

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2013-14 Budget Estimates Hearings

Outcome Number: Cross

Question No: 356

Topic: Government Payments of Accounts

Hansard Page: Written

Senator Smith asked:

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)? 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). 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? Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

Yes, the Department is meeting required payment terms in line with Government policy.

For this financial year (2012-13), the Department has paid the following:

Timeframe	No. of Payments	Value of Payments	% of payments
0-30 days	19,985	\$215,948,282.05	98%
31-44 days	268	\$5,362,054.51	1%
45- 60 days	72	\$1,184,934.21	0%
61+ days	99	\$5,194,629.78	0%

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

- Clarification required relating to goods/ services provided or the amount of an invoice;
- Incorrect contact details, or;
- Invoices are not received but when reissued, are received with the original issued date.

In this financial year, late payment of interest has been made due to the introduction of Finance Circular 2012/02 (Procurement on Time Payment Policy for Small Businesses) advising changes to the guidelines from September 2012.

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In 2011/12, payments of interest were made to 2 companies totalling \$168.88.

In 2012/13 payments of interest were made to 19 companies totalling \$1,631.83. Interest is calculated following the General Interest Charge (GIC) rates as per guidance provided by the Australian Taxation Office (ATO).