

## Audit Report No. 21, 2003-2004

# **Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)**

## **Introduction**

### **Background**

- 6.1 On 12 and 14 September 2001, the boards of directors of various Ansett companies resolved that the companies were or likely to be insolvent. The companies were immediately placed in the hands of administrators who ceased airline operations and stood down most of Ansett's 15 000 employees.
- 6.2 The Prime Minister announced on 14 September 2001 that a Special Employee Entitlements Scheme for Ansett group employees (SEESA) would be established. SEESA was to provide a safety net for Ansett staff terminated on or after 12 September 2001 owing to their employer's insolvency. SEESA payments were to cover unpaid entitlements:
- Wages;
  - Accrued annual leave;
  - Long service leave;

- Pay in lieu of notice; and
  - Up to eight weeks redundancy payments.<sup>1</sup>
- 6.3 The Department of Employment and Workplace Relations (DEWR) was responsible for administering SEESA. To implement SEESA, DEWR selected a private company by tender, Bentleys MRI Sydney Pty Ltd, which created a special-purpose company, SEES Pty Ltd, to undertake the distribution of the assessed entitlements. Ansett had no cash and the administrators estimated that asset realisations would take 2-3 years to complete.<sup>2</sup> SEES Pty Ltd obtained a loan facility for up to \$350 million from the Commonwealth Bank of Australia (CBA) in order to expedite entitlements estimated at the time to be around \$700 million.
- 6.4 To meet the cost of the scheme a special Air Passenger Ticket Levy was placed on airline tickets purchased on or after 1 October 2001 until 30 June 2003, through the *Air Passenger Ticket Levy (Collection) Act 2001* (Collection Act). The levy was administered by the Department of Transport and Regional Services (DOTARS). From the outset, the Government made it clear that it would pursue recovery of the levy from the Ansett administrators.
- 6.5 The Government's objectives for SEESA were to achieve both early payment of unpaid entitlements (up to the community standard) and to 'stand in the shoes of the employees' to recover from Ansett's assets the funds advanced under the scheme. SEESA used a private company to administer payments to minimise the impact on the Commonwealth budget, especially the underlying cash balance.
- 6.6 On 9 October 2001, the Minister for Employment, Workplace Relations and Small Business made a formal determination specifying the companies and entitlements to be covered by SEESA and the terms on which payments were to be made.
- 6.7 The Collection Act provided a special appropriation capped at \$500 million for SEESA.<sup>3</sup>
- 6.8 SEESA payments could not flow until the Government and the Ansett Administrators had agreed, by a deed (SEESA Deed) on 14 December 2001. The Commonwealth needed to invoke the provisions of s 560 of the
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1 Department of Finance and Administration (Finance), Report to the Commonwealth made under s. 24 of the *Air Passenger Ticket Levy (Collection) Act 2001* for the period 1 April 2002 to 31 March 2003, p. 2.

2 Australian National Audit Office (ANAO), Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, p. 33.

3 Department of Employment and Workplace Relations (DEWR), *Transcript*, 31 May 2004, p. 7.

*Corporations Act 2001* to secure the Government's priority position equal to the former employees regarding the repayment of SEESA advances effectively made to Ansett.<sup>4</sup>

- 6.9 The process of negotiation delayed SEESA payments to Ansett employees, many of whom had been stood down in September 2001. For the Government to have agreed to the Ansett Administrators' proposals, however, would have required it to compromise its other primary objective of securing legal priority.
- 6.10 On 1 June 2004, the scheme's financial standing was that \$341 million had been paid to every one of the 12 998 employees for 100% of their assessed entitlements,<sup>5</sup> the loan for SEES Pty Ltd had been paid out on 15 April 2004,<sup>6</sup> an estimated \$288 million was raised by the ticket levy (as at 31 January 2004), SEES Pty Ltd had recovered \$163 million with \$49 million still to come,<sup>7</sup> and the Commonwealth had incurred costs associated with payments of \$7.8 million to date in compensating unintended tax consequences.<sup>8</sup>

## The Audit

- 6.11 The Australian National Audit Office (ANAO) performance audit was conducted during 2003. The audit took place during the latter part of SEESA's operation, and set out to determine the efficiency and effectiveness of the management of two key elements of the distribution of assessed entitlements to ex-Ansett employees. ANAO's objectives were to assess DEWR's management of SEESA and DOTARS' management of the air ticket levy.<sup>9</sup>

## ANAO findings

- 6.12 In summary, ANAO found that SEESA was managed well by DEWR and was effective in delivering some \$341 million in employee entitlements to former Ansett group employees terminated through their employer's insolvency. The arrangements for delivering these payments were put in

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4 SEES Pty Ltd, *Exhibit No. 5*, pp. 6-7.

