

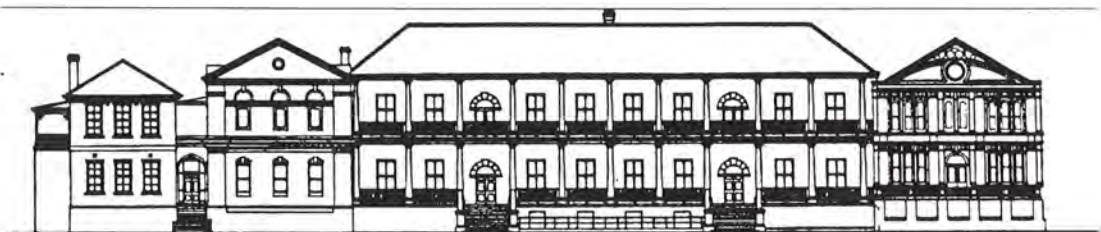


# **PUBLIC ACCOUNTS COMMITTEE**

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## **THE PUBLIC'S DEBTS TO THE STATE: BETTER AGENCY COLLECTION, HIGHER STATE REVENUE**

### **Discussion Paper**



**Report No. 16/51**  
**[No. 106]**

**October 1997**

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## Members of the Committee

### **Mr Terry Rumble, FCPA, MP, Chairman**

Terry Rumble was elected Labor Member for Illawarra in March 1988. Before entering Parliament he qualified as an accountant and was employed in public practice and in the coal mining industry. He has served as a member of the Regulation Review Committee and is the Chairman of the Premier's Backbench Committee on Treasury, Arts and Ethnic Affairs. Mr Rumble was elected Chairman of the Committee on 24 May 1995.

### **Mr Joe Tripodi B.Ec. (Hons), MP, Vice-Chairman**

Joe Tripodi was elected to Parliament in March 1995 as the Labor Member for Fairfield. Before entering Parliament he worked as an economist with the Reserve Bank of Australia and as a union official with the Labor Council of NSW. He has been a Member of the Committee since May 1995 and was elected Vice-Chairman in September 1996.

### **Mr Ian Glachan, MP**

The Liberal Member for Albury since 1988, Ian Glachan has had a varied background. He served five years at sea as a marine engineer, was a farmer for ten years, and operated a newsagency in Albury for 18 years. Mr Glachan is also a past president of the Albury-Hume Rotary Club and a Paul Harris Fellow, an active member of the Anglican Church, and was the Legislative Assembly member on the Board of Governors of Charles Sturt University. He is a former Chairman of the Public Accounts Committee.

### **Mr Ray Chappell, MP**

Ray Chappell was elected National Party Member for Northern Tablelands in May 1987. He has worked in university administration and in the building and retail industries, and he served four terms as an alderman on Armidale City Council. During his Parliamentary career Mr Chappell has served as Minister for Small Business and Minister for Regional Development, Shadow Minister of various portfolios, Chairman of several Select Committees and member of the Board of Governors of the University of New England. Mr Chappell served as a Vice-Chairman of the Public Accounts Committee from July 1991 to May 1993 and was reappointed to serve on the Committee in April 1996.

### **Mr Gerry Sullivan, B. Comm., FCPA, MP**

Labor Member for Wollongong since 1991, Mr Sullivan has served on numerous parliamentary committees, including the Standing Committee on Public Works, the Public Bodies Review Committee and the Parliamentary Library Committee. He is actively involved in many community organisations particularly in the fields of health and sport. Mr Sullivan has held many elected positions within the ALP since 1961. Mr Sullivan became a Member of the Committee on 24 September 1996.

New South Wales Public Accounts Committee  
Left: Ray Chappell MP, Gerry Sullivan MP, Terry Rumble MP (Chairman),  
Joe Tripodi MP, (Vice-Chairman), Ian Glachan MP

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## CHAIRMAN'S FOREWORD

As part of its normal statutory duties, the Committee regularly reviews the Consolidated Financial Statements of the State Government, the annual reports of all government agencies and the various reports of the Auditor-General. During the course of these periodic reviews of these statistics, the Committee increasingly felt that the debts owed by the public to the state were troublingly high.

The Committee determined to look behind these figures and to conduct a formal inquiry on the subject under Section 57 (1) of the *Public Finance and Audit Act* 1983. The primary aim of these further investigations has been to identify ways of lowering the overall debt due to the State, rather than to conduct a witchhunt of individual departments.

So far the Committee has held 2 hearings, with 18 witnesses, and organised field visits to public and private sector bodies concerned with debt management, as well as a seminar at which 14 speakers made addresses.

This Discussion Paper is part of the inquiry process. In it we have outlined the issues as they have appeared to us so far in the inquiry. We welcome your views and this Discussion Paper is intended to elicit as many responses as possible. Please send in your views by 31 January 1998.

The Committee thanks those who have worked with it on this inquiry, particularly the Treasury officers who worked hard to remedy the gaps in the data as collected.

Many other agencies and individuals, too numerous to list in a Foreword, have assisted the Committee with the inquiry so far. The Committee thanks them all. Many of their ideas have been incorporated in this Discussion Paper.

Terry Rumble MP  
Chairman

## 1. STATISTICAL INTRODUCTION

### Preamble

Until July 1997, the Treasury did not have in place financial reporting systems that would have enabled it provide disaggregated information on:

- The public's debts to each agency of government
- For each agency, the proportion of its revenue that is represented by receivables
- The ten agencies, or the ten sectors, with the biggest receivables
- The age of the public's debts to each agency
- The administrative costs of the entire billing process, which should be able to be found with accrual accounting.

For the present inquiry, this created a problem in that these were precisely the data the committee needed as a statistical basis. In a climate of devolution of responsibilities to individual agencies, Treasury was never asked to bring together such data and they largely remained with those individual agencies.

The Committee was also disturbed to learn that until July 1997 there existed no central government requirement for state agencies to report their receivables in a standard detailed format. For example, it was impossible to determine how much of the receivables listed by each agency represent debts due from the public, and how much was interest outstanding on other transactions. Advances are also included in the data for some years and not in others. There was no way of telling how much of the total public debt to the state is 30, 60 or 90 days old. The data as collected also yielded absurd results, such as a large excess of receivables over revenue for several agencies.

There was no requirement from governments to monitor and control these figures at the whole of government level, although at the individual agency level, Treasury did monitor agencies' spending to ensure budgets were not exceeded. By comparison, a large private sector corporation would exercise control at a group consolidated level, would know the debts of the whole group and of the individual components, and would be aware at all levels of the relationship between revenue and receivables. The Committee was concerned at this information gap, while recognising that it was in considerable measure due to the general climate of devolution of responsibilities.

As a result, the Committee has been unable to obtain from the Treasury much of the detailed data that would have underpinned this inquiry. Individual Treasury officers have diligently attempted to repair this deficiency on behalf of the Committee, but the system did not allow



them to do so with any degree of confidence. In a nutshell, the figures obtained under the old system were scarce and of limited use.

The accompanying graphs show some of the statistics which are available. An examination of these data suggests the following questions:

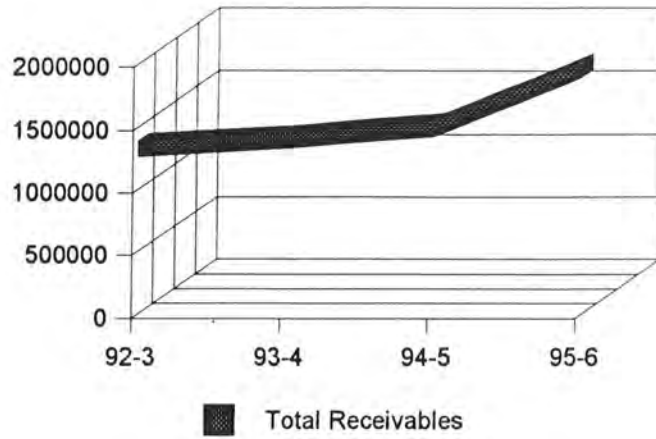
### **Discussion Points**

- 1. Is the overall level of debt owed ~~by citizens of NSW~~ to the State Government reasonable?**
- 2. Should each state agency be allowed to determine for itself what its own fair and reasonable level of debt is?**
- 3. Are there any comments on the proportion of total revenue represented by the public's debts to the State?**

## High level of debts owed to the State

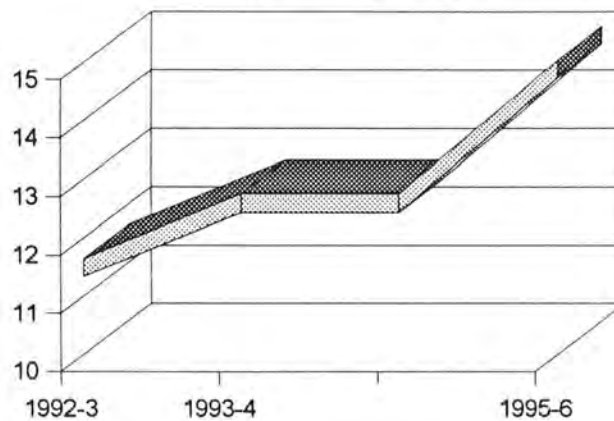
### Total Receivables\*

NSW Public Sector



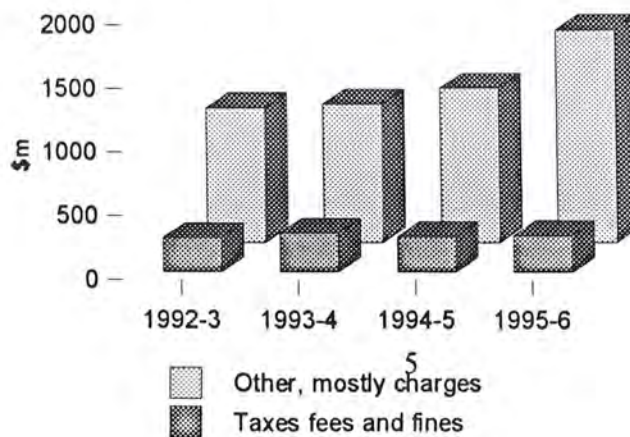
### Receivables

as percentage of total operating revenue



Note: Advances were not generally included in receivables for 1994-5 year, but, instead, a single journal adjustments was made. This makes the figures for 1994-5 not comparable with those of other years.

### Debts: Source



ii. **Comparison with the private sector**

It is sometimes claimed that the private sector would never allow debts to mount up to the extent prevailing in the public sector. However, it is very difficult to make valid comparisons between the government and the private sectors. A cursory examination of the receivables to revenue ratios of selected government agencies with those of selected private sector bodies does not yield any meaningful result. The table below shows some statistics.

**TABLE 3**  
**Receivables as a percentage of Total Revenue (1995-6)**  
**Selected Cases only**

AGENCY	CURRENT ASSETS: Receivables & Total Revenues	\$	Percentage
Legal Aid Commission	Receivables	3 449 000	17
	Total Revenues	20 736 000	
NSW Ambulance Service	Receivables	12 546 000	23
	Total Revenues	54 324 000	
Central Sydney Area Health Service	Receivables	19 430 000	24
	Total Revenues	78 873 000	
NSW Land and Housing Corporation	Receivables	41 565 000	3.2
	Total Revenues	1 260 037 000	
WorkCover Authority	Receivables	40 016 000	21
	Total Revenues	194 079 000	
Energy Australia	Receivables	362 667 000	17
	Total Revenues	2 081 930 000	
AGL (Private sector)	Receivables	149 600 000	17.3
	Total Revenues	866 100 000	
BHP	Receivables	1,890,000,000	10.7
	Sales	17,700,000,000	
CSR	Receivables	889,000	0.016
	Sales	5,365,000,000	

There are several reasons why comparability is difficult. First, the nature of each business is very individual. Second, the private sector has the right to refuse to extend credit, but the public sector does not. For instance, ambulances cannot refuse to take a patient. Parking police cannot decline to issue a ticket to a "client" without a good credit rating. The Office of State Revenue cannot refuse to issue a tax assessment on the basis of low credit rating. The nature of government businesses is mostly quite different from that of the private sector. As a result, the risk exposure of government to bad debts is greater than that of the private sector.

