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Office of the Australian Information Commissioner

Accountable Authority Instructions (AAIs)

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OAIC

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Office of the Australian Information Commissioner – Accountable Authority Instructions for Non-corporate Commonwealth Entities

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1. Introduction

These accountable authority instructions (AAIs) are issued by the Australian Information Commissioner under section 20A of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to officials on matters relating to the use of public resources in the delivery of policies, programs and services. These instructions apply to:

- officials in Office of the Australian Information Commissioner (OAIC)
- officials of other entities that use or manage public resources for which the Australian Information Commissioner of the OAIC is responsible.

To assist officials in understanding their duties and responsibilities, the instructions contain links to relevant legislative requirements, guidance material, delegations and other instructions.

1.1 Duties of Accountable Authority

Sections 15 to 19 of the PGPA Act impose the following duties on accountable authority:

- s15 - a duty to govern the Commonwealth entity
- s16 - a duty to establish and maintain systems relating to risk and control
- s17 - a duty to encourage cooperation with others
- s18 - a duty in relation to requirements imposed on others
- s19 - a duty to keep responsible Minister and Finance Minister informed.

1.2 Duties and responsibilities of officials

Section 25 to 29 of the PGPA Act impose the following duties on all officials:

- a duty of care and diligence
- a duty to act in honesty, good faith and for a proper purpose
- a duty in relation to use of position
- a duty in relation to use of information
- a duty to disclose interests.

To meet these duties, officials are expected to exhibit a minimum standard of behaviour in exercising their powers or performing their functions. An official must comply with the finance law, which includes the PGPA Act, the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), any other instruments made under the PGPA Act (including these instructions), and an Appropriation Act.

2. Corporate governance

This part covers instructions to officials on the following topics relating to corporate governance:

- risk management
- Working with others
- Fraud and corruption control
- insurance
- disclosure of interests
- accounts, records and non-financial performance information
- audit.

Corporate governance forms part of the broader governance frameworks established by an accountable authority to manage risk and achieve an entity's purposes. To ensure the proper use of public resources, section 16 of the PGPA Act requires accountable authorities to establish appropriate controls that relate to the corporate governance of an entity.

2.1 Risk management

This section provides instructions to all officials on risk management. Officials are responsible for the day-to-day management of risk in the performance of their duties and responsibilities.

Risk management is required by:

- section 16 of the PGPA Act, which requires the accountable authority to establish and maintain appropriate systems of risk oversight and management for the entity
- the 9 elements in the *Commonwealth Risk Management Policy*, which requires an entity must:
    - Element 1 - embed risk management into decision making and activities
    - Element 2 - formalise their approach to manage risk in a risk management framework
    - Element 3 - must support a culture where risk is managed and communicated across all levels and individuals are encouraged to adopt positive risk behaviours
    - Element 4 – clearly define the risk management responsibilities of officials
    - Element 5 – periodically review the effectiveness of controls
    - Element 6 – collaborate to manage shared risks
    - Element 7 – implement arrangements for identifying, managing and escalating emerging risks
    - Element 8 – maintain an appropriate level of risk management capability
    - Element 9 – regularly review its risk management approach

Responsibility for the entity's risk management framework may be allocated to a risk manager or a risk management team who have been appointed to provide guidance to others on managing risk.

Instructions – all officials

In every activity you undertake or decision you make regarding the use and management of public resources, you must actively manage risks by:

- identifying key risks and responding appropriately to them
- reporting key risks to the responsible person
- complying with *Commonwealth Risk Management Policy*
- complying with OAIC's risk management framework.

Legislative requirements	PGPA Act: s. 16
Policies of the Australian Government	*Commonwealth Risk Management Policy*
Guidance	*RMG-200 Duties of Accountable Authorities*

Related AAIs	*Working with others* *Fraud and corruption control* *Insurance* *Disclosure of interests* *Inter-entity cooperation and agreements*
Internal delegations	
Other relevant documents	Risk Management Framework and Policy OAIC Enterprise Risk Register OAIC Risk appetite statement
Contacts	General Manager, Enabling Services

2.2 Working with others

This section provides instructions to officials on working with others to achieve the purposes of an entity and the objectives of the Government.

A Commonwealth public sector that works together effectively, and joins up readily with other levels of government and with the private and not-for-profit sectors, is more likely to deliver better outcomes for Australians, and apply public resources more efficiently and effectively.

The resource management framework has been designed to be flexible enough to allow government to cooperate with others and, where practicable, requires the accountable authority to lead the entity in working cooperatively with other government, and non-government entities, to achieve common objectives.

For example, the PGPA Act requires the accountable authority to:

- govern their entity in a way that promotes proper use and management of public resources taking into account how their decisions affect the resources and financial sustainability of their entity and public resources more broadly (section 15 of the PGPA Act)
- cooperate with others to achieve common objectives, where practicable (section 17 of the PGPA Act)
- consider the risks of allowing others to use and manage public resources and consider the effects of imposing requirements related to the use of public resources on others (section 18 of the PGPA Act)
- promote the proper use of resources in a way that is not inconsistent with the policies of the Australian Government (section 21 of the PGPA Act).

Instructions – all officials

All officials must consider appropriate opportunities for efficient and beneficial working with other entities inside and outside the Commonwealth (these opportunities can take different forms – there is no one size fits all approach to working with others).

Legislative requirements	PGPA Act: s. 5(c)(iv), s.15, s.16, s.17, s.18, s.19, s.21, s.24. *Public Service Act 1999*
Policies of the Australian Government	*APS Values* *APS Employment Principles* *APS Code of Conduct*

Guidance	*RMG-200 Duties of Accountable Authorities* *RMG-212 Prescribing Officials for non-corporate Commonwealth entities* *RMG-303 Other CRF Money* *RMG-400 Commitment of Relevant Money* RMG-410 *Commonwealth Grants*
Related AAIs	*Risk management* *Inter-entity cooperation and agreements*
Internal delegations	
Other relevant documents	Risk Management Framework and Policy Appropriate Workplace Behaviour Policy
Contacts	General Manager, Enabling Services

2.3 Fraud and corruption control

This section provides instructions to officials involved in fraud and corruption control. The *Commonwealth Fraud and Corruption Control Framework 2024* (which is administered by the Attorney-General's Department) supports Australian Government entities to effectively manage the risks of fraud and corruption. The framework consists of 3 parts, the:

1. *Fraud and Corruption Rule* (Section 10 of the PGPA Rule) sets out the minimum standards for accountable authorities of Commonwealth entities for managing the risk and incidents of fraud and corruption relating to their entity. The Rule requires accountable authorities to take all reasonable measures to prevent, detect and respond to fraud and corruption relating to the entity.

2. *Fraud and Corruption Policy* sets out the procedural requirements entities must implement to establish and maintain an appropriate system of fraud and corruption control for their entity.

3. *Fraud and Corruption Guidance* (RMG 201) – Preventing, detecting and dealing with fraud and corruption) provides more detailed guidance to assist officers who are responsible for fraud and corruption control within entities to implement the requirements of the Rule and the Policy.

Instructions – all officials

You must:

- comply with the *Fraud and Corruption Rule*.
- comply with the *Fraud and Corruption Policy*.
- act in accordance with OAIC's fraud and corruption control plan.

Reporting Suspected Fraud

- Any official who becomes aware of or suspects fraud or corruption against the OAIC by any person must report the matter immediately to either the Australian Information Commissioner or the Gener Manager, Enabling Services
- Reports may be given orally but should be supported in writing wherever possible.
- Reports should detail the full circumstances upon which the suspicion is based.
- The person or persons suspected of fraud should not be alerted. Alerting them may compromise subsequent investigations and any criminal prosecutions or civil proceedings.

- The General Manager, Enabling Services will promptly examine reports of suspected fraud to determine whether a basis exists for further action. They are also responsible for liaising as required with the Australian Federal Police, Director of Public Prosecutions, etc.

Collection of Information

- Only properly trained personnel should carry out collection of evidentiary material, as it is essential that 'continuity' of possession be maintained. Failure to do so may later render the document or item concerned inadmissible as evidence.
- Care must also be exercised to ensure that documentary evidence is suitably protected and filed. The following points must be observed:
  - original documentation is not to be marked or changed in any way.
  - if a police investigation is likely, avoid handling documents as much as possible. This can be achieved by placing originals in folders or envelopes.
  - record on a central file or running sheet the details of where, when, and by whom the evidence was collated.
  - ensure all original documents of likely evidentiary value are recorded and securely locked away for later transfer to investigating officials; and
  - maintain a photocopy of all documentary evidence. The name of the person doing the photocopying should be recorded. If original documents later become lost or destroyed, that person may be required to attest to the authenticity of the photocopies.
- Untrained staff should not undertake formal interviews of suspects. The requirements for interviewing suspects are complex and failure to follow correct procedures may later render any information gained in the interview inadmissible as evidence.

Legislative requirements	PGPA Act: s. 15, s.16 PGPA Rule: s. 10 Public Interest Disclosure Act 2013
Policies of the Australian Government	*Commonwealth Fraud and Corruption Control Framework* *Commonwealth Risk Management Policy*
Guidance	*RMG-201 Preventing, detecting and dealing with fraud and corruption* *RMG-203 General duties of officials*
Related AAIs	*Risk management*
Internal delegations	
Other relevant documents	Fraud and Corruption Control: Policy and Guidelines Fraud Control Plan
Contacts	General Manager, Enabling Services

2.4 Insurance

This section provides instructions to officials who arrange insurance for insurable assets and liabilities (through Comcover), or workers' compensation insurance (through Comcare) or any other insurance arrangements with an insurance provider. Some commonly covered risks are:

- property loss, destruction or damage
- general liability and professional indemnity
- motor vehicle loss, destruction or damage

- personal accident and travel
- expatriate
- workers' compensation claims
- transit.

It is an entity's responsibility to ensure that appropriate coverage is maintained at all times and that changes to assets, liabilities and insurable risks generally are notified immediately to Comcover and incorporated into the entity's insurance program. Comcover is not responsible for insurable risks that have not been included in the entity's insurance program.

Instructions – all officials

You must:

- disclose any insurance risks and report any potential insurance claim or incident to the insurer.

All claims against the OAIC are to be handled in accordance with the *Legal Services Directions 2025* (Legal Services Directions).

Reporting Loss or Damage to Property or Other Claims

- OAIC staff who believe that one of the following incidents has occurred must immediately report it to the General Manager, Enabling Services:
  - property loss, destruction or damage
  - legal liability claims
  - motor vehicle claims
  - other claims.

Property Loss, Destruction or Damage

- On being advised of a possible claim, the General Manager, Enabling Services is to investigate the matter and cause for a report to be prepared recommending a course of action. If the event appears to be covered by the OAIC's insurance policy the General Manager, Enabling Services will liaise with the insurer to settle the claim.
- If it is a major loss, the General Manager, Enabling Services must, without delay, discuss with the insurer what might be done to preserve, salvage or prevent further loss, destruction, or damage and to protect staff and members of the public.

Legal Liability Claims

- On being advised of a possible legal liability claim, the General Manager, Enabling Services is to investigate the matter and cause a report to be prepared recommending a course of action. If the event appears to be covered by the OAIC's insurance policy, the General Manager, Enabling Services will liaise with the insurer to settle the claim.
- Liability or fault must not be admitted and all conversations with third parties or their legal representatives should be recorded in writing.

Other Claims

- On being advised of a possible claim covering other matters (e.g. bodily injury to a person travelling overseas), the General Manager, Enabling Services is to investigate the matter and cause for a report to be prepared recommending a course of action. If the event appears to be covered by the OAIC's insurance policy, the General Manager, Enabling Services will liaise with the insurer to settle the claim. In the event of personal accident, the matter will be assessed as to whether the person is indemnified by Comcare.

Indemnification of the OAIC

- Where the OAIC undertakes separate contractual arrangements (e.g. with a consultant), and where there could be loss, damage or injury to OAIC property or personnel while under the control of the contractor, the OAIC is to be indemnified against the potential loss, damage or injury unless the General Manager, Enabling Services, determines this is not warranted in light of unusual circumstances.

Incidents involving OAIC Officials

- Incidents involving OAIC officials that could lead to civil or criminal proceedings must be reported to the General Manager, Enabling Services. Such incidents could include cases where:
  - an official vehicle or a private vehicle being used on official business has been involved in a traffic accident
  - an official has been assaulted or charged with assault.
- Details to be included in reports to the General Manager, Enabling Services are:
  - names, addresses and phone numbers of official(s) and other parties involved
  - what happened, and whether it occurred during the official's employment or arose from the unauthorised use of a OAIC vehicle or equipment
  - the names and contact details of authorities to whom the incident has already been reported.
- The General Manager, Enabling Services is responsible for coordinating reports on such incidents and taking any necessary action to protect the OAIC's interests. He/she will consult the Australian Government Solicitor as necessary including to determine whether recovery action is warranted.

Legislative requirements	PGPA Act: s. 16
Policies of the Australian Government	*Commonwealth Risk Management Policy*
Guidance	*Comcover insurance* *Comcare publications*
Related AAIs	*Risk management*
Internal delegations	Financial Delegations
Other relevant documents	Work Health and Safety Policy
Contacts	General Manager, Enabling Services

2.5 Disclosure of interests

This section provides instructions on the requirement that officials disclose material personal interests relating to the affairs of the entity (section 29 of the PGPA Act and sections 12 to 16D of the PGPA Rule). A similar requirement is contained in the Code of Conduct at section 13(7) of the *Public Service Act 1999* (PS Act) for the Australian Public Service.

The term 'material personal interests' could directly relate to an official's personal role or, more broadly, to the overall purpose of the entity. Materiality depends on the size and nature of the interest and the surrounding circumstances. Material personal interests are not confined to financial or similar interests. To be material, a personal interest must be of a type that can give rise to a real or perceived conflict of interest.

The phrase 'relating to the affairs of the entity' is also meant to be read broadly. For example, it includes activities of the entity that involve collaboration with other entities inside or outside government.

The overriding principle for a declaration of a material personal interest is, 'if in doubt, declare the interest'.

Instructions – all officials

You must disclose a material personal interest that relates to the affairs of the entity in accordance with these instructions.

The General Manager, Enabling Services, Corporate is responsible for developing, overseeing and managing the OAIC's process for the disclosure of material personal interests and will:

- promulgate policies on managing conflicts of interest
- maintain a register of interests, and the appointment of an official who is responsible for keeping it up to date.

Legislative requirements	PGPA Act: s. 29 PGPA Rule: ss. 12 to 16D PS Act: s13(7)
Policies of the Australian Government	*Commonwealth Risk Management Policy*
Guidance	*RMG-203 General duties of officials*
Related AAIs	*Risk management* *Managing property*
Internal delegations	Financial Delegations
Other relevant documents	Managing Conflicts of Interest Policy Gift and Benefits Policy
Contacts	General Manager, Enabling Services

2.6 Accounts, records and non-financial performance information

This section provides instructions to officials responsible for collecting and maintaining the accounts, records and non-financial performance information for the entity:

- Entities are required to keep accounts and records that properly record and explain the entity's transactions and financial position (section 41 of the PGPA Act) in accordance with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (the PGPA Financial Reporting Rule).
- Entities are required to keep records that explain the entity's performance in achieving its purposes (section 37 of the PGPA Act).
- The Finance Minister and the responsible minister are entitled to full and free access to the accounts, records and performance information of an entity (sections 37 and 41 of the PGPA Act).
- The Commonwealth Auditor-General may also direct an official to provide information (section 32 of the *Auditor-General Act 1997*).

