The Honourable Warren Truss MP

Thursday, 3 April 2014

Dear Mr Truss,

Firstly let me congratulate you and your colleagues on your recent famous victory and progress so far.

We are Australian citizens of 13 years having left the UK in 2001.

I am writing to you as our local Federal MP on a matter that is having a serious effect on my family’s income as we move toward retirement

In November 2006, our UK Pension Fund (UKPF) purchased two Australian Investment properties from our Mitchell Family Trust, they being, 7 Commerce Court and 2/21 Project Avenue Noosaville. (The Properties)

This was done in order to free up some cash from our UKPF as the UKPF was liquid at this time and we needed the cash to complete the building of a family home in rural QLD

Before the transfer of the Properties was carried the proposal to do so was run by our then accountant at considerable length and he raised no objection and at no time did he advise that, as a consequence of the UKPF (a non-complying foreign superannuation fund) owning the Properties, the rental income would attract a punitive tax of 45% + 1 ½% Medicare Levy (46 ½%)

In Late 2008 we terminated our arrangement with the current accountant and engaged the services of STRATOGEN Chartered Accountants

Upon engaging the services of Stratogen, we were promptly advised that our UKPF (a non-complying foreign superannuation fund) was obliged to pay this tax on the rental income of the Properties at the top marginal rate, something of which we were unaware.

As a result we found ourselves indebted to the ATO in the sum of some $40.000.00 plus interest and penalties. We are now up to date with the ATO for the period late November 2006 to date at a cost to us of some $150,000.00 and still paying the punitive tax.

This is now having a very negative effect on our income and at this rate there will be little left for our retirement.

I am 67 and in poor health and still having to work and my wife is 54.

If we cannot find a solution to this dilemma I fear we will become a burden on the state in due course.

I am convinced that this regulation was not meant to trap small people such as us in a cycle of poverty and feel that there must be some mistake or some mitigation.

The situation does make rather a mockery of Australian being open for business as we brought this money from the UK and invested it in Australian commercial property in order to

I know this is not your portfolio but hope you will bring this to the attention of the relevant person who will be able to bring us some relief.

Yours Sincerely

Michael V. Mitchell

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