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**Purpose.** The current study addresses the issue of discontent at a personal and policy level with higher education and its funding, and its relation to tax compliance among a graduate population. It examines the thesis that discontent with the provision and funding of higher education plays a significant role in lowering tax compliance through the mediational role of shame management and dissociation from authority.

**Method.** Data are taken from the Graduates’ Hopes, Visions and Actions Survey based on a sample of 447 Australian graduates who recently received their tertiary degrees.

**Results.** Path analysis provides support for the central thesis but also shows additional direct links between (1) dissatisfaction (with university studies) and tax evasion, and (2) having an income contingent university debt to repay and tax evasion.

**Conclusions.** This study demonstrates the ways in which the legitimacy of the tax system and the legitimacy of higher education policy are inter-connected. Criticisms of government departments acting in tunnel-visioned ways with regard to the consequences of their actions are magnified in light of the findings of this paper: People take out their frustrations with one part of the government system (higher education funding and service provision) on other parts of the government system (taxation). Communication between these different parts is imperative for effective policy development and implementation.