

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 914

Topic: Government Payments of Accounts (ASIC)

Hansard Page: Written (Received from Committee 13 June 2012)

Senator BUSHBY asked:

914. 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)?
- a) 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)
 - 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:

914. a) For the financial year to 31 May 2012, ASIC has identified 91% of invoices for contractors/consultants were paid within Government Policy terms of 30 days. The remaining 9% were paid outside of the 30 day terms.

1 July 2011 - 31 May 2012	Paid within 30 days (paid on time)	Paid within 31-60 days (up to 30 days late)	Not paid within 60 days (30 days or more late)	Total
% of invoices	91%	6%	3%	100%

Most delays in paying invoices beyond the 30 day terms were due to the receipt of incorrect or incomplete invoices and/or differences in respect of the amounts charged or services provided. A new financial system was implemented in July 2011, which caused issues with payment processing for a period of time.

As part of the rollout of the new financial system in early 2011-12, suppliers have been asked to send all invoices to a central location for scanning. This is designed to reduce any

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delays in payment. ASIC continues to input 28 day terms of payment instead of 30 days, to assist in minimising delays.

914. b) No interest has been paid on overdue amounts for the financial year to 31 May 2012.

914. c) Not applicable.