



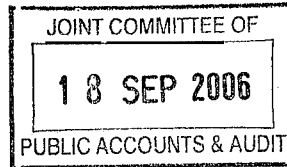
Energy Supply Association of Australia

www.esaa.com.au

ABN 98 052 416 083

Level 2
451 Little Bourke St
Melbourne

GPO Box 1823 P +61 3 9670 0188
Melbourne F +61 3 9670 1069
Victoria 3001 E info@esaa.com.au



Submission No: 252

14 September 2006

Mr Russell Chafer
Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Chafer

**Answers to Questions Taken on Notice
Joint Committee of Public Accounts and Audit Hearing
Melbourne, 25 August 2006**

The Energy Supply Association of Australia (esaa) was pleased to recently be given the opportunity to address members of the Joint Committee of Public Accounts and Audit during its hearing on 'Certain taxation matters' in Melbourne on the 25 August 2006.

During the session esaa took on notice two questions. The answers to each question are provided below.

Question: (Senator Watson, Page 38 Hansard Proof) 'You have mentioned that the ATO has a role in ensuring that there is a consistency in the law as it applies to your types of organisations. But the question I ask is: does the ATO conduct audits to ensure that compliance?'

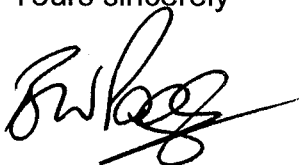
Answer: Yes the ATO can and does conduct client risk reviews and audits of National Tax Equivalent Regime (NTER) entities to ensure they are in compliance with tax law in exactly the same manner as it does for corporate taxpayers.

Question: (Senator Watson, Page 38 Hansard Proof) 'As part of taking that on notice, could you also inquire as to whether, if they do conduct, or intend to conduct, such activities, the Commonwealth government will be reimbursed by the state?'

Answer: esaa has made its best endeavours to establish the answer to the question. The Association understands that the Australian Taxation Office (ATO) passes on the costs of undertaking these client risk reviews and audits of NTER entities to the State and Territory Governments. However, the Association has not been able to confirm this with the ATO and suggests that the Committee may wish to make further inquiries with the relevant Commonwealth agency.

We hope these answers satisfactorily answer the Committee's questions. If the Committee requires any further information please feel free to contact me directly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brad Page', with a long horizontal flourish extending to the right.

Brad Page
Chief Executive Officer