5 DEWR, *Transcript, 31 May 2004*, p. 15.

6 SEES Pty Ltd, *Transcript, 31 May 2004*, p. 15.

7 Department of Transport and Regional Services (DOTARS), SEES Pty Ltd, *Transcript, 31 May 2004*, p. 16.

8 DEWR, *Transcript, 31 May 2004*, p. 11.

9 ANAO, Audit Report No. 21, 2003-2003, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, pp. 28-9.

place in a very tight timeframe, and despite some modest delays, SEESA generally met the Government's requirement for early payment of unpaid entitlements.

- 6.13 ANAO considered that three particular risks that arose during the implementation of the scheme could have been managed more effectively by DEWR:
- The incidence of tax;
  - The repayment of the loan; and
  - The interaction between SEESA and other Commonwealth payment programs.
- 6.14 Despite SEESA being effective, ANAO concluded that there were areas where DEWR could have been more efficient in its administration of SEESA, notwithstanding the tight timeframe.<sup>10</sup> In line with this view ANAO made one recommendation. It especially directed this recommendation at agencies that might have to implement a SEESA-type scheme in the future. Key characteristics were the short timeline and the considerable public interest.<sup>11</sup>
- 6.15 In summary, ANAO recommended that for schemes like SEESA, any agency responsible should especially resolve all tax issues before commencement, and allocate risk between agency and outsourced provider before the contract is signed.<sup>12</sup>
- 6.16 DEWR agreed to this recommendation with qualification. It claimed that the recommendation was too broad and did not provide the necessary flexibility to address situations encountered during the implementation of SEESA.
- 6.17 DEWR also felt that the risks associated with possible tax implications for SEESA were effectively managed. It stated that ANAO's finding that the realised tax risk resulted in only a small increase in overall costs supports DEWR's judgement and repudiates suggestions that major risks were not managed effectively.
- 6.18 ANAO expressed the view on 22 December 2003 that the final distribution of Ansett resources remained subject to a range of other contingencies,
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10 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, 2003-2004, p. 20.

11 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, 2003-2004, p. 21.

12 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, 2003-2004, p. 21.

including legal disputes, so that the effectiveness of the overall recovery strategy could not be finally assessed until completion of all action.

## Committee considerations

6.19 JCPAA considered the precursor to SEESA, the Employee Entitlements Support Schemes (EESS), in *Report 396, Review of Auditor-General's Reports 2002-2003 First, Second & Third Quarters*, tabled September 2003. EESS was established in January 2000 to provide a safety net for employees who had lost their jobs as a result of their employer's insolvency or bankruptcy. The JCPAA recommended in its 2003 report that:

The Department of Employment and Workplace Relations examine ways in which it can:

- improve claimants' awareness of the scheme, their eligibility for benefits under the scheme, and changes in the interpretation of the operational arrangements; and
- monitor interactions between insolvency practitioners and individual claimants for the quality and accuracy of information provided to claimants.

6.20 In an Executive Minute dated 5 April 2004, DEWR supported the recommendation.

## Committee review

6.21 The Committee held a public hearing on 31 May 2004 to take evidence from the following entities on issues related to SEESA:

- Australian National Audit Office;
- Australian Taxation Office;
- Department of Transport and Regional Affairs;
- Centrelink;
- Department of Employment and Workplace Relations; and
- SEES Pty Ltd.

6.22 The following issues were examined by the Committee:

- Tax risk;
- Outsourcing;
- Loan repayment;
- Performance measures;

- Agency liaison; and
- Management of the air ticket levy.

