

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

Portfolio

Question No. 117

Senator Humphries asked the following question at the hearing on 12 February 2013:

Government Payments of Accounts

1. For this financial year to date:

- a) 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)?
- b) 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)
- c) 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?
- d) 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 for this financial year to date: (1 July 2012 to 31 January 2013) is as follows:

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. 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.
For the period 1 July 2012 to 30 January 2013, 92.96% of payments were made within 30 days. For the remaining 7.04% more than 66% were paid within 1 to 14 days after the due date.
- b) N/A.
- c) No.
- d) N/A.

Administrative Appeals Tribunal

- a) The Tribunal has paid 95.1% of invoices within 30 days of receipt in accordance with Government policy in terms of time for payment.
- b) The remaining 4.9% 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 24 days after the initial due date. The overall average time to payment for all accounts from date of receipt was 17 days.
- c) No.
- d) Should interest become payable the General Interest charge rate will be used in accordance with the relevant Government policy. Presently this is 10.24% pa.

Australian Commission for Law Enforcement Integrity

- a) Yes.
- b) N/A.
- c) N/A.
- d) N/A.

Australian Crime Commission

- a) Yes. Note the policy only specifies payments made to small business.
- b) Of the 22 invoices that have been paid late this financial year to date (none of which were from small businesses), all were delayed on account of internal administrative delay; please see below for a timing breakdown in relation to payments:

	Number of Invoices	%
Invoices Paid Within 30 Days	179	89%
Invoices Paid Within 40 Days	14	7%
Invoices Paid Within 50 Days	6	3%
Invoices Paid Within 60 Days	0	0%
Invoices Paid Within 70 Days	2	1%
Invoices Paid Within 80 Days	0	0%
Invoices Paid Within 90 Days	0	0%
	201	100%

- c) No.
- d) N/A.

Australian Customs and Border Protection Service

- a) Between 1 July 2012 and 31 January 2013, Customs and Border Protection has paid 90.36% of invoices to contractors and consultants in accordance with Government policy and in the terms of trade.
- b) 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 occasion this may not be possible for the following reason:
 - o 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;
 - o Delays in the invoice reaching the Accounts Payable team due to operational reasons;
 - o A delay in the authorisation process due to operational reasons;
 - o A delay in goods receipting, confirmation of which is required to process any payments; and/or
 - o A delay in payment to the suppliers caused by the agency seeking further information regarding the supply from 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 July 2012 – 31 January 2013 are outlined below:

01 July 2012 – 31 January 2013	
Total invoices processed	1754
Total number of invoices paid as per payment terms	1585
Total percentage of invoices paid as per payment terms	90.36%
Total number of invoices paid outside of payment terms	169
Total percentage of invoices paid outside of payment terms	9.64%
Total number of invoices paid within 0 -7 days of being due	34
Total number of invoices paid within 7-14 days of being due	29
Total number of invoices paid within 14-21 days of being due	13

Total number of invoices paid after 21 days of being due	93
Total percentage of invoices paid within 0 -7 days of being due	1.94%
Total percentage of invoices paid within 7-14 days of being due	1.65%
Total percentage of invoices paid within 14-21 days of being due	0.74%
Total percentage of invoices paid after 21 days of being due	5.30%

- c) No.
- d) N/A.

Australian Federal Police

The information provided is in addition to the responses provided to the Senator for QoN 111 in November 2012.

- a) No for the period 1 July 2012 – 30 September 2012, please refer to QoN 111 2012.
- b) No.
- c) No.
- d) N/A.

Australian Government Solicitor

Australian Government Solicitor (AGS) is a government business enterprise operating on a commercial and competitive basis in providing legal and related services to government and its agencies. AGS does not receive any Budget or other appropriations and its employees are engaged outside of the *Public Service Act 1999*. The question is therefore not applicable to AGS.

Australian Human Rights Commission

- a) 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.
- b)

Total Payments	2634
Over 60 days after due date	0
Within 60 days after due date	3
Within 14-21 days after due date	1
Within 1-14 days after due date	22
Within 30 days	2608

- c) No.
- d) N/A.

Australian Institute of Criminology

- a) Yes.
- b) N/A.
- c) No.
- d) N/A.

Australian Law Reform Commission

- a) Yes. The ALRC has paid all its accounts in accordance with Government policy.
- b) N/A.
- c) N/A.
- d) N/A.

