

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
 Industry, Innovation, Science, Research and Tertiary Education Portfolio
 Supplementary Budget Estimates Hearing 2012-13
 17 October 2012

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

TOPIC: Government Payments of accounts

REFERENCE: Written Question – Senator Bushby

QUESTION No.: SI-161

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

Details on government payments of accounts for the financial year to date as at 31 October 2012 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. The policy took effect from 1 September 2012 and replaces Finance Circular 2008/10: 'Procurement 30 Day Payment Policy for Small Business'. Within the portfolio the policy applies to the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), the Australian 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	34,988	104	2,019	415	994
Total number paid within 30 days	34,834	98	2,005	414	895
Total percentage paid within 30 days	99.56%	94%	99.31%	99.75%	90%
Total number not paid within 30 days	154	6	14	1	99
Total percentage not paid within 30 days	0.44%	6%	0.59%	0.25%	10%

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. For the financial year to date as at 31 October 2012, DIISRTE has paid \$1,853 interest on overdue amounts. ARC, IP Australia, TEQSA and ASQA have paid no interest on invoices. 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.