

# Senate Community Affairs Legislation Committee

## SUPPLEMENTARY ESTIMATES - 18 OCTOBER 2012 ANSWER TO QUESTION ON NOTICE

### Human Services Portfolio

**Topic:** Payment of Accounts – 2012-13

**Question reference number:** HS 99

**Senator:** Boyce

**Type of question:** Written

**Date set by the committee for the return of answer:** 7 December 2012

**Number of pages:** 2

#### 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 does not specifically identify suppliers as contractors/consultants.
- b) The Department only maintains 30 day payment statistics for suppliers that self identify as small businesses (less than 20 staff). Thirty day payment statistics for this group of suppliers are provided below:

	<b>30 days</b>	<b>31-44 days</b>	<b>45-60 days</b>	<b>&gt;60 days</b>	<b>Total</b>
# of invoices	28,998	391	194	187	29,770
% of invoices	97.4%	1.3%	0.7%	0.6%	100.0%
Value	\$37,374,539	\$1,903,285	\$413,122	\$324,051	\$40,014,997
% of Value	93.4%	4.8%	1.0%	0.8%	100.0%

The small percentage of cases which exceeded the 30 days were due to delays in administration within the Department. Arrangements are being put in place to minimise such occurrences in the future.

- c) Yes, \$1,310.23 in interest has been paid by the Department this financial year to small businesses. No interest was paid by the Department during the previous financial year.
- d) The general interest charge daily rate of 0.02912568% for July – September 2012 as advised in Finance Circular 2012/02 “Procurement On-Time Payment Policy for Small Business” is being used to calculate interest payments.