

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Portfolio

Question No. 158

Senator Humphries asked the following question at the hearing on 24 May 2012:

Government Payments of Accounts

- a) 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.
- b) 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?
- c) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

The answer to the honourable senator's question is as follows:

See tables below.

Please refer to the previous answer to this question from February round (Question No. 80) which provided an answer for the period 1 July 2011 to the end of February 2012.

Attorney-General's Department

- a) The Attorney-General's Department has paid its accounts to all suppliers in accordance with Government policy in terms of time for payment, with the exception of a small number of accounts.

For the period 1 March to 31 May 2012 the Department received 4,961 invoices in respect of its departmental operations. Occasionally there may be unavoidable delays in processing payments, for example in verifying the satisfactory completion of work.

For the period 1 March 2012 to 31 May 2012, 96.01% of payments were made within 30 days. For the remaining 3.99% more than half were paid within 1 to 14 days after the due date.

- b)–c) No claims for interest payment on overdue amounts have been received by the Attorney-General's Department.

Administrative Appeals Tribunal

- a) For the period 1 March to 31 May 2012 the Tribunal has paid 91.2% of invoices within 30 days of receipt in accordance with Government policy in terms of time for payment. The remaining 9.8% of accounts were paid outside this period because they were the subject of a dispute with the supplier, required some correction or required additional documentation before they were considered sufficiently compliant with agency guidelines to be paid. The average time for payment of these accounts was 28 days after the due date.

The overall average time to payment for all accounts from date of receipt was 19 days.

- b) No interest has been claimed or paid under this policy.
- c) Should interest become payable the General Interest charge rate will be used in accordance with the relevant Government policy. Presently this is 11.37% pa.

AUSTRAC

- a) AUSTRAC has paid its accounts to all suppliers in accordance with Government policy in terms of time for payment, with the exception of a small number of accounts. The accounts not paid in accordance with Government policy were primarily due to being subject of either dispute or clarification with the supplier.

For the period 99.97 per cent of payments were made within 30 days. For the remaining 0.03 per cent, the average payment additional period was 14 days.

- b) No interest has been charged since 1 March 2012.
- c) N/A

Australian Commission for Law Enforcement Integrity

- a) Yes. 392 transactions undertaken with average payment terms of 20 days.
- b)– c) N/A

Australian Crime Commission

a)

Payments made between 1 March 2012 and 31 May 2012	Number of Invoices	%
Invoices Paid Within 30 Days	65	96%
Invoices Paid Within 40 Days	2	3%
Invoices Paid Within 50 Days	1	1%
Total	68	100%

The 3 invoices that were not paid within 30 days were due to internal processing delays, which may have included staff querying goods / services received with vendors.

b)–c) No interest has been paid on overdue accounts.

Australian Customs and Border Protection Service

For this financial year, Customs and Border Protection has paid 90.3% of invoices to contractors and consultants in accordance with Government policy in terms of terms of trade. Customs and Border Protection operates a centralised Accounts Payable team in Melbourne that is responsible for processing all payments forwarded to them that have been approved by an authorised delegate. Agency staff endeavour to process all payments to meet agreed payment terms however, on occasions this may not be possible for the following reason:

- The invoice received is not a correctly rendered invoice or there may be issues which need to be clarified between the agency and the vendor;
- Delays in the invoice reaching the Accounts Payable team;
- A delay in the authorisation process due to operational reasons;
- A delay in goods receipting, confirmation of which is required to process any payments; and/or
- A delay in payment to the suppliers caused by the agency seeking confirmation regarding the supply with the vendor

All these issues are continuously monitored and where possible improvements are made to the process to ensure timely payments continue to be processed.

The payment statistics for contractors/consultants for 1 March 2012 – 30 April 2012 are outlined below:

1 March 2012 – 30 April 2012	
Total Invoices Processed	608
Total number of invoices paid as per payment terms	549
Total percentage of invoices paid as per payment terms	90.30%
Total number of invoices paid outside of payment terms	59
Total percentage of invoices paid outside of payment terms	9.70%
Total number of invoices paid within 0 -7 days of being due	11
Total number of invoices paid within 7-14 days of being due	12
Total number of invoices paid within 14-21 days of being due	2
Total number of invoices paid after 21 days of being due	34
Total percentage of invoices paid within 0 -7 days of being due	1.81%
Total percentage of invoices paid within 7-14 days of being due	1.97%
Total percentage of invoices paid within 14-21 days of being due	0.33%
Total percentage of invoices paid after 21 days of being due	5.59%

b)–c) Customs and Border Protection has not paid any interest on amounts that were paid to suppliers outside of the agreed payment terms.

Australian Federal Police

a)

1 March 2012 - 31 May 2012	< 30 Days	31-44 days	45-60 days	> 60 days	Total
Number of Invoices	205	14	14	23	256
Percentage of invoices by number	80.08%	5.47%	5.47%	8.98%	100.00%
Value of Invoices	\$4,059,223	\$117,995	\$58,708	\$230,685	\$4,466,611
Percentage of Invoices by value	90.88%	2.64%	1.31%	5.16%	100.00%

b)–c) N/A

Australian Government Solicitor (AGS)

a) As AGS is a government business enterprise (GBE) operating on a commercial and competitive basis in providing legal and related services to government and its agencies, the 30 day policy does not apply to AGS.

b)-c) N/A

Australian Human Rights Commission

a) For the period 1 March to 31 May 2012 AHRC has paid its accounts to all suppliers in accordance with Government policy with the exception of a small number of accounts. The payments outside the terms were due to unusual events such as the unavailability of an approving delegate, disputes with suppliers or delays verifying the receipt of goods/services.

