

15 February 2006

Joint Committee of Public Accounts and Audit
Parliament House
Canberra
ACT 2600

Dear Sirs,

Re: **Terms of Reference – Inquiry into Taxation Matters**

In 2000, prior to the end of the financial year, I sought professional financial advice from my accountant with regards to our financial situation at that time. My accountant offered his professional advice which was to set up an overseas Superannuation Fund for our future retirement which at the time was quite legal to do and we considered this good advice. We were not to know at that time that a few years later the ATO would make amendments to the Act which would not only change their policy but they would hit my husband and myself by making the changes retrospective for the previous 5 years. So while the ATO continues to encourage taxpayers to get legal advice before investing, what is to stop them from doing the same thing again?

There is nothing wrong with them making amendments from time to time. There is something wrong when innocent taxpayers become victims of the ATOs retrospective actions.

Common standards of practice are not being applied by the ATO across Australia. They appear to be making their own rules with some taxpayers being offered better terms than others often based on whether they are willing to settle right away or whether they are appealing. They have used bullying-type tactics by threatening you with the prospect of huge interest for not settling as opposed to lessor interest if you do settle now. In reality they are trying to force you into giving up your right to a fair and equitable hearing.

We are not at all opposed to paying tax that is fairly and equitably requested of us as we have always done in the past. But unfair treatment, favoritism and bullying are not and should never be part of any Governmental system. And this is what is being handed out by the ATO.

The ATO has offered me three different rates of penalty as an EBA taxpayer and GIC again with three interest rates from 12.63% to 4.72%. I mean this is ridiculous!

I believe something really needs to be done to regulate the actions that the ATO has been taking. Their methods have been questionable at best.

Thank you for taking the time to investigate this area and I pray you will put some sanity back into the somewhat insane actions of the ATO.

Kind Regards

Kimberli Ayers