Instructions – all officials

You must:

- maintain appropriate accounts, records and non-financial performance information to meet the requirements of the PGPA Act, the PGPA Rule and the PGPA Financial Reporting Rule
- collect and maintain performance information that demonstrates how public resources have been used to achieve the purposes of OAIC.
- comply with any lawful request by the Finance Minister, the responsible minister or the Commonwealth Auditor-General for access to the entity's accounts and records.

Budget Estimates and Financial Statements

- The legislation requires the Australian Information Commissioner to prepare a number of financial documents:
  - the annual financial statements
  - the annual budget estimates and revised estimates
  - the annual Portfolio Budget Statement (PBS), and
  - other financial statements as directed by the Finance Minister.
- Responsibility for preparing these statements in accordance with the Estimates Memoranda and other guidelines issued by the Department of Finance has been delegated to the Chief Financial Officer.

Legislative requirements	PGPA Act: s. 37, s. 38, s. 41 PGPA Financial Reporting Rule PGPA Rule: s. 17AA *Auditor-General Act 1997*: s. 32
Policies of the Australian Government	
Guidance	*RMG-125 Commonwealth Entities Financial Statements Guide* *RMG-131 Developing performance measures*
Related AAIs	*Audit*
Internal delegations	Financial Delegations
Other relevant documents	OAIC Corporate Plan OAIC Portfolio Budget Statements OAIC Annual Performance Statement
Contacts	Chief Financial Officer

2.7 Audit

This section provides instructions to officials on their entity's audit program. The accountable authority must establish an audit committee (section 45 of the PGPA Act) and may also establish internal audit functions to help ensure that the entity is governed in a way that:

- promotes the proper use and management of public resources
- promotes the achievement of the purposes of the entity
- promotes the financial sustainability of the entity.

Externally, the PGPA Act stipulates that the Auditor-General:

- must audit the annual financial statements of the entity (sections 42 and 43)
- may be requested to audit the annual performance statements of the entity (section 40).

Instructions – all officials

You must cooperate with:

- the OAIC's internal audit function (if applicable)
- the OAIC's audit committee
- the Commonwealth Auditor-General represented by officials of the Australian National Audit Office.

The operations and functions of the OAIC's audit committee are set out in the Audit and Risk Committee Charter.

Legislative requirements	PGPA Act: s. 15, s. 16, s. 19, s. 40, ss. 42 and 43, s. 45 PGPA Rule: s. 17, s. 17AA *Auditor-General Act 1997*: s. 32
Policies of the Australian Government	*Commonwealth Risk Management Policy*
Guidance	*RMG-202 Audit committees* *RMG-214 Notification of significant non-compliance with the finance law*
Related AAIs	*Risk management* *Accounts, records and non-financial performance information*
Internal delegations	Financial Delegations
Other relevant documents	OAIC's Audit and Risk Committee Charter
Contacts	General Manager, Enabling Services

3. Procurement, grants and other commitments and arrangements

This part covers instructions to officials on the following topics relating to spending money:

- approving commitments of relevant money
- arrangements relating to relevant money
- procurement
- grants
- inter-entity cooperation and agreements
- indemnities, guarantees, warranties and other contingent liabilities
- official hospitality
- official travel
- arrangements relating to other Consolidated Revenue Fund (CRF) money.

Accountable authorities are required to promote the proper use and management of the public resources for which they are responsible (see section 15 of the PGPA Act). Consistent with this duty, an accountable authority can establish controls to ensure that officials consider the proper use (i.e. efficient, effective, economical and ethical use) of public resources when making decisions that involve:

- commitments of relevant money; or
- entering into arrangements relating to relevant money or other CRF money.

'Relevant money' is money that the Commonwealth or a corporate Commonwealth entity holds as cash or in a bank account (see section 8 of the PGPA Act).

'Other CRF money' is money that forms part of the Consolidated Revenue Fund but is not relevant money (see section 105(2) of the PGPA Act). Other CRF money can include money of a kind prescribed by the PGPA Rule.

Relevant money becomes 'committed' when an entity undertakes an activity that results in an obligation to pay relevant money. Examples include entering into an arrangement under which relevant money will become payable, including obligations that are contingent upon certain events occurring, such as indemnities, guarantees and warranties.

3.1 Approving commitments of relevant money

To ensure the proper use of public resources, this section provides instructions to officials on:

- when you are required to seek approval for a commitment of relevant money
- if you are delegated or authorised to approve a commitment of relevant money, the options, risks and outcomes you must consider
- if you are not delegated or authorised to approve a commitment of relevant money, the information you must provide to the delegate or authorised official.

Section 23(3) of the PGPA Act gives an accountable authority the power to approve a commitment of relevant money. Accountable authorities usually delegate this power to officials. Section 18 of the PGPA Rule sets out requirements for officials who are delegated the authority to commit relevant money.

Instructions – all officials

If an approval for a commitment of relevant money is required, you must:

- ensure that there is a sufficient appropriation
- ensure that the commitment of relevant money will be proper use of public resources
- not act inconsistently with any relevant policies of the Australian Government (e.g. coordinated procurement)
- not approve a commitment of relevant money unless you have been delegated the power to do so and you comply with any relevant directions in the delegation
    - if you are not delegated the power, you must seek approval for the proposed commitment of relevant money from a delegate or an accountable authority
- record any approval of a commitment of relevant money in accordance with section 18 of the PGPA Rule
    - if you provide verbal approval for a commitment of relevant money, you must record the approval in writing as soon as practicable after giving it
    - if a commitment involves other CRF money, you must comply with the instructions *Arrangements for other CRF money*.

Legislative requirements	PGPA Act: s. 15, s. 21, s. 23, s. 52, s. 105 PGPA Rule: s. 18, s. 29 *Commonwealth Procurement Rules* *Commonwealth Grants Rules and Principles 2024*
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Disclosure of interests* *Inter-entity cooperation and agreements* *Procurement* *Grants* *Indemnities, guarantees and warranties* *Payments of relevant money* *Taxation obligations* *Agreements with banks and managing bank accounts* *Arrangements for other CRF money*
Internal delegations	Financial Delegations
Other relevant documents	Procurement Policy and Procedures
Contacts	Chief Financial Officer

3.2 Entering into and administering arrangements

To ensure the proper use of public resources, this section provides instructions to officials on entering into and administering arrangements.

Section 23(1) of the PGPA Act gives an accountable authority the power to enter into, vary or administer an arrangement, on behalf of the Commonwealth, in relation to the affairs of the entity. Expenditure for

purposes other than the ordinary services and functions of government needs to be authorised by specific legislation (e.g. section 32B of the *Financial Framework (Supplementary Powers) Act 1997* (FFSP Act) or primary legislation).

Accountable authorities usually delegate powers to officials to enter into, vary or administer an arrangement.

An arrangement is a contract, agreement, deed or understanding (section 23 of the PGPA Act). This is a broad definition and includes a range of agreements, such as memoranda of understanding, standing offers and grant agreements. It also includes any arrangement that involves a contingent liability (i.e. a commitment that may give rise to a cost as a result of a future event), such as an indemnity or guarantee.

Instructions – officials who have been delegated power to enter into or vary arrangements

You must not enter into an arrangement unless it is within the scope of your delegation or authorisation.

You must comply with the relevant legislation, rules and instructions that apply to the proposed arrangement, that is:

- for acquiring goods and services – the Commonwealth Procurement Rules (see *Procurement*)
- for administering a grants program – the Commonwealth Grants Rules and Principles 2024 (see *Grants*)
- for arrangements that include the provision of an indemnity, guarantee or warranty – the instructions *Indemnities, guarantees and warranties*
- for arrangements governed by other legislation, that other legislative scheme.

You must not vary an arrangement unless:

- it is within the scope of your delegation or authorisation
- a new commitment of relevant money has been approved under *section 23* of the PGPA Act, if required by these instructions.

Instructions – officials who have been delegated power to administer arrangements

You must not administer an arrangement unless it is within the scope of your delegation or authorisation.

You must manage an arrangement to:

- ensure the proper use of public resources
- ensure that resources are used to achieve the purposes and outcomes of the entity.

Legislative requirements	PGPA Act: s. 15, s. 21, s. 23 *s.* 52 PGPA Rule: s. 18 FFSP Act: s. 32B FFSP Regulations: Schedules 1AA and 1AB *Commonwealth Procurement Rules* *Commonwealth Grants Rules and Principles 2024*
Policies of the Australian Government	*Commonwealth Risk Management Policy*

Guidance	*RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Disclosure of interests* *Inter-entity cooperation and agreements* *Procurement* *Grants* *Official travel* *Official hospitality* *Commonwealth credit cards and credit vouchers* *Agreements with banks and managing bank accounts* *Arrangements for other CRF money*
Internal delegations	Financial Delegations
Other relevant documents	Procurement Policy and Procedures
Contacts	Chief Financial Officer

3.3 Procurement

This section provides instructions on procurement which covers the entire process of acquiring goods and services. Procurement:

- begins when a need has been identified and a decision has been made on the need to purchase a good or service
- continues through the processes of risk assessment, analysis of markets and their supply chains, seeking and evaluating alternative solutions, the awarding and reporting of a contract, and
- also includes the acquisition of goods and services on behalf of another entity or a third party.
- Following the award of a contract, the delivery of and payment for the goods and services and, where relevant, the ongoing management of the contract and consideration of disposal of goods are important elements in achieving the objectives of the procurement.

For more information on the Commonwealth's procurement framework see the Finance website.

3.3.1 Commonwealth procurement

The *Commonwealth Procurement Rules* (CPRs) are a legislative instrument issued by the Finance Minister under subsection 105B(1) of the PGPA Act.

The Commonwealth operates a devolved procurement framework where Commonwealth entities are responsible for undertaking their own procurement processes in order to meet their business needs, in line with the CPRs. Australia is party to a range of free trade arrangements, and relevant international obligations have been incorporated into these CPRs. The CPRs set out the basic rule set that applies to entity procurement activities.

Officials must comply with the CPRs for their procurement activities, including:

- the 'rules for all procurements' listed in Division 1, regardless of the procurement value; and
- the 'additional rules' listed in Division 2 when the estimated value of the procurement is at or above the relevant procurement thresholds as outlined in the CPRs, and when an Appendix A exemption does not apply.

Achieving value for money is the core rule of the CPRs. When conducting a procurement, officials must consider the relevant financial and non-financial costs and benefits of each submission including, but not limited to, the quality of the goods and services, fitness for purpose, relevant experience and performance history, flexibility of the proposal, environmental sustainability and whole of life costs to inform a value for money assessment.

If a procurement is not for the ordinary services and functions of government, you must ensure it is authorised by other legislation, e.g. the *Financial Framework (Supplementary Powers) Regulations*. If in doubt, contact the Principal Director, Legal Services.

Instructions – all officials

The procurement team in OAIC is your first point of contact for all procurement advice.

You must:

- Estimate the expected value of the procurement before deciding the appropriate procurement method. The CPRs include two procurement methods: open tender and limited tender (further information is in the *CPRs*).
- use a mandated whole-of-government arrangement, where the arrangement exists for the category of goods or services (*list of these arrangements*)
    - where relevant, satisfy the requirements for the consideration of Australian businesses on arrangements as outlined in the CPRs
- use the *Commonwealth Contracting Suite* (CCS) for most procurements between $10,000 to $200,000 (Goods and Services Tax (GST) inclusive) where this is not sourced from an existing arrangement
- **report all contracts and amendments valued at or above $10,000 (GST inclusive) on AusTender within 42 days of entering (or amending) a contract**
- pay supplier invoices within 20 days (or 5 days for e-Invoicing) in accordance with the Australian Government supplier pay on-time or pay interest policy (RMG 417).

For Digital or ICT procurements, where an existing arrangement is not suitable, use the appropriate Digital Sourcing Contract Template on BuyICT.gov.au.

Instructions – delegates entering into, varying or administering an arrangement

For all procurements

Before entering into or varying a procurement arrangement, you must ensure that you have authority to enter into or vary a procurement arrangement (delegated or authorised by your accountable authority from section 23 of the PGPA Act or other specific legislation such as section 32B of the FFSP Act).

Delegates must be satisfied, after making reasonable enquiries, that the procurement achieves value for money outcomes and complies with all CPR requirements. Procurement should:

- use public resources in an efficient, effective, economical and ethical manner that is not inconsistent with the policies of the Commonwealth
- encourage competition and, where applicable, be non-discriminatory
- facilitate accountable and transparent decision making
- encourage appropriate engagement with risk and
- be commensurate with the scale and scope of the business requirement.

You must:

- ensure appropriate complaint handling mechanisms are in place, that also allow for complaint handling under the *Government Procurement (Judicial Review) Act 2018* (guidance available in *RMG-422 Handling complaints under the Government Procurement (Judicial Review) Act 2018*)
- incorporate the Commonwealth Supplier Code of Conduct into all Commonwealth forms of contract
- check if procurement-connected policies are relevant and apply to your procurement (see *Procurement Connected Policies*)
- determine if the terms in a procurement arrangement need to be kept confidential and identify in the arrangement the terms that must be kept confidential (see *Confidentiality Throughout the Procurement Cycle*) and
- ensure the procurement arrangement requires contractors to agree to the public disclosure of the names of any subcontractors and to inform the relevant subcontractors that their names may be publicly disclosed
- ensure sufficient documentation is retained to demonstrate processes and approvals were appropriate to the scope and scale of the procurement
- not enter into a procurement arrangement where there is no end date, unless it allows for periodic review and the ability to be terminated by the OAIC where it no longer represents value for money (see guidance on *Contracts End Dates*)
- report new procurement arrangements or variations of a procurement arrangement in accordance with the CPRs (see *RMG-423 Procurement Publishing and Reporting Obligations*).

For procurements under $10,000 (GST inclusive)

Division 1 of the CPRs apply.

- for procurements valued under $10,000 (GST inclusive) where the goods and/or services cannot be sourced from a panel arrangement, you can obtain a quote or quotes via phone, online or email
- procurements from panel arrangements will have defined processes outside of those covered by this AAI, which can be found in the arrangement's head agreement

- use of credit cards as the payment mechanism where the supplier accepts them, is required to apply the *Supplier Pay On-Time or Pay Interest Policy (*see guidance *RMG-417 Supplier Pay on Time or Pay Interest Policy)*
- procurements valued under $10,000 (GST inclusive) **are not** required to be reported on AusTender
- for procurements from the Management Advisory Services Panel, People Panel or standing offer managed by the *Digital Transformation Agency* (DTA), officials must invite only Small and Medium Enterprises (SMEs) on the relevant standing offer to make submissions.

