

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2010-11, 20 October 2010

Question: E10-212

OUTCOME 0: Whole of Portfolio

Topic: GOVERNMENT PAYMENTS OF ACCOUNTS

Written Question on Notice

Senator Fierravanti-Wells asked:

- a) 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) The department paid 87.3% of all departmental supplier payments within 30 days during the 2009-10 financial year.
- b) The primary reason for payments not being made within 30 days is due to the timeframes involved in receiving, vetting, validating, approving and dispatching invoices for processing and payment, by the central processing area. The department is currently undertaking a business process re-engineering project to streamline these processes and reduce timeframes.
- c) The department's financial management system currently records this information for small business only. The department did not pay any interest for late payments to small business in 2009-10.
- d) Where interest does become payable, in accordance with Government Policy, the interest rate used is the General Interest Charge (GIC) as determined by the Australian Taxation Office in accordance with section 8AAD of the *Taxation Administration Act 1953*.