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05

The 1950s

STABILITY AND CHANGE

CHAPTER FIVE: The 1950s

Stability and change

It was the first decade of the Long Boom, a period of stability and prosperity after years of depression and war. It was also a period of great innovation when the industrial and scientific knowledge gained during the war was turned to peaceful production. For the ATO it was also a time of stability that allowed it to adopt new processes and ways of working, if not new ways of thinking, as old attitudes clashed with ideas of change.

Across Australia the children of the depression who had fought in a global war settled down in peace and prosperity to raise their families. Unemployment was almost unknown and prosperity blossomed, presided over by a stable government led by Robert Menzies who had won the support of the rapidly growing middle class. Picture theatres, sporting venues, churches and Sunday schools were full with young families enjoying richer lives than ever before and working to ensure that their children's lives were even better. New family homes were built in the vast new suburbs that flourished around the major cities, filled with the new products of peacetime industry like motor cars, television sets, washing machines and refrigerators. By the end of the 1950s the Australian community that many called the Lucky Country had grown to 10 million.²⁰⁵

This stability was coloured by the excitement of change. Trams began disappearing from city streets, replaced by cars that led to shopping centres, drive-in picture theatres and freeways. Television was introduced in 1956 and had spread to most of Australia by 1959, there was the promise and threat of the atomic age, the first jet airliners entered service and the space race sent people outdoors to peer at tiny artificial satellites overhead in the sky. New miracle drugs protected children from deadly diseases like polio and the infections that had brought death to earlier generations. The new Queen, Elizabeth II, visited Australia in 1954 and the world came to Melbourne for the Olympic Games in 1956. At the same time migrants from across Europe flocked to Australia while young Australians began going to Europe (or at least London) to escape the stifling conservatism they found in much of post-war Australian life. Over all this loomed the fear of nuclear war that threatened to destroy everything everywhere in a matter of minutes as the two

mutually antagonistic ideologies of capitalism and communism became locked in a massive arms race. But fear of nuclear war was dampened by the new consumerism and the booming economy.²⁰⁶

Tax officers shared in all this and also lived in the ATO's stable community. In the big branches like Sydney and Melbourne it was not possible to know everyone but many sections were large enough to become their own communities. In smaller offices like Hobart and Perth it was possible to know people in other sections too, and buildings with cafeterias also had a common space that encouraged greater mixing between all staff. People who worked together also tended to socialise together, going to the pictures or shows in groups, shouting drinks after work (when most states still had six o'clock closing for pubs), going to parties and playing sport. Close friendships formed, romances blossomed and envies and petty hatreds festered, as they do everywhere. This sense of community made the ATO a place of shared experiences, made closer by the distrust and fear of tax officers in the wider community and the necessity of keeping the secrecy that all tax officers agreed to which meant that most would only admit to being 'public servants' or working for Treasury when questioned by outsiders.²⁰⁷

Sport was the great common bond and sporting clubs flourished. In some states sections were allowed to take one day off a year together as a sporting day, often combined with a picnic, and in the smaller states there was an annual picnic day for the whole branch that included sport. All the usual sports were popular and these activities were generally supported by senior staff with Deputy Commissioners and Assistant Deputy Commissioners often serving as patrons and attending events.²⁰⁸



Sydney branch correspondence section Tennis Day, 1951.

Index annual picnic

A report in the staff magazine *Tax Form* relives the sense of social life in the 1950s.

On Friday, 14th March, Index staff assembled in Martin Place to embuss for their annual outing. This took the form of a trip to Austinmer.

For the occasion several lasses from Sortergraph and Transfers Sections joined us. Miss Barry and Mrs Pendergast, both formerly of Index Staff, were welcomed back for the day and were greeted with affection by all present.

With a cheery wave from the Deputy Commissioner, Mr F A Thompson, we sped on our way. We enjoyed several detours – to survey Mascot aerodrome, to see Boys' Town at Engadine, and to enjoy the views from Bald Hill. Thence on to Sublime Point where calories were forgotten, and we feasted upon scones and jam with lashings of cream.

At Austinmer a small party picnicked on the beach whilst the remainder dined at 'Headlands Inn'. We recommend the Inn to one and all.

After lunch, swimming was the order of the day for many. A short sports programme was organised and the following folk proved their prowess.

Swimming Race – Jenny Pennington.

Peanut Scramble – Marion Moffatt and Irene Owens.

Walking Race – Barbara McDonald.

