

Senate Standing Committee on Economics**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Estimates

28 May 2012

Question: BR48
Topic: Government Payments of Accounts
Proof Hansard Page: Written

Senator Bushby asked:

1. For this financial year 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)?
 - a) 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)
 - b) 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?
 - c) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:***Department***

1. The Government's policy of 30 day payment terms applies to departmental payments to Small Business up to a value of \$5m (GST inclusive). During the 2011-12 financial year the Department made 1,464 payments to Small Business and of these 1,351 (92.3 per cent) were paid within 30 days.
 - a) The Department is aware of the Government's policy on payments to Small Business and strives to meet these terms where possible. The Department reviews its timeframes for all payments made on a monthly basis and reports the results to Executive Board.

Breakdown of payments to Small Business:

Days Late	Number	Percentage
1-30 days	99	6.7%
31-60 days	12	0.8%
61-90 days	1	0.1%
90+ days	1	0.1%
Total	113	7.7%

- b) The Department has not paid interest in the current or previous financial years.
- c) Not Applicable.

Tourism Australia

For this financial year to date, Tourism Australia has paid all of its accounts to contractors/consultants within 30 days and in accordance with Government policy.

Geoscience Australia

1. During the 2011-12 financial year, there were six occasions where payments were not made within the required 30 day period.
 - a) Of the six payments that were not made within 30 days, there was a total interest payment of \$278.06. Invoices were paid late due to authorisation and certification timing delays within Geoscience Australia (GA) line business areas
 - b) Yes, interest was paid as per Finance Circular No. 2008/10 (Procurement 30 Day Payment Policy for Small Business) 2011/12 YTD Interest paid is \$278.06 - 2010/11 interest paid was \$1,341.79.
 - c) General Interest Rate Charge (GIC) Daily rate ascertained from the Australian Taxation Office (ATO) website and compliant with the Government Policy.