The only genuinely valid comparison that can be made is therefore *only* between the debt management practices of the public and private sectors respectively, not between the entire businesses.

### Discussion Points

4. Are there valid factors which make it worthwhile comparing the private with the public sector? If so, what are they?
5. Is it appropriate to develop indicators to measure government agencies' debt management performance in isolation from the private sector?
6. Should government agencies pursue money due to the State with the aim of achieving private sector-type financial ratios?

### Debts written off

In the three year period 1993-5, the amount of debts written off has totalled some \$160m. In 1994-5 alone, the figure for write-offs was \$53m. In addition to the amount written off as irrecoverable, an amount of \$94m was charged as an expense and set aside as a provision for bad and doubtful debts.

*Again here, however, the figures are inconsistent across time and across government. There is currently no requirement to report debts written off at the whole of government level, which is remarkable. The table below, compiled by the Auditor-General, not the Treasury, shows the best available figures for debt write-offs:*

**Table**  
**New South Wales Public Sector**  
**Summary of Debts Written off**

	\$'000 Budget Sector	\$'000 Non-Budget Sector	\$'000 TOTAL
1992	22236	not available	not available
1993	11802	29768	41570
1994	34316	not available	not available
1995	31347	21637	52984
TOTAL	99701	not available	not available

Source: Auditor-General's Reports for 1992-5

It is of interest to review the schedule of debts written off and to consider the type of debt written off.

**TABLE 2**  
**Debts Written Off 1995 Financial Year**  
**Selected Cases only**

AGENCY	PARTICULARS	\$
Legal Aid Commission	Legal Debtors and other	229 135
Treasury ( Office of State Revenue)	Various taxes	19 980 079
NSW Ambulance Service	Patient fees	3 778 681
Central Sydney Area Health Service	Patient Fees	1 062 418
Housing Department	Rental and other debtors	2 853 745
WorkCover Authority	Debtors	7461000
Sydney Electricity	Electricity Debtors	6108679

**Source: Auditor-General's Report to Parliament 1995 Vol 3 Appendix 3**

## C. ADMINISTRATIVE PROBLEMS AND POSSIBLE SOLUTIONS

### 1. General policy document on debt management from Treasury

At present the only relevant document that exists in New South Wales is a set of Treasurer's Directions covering debt collection processes. It has the force of law, but it is merely a procedural document. It covers processes for recovering debt, and for determining whether and when to write a debt off. It is primarily concerned with debt collection methods, rather than with the whole issue of debt management.

There is thus no policy in existence covering a much wider range of debt management principles and issues. The lack of a comprehensive general policy on debt *management*, as opposed to simple debt *collection*, represents a gap in New South Wales. It is impossible to say to what extent the lack of such a comprehensive policy document has inflated the level of the debt owed to the state by the public, but it seems fair to say that such a policy, by clearly defining best practice, could well help bring debt levels down.

Such a policy would cover a wide range of debt management principles, procedures, and issues, including:

#### *Principles*

- the equitable treatment of debtors unable to pay
- outsourcing
- dealing successfully with privacy concerns
- use of credit rating agencies
- the use of an amnesty for non-payers after, say, two years, on a negotiated basis.
- whether a person or a firm owing money to the government can get a government contract.
- requiring a bond before a service is given.
- the use of modern techniques e.g. electronic payment
- staged payment

#### *Procedures*

- the procedural matters currently covered by the Treasurer's Directions
- the frequency of issuing invoices or assessments
- the preparation of age analysis of debtors outstanding
- recovery action on accounts outstanding
- guidance on when to take legal action to recover debts
- Training requirements and procedures.

## *Issues*

- Privacy
- Equity

In fact, such a policy would cover the range of issues canvassed in this Discussion Paper, as well as setting out regular procedures.

### **Discussion Points**

- 7. What matters should such a comprehensive Treasury policy on debt management cover?**
- 8. If Treasury were to prepare such a comprehensive general policy, would that have an unfavourable impact on individual agencies?**
- 9. Should individual agencies each work out their own policy documents for dealing with the above issues?**
- 10. If so, should Treasury approve those policy documents?**
- 11. Should Treasury develop a reporting framework to monitor compliance with established best practice?**
- 12. Should a system of rewards and sanctions be developed for agencies that achieve or fail to achieve best practice?**
- 13. Should the policy be detailed and prescriptive or should it be in the form of best practice guidelines setting targets that agencies should aspire to achieve?**

## **2. Underuse of the telephone**

The Committee has been told that it is much cheaper to make a telephone call than to send a reminder letter to delinquent payers. It is also more effective because it is harder to ignore. Yet many agencies continue to send out two, three and sometimes four reminder letters.

In addition, even when the telephone is used, it appears that virtually all agencies use manual dialling techniques, even though a computer-assisted predictive dialling system would be much more efficient.

### Discussion Points

- a. What are the advantages of using the telephone as opposed to letters?
- b. At what stage of delinquency in payment should the telephone be used?
- c. What are the advantages and disadvantages of the predictive dialler?
- d. How could call centres be used in this context?

### 3. Improving inadequate reporting systems

There are two aspects here. First is the inadequacy of the systems used by agencies to report their receivables position to the Treasury; second is the inadequacy of annual reporting requirements.

With respect to the first aspect, until recently there was no requirement that agencies provide the Treasury with full and detailed reporting of their receivables position. One result of this has been that Treasury has been unable to monitor adequately agencies' debt management performance, and thus could not take the best possible action if and when problems occur.

In July 1997, however, the Treasury instituted a new reporting system, called the Financial Information System (FIS), which will enable it to monitor agencies' receivables position.

The second aspect is that at present annual reporting requirements do not include an obligation by agencies to report on their debt management practices and performance (although departments do have to report their bad and doubtful debts). In the private sector, cash flow and recovery of trade debts are matters of major concern to shareholders. However, in the public sector, there is no requirement for an agency to report on its debt management performance in its annual report, although bad and doubtful debts for departments *are* included.

Since the statistics as currently collected are not consistent across government, and do not permit a reliable grasp of the detail of the public's debts to the state, the first improvement here would therefore be the development of detailed requirements from Treasury that would enable it to monitor agencies' receivables positions, compare dependably across agencies and across years, and break the data down into fines, charges, interest repayments, and other categories. Such data would make it much easier for the Treasury to track receivables properly, note when trends are causing problems, and take appropriate remedial action.



### Discussion Points

14. **Is the preparation of such statistics an undue burden on agencies?**
15. **Is the analysis of such statistics an undue burden on the Treasury?**
16. **Are the benefits worth the costs?**
- 16a. **As a matter of principle, should agencies have their debt management performance monitored by Treasury, or should they be free to organise it as they see fit?**

In addition, we saw that agencies are not required to disclose their debt management performance in their annual report.

### Discussion Points

17. **Is there a need to develop specific performance measures to apply to various classes of debtors held by the public sector for exposure in an annual report?**
18. **Given the wide range of debts carried by government department, is it appropriate to develop performance measures for specific categories of debt?**

#### **4. Some transaction processing is inadequate**

During the early stages of the inquiry the Committee noted that there were several reports in the press concerning cash flow management issues within the health sector. There were a series of articles reporting that the Health Department had to borrow funds from the Treasury to enable the area health services to pay their suppliers bills for things like food and fuel. AT the same time the health sector was carrying a considerable amount of old outstanding debtors. Thge Committee holds the view that cash flow management is a critical management issue and should be given a high priority. The Committee was assured by officers within the Health Dept that the matter was being addressed as a matter of urgency.

Some current processes generate inefficiencies and inflate costs and receivables. Payroll processing is an example. The source of a large proportion of receivables is overpayment of salaries. If state employees are on leave, are replaced, are ill, do not appear, change their duties, become eligible for an allowance, or vary their employment arrangements in any way at

all, a transaction has to be processed. For instance, if a senior police officer is ill, another may well receive higher duties allowance to do the original officer's job, and this can easily percolate down the ranks.

Currently, employees are paid every fortnight. This gives only a fourteen-day lead time for processing any payroll adjustments. Any variation in employment conditions therefore, may not have time to make its way through the process by the time the next pay cheque is due. As a result, errors are common in payment of salaries in NSW, particularly overpayment of salaries. These salary overpayments are a debt, are recorded as such, and must be recovered.

The Committee has had a longstanding interest in salary overpayments across the whole NSW public sector, and envisages carrying out an inquiry on the matter in the near future.

Another example is in assessment of tax. Certain taxes are assessed on an annual basis. Some people cannot pay the entire amount all at once. It then appears as an outstanding debt, and they are then allowed to pay the arrears in staged instalments, typically monthly. The outstanding debt then gets gradually reduced.

Monthly payment of salaries, which is common in the private sector, could reduce the number of transactions processed, and therefore the errors and the debt outstanding.

With regard to tax, if the assessment cycle were shortened to, say, one or three months instead of a year, taxpayers would have a better chance of paying the current bill as it falls due. The debt would then not be listed as outstanding. Thus monthly assessment of tax could reduce the number of debts listed as outstanding. On the other hand, monthly assessment may not be popular with some employees.

### **Discussion Points**

- 19. What improvements in transaction processing could reduce the total value of debts outstanding? Precisely how would this be accomplished?**
- 20. What problems could be created by changing the frequency of pay and assessment cycles?**

## 5. Centralising to reduce fragmentation and inefficiencies

At present, there is a plethora of agencies collecting debts, using different methods, different principles, and different systems, and obtaining different quality results. In many cases, information, for example, on the correct name and address of a debtor, is not shared. Yet the Committee heard from some agencies that the lack of information on the whereabouts of defaulting debtor was the main cause of delay in recovering money due from a debtor.

Treasurer's Directions allow for information held in one government agency, that is publicly available to be made available to another government agency. The Committee was concerned to be told that concerns about privacy were being used as reasons for non co-operation between agencies.

The incompatibility of data held under different systems is a related problem. Although there exist well-established standards for the form and layout of data fields to record *dates and monetary amounts*, there exists no standard for the *name and address* fields that are the obvious information field when trying to match data. It was clear to the committee that the development of standards for name and address fields is a critical issue in public administration.

The Committee noted that the State Debt Recovery Office has been established as a new statutory body under the Fines Act 1996. The charter of the Office is to centralise the processing of information in the management of fines due to government. At the time of drafting this discussion paper the office was in the process of acquiring computer systems and designing computer requirements. However, it was clear that the SDRO's function was to be limited to the collection of fines, not utility bills.

The Committee suggests that one possible idea for improving the efficiency of debt collection might be for all agencies to send to one single central agency all *outstanding* accounts, over, say, 60 or 90 days, and for that single agency to consolidate them on the one statement. That agency would then be responsible for collecting all those outstanding debts.

For this to happen, a central agency would have to exist. There are three possibilities here:

- expand the existing State Debt Recovery Office, which was established under the *Fines Act* 1996, with a charter to provide a centralised debt recovery service for fines and other debts due to the State.
- expand the Office of State Revenue, which collects taxes, and has a large taxpayer data base.
- give the whole task to one outside private sector firm.

