

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Additional Estimates 2012-2013**

Cross Portfolio

DEEWR Question No. EW0803_13

Senator Back provided in writing.

Question

On time payment of accounts- financial year to date

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 2012-13 financial year to 31 January 2013, the Department paid 95 per cent of suppliers within 30 days of receiving a correctly rendered invoice. The table below provides the data for 2012-13.

	No. of claims	%	Value of claims (\$,000)	%
Paid in 30 days	14,341	95%	84,552	92%
Paid 31-44 days	443	3%	3,293	4%
Paid 45-60 days	194	1%	2,054	2%
Paid > 60 days	182	1%	2,373	2%
Total	15,160	100%	92,272	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 relating to small business not paid within 30 days, suppliers are able to invoice the department for interest. From 1 September 2012, accounts relating to small business not paid within 60 days required self-generated payment of interest based on set qualifying criteria. No claims for interest due to late payment have been

received during the 2012-13 financial year and none of the payments not made within 60 days related to small business which met the qualification criteria.