## Tax risk

- 6.23 DEWR advised the Committee that it took the Australian Government Solicitor's (AGS) advice when it was setting up the SEESA scheme in September 2001, to check if there was a significant tax risk attaching to the payments to SEES Pty Ltd.
- 6.24 DEWR arranged a meeting with the Australian Taxation Office (ATO) for 29 November 2001 and forwarded meeting agenda papers on 27 November 2001 scoping fringe benefits tax, capital gains tax, goods and services tax (GST), and income tax.
- 6.25 At that meeting ATO officials (only GST specialists and *not* income tax specialists were present because ATO was unsuccessful in arranging for the latter to attend) advised DEWR that there was no income tax liability. ATO cautioned DEWR, however, not to rely on that opinion because the matter should be addressed thoroughly through a private binding ruling.<sup>13</sup>
- 6.26 Despite receiving advice that there was no significant risk of a negative tax implication,<sup>14</sup> DEWR embraced caution by inserting appropriate risk management controls into the contract which it signed with SEES Pty Ltd on 17 December 2001. Shortly after DEWR applied to ATO for a private binding ruling on the tax liability matter.<sup>15</sup> ANAO noted that DEWR had recognised the seriousness of the tax risk. It had commented in its application that a negative tax ruling might prevent implementation of the scheme in the way the Government intended.<sup>16</sup> DEWR delivered the application by hand to ATO security on 3 January 2003. DEWR received no response for some eight weeks. Over that period SEES Pty Ltd communicated with DEWR four times expressing its concern.<sup>17</sup> Finally DEWR queried ATO about its application and it emerged that it had been lost by ATO security staff. The Commissioner of Taxation ruled in April

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13 DEWR, *Transcript, 31 May 2004*, pp. 13-14.

14 DEWR, *Transcript, 31 May 2004*, p. 3.

15 DEWR, *Transcript, 31 May 2004*, p. 3.

16 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, p. 60.

17 SEES Pty Ltd, *Submission No. 10*, p. 1.

2002, that the payments by DEWR to SEES Pty Ltd were assessable income in the hands of SEES Pty Ltd.

- 6.27 DEWR advised the Committee that it had signed the contract with the private sector provider prior to obtaining the tax ruling to ensure that as many terminated Ansett employees as possible could receive their SEESA payments before Christmas 2001. SEES Pty Ltd was able to make its initial payments under SEESA on 18 and 19 December 2001.<sup>18</sup> ANAO suggested that a better approach would have been for DEWR to have advised its Minister of the tax risk before executing the contract on 17 December 2001.
- 6.28 In the light of the Tax Commissioner's ruling that the payments by DEWR to SEES Pty Ltd were assessable income, SEES Pty Ltd sought its own counsel's opinion on the tax risk liability issue.
- 6.29 The outcome was conflicting views.
- 6.30 SEES Pty Ltd's counsel was of the view that there was no liability:  
the payments into and out of the separate account are capital payments, and not on revenue account: they are neither assessable income nor allowable deductions.<sup>19</sup>
- 6.31 ATO's counsel held that there was a liability:  
the payments which the Commonwealth make[s] to SEES...are income in the hands of SEES....the monthly instalments of \$8 million are not only made in consideration of the Services to be rendered by SEES pursuant to the DEWR contract, but they are received by SEES in the context of a business operation consisting of the provision of those Services.<sup>20</sup>
- 6.32 In regard to the two legal opinions, SEES Pty Ltd advised the Committee:  
We still cannot reconcile the differences.<sup>21</sup>
- 6.33 SEES Pty Ltd further advised that, in its Queens Counsel's view:  
The moneys were held separately and were always repayable to the Commonwealth. The ability of SEES Pty Ltd to derive any income from this arrangement was limited to the fees and services of the contract, to which the tax office paid no regard.<sup>22</sup>

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18 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, p. 58.

