

LATE PAYMENT INTEREST INFORMATION SHEET

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The information contained in this Information Sheet explains the inclusion and exclusion criteria used to calculate Late Payment Interest (LPI). Refer to the [Shared Services SA](#) website to view frequently asked questions (FAQs).

INCLUSION CRITERIA

- The invoice is valued at \$1 million (GST exclusive) or less;
- The amount of interest to be paid is \$10 or more;
- The invoice was issued by a business which is incorporated under *the Corporations Act 2001 (Cwth)*;
- The invoice relates to the provision of goods and or services to a Public Authority; and
- The invoice is not disputed.

EXCLUSION CRITERIA

- Invoices in a foreign currency;
- Invoices that do not relate to the supply of goods and services;
- Invoices which are a Refund (REFND);
- Invoices which are a Concession (CONC) payment;
- Invoices which are a Grant (GRANT) payment (unless they are specifically for the supply of goods and/or services. For the purposes of this business requirement, a grant for goods and/or services will only be included if the associated invoice has a GST component); and
- WorkCover payments made to employees or terminated employees;

Further the Act excludes invoices for the supply of goods and services where the associated contract:

- Makes specific provision for payment terms that are greater than 30days; or
- Makes specific provision for the payment of interest if a payment is not made in accordance with the terms of the contract; or
- A construction contract under the *Building and Construction Industry Security of Payment Act 2009*; or
- A contract that does not include a monetary consideration; or
- A contract of a class excluded from the ambit of this definition by the regulations.

Businesses not entitled to receive LPI are:

- Other State Government Public Authorities ;
- Public schools;
- Public universities;
- Local Government, Commonwealth Government, or public entities in other State Government jurisdiction;
- Public sector employees;
- Carers (who are not businesses in accordance with the definition under the Act); and
- Members of the public (unless they are directly providing goods or services to a public authority)

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Department of Treasury
and Finance