Three Legged Race – Irene Owens and Jenny Pennington.

Sprint Race – Pat Creighton

Egg and Spoon Race – Pat Creighton and Phyl Ward

Wheel Barrow Race – Phyl Ward and Bertha Border

Old Buffer's Race – Phyl Ward

We must admit that how an 'Old Buffer' won the Wheel Barrow Race just gets us in too. T'was a happy day for one and all, 'If only we could have more such days' was the general comment.

'N.O.L.'²⁰⁹

Many sections were large enough to form teams to play other sections and the most talented were selected to play in ATO teams against other organisations. Competitions at this level were serious and, in the days before professional sport, many ATO teams included well known and respected sportsmen, as did opposing teams, so the competition was tough. Most of their victories have been long forgotten and their trophies tarnished by time, but some remarkable achievements are still remembered, such as the Sydney branch rugby league team that was virtually unbeatable and won Public Service Competition premierships in 1949, 1950 and 1951.²¹⁰



Brisbane branch Taxation Ballet of 1956.
Left to right, back: Margaret Benson, Daphne Hiller, Pat Carver. Middle: Ailsa Dobbie, Margaret Wall, Rhondda Smith, Carol Cantrill, Janice Palmer. Front: Jocelyn Colclough, Gloria Bryant, Lorraine Carew, Colleen Bohan, Joan Nichols, Heather Logan.

Social clubs organised many activities and amenities for staff. Several branches put on annual variety shows that were performed, scripted, produced and staged by ATO staff for staff that gained excellent reputations for high standards. They catered for everyone so if someone couldn't sing or act they could write, paint scenery, do carpentry or electronics, organise, sell tickets, usher people to their seats and, very importantly, attend on the night and applaud. The other big event on the ATO social calendar was the Taxation Ball, the formal event of the year that was fully catered with a band and dancing well into the night that gave women a big opportunity to dress up in their finest evening wear. It was also the occasion when the Deputy Commissioner could invite important members of the community to sit at the head table and gave the ATO a public face.²¹¹

During the 1950s most social clubs began publishing monthly magazines that carried reports of the latest sporting achievements, social events and other club activities as well as news of forthcoming activities and office gossip. They printed photographs taken by members of the photographic club and prose or verse by office writers. Other aspects of ATO life appeared in the newsletters of the unions and staff associations that dealt with work pay and conditions.²¹²

The interstate sporting carnivals were the pinnacle of ATO sporting and social life. Sydney and Brisbane continued their annual visits until 1955 and the southern states held a number of carnivals, in Melbourne in 1949, Adelaide in 1950, Hobart in 1953 and Perth in 1955. The first carnival attended by all states was in Melbourne in November 1956 when Head office and ten branches competed in seven sports over six days. Just as important was the social program that included an official opening ceremony, two evening excursions that included barbecues and dances, culminating in the Carnival Ball and trophy presentation on Friday evening. The next carnival was hosted by Head office in Canberra in January 1959 and attended by over 600 people. It continued the tradition of firm but fair sportsmanship on the field and convivial socialising off. Social events included a tour of Canberra sites, a social dance, an open air concert in which every state had to contribute a performance, and a carnival dinner on the final night, hosted by Commissioner McGovern.²¹³

In this rich social environment the ATO became a way of life and a family for many tax officers. It provided everything they needed – economically, socially and intellectually. For the men and women who had returned from the war it also provided the stability and certainty that made it possible for those suffering the mental after-effects to find a place where they were understood and helped. Branches were paternalistic, but that



Visitors to Canberra for the 1959 Interstate Sporting Carnival.

was the norm for the times, and the Deputy Commissioner was considered the figurehead of his branch who might not know all his staff personally but took a fatherly interest in them. In fact, most Deputy Commissioners lived lives quite remote from their staff, spending their days involved with tax technical matters while the majority of staff did the daily processing work. Most staff rarely saw and never spoke to their Deputy Commissioners although, in Canberra, Commissioner McGovern had an annual Christmas ritual in which the staff lined up and when each officer's name was called out they stepped forward to have their hand shaken formally and receive a few words from the Commissioner himself. In some branches Deputy Commissioners appeared at Christmas functions held on different floors of the building and spoke a few general words to the staff. If there was anyone in the branch who did take an interest in the staff it was the Deputy Commissioner's secretary or personal assistant who took care of the details of most staff-related social affairs, which gave the Deputy Commissioner the appearance of being 'fatherly'.²¹⁴



The executive enquiries counter on the wood-panelled second floor of the Savings Bank building in Sydney.

