

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

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2012-2013**

Cross Portfolio

DEEWR Question No. EW0474_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 October 2012, 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	9,051	95%	55,103	91%
Paid 31-44 days	206	2%	2,422	4%
Paid 45-60 days	140	2%	1,188	2%
Paid > 60 days	117	1%	1,841	3%
Total	9,514	100%	60,554	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 the 2012-13 financial year.

The Australian Institute for Teaching and School Leadership (AITSL), Fair Work Australia (FWA), Fair Work Building and Construction (FWBC), 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 for the 2012-13 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 the Australian Curriculum Assessment and Reporting Authority (ACARA) or Comcare.