to add, please write them below. Your comments are very much appreciated.

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Thank you very much for filling out the questionnaire.

Your answers to this questionnaire are very important to us and we really appreciate your co-operation. Please put the completed questionnaire in the reply-paid envelope and mail it back to us at the Australian National University. Thanks again!