The Cold War was the driving force behind many social and economic changes during the decade, changes that included the introduction in 1951 of short-term compulsory military service for all 18 year old Australian males. Australia developed a closer relationship with the United States, entered several defence pacts including ANZUS and SEATO and reached agreements that allowed the US to establish bases in Australia. Australians fought in the Korean War between 1950–54 and the Malayan Emergency against communist guerrillas between 1955–60. Australia also retained its British ties and became a base for British military development with a guided missile test range established at Woomera and atomic bomb tests on the Montebello Islands and at Maralinga.²¹⁵

The Cold War also gave impetus to national development. In 1952 the government agreed to mine and export uranium to Britain and the US, and it established the Australian Atomic Energy Commission in 1954. Major nation-building projects went ahead including the Snowy Mountains Scheme, the Eildon and Warragamba dams and construction of a standard gauge railway line between Sydney and Melbourne. International trade increased and by the end of the decade, Japan was the largest buyer of Australian coal and the second largest buyer of its wool.²¹⁶

The ATO collected much of the revenue that made all these developments possible. In addition, the negotiation of double taxation treaties by an ATO delegation to New Zealand, the United States and Canada in 1953 facilitated international investment and trade. The ATO also offered its experience and knowledge to other countries in the region with training courses and lectures organised through the United Nations and the British Commonwealth of Nations (which the old British Empire had become).²¹⁷

Australian taxation remained stable during the 1950s with the exception of some technical changes and variations in rates. In 1959 the ATO collected £823.37 million, more than twice as much as a decade earlier, due to Australia's growth and prosperity. The flour, gold and entertainment taxes were wound up, along with the land tax that was abolished from 1 July 1952. Because the land tax had initially set up the ATO and much later legislation about the ATO used it, the *Taxation Administration Act 1953* was enacted to replace it. Despite the end of the land tax, valuation remained a part of the ATO's work with valuers fully occupied on estates and gift duties, and providing services that included over 159,000 valuations for Commonwealth and state governments in 1958–59.²¹⁸

The wool tax and the stevedoring industry charge continued to provide support for those industries, a tobacco charge was introduced in 1956 to foster and expand the Australian tobacco industry and the canning fruit charge was introduced in 1959 to provide funds to promote the sale of canned apricots, peaches and pears. Revenue from estate and gift duties climbed as the Australian population grew with 10,090 gift and 15,675 death duty assessments being made in 1959. The work associated with sales tax increased only slightly while payroll tax registrations fell from about 73,306 to 38,4110 due to increases in exemption levels.²¹⁹

Pigs stew

Trevor Boucher recalls one of the first things he was taught about the ATO.

When one entered the office, as I did in about 1956, there were formal induction processes, and you had to learn what the Tax Office did. It administered the tax laws. What tax laws? Pigs Stew! 'Payroll tax, income tax, gift duty, sales tax, stevedoring industry charge, tobacco charge, estate duty and wool tax'.²²⁰

The number of income tax returns lodged annually grew from 3.48 million in 1950 to 4.68 million by 1959 and the number of registered tax agents rose from 7,800 to over 10,400. Tax avoidance and evasion also grew and, during four years in the early

1950s, prosecutions for failure to furnish returns or other breaches of the income tax acts virtually doubled from 5,905 to 11,357 and the penalties imposed more than doubled from £61,960 to £162,961. A lot of this was petty attempts at evasion that did not add up to much but the cost of detecting and collecting it had to be borne by the whole community as part of ATO operating costs.²²¹



The ATO had become a large processing plant for income tax returns and staff worked on the production line at a range of tasks to move returns from arrival to processing refunds and storing files for future use. Most branches also had staff cafeterias for the workers.

No escape from death or taxes

Commissioner McGovern believed in developing a positive relationship between the ATO and the community, as shown in the Annual report in 1958.

It has been remarked that there is no justification for a programme to improve the relations between taxpayers and the Tax Administration. Taxes, like death, are certain it is said – there is no escaping them. The Administration is clothed with adequate power to enforce payment. So why bother about what the taxpayers think of the Administration?

Both experience and common sense provide an emphatic denial to the validity of these views in present day conditions.