For procurements valued at or above $10,000 and under the relevant procurement threshold

Division 1 of the CPRs apply.

- for procurements valued at or above $10,000 and under the relevant threshold (GST inclusive) where the goods and/or services are not sourced from a standing offer, you must invite only Australian businesses to make submissions.
  - Where relevant, the requirements under the Indigenous Procurement Policy must be first satisfied. If there is no Indigenous Business that represents value for money you can proceed with inviting only Australian businesses.
  - If there are no submissions, or no submissions represent value for money, you may undertake the procurement using a relevant procurement method.
  - You may determine that approaching an Australian business/es is not appropriate for the procurement. The basis for this decision must be documented.
- for procurements with an expected value below $125,000 from the Management Advisory Services Panel, the People Panel or standing offers managed by the *Digital Transformation Agency* (DTA), you must invite only SMEs to make submissions.
  - With respect to standing offers managed by the DTA, where relevant, the requirements under the Indigenous Procurement Policy must first be satisfied, before an SME is approached. If there are no submissions, or no submissions represent value for money, you may invite other suppliers on the relevant panel to make a submission
    - Further guidance on consideration of an Australian business can be found on *Consideration of Australian businesses for procuring entities*).
- Where a panel arrangement is not used, and if a contract is required, use:
  - the CCS for general goods and services; or
  - the appropriate Digital Sourcing Contract Template on BuyICT.gov.au for Digital or ICT procurements, where an existing arrangement is not suitable.
- **report all contracts and amendments valued at or above $10,000 (GST inclusive) on AusTender within 42 days of entering (or amending) a contract.**

For procurements valued at or above the relevant thresholds (GST inclusive)

Division 1 and 2 of the CPRs apply.

- For all remote procurements, and procurements wholly delivered in Australia valued between $80,000 and $200,000 (GST inclusive) the *Indigenous Procurement Policy* includes a mandatory set aside. This means officials must check to see if there is an Indigenous SME that could provide the goods or services being procured in the first instance. If there is no Indigenous SME that represents value for money you can proceed with the process set out in these instructions.

- For procurements valued at or above the relevant thresholds, open tender is the default procurement method. You must conduct an open approach to market unless:
  - an existing panel arrangement is used which has been established for those goods and/or services; or
  - a *limited tender condition set out in paragraph 10.3* of the CPRs applies; or
  - an *Appendix A exemption from the CPRs applies*.
- *Division 2 of the CPRs* includes the additional rules that apply when undertaking a procurement valued at or above the relevant procurement thresholds (GST inclusive).
- Open approaches to market **must** be published on AusTender.

3.3.2 Managing procurement arrangements

Instructions – Officials with a delegation to administer a procurement arrangement

You must:

- maintain documentation for each arrangement (for example, a written contract, purchase order or email) proportionate to the scale, scope and risk of the procurement
- ensure that you have authority to administer a procurement arrangement (delegated or authorised by your accountable authority from section 23 of the PGPA Act or other specific legislation such as section 32B of the FFSP Act)
- to achieve value for money, actively manage each arrangement to ensure that risk treatments are appropriate and contracted outcomes are achieved
- make available, on request, the names of subcontractors engaged by a contractor in respect of a procurement arrangement.

Legislative requirements	PGPA Act: s. 23; s. 52, s. 60, s. 105B PGPA Rule: s. 18 FFSP Act: s. 32B FFSP Regulations: Schedule 1AA and 1AB *Commonwealth Procurement Rules* *Government Procurement (Judicial Review) Act 2018*
Policies of the Australian Government	*Procurement-connected policies* *RMG-417 Supplier pay on-time or pay interest policy* *RMG-422 Handling complaints under the Government Procurement (Judicial Review) Act 2018* *Commonwealth Supplier Code of Conduct*
Guidance	*Department of Finance Procurement guidance material* *Consideration of Australian businesses for procuring entities* *Approving commitments of relevant money* *RMG-420 Mandatory use of the Commonwealth Contracting Suite for procurement under $200,000)* *RMG-411 Grants, procurements and other financial arrangement* *RMG-417 Supplier Pay On-Time or Pay Interest Policy* *RMG-423 Procurement Publishing and Reporting Obligations* *Contract Management Guide* *Commonwealth Contracting Suite*

Related AAIs	*Risk management* *Working with others* *Disclosure of interests* *Approving commitments of relevant money* *Entering into and administering arrangements* *Payments of relevant money*
Internal delegations	Financial Delegations
Other relevant documents	Procurement Policy and Procedures
Contacts	Chief Financial Officer General Manager, Enabling Services

3.4 Grants

This section provides instructions on grants administration. The objectives of grants administration is to promote proper use and management of public resources through collaboration with government and non-government stakeholders to achieve government policy outcomes.

For the purposes of the PGPA Act and the *Commonwealth Grants Rules and Principles 2024* (CGRPs), a grant is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:

- under which relevant money or other CRF money is to be paid to a recipient other than the Commonwealth; and
- which is intended to help address one or more of the Australian Government's policy objectives.

Granting activities can take a variety of forms, including payments made as a result of competitive or non-competitive selection processes; where particular criteria are satisfied; or on a one-off or ad hoc basis. The CGRPs apply to all forms of granting activity, including election commitments. However, there are various types of arrangements that may provide financial assistance but are not grants. The CGRPs provide a list of these arrangements.

If you are unsure whether a particular arrangement is a grant, see *Resource Management Guide No. 411: Grants, procurements and other financial arrangements*.

Grants administration covers all processes during the grants lifecycle, including:

- design of grant opportunities and activities;
- assessment and selection of grantees;
- establishment of grants;
- ongoing management of grantees and grant activities; and
- evaluation of grant opportunities and activities.

These instructions also cover situations where a third party is responsible for grants administration.

Instructions – officials involved with grants administration

You must:

- establish and document whether a proposed activity is a grant before applying the CGRPs.
- comply with relevant legislation and government policies, including:

- act in accordance with the CGRPs
- have regard to the nine key principles in Part 2 of the CGRPs that apply to grants administration
- disclose information that the government requires to be notified
- disclose any current or prospective personal interest that might create a conflict of interest (see *Disclosure of interests*)
- not use clauses in grant agreements that seek to limit, prevent or ban a not-for-profit organisation from advocating on policy issues.

You should use competitive, merit-based selection processes to allocate grants, unless specifically agreed otherwise by a minister, accountable authority or delegate. Where a method other than a competitive merit-based selection process is used, it is required that you document why this approach has been used. The rationale for the approach should be included in the grant opportunity guidelines.

Instructions – officials involved in developing grant guidelines

You must ensure that grant guidelines are:

- developed for all new grant opportunities, and revised whenever significant changes are made to the grant opportunity
- consistent with the CGRPs
- made publicly available (on GrantConnect) except when there is a specific policy reason to not publicise the grant guidelines.

You must only release grant opportunity guidelines once you have an agreed risk rating through the Department of Finance. This process takes into consideration the Constitutional and Legislative Risk assessments by the Australian Government Solicitor ad includes conducting a risk assessment of the granting activities and associated guidelines. Finance and the Department of the Prime Minister and Cabinet will then agree to the risk rating of the grant opportunity. The assessed level of risk will determine the process for gaining approval to publish the guidelines.

The OAIC's policy in relation to any requests for financial sponsorship or financial assistance is that the OAIC does not generally offer financial sponsorship. Exceptions to the policy may be approved by the Australian Information Commissioner.

Instructions – officials involved in entering into grants agreements

Before entering into a grant agreement (or making a grant payment if there is no agreement), you must ensure that:

- you have legal as well as policy authority to enter into the grant
- the requirements for approval in these instructions have been met (see *Approving commitments of relevant money*).

Instructions – supporting the minister

You must ensure that the OAIC's minster is advised of their responsibilities under the PGPA Act, paragraphs 4.10 to 4.12 of the CGRPs and other relevant rules.

Where a minister approves the proposed expenditure of relevant money for a grant in accordance with section 71 of the PGPA Act, they must be satisfied, after making reasonable inquiries, that the grant would be a proper use of public resources.

You must ensure that the OAIC's minster receives advice from the OAIC on the proposed grant, as required under paragraph 4.6 of the CGRPs before the minister makes a decision.

Each time a minister who is a member of the House of Representatives approves a grant in respect of their own electorate, you must ensure that the minister writes to the Finance Minister advising of the details. This requirement does not apply where grants are awarded Australia-, state- or region-wide on the basis of a formula, and any of those grants fall in the minister's electorate. Presiding officers of the departments of the Parliament are not required to report to the Finance Minister.

You must ensure that the OAIC's minster, whether from the Senate or the House of Representatives, reports to the Minister for Finance in all instances where they have decided to approve a particular grant which the relevant official has 'recommended be rejected'. The report must include a brief statement of reasons (i.e the basis of the approval for each grant). The report must be provided to the Minister for Finance as soon as practicable following the approval.

Instructions – officials involved in reporting on grants

You must:

- ensure that information on individual grants is published on GrantConnect within 21 calendar days of the grant agreement taking effect.
- consider whether public reporting of a grant would be contrary to the *Privacy Act 1988*, other statutory requirements, or the specific terms of the grant agreement – you must publish as much information as legally possible and must document the reasons for not reporting fully
- consider whether publishing grant information could adversely affect the achievement of government policy outcomes – if it is likely to adversely affect outcomes, an exemption from public reporting can be sought from the Finance Minister
- identify whether a grant agreement contains special confidentiality provisions
- ensure that the OAIC complies with any other grant reporting requirements established by the Parliament.

Legislative requirements	*PGPA Act:* s. 15, *s.* 21, s. 23, s. 52, s. 71 s. 103 *PGPA Rule:* s. 18, s. 29 FFSP Act*:* s. 32 FFSP Regulations: Schedules 1AA and 1AB *Commonwealth Grants Rules and Principles 2024*
Policies of the Australian Government	*Commonwealth Grants Rules and Principles 2024*
Parliamentary orders	*Senate Procedural Order 13 – Entity contracts* *Senate Procedural Order 16 – Departmental and agency grants*

Guidance	*RMG-410 Commonwealth Grants* *RMG-411 Grants, Procurements and other financial arrangements* *RMG-415 Commonwealth Grants and Procurement Connected Policies*
Related AAIs	*Risk management* *Inter-entity cooperation and agreements* *Disclosure of interests* *Approving commitments of relevant money* *Arrangements for other CRF money*
Internal delegations	Financial Delegations
Other relevant documents	Procurement Policy and Procedures
Contacts	Chief Financial Officer General Manager, Enabling Services

3.5 Inter-entity cooperation and agreements

This section provides instructions to officials about working cooperatively with other Commonwealth entities.

Sections 17 and 18 of the PGPA Act impose duties on accountable authorities to:

- encourage officials to cooperate with others to achieve common objectives
- consider the administrative requirements that their entity imposes on others.

Further, section 15 requires an accountable authority, when making decisions for the purposes governing the entity, to take into account the effect of those decisions on public resources generally.

On a day-to-day basis, officials from different Commonwealth entities work together to undertake a number of activities, including to deliver government services, make payments, formulate national policies, implement complex reforms, and exchange information and specialist expertise.

An inter-entity agreement is an important mechanism for establishing and clarifying the way in which entities will work together and meet the requirements of the PGPA Act. Depending on the complexity of the arrangement, an inter-entity agreement may be:

- an exchange of letters (e.g. for the exchange of data)
- a service level agreement (e.g. for the provision of IT services) or
- a detailed memorandum of understanding (e.g. for a cross-portfolio reform such as Closing the Gap).

Inter-entity agreements need to address financial matters such as:

- accessing the appropriation of another entity
- a number of entities being able to pool separately appropriated money through the use of a special account
- joint contracting, such as one entity entering into a contract on behalf of the Commonwealth, where the services can be accessed by other entities.

The Commonwealth should not enter into an agreement with a corporate Commonwealth entity that allows the corporate Commonwealth entity to access an appropriation (including a special account) administered by a non-corporate Commonwealth entity.

Instructions – all officials

When developing an inter-entity agreement, you must clearly articulate:

- the objectives of the agreement, including desired outcomes and timeframes
- the roles and responsibilities of the parties
- the details of the activities, including specifications of services or projects to be undertaken
- the resources and timeframe to be applied by parties and resource management framework issues
- the approach to identifying and sharing the risks and opportunities involved
- which entity collects performance reporting data
- agreed modes of review and evaluation
- agreed dispute resolution arrangements.

You must ensure that an inter-entity agreement addresses accountability requirements, including the requirements in the PGPA Act, to enable your accountable authority to meet their responsibilities under the resource management framework.

Instructions – for officials establishing inter-entity agreements that involve financial commitments

You must not enter into an inter-entity agreement that commits the OAIC, or another entity's current or future appropriation, unless you have been delegated the authority, or authorised by a delegate, to do so under section 23 of the PGPA Act or other legislation (such as section 32B of the Financial Framework (Supplementary Powers) Act 1997).

When using a special account to facilitate inter-entity activities, you must comply with the instructions on special accounts (see *Using special accounts*).

When undertaking activities that commit or might commit relevant money, you must comply with the requirements under section 18 of the PGPA Rule (see *Approving commitments of relevant money*).

Legislative requirements	PGPA Act: s. 15, ss. 17 and 18, s. 21, s. 23, s. 78, s. 80 *PGPA Financial Reporting Rule* FFSP Act: s. 32B FFSP Regulations: Schedules 1AA and 1AB
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Working with others* *Accounts, records and non-financial performance information* *Approving commitments of relevant money* *Entering into and administering arrangements* *Using special accounts*
Internal delegations	Financial Delegations
Other relevant documents	

Contacts	The Official Public Account team within Finance provides guidance for entities on how to gain access to appropriations across the Australian Government, and to facilitate payments between entities.

3.6 Indemnities, guarantees and warranties

This section provides instructions for officials entering into an arrangement that requires the Commonwealth to provide an indemnity, guarantee or warranty.

Providing an indemnity, guarantee or warranty creates a contingent liability. A contingent liability is a commitment that may give rise to a cost as a result of a future event. Contingent liabilities are generally used to allocate risk between parties to an arrangement. Risk needs to be managed by the party that is best placed to manage it.

The Finance Minister has delegated the power in section 60 of the PGPA Act to provide (grant) an indemnity, guarantee or warranty on behalf of the Commonwealth to accountable authorities of non-corporate Commonwealth entities. The Finance Minister has not delegated the power to enter into loan guarantees.

Note that the approval of certain types of legal assistance can amount to an indemnity for the purposes of section 60 of the PGPA Act (for example prospective approval of damages and legal costs or a fine or penalty). The Finance Minister has delegated the power in section 60 of the PGPA Act to provide an indemnity where legal assistance provided under the Legal Services Directions requires the granting of an indemnity to accountable authorities of non-corporate Commonwealth entities.

Instructions – all officials

You must not enter into an arrangement that includes an indemnity, guarantee or warranty unless you have been delegated power to grant an indemnity, guarantee or warranty on behalf of the Commonwealth.

