



Australian Government

Department of Agriculture, Fisheries and Forestry

Senator the Hon. Glenn Sterle  
Chairman  
Senate Rural and Regional Affairs and Transport Legislation Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Senator Sterle

The department provided an incorrect answer to a question on notice from the Additional Estimates hearing conducted by the Senate Rural and Regional Affairs and Transport Legislation Committee on 13 February 2012, which I would like to correct.

In response to question 167 (Finance and Business Support) on timeframe for payment of accounts the statistics relating to the Australian Pesticides and Veterinary Medicines Authority are expressed in terms of the supplier's invoice issue date rather than the date of supply of a correct good or service. Finance circular No. 2008/10 provides the Government's policy for payments in terms of a 'correctly rendered' invoice. A 'correctly rendered' invoice may have regard to both the invoice format and the correct receipt of satisfactory goods and services.

The amendment to question 167 relates to amending the entry for the Australian Pesticides and Veterinary Medicines Authority to represent the timeframe results based on the supply of a correct good or service.

The correct response is attached.

Yours sincerely

Darren Schaeffer

Chief Finance Officer  
Finance and Business Support Division

1 May 2012

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 167**

**Division/Agency:** Finance and Business Support Division

**Topic:** Government Payments of Accounts

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. For the year 2010-11, did 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.)
  - a) For accounts not paid within 30 days, was 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?
  - b) Where interest is being paid, what rate of interest is being paid and how is this rate determined?
2. For the FYTD, 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.)
  - a) 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?
  - b) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

**Answer:**

1. The Department of Agriculture, Fisheries and Forestry (DAFF) has made payments to contractors/consultants in the 2010-11 financial year as per the first table. Reasons for delay in payments include: invoice disputes, incorrect invoices, invalid ABNs and missing supplier information.

The majority of DAFF agencies are governed under the Commonwealth Authorities and Companies Act (1997) and as such each agency has its own financial management policy. Payments are made in accordance with those policies which closely align with the 30 day payment policy. Reasons for delay in payments include: invoice disputes, incorrect invoices, invalid ABNs, missing supplier information and misplaced invoices.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 167 (continued)**

<b>DAFF</b>	<b>2010-11</b>
30 days	95.37%
31-44 days	2.62%
45-60 days	0.64%
60+ days	1.36%

**Agencies 2010-11**

AFMA	30 days	82%
	31-44 days	10%
	45-60 days	4%
	60+ days	4%
APVMA	30 days	94%
	31-44 days	4%
	45-60 days	2%
	60+ days	0%
CDRC	30 Days	100%
FRDC	30 Days	100%
GRDC	30 Days	100%
GWRDC	30 Days	N/A
WEA	30 Days	100%
Wine Australia	30 Days	100%
SRDC	30 Days	100%
RIRDC	30 Days	100%

- a) No interest has been paid on overdue amounts for the last financial year.  
b) No interest has been paid.

2. The Department has made payments to contractors/consultants in the current financial year (to 31 January 2012) as per the first table. Reasons for delay in payments include: invoice disputes, incorrect invoices, invalid ABNs and missing supplier information.

The majority of DAFF agencies are governed under the Commonwealth Authorities and Companies Act (1997) and as such each agency has its own financial management policy. Payments are made in accordance with those policies which closely align with the 30 day payment policy. Reasons for delay in payments include: invoice disputes, incorrect invoices, invalid ABNs, missing supplier information and misplaced invoices.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 167 (continued)**

<b>DAFF</b>	<b>2012 YTD</b>
30 days	86.50%
31-44 days	7.60%
45-60 days	2.43%
60+ days	3.48%

**Agencies FYTD (to 31 January 2012)**

AFMA	30 days	82%
	31-44 days	11%
	45-60 days	4%
	60+ days	3%
APVMA	30 days	96%
	31-44 days	0%
	45-60 days	4%
	60+ days	0%
CDRC	30 Days	100%
FRDC	30 Days	100%
GRDC	30 Days	100%
GWRDC	30 Days	100%
WEA	30 Days	100%
Wine Australia	30 Days	100%
SRDC	30 Days	100%
RIRDC	30 Days	100%

a) No interest has been paid on overdue amounts for this financial year.

b) No interest has been paid.