It may be true that for many years taxation administrations relied upon their enforcement powers to carry out their legislative duties. There is no doubt that they succeeded in collecting taxes and very little doubt that they also succeeded in incurring the universal opprobrium of taxpayers. Taxes and tax collectors were actively disliked and it was not considered reprehensible to defeat the revenue. But these attitudes belong mostly in the past and it is the residue of these past days that creates the need for public relations activities. There is in these days a desire to understand and be understood.

It would be futile to expend effort on improving public relations unless the basic conditions for the success of the effort were present. Fortunately, this is the case. Equitable tax administration has existed in the Commonwealth for nearly fifty years. This enables a positive approach to be made to improve relations between the Administration and the public. There are two branches of this positive approach – first – the promotion of an understanding of taxation law itself and second – the furthering of confidence in the organisation entrusted with the administration of the law.²²²

In 1950 the ATO staff was about 7,500 and in 1959 it was 7,420. This stability was the result of strict staff ceilings imposed by the government in 1951 to control the growth of the public service. Commissioner McGovern told the government that the ATO could only cope with this limitation by eliminating the least essential functions and reducing the intensity of other work, putting the revenue at risk and reducing the safeguards designed to ensure taxpayers paid the required level of tax.²²³



The first female assessors appointed to Sydney branch.
Left to right: Joan Sneddon, Marie Taylor, Myrna Hallinan, with Jan Brady seated.

Through the decade about 39 per cent of ATO staff were women, but they remained at the lower levels of the workforce. By 1959 there were only 45 female assessors out of a total of 1,343 and 197 clerks out of 1,772, but 856 women and no men were typists or accounting machinists and there were no women in the ranks of investigation officers, inspectors, valuers, legal drafting officers or management. As well as lower status jobs, women continued to receive lower pay than men for equal work, although this was increased from 54 per cent to 75 per cent of the male wage in 1950. Women also made up the large casual workforce of around 500 employed by the ATO during tax time each year to help process the heavy increase in mail containing income tax returns. Despite their low status the ATO depended on its female staff and in 1951 a shortage of typists in Sydney forced the ATO to set up a typing pool of about 100 women in Wollongong to employ women who were not prepared to travel to Sydney.²²⁴

The upper levels of the ATO remained almost static during the 1950s. Commissioner McGovern was reappointed for a second seven year term in 1953, and there were only a handful of changes at the senior executive level during the period. Staff ceilings meant there was little movement in the Third Division workforce and officers spent an average of seven years on any one level. There was much more change in the Fourth Division as young women joined the ATO for a few years and resigned when they married, but there were few career paths in the Fourth Division so people there also tended to remain in the same position for many years.²²⁵

Ground to a halt

Lionel Jones recalls the scope for a career in the ATO in the 1950s.

I found myself in an office environment where there was no promotion for anyone and no hope for advancement. Just as the Office had been filled with service personnel returning from the Pacific war, it had previously been filled with returning servicemen from World War I. They occupied positions of any seniority and were slowly ageing. The organisation appeared to have ground to a halt.

For those who wondered about this, and not everyone did, it was generally thought that the Office was too large (you see, expectations were low). It was believed that opportunities would be greater in a small environment such as the Electoral Office, where you might have a base grade clerk or two in an office and perhaps a supervisor one or two grades above base – such giddy heights to be attained!²²⁶

Overcrowding, poor facilities and temporary working arrangements remained the norm during the 1950s. The imposition of staff ceilings in 1951 reduced the need to find space for new staff but the 1952 government decision to restrict spending on buildings also limited the ATO's ability to improve accommodation, and construction of the promised new ATO building in Brisbane did not begin until 1958.²²⁷

In most cities staff were spread across a number of buildings and the Melbourne situation in 1954 typified ATO accommodation problems in the rest of Australia. The main office in the city centre was augmented by file storage in two huts at the Maribyrnong explosives factory, the records and statistical sections were located in a warehouse in Abbotsford (where the mail was also opened during tax time), three assessing sections were located in temporary wartime barracks at Albert Park (soon to be moved to refurbished premises in Chapel Street, Prahran) while the investigation section was located in another building in the city centre. Very little had changed by the end of the decade.²²⁸

There were some improvements in the smaller state capitals by the end of the decade. All ATO functions were moved into one building in Hobart in mid 1955 and land was bought in Adelaide for a special ATO building but progress on it was so slow that staff from three offices moved into a new leased building in central Adelaide in 1960. But in Perth the major office remained a warehouse that had been adapted for ATO use in 1940.²²⁹



An ATO training room. In this class trainees are learning about the structure of the ATO.

