

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

**Portfolio**

**Question No. 111**

**Senator Humphries asked the following question at the hearing on 16 October 2012:**

**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?

2. For 2011-12

- a) Did the department/agency pay 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/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?
- d) Where interest is being paid, what rate of interest is being paid and how is this rate determined?
- e) Have all accounts from 2011-12 been paid? If no, why not?

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

## **Attorney Generals Department**

### **1. For this financial year to date: (1 July 2012 to 30 September 2012):**

- a) The Department 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 and verifying work has been completed.
- c) No.
- d) N/A

### **2. For 2011-12**

- a) The Department paid over 95% 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 and verifying work has been completed.
- c) No
- d) N/A
- e) Yes.

## **Federal Court of Australia**

### **1. For this financial year to date (1 July 2012 to 30 September 2012):**

- a) The Court 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

### **2. For 2011-12:**

- a) Over 96% of accounts were paid within 30 days for the 2011-12 year.
- b) See 1(b)
- c) No.
- d) N/A
- e) Yes.

## **Australian Law Reform Commission**

### **1. For this financial year to date (1 July 2012 to 30 September 2012):**

- a) yes
- b) n/a
- c) n/a

d) n/a

**2. For 2011-12:**

a) yes

b) n/a

c) n/a

d) n/a

e) Yes

f)

**Family Court of Australia**

Please also refer to the previous answer to this question from May round (Question No. 158) and February round

**1. For this financial year to date:**

a) 96.04% 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 interest has been charged by any supplier for overdue payments.

d) Not applicable

**2. For 2011/12 financial year:**

a) 97.84% of the time, the Family Court of Australia has paid its accounts within 30 days. 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.

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

c) Not applicable

d) Yes

e) Yes

**Federal Magistrates Court of Australia**

Please also refer to the previous answer to this question from May round (Question No. 158) and February round

**1. For this financial year to date:**

a) 98.08% 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 interest has been charged by any supplier for overdue payments.

d) Not applicable

**2. For 2011/12 financial year:**

- a) 97.46% 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 interest has been charged by any supplier for overdue payments.
- d) Not applicable
- e) Yes

## **ASIO**

### **1. For this financial year to date (1 July 2012 to 30 September 2012):**

- a) No
- b) 85% 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.
  - 11% were paid in 31-60 days
  - 2% were paid in 61-90 days
  - 1% was paid in 91-180 days
  - <1% was paid more than 180 days after invoice date
- c) No
- d) Not applicable

### **2. For 2011-12:**

- a) No
- b) 85% of accounts payable invoices were paid within 30 days (85% 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
  - 2% were paid in 91-180 days
  - <1% was paid more than 180 days after invoice date
- c) No
- d) Not applicable
- e) Yes

## **Office of the Director of Public Prosecutions**

### **1. For this financial year to date (1 July 2012 to 30 September 2012):**

- a) The Commonwealth Director of Public Prosecutions (CDPP) aims to pay its accounts to contractors/consultants etc. in accordance with Government policy. This has not been achieved.
- b) Approximately 15% 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.

Table below shows the number of accounts, and percentage of the total, by the number of days taken to make payment.

<b>Period</b>	<b>30 days or less</b>	<b>31 – 37 days</b>	<b>38 – 44 days</b>	<b>45+ days</b>	<b>Total</b>
1/07/2012 - 30/09/2012	2,889	279	63	171	3,402
	<b>85%</b>	<b>8%</b>	<b>2%</b>	<b>5%</b>	<b>100%</b>

- c) No
- d) N/A

## **2. For 2011-12:**

- a) The Commonwealth Director of Public Prosecutions (CDPP) aims to pay its accounts to contractors/consultants etc. in accordance with Government policy. This was not been achieved on all occasions.
- b) Approximately 20% 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.

Table below shows the number of accounts, and percentage of the total, by the number of days taken to make payment.

