

Senate Standing Committee on Finance and Public Administration

BUDGET ESTIMATES – 27 MAY 2010 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Government payment of accounts

Question reference number: HS47

Senator: BARNETT

Type of question: Written

Date set by the committee for the return of answer: 9 July 2010

Number of pages: 2

Question:

- a) Has the portfolio/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (ie. within 30 days)? If not, why not, and 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?

Answer:

The Department of Human Services (DHS) - including Child Support Program and CRS Australia.

- a) DHS does not keep separate statistics in relation to the timeliness of payments made to contractors/consultants. However, the table below provides statistics on payments made to small business for the period 1 July 2009 to 31 May 2010 and the timeframe in which they were paid. Included in these overall statistics of payments to small business are contractor/consultant payments which provide an indication of the DHS performance for these vendor types

	30 days	31-44 days	45-60 days	>60 days	Total
Number of invoices	44,366	1,801	673	845	47,685
Percentage of all invoices	93%	4%	1%	2%	100.00%

Delays in payment occur if errors on purchase orders or invoices need to be corrected, or if the invoice is not received into the accounts payable section in a timely manner from business areas within the 30 days.

- b) DHS has not received an interest charge from suppliers in the current financial year or the previous financial year.
- c) Not applicable.

Centrelink

- a) Centrelink does not keep separate statistics in relation to the timeliness of payments made to contractors/consultants. However, the table below provides statistics on payments made to small business for the period 1 July 2009 to 30 April 2010 and the timeframe in which they were paid. Included in these overall statistics are contractor/consultant payments which provide an indication of Centrelink’s performance for these vendor types.

	30 days	31-44 days	45-60 days	>60 days	Total
Number of invoices	85,088	1,288	590	630	87,596
Percentage of all invoices	97.1%	1.5%	0.7%	0.7%	100.00%

Centrelink does not keep a record of reasons for payment exceeding 30 days.

- b) Centrelink has not received an interest charge from suppliers in the current financial year or the previous financial year.
- c) Not applicable.

Medicare Australia

- a) The table below provides statistics on all invoices paid by Medicare Australia for the period July 2009 to May 2010. All payments to contractors/consultants during this period were paid within 30 days.

	30 days	31-44 days	45-60 days	>60 days	Total
Number of invoices	24,239	496	175	219	25,129
Percentage of all invoices	96.46%	1.97%	0.7%	0.87%	100.00%

- b) Medicare Australia has not received an interest charge from suppliers in the current financial year or previous financial year.
- c) Not applicable.