



Australian Government

Department of Defence

Office of the Secretary and
Chief of the Defence Force Group

Freedom of Information and
Information Management Branch
CPI-6-001
Campbell Park Offices
PO Box 7910
Canberra BC ACT 2610
Tel: (02) 626 62200
Fax: (02) 626 62112
FOI.Inquiries@defence.gov.au

Our reference: FOI 267/10/11



By email: 

Dear 

1. I refer to your email dated 11 April 2011 in which you requested access, under the *Freedom of Information Act 1982* (FOI Act), to:

"...The information sought is the total number of invoices processed by the Department and the number and value of all accounts that remained unpaid for each of the following periods: 31-60 days, 61-90 days, 91-120 days and longer than 120 days. [Item 1]

I would also like to know:

- How many days the longest overdue invoice was unpaid for (and whether it has since been paid), what its value was and what service or item the bill was for [Item 2];*
- The value of the largest unpaid invoice and how many days it was unpaid for (and whether it has since been paid) and what service or item the bill was for [Item 3];*
- The total number and value of any penalty interest payments made [Item 4]."*

Revised request

2. It was agreed with you, that access to Items 1 and 4 of the request would be provided administratively, that is outside of the FOI Act. Access to Items 2 and 3 would be processed under the FOI Act, noting you clarified the timeframe to be for the calendar year 2010 as opposed to the FY 09-10.

3. The purpose of this letter is to provide you with the decision relating to the documents that are the subject of your request.

FOI decision maker

4. Mr Peter Hadfield, Assistant Secretary Financial Operations, Chief Finance Operator Group is the authorised decision maker, under the FOI Act, in relation to Items 2 and 3 of your request.

Identified documents

5. Mr Hadfield identified two documents, consisting of five pages (in total), of screens from ROMAN, the Defence financial management information system, which shows the transactional history of nominated transactions.

Material taken into account

6. In making his decision, Mr Hadfield had regard to:

- The content of the documents in issue
- Relevant provisions in the FOI Act
- The guidelines published by the Office of the Australian Information Commissioner under section 93A of the FOI Act (the guidelines)

Decision

7. Mr Hadfield has decided to release the identified documents intact. Copies of the documents are at Enclosure 1.

Contextual statement

8. Mr Hadfield requested that the following information be passed to you to assist with understanding the information contained in the documents:

Table 1: Record that an invoice with a value of \$572.68 processed to meet Defence's superannuation obligations was initially processed onto ROMAN on 27.08.2009. At 31 Dec 2010, this invoice was 492 days old.

Table 2: Additional information related to Table 1 showing that the vendor was AMP Flexible.

Table 3: Shows that the invoice was initially paid on 28.08.2009 and as this cheque was not presented it was voided on 06.12.2010.

Table 4: Shows a new cheque being drawn on 07.01.2011 and encashed on 12.01.2011. This closes the transaction history of the oldest unpaid amount.

A response to your FOI request for the details of the largest unpaid invoice at 31 Dec 2010 is provided in the three tables contained in Attachment B of Enclosure 1.

Table 5: Records that an invoice with a value of \$6,181,007.13 for relocation services was initially processed onto ROMAN on 20.12.2010. The invoice remained unpaid for 17 days. This period is within Defence's payment terms.

Table 6: Additional information related to Table 5 showing that the vendor was Toll Transitions.

Table 7: Shows payment value of \$11,852,204.58 was paid on 06.01.2011 this payment included a number of invoices including the one identified in Table 5. This closes the transaction history.

Defence's standard payment terms are 30 days and management work quickly to review, verify and approve invoices. Where appropriate, vendors are able to obtain speedier payment terms through contract negotiation processes. Defence financial systems are always set to make payments to suppliers by the due date.

Defence processes a large volume of invoices and overdue invoices can arise due to:

- *Electronic Funds Payments being rejected by the bank*
- *An invoice is disputed but the supplier might take many months to raise a credit note.*
- *Cheques are issued but if un-presented after fifteen months, the cheque is cancelled and the invoice is restated as overdue on Defence systems.*

Payment of Charges

9. In an email dated 2 May 2011, the department corrected an earlier error and advised that the estimated cost associated with processing your request was actually [REDACTED]. You agreed to pay charges for the administration of your request and on 16 May 2011 we received a payment in the amount of [REDACTED].

10. Upon completion of your request, the actual amount for processing matched the revised initial estimate. Because the total amount you have already paid was more than the actual charges a refund of [REDACTED] is due. To enable us to process your refund, could you please complete the form at Enclosure 3 and return it to the address on the form via email or post.

Rights of review

11. The FOI Act provides for rights of review of decisions. A copy of fact sheet "Freedom of information – Your review rights" setting out your rights of review is at Enclosure 2.

Administrative release of documents

12. In relation to Items 1 and 4, Mr Hadfield has requested that the following administrative response be forwarded:

For the period 01 January 2010 to 31 December 2010 Defence processed a total of 1,815,269 invoices. 94.6% of these were paid on time.