After its experience in providing courses for tax officers returning from the war and new ex-servicemen the ATO developed an extensive training program. From 13 courses for 250 tax officers in 1953 training grew to 82 courses for 1,176 officers in 1958 including courses introduced for income tax and sales tax examiners and supervisors. New staff induction courses began from about 1953 when 11 courses were held and one branch produced a booklet, *Welcome to Tax*, that was later adopted by other branches and given to all people joining the ATO.²³⁰

It was not until the mid 1950s that the ATO began systematically developing its relationship with the Australian community and public relations training courses began in 1958. ATO experiences with the press were not happy and on one occasion a press notice proudly announcing that a quarter of a million refunds had been issued, and only 67,000 remained, was turned around to highlight the unissued returns. This kind of experience made the ATO very wary about what it said to reporters and the Commissioner would not allow any branch to issue notices or give interviews without Head office approval.²³¹

The ATO preferred to use forms of publicity that it had better control over, such as pamphlets, radio interviews and early television appearances. It saw public relations as the direct relationship between tax officers and taxpayers, which was not unusual at that time when new communications technologies and practices were only beginning

to develop. Country visits were resumed in all states in 1952 with experienced officers having good personal skills going out at tax time to help individual taxpayers and registered tax agents, visit local industries, give talks to local groups, give interviews to local newspapers and talk on the local radio stations. Branches also experimented with guided tours of tax offices for groups like accountants and businessmen that helped demystify ATO processes. The front line of ATO public relations remained the tone of its letters and the courtesy with which tax officers talked to taxpayers at enquiry counters and on the telephone. Counter work was promoted as a privilege and supervisors were told to select counter staff for their appearance, confidence, alertness and self expression and train them in the knowledge they needed to help the public in a courteous manner. There was no uniform, it was suggested staff should dress smartly in a white shirt, collar and tie and a belt (not braces) and if their dress was not satisfactory they would not work at the counter.²³²



The enquiries counter on the first floor of the Savings Bank Building, Sydney, 1954.

All staff operated under the same basic rules. The Public Service Regulations governed most daily activities, the secrecy agreements staff signed prevented them from talking about their work with outsiders, while regulations prevented them from giving tax advice to anyone, even close relatives, and Treasury regulations strictly controlled how public money was handled.²³³

Despite these strict safeguards some tax officers were tempted by the money that passed through their hands. In September 1957 there were 10 cases of tax stamp fraud worth £1,054 discovered in the Sydney branch, resulting in an officer's dismissal and conviction. In the same month 240 refund cheques worth £2,231 were stolen from the Sydney branch and a junior female officer and five accomplices were all convicted as a result of investigations. Other cases of illegal behaviour detected in the ATO included preparing tax returns for a fee and the alteration or substitution of returns, but these cases were remarkably rare in such a large workforce.²³⁴

A salutary lesson

Bruce Jones muses on a lesson learned about the importance of secrecy and privacy.

In those assessing schools there was probably one bad egg, one in a hundred. Halfway through our school two very tall and wide gentlemen arrived and walked over to stand beside someone, he stands up and the three of them leave. Nothing is said, but now 100 people are frozen, staring at what's just happened. One of the men returns with a large cardboard box, collects everything on the desk and just tips the contents of the drawers into the box, folds it closed and just walks out. Nothing is said, and you think, 'what was that, what just happened here?' Over the next day the story unfolds that he'd been doing some dodgy things and the Federal Police have arrived and taken him away.²³⁵

The major problem facing the ATO in the 1950s was unity. Perhaps the best way to imagine the ATO at the beginning of the 1950s is as a fleet of 14 ships all sailing in the same direction. They shared the same task of collecting the nation's revenue but each had its own captain and crew with their own traditions and procedures. Most states apart from Western Australia had an income tax branch and a sales tax branch and there were three branches in Melbourne which also had Central office and in Adelaide which also had the Northern Territory branch.²³⁶

By the end of the decade the number of branches had been reduced. When one Deputy Commissioner in a state retired the two branches were amalgamated under the remaining Deputy Commissioner. In 1958 the Darwin branch that had been located in Adelaide since 1942 moved back to Darwin so the only state to then have two branches was Victoria, which also had Central office.²³⁷

Each branch's Deputy Commissioner defended his territory and independence. They took direction from the Commissioner on most policy and tax technical matters but expected to be left to run their own branches as they saw best. It was not an accident that the sporting carnivals were called 'Taxation Offices' carnivals, not 'Taxation Office' carnivals. This parochialism was well expressed in 1959 when Head office suggested a national journal for all tax officers but the Deputy Commissioners said it was unnecessary and unlikely to succeed because the existing state-based magazines and newsletters were sufficient and tax officers would not be interested in what was happening in other states.²³⁸



Brisbane branch correspondence section, August 1955. Desks are lined up with military precision with supervisors looking back at their staff, almost like being back at school.

