

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 624

Topic: Government Payments of Accounts

Written: 17 June 2013

Senator BUSHBY asked:

624. For this financial year 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)?
- 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?

**Financial year to date– 31 May 2013*

Answer:

624. Payments of accounts are made in line with Government policy in terms of time for payment of 30 days. The ABS paid 98% of all of its invoices within 30 days for the period 1 July 2012 to 31 May 2013.
- With respect to the remaining 2 % 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 previous financial year. For the period 1 July 2012 to 31 May 2013 the interest paid on overdue amounts totalled \$1,842.67.
 - 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.