Instructions – officials delegated the power to enter into a guarantee, indemnity or warranty

You must:

- comply with the directions in the delegation when entering into an arrangement that involves an indemnity, guarantee or warranty
- not provide an indemnity that would expressly meet the costs of civil or criminal penalties of the indemnified party
- not enter into an arrangement that involves an indemnity, guarantee or warranty with another non-corporate Commonwealth entity

if the arrangement involves a loan guarantee, obtain written approval from the Finance Minister for the loan guarantees.

All indemnities should be negotiated with the OAIC's interest being the prime consideration. That is, as far as is practicable, the OAIC's exposure to potential financial liability should be minimised. Accordingly, careful analysis of the types of risks involved is necessary, together with assessments of the potential liability. Where possible, open-ended arrangements (unlimited liability) should be avoided, and financial

limits imposed. Every effort should be made to quantify the risk and not to overexpose the OAIC financially.

All instruments of indemnity, contracts and agreements incorporating an indemnity, deeds and letters of indemnity, etc. are, as far as practicable, to include a termination clause or a clear period of operation.

The General Manager, Enabling Services only under authorisation may issue indemnities from the Australian Information Commissioner. Requests for indemnifications by the OAIC are to be referred to the General Manager, Enabling Services who will consult with the Australian Government Solicitor before making a recommendation to the Australian Information Commissioner.

The General Manager, Enabling Services will ensure appropriate records are maintained in relation to OAIC insurable risks, including:

- amounts paid by the OAIC in respect of significant incidents where the amount is below the OAIC's Comcover excess
- amounts claimed from Comcover
- amounts paid as excess
- measures taken within the OAIC to manage and minimise insurable risks.

The General Manager, Enabling Services will ensure appropriate records of indemnities issued by the OAIC under authorisation from the Australian Information Commissioner are maintained.

Register of Contingent Liabilities

The General Manager, Enabling Services will ensure that a central register recording details of all contingent liabilities is maintained. This register should be reviewed at least annually for accuracy and completeness.

Legislative requirements	PGPA Act: s. 23 s. 52 s. 60 PGPA Rule: s. 18
Policies of the Australian Government	Commonwealth Risk Management Policy *Legal Services Directions*
Guidance	*RMG-414 Indemnities, guarantees and warranties by the Commonwealth* *RMG-203 General duties of officials* *RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Entering into and administering arrangements*
Internal delegations	
Other relevant documents	
Contacts	General Manager, Enabling Services

3.7 Official hospitality

This section provides instructions to officials involved in official hospitality. Official hospitality generally involves the use of public resources to provide hospitality to persons other than entity officials to facilitate the achievement of one or more Commonwealth objectives. Official hospitality may include the provision of refreshments, entertainment, gifts of property, prizes or other benefits.

Generally, providing official hospitality will be part of the ordinary services and functions of government and the arrangement will be entered into under section 23 of the PGPA Act. In limited cases, officials may

need to be delegated powers under section 32B of the *FFSP Act* or other specific legislation to enter an arrangement to provide official hospitality.

For instructions relating to the gifting of relevant property, see *Managing property*.

Instructions – all officials

You must:

- not enter into an arrangement to provide official hospitality unless you have been delegated, or authorised to exercise, power to enter into such an arrangement
- act in accordance with the Commonwealth Procurement Rules when procuring goods or services to provide official hospitality (see *Procurement*).

Any decision to spend relevant money on official hospitality must be publicly defensible.

Officials receiving meals, which are a charge against official hospitality, must not also receive travelling allowance, overtime meal allowance or other allowances in respect of those meals.

Approval to expend funds on official hospitality must be sought from the appropriate delegate in advance. Each request must be in writing and should include details of the purpose of the hospitality, the proposed date and venue, the names, titles and organisation of persons attending, and an estimated cost. Approval 'after the event' will be granted only in exceptional circumstances and must be sought from the General Manager, Enabling Services.

Any significant changes to the guest list or cost of the function should be reported to the approving delegate who will decide whether to approve the changes or refer the matter to the General Manager, Enabling Services.

Expenditure on official hospitality is subject to audit in the same way as other OAIC expenditure and should be supported by receipts.

The following examples indicate the type of expenditure that is considered appropriate:

- entertaining persons representing other countries, officials of other governments
- or the business community and academic communities who can facilitate the
- conduct of OAIC business
- gifts of a protocol or public relations nature which are appropriate to the OAIC's functions
- payment of reasonable gratuities or fees concerning services performed by outside contractors.

Expenditure on functions that do not facilitate the conduct of the OAIC's business will not be approved. For further information refer to OAIC's Gifts and Benefits Policy.

Legislative requirements	PGPA Act: s. 15, s. 21, s. 23, s. 52, s. 66 PGPA Rule: s. 18 FFSP Act: s. 32B FFSP Regulations: Schedules 1AA and 1AB *Commonwealth Procurement Rules*
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money*

Related AAIs	*Risk management* *Disclosure of interests* *Procurement* *Acquiring property (including receiving gifts and benefits)* *Disposing of property (including gifting relevant property)*
Internal delegations	
Other relevant documents	Gifts and Benefits Policy Financial Delegations
Contacts	General Manager, Enabling Services

3.8 Official travel

Official travel is any travel where a Commonwealth entity is ultimately responsible for any of the direct or indirect costs associated with that travel (noting the exceptions for using the coordinated travel procurements). This includes travel by officials, contractors and consultants to undertake work duties at the direction of the employer to achieve one or more Commonwealth objectives.

Official travel should only be undertaken when there is a demonstrated business need and when other communication tools, such as teleconferencing and videoconferencing, are an ineffective option.

Arrangements for the purpose of official travel will generally be entered into under section 23 of the PGPA Act. In limited cases, officials may need to enter into an arrangement for official travel under section 32B of the FFSP Act, or other specific legislation.

Instructions – all officials

You must:

- not enter into an arrangement for official travel unless you have been delegated, or authorised to exercise, power to enter into an arrangement of this type
- act in accordance with the Commonwealth Procurement Rules (CPRs) when procuring official travel (see *Procurement*).

Where the government has established coordinated procurements for a particular travel activity, you must use the arrangement established for that activity, unless:

- an exemption has been provided in accordance with the CPRs or reimbursement is to be provided to a third party (i.e. a non-Commonwealth traveller that cannot access coordinated travel procurements) for airfares, accommodation and/or car rental; or
- a travel allowance is to be provided for accommodation arrangements.

You must:

- use the Australian Government's contracted travel management company (TMC) to book domestic and ex-Australia international airfares under the Deed of Standing Offer for the Provision of Whole of Australian Government Travel Management Services unless the air travel is charter travel, in which case use of the TMC is recommended but not mandatory
- use the contracted accommodation program management services provider for domestic accommodation under the Deed for the Provision of Accommodation Program Management Services to the Australian Government
- use the contracted car rental service providers for domestic car rentals under the Deed for the Provision of Car Rental Services to the Australian Government

- use the contracted travel card and related services provider for card payment services under the Deed for the Provision of Travel and Related Card Services to the Australian Government
- not accrue reward and loyalty points (such as frequent flyer points), however status points may be accrued.

With the exception of the Australian Information Commissioner in relation to domestic travel only, no official may approve his or her own travel. Allowances for the Australian Information Commissioner will be calculated and processed in the same manner as all other staff travel allowances.

The OAIC will comply with Government directions in relation to international travel.

A travel requisition must be completed for all travel undertaken by officials. Short local trips do not require the completion of a travel requisition unless a private vehicle is being used.

The appropriate delegate must approve travel requisitions prior to the travel taking place.

When approving proposed travel, approvers must ensure that:

- the travel is for official purposes and is in accordance with the individual officers' entitlements
- overnight accommodation is approved only when there is a specific business need
- there is funding available to cover the proposed expenditure.

When booking travel officials must:

- act in accordance with *RMG 404 Domestic Travel Policy – Use of the lowest practical fare* and *RMG 405 Official International Travel – Use of the best fare of the day*.
- book domestic and international travel requirements, air travel, accommodation, and car rental through the Corporate Services team via Corporate Travel Management (CTM).
- repay any debts arising because of the modification or cancellation of travel.

Legislative requirements	PGPA Act: s. 15, s. 21, s. 23, s. 52 PGPA Rule: s. 18 FFSP Act: s. 32B FFSP Regulations: Schedules 1AA and 1AB *Commonwealth Procurement Rules*
Policies of the Australian Government	*Commonwealth Risk Management Policy* *Travel and credit card policies*
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-404 Domestic Travel Policy* *RMG-405 Official International Travel – Use of the best fare of the day* *Whole of Australian-Government Travel Services*
Related AAIs	*Risk management* *Approving commitments of relevant money* *Entering into and administering arrangements* *Procurement*
Internal delegations	Financial Delegations
Other relevant documents	Travel Policy OAIC Enterprise Agreement
Contacts	General Manager, Enabling Services

3.9 Arrangements for other Consolidated Revenue Fund (CRF) money

An accountable authority may enter into an arrangement with a person outside the Commonwealth to handle other money that is not relevant money (other CRF money).

Other CRF money is money that forms part of the Consolidated Revenue Fund (CRF), other than relevant money or any other money of a kind prescribed by the rules (see section 105(2) of the PGPA Act).

A 'person outside the Commonwealth' is an individual or an organisation who is not an official or a minister, and who acts for or on behalf of the Commonwealth to use or manage money (i.e. as an agent of the Commonwealth). For example, a person may handle other CRF money because they have entered into an arrangement with the Commonwealth to collect fees or levies and make payments of the amounts collected.

Before entering into any arrangement, it is important to consider whether the arrangement could involve a person outside the Commonwealth handling other CRF money.

Instructions – all officials

You must not enter into an arrangement for the use or management of other CRF money (including the receipt, custody or expenditure) by a person outside the Commonwealth, unless:

- you have the authority or delegation to enter into the arrangement
- the terms of the arrangement are, at a minimum, compliant with the requirements of section 29 of the PGPA Rule
- the arrangement would be a proper use and management of public resources and would not be inconsistent with the policies of the Australian Government
- you consider and manage all associated risks with handling other CRF money.

If the arrangement will also involve the commitment of relevant money (e.g. payment to a person outside the Commonwealth to collect, hold or spend other CRF money), you must ensure appropriate records are kept in accordance with section 18 of the PGPA Rule (see *Approving commitments of relevant money*).

Instructions – officials with a delegation to make arrangements with persons outside the Commonwealth

When making an arrangement for the receipt, custody or expenditure of other CRF money by a person outside the Commonwealth, you must:

- comply with any directions relating to the delegation
- be satisfied that the arrangement:
  - promotes the proper use and management of the other CRF money
  - complies with the requirements in section 29 of the PGPA Rule

You must not make an arrangement for other CRF money unless you are satisfied that the risks that might arise from the arrangement will be managed in the best interests of the Commonwealth.

Legislative requirements	PGPA Act: s. *23*, s. 105 PGPA Rule: s. *29* FFSP Act: s. 32B FFSP Regulations: Schedules 1AA and 1AB
Policies of the Australian Government	*Commonwealth Risk Management Policy*
Guidance	*RMG-303 Other CRF money* *RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Working with others* *Disclosure of interests* *Approving commitments of relevant money*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer General Manager, Enabling Services

4. Making payments

This part covers instructions to officials on making payments of money, including the following topics:

- payments of relevant money
- the use of Commonwealth credit cards and credit vouchers
- discretionary compensation mechanisms
- taxation obligations.

These instructions apply to all payments, including manual and automated payments. A payment involves the transfer of cash, the issuing of instructions to process an electronic funds transfer, the execution and issuing of a cheque, the use of a debit card, or the transfer of funds through another process.

Regardless of whether a payment is made from a departmental or administered appropriation, an official must ensure that:

- there is a sufficient available appropriation to cover the proposed payment
- there is legal authority to spend the relevant money
- the payment of the money is for the purpose for which it was appropriated.

4.1 Payments of relevant money

The authority to administer an arrangement, including making a payment in accordance with an arrangement, comes from section 23 of the PGPA Act, or other specific legislation (for example, section 32B of the FFSP Act). Accountable authorities usually delegate this function to officials. Officials who perform the purely administrative tasks necessary to facilitate a payment (for example, processing an electronic funds transfer request) do not require a delegation if they are acting under the direction of another official and are not exercising any independent judgment.

Instructions – all officials

You must not make a payment of relevant money unless the payment is made in accordance with these instructions.

Role of the Accounts Payable Official

Before approving an account as payable, the Accounts Payable Official must ensure that the:

- proposal to spend money or the procurement request was originally approved by an appropriate delegate (where no formal documentation exists, approval of the invoice will suffice)
- relevant goods/services have been received or satisfactorily rendered and the conditions of the contract or agency agreement have been satisfied
- It is the responsibility of the officer who procured and received the goods or service to attest that the goods or service were of good quality and provided in accordance with the specifications.
- amount charged is correct
- name of the payee is correct
- account has not been previously paid
- expenditure will be recorded against the charge code(s) as described in the approval.

Certain types of accounts undergo less intense forms of scrutiny. An Accounts Payable Official may immediately process and account for payment provided that:

- the expenditure has been approved by an authorised Approver and recorded against the charge code(s) as described in the Approver's approval
- there is no reason to believe that the account may not properly be paid
- at least one of the following conditions is met:
- the payment does not exceed $1,000
- there is an arrangement with the payee that allows for post-payment adjustments to be made
- the payment is to be made to other Commonwealth agencies
- the payment is part of a group or batch of payments that have been verified by an approved sample method as set out in the OAIC's Accounts Payable Manual, or
- the account has been prepared by the OAIC's financial management information system that has received certification supporting the fact that it uses controls and accounting procedures that are consistent with the requirements of sections 15 and 41 of the PGPA Act.

In approving payment of accounts, Accounts Payable Officials:

- must ensure any credit notes received from the payee of the account have been offset against the amount owing to the payee
- must arrange for all accounts to be paid as close as possible to the due date, unless otherwise specified by the Approver
- must ensure that all requests for the payment of money overseas are forwarded to an overseas office for payment as required by the AAIs.
- if the payment is to the estate of a deceased person, must ensure that a delegate under section 64 of the PGPA Act has approved the payment.

Accounts Payable Officials are not subject to any instructions in respect of payment of accounts other than those outlined above, except in cases where the Finance Minister has issued instructions relating to the payment of special relevant money.

Credit Notes

Accounts Payable Officials are responsible for the care, control and custody of credit notes and must maintain a register of credit notes. Credit notes must be handled in accordance with AAIs issued on Accountable Forms.

Value for credit notes should be realised as soon as practicable.

Due Date for Payment

The OAIC's standard terms of trade are that payment will be made 20 days from the receipt of a correctly rendered invoice, provided the goods and services have been received in good order and condition. This is normally the 'due date' for payment however some contractual obligations vary this period.

The OAIC will comply with *RMG 417 Supplier Pay On-Time or Pay Interest Policy*.

Advance Payment

Payments in advance of delivery of goods and services may only be made where there are clear financial benefits for the OAIC. The General Manager, Enabling Services must be consulted before any advance payment is made.

