

## **Senate Community Affairs Legislation Committee**

### **SUPPLEMENTARY BUDGET ESTIMATES – 23-24 OCTOBER 2014 ANSWER TO QUESTION ON NOTICE**

#### **Department of Human Services**

**Topic:** Government Payment of Accounts

**Question reference number:** HS 127

**Senator:** Ludwig

**Type of question:** Written

**Date set by the committee for the return of answer:** 12 December 2014

**Number of pages:** 2

#### **Question:**

Since budget estimates in June 2014:

- a) What has been the average time period for the department/agency paid its accounts to contractors, consultants or others?
- b) How many payments owed (as a number and as a percentage of the total) have been paid in under 30 days?
- c) How many payments owed (as a number and as a percentage of the total) have been paid in between 30 and 60 days?
- d) How many payments owed (as a number and as a percentage of the total) have been paid in between 60 and 90 days?
- e) How many payments owed (as a number and as a percentage of the total) have been paid in between 90 and 120 days?
- f) How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
- g) 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 since Estimates 2014?
- h) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

#### **Answer:**

- a) The department does not specifically identify suppliers as contractors/consultants. The department only maintains payment statistics for suppliers that self-identify as small business (less than 20 staff).
- b) Small business thirty day payment statistics for this group of suppliers for the financial year to date are provided below.

	<b>30 days</b>	<b>31-44 days</b>	<b>45-60 days</b>	<b>&gt;60 days</b>	<b>Total</b>
# of invoices	25,810	121	68	71	26,070
% of invoices	99.0%	0.5%	0.3%	0.3%	100.0%
Value	\$26,674,883	\$439,097	\$336,151	\$92,495	\$27,534,626
% of value	96.9%	1.6%	1.2%	0.3%	100.0%

- c) The department paid 189 invoices comprising 0.8 per cent of the total number of invoices paid to small businesses in between 30 and 60 days.
- d) The department paid 71 invoices comprising 0.3 per cent of the total number of invoices paid to small business in over 60 days. The department does not maintain a breakdown of payment statistics beyond 60 days.
- e) The department does not maintain a breakdown of payment statistics beyond 60 days.
- f) The department does not maintain a breakdown of payment statistics beyond 60 days.
- g) Yes, \$195.16 in interest has been paid by the department this financial year to small businesses.
- h) The general interest charge daily rate of 0.02638356 per cent for October – December 2014 as advised in the Finance Circular (2012/02 Procurement On-Time Payment Policy for Small Business) and published on the Australian Taxation Office website is being used to calculate interest payments.