

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2013-14, 20 November 2013

Question: E13-048

OUTCOME: 0 - Whole of Portfolio

Topic: Government Payment of Accounts

Type of Question: Written Question on Notice

Senator: Ludwig

Question:

- 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) The Department of Health met payment terms for 90 per cent of invoices.
- b) During the period 7 September 2013 to 31 October 2013 the Department received 9,520 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 969 invoices not paid within 30 days, 570 were paid within 1-14 days after the due date and a further 139 were paid within 15-30 days after the due date. The remaining 260 were paid in excess of 30 days after the due date.

- c) Yes. \$1,414 interest was paid in the period 1 July 2013 to 31 October 2013. \$3,774 interest was paid in the period 1 July 2012 to 30 June 2013.
- 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*. The rate is published on the Australian Taxation Office website. The specific rate varies depending on the period in which a payment falls.