

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 11-14 February 2013

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1.3 Support Services for Government Operations

Topic: Government Payments of Accounts

Senator: Senator Ryan

Question reference number: 66

Type of Question: Written

Date set by the committee for the return of answer: 2 April 2013

Number of pages: 2

Question:

For 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)?

1. 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)
2. 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?
3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

The Department is committed to following the Government's policy for Procurement On-Time Payment Policy for Small Business as outlined in Finance Circular 2012/02. Since the last Senate Estimates, the Department has undertaken an exercise to enable reporting of payments to small businesses to assist with the management of on-time payments to these suppliers. The following table shows payments for the period 1 July 2012 to 31 January 2013.

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1 July 2012 to 31 January 2013	Paid within 30 days (paid on time)	Paid within 31-60 days (up to 30 days late)	Not paid within 60 days (30 days or more late)	Total
% of Invoices by Number	96%	2%	2%	100%

The table does not include payments to small businesses by credit card as the Department does not yet record such payments with supplier data in a way that would readily allow a detailed statistical breakdown as per above. To attempt to provide this additional level of detail would involve an unreasonable diversion of Departmental resources.

Following the guidance in Finance Circular 2012/02, the Department has made one payment of interest for a late payment of \$145.12 to a small business in the period 1 July 2012 to 31 January 2013. The Department made no payments of interest in the 2011-12 financial year.

Interest payable is calculated using the General Interest Charge under section 8AAD of the *Taxation Administration Act 1953 (Cth)*.