There may be privacy implications here, in that a central agency would have information on a wide range of debts owed by a single debtor.

If a central agency were to carry out these tasks, this would not absolve the individual agencies from being fully accountable for the debts they have accumulated in the first place.

Another task a central agency might possibly carry out is to develop a proactive role in helping people manage their affairs by staggering their billing. This has been done for some time by credit unions.

There might also be less ambitious alternatives to total centralisation, including a requirement that agencies establish common standards for data fields used to record name and address fields used to identify tax payers and other debtors, or a requirement that certain agencies group together without full centralisation.

#### **Discussion Points**

- 21. Is full centralisation a desirable idea in principle?**
- 22. Is it feasible?**
- 23. What would the advantages be?**
- 24. What could be the problems?**
- 25. Are there privacy implications? If so, what are they?**
- 26. Would they outweigh the savings from centralised operations?**
- 27. Which agency would be best suited to be the home for a fully centralised system?**
- 28. Would the private sector be better? If so, why? If not, why?**
- 29. Are any of the less ambitious alternatives more desirable and/or feasible?**
- 30. Would a central agency take the pressure off individual agencies and reduce their accountability?**
- 31. What ramifications might there be of each option in terms of the organisation required?**
- 32.. Is it feasible to have the central agency help people manage their affairs by staggering their billing for them?**

## 6. Outsourcing

A related issue is that of outsourcing.

Debt management functions are, in chronological order of execution:

1. Assessment of tax or costing of a charge.
2. Preparation of the invoice.
3. Writing the debt into the debtors' ledger.
4. Mailing of the first invoice.
5. If payment received, marking off individual accounts paid.
6. If payment not received by due date, issuing of reminder notice.
7. If payment still not received, further action e.g. second and possibly subsequent, reminder, telephone contact, interview.
8. If payment still not received, commencement of initial debt recovery measures e.g. passing debt on to specialist internal or external debt collector.
9. If payment *still* outstanding, legal action, e.g. issue of summons.
10. If legal action unsuccessful, then consider write-off.

Every month during this whole process, the agency would also be checking or reconciling totals, and preparing data analyses, including aging of accounts.

Functions 1 to 7 inclusive are the repetitive processing tasks, while functions 8 to 10 inclusive are the interpersonal tasks.

Clearly there are many repetitive tasks which can be carried out very economically by a specialised firm. These are mostly 4 to 6 above. These are essentially mechanical processing tasks which can be done much more economically with specialist high speed equipment and lower labour costs. However, at present, only a few government agencies take maximum advantage of the economies of scale that such firms can provide.

Outsourcing for the "human contact" tasks numbered 7 to 9, is more problematical. The private sector is likely to be more efficient even at these tasks than the public sector, but may use unacceptable methods like threats and worse.

## Discussion Points

32. **What types of debt collection tasks are suitable for outsourcing?**
33. **Are there tasks which are particularly appropriate for the private sector? For the public sector?**
34. **Is the private sector necessarily more efficient at (a) the repetitive tasks (b) the “human contact” tasks?**
35. **Are there protocols that might need to be developed to safeguard individual citizens’ rights to privacy and non-harassment if the private sector handles the “human contact” tasks?**

### 7. **Formalised time to pay, time payment arrangements and part payment**

So far during the inquiry, the Committee has noted an inconsistency in the freedom that government agencies allow to debtors to stagger their payments across a period of time. All agencies will allow a debtor who is in difficulties time to pay. The difference is that some agencies stipulate a period after which the bill must be paid in full, whereas others allow staggered payments, that is, instalments, during that period.

Treasury Directions (450.04) stipulate that instalments should be allowed. However, the Committee was told that there was an inconsistency in the way government agencies handled requests for time to pay. It is clear from the large balance of accounts receivables outstanding that the New South Wales government and its agencies are providing extensive time payment facilities, in many cases at no interest, and might be regarded as some of the most accommodating credit providers in the state.

Some government agencies did not have a formal policy in granting time to pay. The Committee was surprised to learn that some do not accept part payment. One agency told the Committee that some years ago they had set up a working party to consider the possibility of time to pay. They had found that in reality the normal processing of transactions including courtesy letters as reminders had resulted in an automatic 22 week time to pay.

It came to the Committee’s notice during the course of the inquiry that this same agency did not accept part payments. Only the full amount was accepted. If a person offered part payment of the outstanding amount the cheque was returned with a covering letter indicating part payments were not accepted.

It seems to the Committee that it is only reasonable to allow the debtor to make staggered or progress payments. The benefits of this approach are:

- \* the agency's cash flow is improved
- \* there is a higher likelihood of eventual full payment.

The main disadvantage is the increased cost of processing.

### **Discussion Points**

- 36. Should government agencies provide time payment facilities as a routine matter ?**
- 37. Should the public be allowed instalment payment on the first bill, or only when the amount is outstanding?**
- 38. On what grounds should part payments be accepted?**
- 39. If part payment should not be accepted, why not?**
- 40. Does the increased cost of processing outweigh the benefits of allowing instalments?**
- 41. Under what circumstances should an agency grant an extension of time without allowing instalments?**
- 42. Should NSW government agencies extending credit in the form of time to pay be allowed to join and have access to information accumulated by commercial credit providers and credit reporting agencies?**
- 43. Should a deposit or bond be required especially if the amount is large or if the credit risk is assessed as high?**
- 44. What is the appropriate manner to calculate instalment payments?**
- 45. Should interest be charged on overdue accounts?**
- 46. Should the rate of interest charged be nominal, reflect the cost of capital or be punitive?**

## 8. Other payment methods

The Committee has heard that a number of newer payment methods would improve the efficiency of debt collection. These include:

- payment to banks' locked boxes, and subsequent transmittal by banks to the account of the service provider;
- generation and payment of bill by Internet
- payment through ATMs either to bank or direct to service provider
- payment at grocery stores and/or newsagents
- payment by automatic monthly deduction of a set amount, with adjustments every six months

### Discussion Points

**The Committee invites comment on the following newer payment methods:**

- **payment to banks' locked boxes, and subsequent transmittal by banks to the account of the service provider;**
- **generation and payment of bill by Internet**
- **payment through ATMs either to bank or direct to service provider**
- **payment at grocery stores**
- **payment by automatic monthly deduction of a set amount, with adjustments every six months**

## 9. Credit Reference Agencies

The Federal *Privacy Act* 1988 allows free access to credit information about businesses, but restricts access to credit information about individual consumers. Organisations that provide credit information about individual consumers cannot do so to state government agencies.

On the other hand, if the debtor were to pay the debt in the first instance with a credit card and then not pay the credit provider, the credit provider then has unrestricted access to information not available to the government agency.

This is a clear anomaly. The state government cannot use a credit reference bureau to obtain information about a debtor, but a private sector credit card provider can. The state government cannot obtain such information even when it is pursuing a statutory tax, fine, or fee.



This situation appears to restrict unreasonably the freedom of state governments to identify and pursue delinquent debtors.

It was suggested to the Committee that the state government department ought to be able to gain the same access to an individual's credit information as can the private sector credit provider, but only for debts arising from a statutory or regulatory obligation.

As a minimum it was put to the Committee that all Government agencies should have the right to obtain the following basic information in relation to a person being sought for payment of a debt:

- i. Full name, including any known aliases; sex; and date of birth;
- ii. A maximum of three addresses consisting of a current or last known address and two immediately previous addresses;
- iii. Name of current or last known employer; and
- iv. Drivers licence number

The Committee was advised that the information disclosed above is consistent with a determination by the Privacy Commissioner in 1991 relating to information that might be reasonably retained in order to identify an individual.

Rather than having the agency have the automatic right to obtain this information, an alternative currently used in Canada is to provide the information only with the written consent of the individual concerned.

### **Discussion Points**

- 47. Is it right and proper for the State government to have access to an individual's credit information?**
- 48. If so, under what circumstances?**
- 49. What changes of an administrative or legal kind would be needed?**
- 50. Should information be able to provided without an individual's consent? If not, why not? If so, what information should be provided?**

## **10. Security Deposits and Advance Payments**

Some agencies already require a deposit before providing a service. However, there may be scope to extend this to many other agencies.

There is also little use of advance payment. At present, consumers are billed in arrears, that is, after the service has been provided. As a result, they appear on the balance sheet as debtors.

There may thus also be scope to change from a one-time security deposit to an advance payment system. This would replace payment in arrears, i.e. debts, with payment in advance, i.e. credits. On the balance sheet, the customer would then become a creditor rather than a debtor. This could make a very significant dent in the debt figures. As a result, the cost of the service could be reduced, since the customers would in effect be providing the agency with working capital.

### **Discussion Points**

- 50. Under what circumstances would it be appropriate for government agencies to require a security deposit or payment in advance?**
- 51. Are there significant disadvantages to a payment in advance system?**
- 52. Is it likely to be popular?**

## **11. Incentives and Sanctions**

In Victoria, officers of the Office of State Revenue get a bonus, calculated as part of their salary, if they meet or exceed debt collection targets. Nothing of the kind exists in NSW.

The other side of the coin is that there appear to be few formal sanctions for poor debt collection performance. No salaries are cut for failure to meet targets.

## Discussion Points

53. Could such a system be adopted in New South Wales?
54. If so, in which agencies?
55. What are the pitfalls?
56. Could they be addressed by a protocol?
57. What are the advantages?

### 12. Electronic Processing

Electronic processing is very much cheaper than manual processing across a counter or payment by cheque. It was a matter of concern to the Committee that there appeared to be a low usage of state of the art electronic payment facilities available to clients of NSW Government agencies. We believe that there is immense scope to increase the scale on which electronic bill payment is used.

For instance, traffic and parking fines could be paid electronically, as could state taxes, hospital and ambulance bills, and even housing rents. All the client needs is a standard issue telephone handset. On the other end, savings could be generated by having fewer staff and smaller premises. As well, electronic commerce could well be outsourced to a commercial provider and the client is not aware of any processing being done by a third party.

The Committee notes that the State's banking tender is due to be let this year, and believes that the ability to provide electronic processing of the state's bills could usefully be one of the criteria to be met by tenderers.

There are, however, some negative aspects to such a proposal. The Committee was advised that the costs of collection, through electronic banking, could be substantial for some government agencies collecting large tax bills. The possibility of a taxpayer using a credit card to pay a state tax bill and earning substantial fly-buy points, at taxpayers' expense, was seen as a matter to be open to public comment.

The current costs of tax collection were said to be low even though few payment options were available. The matter is open to public comment on what is thought to be the most appropriate way to share the costs of collection of money due to the State.

There was another aspect to this issue considered by the Committee. Not all the taxpayers and clients of government services have access to credit and other payment cards and some do not have access to or familiarity with touchphones or the Internet. Indeed many of the services provided by government agencies are targeted to clients at the lower end of the socio-

economic scale. The average bill is for a relatively small amount and the opportunities for increasing the usage of “new fangled gadgets” by elderly or other disadvantaged clients were said to be limited.

### **Discussion Points**

- 58. Should government agencies introduce widespread use of electronic banking?**
- 59. Should widespread use of credit cards be encouraged?**
- 60. Who should pay? Should the costs of collection be passed on to clients if they choose to use a high cost payment option?**
- 61. Should discounts be offered to clients who use the lowest cost option ?**
- 62. Should government agencies pay the banks for additional cost of services if groups of approved clients are unable to use the low cost banking option and so incur additional costs?**

### **13. Training mostly on-the-job**

In the course of the inquiry the Committee noticed the difference in attitude to training between some government departments and the private sector debt collection firms.

