

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: BET 200

Topic: Government Payments of Accounts (ATO)

Hansard Page: Written

Senator Barnett asked:

1. Has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (ie. within 30 days)? If not, why not, and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached.)
2. 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 for the current financial year and the previous financial year?
3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. The ATO paid 93.6 per cent of all of its accounts within the Government's 30 day payment policy in the 2009-10 financial year.

Of the 6.4 per cent of accounts that were paid late:

- 4.6 per cent of accounts were paid 1-10 days late, and
- 1.8 per cent of accounts were paid >10 days late.

Accounts can be paid late for a number of reasons including incomplete paperwork and delays in the invoice being sent to accounts for payment.

Late payments are analysed to establish the reason for the late payment and to determine corrective action where necessary.

2. For accounts not paid within 30 days, interest is paid on overdue amounts.

The amount paid for the 2009-10 financial year is \$1,867.14.
No interest was paid for the 2008-09 financial year.

3. The interest paid is set at the General Interest Rate (GIC) which is reviewed on a quarterly basis. The rate used in the last quarter of 2009-10 was a daily rate of .03057534.