

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 1565

Topic: Payment of bills (ABS)

Written: 6 March 2014

Senator WONG asked:

1565. From 18 September to date*, 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)?
- a) 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)
 - b) 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?
 - c) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1565.

- a) Payments of accounts are made in line with Government policy in terms of time for payment of 30 days. The ABS paid 96% of all of its invoices within 30 days for the period 18 September to date.
- b) 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.
- c) For the period 18 September to date, the interest paid on overdue amounts totalled \$917. No interest was charged or paid for the previous financial year.

Payment is in accordance with the general interest charge rate determined under section 8AAD of the *Taxation Administration Act 1953* on the day that payment is due. Details of the General Interest Charge rate are available from the Australian Taxation Office.