Head office in Canberra was mainly involved with tax technical policy and remained, as Commissioner Ewing had insisted, the office that made the final decision on appeals and objections. Its proximity to Parliament House and major government departments such as Treasury and the Attorney-General's Department also lifted the intensity of the office. It attracted many of the smartest and most motivated people in the ATO so the atmosphere in West Block was lively and invigorating and it was an exciting place where the work was more varied and challenging and the hierarchies less evident than in other offices.²³⁹

Branch offices collected the taxes so they were organised to process the immense flow of paper and money as efficiently as possible. Life in the state branches was therefore quite different to Head office and much more structured, disciplined and hierarchical. This was partly because of the much larger workforces, partly because of the routine and repetitive nature of much of the work, perhaps partly because of the military experience of many of the supervisors who were ex-servicemen, and partly the result of the discipline needed to meet annual assessing deadlines. As a result, many tax officers in the branches regarded the ATO as a job rather than a career.

Each branch had its distinct cultures and routines. For example, some branches recorded staff attendance using a Bundy clock that stamped the time of arrival and departure on each staff member's card and in other branches staff signed an attendance book in which a line was drawn at starting time and those who arrived late had to sign under it. However, Bundy clocks became common in the ATO during the 1950s.²⁴⁰

Bundy ill will

John Martin recalls the introduction of Bundy clocks in Sydney.

John could not help but recall the ill will felt towards the use of the notorious Bundy clock. Eventually it worked its way into the system, but initially there was much resistance. There was straight out sabotage! Sugar would be poured into the Bundy clock to 'foul up' the system. Tape would be put over the card so that the time would not register. A mate would 'Bundy off' for someone who had to leave earlier. Even the 'boss' would sign off the card and it would not go through the clock.²⁴¹

There was also no uniformity in office security. The only way to keep offices secure was to lock doors before and after work but that was difficult to do when the ATO shared a building with other government departments or businesses. It would also have been a great inconvenience to staff who arrived early due to public transport, or in Queensland where some staff came early to play bowls, billiards or other games in the basement recreation area. Locking doors after work would also inconvenience staff staying back after hours to attend night classes.²⁴²

Disagreement between Deputy Commissioners also created significant differences in working conditions and processes. During the assessing emergency of 1947 special sections had been set up to do the calculations that assessors had previously done to reduce the drudgery of assessing and allow assessors to concentrate on the more

technical aspects of their work. However, in later years some Deputy Commissioners said this created an additional stage in the assessing process that cancelled out any benefits in efficiency, while others disagreed. They agreed not to adopt a standard procedure but do whatever they thought was best, so long as it did not slow down the work during tax time peaks.²⁴³



Perth branch assessing room. Unlike some larger branches, all Perth assessors worked in one room that was sometimes known as the *chook farm*. As they worked their way up the assessing grades they moved further back in the room, with the newest assessors in the front rows where they were under closer scrutiny.

Deputy Commissioners also disagreed on the amount of work they expected from their assessors. Victoria set quotas as high as 180 assessments a day for salary returns, down to 12 a day for large business returns, while other Deputy Commissioners had different assessing processes and set lower targets. Some did not have fixed quotas and let assessors work according to their capabilities. Some states told their assessors of the targets they had to meet and others did not because they thought that the better assessors would not work as hard if they knew them. In 1959 the Deputy Commissioners discussed these differences but could not agree on any standard targets.²⁴⁴

A staff merit system was introduced in 1958 to rate officers on traits including knowledge, diligence, power of expression, judgment and planning and organisation that could be used as a guide by promotions selection committees. Deputy

Commissioners disagreed on it, one branch did not introduce the system because the Deputy Commissioner did not like it and other Deputy Commissioners had different opinions on how much they would use it. Commissioner McGovern was firm on this. He said the merit system would be implemented in all branches because otherwise promotions would be haphazard. In time the merit system would become the basis on which promotions were based and he wanted the system to be firmly embedded in the ATO when that time came.²⁴⁵

Despite small successes Commissioner McGovern faced an almost impossible task in trying to bring uniformity to the ATO. He did not try to force change on existing systems, but tried to use the introduction of new systems and processes to introduce some uniformity across the ATO.

