

Senate Community Affairs Legislation Committee

SUPPLEMENTARY ESTIMATES - 18 OCTOBER 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Payment of Accounts – 2011-12

Question reference number: HS 100

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 2011-12, did the department/agency pay 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/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?
- d) Where interest is being paid, what rate of interest is being paid and how is this rate determined?
- e) Have all accounts from 2011-12 been paid? If no, why not?

Answer:

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

	30 days	31-44 days	45-60 days	>60 days	Total
# of invoices	125,780	3,260	1,264	1,358	131,662
% of invoices	95.5%	2.5%	1.0%	1.0%	100.0%
Value	\$133,949,178	\$12,043,404	\$5,711,155	\$4,763,665	\$156,467,402
% of Value	85.6%	7.7%	3.7%	3.0%	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 future.

- c) Interest would have been payable on overdue amounts if a vendor invoice claiming it had been received. However, no such invoices were received and therefore no interest was paid in 2011-12, nor in any previous financial year.
- d) If interest had been payable in 2011-12 it would have been calculated with reference to the interest charge determined under section 8AAD of the *Taxation Administration Act 1953* on the day that payment was due.
- e) All 2011-12 invoices received by the Department and forwarded for payment to its Shared Services Centre have been paid.