

## QUESTION TAKEN ON NOTICE

### SUPPLEMENTARY BUDGET ESTIMATES HEARING: 15 OCTOBER 2012

#### IMMIGRATION AND CITIZENSHIP PORTFOLIO

#### (SE12/0142) PROGRAM – Internal Product

Senator Humphries asked:

Portfolio wide - Government payments of accounts: For 2011-12 and 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). 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:*

In the 2011-12 financial year 88.3 per cent of all payments were made within departmental policy of 30 days.

| <b>Payment Days</b>             | <b>No. of invoices</b> | <b>% of payments</b> |
|---------------------------------|------------------------|----------------------|
| Paid within 30 days             | 108 277                | 88.3%                |
| Paid within 31-44 days          | 12 572                 | 10.3%                |
| Paid within 45-60 days          | 657                    | 0.5%                 |
| Paid on or after 61 days        | 1 135                  | 0.9%                 |
| <b>Total Number of Invoices</b> | <b>122 641</b>         | <b>100.0%</b>        |

In the financial year to date, 30 September 2012, 86.0 per cent of all payments were made within departmental policy of 30 days.

| <b>Payment Days</b>             | <b>No. of invoices</b> | <b>% of payments</b> |
|---------------------------------|------------------------|----------------------|
| Paid within 30 days             | 26 526                 | 86.0%                |
| Paid within 31-44 days          | 3 891                  | 12.6%                |
| Paid within 45-60 days          | 126                    | 0.4%                 |
| Paid on or after 61 days        | 317                    | 1.0%                 |
| <b>Total Number of Invoices</b> | <b>30 860</b>          | <b>100.0%</b>        |

The main reasons some payments are not made within the 30 day terms of trade are:

- Invoices in dispute are not paid until resolution;
- Invoices can arrive late or be lost in transit; and

- Invoices sent to DIAC officers in remote locations for checking and verification sometimes take longer than 30 days to be finalised.

The department has not paid any penalty interest on late payments to any business in the previous financial years or the financial year to date, 30 September 2012.

*MRT-RRT:*

*Answer:*

Yes. The MRT RRT has made payment within 30 days, except for suppliers with whom a shorter term is agreed and payment is made in less than 30 days.