ATO EVALUATION – AN EVOLVING CREATURE

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ABSTRACT

The government's tax reform agenda has generated a large degree of change within the Australian taxation system, necessitating the development of innovative methods and products to educate the tax community. Evaluation plays a leading role in the design and implementation of these innovations.

Recent years have seen the public persona of the Australian Taxation Office (ATO) change from that of a predominant enforcement agency, to that of a service-oriented public office. In this vein, the ATO has focused more strongly on its education role, and has had to develop new and faster methods of communicating with the tax community, as the wave of tax reform rolls throughout the economy. The traditional paper-based mediums are giving way to high technology solutions, such as CD-ROMs, Videos, On-line Snapshots, e-Learning tutorials, dedicated web sites, chat rooms, specialist call centres, and satellite broadcasts. Evaluation is crucial to the success of these innovations, in improving the performance of the ATO's educational role, and in generating better practice.

Current reforms under ANTS include GST, BAS, PAYG, and ABNs. Many more wide-ranging reforms under BTR have been implemented or are proposed. This environment of change has created unprecedented demands on the ATO to provide educational media for both internal staff and the external community. Evaluation processes are called upon to guide the development of innovative product solutions designed to satisfy the educational needs of both internal and external audiences.

This paper aims to discuss, analyse and summarise the new directions and innovations the ATO has adopted in order to educate vast audiences about these tax law reforms. The role of evaluation in this process is highlighted as a crucial element of this process.

KEYWORDS
Evaluation, Innovation, Australian Taxation Office, Multimedia, e-Learning.

1. BACKGROUND TO TAX REFORM

The Australian Taxation Office (ATO) has a responsibility to educate businesses, institutions and individuals in relation to the specific changes to the tax laws that will affect them. During the lead up to the Goods and Services Tax (GST), which came into effect on 1 July 2000, a large public education program was conducted, involving TV and newspaper commercials, workshops, Sky Channel broadcasts, and more than 1 000 seminars. Over 900 staff operating infolines, received over 6.7 million calls (Carmody, 2000).

However, GST is *one of many* extensive taxation reforms. As noted by the chairman of the Ralph committee, "We are living in a time of unparalleled change. Australia must have a taxation system which equips it for the coming decades, not for those that have passed" (Ralph, 1999, p.1).

Taken as a whole, the taxation law reforms involve a massive change to the revenue-raising psyche of the Australian public. Such significant change undermines the intellectual capital within the tax industry. Indeed, anecdotal reports suggest that some tax professionals are accepting early retirement, rather than face a total re-orientation and re-education to their intellectual knowledge. This demonstrates the degree of change facing the tax industry today.

Those remaining must willingly be exposed to a powerful and efficient program of re-education. Who is responsible for such re-education? Whilst professional accounting institutes and associations provide professional development opportunities, the ATO is also chartered to provide educational support for the tax paying public. Likewise, the ATO has responsibility for providing mechanisms for the *internal skilling* of thousands of staff nationwide.

To satisfy this educational demand, traditional paper-based mediums are giving way to high technology solutions, such as CD-ROMs, videos, on-line snapshots, e-Learning tutorials, dedicated web sites, specialist call centres and satellite broadcasts. Given the dedication of resources to this task, it is necessary to ensure that educational programs are effective and efficient. This paper outlines the evaluation processes which guide the development of these innovative product solutions.

2. NEW EDUCATIONAL DIRECTIONS

In relation to the reforms known as ANTS[1], a number of innovative educational multimedia were initiated. Over 200 educational products were produced, including on-line guides, electronic record keeping, videos, cash flow instructional CDs, and the establishment of the Tax Reform web site, which by November 2000 had recorded over 154 million hits and 25 million downloads (Carmody, 2000).

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[1] A New Tax System, covering Goods and Services Tax, Business Activity Statements, Pay As You Go, and Australian Business Number.

These innovative directions are being followed by the second wave of reform, known as BTR[2]. A brief summary of some of these BTR products, which essentially form the focus of evaluation activities (the evaluand[3]) is provided.

2.1 BTR Information Kit for Tax Professionals

This package was marketed to tax practitioners around the country in November 2000. It consisted of paper-based products and a CD. The various components of this kit are described below:

- A Snapshot Guide – a conveniently sized A5 bound booklet, colour-coded for each different reform measure family; providing a brief overview of how each reform measure operates, why it is needed, who it affects, and where further detailed information can be found on the web.

- A Practical Guide - used a traditional paper-based medium to advertise and promote more innovative approaches such as dedicated telephone information lines and specific e-mail addresses for technical questions.

- At Your Fingertips – a paper-based product specifically designed to encourage practitioners to be progressive and use the web as a major source of educational material. Within 8 pages, it advertised 144 different tax web links.

