

South Australia

Treasurer's Instructions 11 — Payment of Invoices and Claims

under the *Public Finance and Audit Act 1987*

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1—Title

These instructions form part of *Treasurer's Instructions (General)* and may be referred to as *Treasurer's Instructions 11 – Payment of Invoices and Claims*.

2—Commencement

These instructions will commence on 1 July 2026.

3—Scope

These instructions apply to all public authorities unless otherwise stated.

4—Objects

The objects of these instructions are—

- (a) to prescribe the policy for the payment of invoices and claims by public authorities; and
- (b) to enable public authorities to charge other public authorities interest on overdue accounts; and
- (c) to prohibit payment for goods not received and services not rendered; and
- (d) to prescribe the requirements for a correctly rendered invoice or claim under section 5(1)(c) of the *Late Payment of Government Debts (Interest) Act 2013*; and
- (e) to set out the requirements for reporting interest payments under section 8(3)(a) of the *Late Payment of Government Debts (Interest) Act 2013*; and
- (f) to require public authorities to report on their account payment performance to their responsible Minister and the Department of Treasury and Finance.

5—Contract payment terms

- (1) Public authorities must not enter into a written contract where the contract makes specific provision for payment terms by the SA Government that are greater than 15 days, except where approval is provided by the Chief Executive of the public authority.
- (2) The Chief Executive, in providing approval under instruction 5(1) above, may provide approval for a class or category of contracts.
- (3) Where the Chief Executive has provided approval under this section, a public authority may make payment of an invoice or claim in accordance with the payment terms of that written contract despite instruction 6(3)(b).

6—Payment of invoices and claims

- (1) The Chief Executive of a public authority must develop, document, implement and maintain policies, procedures, systems and internal controls relating to the payment of invoices and claims.
- (2) The Chief Executive of a public authority must ensure that undisputed invoices and claims are processed promptly.
- (3) Public authorities should make payment:
 - (a) Where an invoice or claim relates to the services of a legal practitioner other than the Crown Solicitor, within 15 days from the date of certification required by *Treasurer's Instruction 10 — Engagement of Legal Practitioners*.
 - (b) For all other undisputed invoices and claims, within the earlier of:
 - (i) 15 days from the date the invoice or claim is first received by the public authority; or
 - (ii) where account payment functions and responsibilities are subject to an outsourced service arrangement, 15 days from the date the invoice or claim is first received by the service provider; or
 - (iii) where a commercial discount is offered for payment within a specified period, within that period.
- (4) Despite instruction 6(3)(b), the Chief Executive of a public authority may approve payment of an undisputed invoice or claim by the public authority later than a period of 15 days from the date the invoice or claim is first received by the public authority, where such payment is in accordance with the terms of a written contract.
- (5) The Chief Executive, in providing approval under instruction 6(4) above, may provide approval for a class or category of invoices or claims, or for invoices or claims arising out of a class or category of contracts.
- (6) Public authorities may pay interest on any creditor's invoices or claims as though the *Late Payment of Government Debts (Interest) Act 2013* applied.
- (7) An interest payment made by a public authority in accordance with instruction 6(6) above will not be considered an *ex gratia* payment for the purposes of *Treasurer's Instruction 14 — Ex Gratia Payments*.

7—Interest on overdue accounts of other public authorities

An invoicing public authority may charge a public authority interest, where payment is not received within 15 days, based on the interest rate prescribed by regulations made under the *Late Payment of Government Debts (Interest) Act 2013*.