Staff training is an important component of any management system. It is unfortunate that since the abolition of the training guarantee arrangements some years ago the emphasis on the provision of compulsory training based on total payroll costs has faded.

The Committee’s visits to government agencies left us with the clear impression that training for staff in the debts management and debts collection area was mainly in the form of on-the-job training learning as part of a team. This type of training can work in some areas but in specialist areas higher levels of skills are required.

By comparison the Committee was impressed at the emphasis on training shown by the private sector firms.

The Australian Institute of Credit Management offers appropriate courses, which it is the Committee’s understanding that few state government agencies take up. These cover telephone techniques, credit assessment and recovery processes.

It appears it is time to formalise and improve staff training in credit management.

### **Discussion Points**

- 63. Assuming debt collection still continues to be carried out by individual agencies, is it appropriate for training to be carried out at a whole of government level, or should agencies train their staff on their own?**
- 64. How should such training be provided - by the government or by the private sector?**
- 65. Should formal qualifications in credit management be regarded as essential for jobs in the field?**
- 66. How long should such courses take?**
- 67. Should there be regular refresher courses?**

#### **14. State Contracts occasionally awarded to outstanding debtors**

It came to the Committee's attention that state contracts were occasionally awarded to outstanding debtors. This is clearly undesirable, and should be stopped. The Committee does not anticipate any discussion on this point, which it believes to be self-evident. There are therefore no discussion points here.

### **D. LEGAL PROBLEMS AND POSSIBLE SOLUTIONS**

It was put to the Committee that the legal system as presently structured makes it relatively easy for a debtor to avoid settling his debts. The system is cumbersome, there are high costs incurred when seeking legal advice and taking legal action and the results might not be worth while and may not be timely. The specific matters put to the Committee as being in need for change are discussed below:

#### **Court Summons:**

To commence legal proceedings against a debtor for recovery of a debt the first step taken is for the creditor to take out a summons through the Court Office. To be successful the summons must be served on the debtor and an affidavit sworn which details the debt and

confirms that the debtor has acknowledged having received the Summons. If the debtor cannot be found or the identity of the debtor is unclear the action fails. If the case gets to court the creditor has to prove the debt and seek payment in accordance with a Court order. If the creditor is successful the Court may order payment be made by way of a **garnishment of Wages** or by **Attachment of Debt**. The Committee was advised that, unfortunately, both of these legal processes do not in any way guarantee an easy settlement of the debt. A number of problems encountered on a regular basis are discussed below.

### **Garnishment of Wages**

Garnishment of Wages involves obtaining a court ordering that a proportion of a debtors wages will be deducted from the money due to an employee until the debt is paid. This should be simple and inexpensive way to recover debts following the successful completion of court action.

The Committee was surprised to learn that a so called continuous order lasts for only four weeks. After this time it is necessary for the creditor to again go to Court and apply for another continuous order. If a debt is such that it will take three or four years to pay and the creditor has to go to Court every four weeks and seek renewal of the continuous order then it is easy to understand why the costs of legal action are high and the effectiveness of recovery actions are questioned.

It was put to the Committee that in most cases debtors do not file a defence against a summons issued to recover a debt. Even if no defence is filed that is the debtor ignores the legal processes and is prepared to sit out the delays built into the legal system the creditor is disadvantaged and costs are incurred. It was put to the Committee that in cases where no defence is filed or dispute notified the system should change and provide for some type of administrative certificate to be issued certifying the value and existence of the debt. It would be necessary to have some in-built safeguards to protect the interests of a debtor who genuinely disputes the basis of the debt.

### **Discussion Points**

- 68. The Committee invites comment on the proposal to simplify the legal processes involved in establishing the existence of a debt.**

### **Court Examination of a Debtor.**

The Committee was advised that when legal action is proposed against a debtor it is often necessary to obtain details of assets owned by a debtor, sources of income and existing financial commitments and their priorities in law. The examination process takes two forms the first being voluntary and the second is compulsory and is conducted by a court registrar presiding over the examination.

The **Examination Request**, was described to the Committee as being unproductive most debtors were said to not respond to the request. Clearly something more forceful is required, this was described to the Committee as being an Examination Summons

The Examination Summons is more forceful in that the debtor receives a requisition from the Court to turn up at a nominated court at the particular time and be subject to examination under oath by the solicitor for the creditor. It is an adversarial situation however the Committee was told that it is not very successful in practice as debtors do not turn up and the Courts are reluctant to issue an arrest warrant for a civil debt of a few thousand dollars.

Given that it is important for a creditor to have reliable information about the earnings and other sources of funds available to a debtor in addition to the priority of existing debts it seems logical to the Committee to strengthen the legal processes in the formal examination of a debtor.

### **Discussion Points**

- 69. Should the legal processes for the formal examination of a debtor be changed to allow for an objective legally binding assessment of the ability of a debtor to pay to be made.**
- 70. The Committee invites comments on the suggestion that law reform in this area should provide for a continuous order to be made “continuous” that is to be able to be enforced against a debtor until a debt is paid.**

### **Attachment of Debt**

One of the legal remedies available to a creditor to enforce a debt is a Court Order called an **Attachment of Debt**. This is a court order directed to a third party who owes money to our debtor to divert payment to the original creditor. In theory it should work but it was explained to the Committee that the effectiveness of the Order depends on information as to when a debt is due and in regard to bank accounts applies only to accounts at call and not to term deposits and other timed arrangements where the term has not expired.

Another form of order was a **Writ of Execution**, This is a writ issued by a court for the seizure and sale of personal property of the debtor so that the debt can be paid. In theory a court official attends the debtors address and is supposed to seize sufficient goods to enable payment of the outstanding debt once the goods are sold at public auction.

It was put to the Committee that for a number of reasons this does not work; the experienced defaulting debtor can claim that the goods at his address do not belong to him, the Sheriff's officer from the Court does not have to establish the true owner of the goods. The Committee heard many stories of how this process does not work and indeed it was said that low regard for this part of the legal system was placing the law in disrepute.

Another form of enforcement applies to registered interests in land. Under the real Property Act a creditor who finds out that a debtor has an interest in a registered parcel of land can register an interest in the land at the Land Titles Office.

The writ of execution acts as a caveat and prevents the property being sold or mortgaged. But it lasts for only six months. If the land is sold within the period of six months then the creditor can recover the debt from the proceeds of the sale. If the debt is still outstanding over a six months period then the caveat lapses and must be renewed. The Committee was advised that this is only a useful enforcement process if the creditor is aware that the property is on the market for sale and the settlement of the sale can be anticipated so that a writ can be registered.

A further legal procedure available to creditors is a **charging order**. Under an old 1901 Act it is possible for a creditor to register a charge against bank deposits and similar financial assets owned by a defaulting debtor. The actual process described as antiquated and in need of reform if it is to be of any use in modern commercial and personal finances.

It was clear to the Committee that reform in this area of the law should be given a high priority. The interests of both debtors and creditors should be recognised and fairly set out. Outstanding issues in the use of legal remedies should be resolved.

## **Bankruptcy**

The final and most crushing form of legal remedy available to a creditor against a debtor is bankruptcy. Bankruptcy law is Federal Law and it is not the function of the New South Wales parliament to seek to change this law. The Committee was told that Bankruptcy is often resorted to by civil litigants for debts over \$ 3,000. It is expensive but it is effective. It can have relatively long term effects on a debtor and can have an effect on future business opportunities and job prospects.



## Proposal for Certification of Debt

In a most practical suggestion it was put to the Committee that the whole process that must be followed if the existing legal framework is to be complied with is unfair to the creditor and can cause expense to the debtor. A radical proposal was put to the Committee that for a majority of debts under \$5000 a debtor can gain a considerable amount of time to pay by simply ignoring all the statements notices and other documents served on the debtor.

By the time a creditor decides to pursue a simple debt through the Court system a number of routine processes would have occurred. They are in effect a series of notices to the debtor that the creditor is actively pursuing the debt. The Committee was advised that the debtor would have received the following notices in the normal course of action.

- A Invoice, notice or assessment issued by Creditor
- B Monthly statement or other reminder
- C Further reminder notices of outstanding debt.
- D Final notice or letter of demand
- E Summons issued when matter taken to Court
- F Notice from Court indicating date on which matter will be heard
- G Notice of Judgment from Court
- H Other notices as required

It was put to the Committee that for relatively small amounts up to say \$4,000 the creditor is put to considerable expense and delay by the Debtor simply ignoring the various notices and not appearing in Court until the very end of the proceedings and then pleading for extra time to pay on account of hardship.

To overcome this situation it was suggested that the legal system be changed and for these small debts the burden of proof be switched to the debtor. The basis of the proposal being that the process be changed to the following

- A2 Invoice, assessment or notice issued by Dept.
- B2 Monthly statement or reminder issued
- C2 Final notice and formal notice that debt will be pursued by the issue of a certificate of Debt
- D2 Certificate of Debt issued by agency certifying that steps A2-C2 have been completed and that no objection lodged by Debtor
- E2 Court issues formal order for Examination of Debtor to determine basis of payment
- F2 Enforcement of debt Judgment in accordance with Court Order.

## Discussion Points

72. **The Committee seeks comments on the best way to ensure that the legal processes available to creditors to enforce debts should be reviewed to ensure the best interests of debtors and creditors are protected.**
73. **The Committee seeks comment in the form of detailed proposals to change the law and the legal processes involved in the recovery of debts.**

### E. RADICAL FINANCIAL SOLUTIONS

These solutions all aim to convert a dead asset, that is receivables, into a working asset, cash.

*A one-off sale* to clear the books would mean selling the debts to the private sector for immediate cash. The private sector would collect and pursue the debts. The government would get cash now, but there is a chance that the private sector could use unacceptable methods to recover debts from non-payers. The sale price is likely to be considerably lower than the face value of the debts, depending on the quality and composition of the debts.

Sale of *all* the debts is one option, and *partial* sale is the other. If partial sale is considered, the private sector is likely to want only the “good” debts, that is, those that are easy to collect, leaving the government with the ones that are hard. However, under the current arrangements, the government still holds the difficult debts.

*Factoring* is an ongoing arrangement whereby a financial institution regularly buys the debts of business for cash. The debt factor, that is, the buyer, buys the book debts at a discount which reflects the cost of borrowing funds, administration, and a profit margin.

There are two types of factoring: recourse and non-recourse. In recourse factoring of debts due to the state, the factor returns to the state any debts unpaid after an agreed period, e.g. 90 days. In non-recourse factoring, the factor does not return any unpaid debts but keeps them. Clearly there is a large difference in the cost of each type of factoring. This is reflected in the discount.

Although the state’s borrowing cost is lower than the likely cost of a large-scale debt factor, there is a hidden cost to the state in keeping unpaid debts on the books for a long time. Balancing these costs is the key to deciding on the value of factoring.

*Securitisation* involves packaging some or all of the debts as marketable securities and selling them on the open market for subsequent trading. Unlike a one-off sale, securitisation would

be an ongoing programme in which new debts would regularly replace old, repaid ones, to keep up the value of the underlying security.

An advantage of the proposal was the possibility of a substantial injection of cash to the Government without any increase in borrowing. Another benefit could be the enhancement of a secondary market in good quality securities. This could generate business (e.g. stamp duty and other state taxes) which could offset the cost of the programme.

The disadvantage was cost. Expert opinion given to the Committee was that the cost of a securitisation program including a government guarantee would exceed the cost of direct borrowing given the AAA rating enjoyed by the State.

