

Senate Finance and Public Administration Legislation Committee —Budget Estimates Hearing—May 2013

Answers to Questions on Notice

Parliamentary departments, Department of Parliamentary Services

Topic: **Government Payments of Accounts**

Question: **131**

Written **Senator Ryan**

Date set by the committee for the return of answer: 12 July 2013

For this financial year to date, has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)?

- If not, why not? Provide details, including what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached)
- 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 for the current financial year and the previous financial year?
- Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer

For the financial year to 31 March 2013, the Department paid 92 per cent of its invoices on time. The remaining invoices not paid on time were as a result of internal processing delays. Enhanced internal reporting on late payments to suppliers and refined procedures have improved compliance in this area.

Payment performance in relation to small businesses for the financial year to 31 March 2013 are detailed in the table below.

1 July 2012– 31 March 2013	Paid within 30 Days (paid on time)	Paid within 31–44 days (up to 14 days)	Paid within 45–60 days (up to 30 days)	Not paid within 60 days (30 or more days)	Total
Number of invoices	972	48	19	17	1,056
	92%	5%	2%	1%	100%

As at 31 March 2013, \$13,901 in interest has been paid to suppliers on accounts paid more than 30 days late.

The rate of interest paid to small businesses is calculated using the Procurement On-Time Payment Policy for Small Business Interest Calculator on the Department of Finance and Deregulation website. The General interest charge daily rate, determined under section 8AAD of the Taxation Administration Act 1953 on the day that payment is due, is published on the ATO website.