

1993—No. 12

PUBLIC FINANCE AND AUDIT ACT 1983—REGULATION

(Relating to the payment of interest by public authorities on
overdue accounts)

NEW SOUTH WALES



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HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Public Finance and Audit Act 1983, has been pleased to make the Regulation set forth hereunder.

GEORGE SOURIS
for Premier and Treasurer.

The Public Finance and Audit Regulation 1984 is amended:

- (a) by omitting from clause 2AB (3) (c) the word “Minister” and by inserting instead the words “Head of the authority”;
- (b) by omitting clause 2AB (5) and by inserting instead the following subclause:

(5) If a payment is not made within the time determined in accordance with subclause (4), the Head of the authority (or a person appointed by the Head of the authority) may direct that the supplier be paid interest on the amount not paid within that time, from that time until the time of payment and at a rate of up to 20 per cent per annum, unless a greater penalty is payable under the contract in respect of the default in payment.

EXPLANATORY NOTE

Currently, clause 2AB (4) of the Public Finance and Audit Regulation 1984 requires the Head of a public authority to ensure that payment for goods or services supplied to the authority under a contract is made by the date specified in the contract or, if no date is specified, by the end of the month following the month in which an invoice or statement is received from the supplier. Under clause 2AB (5)

of the Regulation the responsible Minister can direct that interest is to be paid on an account not paid within the time required under subclause (4). The object of this Regulation is to allow the Head of the authority, instead of the Minister, to direct the payment of interest on overdue accounts.

This Regulation is made under the general regulation making power contained in section 64 of the Public Finance and Audit Act 1983.