The Commonwealth Committee on Taxation was established in February 1950 to recommend ways to simplify tax laws, remove anomalies and provide an adequate and equitable basis for taxation. It completed its deliberations in March 1954 and prepared over 30 reports. One of its most far-reaching suggestions, made in October 1950, was a number of changes to existing taxation processes including the adoption of income tax self-assessment by taxpayers. Commissioner McGovern sent the report to the Deputy Commissioners who supported it so a committee of tax officers from all the branches considered the proposal in greater depth and supported it for three reasons: the need to simplify the tax process as much as possible, the need to relieve the ATO's growing difficulty in keeping up with the volume of work and, finally, the possibility that 'a state of emergency' (euphemism for another World War) would aggravate the ATO's existing problems. The Commissioner and Deputy Commissioners discussed the proposal in October 1951 but decided against it because they could not devise a plan that would work successfully and meet government and public expectations of the taxation system and the ATO. Instead, they decided on a system of self-assessment for provisional income for taxpayers that was adopted in 1952.²⁴⁶

More significant change came through a new management philosophy that went by several names including Taylorism, Fordism and 'scientific management'. These ideas were introduced to the Commonwealth Public Service in 1950 by the Public Service Board as 'organisation and methods' to improve the efficiency of government departments. However, when the Public Service Board approached the ATO with these ideas in September 1951 Commissioner McGovern replied that the ATO already looked for new ways of doing things when they were appropriate to its needs. One happy example of this new management philosophy was the introduction of tea ladies who pushed trolleys around the office, serving tax officers at their desks. Tea ladies not only improved efficiency, they also became major sources of news around the office and popular personalities in their own right.²⁴⁷



ATO tea ladies.

Commissioner McGovern used Deputy Commissioners conferences to help bring some uniformity to the ATO and there were five during the 1950s. During the decade they gradually changed from discussions of tax technical matters to discussion of general matters of management, partly because of Head office's increasing coordination of tax technical matters and also the stability of the taxation system that reduced the need for tax technical debate. As a result, the 1959 conference did not deal with any tax technical matters.²⁴⁸

Reorganisation in Head office during the 1950s made it more capable of assisting the unification process. A Chief Deputy Commissioner was appointed to oversee and coordinate tax technical work to ensure uniformity of decisions and the continuity and regularity of work flows. A new revenue and research section was established in 1953 to prepare revenue estimates and carry out research, statistical and publicity functions. In 1955 Head office was reorganised into three divisions: the management division to oversee matters affecting management and procedures throughout the ATO, the legislation division to oversee application of the laws governing all taxes, and an expanded revenue and research division. An internal audit section was also re-established in 1956 to conduct test checks in all sections of the ATO. To reduce confusion between the titles of senior positions in Head office and the branches the Chief Deputy Commissioner was retitled the Assistant Commissioner and the Deputy Commissioners became Directors.²⁴⁹

Head office's management division led the review of a number of procedures across the whole ATO, often through committees comprising tax officers from the management division and branches convened to examine specific problems. They included developing procedures to improve responses to taxpayer queries, procedures to obtain returns from defaulting taxpayers and improvements in sales tax systems to streamline investigations. After the 1957 tax stamp fraud cases a committee reviewed existing procedures to eliminate weaknesses in that system.²⁵⁰

One of the areas of greatest innovation was also one in which the community had a particular interest, the issuing of income tax refund cheques. Before the introduction of PAYE most refunds were small and there were not too many so they were usually paid in cash over the counter. However, these changes brought long queues at cashiers counters and more cash in the ATO which were not attractive, so refund cheques were introduced.²⁵¹

This brought new problems and required new procedures. Blank cheques had to be stored securely, clearly typed using ink that could not be altered and guarded until they were sent to the post office, but each branch developed different ways of doing all this. Some branches manually signed and countersigned the cheques and some other states used a cheque signing machine, of which there were at least two types. Some branches used machines that typed the assessment notice and the refund cheque at the same time while some branches prepared the forms separately.²⁵²

