

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury

Australian Taxation Office

Additional Estimates 17 February 2005

Outcome 1

Topic: Financial statements

Hansard Page: E89a

Senator Murray asked:

The total debt disclosed in table 2.7 is not the same figure as that in the financial statements, is it? Is there a reason for that? Note 2.25 does not give any explanation for that difference.

Mr Carmody—You are talking about note 2.25 to the financial accounts?

Senator MURRAY—Yes.

Mr Carmody—Are they measuring the same thing? I think there is an accounting issue as to how it is disclosed as opposed to the term we use for our purposes, but we will provide that to you.

Senator MURRAY—I wonder if on notice you could provide me with a reasonable explanation?

Mr Carmody—Yes.

Answer:

The difference in the total debt figures is acknowledged in the Commissioner of Taxation's Annual Report 2003-04, (p. 42). The figures are different because different definitions of debt are used.

In the financial statements debt is defined by the Australian Accounting Standard. The amount in Table 2.7 represents outcomes of debt management activity by the Tax Office and is based on cases and value presented for action including disputed, collectable and insolvency debt and dual assessments.