

Wilson, Frances (REPS)

From: Mackey Family
Sent: Monday, 13 February 2006 2:38 PM
To: Committee, JCPAA (REPS)

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| Submission No: 56 |
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To, MP Bronwyn Bishop.

From Kevin Mackey

Dear Ms Bishop,

I would not expect you to remember me, but we were on the same committee many years ago, it was chaired by Normie Rowe and I was present as a representative of NARCONON (a very successful drug rehab system using the work of L Ron Hubbard) We did get our unit set up at Central Mangrove where it ran for several years. But that is not the purpose of this letter, the following is my wife and my submission to the enquiry that you are presiding over.

My wife and I ran a manufacturing business for many years, it went quite well until we had a child with a severe brain injury. We decided to sell our business and give our little girl the attention and rehabilitation that she needed. We were then put on to, what is now referred to by the ATO as an EBA, by our accountants, as a means to financially manage the difficult time ahead of us.

We were shown a QCs opinion in favour of the arrangement and we were informed that the ATO had made several private rulings on the matter, all of which we have copies of.

The ATO has now amended both my wife's and my tax returns, for the years that distributions were made to Equity Investment Bank for our superannuation arrangements. This includes enormous fringe benefit tax assessments, as well as personal assessments including 40% penalties and 12 odd% PA interest for our "wrong doing". We are aware that many others have been offered much lower penalties and interest, we have not been able to access any lessened penalty despite

We are at a loss to understand how the ATO can justify its position, and we have been hanging our hopes on the Cameron Brae case bringing some fairness and just dealing to the matter. However, the ATO now informs us they plan to ignore this, if it goes against them. This does not surprise me any more, given they can also ignore their own private rulings if it so suits them. My accountant has informed me, that an ATO collection officer has informed him, that those who have received 'private rulings' were also facing amended assessments for their participation in EBAs.

In the face of an all powerful beurocracy which has the power to ignore court rulings and even its own rulings, changing its mind retrospectively, and its laws retroactively, then imposing huge penalties for not having complied with them (that is to say PRIOR to their enactment), we have felt quite helpless.

Thank you for your attention to this matter.

Sincerely,

Kevin and Vicky Mackey