

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

**Portfolio**

**Question No. 80**

**Senator Humphries asked the following question at the hearing on 14 February 2012:**

Government Payments of Accounts

1. 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)
2. 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?
3. 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.

**Attorney Generals Department**

1.	<p>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.</p> <p>The Department received some 21,000 invoices each year in respect of its departmental operations. Occasionally there may be unavoidable delays in processing payments, for example in verifying the satisfactory completion of work.</p> <p>For the period 1 July 2011 to 27 February 2012, 96.83% of payments were made within 30 days. For the remaining 3.17% more than half were paid within 1 to 14 days after the due date.</p>
2.	<p>No claims for interest payment on overdue amounts have been received by the Attorney-General's Department.</p>
3.	<p>Refer to the Department's response to answer 2 of QON 80.</p>

### **Australian Law Reform Commission**

1.	For this financial year the Australian Law Reform Commission has paid its accounts in accordance with Government policy within 30 Days.
2.	N/A
3.	N/A

### **Insolvency and Trustee Service Australia**

1.	For this financial year to date ITSA has paid its accounts to all suppliers in accordance with Government policy for terms of time for payment, with the exception of a small number of accounts. Reasons for payment not being processed within 30 days can include the need to clarify amounts being charged, delays in the finalisation of work being invoiced and extended timeframes between the date of invoice and the date the invoice was received. For year to date 2011-2012, 79% of payments were made within 30 days. For the remaining 21% most payments were made within 14 days after the due date. ITSA's FMIS has been set up to default scheduling of a payment to 30 days from the date on the invoice, not the date of receipt of the invoice.
2.	For this financial year to date there has been one supplier who has made interest claims on overdue amounts. The total amount of the claims is \$116.01. For 2010-11, no claims for interest were made on overdue accounts.
3.	The rate of interest on overdue claims was charged at 12.71% per annum and was calculated based upon the number of days overdue and the amount of the invoice. The interest rate was specified in the contract between the lessor and the lessee.

### **Australian Government Solicitor (AGS)**

1.	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. As a GBE, the 30 day policy does not apply to AGS.
2.	Not applicable.
3.	Not applicable.

### Family Court of Australia

1.	The Family Court of Australia has paid its accounts within 30 days 98.55% 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.
2.	No interest has been charged by any supplier for overdue payments.
3.	Not applicable

### Federal Court of Australia

1.	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.
2.	No interest has been paid on any overdue amounts in the last two financial years.
3.	N/A

### Australian Human Rights Commission

1.	For the FYTD 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 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.																		
	<table border="1"> <tr> <td>Total Payments</td> <td>2864</td> <td>%</td> </tr> <tr> <td>Over 60 Days after due date</td> <td>4</td> <td>0.14</td> </tr> <tr> <td>Within 60 Days after due date</td> <td>9</td> <td>0.31</td> </tr> <tr> <td>Within 30 Days</td> <td>2783</td> <td>97.17</td> </tr> <tr> <td>Within 14-21 Days after due date</td> <td>7</td> <td>0.24</td> </tr> <tr> <td>Within 1-14 Days after due date</td> <td>61</td> <td>2.13</td> </tr> </table>	Total Payments	2864	%	Over 60 Days after due date	4	0.14	Within 60 Days after due date	9	0.31	Within 30 Days	2783	97.17	Within 14-21 Days after due date	7	0.24	Within 1-14 Days after due date	61	2.13
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2.	For the FYTD and previous financial year AHRC has received no claims for interest payments on overdue amounts.																		
3.	n/a																		

### Federal Magistrates Court

1.	The Federal Magistrates Court of Australia has paid its accounts within 30 days 99.43% 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.
2.	No interest has been charged by any supplier for overdue payments.
3.	Not applicable

### Australian Transaction Reports and Analysis Centre (AUSTRAC)

1.	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. This has been primarily due to being the subject of either dispute or clarification with the supplier. For the period 96.88 per cent of payments were made within 30 days. For the remaining 3.12 per cent, the average additional time to pay was 15.99 days.
2.	Interest has been charged by 1 supplier on overdue amounts. Total for 2011-12 is \$32.68.
3.	1.5 per cent per month - determined by the supplier.