Authority to Pay Agent

A payee may authorise payment to a third party by providing the Certifying Official with an 'Order to Pay Agent' which must contain:

- the full names and signatures of both the payee and the agent

- the amount to be paid
- the particulars of the payment including the nature of the service and the period for which payment is due
- space for the agent to acknowledge receipt of the amount paid and for the payment to be witnessed.

Overseas Purchases and Payments

- Proposals to purchase goods or pay money overseas should be discussed in the first instance with the General Manager, Enabling Services.

Legislative requirements	PGPA Act: ss. 15 and 16, s. 21, s. 23, s. 52, s. 71 PGPA Rule: s. 18 FFSP Act: s. 32B FFSP Regulations: Schedules 1AA and 1AB
Policies of the Australian Government	*Supplier pay on-time or pay interest policy*
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-417 Supplier Pay On-Time or Pay Interest Policy*
Related AAIs	*Risk management* *Disclosure of interests* *Procurement, grants and other commitments and arrangements*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

4.1.1 Payment of amount owed to person at time of death (payment pending probate)

A payment pending probate relates to an amount that the Commonwealth owes to a person at the time of their death. The Finance Minister has delegated to accountable authorities the power in section 25 of the PGPA Rule to authorise payment of such an amount to the person without requiring production of probate of the will or letters of administration of the deceased person's estate. Accountable authorities may sub-delegate this power to officials.

Instructions – all entity officials

You must not authorise a payment pending probate under section 25 of the PGPA Rule unless you have been delegated the authority to do so.

If a payment pending probate has been authorised by your accountable authority or a delegate, you must ensure, before making the payment, that there is an available appropriation for the payment and that you have the authority to allow the payment.

Instructions – officials with a delegation to authorise payments pending probate

When authorising a payment pending probate, you must comply with any directions in relation to the delegation from the OAIC's accountable authority.

If the OAIC owes an amount to a person at the time of their death, you may authorise payment of that amount to the person who you consider can receive the payment, if you have been delegated the power to do so.

When deciding who to pay, you must consider the people who are entitled to the property of the deceased person under that person's will or the law relating to the disposition of the property of deceased persons. However, you are not bound to act in accordance with that law.

You may authorise the payment without requiring production of:

- probate of the will of the deceased person; or
- letters of administration of the deceased person's estate.

Before authorising the payment, you must ensure that the payment is not covered by other legislation.

Legislative requirements	PGPA Act: ss. 15 and 16, s. 21, s. *23*, s. 52, s.103 PGPA Rule: s. 18, s. 25 Payments under other legislation (e.g. *Long Service Leave (Commonwealth Employees) Act 1976*)
Policies of the Australian Government	
Guidance	*RMG-402 Payment of an amount owed to a person at time of death*
Related AAIs	*Risk management* *Disclosure of interests*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

4.2 Commonwealth credit cards and credit vouchers

This section provides instructions about the use of Commonwealth credit cards and credit vouchers.

A Commonwealth credit card is a credit facility issued to a Commonwealth entity to enable it to purchase goods or services and withdraw cash on credit (i.e. with payment deferred to a later date) and includes:

- charge cards issued to buy goods or services on credit, with payment in full required at a later date (e.g. American Express cards)
- vendor cards (sometimes called 'limited-purpose purchase cards') provided by specific retailers (e.g. Cabcharge cards and fuel cards).

A credit voucher is a paper-based credit facility that generally comes with an attached spending limit (e.g. a Cabcharge e-tickets).

The Finance Minister has delegated to accountable authorities the power to enter into a limited range of borrowing agreements under section 56 of the PGPA Act. This includes the power to enter into an agreement for the issue and use of credit cards or credit vouchers, providing money borrowed is repaid within 90 days.

Debit cards and pre-paid credit cards issued to a Commonwealth entity are not Commonwealth credit cards or credit vouchers and must be treated as if they were relevant money. Gift cards acquired by a Commonwealth entity must be treated as if they were relevant property. If a gift card is to be provided to a third party by a non-corporate Commonwealth entity consideration should be given as to whether this would constitute a gift for the purposes of section 66 of the PGPA Act. Note if a gift card is provided to a third party by a non-corporate entity as remuneration then it may not be a gift for the purposes of section 66.

Instructions – all officials

Only the person issued with a Commonwealth credit card or credit voucher, or someone specifically authorised by that person, may use that credit card, credit card number or credit voucher.

You may only use a Commonwealth credit card or card number to obtain cash, goods or services for the Commonwealth entity based on the proper use of public resources.

You cannot use a Commonwealth credit card or card number for private expenditure.

In deciding whether to use a Commonwealth credit card or credit voucher, you must consider whether it would be the most cost-effective payment option in the circumstances.

Before using a Commonwealth credit card or credit voucher, you must ensure that the requirements in the instructions *Procurement, grants and other commitments and arrangements* have been met before entering into the arrangement.

You must:

- ensure that your use of a Commonwealth credit card or credit voucher is consistent with any approval given, including any conditions of the approval
- ensure that any Commonwealth credit cards and credit vouchers issued to you are stored safely and securely.

Cardholders must:

- comply with the conditions applying to usage of the card as set out in these AAIs
- not use the credit card unless they have been briefed and/or trained in its use
- ensure that individual purchases do not exceed the financial limits of their delegation
- ensure that the monthly purchases/payments do not exceed the billing period credit limit set for their card
- have regard for any instructions issued by the General Manager, Enabling Services from time to time outlining appropriate standards for spending relevant money
- ensure that dockets have a complete and full description of the goods or services purchased - the word 'goods' or similar general description is not acceptable
- retain all documentation associated with the purchase and payment of goods or services to support payment of the monthly account
- upon receipt of their individual monthly statements, promptly reconcile the
- statements, attaching the supporting documentation and authorise the payment of the account
- only use the card for cash advances if authorised to do so
- only use the card for travel-related expenditure if authorised to do so
- report lost cards immediately to the credit card contractor and the Chief Financial Officer

- not use personal credit cards for official purposes unless approved by the General Manager, Enabling Services.

Cabcharge

- Officials issued with Cabcharge cards or Cabcharge etickets must ensure their safe custody and security.
- An official issued with Cabcharge cards or etickets must not use the facility for his/her own personal travel or for personal travel by any other official or person.
- If an official having custody of Cabcharge cards or etickets, loses any cards or dockets, he/she must report the matter immediately to the official who issued him/her with the cards or dockets. The OAIC will be responsible for the first $1,000 incurred on any lost eticket until Cabcharge is notified.
- Employees may use etickets only for the purpose authorised by the Issuing Official. Unused etickets should be returned to the Issuing Official for subsequent reissue.
- When using an eticket to cover the cost of a taxi ride, employees must request a receipt from the taxi driver. If the taxi driver is unable to issue an electronic receipt, employees should request a handwritten receipt from the taxi driver. The employee should note the trip and fare details on the receipt and give all taxi receipts to the Issuing Officer on their return.
- Details on used etickets returned with each Cabcharge invoice are to be checked against details entered on the relevant receipt.
- Issuing Officials should only issue Cabcharge cards on an 'as required' basis to employees who:
  - are required to use taxis in conjunction with their official duties
  - are required to perform overtime or extra duty
  - when, because of this requirement, the employee's normal mode of transport and reasonable access to public transport are not available
  - the employee uses a taxi to travel to work immediately prior to commencing or to travel home immediately after ceasing the overtime or extra duty.
- When etickets are issued, the Issuing Official must note the name of the employee, the date and the proposed usage on a relevant register.
- Issuing Officials should return unused etickets to the Chief Financial Officer when they cease to be an Issuing Official.

Instructions – officials responsible for supervising credit card and credit voucher holders

Supervisors of Cardholders must:

- ensure that Cardholders are appropriately briefed and/or trained in using the card
- ensure the cardholders promptly reconcile credit card statements and submit supporting documentation for each transaction; and
- regularly review Cardholders' usage to ensure that the cards are being used properly and that Cardholders have a continuing need for cards.

An Official who becomes aware of an apparent misuse of the credit card must report the matter immediately to the General Manager, Enabling Services.

Instructions – officials authorised to issue Commonwealth credit cards

The Officials(s) responsible for the issuing of the credit card to Officials are to be designated Card Issuing Officials.

Card Issuing Officials must not issue a credit card to an official unless the Official has a demonstrated need for the card.

Card Issuing Officials must:

- ensure that Cardholders fully understand the conditions set out in these AAIs
- ensure that Cardholders are appropriately briefed and/or trained in using the card
- review patterns of credit card usage annually with a view to cancelling cards which are not being used or where the level of usage is too low to justify continued allocation of a card
- monitor situations where the card is being used for high value transactions to ensure that the cards are still being used in a cost-effective manner
- keep proper records of cards issued and relevant details of Cardholders such as financial limits, whether or not they are Approvers, access to cash advances, availability for travel purposes etc.

Instructions – officials with a delegation to enter into borrowing agreements for Commonwealth credit cards and credit vouchers

When entering into a borrowing agreement for the issue to, and use by, the Commonwealth entity of credit cards or credit vouchers, you must:

- have a valid delegation to enter into borrowing agreements
- ensure that the requirements in the instructions *Procurement, grants and other commitments and arrangements* have been met
- ensure that the procurement of the credit card and/or credit voucher services is in accordance with the *Procurement* instructions and the Commonwealth Procurement Rules.

You must:

- comply with Finance Minister directions in the delegation of the power in section 56 or any directions in the delegation from your accountable authority
- ensure that the borrowing agreement requires the money borrowed to be repaid within 90 days of the Commonwealth being notified of the amount borrowed.

Legislative requirements	PGPA Act: ss. 15 and 16, s. 23, ss. 25 to 29, s. 56
Policies of the Australian Government	
Guidance	*RMG-417 Supplier Pay On-Time or Pay Interest Policy*
Related AAIs	*Risk management* *Fraud and corruption control* *Disclosure of interests* *Procurement, grants and other commitments and arrangements* *Agreements with banks and bank accounts*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

4.3 Requests for discretionary financial assistance

This section provides instructions on the discretionary compensation mechanisms that the Commonwealth can use to provide assistance to individuals or other bodies who otherwise have no entitlement to a payment or other financial relief (e.g. through the settlement of claims under the Legal Services Directions, or the payment of compensation in accordance with a statutory entitlement). Discretionary compensation mechanisms include:

- the Scheme for Compensation for Detriment caused by Defective Administration (CDDA Scheme)
- act of grace payments.

A decision under these mechanisms is at the discretion of the decision-maker.

4.3.1 Scheme for Compensation for Detriment caused by Defective Administration

Accountable authorities (other than the departments of the Parliament) may compensate individuals or other bodies who:

- have experienced detriment (i.e. quantifiable financial loss) as a result of an entity's defective administration
- have no other avenues of redress.

Ministers are responsible for making CDDA Scheme decisions; however, they may authorise accountable authorities, who in turn authorise officials, to approve CDDA Scheme payments.

Instructions – all officials

You must refer claims for compensation arising from defective administration to the relevant minister or a person authorised by a minister to decide such claims.

If a CDDA Scheme payment has been approved by a minister, or a person authorised by a minister, the official must ensure, before making the payment, that:

- there is an available appropriation for the payment
- the minister has approved the payment under section 71 of the PGPA Act
- a record of the approval is kept in accordance with section 18 of the PGPA Rule (see *Procurement, grants and other commitments and arrangements*).

Legislative requirements	Constitution: s. 61 PGPA Act: s. 16, s. 21, s. 23, s. 25 s. 52, s. 71 PGPA Rule: s. 18 *PGPA Financial Reporting Rule*
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-401 Requests for discretionary financial assistance under the Public Governance, Performance and Accountability Act 2013* *RMG-409 Scheme for Compensation for Detriment caused by Defective Administration*
Related AAIs	*Risk management* *Disclosure of interests*
Internal delegations	Financial Delegations

Other relevant documents	
Contacts	General Manager, Enabling Services

4.3.2 Act of grace payments

The Finance Minister may authorise the making of one-off or periodic act of grace payments under section 65 of the PGPA Act. This power has been delegated with directions to the Finance Secretary and delegates within Finance.

If the Finance Minister or a delegate authorises ongoing act of grace payments or an act of grace payment that is subject to agreed conditions, the accountable authority of the relevant non-corporate Commonwealth entity will derive authority to enter into an arrangement under section 23 of the PGPA Act.

Act of grace payments may be authorised in special circumstances, where a non-corporate Commonwealth entity's conduct or Commonwealth legislation or policy has resulted in an unintended, inequitable, anomalous or otherwise unacceptable impact on the claimant's circumstances – subject to some additional requirements for amounts in excess of $500,000 (see section 24 of the PGPA Rule). Act of grace payments are made in circumstances where the main obligation to the applicant is moral, rather than legal.

Instructions– all officials

You must not authorise an act of grace payment.

You must ensure that all requests for act of grace payments are referred to the Discretionary Payments Team within the Department of Finance.

You must ensure, when making the act of grace payment authorised by the Finance Minister or a delegate, that the payment is consistent with the decision.

In circumstances where there is an arrangement

Where an act of grace payment involves either ongoing payments or is subject to agreed conditions, you must ensure, before entering into the arrangement, that:

- you have been delegated the authority to enter into the arrangement under section 23 of the PGPA Act
- the requirements for section 18 of the PGPA Rule have been met (see *Procurement, grants and other commitments and arrangements*).

Before making an act of grace payment under an arrangement, you must ensure that:

- you have been delegated the authority, or authorised by a delegate, to administer the arrangement under section 23 of the PGPA Act
- the requirements of the arrangement have been met
- the act of grace payment is supported by an appropriation.

Legislative requirements	PGPA Act: s. 16, s. 21, s. 23, s. 25, s. 26, s 52, s. 65 PGPA Rule: s. 18, s. 24 PGPA Financial Reporting Rule
Policies of the Australian Government	

Guidance	*RMG-401 Requests for discretionary financial assistance under the Public Governance, Performance and Accountability Act 2013*
Related AAIs	*Risk management* *Disclosure of interests*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

4.4 Taxation obligations

This section provides officials with instructions on how to maintain appropriate records and how to meet fringe benefits tax and goods and services tax obligations.

Instructions – all officials

You must maintain appropriate records for the required duration and provide information as requested to enable the entity to meet its taxation obligations.

Before seeking approval for a proposed commitment of relevant money, you must:

- consider the potential fringe benefits tax (FBT) implications of the proposed commitment
- ensure that the price to be charged for the goods and/or services is inclusive of goods and services tax (GST), where applicable.

You must ensure that a valid tax invoice is obtained for each purchase to enable the entity to claim input tax credits for the purposes of GST, where applicable.

You must ensure that all contracts for the acquisition or sale of goods and services by the entity appropriately address taxation issues.

The Chief Financial Officer is responsible for ensuring that appropriate procedures are in place to meet the OAIC's taxation obligations, including payments and preparation of the OAIC's annual FBT return and monthly business activity statement.