- CGT CD-ROM - the fourth and most advanced product in the kit, providing tax practitioners with information on changes to the Capital Gains Tax regime (refer figure 1). This educational tool provided a multimedia experience for participants, interacting with text, diagrams, worked examples, quiz questions and pop-up answers, dynamic timelines, hyperlinks to tax returns, and extra information tabs answering the 'why' and 'when' questions.
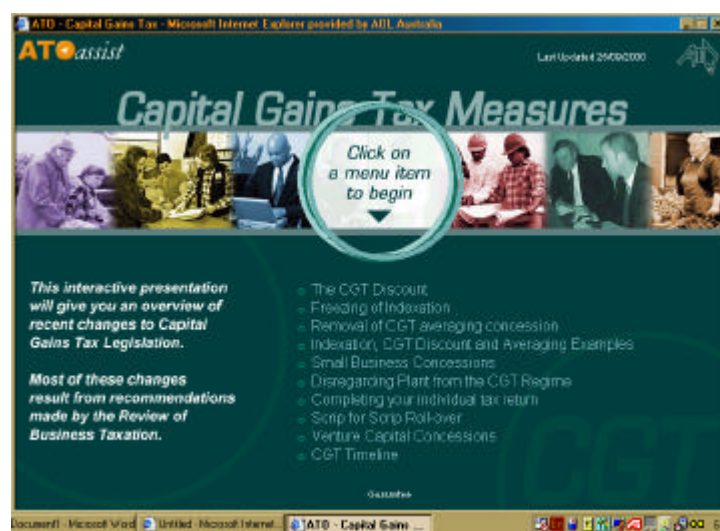

Figure 1. Capital Gains Tax CD ROM menu page

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[2] Business Tax Reform, includes changes to Capital Gains Tax, Capital Allowances, Non-commercial Losses, Simplified Tax System, etc.
[3] The need to clearly define the object of an evaluation process has lead evaluation theorists to coin the word *evaluand*, as a generic term to describe the object of an evaluation, be it a program, product, person, or process, (Scriven, 1991, p.139; Owen and Rogers, 1999, p.4).

2.2 Satellite Broadcasts
Another innovative approach to mass education has been the employment of satellite technologies. Following on from the ANTS experience, a number of professional development BTR seminars have been broadcast, most notably the Tax Practitioner Satellite Broadcasts of 22 May 2001 and 24 July 2001. Held in over 150 sites around the country, these broadcasts reached an audience of over 13 000 tax practitioners (Australian Taxation Office, 2001, p.9). The 1¼hour presentations covered four to five tax reform topics each, with specific questions e-mailed to specialist ATO staff. Internet registrations were encouraged.

2.3 Internet-based instruction
Apart from the main page of the ATO, at http://www.ato.gov.au/ , the Tax Reform project also maintains a separate internet address, at http://www.taxreform.ato.gov.au/ . This specialist reform site contains a plethora of products in both HTML and PDF formats. Apart from static texts, the site also houses interactive educational tools, containing worked examples, case studies and revision exercises.

2.4 Intranet-based instruction
Innovative technological solutions for the training of ATO staff include the provision of skilling modules on the ATO intranet. These in-house products are accessible by all staff nationwide from networked desktop computer terminals (TAXLAN).

2.5 Videos and Workbooks
The use of videos and accompanying workbooks have been used as a skilling initiative for ATO staff. These products provide a means of ensuring consistent messages are delivered in a cost effective and time flexible manner.

3. THE EVOLUTION OF THE BTR EVALUATION STRATEGY

> If tests show that your learners
> did not get the skills they needed,
> it may not be the learners that need help.

(Beer, 2000, p.130).

Evaluation is crucial to the success of these training innovations, in improving the performance of the ATO's educational role. Consequently, the Tax Reform team continue to develop the Evaluation Strategy, based on the ANTS processes of user validation and market testing.

The purpose of this Evaluation Strategy, as it has evolved, is to provide a degree of accountability to stakeholders, including staff, senior management, the tax community, and ultimately the Federal Government. Indeed, the executive summary of the strategy policy states that "It is important that we know the value of our business education and skilling activities … because it is a measure of quality assurance… and it is a measure of BTR Business Education and Skilling contributions to corporate outcomes" (Australian Taxation Office, 2000, p.2).

This accountability approach reflects the genre of evaluation models which Stufflebeam describes as "Improvement/Accountability-Oriented Evaluation Approaches" (Stufflebeam, 2001, p.42). More specifically, the basic model implied in the formal BTR evaluation strategy seems closely aligned with what Stufflebeam describes as "Approach 16: Decision/Accountability-Oriented Studies" (Stufflebeam, 2001, p.42) in as much as the focus of the evaluation strategy is on finding data that provides both ongoing improvements to the various educational media (formative evaluation) and satisfies stakeholder needs for accountability (summative evaluation).

Interestingly, Appendix A of the Evaluation Strategy suggests that the actual approach to be taken is an amalgam of three standard evaluation methodologies. Namely, Kirkpatrick's 4-step model, Brinkerhoff's 6-stage model, and the 4-stage CIPP[4] model. The result is a hybrid BTR evaluation model with four levels of evaluation:

Level 1: Identifying and confirming learning needs
At this level of evaluation, the strategy aims to identify and decide which skilling needs, problems, and opportunities should be addressed. A process of confirming the learning needs analysis is followed by decision making on priorities.

