

THE INTERNATIONAL CONFERENCE ON TAX ADMINISTRATION

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The 12th International Conference on Tax Administration was organised by the School of Taxation and Business Law of the University of New South Wales (UNSW) Business School, and took place in Sydney on 31 March and 1 April 2016. The first of these conferences was held at the University of Newcastle NSW in 1994. In 1996, the second conference was held at the UNSW and subsequent conferences have taken place there every two years. This paper looks back at the original 1994 conference and considers how its original aims and contribution were reflected in subsequent conferences, and whether the subject matter's focus may have changed over the following 22 years, paying particular attention to the 2016 conference.

THE FIRST TAX ADMINISTRATION CONFERENCE

The aim of the first tax administration conference was to bring together the contributions of academics, practitioners and tax officials – an important feature which has continued ever since. It was entitled ‘Current Issues in Tax Administration’ and, although the word ‘international’ was not included in the early conferences, the first conference was already showing a strong international dimension, by drawing on experiences from a range of countries including not only Australia, of course, but also, in particular, India, Japan, New Zealand and the United Kingdom.

The conference was organised by Dr Ian Wallschutzky and took place at the University of Newcastle NSW on 7th and 8th April 1994. The 89 participants included 28 tax officials, (27 from the Australian Tax Office (ATO) and one from Revenue Canada) as well as 19 practitioners. The conference improved communications between the three groups, particularly between academics and tax officials. A total of 24 papers, which are listed in Appendix A, were presented in a single stream over the two days, and included one paper by members of the ATO and three by practitioners. Three members of the ATO presented a paper on ‘Managing the risks to the Revenue’, which was based on a preliminary analysis of the ATO’s Business Audit Programme, and sought to identify and weight major factors which, in practice, determined how that programme’s resources had been allocated between different taxpayer populations. The papers by practitioners consisted of: one on standards for the tax profession; another examining taxpayers’ rights and obligations; and a third which concerned penalties. The topic that attracted the most interest was tax compliance, which was the focus of seven papers. Almost all of the conference papers were concerned with issues that remain current, such as avoidance, compliance, legal processes and simplification.

THE MOVE TO UNSW AND SUBSEQUENT CONFERENCES

The 1996 conference moved to the Australian Taxation Studies Program (‘Atax’) at UNSW, where it has remained ever since. The conference organisers then came from Atax and have usually been any two of Chris Evans, Michael Walpole, Binh Tran-Nam, Margaret McKerchar and Rodney Fisher. The 1996 conference kept the original title of ‘Current Issues in Tax

¹ University of Exeter. The author is grateful to Chris Evans and his colleagues at UNSW, Adrian Sawyer and Ian Wallschutzky for helpful comments on an earlier draft.

Administration' and the aim of including tax practitioners and officials. For example, the 1996 conference featured two papers on the Australian Taxpayers' Charter – one by Michael Carmody, Australian Commissioner of Taxation, on 'The ATO Perspective', and the other by David Williams on 'The Taxpayer's Charter: A view from the Tax Profession'.

Each conference has included a different range of papers, but the topics examined have always been important aspects of tax administration. For example, the 1996 conference had five papers on compliance, four on tax simplification, four on tax dispute resolution, three on taxpayer service, three on taxpayer rights and obligations, and two on relative disclosure obligations and privilege. While the number of papers presented on each of these topics has waxed and waned over the years, tax compliance has been the focus of more papers than any another single subject area. As well as covering the usual topics, the conferences have also featured sessions devoted to topics that do not always receive a great deal of attention, such as tax collection (2004), legislative drafting (2006), benchmarking (2008) and building leadership (2014). Topics which have emerged or grown in importance over the past two decades, such as electronic filing and other technological developments, have also been included.

Over the years, a number of changes have been made. The title of the conference was changed to 'International Conference on Tax Administration' from 1998. It had always attracted overseas participants and the numbers grew (for instance, at the 2012 conference, 46 were from overseas out of a total of 130). Indeed, two of the small select group who have attended every conference are from overseas: Adrian Sawyer, from the University of Canterbury NZ; and Veerinderjeet Singh, originally at the University of Malaya and currently the Chairman of Taxand Malaysia. Furthermore, Adrian has presented a paper at all but one of the conferences. The conference has also attracted tax officials from an increasing number of countries, including Dave Hartnett, then permanent secretary for tax at HM Revenue and Customs (HMRC) in the UK, and several senior officials of the Internal Revenue Service (IRS) in the USA. A further change was the introduction of two streams for papers in order to include more within the traditional two-day format.

