

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

**Question: SBT 2008**

**Topic: Government payments of accounts**

**Reference: written - 31 October 2014**

**Senator: Ludwig**

**Question:**

Since Budget Estimates in June, 2014:

2008.

- a. What has been the average time period for the department/agency paid its accounts to contractors, consultants or others?
- b. How many payments owed (as a number and as a percentage of the total) have been paid in under 30 days?
- c. How many payments owed (as a number and as a percentage of the total) have been paid in between 30 and 60 days?
- d. How many payments owed (as a number and as a percentage of the total) have been paid in between 60 and 90 days?
- e. How many payments owed (as a number and as a percentage of the total) have been paid in between 90 and 120 days?
- f. How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
- g. For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency since Estimates, 2014?
- h. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

**Answer:**

From 1 July to 31 October 2014:

2008.

- a. The average time for the ATO to pay its accounts was 27.1 days.
- b. The ATO paid 5929 invoices (95.08 per cent) within 30 days of receipt of a correctly rendered invoice.
- c. The ATO paid 242 invoices (3.88 per cent) between 30 and 60 days.
- d. The ATO paid 34 invoices (0.55 per cent) between 60 and 90 days.
- e. The ATO paid 10 invoices (0.16 per cent) between 90 and 120 days.
- f. The ATO paid 21 invoices (0.34 per cent) over 120 days.
- g. The ATO paid \$5,047 overdue interest.
- h. Interest is paid at the General Interest Charge (GIC) rate currently 9.63% annually. The GIC rate is updated quarterly and calculated using a statutory formula based on the monthly arrangement yield of 90 day bank accepted bills, published by the Reserve Bank of Australia and an uplift factor of 7 per cent.