

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

20-21 November 2013

**Question: SBT 435**

**Topic: Government Payment of Accounts**

**Written: 25 November 2013**

**Senators LUDWIG and WONG asked:**

- 435 a) From 7 September 2013 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)?
- b) 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)
- c) 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?
- d) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

**Answer:**

435. a) Payments of accounts are made in line with Government policy in terms of time for payment of 30 days. The ABS paid 99% of all of its invoices within 30 days for the period 1 September to 30 November 13.
- b)With respect to the remaining 1 % 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.
- c) No interests was charged or paid for the previous financial year. For the period 1 September to 30 November 2013 the interest paid on overdue amounts totalled \$917.
- d) 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.