

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Bendigo and Adelaide Bank

BAB05QW: *A copy of the bank's payment term policy or policies.*

Answer:

A copy of the Bank's payment term policy is attached.



Supplier Payment Policy

Corporate Sourcing

CONTENTS

OVERVIEW	3
PURPOSE	3
APPLICATION	3
INTERPRETATION.....	3
POLICY	3
1. Having a Contract in Place Prior to the Supply of Goods or Services	3
2. Agreed Timeframes for Invoice Payment, Dispute Resolution and Authorised Representatives	4
3. Payment of Invoices On-Time.....	4
4. New Technologies and Innovations	4
5. Guidance to Suppliers on Group Payment Procedures.....	4
GOVERNANCE	4
RESPONSIBILITIES	4



REVIEW.....	5
RELATED DOCUMENTS	6
DEFINITIONS	7
DOCUMENT CONTROL TABLE.....	8

OVERVIEW

Suppliers perform a critical role providing the goods and services required to assist *Group* operations and allow the *Group* to offer the services that our customers require to the standard they expect.

In return for receiving goods or services, the *Group* pays the supplier a pre-agreed amount of money within a pre-defined timeframe.

The cost of the goods or services provided by a supplier and the timeframe and circumstances within which the *Group* agrees to pay for the goods or services are defined in the contract that the *Group* enters into with the supplier.

Many suppliers to the *Group* are small businesses whose cash-flows rely on prompt payment of invoices in accordance with the terms and conditions of their contract in addition to which, some suppliers are also clients of the *Group*.

Coupled with its contractual obligations regarding supplier payments, the *Group* is a signatory to the “Australian Supplier Payment Code” an industry led initiative that seeks to enshrine the importance of prompt and on-time payments to suppliers.

This Policy describes the principles and practices of the *Group* in relation to the payment for the goods or services provided by a supplier to a member of the *Group*.

PURPOSE

The purpose of this Policy is to outline the requirements which must be met by members of the *Group* when making payments to suppliers.

APPLICATION

This Policy applies to the *Group*.

INTERPRETATION

Terms are defined within this Policy and are in italics or title case.

POLICY

1. Executed Contract in Place Prior to the Supply of Goods or Services

To ensure that the *Group*'s legal rights are protected, where a member of the *Group* seeks to obtain goods or services from a supplier the Line Manager who is responsible on the

Group's behalf for obtaining the goods or services from a supplier, is to ensure that a legally enforceable contract has been executed by both parties prior to the supplier providing the goods or services to the *Group*. Corporate Sourcing or *Group* Legal can provide advice or assistance in relation to executing an appropriate and legally enforceable contract.

2. Agreed Timeframes for Invoice Payment, Dispute Resolution & Authorized Representatives

Line Managers managing contracts supplying goods or services to the *Group* are responsible for engaging with Corporate Sourcing to ensure that a contract includes appropriate clauses specific to each of the following:

- The unit cost for the goods or services to be provided;
- The agreed timeframe for the payment of invoices not in dispute;
- A dispute resolution process; and
- The parties' authorized representatives.

For advice or assistance in resolving supplier disputes contact Corporate Sourcing. In certain circumstances, Corporate Sourcing may engage *Group* Legal to provide advice or assistance on a dispute.

3. Payment of Invoices On-Time

The *Group's* contract Authorised Representative is to ensure that supplier invoices are processed in such a timeframe so that an invoice is paid in accordance with the terms and conditions of the contract relevant to the invoice concerned.

4. New Technologies and Innovations

The *Group* will consider utilizing new technologies and practices that provide efficient invoice:

- Reconciliation;
- Approval; and
- Payment.

5. Guidance to Suppliers on *Group* Payment Procedures

In the event that a supplier, who currently provides goods or services to the *Group*, requests guidance about the *Group's* payment procedures the *Group's* contract Authorised Representative or their delegate should provide the supplier with an appropriate amount of detail regarding payment procedures to assist the supplier. If in doubt about what constitutes an appropriate amount of guidance, contact Corporate Sourcing.

6. Review of invoice payment dates

On a biannual basis, Corporate Sourcing will review the number of invoices paid, for the previous 12-month period, where the payment date exceeds Nett 30 days. In the event, that the total number of invoices whose payment date exceeds Nett 30 days is greater than 5% of the total number of invoices paid for that period, then Corporate Sourcing will investigate the reason(s) contributing to invoices' payment dates exceeding Nett 30 days and where appropriate work with the business to implement measures to ensure invoices are paid Nett 30 days.

GOVERNANCE

RESPONSIBILITIES

Role	Responsibilities
Accounts Payable	Action payment for invoices approved for payment by a member of the <i>Group</i> who possesses the appropriate financial discretion.
Authorised Representative	<ol style="list-style-type: none"> 1. Ensuring that a supplier's invoice is processed by the <i>Group</i> so that it is paid in accordance with the contract terms and conditions relevant to the invoice. 2. Providing an appropriate amount of detail to assist suppliers seeking guidance regarding the <i>Group's</i> payment procedures.
Corporate Sourcing	<ol style="list-style-type: none"> 1. Providing advice and assistance to the <i>Group</i> on contract development and execution and suppliers issues or disputes. 2. When engaged by the Business, ensuring that a contract includes appropriate clauses specific to each of the following: <ol style="list-style-type: none"> a. The unit cost for the goods or services to be provided; b. The agreed timeframe for the payment of invoices not in dispute; c. A dispute resolution process; and d. The parties' authorized representatives. 3. Report on company policies and practices in place to comply with the Australian Supplier Payment Code. 4. Conduct a biannual review of invoice payment dates and where the number of invoices whose payment date exceeds Nett 30 days is greater than 5% of the total number of invoices paid for that period investigate the reason(s) why and where appropriate work with the business to put in place measures to ensure invoices are paid Nett 30 days
Group Legal	Providing advice and assistance to the <i>Group</i> on contract development and supplier disputes.

Line Manager

1. Ensuring that there is an executed and legally enforceable contract in place between the *Group* and the supplier prior to the supplier providing goods or services to the *Group*.
2. Engaging with Corporate Sourcing to ensure that a contract includes appropriate clauses specific to each of the following:
 - a. The unit cost for the goods or services to be provided;
 - b. The agreed timeframe for the payment of invoices not in dispute;
 - c. A dispute resolution process; and
 - d. The parties' authorized representatives.

REVIEW

This policy will be reviewed biennially by Corporate Sourcing with any material changes endorsed by the Executive Corporate.

RELATED DOCUMENTS

Related documents which should be read in conjunction with this policy include:

Guidance

1. [Australian Supplier Payment Code.pdf](#)

Documents and Checklists

1. Bendigo and Adelaide Bank Limited Board Delegations
http://intranet/our_business/structure/corporate_secretariat/docs/CS02.pdf

Policies

1. Sourcing Policy
http://intranet/procedures/policies/docs/Sourcing_Policy.pdf

DEFINITIONS

Australian Supplier Payment Code	A voluntary, industry-led initiative to enshrine the importance of prompt and on-time payment for suppliers through a set of best practice standards.
Authorised Representative	The <i>Group</i> employee who is authorised to act on the <i>Group's</i> behalf under the contract.
Line Manager	The <i>Group</i> employee who is responsible on the <i>Group's</i> behalf for obtaining the goods or services from a supplier.

DOCUMENT CONTROL TABLE

Version No.	Approved by:	Date approved:	Date applicable:	Next review date:	Document owner:
0.1	Head of Corporate Services	8 th May 2018	1 st June 2018	May 2020	Corporate Sourcing