

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 1115-1116

Topic: Government Payments of Accounts (AOFM)

Written: Received from Committee – 26 October 2012

Senator BUSHBY asked:

1115. For this financial year to date (26 October 2012), has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e.within 30 days)?
- If not, why not? Provide details, including 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)
 - 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?
 - Where interest is being paid, what rate of interest is being paid and how is this rate determined?
1116. For 2011-12, did the department/agency pay its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e.within 30 days)?
- If not, why not? Provide details, including 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)
 - For accounts not paid within 30 days, is/was 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?
 - Where interest is being paid, what rate of interest is being paid and how is this rate determined?
 - Have all accounts from 2011-12 been paid? If no, why not?

Answer:

1115. For the period 1 July 2012 to 26 October 2012, all payments to small business contractors/consultants were made within 30 calendar days of the receipt of a correctly rendered invoice in accordance with Government Policy.
- Not applicable.
 - The standard contracts that the AOFM uses with small businesses include a provision for an interest charge on late payment of invoices. If the AOFM does not make payment on a correctly rendered invoice by the due date, the vendor is entitled to charge interest on the invoice. The AOFM has not made any such payments during previous financial or this financial year to 26 October 2012.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

- c. The rate of interest to be paid is determined by reference to the general interest charge under section 8AAD of the Taxation Administration Act 1953 (Cth).
1116. Yes.
- a. Not applicable.
 - b. Not applicable.
 - c. Not applicable.
 - c. Yes.