### **Discussion Points**

- 74. Is it appropriate for the public sector to sell its receivables to the private sector?**
- 75. If debts were to be sold, should protocols or guidelines be developed covering the buyer's permissible methods of debt collection?**
- 76. Should individual agencies, or Treasury, adopt factoring as a tool for balance sheet management?**
- 77. Do the possible development of a secondary market, and the savings from eliminating the debts, balance the higher cost of securitisation? How much higher in fact is the cost of securitisation than that of government borrowing?**

## **F. THE PRIVACY ISSUE**

A number of agencies put it to the Committee that the major reason contributing to the time delays in the collection of debts was the inability of government agencies to access information held by others. In most cases it is necessary to access a variety of sources of information to chase a debt, the type of information. In order to locate a debtor it is likely that a creditor will need to obtain details of changes of address and credit application details held by other providers.

The Law governing the right to privacy of information makes a major distinction between credit information about businesses and personal credit information on individual consumers. The federal Law does not regulate commercial information. Information held about a

business, the commercial background to a business or a sole trader is not restricted and could be accessed by government agencies genuinely pursuing a debt.

The Commonwealth Law regulates the accumulation and access to credit information concerning the personal or consumer records of ordinary persons. It is important to distinguish between the two types of information that could be accumulated about the financial affairs of an ordinary person. If the credit and related information concerns the business affairs of the person as a sole trader eg a tradesman the privacy act does not restrict access to information. The Privacy Law however does restrict access to consumer information about ordinary persons.

The Committee was advised that Commonwealth privacy law applies to Commonwealth government agencies, and to credit providers and credit reporting agencies in the private sector. The intent of the law is to protect the individual from disclosure of personal financial information, information disclosed can only be used in the context of credit management.

It appears to the Committee that the case could be established to allow government agencies that have provided formal credit arrangements in the form of time to pay to have access to credit records and to be subject to the same Privacy law provisions that apply to any other credit provider.

It was also suggested to the Committee that debts due to government for the supply of goods and services might deserve different treatment to debts arising from a legal or regulatory action. It was clear to the Committee that privacy law should not be used to restrict the access to information reasonably required by a government agency seeking to locate a person in relation to a liability to pay a tax, charge, fine or assessment due to the State under any legal or regulatory requirement.

The Committee invites comment on the proposition that the state ought to have the right to obtain the following basis information in relation to a person being sought for payment of a debt.

- v. Full name, including any known aliases; sex; and date of birth;
- vi. A maximum of three addresses consisting of a current or last known address and two immediately previous addresses;
- vii. Name of current or last known employer; and
- viii. Drivers licence number

The Committee was advised that the information disclosed above is consistent with a determination by the Privacy Commissioner in 1991 relating to information that might be reasonably retained in order to identify an individual.

## Discussion Points

78. **Should government agencies have different rights of access to information depending on the type of debt they are pursuing?**
79. **For debts arising from the supply of goods and services should normal commercial rules apply?**
80. **For debts arising from a fine or any other form of legal or statutory rule should all information held be reasonably available to a regulatory body?**

The Committee invites comments on the right of government agencies to have access to the following basis information in relation to chasing debts due to the State.

- 1 Full name, including any known aliases; sex; and date of birth;
- 2 maximum of three addresses consisting of a current or last known address and two immediately previous addresses;
- 3 Name of current or last known employer; and
- 4 Drivers licence number

The Committee was advised by the Commonwealth Privacy Commissioner that surveys have shown that the Australian Community treats privacy of personal financial data as a very high priority. On the other hand the law does not regulate commercial information.

The Federal law extends to Commonwealth government agencies and to credit reporting agencies and credit providers in the private sector. The law does not extend to state government agencies, but it does apply to the types of information that a state agency can obtain from a federal agency or from a commercial reporting agency.

The Committee noted that this situation could result in an anomaly in that if a government agency pursues an outstanding debt there are limits to the information it can obtain access to pursue the debtor. On the other hand, if the debtor were to pay the debt in the first instance with a credit card and then not pay the credit provider the credit provider has unrestricted access to information not available to the government agency.

Under federal law the state government and its agencies are not regarded as credit providers; however, the financial statements show that as at 30 June 1996 the government had over two billion dollars owed to it from credit provided either by deliberate granting of time to pay or by default.

It was put to the Committee that one of the difficulties encountered by state government agencies in the collection of debts was the inability to access many sources of information. However there are still many sources of information which can be accessed by government agencies for which the privacy laws do not apply, including electoral rolls.

## **G. SENDING IN YOUR VIEWS**

You can send in your views by mail to:

The Director  
Public Accounts Committee  
Parliament of NSW  
Macquarie Street, Sydney NSW 2000

By Fax to (02) 9230 2831

By E-mail to [aimrich@parliament.nsw.gov.au](mailto:aimrich@parliament.nsw.gov.au)

## Glossary

Total debts due to the state: amounts due to the state from the public for taxes, fees, provision of goods and services, after elimination of inter-governmental transactions

Total revenue: The revenue of the state from all sources, including fees, charges, taxes, commonwealth grants, as published in the Consolidated Financial Statements for each year, after elimination of inter-governmental transactions.

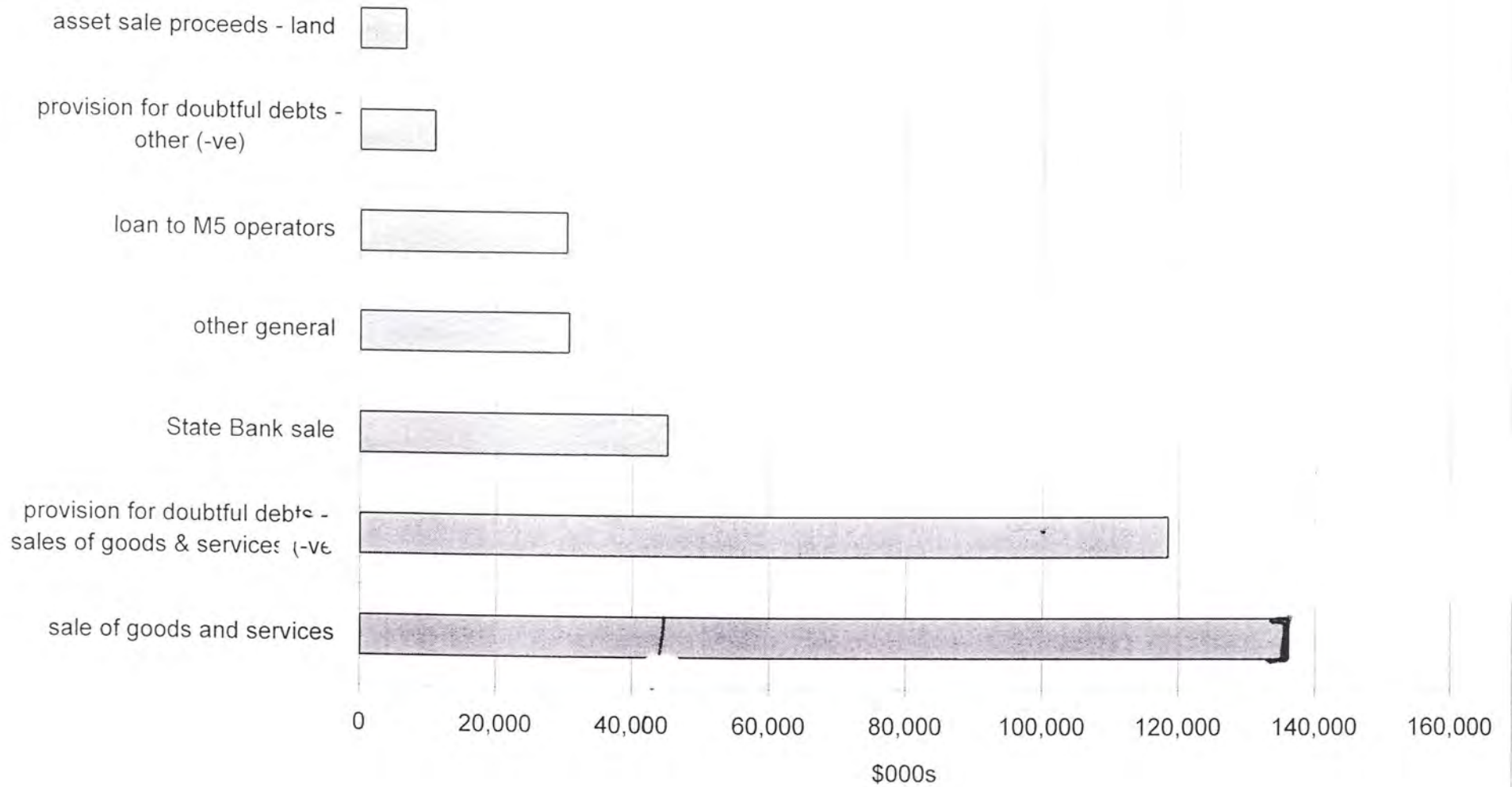
Appendices:

Table 1:	Budget Sector Agencies: current receivables as at 30 June 1997 (FIS Data)
Table 2:	Budget Sector agencies: Non-current receivables as at June 1997 (FIS data)
Table 3:	Budget Sector agencies: Current receivables as at June 1997 (FIS data)
Table 4:	Budget Sector agencies: Current receivables asset sale proceeds other buildings as at June 1997 (FIS data). By agency and SDC
Table 5:	Budget Sector agencies: Current receivables - other general (greater than \$1 million) as at June 1997 (FIS data). By agency and SDC
Table 6:	Budget Sector agencies: Current receivables asset sale proceeds land - as at June 1997 (FIS data). By agency and SDC
Table 7:	Budget Sector agencies: Current receivables provision for doubtful debts sale of goods and services (greater than \$100,000) as at June 1997 (FIS data). By agency and SDC
Table 8:	Budget Sector agencies: Current receivables sale of goods and services (greater than \$1 million) as at June 1997 (FIS data). By agency and SDC

