



**Australian Government**  
**Department of Industry, Science,  
Energy and Resources**

# Australian Government Pay On-Time Survey

Performance Report

1 July 2018 – 30 June 2019

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The document must be attributed as the Australian Government Pay On-Time Survey Performance Report 2018-19.



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## Overview

This report contains the results of the Australian Government Pay On-Time Survey for the 2018-19 financial year. The survey has been conducted annually since 2002, and collects information from Government agencies about their performance against the Department of Finance [RMG-417 Supplier Pay On-Time or Pay Interest Policy](#) (the Pay On-Time policy)<sup>1</sup>.

Under the Pay On-Time policy for the 2018-19 financial year, agencies were required to pay invoices for contracts valued at \$1 million or less within 30 calendar days. Where payment was not made in full within the maximum payment terms of 30 calendar days, agencies were required to pay interest to the supplier on the outstanding amount, where the amount of interest accrued was more than \$100 (GST inclusive).

The 2018-19 survey results show there has been improvement over time in the proportion of low value invoices paid within 30 days. In 2002, only 82 per cent of invoices for contracts valued at \$1 million or less were paid on time, with results from the 2018-19 survey showing that agencies are now paying almost 94 per cent of low value invoices on time.

The survey results also show that a significant number of invoices are being paid much faster than 30 days. Of invoices for contracts which are valued at \$1 million or less, nearly 62 per cent were paid within 20 calendar days, which provides a solid starting place as agencies transition to the new Pay On-Time policy of 20 calendar days that applies from 1 July 2019.

Australian Government agencies' pay on-time performance, while still strong, has decreased marginally in the 2018-19 financial year in comparison to the 2017-18 financial year. In 2018-19 the number of invoices paid within 30 days fell by 2.9 percentage points from 96.8 per cent to 93.9 per cent and the number of invoices paid within 20 days fell by 9.5 percentage points from 71.2 per cent to 61.7 per cent.

There are a range of reasons for this. For example, the transition to compulsory reporting in 2018-19 increased the number of agencies participating in the survey and included agencies with lower payment performance that had not previously reported.

The Government has now strengthened its resolve to improve agencies' pay on-time performance, particularly with the transition to compulsory reporting by all agencies and the new Pay On-Time policy of 20 calendar days from 1 July 2019. The Government acknowledges its responsibility to lead on this issue and looks forward to an improved result in the 2019-20 Pay On-Time Survey.

In conjunction with the Pay On-Time policy, the Government is implementing an electronic invoicing framework. E-Invoicing is the automated direct exchange of invoices between the supplier's and buyer's software. The Government is implementing e-Invoicing across the Australian Government and from 1 January 2020, agencies will start paying e-Invoices within five days or pay interest. This policy will apply to contracts valued up to \$1 million, where a supplier and an agency both use e-Invoicing.

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<sup>1</sup> <https://www.finance.gov.au/publications/resource-management-guides-rmgs/supplier-pay-time-or-pay-interest-policy-rmg-417>

## Background

Since 1 July 2014, the Pay On-Time policy has applied to non-corporate Commonwealth entities ('agencies') under the [\*Public Governance, Performance and Accountability Act 2013\*](#). Prior to 1 July 2014, surveys were conducted to monitor compliance with the previous Procurement On-Time Payment Policy for Small Business (2012 to 2014) and the Procurement 30 Day Payment Policy for Small Business (2001 to 2012).

## Survey of Australian Government agencies

This Pay On-Time Survey captured data on the performance of Australian Government agencies against the Pay On-Time policy for the 2018-19 financial year.

### Survey methodology

The survey requested data from agencies relating to invoices paid in full during the 2018-19 financial year, including:

- The total number and value of invoices for contracts under \$1 million paid.
- The total number and value of these invoices that were paid within 20 days.
- The total number and value of these invoices that were paid within 30 days.
- The total value of interest paid on late invoices.
- Reasons for any late payments.

## Results

### Participants

There were 93 agencies invited to provide data on their 2018-19 payment time performance, which resulted in 92 completed surveys<sup>2</sup>. One agency did not respond due to sensitivities with the reporting of its data.

There was a decrease in the number of invoices reported but an increase in the value of invoices reported. Specifically there was a 4 percentage point decrease in the total number of invoices from the 2017-18 financial year survey (from higher than 1 million to less than 980,000) and a 25 percentage point increase in the total value of invoices compared to the 2017-18 financial year survey (from \$5.7 billion to \$7.1 billion).

The largest payers of contracts under \$1 million by number of invoices were the Department of Defence and the Department of Home Affairs. When considering the total value of contracts under \$1 million, the Department of Defence and Australian Taxation Office were the largest payers.

### Payment of interest in accordance with the Pay On-Time policy

Under the Pay On-Time policy, interest is payable by a Government agency on any late payment if the amount of interest accrued on outstanding payments is greater than \$100.

