

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

**Portfolio**

**Question No. 88**

**Senator Humphries asked the following question at the hearing on 30 May 2013:**

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)?
- 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 is as follows:**

For 2012-13 financial year information up to 31 January 2013, please refer to QoN 117 from the Additional Estimates round.

For the period 1 February 2013 to 31 May 2013 please see below.

**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
- b) Occasionally there may be unavoidable delays in processing payments, for example in verifying the satisfactory completion of work. For the period 1 February to 31 May 2013 96.53% of payments were made within 30 days. For the remaining 3.47 % more than half were paid within 1 to 14 days after the due date
- c) No claims for interest payment on overdue amounts have been received by the department
- d) N/A

**Administrative Appeals Tribunal**

- a) The Tribunal has paid 96.2% of invoices within 30 days of receipt in accordance with Government policy in terms of time for payment
- b) The remaining 3.8% 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 30 days after the initial due date. The overall average time to payment for all accounts from date of receipt was 15 days

- c) No interest has been claimed or paid under this policy
- d) Should interest become payable the General Interest Charge rate will be used in accordance with the relevant Government policy. Presently this is 9.82%pa

**Australian Commission for Law Enforcement Integrity**

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

**Australian Crime Commission**

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

**Australian Customs and Border Security**

- a) Between 1 February 2013 and 31 May 2013, Australian Customs and Border Protection Service (ACBPS) has paid 88.88% of invoices to contractors and consultants in accordance with Government policy and in the terms of trade
- b) ACBPS 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 due to operational reasons;
  - 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 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 February 2013 – 31 May 2013 are outlined below:

<b>01 February 2013 – 31 May 2013</b>	
Total Invoices Processed	890
Total number of invoices paid as per payment terms	791
Total percentage of invoices paid as per payment terms	88.88%
Total number of invoices paid outside of payment terms	99
Total percentage of invoices paid outside of payment terms	11.12%
Total number of invoices paid within 0 -7 days of being due	12
Total number of invoices paid within 7-14 days of being	15

due	
Total number of invoices paid within 14-21 days of being due	12
Total number of invoices paid after 21 days of being due	60
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	1.69%
Total percentage of invoices paid within 14-21 days of being due	1.35%
Total percentage of invoices paid after 21 days of being due	6.74%

- c) ACBPS has not paid any interest on amounts that were paid to suppliers outside of the agreed payment terms in 2012-13  
d) N/A

#### **Australian Federal Police**

- a) No. The AFP paid one invoice 44 days after receipt of the invoice  
b) The AFP had one invoice paid outside of the 30 day threshold. The invoice was with an AFP employee who had a longer than usual unplanned absence

<b>1 Mar 2013 - 31 May 2013</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	298	1	0	0	299
% of Invoices by Number	99.67%	0.33%	0.00%	0.00%	100%
Values of Invoices	\$4,146,367	\$3,357	Nil	NIL	\$4,149,724
% of Invoices by Value	99.92%	0.08%	0.00%	0.00%	100%

- c) Nil interest was paid for the late payment. The consultancy firm that was paid late is not a small business and it did not invoice the AFP any additional charges  
d) Nil interest was paid for the late payment

#### **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 payment 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	1343
Over 60 days after due date	0
Within 60 days after due date	5
Within 14-21 days after due date	2
Within 1-14 days after due date	18
Within 30 days	1318

- c) No
- d) N/A

#### **Australian Institute of Criminology**

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

#### **Australian Law Reform Commission**

- a) During the period 1 February to 31 May 2013, one account payable to ComSuper for quarterly admin fees (\$608.50) was paid 6 days after the due date (within 30 days)
- b) This one account was not received by the ALRC by the due date. The ALRC paid this account as soon as a new invoice was received via the email system
- c) No interest was paid
- d) N/A

#### **Australian Security Intelligence Organisation**

- a) No
- b) 85% of accounts payable invoices were paid within 30 days (86% 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% were paid in 91-180 days
  - 1% were paid more than 180 days after invoice date
- c) No
- d) N/A

#### **Australian Transaction Reports and Analysis Centre**

- a) 23 of 1,435 invoices processed for the period 01/02/13–31/05/13 were not paid within 30 days. Therefore, 98.4 per cent of invoices processed during this period were paid within 30 days
- b) The most common reason for late payments is liaison/clarification issues between AUSTRAC business units and suppliers in terms of matching order and supply details.
- c) No
- d) N/A

#### **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 01.02.2013-31.05.2013, 91% of payments were made within 30 days. For the remaining 9%, most payments were made within 14 days after the due date for payment.

- c) No
- d) N/A

### **CrimTrac**

- a) 92% of the time, CrimTrac 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) CrimTrac pays interest on overdue accounts according to agreed payment terms and Government policy. For the period from 1 February 2013 to 31 May 2013 there were no interest claims or interest payment in respect of contractor/consultant payments
- d) N/A

### **Family Court of Australia**

- a) 97% of the time, the Family Court 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) - d) No interest has been paid to any supplier for overdue payments

### **Federal Court of Australia**

- a) The Court has 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 or further details being sought from suppliers before payment
- c) No
- d) N/A

### **Federal Circuit Court of Australia**

- a) 99% of the time, the Federal Circuit Court 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) - d) No interest has been paid to any supplier for overdue payments

### **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**

- a) The majority of ITSA's accounts have been paid in accordance with Government policy
- b) Reasons for payments not being processed within 30 days have included 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, 82% of payments were processed within 30 days from date of invoice, and 96% were paid within 30 days of invoice receipt

- c) No interest was paid on overdue accounts
- d) N/A

**National Native Title Tribunal**

The National Native Title Tribunal (NNTT) will not be providing a response to this question, as from 1 July 2012 the NNTT 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. On 12 March 2013 the Courts and Tribunals Legislation Amendment (Administration) Act 2013 came into operation. On that day the Australian Public Service Commissioner signed a determination which transferred all staff employed by the Tribunal to the Federal Court of Australia under s.72 of the Public Service Act, but those staff are designated staff assisting the Tribunal under the Native Title Act

**Office of Parliamentary Counsel**

- a) Over 99% of the time OPC has paid its accounts within 30 days
- b) There were 3 instances of a small delay in payment. These occurred due to delays in receiving invoices and verifying the receipt of services
- c) No
- d) N/A

**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	498
Over 60 days after due date	0
Within 60 days after due date	6
Within 14-21 days after due date	1
Within 1-14 days after due date	13
Within 30 days	478

- c) No
- d) N/A