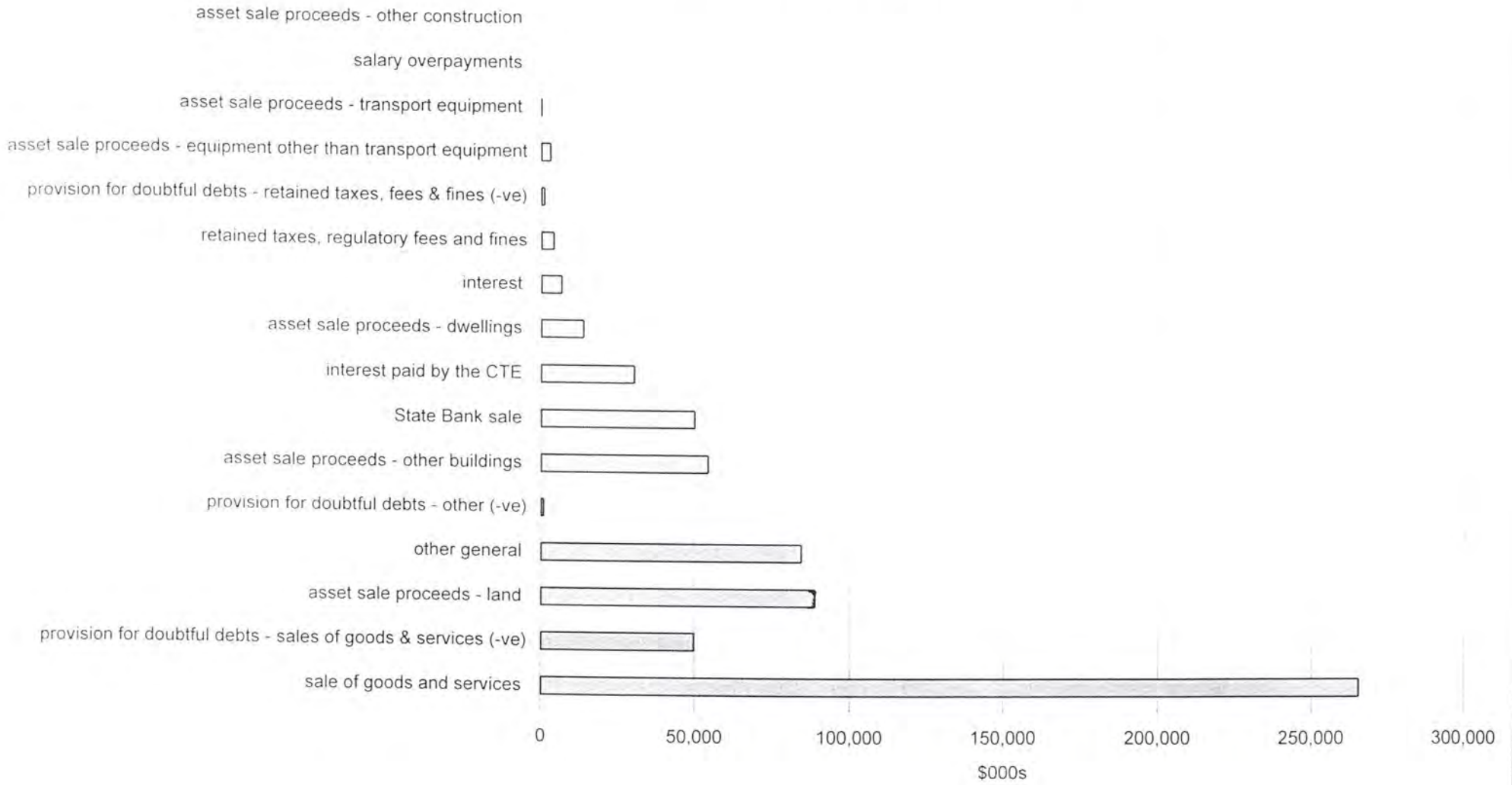


Budget Sector Agencies: current receivables as at 30 June 1997 (FIS Data)	\$ million
sale of goods and services	265.4
provision for doubtful debts - sales of goods & services (-ve)	49.7
asset sale proceeds - land	88.8
other general	84.8
provision for doubtful debts - other (-ve)	0.8
asset sale proceeds - other buildings	54.3
State Bank sale	50.0
interest paid by the CTE	30.3
asset sale proceeds - dwellings	13.7
interest	6.5
retained taxes, regulatory fees and fines	3.9
provision for doubtful debts - retained taxes, fees & fines (-ve)	0.9
asset sale proceeds - equipment other than transport equipment	2.9
asset sale proceeds - transport equipment	0.1
salary overpayments	0.0
asset sale proceeds - other construction	0.0

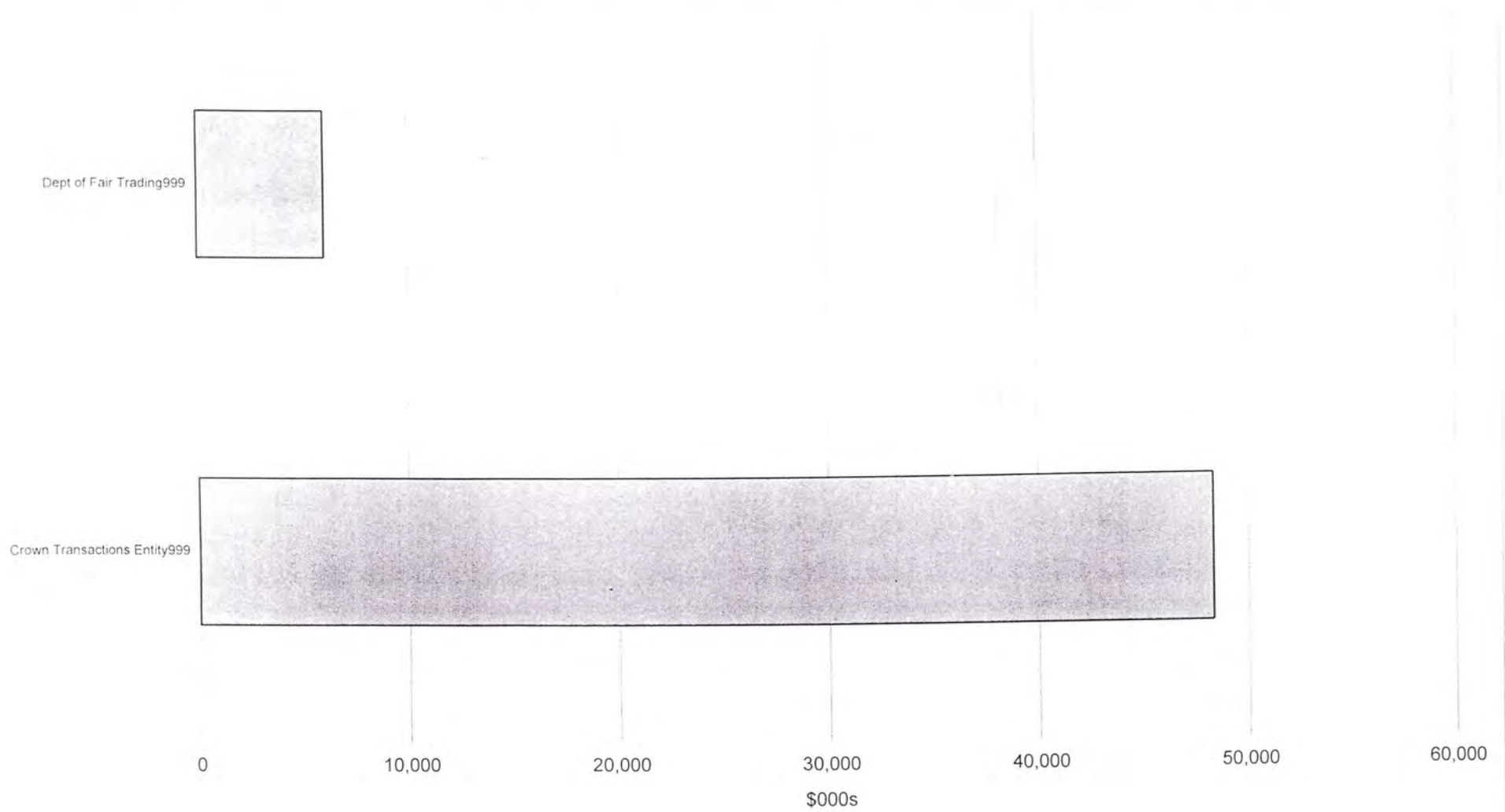
Budget Sector agencies: Non-current receivables as at June 1997 (FIS data)



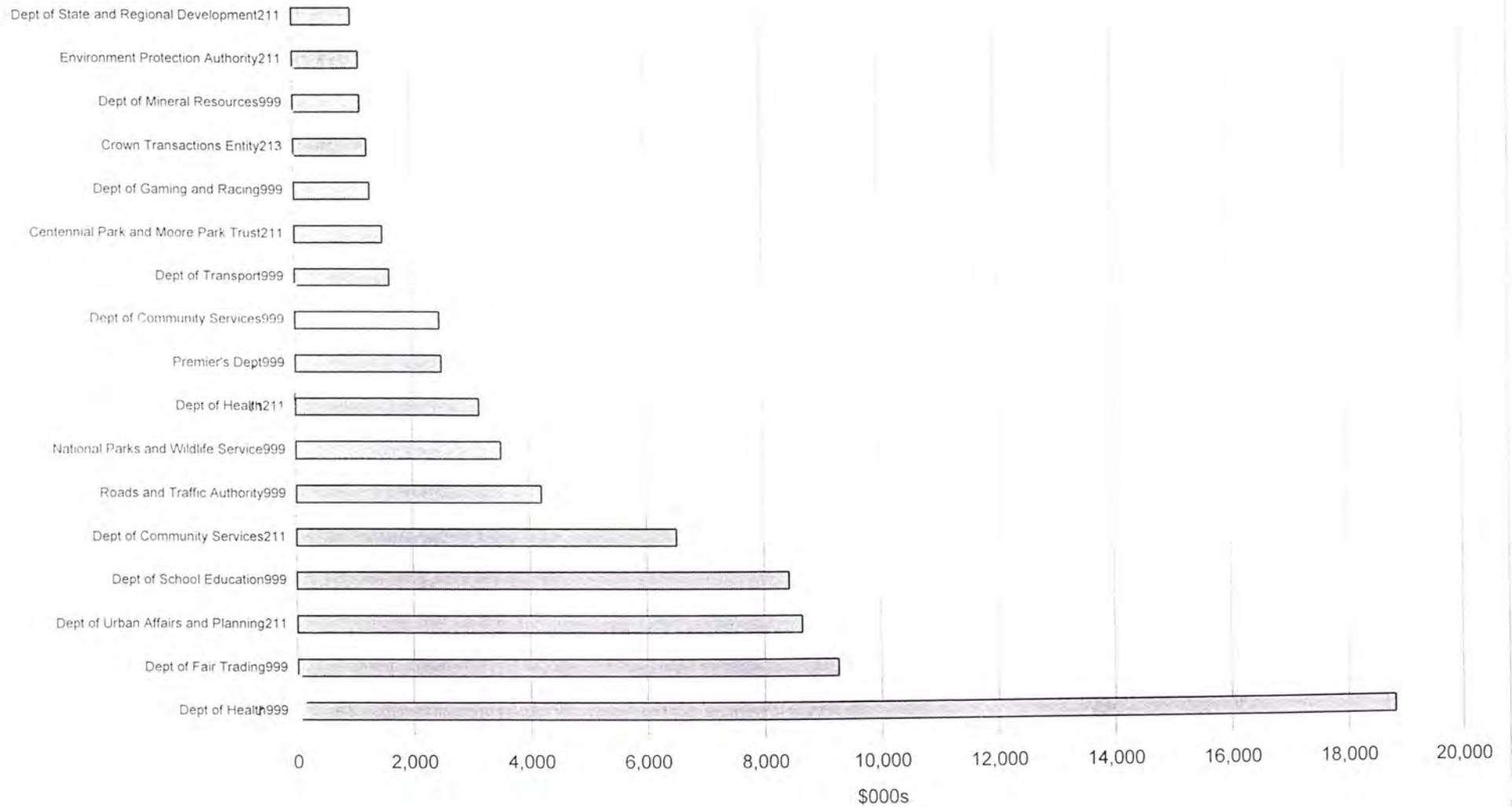
Budget Sector agencies: Current receivables as at June 1997 (FIS data)