19 SEES Pty Ltd, *Exhibit No. 5*, p. 22.

20 Australian Taxation Office (ATO), *Exhibit No. 4*, p. 13.

21 SEES Pty Ltd, *Transcript, 31 May 2004*, p. 8.

22 SEES Pty Ltd, *Transcript, 31 May 2004*, p. 9.

- 6.34 DEWR explained to the Committee that reimbursement provisions in the contract between SEES Pty Ltd and the Commonwealth required the Commonwealth to reimburse SEES Pty Ltd from consolidated revenue for any unintended tax levy paid by SEES Pty Ltd. DEWR explained that the reimbursements were budget neutral:

The budget neutral nature of the payment from consolidated revenue to SEES Pty Ltd to the consolidated revenue has no direct impact...It must be taken into account, [however] when considering the legislated cap of \$500 million to be spent on SEESA.<sup>23</sup>

- 6.35 The Commonwealth's reimbursement of SEES Pty Ltd, however, created the possibility of a tax liability on the tax reimbursement.

- 6.36 SEES Pty Ltd noted that the scope of its brief for a private ruling on tax liability did not extend to the tax on the tax reimbursement.<sup>24</sup> SEES Pty Ltd agreed that it could be:

taxed on tax on tax on tax.<sup>25</sup>

The question as to whether there is tax on the tax reimbursement itself was not the subject of the private ruling. It is an unresolved question.<sup>26</sup>

- 6.37 Also of concern to the Committee were costs to the Government deriving from the income tax issue. Administrative costs involved in the circular payment from consolidated revenue to SEES Pty Ltd to tax to consolidated revenue were mounting.<sup>27</sup>

It would be neutral on SEES Pty Ltd eventually but it is going to cost some departments some money.<sup>28</sup>

- 6.38 In addition, ANAO advised that SEES Pty Ltd would enjoy the benefits of franking credits that arose from the payment of the income tax and this represented an additional cost to the Commonwealth.<sup>29</sup>

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23 DEWR, *Transcript, 31 May 2004*, p. 7.

24 SEES Pty Ltd, *Transcript, 31 May 2004*, p. 10.

25 SEES Pty Ltd, *Transcript, 31 May 2004*, p. 10.

26 SEES Pty Ltd, *Transcript, 31 May 2004*, p. 10.

27 DEWR, *Transcript, 31 May 2004*, p. 10.

28 DEWR, *Transcript, 31 May 2004*, p. 10.

29 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, p. 61.



**Committee comment**

- 6.39 It is clear to the Committee that a major shortcoming of the administration of SEEA derived from the income tax liability of the payments made by DEWR to SEES Pty Ltd to fund the assessed employee entitlements.
- 6.40 The Committee believes, however, that the income tax liability problems could have been avoided if Centrelink had been used as the administrator in place of SEES Pty Ltd. ATO confirms this.<sup>30</sup>
- 6.41 Given the Government's decision to outsource the administration, the Committee concludes that DEWR managed the implementation of SEESA efficiently despite the tight time constraints placed on it. DEWR faced a dilemma. It needed to resolve the tax risk issue. At the same time it had to sign a contract with SEES Pty Ltd in order to begin distributing at least some of the Ansett employee entitlements before Christmas 2001. DEWR managed the tax risk by inserting an indemnity clause into the contract it signed with Bentleys MRI Sydney Pty Ltd.
- 6.42 DEWR balanced well the tasks of assessing and prioritising the contract negotiations in the short time available. The Committee, however, agrees with ANAO that DEWR should have advised its Minister of the tax risk before executing the contract in December 2001.
- 6.43 The Committee regrets that the misplacement of the taxation private binding ruling application, claimed to have been lodged by DEWR with ATO security staff, compromised the work put in place by DEWR in setting up the management structure of the entitlements payments scheme. The Committee expects that ATO will have taken account of the need to have appropriate tax specialists attend urgent meetings requested by other agencies, and that its document receipts system will have improved.
- 6.44 It is clear to the Committee that the problems relating to the handling of the tax liability issue could not have been resolved in the short time that DEWR had to put the SEESA scheme in place. Indeed the problems have still not been resolved to the satisfaction of all parties.
- 6.45 The Committee concludes that the SEESA model for distributing assessed employee entitlements possesses certain advantages including the ability to expedite payments to eligible employees. But it is also flawed.
- 6.46 The Department of the Treasury (Treasury) and DEWR must work together to design a method that avoids the costly reimbursement of