In 2018-19, the total amount of interest paid on late invoices by Government agencies that responded was \$438,090.58. This marks an increase of 65 per cent from the amount of interest reported as paid across the 2017-18 financial year of \$264,906.11.

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<sup>2</sup> 67 out of 95 invited agencies responded to the last voluntary survey for the 2017-18 financial year.

## Results for payment within 30 days

Based on the aggregated data reported by surveyed agencies, compliance with the Pay On-Time policy of payment within 30 days was as follows:

- By number of invoices, 93.9 per cent (or 918,727) of invoices on contracts valued under \$1 million were paid within 30 days in 2018-19. In 2017-18, 96.8 per cent of invoices were paid within 30 days.
- By dollar value, 89.1 per cent (or \$6,360,366,648) of invoices on contracts valued under \$1 million were paid within 30 days in 2018-19. In 2017-18, 91.4 per cent of invoices were paid within 30 days.

## Results for payment within 20 days

- By number of invoices, 61.7 per cent (or 604,222) of invoices on contracts valued under \$1 million were paid within 20 days in 2018-19. In 2017-18, 71.2 per cent of invoices were paid within 20 days.
- By dollar value, 42.9 per cent (or \$3,063,895,629) of invoices on contracts valued under \$1 million were paid within 20 days in 2018-19. In 2017-18, 38.8 per cent of invoices were paid within 20 days.

Table 1 below outlines the number and value of invoices paid within 20 days, within 30 days, and after 30 days.

**Table 1 : Invoices on contracts valued under \$1 million received in 2018-19**

	Number of invoices	Value of invoices
<b>Paid within 20 days</b>	604,222	\$3,063,895,629
<b>Paid within 30 days</b>	918,727	\$6,360,366,648
<b>Paid late (after 30 days)</b>	60,190	\$779,850,127
<b>Total invoices</b>	<b>978,917</b>	<b>\$7,140,216,775</b>

**Note:** The total in Table 1, *Total invoices*, is the sum of invoices *Paid within 30 days* and those *Paid late (after 30 days)*. Invoices *Paid within 20 days* are captured in the *Paid within 30 days* figure.

Table 2 below shows the percentage of invoices (by number) paid within 20 and 30 days by each Government agency that responded to the survey.

In 2018-19, 74 of the 92 responding agencies paid more than 90 per cent of invoices within 30 days. In addition, 55 agencies paid more than 70 per cent of invoices within 20 days.

Of the 67 agencies who responded to the survey in both 2018-19 and 2017-18:

- 27 agencies had an increase in the number of invoices and 31 agencies had an increase in the value of invoices paid within 30 days.
- 39 agencies had an increase in the number of invoices and 38 agencies had an increase in the value of invoices paid within 20 days.

There is a clear difference between the number of invoices paid within 20 days and the value of invoices paid within 20 days. There is no definitive reason for this result, however, anecdotal evidence suggests that low value invoices were paid more efficiently because regular, low value invoices from repeat suppliers require fewer resources to process.

**Table 2: Percentage of invoices paid on time by number for each Government agency surveyed**

<b>Agency</b>	<b>2018-19 Percentage of invoices paid within 20 days by number</b>	<b>2018-19 Percentage of invoices paid within 30 days by number</b>
<b>Administrative Appeals Tribunal</b>	73.1%	86.8%
<b>Aged Care Quality &amp; Safety Commission (Australian Aged Care Quality Agency ceased)</b>	71.5%	92.8%
<b>Asbestos Safety and Eradication Agency</b>	98.5%	99.1%
<b>Attorney-General's Department</b>	64.6%	96.5%
<b>Australian Building and Construction Commission</b>	63.7%	78.1%
<b>Australian Bureau of Statistics</b>	94.5%	98.3%
<b>Australian Centre for International Agricultural Research</b>	99.5%	99.8%
<b>Australian Commission for Law Enforcement Integrity</b>	69.3%	100.0%
<b>Australian Communications and Media Authority</b>	49.7%	98.3%
<b>Australian Competition and Consumer Commission</b>	78.0%	93.7%
<b>Australian Criminal Intelligence Commission</b>	53.0%	87.2%
<b>Australian Electoral Commission</b>	54.5%	63.7%
<b>Australian Federal Police</b>	45.0%	67.8%
<b>Australian Financial Security Authority</b>	93.4%	97.1%
<b>Australian Fisheries Management Authority</b>	95.7%	98.8%
<b>Australian Institute of Criminology</b>	59.9%	78.3%
<b>Australian Institute of Family Studies</b>	85.2%	95.8%
<b>Australian Law Reform Commission</b>	0.0%	100.0%
<b>Australian National Audit Office</b>	100.0%	100.0%
<b>Australian Office of Financial Management</b>	79.9%	89.7%