<b>Period</b>	<b>30 days or less</b>	<b>31 – 37 days</b>	<b>38 – 44 days</b>	<b>45+ days</b>	<b>Total</b>
1/07/2011 - 30/06/2012	10,786	1,116	592	1,060	13,554
	<b>80%</b>	<b>8%</b>	<b>4%</b>	<b>8%</b>	<b>100%</b>

- c) No
- d) N/A
- e) Yes

## **CrimTrac**

### **1. For this financial year to date (1 July 2012 to 30 September 2012):**

- 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) 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 2012-13, September YTD, 81% of contractor/consultant payments were made within 30 days. For the remaining 19%, 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 30 September 2012 there have been 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 30 September 2012 there have been no interest claim or interest payments in respect of contractor/consultant payments.

**2. For 2011-12:**

- 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) 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 2011-12, 81% of contractor/consultant payments were made within 30 days. For the remaining 19%, 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 2011-12 there was 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 2011-12 there were no interest claim or interest payments in respect of contractor/consultant payments.
- e) All known accounts from 2011-12 have been paid, except where the account is not yet due, there is a supplier dispute or the invoice has not been correctly rendered.

**Australian Institute of Criminology**

The AIC has paid all of its contractors and consultants within 30 days over the last 15 months (1/7/2011 to 30/9/2012).

**1. For this financial year to date (1 July 2012 to 30 September 2012):**

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

**2. For 2011-12:**

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

## Australian Human Rights Commission

### 1. For this financial year to date (1 July 2012 to 30 September 2012):

- 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	1028
Over 60 days after due date	0
Within 60 days after due date	2
Within 14-21 days after due date	2
Within 1-14 days after due date	11
Within 30 days	1013

- c) For the period 1 July to 30 September 2012 AHRC has not made any interest payments on overdue amounts.

d) n/a

### 2. For the period 1 -30 June 2012

Please refer to the answer to this question from previous round (Question No. 158) which provided an answer for the period 1 March to 31 May 2012:

- 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	572
Over 60 days after due date	1
Within 60 days after due date	2
Within 14-21 days after due date	1
Within 1-14 days after due date	4
Within 30 days	564

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

d) n/a

- e) 1 account from 2011-12 has not been paid due to a dispute.

## Australian Crime Commission

### 1. For this financial year to date (1 July 2012 to 30 September 2012):

- a) Yes. Note the policy only specifies time for payment terms in relation to small businesses.
- b) 11 invoices that have been paid late this financial year to date from non small businesses, 8 were delayed on account of internal administrative delays, two on account of the data entry errors and one because of delayed confirmation of services received; please see over page for a timing breakdown in relation to payments.

	No. of Invoices	%
Invoices Paid Within 30 Days	57	84%
Invoices Paid Within 40 Days	9	13%
Invoices Paid Within 50 Days	1	1%
Invoices Paid Within 60 Days	0	0%
Invoices Paid Within 70 Days	1	1%
Invoices Paid Within 80 Days	0	0%
Invoices Paid Within 90 Days	0	0%
	<b>68</b>	100%

- c) No
- d) N/A

**2. For 2011-12:**

- a) Yes. The payment terms of the policy only relate to small businesses. 10 invoices that have been paid late this financial year from non-small businesses, 7 were delayed on account of administrative delays, one on account of data entry errors and two because charges were questioned with supplier and they took approximately a month to respond.

	No. of Invoices	%
Invoices Paid Within 30 Days	307	97%
Invoices Paid Within 40 Days	5	2%
Invoices Paid Within 50 Days	2	1%
Invoices Paid Within 60 Days	0	0%
Invoices Paid Within 70 Days	2	1%
Invoices Paid Within 80 Days	1	0%
Invoices Paid Within 90 Days	0	0%
	<b>317</b>	100%

- b) No
- c) No
- d) n/a
- e) Yes

**Office of the Australian Information Commissioner**

**1. For this financial year to date (1 July 2012 to 30 September 2012):**

- 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	510
Over 60 days after due date	0
Within 60 days after due date	1
Within 14-21 days after due date	1
Within 1-14 days after due date	12
Within 30 days	496

- c) For the period 1 July to 30 September 2012 the OAIC has not made any interest payments on overdue amounts.
- d) n/a

## 2. For the period 1 May –30 June 2012

Please refer to the answer to this question from the February round (Question No. 80) which provided an answer for the period 1 July 2011 to the end of February 2012 and from the May round (Question No. 158) which provided an answer for the period 1 March to 31 May 2012.

