

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings November 2014

Communications Portfolio

Department of Communications

Question No: 82

Program 1.1

Hansard Ref: In Writing

Topic: Government payment of accounts

Senator Ludwig, Joe asked:

Since Budget Estimates in June, 2014:

1. 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? f) How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
6. 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 Estimates, 2014?
7. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

Over the period 1 May to 31 October 2014:

1. The average time period the department paid its accounts to contractors, consultants or others was 17.36 days.
2. 1508 or 93.96% of payments owed have been paid in under 30 days.
3. 82 or 5.11% of payments owed have been paid in between 30 and 60 days.
4. 13 or 0.81% of payments owed have been paid in between 60 and 90 days.
5. 2 or 0.12% of payments owed have been paid in between 90 and 120 days. f) No payments owed have been paid in over 120 days.
6. Please refer to QON No 681(7) from the Budget Estimates Hearings May 2014 for policy in place for the May and June months. From 1 July 2014, the Department of Finance introduced the Supplier Pay On-Time or Pay Interest Policy (the Policy). This policy requires the Department to pay interest on all payments that are not made within the maximum payment terms, 30 days, for contracts valued up to and including A\$1.0 million (GST inclusive). Interest is only paid where the interest amount calculated is greater than \$10. For this period, interest of \$88.31 was required to be paid.
7. A daily interest rate of 0.02654794% is being used to calculate the interest payable amount. In line with the Policy, the rate is sourced from the ATO's website.