

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

18 October 2012

Question: SR47

Topic: Government Payments of Accounts

Proof Hansard Page: Written

Senator Bushby asked:

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)?
 - a) 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)
 - b) 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?
 - c) Where interest is being paid, what rate of interest is being paid and how is this rate determined?
2. 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)?
 - a) 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)
 - b) 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?
 - c) Where interest is being paid, what rate of interest is being paid and how is this rate determined?
 - d) Have all accounts from 2011-12 been paid? If no, why not?

Answer:

The Department

1. The Government's policy of 30 day payment terms applies to departmental payments to Small Business up to a value of \$5 million (GST inclusive). During the 2012-13 financial year as at 31 October 2012, the Department made 326 payments to Small Business and of these 301 (92.3 per cent) were paid within 30 days.

The Department is aware of the Government's policy on payments to Small Business and strives to meet these terms where possible. The Department reviews its timeframes for all payments made on a monthly basis and reports the results to Executive Board.

- a) Breakdown of payments to Small Business:

Days Late	Number	Percentage
1-30 days	17	5.2%
31-60 days	7	2.2%
61-90 days	1	0.3%
90+ days	0	0.0%
Total	25	7.7%

- b-c) The Department has not paid interest in the current or previous financial year.

2. The Government's policy of 30 day payment terms applies to departmental payments to Small Business up to a value of \$5 million (GST inclusive). During the 2011-12 financial year the Department made 1,464 payments to Small Business and of these 1,351 (92.3 per cent) were paid within 30 days.

The Department is aware of the Government's policy on payments to Small Business and strives to meet these terms where possible. The Department reviews its timeframes for all payments on a monthly basis and reports the results to Executive Board.

- a) Breakdown of payments to Small Business:

Days Late	Number	Percentage
1-30 days	99	6.7%
31-60 days	12	0.8%
61-90 days	1	0.1%
90+ days	1	0.1%
Total	113	7.7%

- b-c) The Department has not paid interest in the current or previous financial year.

- d) As at 31 October 2012, all accounts for 2011-12 have been paid.

Australian Renewable Energy Agency

1. Of the 15 payments made to small business, three were late:
- Two invoices were paid between 30-60 days late.
 - One invoice was paid between 60-90 days late.

No interest was paid on these amounts.

2. Questions relating to the 2011-12 financial year are not applicable because the Australian Renewable Energy Agency (ARENA) was established on 1 July 2012.

Geoscience Australia

1. For this financial year to date, Geoscience Australia (GA) has paid all its accounts to contractors/consultants in accordance with Government policy in terms of time for payments.
2. For the 2011-12 financial year, there were six occasions where GA did not make payment within the required 30 day period.
- a) Total interest paid in the 2011-12 financial year totalled \$278.06. Late payment was due to authorisation and certification delays within GA line business areas.

- b) Yes, interest paid as per Finance Circular No.2008/10 (procurement Policy for Small Business). Total interest paid for 2001-12 was \$278.06.
- c)

<u>Quarter</u>	<u>General Interest Charged Daily Rate</u>
July-September 2011	0.03287671
October-December 2011	0.03249315
January-March 2012	0.03174863
April-June 2012	0.03106557
- d) All accounts for the 2011-12 financial year have been paid.

Tourism Australia

For this financial year to date and the 2011-12 financial year, Tourism Australia has paid all its accounts to contractors/consultants in accordance with Government policy in terms of time for payments.

National Offshore Petroleum Safety & Environmental Management Authority

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) has paid all of its accounts this financial year to date and for the 2011-12 financial year in accordance with Government policy. Payments are always made within 30 days unless invoices are disputed or credit notes requested.

Data for the average payment timeframe is not available, but less than 30 days. No interest has been paid this financial year to date or during the 2011-12 financial year.

Australian Solar Institute

For this financial year to date and the 2011-12 financial year, the Australia Solar Institute paid all its accounts in accordance with Government policy.