

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH AND AGEING PORTFOLIO**

**Additional Estimates 13 and 15 February 2013**

**Question:** E13-122

**OUTCOME 0:** Whole of Portfolio

**Topic:** Government Payment of Accounts

**Type of Question:** Written Question on Notice

**Senator:** Senator Boyce

**Question:**

- 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? 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) The Department of Health and Ageing met payment terms for 87 per cent of invoices.
- b) For the period 1 July 2012 to 31 January 2013 the Department received 20,413 invoices in respect of its departmental operations. Occasionally there may be unavoidable delays in processing payments, for example in verifying the satisfactory completion of work.

Of the 2,568 invoices not paid within 30 days, 1,468 were paid within 1-14 days after the due date and a further 495 were paid within 15-30 days after the due date. The remaining 605 invoices were paid in excess of 30 days after the due date.

The Department has implemented changes to further improve the timeliness of payments to suppliers.

- c) Yes. \$1,400 interest has been paid in the period 1 July 2012 to 31 January 2013 by the Department. \$4,297 interest was paid in the period 1 July 2011 to 30 June 2012.

- d) The rate of interest is 1.5 per cent. Under the Small Business Payments Policy interest is calculated based on the General Interest Charge Rate as per Section 8AAD of the *Taxation Administration Act 1953*. This rate is published on the Australian Taxation Office website. The specific rate varies depending on the period in which a payment falls.