

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2012-2013, 17 & 19 October 2012

Question: E12-121

OUTCOME 0: Whole of Portfolio

Topic: GOVERNMENT PAYMENT OF ACCOUNTS

Type of Question: Written Question on Notice

Number of pages: 2

Senator: Senator Boyce

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 of Health and Ageing met payment terms for 86 per cent of invoices.
- b) For the period 1 July 2011 to 30 June 2012 the Department received 39,538 invoices in respect of its departmental operations. Occasionally there may be unavoidable delays in processing payments, for example in verifying the satisfactory completion of work.

Of the 5,383 invoices not paid within 30 days, 2,858 were paid within 1-14 days after the due date and a further 863 were paid within 15-30 days after the due date. The remaining 1,663 invoices were paid in excess of 30 days after the due date.

The Department is currently implementing system changes to further improve the timeliness of payments to suppliers.

- c) Yes. \$4,297 interest was paid for the period 1 July 2011 to 30 June 2012. \$3,470 interest was paid in the period 1 July 2010 to 30 June 2011.

- d) The rate of interest is 1.5 per cent. Under the Small Business Payments Policy interest is calculated based on the General Interest Charge Rate as per Section 8AAD of the *Taxation Administration Act 1953*. This rate is published on the Australian Taxation Office website. The specific rate varies depending on the period in which a payment falls.
- e) Yes.