
Constraints on the “Enhanced relationship” model – what really shapes the relationship between tax administrators and tax intermediaries in Australasia and what this might mean for the United Kingdom

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Friends or Foes?

Introduction

- Tax administration and voluntary compliance
 - Australasia - responsive regulation, community partnerships and the profession
 - OECD's "enhanced relationship"
 - Theoretical concerns
 - Interview program
 - A rationalisation
 - Implications for the UK
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Friends or Foes?

What common interest?

- Opposing interests
- What is the “correct” amount of tax?

Problems from conflicting interests

- Which prevails?
 - What are the administrator’s obligations?
 - Do practitioners owe a duty to the system – the job in line?
 - The tax ethics of practitioners
 - Duty of confidentiality v obligation to disclose breaches
 - The views of the administrators
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Friends or Foes?

The eclectic nature of tax advisers

- Advocate v adviser
- Collaborative practice
- Representative bodies

Transparency legitimacy independence

- Administrative discretion v the rule of law
 - Flexibility v consistency and quality control
 - Transparency v confidentiality
 - Regulatory capture
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Friends or Foes?

Interview findings

- The rhetoric of partnership V the reality
 - A patchy development
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Friends or Foes?

Interview conclusions: in pursuit of a partnership

- Change in mindset
 - Acknowledgement of conflicting duties
 - Establishment of parameters / expectations
 - Fairness, transparency & accountability
 - Empowerment
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Friends or Foes?

Relationship appears cyclical dependent on:

- past criticism
 - lack of personal relationships
 - lack of resources and competency
 - political pressure
 - reaction to activity of taxpayers
 - recent court victories
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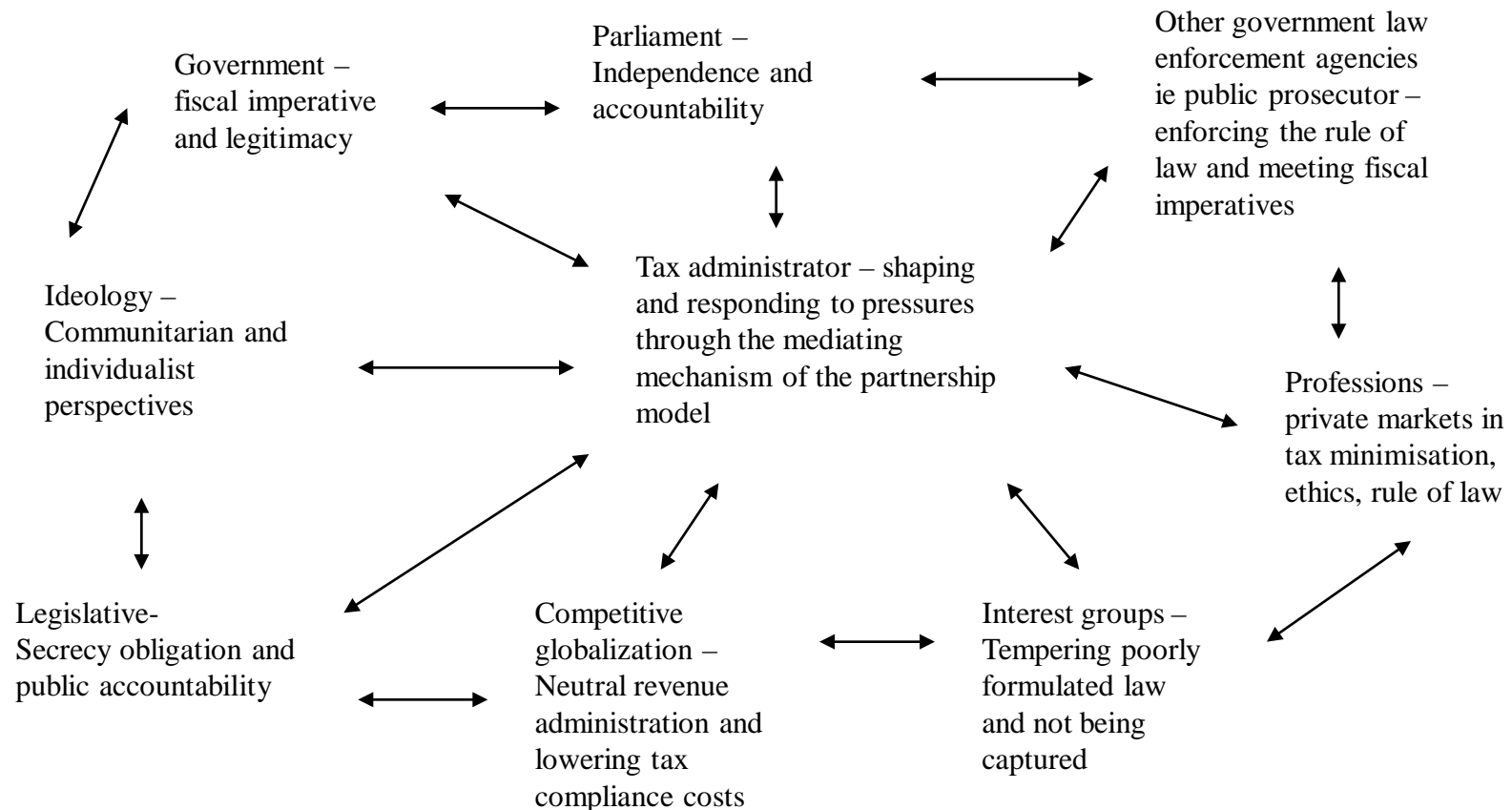
Friends or Foes?

The partnership model as a mediator

- The relationship is patchy and has fluctuated over time
 - Pressures that shape the partnership model
 - Subjective element and second order pressures
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Friends or Foes?

The Mediatorial Role of the P/S Model



Friends or Foes?

Sources of dynamic tension

Ideological tension

- liberal individualism v Rousseau's 'general will'
- grey law and administrative discretion

Legislative parameters

- statutory obligations and substantive fairness
 - care and management power
 - obligation of secrecy
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Friends or Foes?

Institutional parameters

- public media
- interest groups
- Parliamentary scrutiny

Internal parameters

- prevailing cultures
- resources
- management capacity and ownership

International pressures

Friends or Foes?

And what of the UK?

- Working together initiative
 - The Varney review
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Friends or Foes?

Conclusion – implications for the UK

- Dynamic relationship molded by its environment
 - Expectations need to be realistic
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