

Senate Community Affairs Legislation Committee

SUPPLEMENTARY BUDGET ESTIMATES - 20 OCTOBER 2011 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Government Payment of Accounts

Question reference number: HSW 23

Senator: McKenzie

Type of question: Written

Date set by the committee for the return of answer: 9 December 2011

Number of pages: 2

Question:

- a) For the year 2010-11, did 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, 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.)
- For accounts not paid within 30 days, was 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?
- b) For the FYTD, 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, 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.)
- 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:

Government policy dictates that 90 per cent of small business vendors are to be paid within 30 days, and the department consequently categorises its suppliers as small, medium or large business (based on staffing levels) and maintains payment performance data to enable reporting against this policy.

- a) During 2010-11, 97.2 per cent of invoices from small business vendors (including contractors/consultants with 20 employees or less) were paid within 30 days.

No claims for interest were received from any small business vendors (including contractors/consultants with 20 employees or less) whose invoices were not paid within 30 days during 2010-11, and therefore no interest was paid.

- b) To date in 2011-12, 97.8 per cent of invoices from small business (including contractors/consultants with 20 employees or less) have been paid within 30 days.

No claims for interest have been received from any small business vendors (including contractors/consultants with 20 employees or less) whose invoices were not paid within 30 days to date in 2011-12, and therefore no interest has been paid.