To require Commonwealth accounts to be paid within 25 days in the next month after the account becomes due.

Background

There is no general requirement that Commonwealth Departments and Authorities accounts be paid within a certain time. This can be contrasted with the Commonwealth's powers to demand penalties for late payments to it in a number of areas such as taxation.

Main Provisions

Commonwealth is defined in clause 2 to include Commonwealth Authorities.

By clause 4 the Commonwealth will be under a duty to pay accounts that fall due in one month by the twenty-fifth day of the next month.

Where the account is not paid by that day the Commonwealth will be liable for interest at the rate equal to the Commonwealth Bank's rate for loans in excess of $100 000 (clause 5).

Clause 8 details where the funds to pay interest are to come from.
Remarks

An identical Bill was introduced in the House of Representatives on 20 March 1986.

For further information, if required, contact the Economics and Commerce Group.

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LEGISLATIVE RESEARCH SERVICE

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