

Senate Standing Committee on Foreign Affairs, Defence and Trade

Parliamentary inquiry – Inquiry into the Impact of Defence Activities and Training Areas on Rural and Regional Communities

ANSWER TO QUESTION SENT THROUGH IN ADVANCE OF PUBLIC HEARING

Department of Defence

Topic: SSCFADT – Questions in advance of public hearing on impact of Defence training activities and facilities on rural and regional communities – 1.13 - The Committee

Question reference number: 1.13

Date set by the committee for the return of answer: 19 March 2018

Question:

In response to recommendations from the Australian Small Business and Family Enterprise Ombudsman in their 'Payment Times and Practices Inquiry – Final Report', the Government has agreed to mandate a 20 calendar day payment time (reduced from the current 30 days) for non corporate Commonwealth entities (NCCEs) for contracts valued up to \$1 million, effective from 1 July 2019.

Can you provide detail about how this change will be implemented in Defence?

Answer:

The Government has advised that RMG-417 Supplier Pay On-Time or Pay Interest Policy will be revised by the Department of Finance closer to the implementation of the policy change on 1 July 2019. Once the RMG-417 policy changes are finalised, Defence will update its internal policies and processes to ensure the new requirements are met.

Question:

What percentage of Defence contracts are valued under \$1 million?

Answer:

The table below provides the percentages of Defence 2017-18 domestic procurements, excluding those from other government agencies or made on credit cards, valued under \$1 million.

	% valued under \$1 million
By volume	98.5%
By value	12.1%