Legislative requirements	PGPA Act: s. 41 Fringe Benefits Tax Assessment Act 1986 A New Tax System (Goods and Services Tax) Act 1999
Policies of the Australian Government	
Guidance	
Related AAIs	*Approving commitments of relevant money* *Accounts, records and non-financial performance information*
Internal delegations	*Financial Delegations*
Other relevant documents	
Contacts	Chief Financial Officer

5. Managing money

This part covers instructions to officials on the proper management of relevant money, including the following topics:

- agreements with banks and managing bank accounts
- receiving and handling relevant money
- cash advances
- investments and borrowings
- special accounts
- user charging.

Relevant money is money that the Commonwealth holds as cash or in bank accounts and includes:

- Australian currency, foreign currency and cheques in any currency
- money raised by, or on behalf of, the Commonwealth in a variety of ways, including by appropriations, taxes, borrowings, loan repayments, rebates, levies and fees
- money held on trust by the Commonwealth (for the benefit of persons outside the Commonwealth)
- money found on Commonwealth premises.

Relevant money does not include other Consolidated Revenue Fund (CRF) money (see *Arrangements for other CRF money*).

5.1 Agreements with banks and managing bank accounts

This section provides instructions for officials with a delegation to:

- enter into agreements with banks
- open and maintain bank accounts.

The Finance Minister has delegated the power in section 53 of the PGPA Act to accountable authorities to enter into transactional banking agreements on behalf of the Commonwealth, and to open and maintain bank accounts. Accountable authorities may delegate this power to officials.

Instructions – all officials

You must not:

- enter into an agreement with a bank for banking business services; or
- open, maintain or close an OAIC bank account

unless you have been delegated the power to do so under section 53 of the PGPA Act.

5.1.1 Agreements with banks

Instructions – officials with a delegation to enter into agreements with banks

You may only enter into an agreement with a bank for banking business services in Australia, unless your entity is permitted to open and maintain bank accounts outside Australia.

When entering into an agreement with a bank, you must comply with the directions in relation to the delegation from your accountable authority.

You may only enter into an agreement with a bank for overdraft drawings if the agreement provides for each drawing to be repaid within 30 days.

Officials who have been delegated the power to open bank accounts must observe the directions issued by the Australian Information Commissioner on the use of that delegation and the types of accounts that may be opened.

Officials who have been delegated the power to open bank accounts must:

- not open bank accounts in the name of individuals
- not withdraw money from the official account except as authorised
- establish such bank accounts with the Reserve Bank of Australia unless it is not practicable to do so
- designate officials to reconcile official bank accounts at least monthly.

The OAIC operates its official bank accounts with the Reserve Bank of Australia.

Official bank accounts may only be opened and closed as set out in the Financial Delegations.

5.1.2 Managing bank accounts

Instructions – officials with a delegation to open and maintain bank accounts

You may only open and maintain entity bank accounts in Australia, unless your entity is permitted to open and maintain bank accounts outside Australia.

When opening and maintaining an entity bank account, you must comply with the directions in the delegation from your accountable authority.

Legislative requirements	PGPA Act: s. 53, s. 55 PGPA Rule: s. 19, s. 20, s. 21
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-413 Banking and Management of CRF money*
Related AAIs	*Receiving and handling money* *Cash advances (including petty cash and change floats)*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

5.2 Receiving and handling money

This section provides instructions for officials who receive relevant money that:

- can be deposited in a bank (bankable money)

- is not bankable (unbankable money).

Officials are required to ensure the security of any relevant money that is in their custody. A loss of relevant money may result in a debt owed to the Commonwealth. A person's liability to pay such a debt is not avoided if they stop working for the entity. For further information on the management of debt, see *Managing debts and amounts owing to the Commonwealth*.

Instructions – all officials

If you receive relevant money, you must ensure the safe custody of the money.

You must not misuse or improperly dispose of relevant money.

If a loss of relevant money occurs while the money is in your custody, you will be liable to pay the Commonwealth an amount equal to the loss, unless you took reasonable steps to prevent the loss (see section 68 of the PGPA Act).

If you cause or contribute to a loss of public money by misconduct, or a deliberate or serious disregard for reasonable standards of care, you will be liable to pay the Commonwealth an amount that reflects your share of the responsibility for the loss (see section 69 of the PGPA Act).

If you are entering into an arrangement with a person outside the Commonwealth or a Commonwealth entity to handle other CRF money, you must comply with the instructions in *Arrangements for other CRF money*.

The OAIC reserves the right to refuse to accept payment by cheque or cash where it is judged that acceptance of payment in that form would not be in the OAIC's interests. In such cases, the cheque or cash should be returned to the sender as soon as possible.

'Cash' is defined as all cash value articles, including bank notes, coins, cheques (including returned), postage stamps, money orders, money order telegrams, bonds, bond coupons, income tax instalment stamps, departure tax stamps and Customs or other duty stamps. If there is doubt as to whether an article is included within this definition, it is to be handled as if it were included, but written up with a statement of that doubt and with a clear description of what the article is and how it was disposed of. Repeated instances of receipt of articles that do not accord with the definition are to be referred to the General Manager, Enabling Services, who may amend the definition.

Money Found in the OAIC

An official who finds money on the OAIC's premises must pass it to the Chief Financial Officer on the day it is found, or if not practicable, on the next working day.

The Chief Financial Officer will:

- issue an acknowledgement of receipt
- maintain a register for money found on OAIC premises
- ensure the safe custody of the money
- make every reasonable effort to trace the owner and return the money to them
- where appropriate, notify the local police.

If the money is not claimed within a month of being found it ceases to be treated as SSPM and becomes received money which must be credited to Miscellaneous Revenue and deposited in the official bank account.

Instructions – officials who receive or handle bankable money

If you receive relevant money that is bankable money, then unless specified in these instructions, you must deposit the money in a bank before the end of the next banking day.

You must ensure that relevant money is only ever deposited into an entity bank account, unless the money is to be retained as cash for the purposes of making payments in relation to the Commonwealth entity in accordance with any requirements in these instructions.

Custody of Relevant Money

An official who is a custodian of relevant money should ensure that:

- all cash and negotiable instruments held are not visible to the public
- excess cash and negotiable instruments are removed periodically from the counter or other areas where moneys are received from the public, and either banked or held in some other secure area pending banking
- where large amounts are held, the balance not immediately required is retained in a locked safe or possibly in a nearby bank
- when leaving an office unattended all cash and negotiable instruments are secured
- where inadequate security arrangements exist, the circumstances are reported to the General Manager, Enabling Services and the matter rectified as soon as possible.

An official who supervises a custodian of relevant money should ensure that:

- adequate facilities are provided to enable the custodian to secure the cash and negotiable instruments
- the custodian, as far as possible, is not located in a remote or isolated area, and where this situation cannot be avoided, adequate security precautions must be taken so that the likelihood of a robbery is minimised
- advances are maintained only at a level consistent with current needs
- the custodian is instructed in, and made well aware of, all duties, responsibilities and security provisions associated with the position.

Receipt of Relevant Money

An official who receives Relevant Moneys must:

- immediately issue a receipt for all relevant money which comes into their care and custody
- upon receiving a cheque in favour of the OAIC, cross the cheque and add the words "Not Negotiable" to the crossing if the cheque has not already been so crossed
- maintain adequate records of their collections, deposits and subsequent credits to the relevant funds
- ensure that relevant money is not:
    - mixed with private money
    - deposited into an account that is not an official bank account

- ensure adequate security of all relevant money under their care and custody
- take immediate steps to recover the amount of a dishonoured cheque.

Cash Received by Other Officials

Where an official opens mail which contains cash or cheques or otherwise comes into possession of public moneys, that official must pass the public money by hand to the Chief Financial Officer to be banked on the day of receipt or, if that is

Cheques

An official who has been delegated the power to open official bank accounts must:

- nominate officials, other than him/herself, as cheque signing officers to operate on the official account(s) the delegate has opened
- ensure that the bank at which the official account is held receives an authenticated specimen signature of each nominated signatory and that these specimen signatures are kept up to date as signatories are nominated and/or nominations are withdrawn.

Cheques must be prepared in such a manner as to minimise the possibility of any fraudulent alteration to the words or figures.

All OAIC cheques must be crossed and have the words 'Not Negotiable' written across the face of the cheque.

A cheque must be made to the payee as follows:

- to the claimant
- into any bank or financial institution to the credit of the claimant's account
- to a person authorised by the claimant to receive payment
- to a person authorised to receive payment by a financial institution which has been authorised by the claimant to receive the payment
- to a person authorised by a power of attorney to receive the payment
- to the legal personal representative of the claimant, after production of probate or letters of administration
- to a trustee in bankruptcy to whom the right to receive payment has been devolved
- to an authority appointed or authorised to administer or collect the estate of a deceased claimant
- to any person other than the original claimant to whom the Australian Information Commissioner approves of a payment being made.

Undelivered cheques are to be held in safe custody at all times.

Any arrangements made with a financial institution for the collection of paid cheques must have regard to the costs involved in the storage and handling of those cheques.

Action to stop payment on a cheque must be taken immediately in the following circumstances:

- where a payee advises that a cheque has not been received and is overdue
- where, after receiving a cheque a payee advises that it has subsequently been lost, stolen or destroyed
- where a person, other than the bank on which the cheque was drawn (eg a trader), has cashed the cheque.

If an original cheque has been returned and a replacement has not been issued, the cheque must be repaid promptly.

Unprepared cheques stationery must be safeguarded in accordance with Instructions on Accountable Forms.

Cheques which have not been presented 15 months after issue become stale and will not be honoured by the Reserve Bank of Australia.

On receipt of advice that a cheque has become stale, reasonable efforts are to be made to contact the original cheque payee to advise the cheque has become stale. If the payee confirms that payment is still required, a replacement cheque is to be drawn. If the payee cannot be contacted or payment cannot be made for any other reason, the matter is to be referred to the shared services provider for resolution.

Replacement cheques drawn to reimburse the OAIC for cheques which have become stale are to be handled according to processes specified by the General Manager, Enabling Services.

Instructions – officials who receive or handle unbankable money

If you receive relevant money that is unbankable money, you must deal with it in accordance with any requirements prescribed in these instructions.

Instructions – officials responsible for reporting on the loss of relevant money

The General Manager, Enabling Services is responsible for the coordination and investigation of reports of losses of relevant money and recommending courses of action based on those reports.

An official who becomes aware of a loss of relevant money must report the loss to the General Manager, Enabling Services as soon as practicable (through his/her supervisors as appropriate).

If, at the time of the loss of relevant money, an official had nominal custody of the money, the General Manager, Enabling Services, must:

- inform the official having nominal custody of the money that he/she is liable to pay the OAIC an amount equal to the loss
- advise the official that if the official having nominal custody of the money believes that he/she took reasonable steps in all the circumstances to prevent the loss, the official should prepare a report detailing his/her claims.
- On receiving the report, the General Manager, Enabling Services will instigate investigations as necessary and the preparation of a report recommending one of the following three courses of action:
  - that the debt should be pursued in full
  - that the debt should not be pursued on the grounds that he/she believes that the full debt is not legally recoverable
  - that the debt should be reduced on the grounds that he/she believes that the full debt would not be legally recoverable but that a lesser amount, which is just and equitable, having regard to the official's share of the responsibility for the loss, would be.

The General Manager, Enabling Services must ensure that all debts arising from the loss of relevant money are appropriately pursued for the recovery of debts. See *Managing debts and amounts owing to the Commonwealth*.

Legislative requirements	PGPA Act: s. 26, s. 53, s. 55, s. 68, s.69, s. 70, s. 74, s. 74A, s. 78, s. 80 PGPA Rule: s. 19, s. 20, s. 21, s. 27
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-413 Banking and Management of CRF money*
Related AAIs	*Risk management* *Disclosure of interests* *Accounts, records and non-financial performance information* *Agreements with banks and managing bank accounts* *Cash advances (including petty cash and change floats)* *Managing debts and amounts owing to the Commonwealth* *Arrangements for other CRF money*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	General Manager, Enabling Services

5.3 Cash advances (including petty cash and change floats)

This section provides instructions on cash advances, including petty cash and change floats. Cash advances are typically used as change floats or to cover minor expenses that cannot be conveniently or cost-effectively processed for payment by cheque, electronic funds transfer or credit card.

A cash advance is relevant money that has been withdrawn from an entity bank account and provided to a specific official to make payments in cash. It also includes money received for the purposes of reimbursing the petty cash or change float.

Instructions – officials who are authorised to hold cash advances

You may receive an amount withdrawn from an entity bank account to establish or replenish a cash advance approved by the OAIC's accountable authority (or their delegate).

You are responsible for the cash advance and must take reasonable steps to safeguard the money from loss.

You must:

- comply with any other directions from the OAIC's accountable authority in relation to the cash advance.

You must not:

- make a payment from a cash advance, unless you are authorised to do so
- make a payment for any purpose other than that for which the cash advance was established.

If you enter into an arrangement in relation to a cash advance, you must be delegated the power to do so under section 23 of the PGPA Act.

If you authorise a proposed commitment of relevant money that will result in a payment of the cash advance, you must be delegated the power or authorised to do so under section 23 of the PGPA Act.

The General Manager, Enabling Services is responsible for the overall management of official advances within the OAIC. The duties include:

- ensuring that advance holders are aware of their responsibilities
- ensuring a register of official advances is maintained
- ensuring official advances are reconciled
- the reporting of any instances of suspected misuse to the Australian Information Commissioner

Legislative requirements	PGPA Act: s. *23*
Policies of the Australian Government	
Guidance	
Related AAIs	*Risk management* *Disclosure of interests* *Accounts, records and non-financial performance information* *Approving commitments of relevant money* *Entering into and administering arrangements*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	General Manager, Enabling Services

5.4 Investments and borrowings

This section provides instructions on investing and borrowing relevant money. As a general rule, relevant money managed by the Commonwealth cannot be invested by an entity.

5.4.1 Investments

The Finance Minister and Treasurer have delegated limited powers to a limited number of accountable authorities to invest relevant money in authorised investments on behalf of the Commonwealth (see section 58 of the PGPA Act). Accountable authorities can sub-delegate this authority. The investments that are authorised under section 58 are limited to a specific list of conservative investments outlined in section 22 of the PGPA Rule.

Instructions – officials with a delegation to invest relevant money

You must not invest relevant money on behalf of the Commonwealth unless you have been delegated the authority to do so by the Finance Minister or Treasurer under section 58 of the PGPA Act.

The OAIC has not been delegated power to invest money under section 58 of the *PGPA (Investment) Authorisation 2024*.

Legislative requirements	*PGPA Act:* s. 58 PGPA Rule: s. 22

Policies of the Australian Government	*PGPA (Investment) Authorisation 2024*
Guidance	*RMG-301 Investment by Commonwealth entities* *RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Disclosure of interests* *Accounts, records and non-financial performance information*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

5.4.2 Borrowing

The Finance Minister has delegated to accountable authorities, under section 56 of the PGPA Act, very limited powers to enter into borrowing agreements for Commonwealth credit card or credit voucher services (see *Commonwealth credit cards and credit vouchers*).

Instructions – officials with a delegation to enter into borrowing agreements for credit card or credit voucher services

You must not enter into a borrowing agreement on behalf of the Commonwealth unless you have been delegated the authority to do so under section 56 of the PGPA Act.