### Office of the Australian Information Commissioner

1.	For the financial year to date 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.																		
	<table border="1"> <tr> <td>Total Payments</td> <td>1259</td> <td>%</td> </tr> <tr> <td>Over 60 Days after due date</td> <td>2</td> <td>0.16</td> </tr> <tr> <td>Within 60 Days after due date</td> <td>14</td> <td>1.11</td> </tr> <tr> <td>Within 14-21 Days after due date</td> <td>6</td> <td>0.48</td> </tr> <tr> <td>Within 1-14 Days after due date</td> <td>37</td> <td>2.94</td> </tr> <tr> <td>Within 30 Days</td> <td>1200</td> <td>95.31</td> </tr> </table>	Total Payments	1259	%	Over 60 Days after due date	2	0.16	Within 60 Days after due date	14	1.11	Within 14-21 Days after due date	6	0.48	Within 1-14 Days after due date	37	2.94	Within 30 Days	1200	95.31
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2.	For the financial year to date and previous financial year OAIC has received no claims for interest payments on overdue amounts.																		
3.	N/A																		

### **Administrative Appeals Tribunal**

1.	In 2011-12 to date, the Tribunal paid 78% of its accounts to contractors/consultants within 30 days of receipt in accordance with Government policy in terms of time for payment. The remaining 22% 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 15 days after the due date. The overall average time to payment for all accounts from date of receipt was 24 days.
2.	No interest has been claimed or paid under this policy.
3.	Should interest become payable the General Interest charge rate will be used in accordance with the relevant Government policy. Presently this is 11.62% pa

### **CrimTrac**

1.	<p>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.</p> <p>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.</p> <p>For January 2011-12 YTD, 76% of contractor/consultant payments were made within 30 days. For the remaining 24%, most payments were made within 30 days of the due date stated on the invoice.</p>
2.	CrimTrac pays interest on overdue accounts according to agreed payment terms and Government policy. For January 2011-12 YTD there have been no interest claims or interest payment in respect of contractor/consultant payments.
3.	CrimTrac pays interest on overdue accounts according to agreed payment terms and Government policy. For 2011-12 FYTD there have been no interest claim or interest payments in respect of contractor/consultant payments.

### **Australian Commission for Law Enforcement Integrity (ACLEI)**

1.	Yes (transaction count of 1,603 with average payment terms of 19 days)
2.	Not applicable
3.	Not applicable

### National Native Title Tribunal

1.	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.
2.	No claims for interest payment on overdue amounts have been received by the NNTT and accordingly the NNTT is not paying any such interest.
3.	Not applicable: see above.

### Australian Crime Commission

1.	<p>The ACC has paid 94% (352 of 375) of contractors / consultants within 30 days of receipt of a valid Tax Invoice. The following table provides a breakdown of the timeliness of payments for the 11/12 financial year to date:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">No: of Invoices</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Invoices Paid Within 30 Days</td> <td style="text-align: center;">352</td> <td style="text-align: center;">94%</td> </tr> <tr> <td>Invoices Paid Within 40 Days</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Invoices Paid Within 50 Days</td> <td style="text-align: center;">8</td> <td style="text-align: center;">2%</td> </tr> <tr> <td>Invoices Paid Within 60 Days</td> <td style="text-align: center;">5</td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Invoices Paid Within 70 Days</td> <td style="text-align: center;">3</td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Invoices Paid Within 80 Days</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Invoices Paid Within 90 Days</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0%</td> </tr> <tr> <td></td> <td style="text-align: center;">375</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <p>The 23 invoices that weren't paid within 30 days were not to small businesses. They were paid late due to internal processing delays, which may have included staff querying goods / services received with vendors.</p>		No: of Invoices	%	Invoices Paid Within 30 Days	352	94%	Invoices Paid Within 40 Days	4	1%	Invoices Paid Within 50 Days	8	2%	Invoices Paid Within 60 Days	5	1%	Invoices Paid Within 70 Days	3	1%	Invoices Paid Within 80 Days	2	1%	Invoices Paid Within 90 Days	1	0%		375	100%
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2.	No interest has been paid on overdue accounts and therefore the amount of interest paid by the ACC for the 2011/12 FYTD is nil. Similarly, no interest was paid by the ACC last FY.																											
3.	N/A																											

### Australian Institute of Criminology

1.	Yes
2.	N/A
3.	N/A

## Australian Security Intelligence Organisation (ASIO)

1.	<p>85% of accounts payable invoices were paid within 30 days (86% of the dollar value).</p> <p>Delays are due either to 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).</p> <ul style="list-style-type: none"> <li>• 9% were paid in 31-60 days</li> <li>• 3% were paid in 61-90 days</li> <li>• 1% were paid in 91-180 days</li> <li>• &lt;1% was paid more than 180 days after invoice date.</li> </ul>
2.	No
3.	Not applicable