As the conferences continued they have often, but not always, had an overall theme. For example, the 6th Conference in 2004 had the theme of 'Challenges of Globalising Tax Systems' and the theme for the 10th, in 2012, was 'Risky Business'. In addition to encouraging discussion about the usual wide range of topics, a conference theme can provide a helpful focus on a particular aspect. For instance, the theme of the 2010 conference was 'Building Bridges', and focused on relations between tax administrations and taxpayers. Sir Anthony Mason, who regularly opens the conference, described the concern of revenue authorities to change their image from possibly one of 'grim-visaged, lantern-jawed tax gatherers' to 'considerate, understanding people whose goal is to assist taxpayers' (Datt, Tran-Nam, & Bain, 2010, p. 3), and a number of papers at that conference examined how compliance might be affected by such developments. Whatever the theme of a conference, compliance has remained the subject area attracting the most papers. For instance, at the conference in 2010, the whole of one of the two streams was explicitly entitled 'Tax Compliance' and the other 'Tax Administration'.

Finally, selected papers from the conference were formally published and edited by Evans and Greenbaum (1998), Evans and Walpole (2001), Walpole and Fisher (2003), Fisher and Walpole (2005), McKerchar and Walpole (2006), Walpole and Evans (2008) and Datt et al (2010). More recently, selected conference papers have been published in the *eJournal of Tax Research*. In addition to papers appearing in the *eJournal of Tax Research*, many others have been published in top international peer-reviewed journals.

12th INTERNATIONAL CONFERENCE ON TAX ADMINISTRATION 2016

The 12th International Conference took place at the Crowne Plaza, Coogee Beach, Sydney. There were 10 speakers at plenary sessions and 22 papers were presented at the streamed sessions. The speakers, authors and their affiliations are shown in Appendix B. Once again, there was a good balance of contributions by academics, tax officials and practitioners, and a strong international dimension, with contributors from Australia, Austria, Indonesia, Japan, New Zealand, Turkey, UK, and USA. The papers received have been loaded onto the UNSW Business School (2016) website.

The first plenary session, at the beginning of the conference, consisted of presentations by: the Commissioner of Taxation, Australia; the Commissioner and CEO of Inland Revenue New Zealand; and the Assistant Minister of Finance for Tax Oversight at the Directorate General of Taxes, Indonesia. The Australian Commissioner, Chris Jordan, gave an address titled 'Better services and a better experience for Australians', which described trends in service delivery, including the reduction of red tape, user-driven design of the ATO's services, and differentiated, tailored engagement with taxpayers. The New Zealand Commissioner Naomi Ferguson's speech was titled 'Everything must change' and described the need for revenue authority change, not only in technology but also in processes, policy and revenue culture, in order to become more 'customer-focussed'. Puspita Wulandari then described the work of the Directorate General of Taxes in Indonesia and the challenges it faces. This was followed by a second plenary session in which Ali Noroozi, Inspector General of Taxation Australia, and Nina Olson, National Taxpayer Advocate, Internal Revenue Service, USA, described the work of their departments. They were followed by Shinichi Nakabayashi, Director of Administration, Management and Cooperation at the Asian Development Bank Institute, who gave a presentation on developing tax administration.

In the next plenary session, at the start of the second day, Duncan Bentley reviewed taxpayer rights in Australia twenty years after the introduction of the Taxpayers' Charter. Jeremy Sherwood, former Head of the Office of Tax Simplification (OTS) in the UK, examined tax complexity and the work of the OTS, and Ian Taylor, Chair of the Australian Tax Practitioners Board, focussed on the regulation of Australian tax practitioners. In the final plenary session at the end of the conference, Mark Chapman of H&R Block was concerned with the role of local tax agents in maintaining tax compliance. The session finished with a discussion involving a panel drawn from five nationalities. It consisted of Duncan Bentley, Eva Eberhartinger, Nina Olson, Adrian Sawyer and the present author, and it was chaired by Neil Warren.

