

Question: 78
Topic: Government payment of accounts
Written: 31 October 2014

Senator LUDWIG 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?
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 Budget Estimates 2014?
8. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer

The average time period for the department to pay its accounts is 21 days.

The department has paid its invoices within the following timeframes.

Timeframe*	Number	Percentage
Less than 30 days	598	86%
Between 30 and 60 days	82	13%
Between 60 and 90 days	7	1%
Between 90 and 120 days	-	-
Greater than 120 days	-	-

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

No interest has been paid by the department since 4 June 2014.

Any interest payable by the department would be in accordance with Commonwealth policy. The Commonwealth's policy *Supplier Pay On-Time or Pay Interest Policy* is outlined in Resource Management Guide No. 417.

<http://www.finance.gov.au/publications/rmgs/pay-on-time-policy.html>