

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates Hearing 27 May-6 June 2013

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1 Prime Minister and Cabinet

Topic: Government Payments of Accounts

Senator: Senator Ryan

Question reference number: 93

Type of Question: Written

Date set by the committee for the return of answer: 12 July 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)?

- 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:

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.

The following table shows payments made under this policy for the period 1 July 2012 to 31 May 2013.

1 July 2012 to 31 May 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	95%	3%	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

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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 May 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)*.