

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates 18-22 November 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 the Hon Joe Ludwig

Question reference number: 172

Type of Question: Written

Date set by the committee for the return of answer: 17 January 2014

Number of pages: 2

Question:

- a) From 7 September 2013 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)?
- b) 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)
- c) 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?
- d) 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 (PM&C) 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 for the period 1 September 2013 to 30 November 2013.

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1 September 2013 to 30 November 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	96.67%	3.33%	0.00%	100.00%

The table does not include payments to small businesses by credit card as PM&C does not 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 PM&C resources.

Following the guidance in Finance Circular 2012/02, PM&C has made no payments of interest for late payments to a small business during the period 7 September 2013 to 30 November 2013.

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