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30 ATO, *Transcript*, 31 May 2004, p. 5.

income tax payments to the private administrator of the scheme. Circular payments of tax on tax must be avoided. No future employee entitlement scheme that may adopt the SEESA model should have to revisit the tax liability issue. The Committee recommends accordingly:

### **Recommendation 6**

- 6.47 The Department of the Treasury, in conjunction with the Department of Employment and Workplace Relations, resolve the income tax uncertainty experienced by the private sector administrator of the Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) prior to any future use of the SEESA model.**

## **Outsourcing**

- 6.48 The Committee assessed whether the outsourcing process involving two private contractors to deliver SEESA was, on balance, efficient and effective. The functions that were outsourced were:

- The administration of SEESA by SEES Pty Ltd; and
- The financing of the \$350 million loan by the CBA.

- 6.49 DEWR advised the Committee that an interdepartmental committee had initially assessed several SEESA administration options. One option was to use Centrelink as the administrator and another was to use an out-sourced provider. The interdepartmental committee eventually recommended the out-sourcing option. It selected Bentleys MRI Sydney Pty Ltd from a list of ten invited tenderers not including Centrelink, supplied by the Department of Finance and Administration (seven of the ten accounting firms invited to tender withdrew because of conflicts). Bentleys MRI Sydney Pty Ltd subsequently set up SEES Pty Ltd to distribute SEESA payments.<sup>31</sup>

- 6.50 The decision on the winning tender:

was informed by an interdepartmental task force that reported to Cabinet.<sup>32</sup>

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31 DEWR, Transcript, 31 May 2004, p. 17.

32 DEWR, *Transcript, 31 May 2004*, p. 7.

- 6.51 The Committee questioned Centrelink as to whether it would have had the capacity to distribute SEESA payments. Centrelink advised the Committee that:

We certainly would have the skills. In terms of resources, it would have been over and above the government's ask of Centrelink at the time, so obviously there would have been some additional cost incurred.

Based on an assessment of entitlement, given a set of rules, it is the core work that Centrelink does.<sup>33</sup>

- 6.52 The Committee heard that the income tax liability problems had arisen because of the outsourcing of SEESA administration and could have been avoided if a government agency had been nominated to deliver the assistance to the Ansett employees.

The company was a private company and it received those payments from the Commonwealth in its own right...which was critical for income tax purposes. Had it received those payments from the Commonwealth and passed them on...to such as Centrelink, there would not have been income tax consequences. The ATO ruled that the payments of approximately \$8 million per month were fully taxable.<sup>34</sup>

- 6.53 The second outsourcing decision related to the selection of the private bank to finance a \$350 million loan facility.
- 6.54 DEWR advised the Committee that under the terms of the contract SEES Pty Ltd was required to approach four financial institutions, analyse their offers and present the findings to the Commonwealth. The CBA was the successful tenderer.
- 6.55 DEWR conceded that a critical set of meeting minutes documenting the decision to select the CBA had been lost.<sup>35</sup> In ANAO's view, DEWR's inability to provide a formal record of the decision to select CBA to provide the finance was unsatisfactory from an accountability viewpoint.

#### Committee comment

- 6.56 The Committee considers that it is not in a position to judge whether the Government should have used Centrelink rather than the private sector provider to administer SEESA.

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33 Centrelink, *Transcript*, 31 May 2004, pp. 7-8.

34 ATO, *Transcript*, 31 May 2004, p. 5.

35 DEWR, *Transcript*, 31 May 2004, p. 16.

- 6.57 The Committee is satisfied, notwithstanding, that the Government's decision to outsource SEESA administration was, on balance, effective. The Committee notes that the awarding of the successful tender to Bentleys MRI Sydney Pty Ltd followed a logical and transparent process supervised by an interdepartmental committee.
- 6.58 The Committee notes that by outsourcing the finance to fund early payments of entitlements, the Government achieved its aim of minimising the impact of the SEESA package on the Commonwealth budget.
- 6.59 The Committee is disappointed that the record of the discussions and decisions leading to the appointment of the CBA as the lender of \$350 million to SEES Pty Ltd, is incomplete. Accountability clearly suffered. The Committee, however, relies on ANAO's view that sufficient records of discussions are available to enable it to conclude that due process was followed in this appointment.