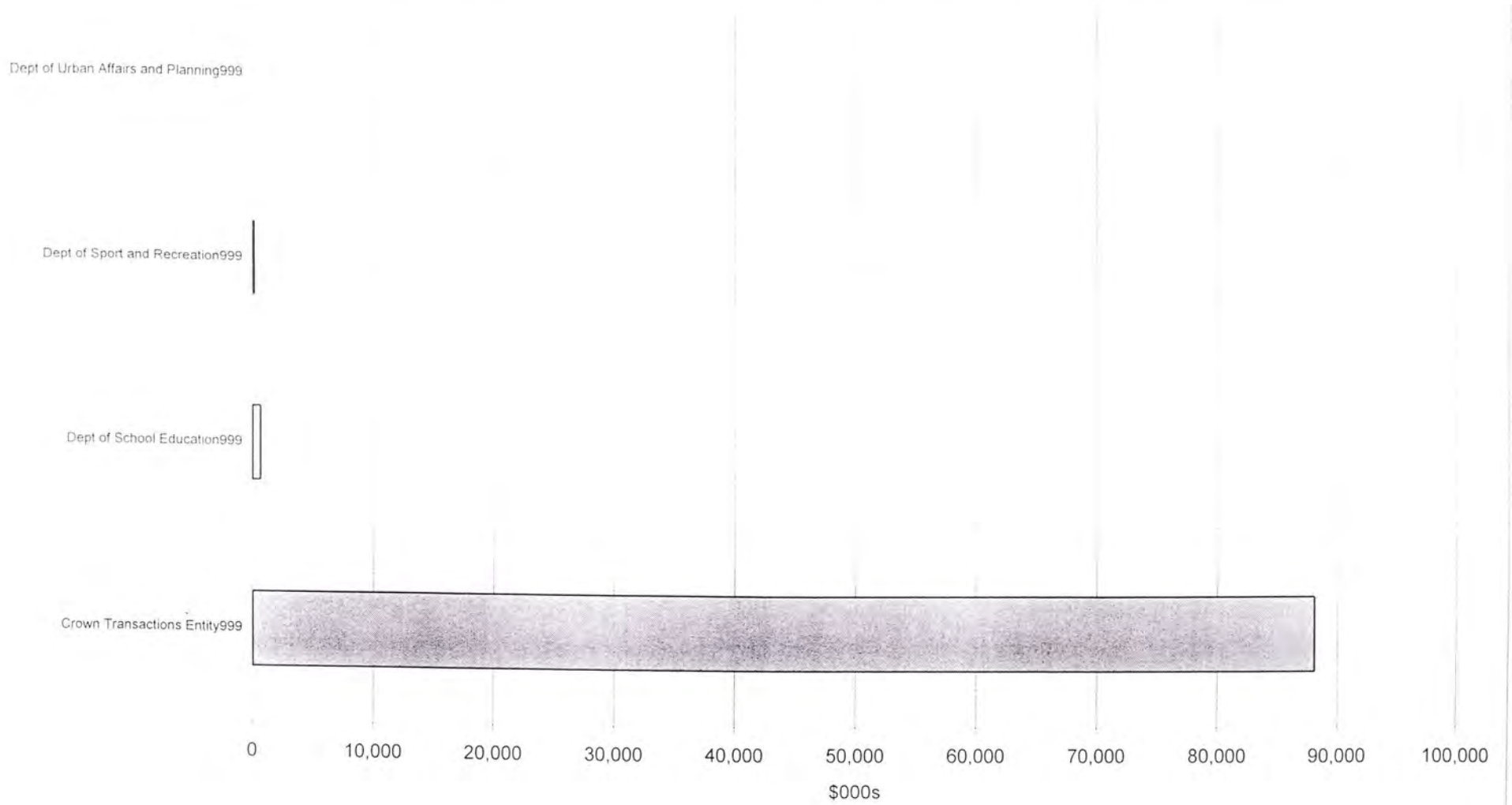
Budget Sector agencies: Current receivables - asset sale proceeds other buildings- as at June 1997 (FIS data). By agency and SDG



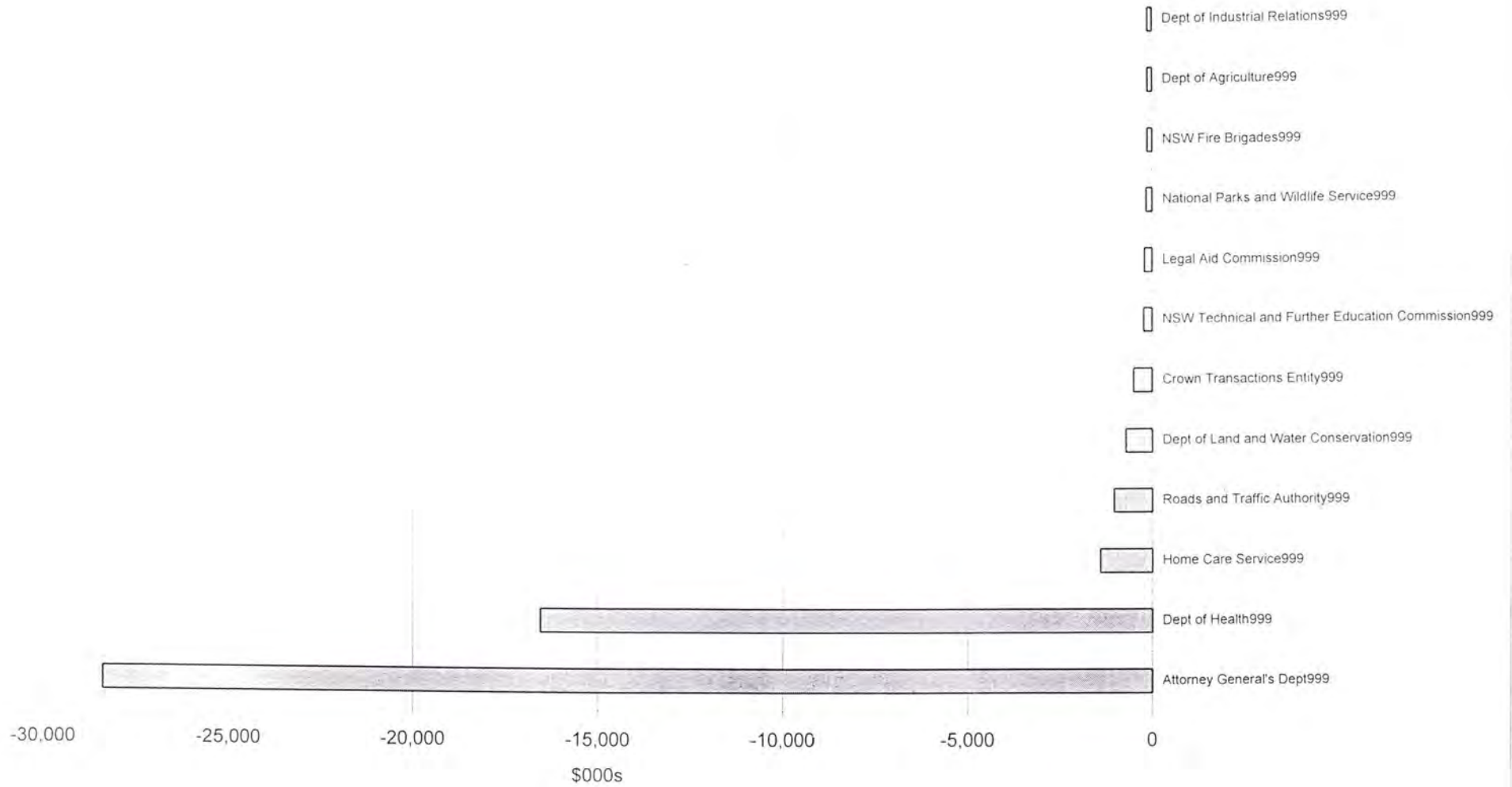
Budget Sector agencies: Current receivables - other general (greater than \$1 million) as at June 1997 (FIS data). By agency and SDC



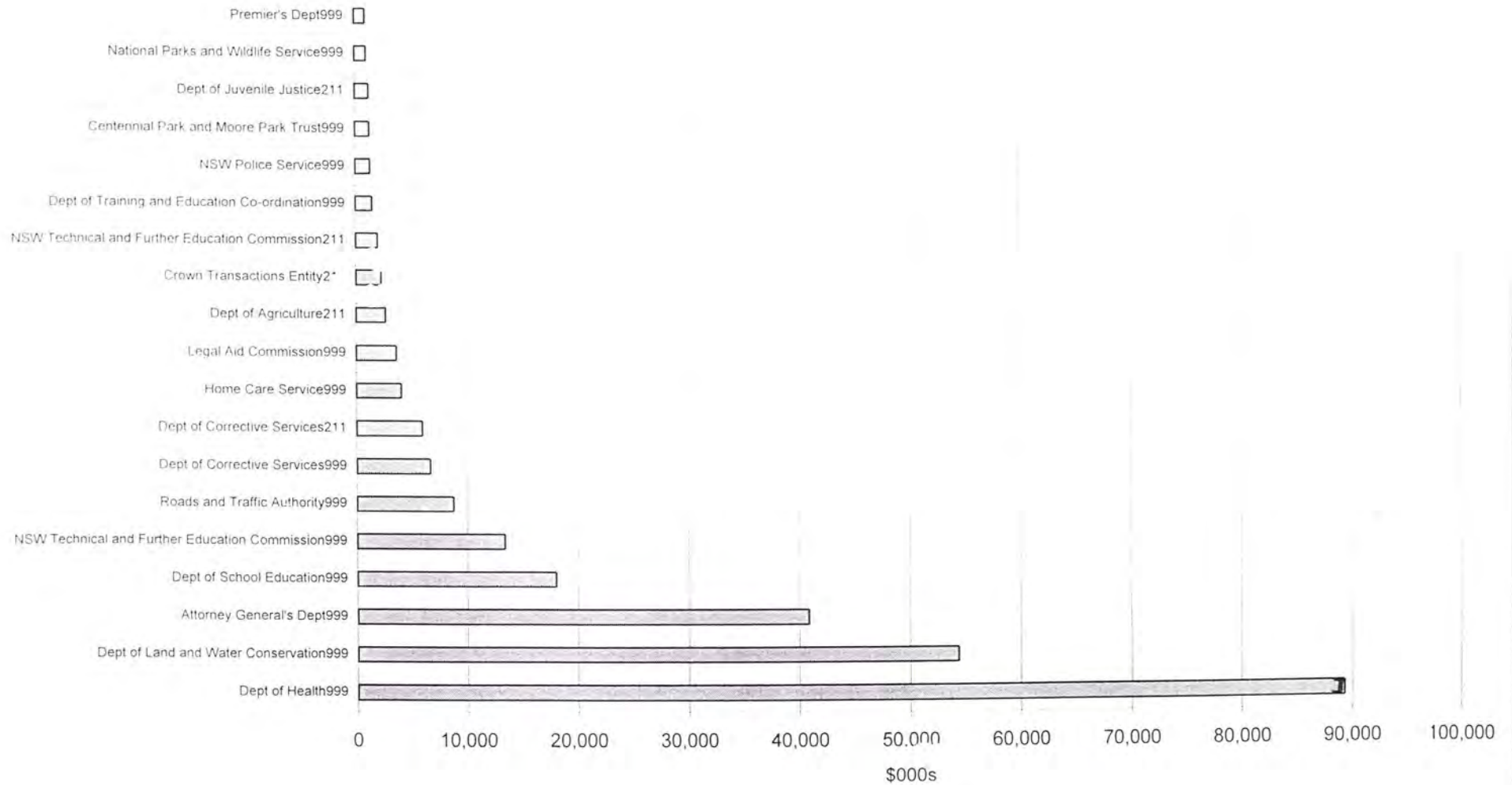
Budget Sector agencies: Current receivables -asset sale proceeds land - as at June 1997 (FIS data). By agency and SDC



Budget Sector agencies: Current receivables - provision for doubtful debts - sale of goods and services (greater than \$100,000) as at June 1997 (FIS data). By agency and SDC