Like the 1994 and subsequent conferences, the 2016 conference included more papers on compliance than on any other subject. Indeed, tax compliance took up one of the two parallel streams of specialist papers, with three of the four sessions devoted to various aspects of compliance, and the fourth with compliance costs and simplification. The other stream consisted of two sessions on tax administration and service delivery, and one each on taxpayer rights and dispute resolution. Some of the papers in this stream also had links to issues of compliance.

The first three sessions in the compliance stream included eight papers: two on behavioural issues, three with a strong international dimension and three on other aspects of compliance. One of the behavioural papers was by Michael Duggan of Inland Revenue New Zealand. His

paper described research into mental tax accounting in relation to voluntary compliance and business systems. The concept of mental accounting is drawn from behavioural economics and describes the tendency for individuals to organise their money mentally into separate accounts as part of their personal financial management. It has generated some useful insights into financial behaviour and this paper presented survey results that found mental accounting is significantly related to compliance, as well as to a range of business systems and attitudes. Another behavioural dimension, this time regarding taxpayer perceptions, was used by Arifin Rosid, Chris Evans and Binh Tran-Nam. They examined whether, and how, perceptions of corruption may influence the compliance behaviour of personal income taxpayers, using evidence from Indonesia.

On international issues, Eva Eberhartinger and Matthias Petutschnig investigated the views of tax experts from practice around the world on the OECD Action Plan on BEPS (Base Erosion and Profit Shifting), contrasting the views of practitioners from BRICS countries (Brazil, Russia, India, China and South Africa) and from developing countries to those of practitioners from OECD countries. Ann Kayis-Kumar examined the effectiveness of thin capitalisation rules, and Agung Darono and Danny Ardianto presented a comparative study of CAATTs (computer-assisted audit tools and techniques) in Australia, Finland, Germany, Indonesia and the USA. Other aspects of compliance were considered by: Michelle Drumbl, who explored taxpayer noncompliance with respect to the earned income tax credit (EITC) administered by the IRS; Neil Warren on the compliance risk that might be associated with electronic filing of tax returns using evidence from Australian personal income tax deductions; and Neni Susilawati on the role of school teachers in promoting tax compliance.

The final session of the compliance stream consisted of a paper on the methodological challenges of measuring compliance costs by Valmai Copeland and two on tax simplification. Tamer Budak and Simon James explored the applicability of the OTS Complexity Index to comparative analysis of the complexity of income tax and value added tax/goods and services tax in Australia, New Zealand, Turkey and the UK. Tamer Budak, Simon James and Adrian Sawyer reported on the experience of tax simplification in Australia, Canada, China, Malaysia, New Zealand, Russia, South Africa, Thailand, Turkey, the UK and the USA, and also examined the issue of distinguishing between necessary and unnecessary tax complexity.

In the other stream, the first two sessions were devoted to service delivery. The first paper was by Lyndall Crompton, Assistant Commissioner at the ATO, and outlined the ATO's strategies regarding international aspects of taxation, such as the BEPS Action Plan. The next paper was by Jo'Anne Langham of the ATO and Neil Paulsen of the University of Queensland, and described a new model of administrative effectiveness which combines existing knowledge from services management, public governance, engineering and psychology. The third paper, by Valmai Copeland and Virginia Burns of Inland Revenue NZ, presented findings on the use of software to prepare tax returns and digital media to communicate with the tax authorities.

The second session on service delivery included two papers. One was by Milla Setyowati, Fika Chandra, and Lita Khodariah, who provided an analysis of tax administration in Indonesia. The other was by Simon James and Andrew Maples, who examined the relationship between principles and policy in tax administration by analysing the UK capital gains tax (CGT) regime and suggested lessons regarding a proposal for the introduction of CGT in NZ.

The following session was on taxpayer rights and included three papers. John Bevacqua was concerned with the effects of enhancing taxpayer rights on tax compliance. Mathew Leighton-

Daly proposed a model policy for the regulation of tax crime in Australia, drawing on his research and experience in practice as a barrister-at-law. The third paper was by Kalmen Datt, who evaluated the ‘naming and shaming’ approach that activists, the media and politicians sometimes take to the manner in which large corporations structure either themselves or their transactions to limit their tax liability. It was concluded that tax paid should be based on legal liability and ‘not be an ex gratia payment or attempt to appease unjustified, and often uninformed and vociferous criticism’.