You may only enter into a borrowing agreement for a credit card or credit voucher to be issued to, and used by, officials of the OAIC on behalf of the Commonwealth.

When entering into a borrowing agreement, you must comply with the instructions on *Commonwealth credit cards and credit vouchers*.

Instructions – Department of Foreign Affairs and Trade officials with a delegation to enter into borrowing agreements for overdraft facilities

You may enter into agreements for the provision of overdraft facilities with overseas banks, provided the agreements require the money to be repaid within 90 days.

When entering into an agreement for the provision of overdraft facilities with an overseas bank, you must comply with the directions in the delegation from the Finance Minister or any directions in relation to the delegation from the OAIC's accountable authority.

You must ensure that any agreement is for a maximum amount of $1 million, with the sum of all agreements not totalling more than $10 million.

You must ensure that the overdraft facility is only accessed in situations where funds cannot be transferred from Australia in time for a specific payment.

When an agreement for overdraft facilities provides for the charging of fees by the bank, you must ensure that:

- the account incurs only the bank's standard fees and charges

- arrangements are put in place to debit any fees and charges to a departmental appropriation for the entity.

You must, at least annually, review all of the OAIC's overdraft facilities and be satisfied of the continuing need for those facilities.

You must ensure that any use of the delegation is reported to Finance within one week of the use.

Legislative requirements	PGPA Act: s. 56
Policies of the Australian Government	
Guidance	
Related AAIs	*Risk management* *Disclosure of interests* *Accounts, records and non-financial performance information* *Commonwealth credit cards and credit vouchers*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

5.5 Using special accounts

This section provides instructions on the use and management of special accounts.

Special accounts are an appropriation mechanism to draw money from the Consolidated Revenue Fund for particular purposes. They are not bank accounts. Special accounts can be established by a determination made by the Finance Minister (see section 78 of the PGPA Act), or by another Act (see section 80 of the PGPA Act).

How money can be credited to, or debited from, a special account will depend on the purpose of the special account set out in the Finance Minister's determination or the Act that establishes the special account.

Instructions – officials involved with the use and management of special accounts

You must ensure that only those amounts that have been identified for crediting to a special account are credited to it.

You must ensure that amounts are only debited from a special account in accordance with the purposes for which the account was established.

You must not use money from a special account to make a payment unless you are authorised to do so. Before making a payment, you must ensure that the balance of the special account is sufficient to cover the proposed payment (see *Making payments of relevant money*).

Moneys allocated to a special account must not be invested or earn interest, unless the authority to invest such moneys has been provided by the Finance Minister under *section 58* of the PGPA Act.

You must consult with Finance prior to establishing a special account.

Legislative requirements	PGPA Act: s. 78, s. 79, s. 80 *PGPA Financial Reporting Rule*
Policies of the Australian Government	
Guidance	*RMG-100 Guide to Appropriations* *RMG-400 Commitment of Relevant Money*
Related AAIs	*Making payments of relevant money* *Investments and borrowings*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

5.6 Charging

This section provides instructions on:

- charging for regulatory, resource and commercial activities in line with the Australian Government Charging Framework
- portfolio charging reviews.

These instructions do not cover intra- or inter-government charges, fines, penalties, general taxation, or Freedom of Information Act 1982 charges.

The Australian Government Charging Framework:

- helps determine whether it is appropriate to charge for a government activity
- encourages a common approach to planning, implementing and reviewing charging activities
- indicates how to classify each charging activity and the best policy, legislative and pricing approach for each activity
- incorporates and builds on the Australian Government Cost Recovery Guidelines, which apply to regulatory charging activities.

Consistent with the PGPA Act requirements relating to proper use and management of public resources, charging is appropriate only where it is cost-effective and efficient. In particular:

- the cost of administering a charging activity needs to be proportional to the revenue generated from the activity
- where the charging activity is provided to government and non-government stakeholders, charges need to be set on the same basis
- different pricing models can be used, depending on the specific charging activity being undertaken (more than one pricing model can be used for different aspects of an activity).

Undertaking a charging activity includes planning, developing, managing and reviewing a charging activity.

A key element of undertaking a charging activity is to identify and engage with risk at each stage of the charging process. Officials may use the charging risk assessment template to assess the risk of a new or amended charging activity.

Instructions – all officials

When planning, developing, managing and reviewing a charging activity, you must apply the Australian Government Charging Framework. Specifically, you must:

- take account of the charging policy statement and charging considerations
- apply the six charging principles.

For each charging activity, you must consider:

- whether policy approval is required from the Australian Government
- what statutory authority is required
- whether there is a need to align expenses and revenue
- maintaining appropriate up-to-date records, including the level of publicly available documentation and reporting.

You must provide information on existing or potential charging activities for the portfolio charging review.

Instructions – officials undertaking regulatory charging activities

For each regulatory charging activity, you must:

- have policy approval from the Australian Government to recover costs
- have statutory authority to charge
- ensure alignment between expenses and revenue
- maintain up-to-date, publicly available documentation and reporting, specifically:
    - a cost recovery implementation statement must be completed, approved and published in line with the Australian Government Charging Framework for all regulatory charging activities, regardless of value, before charges commence
    - regulatory charging expenses and revenue must be reported
        - at an aggregate level in the OAIC's financial statements, in accordance with the financial reporting rule
        - at the activity level on the OAIC's website as part of the cost recovery implementation statement.

When developing or revising a regulatory charging activity, you must undertake a risk assessment. If a new policy proposal is being brought forward, the risk rating in the charging risk assessment must be agreed with the Department of Finance.

6. Managing debts and amounts owing to the Commonwealth

This part covers instructions to officials on the management of debts and amounts owing to the Commonwealth, and includes the following topics:

- Debt management recovery and non-recovery (write-off)
- waiver of amounts owing to the Commonwealth
- payment by instalments or deferral of the time for payment.

A debt is an amount owing to the Commonwealth that is known (or capable of being objectively determined) and is not disputed, due for payment now, and capable of being recovered in an action for debt (e.g. an official who is overpaid salary, or a person who has been overpaid a social security payment, may owe a debt to the Commonwealth).

An amount owing to the Commonwealth includes all debts owed to the Commonwealth, as well as amounts that are not yet due for payment (e.g. an invoice has been issued but payment is not due until the following month).

It is important that you can identify and distinguish between a debt and an amount owing. In relation to amounts owing to the Commonwealth, the general principle is that such amounts need to be paid in full immediately when they become due. However, in certain circumstances it may be appropriate to defer the time for payment, allow payment by instalments, waive the amount owing to the Commonwealth, or set off the amount owing to the Commonwealth in accordance with sections 63 and 64 of the PGPA Act.

The Finance Minister has delegated the power in section 63 *of the PGPA* Act to waive amounts owing to the Commonwealth or modify the terms and conditions on which an amount owing to the Commonwealth is to be paid (see *Waiver of amounts owing to the Commonwealth*).

6.1 Debt management (recovery and write-off)

This section provides instructions on the recovery and non-recovery (write-off) of debts. Accountable authorities are required to recover all debts for which they are responsible in accordance with the proper use and management of public resources (section 15 of the PGPA Act) and section 11 of the PGPA Rule, unless:

- the debt has been written off as authorised by an Act
- they consider that the debt is not legally recoverable or
- recovery is not economical to pursue.

An accountable authority may delegate to officials their authority in section 11 of the PGPA Rule to approve the non-recovery (write-off) of a debt.

A decision to write off a debt does not legally extinguish the debt. For example, if the debtor's circumstances change in the future, the debt can be reinstated and pursued. The only way to legally extinguish a debt or other amount owing to the Commonwealth is for the Finance Minister (or delegate) to waive the amount owing under section 63 of the PGPA Act (see *Waiver of amounts owing to the Commonwealth*).

Instructions – officials with a delegation to pursue debt recovery

You must cease any incorrect or ongoing overpayments as soon as you are made aware of them, and determine the amount owing to the Commonwealth or Commonwealth entity.

You must pursue recovery of each debt for which your accountable authority is responsible, except debts that are:

- written off as authorised by an Act
- not legally recoverable; or
- not economical to pursue.

The provider of the OAIC's finance services under a shared service arrangement has the day-to-day responsibility for the recovery of debts.

In administering the OAIC's debt recovery program, the shared service provider will:

- issue invoices or debit advice notes (as appropriate) for each debtor
- promptly pursue any debt not paid within the OAIC's normal terms of trade conditions
- ensure all debtors receipts are promptly brought to account against the appropriate debtor
- provide for inclusion in the annual financial statements of the OAIC the amount of debts outstanding as at 30 June each year; and an estimated provision for doubtful debts as at 30 June.

Where a debtors' cheque is dishonoured or payment is not received within the OAIC's normal terms of trade the General Manager, Enabling Services will determine the appropriate course of action to be followed.

OAIC employees who receive overpayments of salary or allowances become debtors of the OAIC. These debts may be recovered by way of a common law right of set-off from their pay or other money owing to them. Compulsory salary deductions take precedence over voluntary deductions from an employee's pay.

Where an employee is leaving, or has left the OAIC, the amount of any recoverable overpayments may be deducted from any final moneys due to the employee. Any residual recovery amount will be recovered by alternative debt recovery processes.

Instructions – all officials

You must ensure that a decision not to pursue the recovery of a debt is approved by your accountable authority or a delegate under section 11 of the PGPA Rule.

Instructions – officials with a delegation to approve non-recovery of a debt

You may approve the non-recovery of a debt where:

- the non-recovery has been authorised by an Act
- you are satisfied that the debt is not legally recoverable; or
- you consider that it is not economical to pursue recovery of the debt.

Legislative requirements	PGPA Act: s. 15, s. 103(c) PGPA Rule: s. 11

Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-401 Requests for discretionary financial assistance 2013*
Related AAIs	*Risk management* *Disclosure of interests* *Waiver of amounts owing to the Commonwealth* *Payment by instalments or deferral of the time for payment*
Internal delegations	Financial Delegations
Other relevant documents	Payment by instalments or deferral of the time for payment
Contacts	Chief Financial Officer General Manager, Enabling Services

6.2 Waiver of amounts owing to the Commonwealth

A waiver is a special concession granted to an individual or other body that extinguishes a debt or other amount owing to the Commonwealth. This means that the amount owing is completely forgiven and can no longer be recovered (even if the debtor's circumstances change in the future). Waivers are a last resort in circumstances where the recovery of the debt would be inequitable or cause ongoing financial hardship.

The Finance Minister may waive an amount owing to the Commonwealth under section 63 of the PGPA Act (subject to some additional requirements for large amounts; see section 24 of the PGPA Rule). The Finance Minister has also delegated this power to the Secretary of Finance, and to the accountable authority of the Australian Securities and Investments Commission for use in limited circumstances.

Instructions – all officials

You must not approve the waiver of an amount owing under the PGPA Act unless you are delegated the power to waive the amount owing under section 63 of the PGPA Act.

You must ensure that all requests for waiver of a debt are referred to the Finance Minister.

Instructions – officials with a delegation to waive amounts owing

When waiving an amount owing under the PGPA Act, you must comply with the directions in the delegation from the Finance Minister or any directions in the sub-delegation from your accountable authority.

The waiver may be conditional as modified by the Finance Minister or your accountable authority.

Legislative requirements	PGPA Act: s. 15, s. *21*, s. 63, s. 64, s. 65, s. 103 PGPA Rule: s. 11, s. 24 *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*
Policies of the Australian Government	
Guidance	*RMG-401 Requests for discretionary financial assistance 2013*

Related AAIs	*Risk management* *Disclosure of interests* *Debt management (recovery and write-off)* *Payment by instalments or deferral of the time for payment*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

6.3 Payment by instalments or deferral of the time for payment

This section provides instructions on permitting payment by instalments or deferral of the time for payment. Amounts owing to the Commonwealth are generally required to be paid in full immediately when they become due. However, there may be circumstances that warrant allowing a payment to be made by instalments, or deferring the time for payment.

The Finance Minister has delegated the power in section 63 of the PGPA Act to all accountable authorities to modify the terms and conditions on which an amount owing to the Commonwealth is to be paid. Accountable authorities may sub-delegate this power to officials in their entity.

Instructions – all officials

You must refer requests to:

- allow the payment by instalments of an amount owing to the Commonwealth; or
- defer the time for payment of an amount owing to the Commonwealth

to your accountable authority or a delegate with the relevant power under section 63 of the PGPA Act.

Instructions – officials with a delegation to allow payment by instalments or defer the time for payment

When allowing payment by instalments or deferring the time for payment of an amount owing to the Commonwealth, you must comply with the directions in the delegation from the Finance Minister or any directions in the sub-delegation from your accountable authority.

Cases of hardship

When considering cases of claimed hardship, you must require that the debtor provide sufficient evidence to satisfy you that it would be unreasonable to require repayment of the amount owing other than by instalments or at a deferred date. You must also have regard to the Commonwealth's interests not being subordinate to other creditors of the same ranking.

Instalments

When authorising payment by instalments, you must impose conditions to ensure recovery of the amount owing as soon as reasonably practicable, having regard to the debtor's ability to pay.

Interest

When authorising payment by instalments or deferring the time for payment, you must impose interest on the amount owing at the 90-day bank-accepted bill rate (available from the Reserve Bank of

Australia). However, if this would cause undue financial hardship, you may impose a lesser rate of interest, or no interest, provided you record in writing your reasons for doing so.

Information to be given to debtor

When authorising payment by instalments or deferring the time for payment, you must inform the debtor in writing of:

- the amount owing to the Commonwealth
- the date(s) when payment is due
- the interest rate (if any)
- any other matter you consider relevant
- the conditions of acceptance contained in the delegation from the Finance Minister.

You must also obtain written confirmation from the debtor that they accept all of the matters listed above.

The repayment arrangements must be reviewed if there is an improvement in the debtor's circumstances, or at least annually, to determine whether a higher rate of instalment should be sought.

Legislative requirements	PGPA Act: s. 15, s. 21, s. *63, s.* 103 PGPA Rule: *s. 11*
Policies of the Australian Government	
Guidance	*RMG-400 Commitment of Relevant Money* *RMG-401 Requests for discretionary financial assistance 2013*
Related AAIs	*Risk management* *Disclosure of interests* *Debt management (recovery and write-off)*
Internal delegations	Financial Delegations
Other relevant documents	
Contacts	Chief Financial Officer

7. Managing property

This part covers instructions to officials on the proper use and management of relevant property, including acquisition, custody, use, loss and disposal.

Relevant property is property (other than relevant money) that is owned or held by the Commonwealth or a corporate Commonwealth entity, or any other thing prescribed by the PGPA Rule (see section 8 of the PGPA Act). It includes:

- real property (i.e. land and buildings)
- other goods or assets such as:
  - equipment and furniture
  - stationery and office supplies
  - vehicles and fuel
  - clothing and uniforms
  - IT and telecommunications assets
  - intellectual property and other intangible items
  - heritage and cultural assets
  - military equipment
  - shares, bonds, debentures and other securities
  - accounts and records.

