

The Secretary
JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
Parliament House,
Canberra ACT 2600

15/2/2006

Email: jcpa@aph.gov.au

Dear Sir,

Inquiry into taxation matters

In the past, I have been seriously affected by the various defects in the self-assessment system (together with thousands of other Australians).

I had excessive GIC imposed upon me, I have suffered considerable business losses in time, effort and money attempting to follow and understand various statements from the ATO, some of which contradict themselves. In majority of cases nothing is put in writing so no proof is available.

My family and I did not understand stress until these issues arose, super funds saved for a respectable retirement without Government support were severely depleted and brutal financial difficulties were faced for some time.

Advice to invest was received from my financial advisor and consequently checked by my accountant, all at great cost.

The Commissioner to this day continues to encourage taxpayers to obtain advice before investing, this I did and still was hammered to hell by the ATO. What else does one do??

It was deemed wrong and thrown out by ATO some years later.

I would suggest the ATO officers themselves do not understand the Tax Act and interpret it as they see fit from day to day as the mood takes them.

Expediency, certainty and clarity should be anticipated and expected from the Tax Office, something that is not and has not been there in the past with the self-assessment system.

The rules change when it suits the ATO and they appear to have different methods of treating similar taxpayers in similar disputes, confidence in their decisions is certainly deficient and ambiguity by them is an art.

Policy made on the run and applied retrospectively should be outlawed.

Common standards of practice by the ATO across Australia should apply.

As a tax officer commented some years ago, "we leave it go as long as possible, that way we get more income from interest and fines when we bounce".

With that attitude, they would be quite happy to sort out problems for years to come and to hell with the individual at the end of it.

Over the years I foolishly believed we had a fair and reasonable system under which we worked.

My faith in the current organization has been sadly eroded. The current system is anything but fair and reasonable to the average person and would certainly appear to be favouring the top end of town who have the resources to fight back.

The other enclosed letter also explains further details.

Yours faithfully,

Gavin Carpenter