

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2013-14 Supplementary Estimates Hearings

Outcome Number: Cross Outcome - Across Programs

Question No: 131

Topic: Government payments of accounts

Hansard Page: Written

Senator Ludwig asked:

- a) From 7 September 2013 to date, 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)?
- b) If not, why not? Provide details, including 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).
- c) 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?
- d) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

- a) Yes, the Department is paying its accounts within the terms of the Government Policy.
- b) As at 5 December 2013, the Department (including the former FaHCSIA) has paid the following:

| Timeframe | No. of Payments | Value of Payments | % of payments |
|-------------------|------------------------|--------------------------|----------------------|
| 0-30 days | 4,253 | \$45,352,378.36 | 97.9% |
| 31-44 days | 68 | \$1,262,443.05 | 1.6% |
| 45-60 days | 6 | \$53,423.50 | 0.1% |
| 61 + days | 16 | \$269,421.21 | 0.4% |

There are a range of reasons why invoices are processed later than their due date, including:

- Clarification required relating to the goods / services provided or the amount of an invoice;
 - Incorrect contact details; or
 - Some invoices are not received, but when reissued are received with the original issue date.
- c) In 2012/13 the former Department of Families, Housing, Community Services and Indigenous Affairs paid \$1,631.83 in interest due to late payment of invoices. As at 5 December, the Department of Social Services has paid \$28.90 in interest for 2013/14.

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- d) Interest is calculated following the General Interest Charge (GIC) rates as per guidance provided by the Australian Taxation Office (ATO).