

**SENATE STANDING COMMITTEE ON ECONOMICS QUESTION**  
**(Supplementary Budget Estimates 20 October – 21 October)**

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Question: SBT 52

Topic: Government Payment of Accounts

Senator Bushby 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)?
2. 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.)
3. 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?
4. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. Yes. The Treasury follows government policy for payment of accounts within 30 days, however occasionally there are instances where payment of accounts is delayed.
2. Between 2 June and 31 October 2010 the Treasury has paid 96% of all contractors/consultants within 30 days of receipt of a valid invoice. On occasions, invoices are received late or in dispute, but this information is not collected by the Financial Management Information System. These invoices will be reported as late payments even though they may actually be paid within 30 days of receipt of a valid invoice. Also occasionally, invoices are misplaced or not processed in a timely manner. Processes are continuously reviewed to minimise the incidence of these errors.
3. Yes. During 2009-10 financial year one small business claimed interest from the Treasury of \$62.08. From 1 July to 31 October 2010, no small businesses claimed interest from Treasury.
4. 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.