

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
 Industry, Innovation, Science, Research and Tertiary Education Portfolio
 Additional Estimates Hearing 2012-13
 13 February 2013

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: Government Payments of accounts

REFERENCE: Written Question – Senator Bushby

QUESTION No.: AI-133

1. 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)? 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.
2. 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?
3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

ANSWER

Please refer to SI-161 for detail relating to Government payments of accounts for the period 1 July 2012 to 31 October 2012. Detail for the period 1 November 2012 to 31 January 2013 is as follows.

1. The 'Procurement On-Time Payment Policy for Small Business' ('the policy') outlined in Finance Circular 2012/02 only applies to *Financial Management and Accountability Act* agencies. Within the portfolio the policy applies to the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), the Australia Research Council (ARC), IP Australia, Tertiary Education Quality and Standards Agency (TEQSA) and Australian Skills Quality Authority (ASQA).

	DIISRTE	ARC	IP Australia	TEQSA	ASQA
Total invoices processed	18,661	60	1,445	722	699
Total number paid within 30 days	18,583	48	1,431	706	592
Total percentage paid within 30 days	99.58%	80%	99.03%	98%	85%
Total number not paid within 30 days	78	12	14	16	107
Total percentage not paid within 30 days	0.42%	20%	0.97%	2%	15%

Late payments are primarily the result of administrative delays, such as non-timely confirmation of receipt of goods or services before invoices are passed to the processing phase.

2. This financial year to 31 January 2013, \$1,853 interest has been paid on overdue amounts. Last financial year, no invoices were received for interest on amounts not paid in line with the policy.
3. In line with Finance Circular 2012/02: Procurement On-Time Payment Policy for Small Business, the Australian Taxation Office general interest charge rate is applied.