- a) 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	415
Over 60 days after due date	0
Within 60 days after due date	2
Within 14-21 days after due date	0
Within 1-14 days after due date	4
Within 30 days	409

- c) For the period 1 May to 30 June 2012 OAIC has received no claims for interest payments on overdue amounts.
- d) n/a
- e) Yes

## Australian Federal Police

See tables below.

1. a)

<b>1 July 2012 - 30 September 2012</b>	<b>&lt; 30 Days</b>	<b>31-44 Days</b>	<b>45-60 Days</b>	<b>60 Days</b>	<b>Total</b>
Number of Invoices	208	1	0	0	209
% of Invoices by Number	99.52%	0.48%	0.00%	0.00%	100%
Values of Invoices	\$ 4,401,700	\$ 38,536	\$ -	\$ -	\$ 4,440,235
% of Invoices by Value	99.13%	0.87%	0.00%	0.00%	100%

b) No change since last response in April 2012. Please refer to the reasons outlined in the Question on Notice March 2012, which are still relevant

c) Nil interest was paid 01 July – 30 September 2012

d) N/A

2. a) The information provided below is in addition to the responses provided to the Senator to April 2012.

<b>1 May 2012 - 30 Jun 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	189	4	0	2	195
% of Invoices by Number	96.92%	2.05%	0.00%	1.03%	100%
Values of Invoices	\$ 3,067,190	\$ 66,499	\$ -	\$ 5,566	\$ 3,139,255
% of Invoices by Value	97.70%	2.12%	0.00%	0.18%	100%

b) No change since last response in April 2012. Please refer to the reasons outlined in the Question on Notice March 2012, which are still relevant

c) Nil interest was paid 01 May – 30 June 2012

d) N/A

e) All invoices relating to contractors and consultants that have been received by the Accounts area have been paid.

## Australian Government Solicitors

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.

## 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.

### 1. For this financial year to date (1 July 2012 to 30 September 2012):

Please refer to the Federal Court's response

### 2. For 2011-12:

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)	Not applicable: see above.
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.
d)	N/A
e)	Yes all accounts have been paid.

## Australian Customs and Border Protection Service

- 1 a) For May 2012 and June 2012, Customs and Border Protection has paid 90.9% 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.

- 1 b) The payment statistics for contractors/consultants for 1 May 2012 – 30 June 2012 are outlined below:

01 May 2012 – 30 June 2012	
Total Invoices Processed	604
Total number of invoices paid as per payment terms	549

Total percentage of invoices paid as per payment terms	90.89%
Total number of invoices paid outside of payment terms	55
Total percentage of invoices paid outside of payment terms	9.11%
Total number of invoices paid within 0 -7 days of being due	16
Total number of invoices paid within 7-14 days of being due	8
Total number of invoices paid within 14-21 days of being due	6
Total number of invoices paid after 21 days of being due	25
Total percentage of invoices paid within 0 -7 days of being due	2.65%
Total percentage of invoices paid within 7-14 days of being due	1.32%
Total percentage of invoices paid within 14-21 days of being due	0.99%
Total percentage of invoices paid after 21 days of being due	4.14%

1 c)

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.

1 d) Not Applicable

- 2 a) For this financial year, Customs and Border Protection has paid 92.3% 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.

- 2 b) The payment statistics for contractors/consultants for 1 July 2012 – 30 September 2012 are outlined below:

<b>01 July 2012 – 30 September 2012</b>	
Total Invoices Processed	817
Total number of invoices paid as per payment terms	754

Total percentage of invoices paid as per payment terms	92.29%
Total number of invoices paid outside of payment terms	63
Total percentage of invoices paid outside of payment terms	7.71%
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	7
Total number of invoices paid within 14-21 days of being due	6
Total number of invoices paid after 21 days of being due	39
Total percentage of invoices paid within 0 -7 days of being due	1.35%
Total percentage of invoices paid within 7-14 days of being due	0.86%
Total percentage of invoices paid within 14-21 days of being due	0.73%
Total percentage of invoices paid after 21 days of being due	4.77%

- 2 c) Customs and Border Protection has not paid any interest on amounts that were paid to suppliers outside of the agreed payment terms.
- 2 d) Not Applicable
- 2 e) All accounts from 2011-12 have been paid.