

## QUESTION TAKEN ON NOTICE

### SUPPLEMENTARY BUDGET ESTIMATES HEARING: 19 November 2013

#### IMMIGRATION AND BORDER PROTECTION PORTFOLIO

##### (SE13/174) PROGRAM – Internal Product

Senator Ludwig (written) asked:

- a) From 7 September 2013 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) From 7 September 2013 to 30 November 2013, 84.4 per cent of all payments were made within departmental payment policy of 30 day trading terms.
- b) The main reasons some payments have not been made within the 30 day terms of trade are:
  - Invoices in dispute are not paid until resolution;
  - Invoices can arrive late or be lost in transit; and
  - Invoices sent to Department of Immigration and Border Protection officers in remote locations for checking and verification sometimes take longer than 30 days to be finalised.

<b>Payment Days</b>	<b>No. of invoices</b>	<b>% of payments</b>
Paid within 30 days	23 677	84.4
Paid within 31-44 days	3 312	11.8
Paid within 45-60 days	300	1.1
Paid on or after 61 days	750	2.7
<b>Total Number of Invoices</b>	<b>28 039</b>	<b>100.0</b>

c) For the previous financial year, DIBP paid \$193.92 in interest to small business for the overdue amounts.

For the current financial year to 30 November 2013, DIBP has paid \$27 481.64 in interest to small business for the overdue amounts.

d) The interest rate is determined under section 8AAD of the Taxation Administration Act 1953 on the day that payment is due. The interest rates are available from the Australian Taxation Office website.

The interest rates for the period 1 July 2012 to 31 Dec 2013 are:

<b>Quarter</b>	<b>Annual rate</b>	<b>Daily rate</b>
October – December 2013	9.60%	0.02630137%
July – September 2013	9.82%	0.02690411%
April – June 2013	9.95%	0.02726027%
January – March 2013	10.24%	0.02805479%
October - December 2012	10.62%	0.02901639%
July – September 2012	10.66%	0.02912568%

*MRT-RRT:*

For the period 7 September 2013 to 31 October 2013, the MRT-RRT paid all accounts in accordance with Government policy in terms of time for payment.

*Operation Sovereign Borders*

Nil.

*Australian Customs and Border Protection Service*

- a) Between 7 September 2013 and 19 November 2013, the Australian Customs and Border Protection Service (ACBPS) has paid 91.87% of invoices to contractors and consultants in accordance with Government policy and in the terms of trade (i.e. within 30 days).
- b) ACBPS endeavours to process all payments to meet agreed payment terms however, on a small number of invoices this has not been possible for the following reasons:
- The invoice received is not a correctly rendered invoice or there may be issues which need to be clarified between the agency and the vendor;
  - Delays in the invoice reaching the Accounts Payable team due to operational reasons;
  - A delay in the authorisation process due to operational reasons;
  - A delay in goods receipting, confirmation of which is required to process any payments; and/or
  - A delay in payment to the suppliers caused by the agency seeking further information regarding the supply from the vendor
- c) No.
- d) Not Applicable