The fourth session turned to disputes resolution. Melinda Jone focused on initiatives aimed at preventing or resolving disputes early in the process. These may involve a tax official trained in mediation techniques trying to reach an agreement with the taxpayer. In recent years, the revenue authorities in both Australia and the UK have formally adopted such arrangements, and this paper used dispute system design (DSD) principles to examine the UK system and offer recommendations for Australia. In the next paper, Ranjana Gupta drew attention to the role of tax practitioners which, of course, combines assisting clients with their financial affairs with a legal obligation to comply with the legal system, as well as professional responsibilities. Her paper reported the results of a survey of clients’ expectations and perceptions relating to tax practitioners in New Zealand. In the final paper in this session, Binh Tran-Nam and Michael Walpole reported some preliminary findings of a project on tax disputes, compliance costs and access to justice. The aims of the project are: to investigate access to independent tax dispute resolution, and to ascertain whether taxpayers with greater resources come out ahead and whether alternative dispute resolution (ADR) is effective.

The conferences up to and including the 2016 meeting have continued to reflect the aims, approach and coverage of the original in 1994. Their continuing success has been reinforced by a number of features, including attracting a wide range of academics, senior tax officials and practitioners, as well as many with international backgrounds. This not only provides a valuable multi-perspective approach to issues of tax administration but also helps to develop further links and relations between the different groups. The area which has continually attracted the most papers is tax compliance and there have been frequent illustrations of the benefits to be gained by combining insights from academics, officials and practitioners. Overall, it is clear the International Conference on Tax Administration continues to make a major contribution to advancing the study of tax administration, as well as always being a pleasure to attend.

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APPENDIX A - AUTHORS AND PAPERS AT THE 1994 CONFERENCE

Peter Bardsley, La Trobe University.

Tax compliance research: An economic perspective on the research agenda.

Vicki Beyer, Bond University.

Tax administration in Japan.

Michael Blissenden, Senior Tax Writer Butterworths and University of Western Sydney.

Challenging s 167 assessments: A review of recent case law.

Cynthia Coleman and Lynne Freeman, University of Sydney and University of New South Wales.

The development of strategic marketing options directed at improving compliance levels in small business.

Gordon Cooper, Middleton, Moore & Bevins.

Standards for the tax profession

Graeme Cooper, Sydney Law School.

Incentives and strategic choices facing taxpayers under the self assessment system.

Thomas Delany and Kaye Emmerton, University of Southern Queensland.

An analysis of the variability in taxpayer responses to certain financial information items contained in income tax returns.

Abe Greenbaum, ATAX, University of New South Wales.

'David Jones Finance' and the review and appeal process.

Simon James and Ian Wallschutzky, University of Exeter and University of Newcastle NSW.

Should Australia adopt a cumulative withholding tax system?

Cliff Mancer, Massey University.

Tax simplification – predicaments and breakthrough for New Zealand.

Margaret McKerchar, Orange Agricultural College, University of Sydney.

A study of small business taxpayers in rural NSW.

Les Nethercott, Monash University.

Tax administration: A new era of compliance.

Lynne Oats, Dale Pinto and Pauline Sadler, Curtin University.

Penalties for tax agents in the brave new world of self assessment.

Bryan Pape, Exchequer Chambers.

Taxpayers' rights and obligations.

Greg Pearson, Ernst & Young.

What is 'reasonable' in the context of the penalty regime?

Jeff Pope, Curtin University.

Questioning a 'sacred cow': The Australian Taxation Office's lodgment programme/deadline system.

Graeme Purchas, University of Canterbury.

An examination of the tax practitioner's role in compliance.

Mahesch C. Purohit, National Institute of Public Finance and Policy, New Delhi.

Improving sales-tax management: A case study of India.

Cedric Sandford, University of Bath.

International comparisons of administrative and compliance costs of taxation.

Adrian Sawyer, University of Canterbury.

Binding rulings: Should New Zealand follow Australia's lead for once?

Barbara Smith, Deakin University.

Following the yellow brick road.

John Wickerson, Chris Grey and Nyree Goss, Compliance and Industry Research Unit, Taxpayer Audit Group, Australian Tax Office.

Managing the risks to the revenue: A resource allocation perspective of the ATO's Business Audit Program.

Rob Woellner, University of Western Sydney.

Attitudes of ATO Auditors.

Frank Zumbo, UNSW.

