

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearing 24 May-3rd June 2010

Question: PM70

Topic: Government Payment of Accounts

Type of Question: Written

Date set by the committee for the return of answer: 9 July 2010

Number of pages: 2

Has the portfolio/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (ie. 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:

The Department of the Prime Minister and Cabinet is paying nearly all of contractors and consultants invoices in accordance with Government policy terms.

	1 July 2008 – 30 June 2009	1 July 2009 – 31 May 2010
Paid within 30 days	95%	97%
Paid between 30 and 45 days	2%	1%
Paid between 45 and 60 days	3%	1%
Paid over 60 days	0%	1%

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‘The Department of the Prime Minister and Cabinet is required to pay interest at the general interest charge rate, calculated in respect of each day from the day after payment was due up to and including the day that payment of the contract amount is made. Interest is not payable unless the amount of interest is more than A\$10 and the contractor has issued a correctly rendered invoice for the interest.’ (Finance Circular 2008/10, Department of Finance and Deregulation).

The Department of the Prime Minister and Cabinet was not invoiced for interest on an overdue account in the current or previous financial years. As such, the department has not paid any interest on overdue accounts.