

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates 26 May-6 June 2014

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:** 359

**Type of Question:** Written

**Date set by the committee for the return of answer:** 11 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-e) The Department of the Prime Minister and Cabinet (PM&C) is committed to following the Procurement On-Time Payment Policy for Small Business outlined in Finance Circular 2012/02.

The following table shows payments for the period 1 March 2014 to 31 May 2014.

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Department of the Prime Minister and Cabinet: Departmental Payments

1 March 2014 to 31 May 2014	Paid within 30 days (paid on time)	Paid within 31-60 days (up to 30 days late)	Paid within 61-90 days (up to 60 days late)	Paid within 91-120 days (up to 90 days late)	Not paid within 120 days	Total
Number of invoices	2,938	222	55	50	28	3,293
Percentage of invoices	89%	6%	2%	2%	1%	100%

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 departmental resources.

- g) PM&C will be making three payments in June 2014 totalling \$1,938 for interest on late payments to a small businesses during the period 1 March 2014 to 31 May 2014.
- h) Interest payable (where applicable) is calculated using the General Interest Charge under section 8AAD of the *Taxation Administration Act 1953*.