These invoices covered \$11,199,334,478 of payments.

Overdue invoices at 31 December 2010 were:

Table 1: Total Unpaid Items by Ageing as at 31 Dec 2010

	Creditor Ageing				
	31-60 Days	61-90 Days	91-120 Days	120+ Days	Total
<i>\$ Value of overdue</i>	\$806,127	\$175,397	\$87,962	\$242,312	\$961,004
<i>Qty of overdue</i>	209	102	71	702	1084

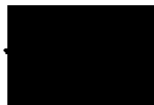
If the value of overdue invoices is expressed as a percentage of the total throughput, then overdue invoices represent 00.01% of the total.

Defence was not asked for and did not make any penalty interest payments.

Further advice

13. Should you have any questions in regard to this matter please contact me directly on (07) 3332 6359. Alternatively, the FOI team can also be contacted on the details at the top of this letter.

Yours sincerely



Theresa Stinson
Assistant Director – Case Management
Freedom of Information

6 June 2011

Enclosures:

1. Documents in form for release under the FOI Act
2. Fact Sheet: Freedom of information – Your review rights
3. Refund form



Australian Government

Department of Defence

Freedom of information – Your review rights

If you disagree with the decision made by the Department of Defence or the Minister under the *Freedom of Information Act 1982* (the FOI Act), you can ask for the decision to be reviewed. You may want to seek review if you sought certain documents and were not given full access, if you have been informed that there will be a charge for processing your request or if your application to have your personal information amended was not accepted. There are two ways you can ask for review of a decision: internal review by Defence, or external review by the Australian Information Commissioner.

Internal review

If Defence makes an FOI decision that you disagree with, you can ask Defence to review its decision. Generally the review will be conducted by the FOI Directorate, however in some instances it will be referred to the area that made the decision, but it will be conducted by someone at a more senior level. There is **NO** charge for internal review.

You must apply within 30 days of being notified of the decision, unless you have sought an extension from Defence.

Defence **must** make a review decision within 30 days. Where Defence has not met its review obligation, you may then approach the Information Commissioner.

Internal review is not available if the Minister or the principal officer of the agency made the decision personally.

How to apply for internal review

You must apply in writing and should include a copy of the notice of the decision provided and the points to which you are objecting and why.

You can lodge your application in one of the following ways:

Post: Freedom of Information Directorate
Department of Defence
CP1-6-001
PO Box 7910
CANBERRA BC ACT 2600

Fax: +61 2 626 62122

Email: FOI.Inquiries@defence.gov.au

External Review

Do I have to go through the Defence's internal review process first?

No. You may apply directly to the Information Commissioner. However, going through the Defence internal review process gives Defence the opportunity to reconsider its initial decision and your concerns will most likely be addressed more quickly, without undergoing an external review process.

When can I go to the Administrative Appeals Tribunal (AAT)?

Under the revised FOI Act, you must seek external review through the Information Commissioner prior to applying to the AAT for such a review.

Making a complaint

You may make a complaint to the Information Commissioner about actions taken by Defence in relation to your application. The complaint needs to be in writing.

Contacting the Information Commissioner

Further information about the external review process or how to make a complaint to the Information Commissioner is available at the following:

Online: www.oaic.gov.au

Post: GPO Box 2999, Canberra ACT 2601

Fax: +61 2 9284 9666

Email: enquiries@oaic.gov.au

Investigation by the Ombudsman

The Commonwealth Ombudsman can also investigate complaints about action taken by agencies under the FOI Act. However, if the issue complained about either could be or has been investigated by the Information Commissioner, the Ombudsman will consult the Information Commissioner to avoid the same matter being investigated twice. If the Ombudsman decides not to investigate, the complaint, then all relevant documents and information must be transferred to the Information Commissioner.

The Information Commissioner can also transfer to the Ombudsman a complaint that could more appropriately be investigated by the Ombudsman. This could occur where the FOI complaint is only one part of a wider grievance about an agency's actions. It is unlikely that this will be common. You will be notified in writing if your complaint is transferred.

Defence FOI contacts

Freedom of Information Directorate
Department of Defence
CP1-6-001
PO Box 7910
CANBERRA BC ACT 2600

Ph: +61 2 626 62200

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FOI Refund Processing Form

Please answer the following questions to allow your refund to be processed in a timely manner.

Full Name or Business Name	
Number and Street	
Suburb	
City	
State/Territory	
Post Code	
Country	
ABN	
Email	
Contact phone number	

Bank Name and Branch Location	
Account Name	
BSB	
Account Number	

Please return this form by one of the following means:

Email: FOI.Inquiries@defence.gov.au
Post: Department of Defence FOI Directorate CP1-6-001 PO Box 7910 Campbell Park Offices CANBERRA BC ACT 2610

NB: Please ensure you provide your bank account details to allow the refund to be deposited to your nominated account. Please allow up to 30 days for this to occur.