

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet Portfolio

Department/Agency: Australian Public Service Commission
Outcome/Program: Cross Portfolio
Topic: Government Payment of Accounts

Senator: Ryan

Question reference number: 143

Type of question: Written

Date set by the committee for the return of answer: 2 December 2011

Number of pages: 1

Question:

1. For the year 2010-11, 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)? 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.)
 - For accounts not paid within 30 days, 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?
 - Where interest is being paid, what rate of interest is being paid and how is this rate determined?
2. For the FYTD, 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, 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.)
 - 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?
 - Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. It is the Australian Public Service Commission's (APSC) policy to pay accounts within 30 days of invoicing. An extract from the financial system shows 82% of all invoices received in 2010-11 have been paid within 30 days of supplier issue date. Please note the APSC does not record the date invoices have been correctly rendered or lodged, which

could be a later date than the supplier invoice date. Therefore the late payment statistics are likely to be overstated.

- The APSC standard form contract details a clause to establish the basis for payment of simple interest. On one occasion in last financial year the APSC paid a penalty fee to a supplier of \$875.75 inclusive of GST. There is no late payment fee incurred in the current financial year.
- The interest was paid at 3%, determined by the supplier's payment policy.

2. An extract from the financial system shows 83% of all invoices received FYTD have been paid within 30 days of supplier issue date. Please note the APSC does not record the date invoices have been correctly rendered or lodged, which could be a later date than the supplier invoice date. Therefore the late payment statistics are likely to be overstated.

- The APSC standard form contract details a clause to establish the basis for payment of simple interest. There is no late payment fee incurred in the current financial year.
- Not applicable