


**Senate Select Committee on  
Superannuation and Financial Services**

**Main Inquiry  
Reference (c)**

**Submission No. 80**

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**Australian National  
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26 September 2000

Ms Sue Morton  
Secretary  
Senate Select Committee on  
Superannuation and Financial Services  
Parliament House  
CANBERRA ACT 2600

*Sue*  
Dear Ms ~~Morton~~

**AUSTRALIAN NATIONAL AUDIT OFFICE (ANAO) EVIDENCE  
OF 1 SEPTEMBER 2000**

Thank you for forwarding with your letter of 12 September 2000 the transcripts of evidence given by Mr Norm Grimmond and myself on behalf of the ANAO at the Public Hearing of the Committee on Friday, 1 September 2000.

We have examined the transcripts and agree that they provide a correct record of the statements and responses made by Mr Grimmond and myself. However we wish to bring to your attention two instances in which our evidence contained factual errors.

Firstly, at page SFS 644 of the transcript Mr Grimmond made the following statement: "... a figure for partial compliance which was, from memory at the time, around 17 per cent overall." Mr Grimmond was referring here to the findings contained in a consultant's report on the 1997-98 Superannuation Guarantee (SG) compliance survey conducted for the Australian Taxation Office (ATO).

Our subsequent examination of the consultant's report, a copy of which is contained in our audit documentation, has revealed that the situation regarding partial non-compliance with SG requirements should have been reported to the Committee as follows:

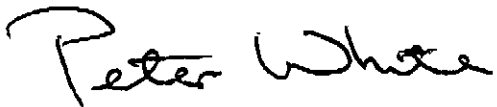
- 29 per cent of capital city employers and 41 per cent of regional employers were partially non-compliant;
- this affected eight per cent of capital employees and twelve per cent of regional employees.

Secondly, in discussing our audit finding on the ATO's lack of an SG prosecutions policy, both Mr Grimmond (at page SFS 650) and I (at page SFS 655) reported that, at the time of the ANAO audit, the ATO had not conducted any SG prosecutions. This latter point is not correct.

Subsequent examination of our audit documentation has shown that, late in the ANAO's audit process, in responding to the content of the ANAO's draft audit report, the ATO provided the ANAO with evidence that a number of SG prosecutions had been conducted. Consequently, the decision was taken within the ANAO to adjust the content of our audit report to reflect this situation. This was done in all but one instance. Unfortunately an editorial oversight resulted in our final audit report still containing an error of fact, at paragraph 3.138, regarding the ATO's action on SG prosecutions.

I would be happy to discuss these matters further with you as necessary.

Yours sincerely



Peter White  
Executive Director  
Revenue Branch  
Performance Audit