

Senate Standing Committee on Education Employment and Workplace Relations

**QUESTIONS ON NOTICE
Additional Estimates 2011-2012**

Cross Portfolio

DEEWR Question No. EW0914_12

Senator Back provided in writing.

Question

Government Payments of Accounts

"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, and 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

DEEWR and its Agencies have provided the following response

For the 2011-12 financial year to 31 January 2012, the department paid 93 per cent of suppliers within 30 days of receiving a correctly rendered invoice. The table below provides the data for 2011-12

	No. Of claims	%	Value of claims (\$,000)	%
Paid in 30 days	17,685	93%	113,814	88%
Paid 31-44 days	831	4%	7,834	6%
Paid 45-60 days	188	1%	3,651	3%
Paid > 60 days	322	2%	4,743	3%
Total	19,026	100%	130,043	100%

For accounts not paid within 30 days there are a variety of reasons for late payment. These include time delays in determining correctness of invoice, invoicing for projects prior to advice that all requirements of the Project have been met, invoicing prior to the provision of goods or services.

For accounts not paid within 30 days, suppliers are able to invoice the Department for interest. No claims for interest due to late payment have been received during 2011-12 to 31 January 2012.

The Australian Building and Construction Commissioner (ABCC), the Australian Curriculum Assessment and Reporting Authority (ACARA), the Australian Institute for Teaching and School Leadership (AITSL), Fair Work Australia (FWA), the Fair Work Ombudsman (FWO) and Safe Work Australia (SWA) advise that they have no known instances of failure to pay within the 30 days during the 2011-12 year to date.

The Government's policy for payments under procurement contracts with small businesses is a requirement for *Financial Management and Accountability Act 1997* (FMA Act) agencies and therefore does not apply to Comcare.