8—Payments in advance

- (1) Public authorities must not make payments in advance for goods that have not been received or for services not yet rendered unless:
 - (a) it is in the ordinary course of business to make such payments; or
 - (b) the payment is made via a purchase card or stored value card governed by *Treasurer's Instruction 12 — Government Purchase Cards and Stored Value Cards* and—
 - (i) the payment does not exceed \$2,000 (inclusive of GST); and
 - (ii) it is in the ordinary course of business to make such payments; or
 - (c) the payment represents a deposit of 10% or less of the total value of goods to be received or services not yet rendered; or
 - (d) the Chief Executive of the public authority considers it to be in the best interest of the SA Government to make the payment and—
 - (i) the payment does not exceed \$55,000 (inclusive of GST); and
 - (ii) the responsible Minister has provided approval for the payment to be made; or
 - (e) the payment is to a not-for-profit organisation—
 - (i) under the terms of an agreement that is in the form approved by the Department of Treasury and Finance (as varied, in a particular case, with the assistance of the Crown Solicitor, or with the approval of the Department of Treasury and Finance); and
 - (ii) is no more than 25% of the annual payment amount under the agreement, unless otherwise approved by the Chief Executive of the public authority; or
 - (f) the Treasurer has provided approval for the payment to be made.
- (2) For the purposes of instruction 8(1), payments in advance for items such as insurance, leases where the agreement states that payments must be made monthly in advance, motor vehicle registrations, subscriptions, telephone rental, water rates and similar would be considered to be in the ordinary course of business.

9—Requirements under the *Late Payment of Government Debts (Interest) Act 2013*

For the purposes of the *Late Payment of Government Debts (Interest) Act 2013*, an invoice or claim under section 5(1)(c) of the Act must set out—

- (a) the name and address of the creditor; and
- (b) the creditor's ABN (if any); and
- (c) the invoice number or claim number, or a unique identifier; and

- (d) the name and address of the public authority to which the good or service was provided.

10—Reporting of account payment performance

- (1) The Chief Executive of a public authority must, within 21 days after the end of each month, forward to:
 - (a) the Department of Treasury and Finance; and
 - (b) the public authority's responsible Minister,a report detailing in relation to the month that has just ended:
 - (c) the public authority's account payment performance by volume and value in a form determined by the Department of Treasury and Finance; and
 - (d) an analysis and explanation of the public authority's account payment performance including action taken or to be taken; and
 - (e) unless a report is provided under instruction 10(2), the total value of interest paid by the public authority and the number of invoices or claims on which the interest was paid.
- (2) The following information must be included in a report under section 8 of the *Late Payment of Government Debts (Interest) Act 2013* in relation to the month to which the report applies:
 - (a) the number of interest payments made; and
 - (b) the amount of each interest payment; and
 - (c) the total amount of interest paid for the month; and
 - (d) in the case of a payment that has been made after the resolution of a dispute under the Act, information about the nature of the dispute and the dispute resolution process.
- (3) In a case where the report under section 8 of the *Late Payment of Government Debts (Interest) Act 2013* is provided to the governing body of a public authority under section 8(2)(b) of that Act, a copy of the report must also be provided to the Minister responsible for the public authority.
- (4) A copy of a report under instruction 10(2) must be provided to the Department of Treasury and Finance at the time that it is provided under section 8 of the *Late Payment of Government Debts (Interest) Act 2013*.
- (5) The information provided in a report under instruction 10 must be certified correct by the Chief Finance Officer of the public authority.

11—Interpretation and definitions

- (1) This instruction should be interpreted and applied in accordance with *Treasurer's Instructions 1 — Interpretation and Application*.
- (2) For the purpose of these instructions:
 - (a) Examples of where an invoice or claim, or an account, may be disputed include (but are not limited to) cases where—
 - (i) an invoice is not accurate in relation to GST; or
 - (ii) goods have not been received or services have not been rendered; or

- (iii) an amount that is charged is not consistent with a quote, purchase order or contract; or
 - (iv) the quality or quantity, or delivery, of goods or services is not in accordance with a quote, purchase order or contract.
- (b) ***not-for-profit organisation*** means an organisation of that meaning under the *Premier and Cabinet Circular 044 – South Australian Funding Policy for the Not for Profit Sector*.
- (3) Additional guidance, forms and resources are available to finance officers from the Department of Treasury and Finance's extranet DTF Extra.

12—Transitional provisions

Instruction 5 above will not come into effect until 1 February 2025.