Tax assessment and judicial review: Do the courts have a supervisory role?

APPENDIX B - SPEAKERS, AUTHORS AND PAPERS AT THE 2016 INTERNATIONAL CONFERENCE ON TAX ADMINISTRATION

Plenary Session 1

Chris Jordan - Commissioner of Taxation, Australia.

Naomi Ferguson - Commissioner and CEO of Inland Revenue New Zealand.

Puspita Wulandari - Deputy Director, Directorate General of Tax, Indonesia.

Plenary Session 2

Ali Nozoori - Inspector General of Taxation, Australia.

Nina Olson - National Taxpayer Advocate, Internal Revenue Service, USA.

Shinichi Nakabayashi - Director of Administration, Management and Coordination, Asian Development Bank Institute, Japan.

Plenary Session 3

Duncan Bentley - Swinburne University of Technology, Australia.

Jeremy Sherwood - Former Head, Office of Tax Simplification, UK.

Ian Taylor - Chair, Tax Practitioners Board, Australia.

Plenary Session 4

Mark Chapman - Director of Tax Communications, H&R Block.

Panel Discussion.

Papers in Streamed Specialist Sessions

Listed alphabetically by first author.

John Bevacqua, La Trobe University.

Taxpayer compliance effects of enhancing taxpayer rights: A research agenda.

Tamer Budak, Inonu University and Simon James, University of Exeter.

The applicability of the OTS Complexity Index to comparative analysis between countries: Australia, New Zealand, Turkey and the UK.

Tamer Budak, Inonu University, Simon James, University of Exeter and Adrian Sawyer, University of Canterbury.

International experiences of tax simplification and distinguishing between necessary and unnecessary complexity.

Virginia Burns and Valmai Copeland, Inland Revenue New Zealand.

Moving to digital by design: Better for customers, better for tax administration.

Valmai Copeland, Inland Revenue New Zealand.

Measuring compliance costs – methodological challenges.

Lyndall Crompton, Australian Tax Office.

ATO's focus on international taxation.

Agung Darono, Ministry of Finance Indonesia and Danny Ardianto, Monash University.
The use of CAATs in tax audits: A comparative study with lessons from international practice.

Kalmen Datt, University of New South Wales.
To shame or not to shame? That is the question.

Michelle Lyon Drumbl, Washington and Lee University.
Beyond polemics: Poverty, taxes and noncompliance.

Michael Duggan, Inland Revenue New Zealand.
Thinking tax: Mental (tax) accounting and voluntary compliance.

Eva Eberhartinger and Matthias Petutschnig, Vienna University of Economics and Business.
The scepticism of BRICS practitioners on the BEPS-agenda.

Ranjana Gupta, Auckland University of Technology.
Moderating influence of tax practitioner's explaining behaviour on the relationship between clients' service satisfaction and relationship commitment.

Simon James, University of Exeter and Andrew Maples, University of Canterbury.
The relationship between principles and policy in tax administration: Lessons from the United Kingdom capital gains tax regime with particular reference to a proposal for a capital gains tax for New Zealand.

Melinda Jone, University of Canterbury.
What can the United Kingdom's tax dispute resolution system learn from Australia? An evaluation and recommendations from a dispute systems design perspective.

Ann Kayis-Kumar, University of New South Wales.
What's BEPS got to do with it? Exploring the effectiveness of thin capitalisation rules.

Jo'Anne Langham and Neil Paulsen, University of Queensland.
Invisible taxation: Fantasy or just good service design?

Mathew Leighton-Daly, University of New South Wales.
A model policy for the regulation of tax crime in Australia.

Arifin Rosid, Chris Evans and Binh Tran-Nam, University of New South Wales.
Do perceptions of corruption influence personal taxpayer reporting behaviour? Evidence from Indonesia.

Milla Sepliana Setyowati, Fika Chandra and Lita Khodariah,
University of Indonesia.
Organizational Transformation of Indonesian Tax Administrator Authority.

Neni Susilawati, University of Indonesia.
Building tax culture in Indonesia: A case study of the role of school teachers in promoting tax compliance.

Binh Tran-Nam and Michael Walpole, University of New South Wales
Tax disputes, compliance costs and access to tax justice.

Neil Warren, University of New South Wales.
e-filing and compliance risk: Evidence from Australian personal income tax deductions