

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 196

Topic: Government Payments of Accounts (ABS)

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 (i.e. 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.)**

Answer:

As illustrated in Table 1 below, 96.5% of all invoices received by ABS for services provided during the 2009-10 financial year were paid within 30 days. This table includes payments made by credit card.

Table1. Timeliness of Payments.

Number of days after terms date that invoice was paid	Number of Invoices	Percent of total number of Invoices paid during 09/10 FY.
30 days and less	37,879	96.5
31-60 days	923	2.4
61-90 days	248	0.6
91 days plus	209	0.5
TOTAL	39,259	100

The primary factor contributing to the payment of invoices outside of 30 days is the late receipt of invoices by the ABS accounts payable area.

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- 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?**

Answer:

No interest has been paid by the ABS as a result of payment of invoices outside of 30 days.

- 3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?**

Answer:

No interest has been paid by the ABS as a result of payment of invoices outside of 30 days.

ABS includes in its standard contract and purchase order terms and conditions appropriate clauses that provide for the payment of interest to Small Businesses for late payment, consistent with the methodology and conditions set out in Finance Circular 2008/10.