

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2011-2012, 15 February 2012

Question: E12-081

OUTCOME 0: Whole of Portfolio

Topic: GOVERNMENT PAYMENTS OF ACCOUNTS

Written Question on Notice

Senator McKenzie asked:

- a) 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)?
- b) 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)
- 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) 1 July 2011 to 15 February 2012: Timeliness of Payments

Department/ Portfolio Agency		Paid within 30 days	Paid within 31 – 44 days	Paid within 45 - 60 days	Paid within 61 – 74 days	Paid within 75 – 90 days	Paid > 90 days	Total
		Paid on Time	Up to 14 days late	Up to 30 days late	Up to 44 days late	Up to 60 days late	> 60 days late	
Department of Health and Ageing*	Number of Invoices	17,688	1244	455	240	211	385	20,223
	% of total	87.5%	6.2%	2.2%	1.2%	1.0%	1.9%	100%
Private Health Insurance Administration Council	Number of Invoices	794						794
	% of total	100%						100%
Private Health Insurance Ombudsman	Number of Invoices	254						254
	% of total	100%						100%

\*Includes Australian National Preventive Health Agency, Office of the Gene Technology Regulator and National Industrial Chemicals Notification and Assessment, Office of the Aged Care Commissioner

Department/ Portfolio Agency		Paid within 30 days	Paid within 31 – 44 days	Paid within 45 - 60 days	Paid within 61 – 74 days	Paid within 75 – 90 days	Paid > 90 days	Total
		Paid on Time	Up to 14 days late	Up to 30 days late	Up to 44 days late	Up to 60 days late	> 60 days late	
Australian Radiation Protection and Nuclear Safety Agency	Number of Invoices	1007	77	11	0	0	0	1095
	% of total	92.0	7.0%	1.0	0.0%	0.0%	0.0%	100%
Food Standards Australia New Zealand <sup>1</sup>	Number of Invoices	1104	60	32	20	1	13	1230
	% of total	90.0%	4.8%	2.6%	1.6%	0.0%	1.0	100%
National Blood Authority <sup>2</sup>	Number of Invoices	807	59	20	13	6	3	908
	% of total	88.9	6.5	2.2	1.4	0.7	0.3	100%
General Practice Education and Training <sup>3</sup>	Number of Invoices	1004	52	4	1	0	0	1061
	% of total	95.0	5.0	0.0%	0.0%	0.0%	0.0%	100%
Organ Tissue Authority	Number of Invoices	700	2	0	0	0	0	702
	% of total	99.8%	0.2%	0.0%	0.0%	0.0%	0.0%	100%
National Health and Medical Research Council <sup>4</sup>	Number of Invoices	377	16	4	2	2	2	403
	% of total	93.5%	4.0%	1.0%	0.5%	0.5%	0.5%	100%
Professional Services Review <sup>5</sup>	Number of Invoices	456	12	6	4	2	0	480
	% of total	95.1%	2.5%	1.3%	0.8%	0.3%	0.0%	100%
Cancer Australia	Number of Invoices	1,238	62	26	20	27	21	1394
	% of total	89.0%	4.0%	2.0%	1.0%	2.0%	2.0%	100%
Health Workforce Australia	Number of Invoices	2,403	127	0	0	0	0	2530
	% of total	94.9%	5.1%	0.0%	0.0%	0.0%	0.0%	100%
Therapeutic Goods Administration	Number of Invoices	2108	18	11	2	0	9	2,148
	% of total	98.3%	0.8%	0.5%	0.0%	0.0%	0.4%	100%
Australian Institute of Health and Welfare	Number of Invoices	179	13	7	3	1	5	208
	% of total	86.1%	6.3%	3.4%	1.4%	0.4%	2.4%	100%

<sup>1</sup> Invoices were supplied late by Suppliers.

<sup>2</sup> Invoices in dispute were not paid until National Blood Authority was satisfied the invoice was correct.

<sup>3</sup> Some invoices are received late and other invoices required more supporting documentation before being paid.

<sup>4</sup> Awaiting payment details from supplier and invoices were not sent directly to Finance area by supplier.

<sup>5</sup> Delays were due to administrative oversight which has since been rectified by a change to internal processes.

b) Yes. Interest has been paid by the department as a result of non compliance with the Payments To Small Business Within 30 Days policy.

***1 July 2011 to 31 January 2012: Interest Paid***

<b>Department/ Portfolio Agency</b>	<b>Interest Paid</b>	<b>Interest Rate</b>
Department of Health and Ageing	\$2,930.39	Cabcharge Account rate of 1.5%
Department of Health and Ageing	\$99.00	Rates of interest vary depending on contract terms

***1 July 2010 to 30 June 2011: Interest Paid***

<b>Department/ Portfolio Agency</b>	<b>Interest Paid</b>	<b>Interest Rate</b>
Food Standards Australia New Zealand	\$24.86	Cabcharge Account rate of 1.5%
Department of Health and Ageing	\$2,439.28	Cabcharge Account rate of 1.5%
Department of Health and Ageing	\$1,031.12	General Interest charge as published by the ATO

c) Interest is calculated on the basis of the General Interest Charge Rate as per Section 8AAD of the *Taxation Administration Act 1953* and published on the Australian Taxation Office website. The specific rate varies depending on the period in which the payment falls due or according to contract payments terms.