

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Department of the Senate

Budget Estimates

26-30 May 2014

Question: 65

Topic: Government payment of accounts

Written: 12 June 2014

Senator LUDWIG asked:

1. From Additional Estimates in February 2014 to date, what has been the average time period for the department/agency paid its accounts to contractors, consultants or others?
2. How many payments owed (as a number and as a percentage of the total) have been paid in under 30 days?
3. How many payments owed (as a number and as a percentage of the total) have been paid in between 30 and 60 days?
4. How many payments owed (as a number and as a percentage of the total) have been paid in between 60 and 90 days?
5. How many payments owed (as a number and as a percentage of the total) have been paid in between 90 and 120 days?
6. How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
7. 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 Additional Estimates in February 2014?
8. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. The average time period for the department to pay its accounts is 17 days.
- 2 – 6. The department has paid its invoices within the following timeframes.

Timeframe*	Number	Percentage
Less than 30 days	636	90%
Between 30 and 60 days	67	9%
Between 60 and 90 days	4	1%
Between 90 and 120 days	2	1%
Greater than 120 days	0	1%

** Calculated as the number of days from the invoice date to payment date.*

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7. No interest has been paid by the department since 24 February 2014.
8. Any interest payable by the department would be in accordance with Commonwealth policy. The Commonwealth's policy *Procurement On-Time Payment Policy for Small Business* is outlined in Finance Circular 2012/02.

<http://www.finance.gov.au/publications/finance-circulars/2012/02.html>