Agency	2018-19 Percentage of invoices paid within 20 days by number	2018-19 Percentage of invoices paid within 30 days by number
Australian Prudential Regulation Authority	65.5%	81.1%
Australian Public Service Commission	55.9%	95.2%
Australian Radiation Protection and Nuclear Safety Agency	55.7%	94.8%
Australian Research Council	90.0%	96.6%
Australian Securities and Investment Commission	16.6%	97.9%
Australian Security Intelligence Organisation	79.4%	88.6%
Australian Skills Quality Authority (National Vocational Education and Training Regulator)	64.2%	98.8%
Australian Sports Anti-Doping Authority	71.3%	87.8%
Australian Taxation Office	13.4%	98.0%
Australian Trade and Investment Commission (Austrade)	83.6%	90.6%
Australian Transaction Reports and Analysis Centre (AUSTRAC)	90.6%	97.9%
Australian Transport Safety Bureau	44.0%	65.0%
Bureau of Meteorology	35.2%	88.7%
Cancer Australia	86.0%	93.6%
Clean Energy Regulator	91.0%	96.4%
Climate Change Authority	50.0%	100.0%
Commonwealth Grants Commission	100.0%	100.0%
Department of Agriculture	84.2%	90.3%
Department of Communications and the Arts	83.2%	91.4%
Department of Defence	50.1%	93.5%
Department of Education	41.6%	93.2%
Department of Employment, Skills, Small and Family Business	79.7%	94.6%
Department of Finance	67.9%	94.8%

Agency	2018-19 Percentage of invoices paid within 20 days by number	2018-19 Percentage of invoices paid within 30 days by number
Department of Foreign Affairs and Trade	91.5%	96.9%
Department of Health	23.2%	90.6%
Department of Home Affairs	76.5%	96.2%
Department of Human Services	36.9%	97.1%
Department of Industry, Innovation and Science	94.7%	98.9%
Department of Infrastructure, Transport, Cities and Regional Development	91.9%	98.1%
Department of Parliamentary Services	67.3%	86.4%
Department of Social Services	73.6%	99.2%
Department of the Environment and Energy	90.6%	97.0%
Department of the House of Representatives	81.0%	93.0%
Department of the Prime Minister and Cabinet	95.1%	98.0%
Department of the Senate	7.7%	99.8%
Department of the Treasury	54.6%	95.0%
Department of Veterans' Affairs	77.5%	94.4%
Digital Transformation Agency	88.3%	95.0%
Fair Work Commission	74.1%	86.4%
Fair Work Ombudsman and Registered Organisations Commission	61.7%	97.9%
Federal Court of Australia	92.5%	99.0%
Future Fund Management Agency	67.2%	87.6%
Geoscience Australia	85.4%	93.1%
Independent Parliamentary Expenses Authority	79.9%	91.0%
Infrastructure and Project Financing Agency	100.0%	100.0%
Inspector-General of Taxation and Taxation Ombudsman	84.6%	100.0%

Agency	2018-19 Percentage of invoices paid within 20 days by number	2018-19 Percentage of invoices paid within 30 days by number
IP Australia	85.8%	98.9%
National Archives of Australia	65.5%	91.2%
National Blood Authority	84.2%	94.7%
National Capital Authority	94.9%	98.8%
National Competition Council	50.0%	100.0%
National Health and Medical Research Council	50.7%	96.1%
National Health Funding Body	31.9%	58.0%
National Mental Health Commission	45.1%	65.5%
NDIS Quality and Safety Commission	90.2%	94.3%
Office of National Intelligence	72.3%	97.4%
Office of Parliamentary Counsel	94.4%	99.8%
Office of the Australian Accounting Standards Board & Office of Audit and Assurance Standards Board	91.5%	98.5%
Office of the Australian Information Commissioner	56.4%	89.1%
Office of the Commonwealth Director of Public Prosecutions	18.0%	91.6%
Office of the Commonwealth Ombudsman	92.7%	97.2%
Office of the Inspector-General of Intelligence and Security	99.8%	100.0%
Office of the Official Secretary to the Governor-General	0.0%	100.0%
Organ and Tissue Authority	97.8%	98.6%
Parliamentary Budget Office	99.0%	100.0%
Productivity Commission	97.8%	100.0%
Professional Services Review	97.5%	99.4%
Royal Australian Mint	100.0%	100.0%
Safe Work Australia	88.4%	97.1%

Agency	2018-19 Percentage of invoices paid within 20 days by number	2018-19 Percentage of invoices paid within 30 days by number
<b>Tertiary Education Quality and Standards Agency</b>	65.0%	98.4%
<b>The Great Barrier Reef Marine Park Authority</b>	80.0%	95.0%
<b>Workplace Gender Equality Agency</b>	95.5%	100.0%
<b>Total</b>	<b>61.7%</b>	<b>93.9%</b>