

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

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

Cross Portfolio

DEEWR Question No.EW0025_12

Senator Abetz provided in writing.

Question

Government Payments Of Accounts

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

The Department of Education, Employment and Workplace Relations does not separately identify payments to small business. For the period 1 July 2010 to 31 May 2011, the department paid 89 per cent of all claims within 30 days. This reflects payments to all departmental suppliers, including those made to small business for invoices valued up to and including \$5 million.

The reasons for non payment within 30 days vary between verification that goods and services have been received, provision of correctly rendered invoices by suppliers and non-receipt of invoices from suppliers.

In accordance with Finance Circular 2008/10 interest is payable to small businesses if full payment is not made by the agency within 30 days of receipt of a correctly rendered invoice and the contractor has issued a correctly rendered invoice for the interest. To date this financial year, no requests for interest payments have been received.

In accordance with Finance Circular 2008/10 the applicable interest rate is determined by the daily interest charge as varied from time to time by the Australian Taxation Office.