## Australian Customs and Border Protection Service

1.	<p>For this financial year, Customs and Border Protection has paid 89.04% 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:</p> <ul style="list-style-type: none"> <li>○ 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;</li> <li>○ Delays in the invoice reaching the Accounts Payable team;</li> <li>○ A delay in the authorisation process due to operational reasons;</li> <li>○ A delay in goods receipting, confirmation of which is required to process any payments; and/or</li> <li>○ A delay in payment to the suppliers caused by the agency seeking confirmation regarding the supply with the vendor</li> </ul> <p>All these issues are continuously monitored and where possible improvements are made to the process to ensure timely payments continue to be processed.</p> <p>The payment statistics for contractors/consultants for 2011-12 as at 29 February 2012 are outlined below:</p> <table border="1" data-bbox="331 1756 1390 1971"> <thead> <tr> <th colspan="2"><b>01 July 2012 – Current (29 February 2012)</b></th> </tr> </thead> <tbody> <tr> <td>Total Invoices Processed</td> <td>2326</td> </tr> <tr> <td>Total number of invoices paid as per payment terms</td> <td>2071</td> </tr> <tr> <td>Total percentage of invoices paid as per payment terms</td> <td>89.04%</td> </tr> <tr> <td>Total number of invoices paid outside of payment terms</td> <td>255</td> </tr> </tbody> </table>	<b>01 July 2012 – Current (29 February 2012)</b>		Total Invoices Processed	2326	Total number of invoices paid as per payment terms	2071	Total percentage of invoices paid as per payment terms	89.04%	Total number of invoices paid outside of payment terms	255
<b>01 July 2012 – Current (29 February 2012)</b>											
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Total number of invoices paid outside of payment terms	255										

	Total percentage of invoices paid outside of payment terms	10.96%
	Total number of invoices paid within 0 -7 days of being due	70
	Total number of invoices paid within 7-14 days of being due	31
	Total number of invoices paid within 14-21 days of being due	29
	Total number of invoices paid after 21 days of being due	125
	Total percentage of invoices paid within 0 -7 days of being due	3.01%
	Total percentage of invoices paid within 7-14 days of being due	1.33%
	Total percentage of invoices paid within 14-21 days of being due	1.25%
	Total percentage of invoices paid after 21 days of being due	5.37%
2.	Customs and Border Protection has not paid any interest on amounts that were paid to suppliers outside of the agreed payment terms in 2010-11 or 2011-12	
3.	Not Applicable	

### **The Office of the Director of Public Prosecutions (CDPP)**

1.	<p>The Office of The Director of Public Prosecutions (CDPP) has paid its accounts to all contractors/consultants in accordance with Government policy in terms of time for payment with the exception of a small number of accounts.</p> <p>A small number of accounts were not paid in accordance with Government policy because they required scrutiny and investigation which was deemed necessary to ensure that the account may be properly paid.</p> <p>For this financial year to date (01.07.2011-29.02.2012), 76% of payments were made within 30 days. For the remaining 24%, most payments were made within 14 days after the due date.</p> <p>The CDPP continually monitors payment timeliness.</p>
2.	No
3.	Not applicable

### **High Court of Australia**

1.	Not applicable. This Government policy does not apply to the High Court.
2.	Not applicable.



3.	Not applicable.
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### Office of Parliamentary Counsel

1.	Yes.
2.	As no payments were outside the 30 day period, no claims for interest have been received by OPC.
3.	Not applicable.

### Australian Federal Police

1.	<b>01 Jul 2011 - 29 Feb 2012</b>	<b>&lt; 30 days</b>	<b>31-44 days</b>	<b>45-60 days</b>	<b>&gt; 60 days</b>	<b>Total</b>
	Number of Invoices	1009	107	61	121	1298
	Percent of invoices by number	77.73%	8.24%	4.70%	9.32%	100.00%
	Value of Invoices	\$23,254,462	\$4,053,851	\$1,226,548	\$1,517,914	\$30,052,776
	Percent of Invoices by value	77.38%	13.49%	4.08%	5.05%	100.00%
<p>The percentages calculated above overstate late payments as they are measured from the invoice date and not the date received or date that satisfactory delivery of services has been achieved which may be some time after the invoice date.</p> <p>a) The AFP has implemented centralised invoice scanning in October 2011 with the view to standardising and improving the payment to consultants and contractors and the improvements are not yet reflected in the above statistics.</p> <p>Reasons for payments greater than 30 days are:</p> <ul style="list-style-type: none"> <li>➤ Vendors not sending invoices into the central location; and/or,</li> <li>➤ Vendors not providing enough information on the invoice for payment eg. contact name</li> </ul> <p>b) Reasons outlined in Question on Notice 122 in November 2011 are still relevant The AFP is continuing to work with suppliers to improve the timeliness of payments.</p>						
2.	Nil interest was paid 01 July – 29 February 2012					
3.	N/A					