

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 195

Topic: Government Payments of Accounts (Treasury)

Hansard Page: Written

Senator Barnett asked:

1. Has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (ie. within 30 days)? If not, why not, and 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.)
2. 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?
3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. Treasury aim to make payment to suppliers per government policy in terms of time for payment (i.e. within 30 days). Where payments are not made within the terms reasons for the late payment are investigated and corrective action taken. These accounts are paid within 24 - 48 hours of receipt in the payments area.

In 2009-10 payments were made in the following timeframes:

- Paid 30 days or less: 90%
- Paid 31-44 days: 5%
- Paid 45-59 days: 2%
- Paid over 60 days: 4%

2. Yes interest is paid on overdue accounts to small business in line with *Finance Circular 2008/10 - Procurement 30 Day Policy for Small Business*. In 2009-2010 interest paid totalled \$62.08 (2008-09 \$0).
3. Please refer to *Finance Circular 2008/10 - Procurement 30 Day Policy for Small Business* (available from the Department of Finance and Deregulation internet site).