

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 953

Topic: Government Payment of Accounts (ATO)

Written: 5 March 2014

Senator LUDWIG asked:

- 953) a) From Supplementary Budget Estimates in November 2013 to date, 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 7 September 2013?
- h) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

- 953) For the period 1 November 2013 to 28 February 2014:
- a) The average time for the ATO to pay its accounts was 2.72 days.
- b) The ATO paid 6,267 invoices (91.96 percent) within 30 days of receipt of a correctly rendered invoice.
- c) The ATO paid 441 invoices (6.47 percent) between 30 and 60 days.
- d) The ATO paid 57 invoices (0.84 percent) between 60 and 90 days.
- e) The ATO paid 17 invoices (0.25 percent) between 90 and 120 days.
- f) The ATO paid 33 invoices (0.48 percent) over 120 days.
- g) From 7 September 2013 to 28 February 2014 the ATO paid \$5,829.65 interest to small businesses.
- h) Interest is paid at the General Interest Charge (GIC) rate. 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 percent.