Australian Security Intelligence Organisation

- a) No

- b) 86% of accounts payable invoices were paid within 30 days (78% 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.
10% were paid in 31-60 days
3% were paid in 61-90 days
1% were paid in 91-180 days
<1% were paid more than 180 days after invoice date
- c) No.
- d) N/A.

AUSTRAC

- a) AUSTRAC paid 99.5 per cent of its accounts in accordance with Government policy.
- b) Accounts not paid in accordance with Government policy were primarily due to being subject to either dispute or clarification with the supplier. All outstanding accounts (that is, the 0.5 per cent of invoices which were not paid within 30 days) were paid within 30 days after their original due date.
- c) No.
- d) N/A.

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.
- b) Where supplier disputes have arisen, a small number of accounts may not have been paid within the standard timeframes for payment of invoices stipulated in Government policy. Supplier disputes often make it difficult to determine the date of receipt of the correctly rendered invoice. For the period 1 July 2012 to 31 January 2013, 87% of contractor/consultant payments were made within 30 days. For the remaining 13%, most payments were made within 30 days of the due date stated on the invoice.
- c) CrimTrac pays interest on overdue accounts according to agreed payment terms and Government policy. For the period from 1 July 2012 to 31 January 2013 there were no interest claims or interest payment in respect of contractor/consultant payments.
- d) CrimTrac pays interest on overdue accounts according to agreed payment terms and Government policy. For the period from 1 July 2012 to 31 January 2013 there were no interest claims or interest payments in respect of contractor/consultant payments.

Family Court of Australia

- a) 97% of the time, the Family Court of Australia has paid its accounts within 30 days.
- b) Delays in payment have occurred where invoices have not been received, where there have been queries on invoices or goods/services, or information has not been provided in full.
- c) No.
- d) N/A.

Federal Court of Australia

- a) The Court has paid over 94% of its accounts within 30 days.
- b) The most common reasons for accounts not being paid within 30 days are delays in invoices reaching accounts processing staff or further details being sought from suppliers before payment.
- c) No.
- d) N/A.

Federal Magistrates Court of Australia

- a) 98% of the time, the Federal Magistrates Court of Australia has paid its accounts within 30 days.
- b) Delays in payment have occurred where invoices have not been received, where there have been queries on invoices or goods/services, or information has not been provided in full.
- c) No.
- d) N/A.

High Court of Australia

- a) The High Court of Australia pays its accounts to contractors/consultants etc in a timely manner although the Government's policy does not apply to the Court.

- b) N/A.
- c) N/A.
- d) N/A.

Insolvency and Trustee Service Australia (ITSA)

- 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.
- b) Reasons for payments 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 the financial year to date, 84% of payments were processed within 30 days from date of invoice, and 95% were paid within 30 days from invoice receipt.
- c) No.
- d) N/A.

National Native Title Tribunal

Please note: From 1 July 2012 the National Native Title Tribunal is no longer a Financial Management and Accountability Act 1997 Agency, and is funded to carry out its functions as a sub-program of the Federal Court of Australia's appropriation. Please refer to the Federal Court's response.

Office of the Australian Information Commissioner

- a) The OAIC has paid its accounts to all suppliers in accordance with Government policy with the exception of a small number of accounts.
- b) 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	1225
Over 60 days after due date	0
Within 60 days after due date	4
Within 14-21 days after due date	2
Within 1-14 days after due date	25
Within 30 days	1194

- c) No.
- d) N/A.

Office of the Commonwealth Director of Public Prosecutions

- a) The Office of the Director of Public Prosecutions 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.
- b) A small number of accounts were not paid in accordance with Government policy in terms of time for payment because they required additional investigation which was deemed necessary to ensure that the account could be paid in accordance with procurement rules, policies and procedures. For the period 01.07.2012-31.01.2013, 88% of payments were made within 30 days. For the remaining 12%, most payments were made within 14 days after the due date for payment.
- c) No.
- d) N/A.

Office of Parliamentary Counsel

- a) Over 99% of the time OPC has paid its accounts within 30 days.
- b) There were 2 instances of a small delay in payment for 2012-13 FYTD. These occurred due to delays in receiving invoices, verifying the receipt of goods/services, and in one instance processing the payment.
- c) No.
- d) N/A.