

Senate Standing Committee on Education Employment and Workplace Relations

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

Cross Portfolio

DEEWR Question No. EW0532_12

Senator Back provided in writing.

Question

Government Payments of Accounts

"For the year 2010-11, did 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.) a) For accounts not paid within 30 days, was 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? b) Where interest is being paid, what rate of interest is being paid and how is this rate determined? For the FYTD, 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.) a) 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? b) Where interest is being paid, what rate of interest is being paid and how is this rate determined?"

Answer

In the 2010-11 financial year the Department paid 95% of suppliers within 30 days of receiving a correctly rendered invoice. The table below provides the data for 2010-11.

	No. Of claims	%	Value of claims (\$,000)	%
Paid in 30 days	35,066	95%	202,145	93%
Paid 31-44 days	808	2%	8,310	4%
Paid 45-60 days	416	1%	2,738	1%
Paid > 60 days	551	2%	4,582	2%
Total	36,841	100%	217,775	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 were received during the 2010-11 financial year.

In the 2011-12 financial year to 30 September 2011, the Department paid 90% 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	6,762	90%	57,133	87%
Paid 31-44 days	510	7%	5,290	8%
Paid 45-60 days	83	1%	2,165	3%
Paid > 60 days	129	2%	1,442	2%
Total	7,484	100%	66,030	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 30 September 2011.

Safe Work Australia (SWA), the Fair Work Ombudsman (FWO), the Australian Curriculum Assessment and Reporting Authority (ACARA), Fair Work Australia (FWA), the Australian Building and Construction Commissioner (ABCC) and the Australian Institute for Teaching and School Leadership (AITSL) advise that they have no known instances of failure to pay within the 30 days during 2010-11 or 2011-12.

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.

The Australian Skills Quality Authority (ASQA) and the Tertiary Education Quality Standards Agency (TEQSA) commenced operations during 2011-12.

The Australian Learning and Teaching Council (ALTC) is in the process of being wound up. All financial and Administrative records are in the hands of the liquidators and therefore no information is able to be forwarded at this time.