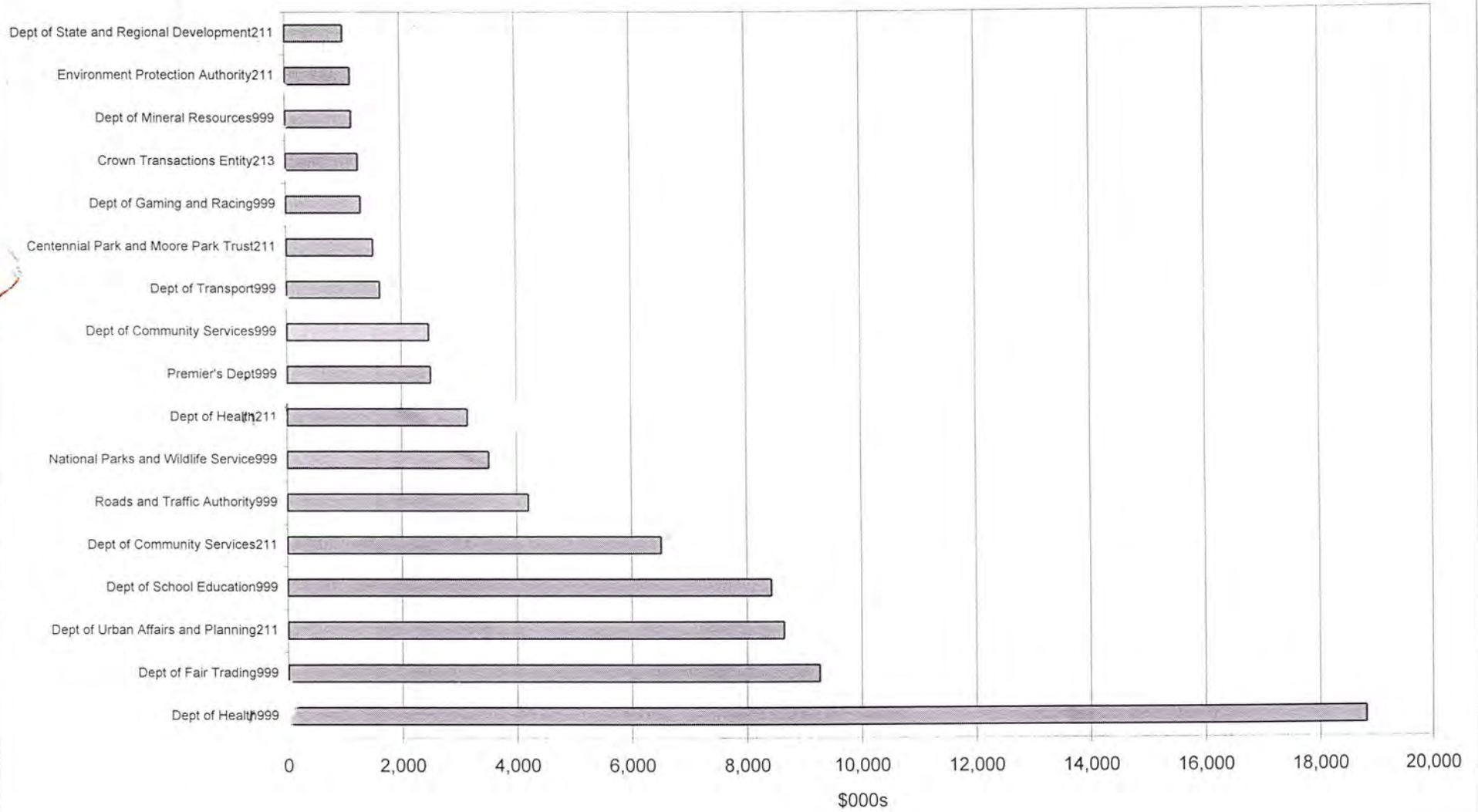


Budget Sector agencies: Current receivables - sale of goods and services (greater than \$1million) as at June 1997 (FIS data). By agency and SDC

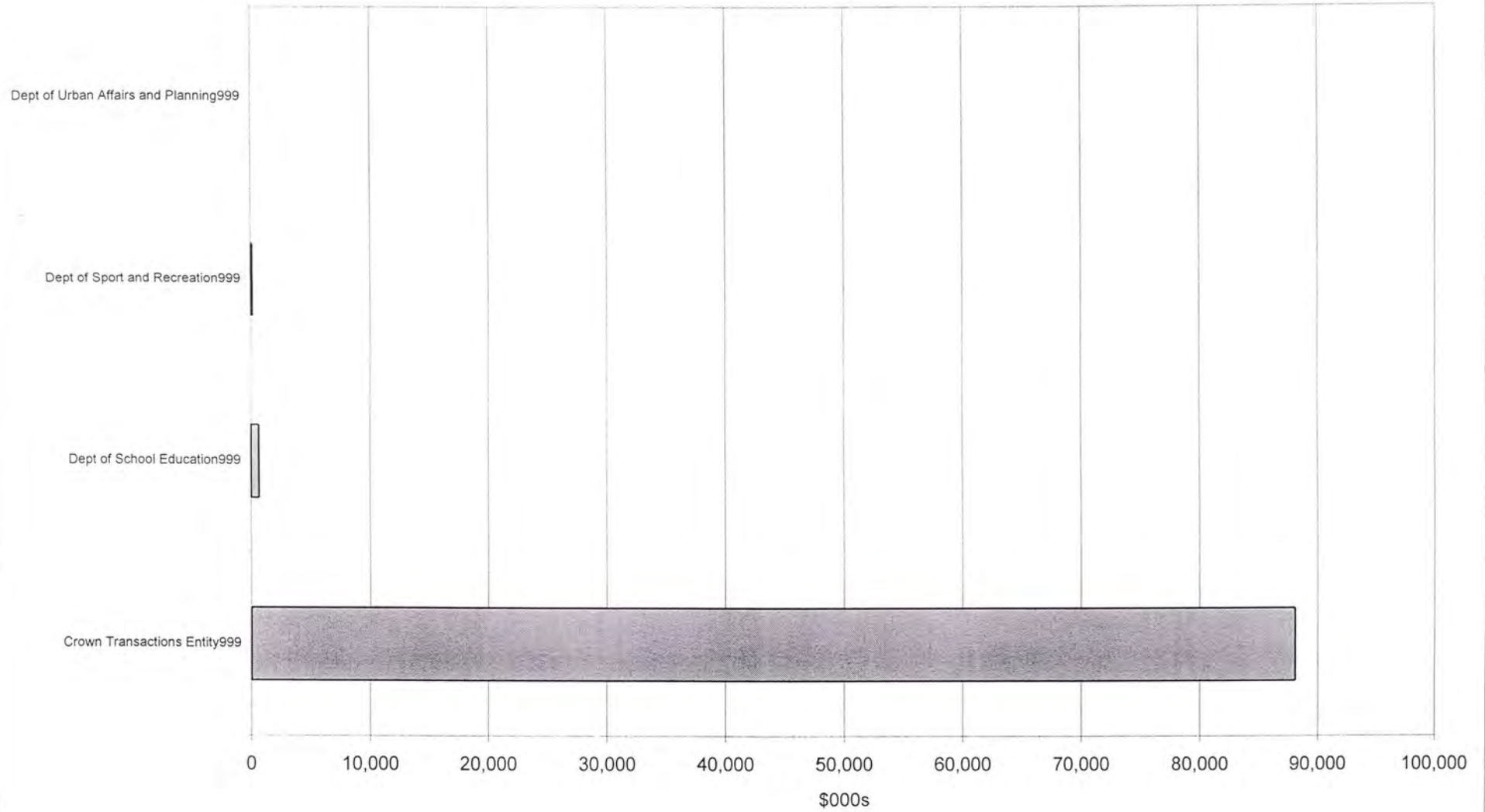




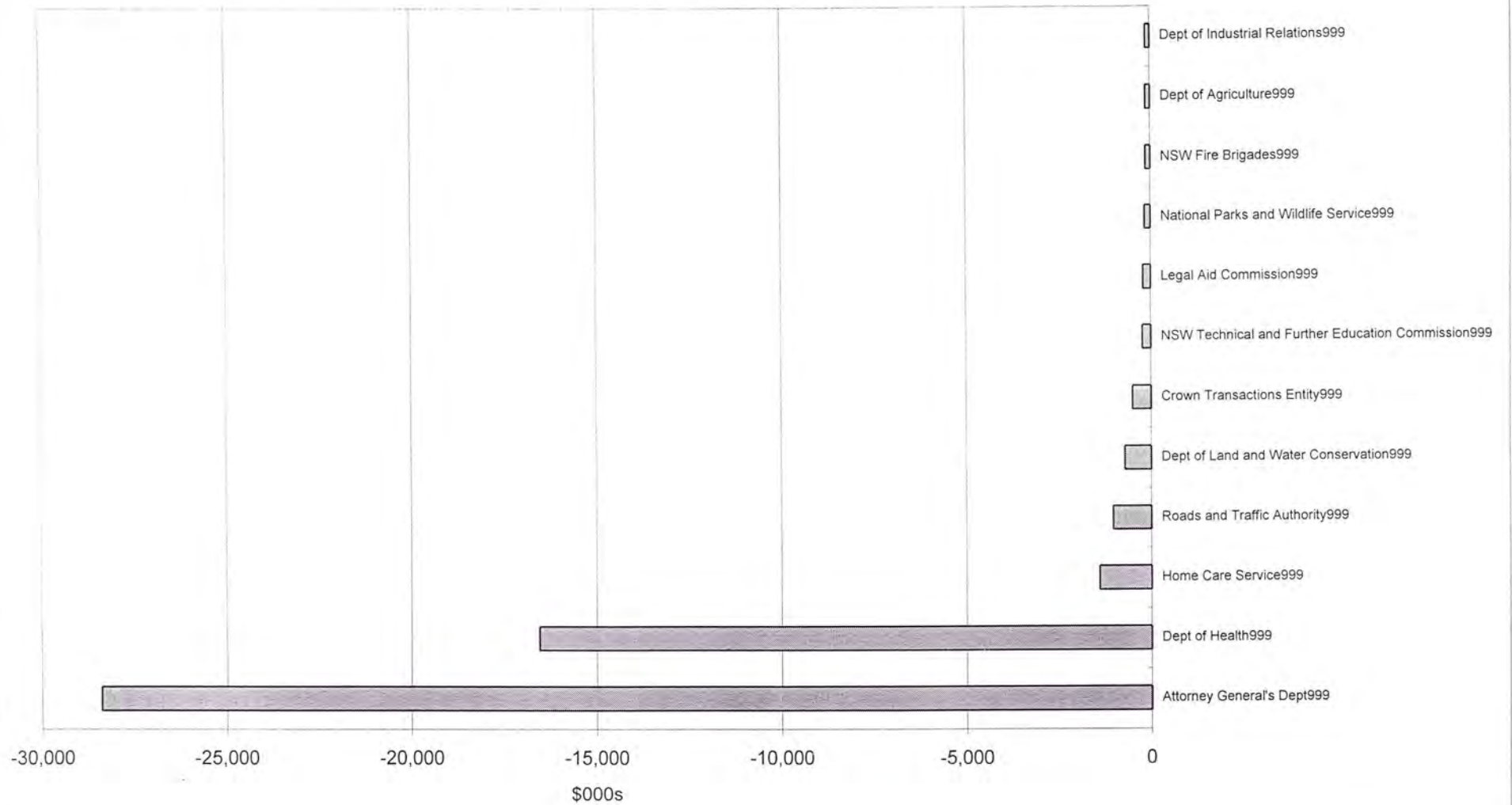
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