



## **Appendix O**

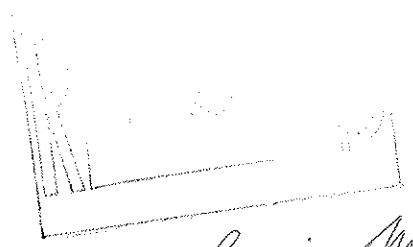
# **Land Tax Letter from South Australian Treasurer Mr Kevin Foley**



SF06D00358

Date: 17 SEP 2006

Mr Ian Stirling  
Chief Executive Officer  
ElectraNet Pty Limited  
52-55 East Terrace  
ADELAIDE SA 5000



Copies: M Cox  
S Kennel  
G Lutzel  
K Koote

Dear Mr Stirling

Transmission Lessor Corporation (TLC), in conjunction with Revenue SA and the Crown Solicitor's Office, has been investigating the liability of TLC to pay land tax under the Land Tax Act 1936, in respect of the electricity transmission network land being leased to ElectraNet.

The result of these investigations is that TLC is liable to pay land tax and has been liable since the 2000-01 financial year following privatisation of the electricity transmission network.

As you would be aware, ElectraNet is required, under the terms of the relevant leasing documentation to pay all taxes (including land tax), with respect to the use and maintenance of the transmission network land. Accordingly, I advise that it is the intention of TLC to seek reimbursement from ElectraNet for the payment of land tax commencing from the 2006-07 financial year. The estimated land tax liability for 2006-07 is \$550,000.

TLC will not be seeking reimbursement for its land tax liability for the period 2000-01 to 2005-06 estimated at \$2.0 million.

Going forward, we would like to establish with ElectraNet certain protocols for the payment of land tax, including processes for the review of land tax assessments and the raising of any objections with the Valuer-General's office.

Could you please have your officers contact Mr John Strawbridge, Authorised Officer of TLC on 8226 0190 to arrange a suitable time to discuss these protocols.

Yours sincerely

Kevin Foley MP  
**DEPUTY PREMIER**  
**TREASURER**

ELECTRANET SA	
Rec'd by: <i>Mr</i>	Date: <i>20 9 06</i>
Req'd by: .....	No: .....

ELECTRICITY CORPORATIONS ACT 1994 SCHEDULE 1:  
GAS TRADING COMPANY*Proclamation By The Governor*

(L.S.) E. J. NEAL

PURSUANT to Schedule 1 of the *Electricity Corporations Act 1994* and with the advice and consent of the Executive Council, I declare Tarong Gas Trader Pty Ltd (ACN 094 384 291) to be a gas trading company for the purposes of the Schedule and the Electricity Industry Superannuation Scheme Trust Deed (both while it forms part of the Schedule and after its separation from the Schedule).

Given under my hand and the Public Seal of South Australia at Adelaide, 31 October 2000.

By command,

DEAN BROWN, for Premier

T&amp;F 00/094CS

ELECTRICITY ACT 1996 SCHEDULE 1: GAS TRADING  
COMPANY*Proclamation By The Governor*

(L.S.) E. J. NEAL

PURSUANT to Schedule 1 of the *Electricity Act 1996* and with the advice and consent of the Executive Council, I declare Tarong Gas Trader Pty Ltd (ACN 094 384 291) to be a gas trading company for the purposes of that Schedule.

Given under my hand and the Public Seal of South Australia, at Adelaide, 31 October 2000.

By command,

DEAN BROWN, for Premier

T&amp;F 00/92CS

ELECTRICITY CORPORATIONS (RESTRUCTURING AND  
DISPOSAL) ACT 1999 SECTION 35: EXCLUSION OF  
CROWN LIABILITY AS OWNER, ETC., OF LEASED  
ASSETS*Proclamation By The Governor*

(L.S.) E. J. NEAL

PURSUANT to section 35 of the *Electricity Corporations (Restructuring and Disposal) Act 1999* and with the advice and consent of the Executive Council, I declare—

- (a) that Transmission Lessor Corporation, the lessor of assets the subject of a transmission network lease, and the Crown, will, despite any other Act or law, be immune from any civil or criminal liability in connection with that lease or those assets, including, without limiting the generality of the foregoing—
- (i) any liability for loss, damage, injury or death suffered by a person, whether through interruption, variation or failure in the supply of electricity, or through fire, explosion, electrocution, equipment malfunction, cancer or other adverse health condition, or otherwise; and
- (ii) any statutory liability;
- (b) that, without limiting the application of the *Acts Interpretation Act 1915* to this proclamation as a statutory instrument, paragraph (a) applies to any liability arising under any present or future law;
- (c) that the immunity under paragraph (a) does not extend to a liability under a transmission network lease, relevant sale/lease agreement, relevant related instrument or XBL document to a party to the lease, agreement, instrument or document;

(d) that in this proclamation—

'Electricity Transmission Business Sale Agreement' means the sale/lease agreement entitled *Electricity Transmission Business Sale Agreement* made on 20 September 2000 between the Treasurer, Transmission Lessor Corporation, the Purchaser and the Guarantors, and includes that agreement as varied from time to time;

'Guarantors' means ABB Group Holdings Pty Limited (ACN 082 834 651), Queensland Electricity Transmission Corporation Limited (ACN 078 849 233) and Macquarie Bank Limited (ACN 008 583 542);

'Purchaser' means Bluemint Pty Limited (ACN 094 482 416);

'relevant related instrument' means an instrument that it is acknowledged and agreed in the Electricity Transmission Business Sale Agreement will be a related instrument for the purposes of the Act;

'relevant sale/lease agreement' means—

- (i) the Transmission Sale/Lease Agreement; or
- (ii) the Electricity Transmission Business Sale Agreement;

'transmission network lease' means—

- (i) the lease granted by the Transmission Sale/Lease Agreement, the terms and conditions of which are set out in Annexure A to that agreement; or
- (ii) the lease granted by the Transmission Sale/Lease Agreement, the terms and conditions of which are set out in Annexure B to that agreement,

and includes either of those leases as varied from time to time;

'Transmission Sale/Lease Agreement' means the sale/lease agreement entitled *Transmission Sale/Lease Agreement* made on 31 October 2000 between the Treasurer and the Purchaser, and includes that agreement as varied from time to time;

'XBL document' means—

- (i) the Participation Agreement for the South Australian Transmission System (Tranche 1 Undivided Interest 1) dated 30 May 1997;
- (ii) the Participation Agreement for the South Australian Transmission System (Tranche 1 Undivided Interest 2) dated 30 May 1997;
- (iii) the Participation Agreement for the South Australian Transmission System (Tranche 2 Undivided Interest 1) dated 30 July 1997;
- (iv) the Participation Agreement for the South Australian Transmission System (Tranche 2 Undivided Interest 2) dated 30 July 1997,

in each case between Transmission Lessor Corporation and various parties, and all other documents entered into pursuant to or in connection with transactions contemplated by any of those agreements.

Given under my hand and the Public Seal of South Australia, at Adelaide, 31 October 2000.

By command,

DEAN BROWN, for Premier

T&amp;F00/102CS