

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 754 - 755  
Topic: Government Payments of Accounts  
Hansard Page: Written

Senator Bushy asked:

754. For the year 2010-11, did 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,
- a) 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, was 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?
755. For the FYTD, 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,
- a) 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:

754. Yes. The Treasury follows government policy for payment of accounts within 30 days, however there can be instances where payment of accounts is delayed.
- a) During 2010-11, the Treasury paid 98% of all suppliers within 30 days of receipt of a correctly rendered tax invoice.
  - b) No. During 2010-11 no small businesses claimed interest from Treasury.
  - c) In determining the interest payable to small business in relation to late payments, Treasury follows Finance Circular 2008/10. This is available on the Department of Finance and Deregulation website.
755. Yes. The Treasury follows government policy for payment of accounts within 30 days, however there can be instances where payment of accounts is delayed.
- a) Between 1 July and 30 September 2011 the Treasury paid 99% of all suppliers within 30 days of receipt of a correctly rendered tax invoice.
  - b) No. Between 1 July and 30 September 2011 no small businesses claimed interest from Treasury.
  - c) In determining the interest payable to small business in relation to late payments, Treasury follows Finance Circular 2008/10. This is available on the Department of Finance and Deregulation website.