Relevant property also includes:

- leased property and property held by the Commonwealth or a corporate Commonwealth entity on behalf of someone else
- gifts given to the Commonwealth entity and its officials.

7.1 Acquiring property (including receiving gifts and benefits)

This section provides instructions on:

- procuring relevant property (by lease or purchase)
- finding property on Commonwealth entity premises
- receiving gifts or donations

Acquisition of property under specific legislation, such as the acquisition of any interest in real property under the Lands Acquisition Act 1989, is subject to the provisions of the specific legislation.

7.1.1 Procuring property

Instructions – officials responsible for procuring property

When procuring relevant property, you must:

- act in a proper manner (efficient, effective, economical and ethical) and in a way that is not inconsistent with Australian Government policy.
- comply with the requirements of section 18 of the PGPA Rule when approving proposed commitments of relevant money (see *Procurement, grants and other commitments and arrangements*)
- act in accordance with the Commonwealth Procurement Rules, if relevant (see *Procurement*).

7.1.2 Finding property on Commonwealth entity premises

Property found on Commonwealth entity premises is relevant property and must be retained and disposed of in a proper manner consistent with section 15 of the PGPA Act. This extends to property found in an aircraft, vessel, vehicle, container or receptacle that is under the control of the Commonwealth entity.

Instructions – officials who find property on Commonwealth entity premises

You are responsible for the security of any property that you find on the OAIC's premises or in other containers and vehicles that are under the control of the OAIC.

You must take reasonable steps to safeguard any found property.

You must not misuse or improperly dispose of any found property (see *Disposing of property found on Commonwealth entity premises*).

An official who finds property on the OAIC's premises must pass it to the Chief Financial Officer on the day the property is found, or if that is not practicable, on the next working day. The Chief Financial Officer will:

- issue an acknowledgement to the finder
- maintain a register for property found on OAIC premises
- ensure the safe custody of the property
- make every reasonable effort to trace the owner and return the property to him/her
- where appropriate, notify the local police.

7.1.3 Receiving gifts and benefits

Officials, in the course of their work, may be offered gifts such as souvenirs, bottles of wine and personal items, or benefits such as sponsored travel, hospitality, accommodation or entertainment.

Generally, officials cannot accept gifts or benefits in the course of their work. However, there may be circumstances where it is appropriate to accept a gift or benefit – for example, where refusal could cause cultural offence, where an item of token value is offered by way of public thanks, or where attendance at an event is an important means of developing and maintaining relationships with key stakeholders. Officials need to carefully consider the appropriateness of a gift or benefit before accepting or rejecting it.

Gifts provided to officials in the course of their work immediately become relevant property when received.

Instructions – all officials

You must not:

- ask for, or encourage, the giving of gifts to yourself or other officials.
- accept a gift of money (except in exceptional circumstances).
- accept a gift or benefit that influences, or could be perceived to influence, your decision or action on a particular matter.

If you decide to accept a gift or benefit, your decision must be defensible and able to withstand public scrutiny. You must have regard to the general duties of officials in deciding whether to accept a gift.

In general:

- staff must not accept gifts and benefits that may be perceived as representing a conflict of interest or which might reasonably be seen to compromise their integrity
- all accepted gifts or benefits must be reported to the General Manager, Enabling Services
- accepted gifts or benefits valued over $100 (excluding GST) must be recorded in the Gift Register and will be published on the OAIC website
- accepted gifts or benefits valued at $100 (excluding GST) or less may be recorded in the Gift Register but will not be published on the website
- the person offering a gift or benefit valued at over $100 (excluding GST) must be advised that their information will be published on the OAIC's website
- if a gift or benefit is provided on behalf of the OAIC, it must be recorded in the Gift Register.

Legislative requirements	PGPA Act: s. 15, s. 23, *s.* 52 PGPA Rule: *s.* 18 *Lands Acquisition Act 1989* *Commonwealth Procurement Rules*
Policies of the Australian Government	
Related AAIs	*Risk management* *Disclosure of interests* *Procurement, grants and other commitments and arrangements Disposing of property found on Commonwealth entity premises*
Internal delegations	Financial Delegations
Other relevant documents	Gifts and Benefits Policy
Contacts	General Manager, Enabling Services

7.2 Custody, use and management of property

This section provides instructions on the proper use, management and security of any relevant property that officials receive or have custody of, including:

- vehicles belonging to or leased by a Commonwealth entity
- accountable forms
- bonds, debentures and other securities
- shares in a company.

Instructions – all officials

You must not misuse or improperly dispose of relevant property.

You are responsible for the security of any relevant property you receive, or have custody of, and must take reasonable steps to safeguard the property from loss.

You may only use relevant property for official purposes, unless permission for private use has been given.

The Australian Information Commissioner has authorised the General Manager, Enabling Services to be responsible for the overall accounting for OAIC property assets and their reporting in the annual financial statements.

While overall responsibility for relevant property rests with the General Manager, Enabling Services, all OAIC officials have a duty of care and a general responsibility to look after any property issued to or used by them.

Assets are issued to staff where there is an identified work need. The OAIC accepts that reasonable incidental personal use of assets including laptops, mobile phones and the internet is a legitimate OAIC working expense. Incidental use would not cover expenses arising from personal use during periods of recreational leave.

Officials may only remove relevant property from OAIC premises with prior approval and on the express condition that it is to be used for official purposes.

Where officials have borrowed OAIC property they become the custodian of the property until such time as it is returned to the OAIC and should it be lost or stolen, they may be responsible for paying the OAIC an amount equal to the loss (section 68 of the PGPA Act).

An official must not misapply relevant property or improperly dispose of or improperly use relevant property (section 69 of the PGPA Act).

Officials are responsible for the security of any relevant property they receive or have custody of and must take reasonable steps to safeguard the property from loss.

7.2.1 Use of Commonwealth entity vehicles

Most Commonwealth entities have vehicles that are owned or leased by the Commonwealth entity to be used by officials for official purposes. This does not include private-plated vehicles that are provided as part of a remuneration package, such as those under the Executive Vehicle Scheme, where separate arrangements exist.

Accountable authorities are required to ensure that officials promote the proper use, management and security of any Commonwealth vehicles they have custody of.

Instructions – all officials

You must not drive a Commonwealth entity vehicle unless prior agreement has been obtained.

When driving a Commonwealth entity vehicle, you must:

- hold a valid driver's licence appropriate for the class of vehicle and country where you are driving
- comply with all relevant traffic laws, ordinances and regulations, including parking restrictions, of the country where you are driving.

You must not drive a Commonwealth entity vehicle if you are not medically fit to drive or are taking prescribed or non-prescribed drugs that can impair your driving ability.

You may only use a Commonwealth entity vehicle for official purposes, unless permission for private use has been given.

7.2.2 Accountable forms

An accountable form is a form that, once completed, can be exchanged or negotiated for a benefit such as money, goods or services. Accountable forms include cheques, credit notes, official manual receipts, credit vouchers and miscellaneous charge orders.

While Cabcharge vouchers are accountable forms, they are also Commonwealth credit vouchers for the purposes of the PGPA Act. For instructions on using Cabcharge vouchers, see *Commonwealth credit cards and credit vouchers*.

Instructions – all officials

You must ensure the safe custody and control of any accountable forms in your possession.

7.2.3 Bonds, debentures and other securities

Bonds, debentures and other securities are written documents that are evidence of an obligation to pay money to fulfil a debt or other obligation. 'Other securities' in this context means other documents similar to bonds and debentures, such as shares. When an official receives a bond, debenture or other security in the course of his or her work, it immediately becomes relevant property.

Instructions – all officials

If you receive any bonds, debentures or other securities, you must ensure that:

- a receipt is issued for the bond, debentures or securities received
- a register is maintained of all bonds, debentures or securities received
- all reasonable steps are taken to safeguard the bonds, debentures or securities.

7.2.4 Acquiring shares and Commonwealth involvement in a company

Shares become relevant property when they are acquired by a Commonwealth entity. Shares may be represented by a certificate, but more generally are in electronic form only. Section 72 of the PGPA Act places a special requirement on ministers to inform the Parliament of any involvement in a company by a Commonwealth entity.

Instructions – officials who become aware of changes to the Commonwealth entity's involvement in a company

You must ensure that the OAIC's minister is advised that he or she must inform the Parliament if the OAIC:

- forms, or participates in forming, a company or a relevant body
- becomes, or ceases to be, a member of a company or a relevant body
- acquires shares in a company (either by purchase or subscription) or disposes of shares in a company
- has its rights attaching to company or relevant body shares varied
- has its rights as a member of a company or relevant body varied.

Legislative requirements	PGPA Act: s. 19, s. 72 PGPA Rule: s. 26
Policies of the Australian Government	
Related AAIs	*Risk management* *Disclosure of interests* *Disposing of property* *Commonwealth credit cards and credit vouchers* *Official travel*
Internal delegations	Financial Delegations
Other relevant documents	Asset Management Policy and Procedures
Contacts	General Manager, Enabling Services

7.3 Loss and recovery of property

Sections 68 and 69 of the PGPA Act deal with who is responsible for the loss of relevant property. In relation to relevant property, loss also includes deficiency, destruction or damage. Officials can be held responsible for a loss of relevant property, whether or not the property was in their custody at the time when it was lost.

A loss of property may result in a debt owed to the Commonwealth entity by an official or minister. A person's liability to pay such a debt is not avoided just because they stopped working for the Commonwealth after the loss occurred. For further information on the management of debt, see *Managing debts and amounts owing to the Commonwealth*.

Instructions – all officials

You are responsible for the security of any relevant property you receive or have custody of, and must take reasonable steps to safeguard the property from loss.

If you do not take reasonable steps to prevent a loss of relevant property, and the loss occurs while the property is in your custody, you will be liable to pay the Commonwealth an amount equal to the loss.

If you cause or contribute to a loss of relevant property by misconduct, or a deliberate or serious disregard for reasonable standards of care, you will be liable to pay the Commonwealth an amount that reflects your share of the responsibility for the loss.

Instructions – officials responsible for coordinating reports on a loss of relevant property

An official who loses property must notify the Chief Financial Officer on the day the property is lost, or if that is not practicable, on the next working day.

Legislative requirements	PGPA Act: ss. 68 and 69
Policies of the Australian Government	
Guidance	

Related AAIs	*Risk management* *Disclosure of interests* *Managing debts and amounts owing to the Commonwealth*
Internal delegations	Financial Delegations
Other relevant documents	Asset Management Policy and Procedures
Contacts	General Manager, Enabling Services

7.4 Disposing of property (including gifting relevant property)

This section provides instructions on:

- disposal of relevant property generally (e.g. sale, trade-in, transfer to another Commonwealth entity, destruction, recycling or dumping)
- disposal of property found on Commonwealth entity premises
- gifting of relevant property.

For non-corporate Commonwealth entities, the Commonwealth's general policy on the disposal of relevant property is that, wherever it is economical to do so, the property needs to be sold at market price or transferred (with or without payment) to another government entity within Australia (including state or territory governments) with a need for the property.

Disposal of property under specific legislation, such as the disposal of any interest in real property by the Commonwealth under the Lands Acquisition Act 1989, is subject to the provisions of that legislation.

Instructions – all officials

You must not:

- improperly dispose of relevant property
- make a gift of relevant property, unless it complies with the instructions *Gifting relevant property*
- dispose of relevant property found on Commonwealth entity premises, except in accordance with the instructions *Disposing of property found on Commonwealth entity premises*.

Instructions – officials responsible for the disposal of relevant property

You must ensure that relevant property is disposed of by:

- transferring the property (with or without payment) to another government entity within Australia (including state or territory governments) with a need for the property
- selling the property at market value, where it is economical to do so; or
- seeking authorisation in writing from the Finance Minister (or a delegate) to gift the relevant property (see *Gifting relevant property*).

In approving disposals, the General Manager, Enabling Services must ensure:

- the best net financial outcome for the OAIC
- the arrangements are able to withstand public scrutiny in terms of value for money, probity and ethical grounds and are fully documented
- proceeds from sales are banked as soon as practicable
- any disposal action is thoroughly documented
- the assets register is updated to reflect the disposal.

Where stores are disposed of by trade-in and replaced by new items of a similar nature, the arrangements must make efficient and effective use of OAIC funds. Such arrangements may be approved by officials who have been delegated the power to spend relevant money provided the amount concerned falls within their monetary limitation.

Where the property once held information (such as a storage container, a safe or a computer), the General Manager, Enabling Services will ensure that all information has been permanently removed from the property before it is disposed. This may require specialist cleansing of IT equipment.

7.4.1 Disposing of property found on Commonwealth entity premises

Instructions – officials responsible for the disposal of found property

You may only dispose of property (other than money) found on Commonwealth entity premises, or in containers, receptacle or vehicles that are under the control of the Commonwealth entity, if the property is not claimed by its owner within a reasonable timeframe.

You must dispose of the property by sale, unless doing so is impracticable or undesirable with regard to the public interest.

7.4.2 Gifting relevant property

Section 66 of the PGPA Act sets out the circumstances where a gift of relevant property may be made by a minister or an official of a non-corporate Commonwealth entity. This section also provides the Finance Minister with the power to authorise in writing a gift of relevant property. This power has been delegated with directions to all non-corporate Commonwealth entity accountable authorities, who in most cases have sub-delegated it to certain officials.

Instructions– all officials

You must not make a gift of relevant property unless:

- the property was acquired or produced to be used as a gift
- the making of the gift is expressly authorised by law; or
- the Finance Minister or a delegate has given written authorisation to the gift being made under section 66 of the PGPA Act.

If you make an unauthorised gift of relevant property, you must personally pay the Commonwealth the value of the relevant property.

Instructions – officials with a delegation to authorise a gift of relevant property

When authorising a gift of relevant property, you must comply with the directions in the delegation from your accountable authority.

You must have regard to the Commonwealth's overarching principles for the disposal of relevant property, as outlined in the delegation from the Finance Minister.

Despite the Commonwealth's overarching principles for the disposal of relevant property, you may authorise a gift of relevant property where the property is:

- genuinely surplus to the entity's requirements, and of historical or symbolic significance to the proposed recipient
- holds other special significance for the proposed recipient and there are compelling reasons to justify its gifting to that recipient or
- of low value and otherwise uneconomical to dispose of, or the gifting supports the achievement of an Australian Government policy objective.

You must not authorise:

- a gift of military firearms
- a gift that would create an onerous or undesirable precedent.

You need to ensure that the grounds on which you authorise a gift to a selected recipient are publicly defensible and documented.

You must provide written authorisation for the gifting of relevant property.

You must obtain a reasonable estimate of the market value of the property before authorising it to be gifted. If this is not possible, you must assign a notional value and record the basis for determining the value of the property.

Legislative requirements	PGPA Act: s. 15, ss. 66 and 67 Lands Acquisition Act 1989
Policies of the Australian Government	
Guidance	*RMG-203 General duties of officials* *RMG-400 Commitment of Relevant Money*
Related AAIs	*Risk management* *Disclosure of interests*
Internal delegations	Financial Delegations
Other relevant documents	Asset Management Policy and Procedures
Contacts	General Manager, Enabling Services

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