## Loan repayment

- 6.60 Monthly repayments of the loan were set at an early stage at \$8 million per month. Despite DOTARS' ongoing accurate forecasts of greater levy collection than initially anticipated, DEWR was slow to increase repayments, thereby incurring greater loan interest charges than was necessary.
- 6.61 In ANAO's view DEWR could have undertaken the necessary financial analysis early in 2002 that would have assisted it to manage better the funds available to it under the \$500 million appropriation in the Collection Act.
- 6.62 ANAO advised that since the levy raised revenue at a substantially higher rate than was originally expected, this should have allowed DEWR to set a higher monthly rate of repayment of the SEESA loan facility and hence reduce the interest paid.<sup>36</sup>
- 6.63 SEES Pty Ltd advised ANAO that the additional interest paid to mid-September 2003 was \$3.6 million, which was substantially more than the cost of payments made in the establishment and operation of the Scheme, which, from 1 October 2001 to 31 March 2003, was reported as \$1.98 million.

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36 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, p. 129.

### Committee comment

- 6.64 The Committee accepts that there were good reasons for DEWR initially to adopt a conservative loan repayment schedule. DOTARS' levy receipt data, however, showed that receipts were running higher than expected. DEWR should have reassessed its repayment schedule earlier. Higher monthly repayments of loan principal would have reduced the overall interest bill.
- 6.65 The Committee agrees with ANAO that this late response by DEWR to effecting amendment of its loan repayments schedule, caused avoidable additional loan costs to the Commonwealth, but of a marginal level.

### Agency liaison

- 6.66 According to ANAO, DEWR did not recognise until March 2002 that there would be an impact from the scheme on Centrelink and other Commonwealth payment programs to former Ansett employees until well after the program was under way and substantial advances had already been made. DEWR then found it difficult to make suitable arrangements to obtain personal data from SEES Pty Ltd, because of privacy considerations and because it had raised this requirement belatedly.
- 6.67 While this was overcome when Centrelink approached the Ansett Administrators directly, the data Centrelink obtained in this way proved inadequate for Centrelink to use in its compliance work. If any overpayments to former Ansett employees were to be detected through *post hoc* compliance strategies, the recovery costs would be greater than would have been possible had DEWR made arrangements to provide prompt and full advice at the time payment was made. The costs to the Commonwealth could be determined only if, and when, such overpayments were detected.<sup>37</sup>

### Performance measurement

- 6.68 ANAO noted that standard performance measures to monitor SEESA's performance were not put in place at an early stage by DEWR.

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37 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, pp. 77-79.

- 6.69 ANAO found that DEWR had stated its expectations of SEES Pty Ltd under the contract in terms that made the major tasks clear. Initially, however, DEWR had not clarified the level of assurance being provided by SEES Pty Ltd. The fact that DEWR had to refer to SEES Pty Ltd for such clarification reinforces the view that insufficient attention was given to this aspect of accountability. This was not sound contract management practice as it could have placed at risk DEWR's ability to control a main objective of the Scheme, i.e., to ensure required performance.
- 6.70 SEESA delivered employee entitlement payments to nearly 13 000 former Ansett employees much more quickly than would have occurred if those employees had had to await the distribution of funds from the assets of the Ansett group. DEWR neither specified any target for timeliness of payment of former Ansett employees nor collected any data on how promptly it had been able to effect payment.

## Management of the air ticket levy

- 6.71 DOTARS administration of the collection of the air ticket levy was efficient. ANAO acknowledged that DOTARS:

Performed well by preparing for the implementation of the ticket levy in only two weeks.<sup>38</sup>

- 6.72 DOTARS consulted with industry participants and devised four procedural documents. It maintained an accurate estimate of the levy receipts for levy duration and amount of periodic loan repayment purposes.

### Committee comment

- 6.73 The Committee is satisfied with DOTARS' implementation and management of the air ticket levy.

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38 ANAO, Audit Report No. 21, 2003-2004, *Special Employee Entitlements Scheme for Ansett Group Employees (SEESA)*, p. 129.