Total Payments	1328	%
Over 60 days after due date	0	n/a
Within 60 days after due date	1	0.08
Within 14-21 days after due date	0	n/a
Within 1-14 days after due date	2	0.15
Within 30 days	1325	99.77

b)-c) For the period 1 March to 31 May 2012 AHRC has received no claims for interest payments on overdue amounts.

Australian Institute of Criminology

a) The AIC paid accounts to contractors/ consultants in accordance with Government policy in term of time for payment. Within 30 days of the receipt of a correctly rendered invoice from the vendors, the AIC paid to the vendors an amount equal to the sum of the value.

Number of tax invoices	Paid within 30 days	31-60 days	61-90 days	Over 90 days
170	170	-	-	-

b)-c) N/A

Australian Law Reform Commission

- a) For the period 1 March to 31 May 2012, the Australian Law Reform Commission has paid its accounts in accordance with Government policy within 30 Days.
- b)–c) N/A

Australian Security and Intelligence Organisation

- a) 85% of accounts payable invoices were paid within 30 days (81% of the dollar value). Delays are due to either a delay in receiving the invoice from the supplier (i.e. more than one or two days after invoice date), or a delay in managers approving invoices for payment (due to other work-related commitments).
- 10% were paid in 31-60 days
 - 3% were paid in 61-90 days
 - 2% were paid in 91-180 days
 - <1% were paid more than 180 days after invoice date
- b)–c) Nil

CrimTrac

- a) CrimTrac has paid its accounts to all suppliers in accordance with Government policy in terms of time for payment, with the exception of a small number of accounts.

A small number of accounts may not have been paid in accordance with Government policy. Supplier disputes often make it difficult to determine the date of receipt of the correctly rendered invoice. The invoice date indicated on the invoice has been used to provide the statistics below.

For 1 March to 31 May 2012, 78% of contractor/consultant payments were made within 30 days. For the remaining 22%, most payments were made within 60 days of the due date stated on the invoice.

- b) CrimTrac pays interest on overdue accounts according to agreed payment terms and Government policy. For the period from 1 March to 31 May 2012 there have been no interest claims or interest payment in respect of contractor/consultant payments.
- c) For the period from 1 March to 31 May 2012 there have been no interest claim or interest payments in respect of contractor/consultant payments.

Family Court of Australia

a) The Family Court of Australia has paid its accounts within 30 days 97.84% of the time. Delays in payment have occurred where invoices have not been received, there have been queries on invoices or goods/services have not been provided in full.

b)–c) No interest has been charged by any supplier for overdue payments.

Federal Court of Australia

a) The Court's most recent statistics indicate that over 96% of accounts are paid within the Government terms. There are various reasons for claims being paid outside of this timeframe. The most common reasons are where clarification is sought from a supplier or a delay in the receipt of invoices by accounts processing staff. Over 99% of accounts are paid within a further 30 days from the due date.

b)–c) No interest has been paid on any overdue amounts in the last two financial years.

Federal Magistrates Court

a) The Federal Magistrates Court has paid its accounts within 30 days 97.46% of the time. Delays in payment have occurred where invoices have not been received, there have been queries on invoices or goods/services have not been provided in full.

b) No interest has been charged by any supplier for overdue payments.

c) N/A

High Court of Australia

a) Not applicable. This Government policy does not apply to the High Court.

b)–c) N/A

Insolvency and Trustee Service Australia

- a) For the financial year to date, ITSA has paid its accounts to all suppliers in accordance with Government terms of payment, with the exception of a small number of accounts. Some payments have been delayed due to invoice clarification needing to be sought, delay in finalisation of work and invoice disputes requiring resolution. For the financial year to date, 85% of payments are processed within 30 days. For the remaining 15% most payments were made within 30-45 days. ITSA's FMIS has been set up to default scheduling of invoices to 30 days from the date of invoice, not the date of invoice receipt.
- b)-c) For the specified period there was no interest paid on overdue amounts.

National Native Title Tribunal

- a) The NNTT pays its accounts to all suppliers in accordance with Government policy in terms of the time for payment. A delay would only occur if the NNTT is seeking clarification or other information relating to the account.
- b)-c) No claims for interest payment on overdue amounts have been received by the NNTT and accordingly the NNTT is not paying any such interest.

Office of the Australian Information Commissioner

- a) For the period 1 March to 31 May 2012 the OAIC has paid its accounts to all suppliers in accordance with Government policy with the exception of a small number of accounts. The payments outside terms were due to unusual events such as the unavailability of an approving delegate or delays in verifying the receipt of goods/services.

Total Payments	609	%
Over 60 days after due date	0	0
Within 60 days after due date	0	0
Within 14-21 days after due date	1	0.2%
Within 1-14 days after due date	3	0.5%
Within 30 days	605	99.3%

- b)-c) For the financial year to date and previous financial year OAIC has received no claims for interest payments on overdue amounts.

The Office of the Director of Public Prosecutions

- a) The Office of the Director of Public Prosecutions (CDPP) has paid its accounts to all contractors/consultants etc in accordance with Government policy in terms of time for payment with the exception of a small number of accounts.

For the period specified, 90% of payments were made within 30 days. Most of the payments were made within 14 days after the due date. The CDPP continually monitors payment timeliness.

Approximately 10% of all supplier accounts were not paid within Government's 30 day payment policy because further scrutiny and investigation of the invoices was deemed necessary to ensure that the account was correct for payment.

- b)–c) N/A

Office of Parliamentary Counsel

- a) Yes.

- b)–c) As no payments were outside the 30 day period, no claims for interest have been received by OPC.