

TREASURER'S INSTRUCTION
GOVERNMENT BUSINESS ENTERPRISES ACT 1995

GBE 10-66-01

NATIONAL TAXATION EQUIVALENT REGIME - IMPLEMENTATION

BACKGROUND

Under section 114(2)(h)(i) and (ii) of the *Government Business Enterprises Act 1995* (GBE Act), the Treasurer may issue instructions in respect to guidelines relating to the determination, calculation and payment of income tax equivalents and any other matter connected with income tax equivalents.

Section 115 of the GBE Act imposes an obligation on Government Business Enterprise (GBE) Boards to ensure that all Treasurer's Instructions (TIs) are complied with.

This TI applies to all GBEs subject to Part 10 of the GBE Act unless modified by a Private TI issued under section 114(2)(b)(ii) to a specified GBE.

The purpose of this Instruction is to provide GBEs with a manual that specifies the administrative and technical operating features of the National Taxation Equivalent Regime (NTER) and address cost recovery issues. The primary objective of the NTER is to promote competitive neutrality, through a uniform application of income tax laws, across the NTER entities and their privately owned counter parts.

The Australian Taxation Office (ATO) will be contracted by the Treasurer to administer the NTER. ATO costs will be split into two categories, general and specific. The two types of administration activities are described in Attachment 2 to the Manual for the NTER. The Department of Treasury and Finance (Treasury) will meet the general administration costs of the NTER. However, GBEs will need to meet the cost of any interpretive advice they request from the ATO ie-specific costs incurred.

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NTER Manual:

For GBEs subject to Part 10 of the GBE Act, this Instruction replaces Income Tax Equivalent (ITE) Treasurer's Instructions (ITE 1 to ITE 45) inclusive except ITE 42A and any private ITE TI issued to a GBE.

GBEs must comply with, and meet with all obligations specified in, the attached Manual for the National Tax Equivalent Regime (the Manual) and any amendments thereto.

Recovery of Costs:

Where a GBE requests from the ATO any interpretive advice etc including tax rulings, Treasury once billed by the ATO, will seek reimbursement from the respective business. The amount required to be paid by the GBE making the request will not exceed the amount Treasury is billed by the ATO.

This TI takes effect from 1 July 2001.

ATTACHMENT

“Manual for the National Tax Equivalent Regime”