Standardisation began in 1951 when approval was given for refund cheques with a value of less than £20 to be delivered to branches with the signatures already printed on them. This saved an immense amount of work but also came with other problems because previously cheques had been signed towards the end of the process so there was little danger of theft or other malpractice. However, since the new cheques arrived in the office with the signatures on them but still blank there was a greater need for security. The Sydney branch devised a process for ensuring the security of these cheques from their arrival in the office to their delivery to the post office that had 40 steps, several with sub-steps. They included storing cheques in a strongroom with two locks and two officers having one key each, machine operators preparing the cheques in a special locked room, checking them in another secure room, and so on, with officers at each stage signing over responsibility when they had completed their step in the process.²⁵³

It was a thorough plan and Head office asked the other branches to use it, but that did not happen. In Sydney cheques and assessment notices were prepared separately while in Victoria they were done simultaneously, so the process had to be changed to work there. The Perth office only had one strongroom so it had to make do with a large safe instead, the Adelaide branch did not have the volume of work that

justified setting up the new sections required in the Sydney plan and Hobart had neither a strongroom nor a separate secure room in which machine operators could work. Consequently a uniform process could not be introduced in the branches and had to be adapted to suit local conditions.²⁵⁴

Despite this the new cheques had great potential to make ATO processes more efficient so a departmental committee was established to examine how best to introduce the new system. It found that to achieve maximum efficiency the new process required simultaneous preparation of the assessment notice, refund cheque and the official record on the same machine, but the forms had to be redesigned so they could be processed together and the most efficient machines had to be used to do it.²⁵⁵



An ATO machine operator.

Tests showed that using a redesigned and standardised form could increase efficiency by between 26 and 39 per cent (depending on the branch), partly by reducing the number of typing lines to limit the amount of machine movement needed to type them. Further efficiencies would come from using standardised envelopes and a standard process of putting the forms into the envelopes. The Melbourne branch conducted tests to find the most efficient machines for the new process. Three typists tested five different machines for two weeks each and at the end of the test productivity ranged from 306 to 348 forms prepared a day. As a result two machines were recommended for the branches to use.²⁵⁶

After the form design and types of machine had been decided the Deputy Commissioners agreed to adopt the new system at their 1953 conference, but the Commissioner had no say in what they actually did. Nevertheless, in July 1956 he wrote to the Deputy Commissioners asking them if they had put the system into operation. They replied that they had, but some had made changes to the agreed process and the Adelaide Deputy Commissioner, who had opposed the new process, had made the most changes.²⁵⁷

There was little Commissioner McGovern could do about this because the branches would tolerate only so much central control. The same thing happened with another system developed to account for all the refund cheques after they had been issued. After the cheques were cashed they were returned to the branch that issued them, where they were sorted and recorded to identify lost or stolen cheques. Each branch had a different process to do this, although they all achieved the same result, and the Commissioner did not interfere.²⁵⁸

However, the Commissioner and Deputy Commissioners were united in resisting change from outside. When the Public Service Board wrote to Commissioner McGovern suggesting that the ATO should use the simpler Department of Social Security method of keeping track of cheques, he asked the Deputy Commissioners for their thoughts. They replied, each in their own way, that it was a bad idea, and Commissioner McGovern told the Public Service Board that the ATO was not the Department of Social Security so it needed different procedures and would not change.²⁵⁹

The ATO was motivated by its need to protect the revenue, and the standards of service to the government and the community that it believed were expected of it. It had to balance stability and change to ensure that it continued to improve to meet the challenges of modern Australia and the future, while also meeting its obligations and maintaining its traditional values.

But change was coming rapidly. The first subscriber trunk dialling (STD) telephone lines in Australia were opened in the mid 1950s and the foundations of a stable and efficient air transport industry were also laid during the decade. Educational standards and expectations were rising with the first of Australia's new universities being planned and opened. At the same time culture was changing. Rock and roll music arrived in Australia in 1956, the first Top 40 hit parade chart appeared in 1958 and *Six O'Clock Rock*, compered by Johnny O'Keefe, was launched on ABC television in 1959.²⁶⁰

At the enquiry counter

On his retirement John Martin recalled that even rock stars pay tax.

John liked to be able to provide assistance to the public and especially liked to come down to the Enquiry area. It was here that he often met a lot of very interesting and well known people. He certainly remembers the day that Johnny O'Keefe came to the counter and the excitement that he caused. All the female staff left their stations to see him!