

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11- 057

OUTCOME 0: Whole of Portfolio

Topic: GOVERNMENT PAYMENTS OF ACCOUNTS

Written Question on Notice

Senator McKenzie asked:

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

Answer:

a) 1 July 2011 to 30 September 2011: 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	8,997	451	145	90	93	98	9,874
	% of total	91.1%	4.6%	1.5%	0.9%	0.9%	1.0%	100%
Office of the Aged Care Commissioner	Number of Invoices	6						6
	% of total	100%						100%
Private Health Insurance Administration Council	Number of Invoices	364						364
	% of total	100%						100%
Private Health Insurance Ombudsman	Number of Invoices	122						122
	% of total	100%						100%

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

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	433	33	5				471
	% of total	91.9%	7.0%	1.1%	0.0%	0.0%	0.0%	100%
Food Standards Australia New Zealand	Number of Invoices	498	31	10	6	0	2	547
	% of total	91.00%	6.00%	2.00%	1.00%	0.00%	0.00%	100%
National Blood Authority ¹	Number of Invoices	372	23	14	5	0	0	414
	% of total	89.9%	5.6%	3.4%	1.2%	0.0%	0.0%	100%
General Practice Education and Training	Number of Invoices	2,687						2,687
	% of total	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
Organ Tissue Authority	Number of Invoices	16						16
	% of total	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
National Health and Medical Research Council ²	Number of Invoices	186	7	1	2	1	1	198
	% of total	94.0%	3.5%	0.5%	1.0%	0.5%	0.5%	100%
Professional Services Review	Number of Invoices	12	0	8				20
	% of total	60.0%	0.0%	40.0%	0.0%	0.0%	0.0%	100%
Cancer Australia ³	Number of Invoices	371	21	13	2	0	0	407
	% of total	91.2%	5.2%	3.2%	0.5%	0.0%	0.0%	100%
Health Workforce Australia ⁴	Number of Invoices	869	27					896
	% of total	97.0%	3.0%	0.0%	0.0%	0.0%	0.0%	100%
Therapeutic Goods Administration	Number of Invoices	45	1					46
	% of total	97.8%	2.2%	0.0%	0.0%	0.0%	0.0%	100%
Australian Institute of Health and Welfare ⁵	Number of Invoices	48	2	2	2	1	5	60
	% of total	80.0%	3.3%	3.3%	3.3%	1.7%	8.3%	100%

¹ Invoices in dispute were not paid until National Blood Authority was satisfied the invoice was correct.

² Awaiting payment details from supplier and invoices were not sent directly to Finance area by supplier.

³ Small agency with few processing staff and change over of staff during the financial year.

⁴ Invoices are only paid later than 30 days if there is an issue with invoice.

⁵ Primarily invoices are only paid later than 30 days where the account is in dispute or there was a delay in receiving the invoice from the Supplier.

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 30 September 2011: Interest Paid

Department/ Portfolio Agency	Interest Paid	Interest Rate
Department of Health and Ageing	\$1,509.72	Rates of interest vary depending on contract terms and published rate of the ATO website

1 July 2010 to 30 June 2011: Interest Paid

Department/ Portfolio Agency	Interest Paid	Interest Rate
Food Standards Australia New Zealand	\$24.86	Cabcharge Account rate of 1.5%
Department of Health and Ageing	\$3,513.24	Rates of interest vary depending on contract terms and published rate of the ATO website

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.