

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 1121-1122

Topic: Government Payments of Accounts (ABS)

Written: Received from Committee – 26 October 2012

Senator BUSHBY asked:

1121. 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?
1122. 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:

1121. Payments of accounts are made in line with Government policy in terms of time for payment of 30 days. The ABS paid 95.3% of all of its invoices within 30 days for the period 1 July 12 to 31 October 2012.
- With respect to the remaining 4.7% of payments not paid within 30 days, the reasons for this include but are not limited to: (i) resolution of general queries before payment terms are satisfied; (ii) disputed invoice where there has been incorrect number of units / hours or unit cost / charge out rate; (iii) disputed invoice due to quality of work / services; (iv) non-valid tax invoices sent by the supplier; and (v) the misdirection of invoices to the procurer.
 - No interest was charged or paid for the period 1 July 12 to 31 October 2012.

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c. Not applicable.

1122.

- a. Five per cent of payments were not paid within 30 days, the reasons for this include, but are not limited to: (i) resolution of general queries before payment terms are satisfied; (ii) disputed invoice where there has been incorrect number of units / hours or unit cost / charge out rate; (iii) disputed invoice due to quality of work / services; (iv) non-valid tax invoices sent by the supplier; and (v) the misdirection of invoices to the procurer.
- b. No interest was charged or paid for the period 1 July 11 to 30 July 2012.
- c. Not applicable.
- d. To the best of our knowledge all accounts have been settled.