Level 2: Design of skilling products and events
A strategy to satisfy a learning need is developed, either as a "one-off event", or as part of an "integrated delivery mechanism" (Australian Taxation Office, 2000, p.6). Evaluation forms an active part, and is designed *into* the products as far as possible. Peer review and formal technical clearance processes ensure the validity of the product prior to release, in terms of both tax technical accuracy and adult learning principles.

Level 3: Process evaluation
This stage involves collecting data concerning the participant's reaction to the event (did it meet expectations?), identifying if learning took place (assessment of participants and their use of the information), and evaluating the medium (ease of navigation, knowledge of presenters, etc).

Level 4: Measuring long term impacts and worth
This degree of evaluation is far more nebulous than the other stages. The main focus here is whether the skilling event had any directly attributable long term impact on the behaviour of participants. That is, was the learning obtained, retained, and applied such that there was a gain to the organisation from this event? It is acknowledged in the strategy that at this level of evaluation, it is most difficult to isolate the effects of a skilling event, due to other factors, such as prior knowledge and skills, attitudes, intervening processes, and organisational developments. For these reasons, this is one area where further evolution of the Evaluation Strategy needs serious consideration.

4. EVALUATION TOOLS CURRENTLY EMPLOYED

In implementing the Evaluation Strategy, a number of instruments have been used, based on the ANTS experience. The tools employed conform to the type often expected in

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[4] Context, Input, Process and Product

decision-making evaluation models, such as surveys, questionnaires and interviews (House, 1989, p.48).

4.1 Survey Forms
These are used for external clients covering multiple products, and collect both quantitative and qualitative data. Sample size can exceeded 2 000 participants.

4.2 Focus Groups
This methodology has been used for both internal and external clients, and is based on the principles of grounded theory. Major problems involve cost and sufficient sample size.

4.3 Intranet feedback site
A cost effective method of gathering feedback from internal staff. Concerns over confidentiality sometimes arise.

4.4 Pilot e-Learning programs
The use of pilot e-Learning programs, allows an evaluation of user acceptance prior to a large scale launch. The objectives of the pilot e-Learning evaluation strategy are to:
- measure the success of the pilots using critical success factors and their related key performance indicators
- identify improvements for future e-learning products, and
- report to relevant stakeholders.

4.5 Other Evaluation Methods
Other tools used to evaluate products and programs during initiation, development, implementation and review phases include:
- Formal Peer Review processes
- Formal Technical Clearance protocols
- Delivery questionnaires/Smile sheets
- Checklists
- Quality assurance sampling
- Call centre statistics
- Elite interviews
- Work flow trends
- Pre and Post tests, and
- Data warehouse statistics

5. BUSINESS TAX REFORM – THE WAY AHEAD BEYOND 2001

According to Wolf (1981, p.117) "Evaluation studies do not … attempt to produce generalizable knowledge … (They) determine how well a program is succeeding in a particular setting". This comment seems most apt with regard to the practicality of the ATO's evaluation of Business Tax Reform educational and skilling programs. The prime stakeholders are concerned with the specific effectiveness of these programs in relation to their target audience. Under the paradigm of improvement/accountability evaluations, House (1989, p.48) suggests that typical stakeholder questions include *Is the program effective*? and *What parts are effective*?

These are issues which form the focus of ATO enquiry into the various evaluands. As a revenue collecting agency, value for money from the programs and products it implements is of paramount concern. Accountability, improvement and decision making are the primary goals.

It is envisaged that future ATO evaluations will show an even stronger cognitive application of both ethics and standards. Whilst processes that apply to Federal Government agencies (such as Natural Justice, Equal Employment Opportunity, and Access & Equity) provide some guidance, greater awareness and application of ethics, such as the Australasian Evaluation Society's (AES) code[5], is desirable.

Similarly, greater regard to standards is also envisaged. In the absence of finalised Australian standards, the JCS[6] may provide a reference point. Either way, the conscious application of a set of standards will satisfy Popham's desire to see "substantial improvements in the field of educational evaluation" (Popham, 1993, p.353).

Further development of the Evaluation Strategy is also expected to incorporate elements of Integrated Tax Design (ITD). This process uses the philosophy of user-based design and user testing. In combining the foci of policy, law and administration, the ITD process cycle incorporates interdisciplinary, user-based and cross-functional principles. Evaluation activities are crucial to this approach.

Under the decision-making/accountability genre of evaluation, "the purpose of program evaluation is to produce credible, timely and objective findings, conclusions, and recommendations for resource allocation, program improvement and program accountability" (Barrett, 1992, p.5).

With these issues in mind, and the potential to conduct a meta-evaluation at the end of 2001, the provision of educational products to key internal and external clients should be further improved. Increasingly, it is being acknowledged within the ATO, that effective and robust evaluation processes are crucial to the development and improvement of innovative products and programs.

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[5] Available at http://www.aes.asn.au/
[6] The "Program Evaluation Standards developed by the US Joint Committee on Standards for Educational Evaluation, commonly known as the *Joint Committee Standards* or JCS" (Fraser, 2001, p.57).

ACKNOWLEDGEMENTS

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