

Senate Community Affairs Legislation Committee

BUDGET ESTIMATES – 5-6 JUNE 2014 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Government Payment of Accounts

Question reference number: HS 158

Senator: Ludwig

Type of question: Written

Date set by the committee for the return of answer: 25 July 2014

Number of pages: 2

Question:

- a) 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?
- b) How many payments owed (as a number and as a percentage of the total) have been paid in under 30 days?
- c) How many payments owed (as a number and as a percentage of the total) have been paid in between 30 and 60 days?
- d) How many payments owed (as a number and as a percentage of the total) have been paid in between 60 and 90 days?
- e) How many payments owed (as a number and as a percentage of the total) have been paid in between 90 and 120 days?
- f) How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
- g) 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?
- h) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

- a) The department does not specifically identify suppliers as contractors/consultants. The department only maintains payment statistics for suppliers that self-identify as small business (less than 20 staff).
- b) Small business thirty day payment statistics for this group of suppliers for the financial year to date are provided below.

	30 days	31-44 days	45-60 days	>60 days	Total
# of invoices	66,813	500	196	242	67,751
% of invoices	98.6%	0.7%	0.3%	0.4%	100.0%
Value	\$77,481,791	\$1,900,651	\$841,026	\$427,303	\$80,650,771
% of value	96.1%	2.4%	1.0%	0.5%	100.0%

- c) The department paid 696 invoices comprising 1.0 per cent of the total number of invoices paid to small businesses in between 30 and 60 days.
- d) The department paid 242 invoices comprising 0.4 per cent of the total number of invoices paid to small business in over 60 days. The department does not maintain a breakdown of payment statistics beyond 60 days.
- e) The department does not maintain a breakdown of payment statistics beyond 60 days.
- f) The department does not maintain a breakdown of payment statistics beyond 60 days.
- g) Yes, \$2,951.36 in interest has been paid by the department this financial year to small businesses of which \$609.56 has been paid since 28 February 2014.
- h) The general interest charge daily rate of 0.02638356 per cent for April – June 2014 as advised in the Finance Circular ([2012/02 Procurement On-Time Payment Policy for Small Business](#)) and published on the Australian Taxation Office website is being used to calculate interest payments.