

From: creeve@perthinternet.com
Sent: Tuesday, 24 May 2005 12:16 PM

To: Economics, Committee (SEN)
Subject: Memorandum changes

To whom it may concern,

I am writing this letter as I feel that I and many others have been dealt with unfairly in the ATO handling of the mass marketed tax effective schemes and the current Self Assessment system. It amazes me that the ATO can have the right to change the past, so as to brighten their own future. To add more insult to this is to impose penalties and GIC to the equation. I have not had to pay GIC yet, and the contract I entered into with the ATO was for 2 years GIC free. Like all contracts one is bound to it, and in signing one waives all rights to pursue the matter further with the ATO. Yet another reason for distaste in covering its tracks in a heavy handed conformist way. So yes I signed the contract, under duress of looking at my option of not to enter the contract and pay GIC and penalty later. This way could compound the debt to be paid, as the longer it is held in court the more you will pay if the case is lost. On top of this continue to pay fighting funds to support the cases.

To meet these payment obligations has been very harsh on these years of my life, and has caused me to view any financial instrument involved with the ATO, such as superannuation, with great pessimism and not a safe haven for investment. I am unsure that I will be able to keep up this rate of payment and this means that at the end of the year I will start with the GIC which will lengthen the time frame and add to the pain I am already experiencing.

I understand that the Department of Treasury has found that the Self Assessment system to have been inadequate in protecting taxpayers, so much so that the changes have been put into place in legislation. I feel this is a positive step forward and maybe not all this has been in vain. However it still amazes me that the very cases that the Department of Treasury reviewed to come to its conclusions are excluded from its findings. This is a very discriminatory position to be in, you agreed that it was wrong and have implemented a change, but you have not fixed the wrong entirely. It is just a patch, and I feel that you have trepidation in making your legislation retrospective against the ATO as then you have lowered yourselves to the level of the ATO. If the decision was not to fix the past of the ATO but to allow the ATO to gather its extra found source of money then that objective has been reached. I feel that this new legislation should be made available to me, as I was less knowledgeable when I entered into this sort of tax effectiveness, and now I am locked in. It was back then that I needed such legislation, which future individuals will have the luxury of experiencing.

I feel that the financial industry will never fully recover from this incident unless all the undue hardship is righted, and whist it is better now it is far from over. The future requires that the ATO have a better level of certainty which it bestows on its payees, and that will alleviate and make me less susceptible to the same problems encountered in previous tax years. Whatever the outcome I am much more knowledgeable in this area will not suffer a similar outcome, but I would be much happier to see a more encompassing ending.

I would recommend that the legislation be amended so as to be effective from the beginning of self assessment so as to give us all the same right.

Regards
Colin Reeve