



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

Australian Government Pay On-Time Survey

Performance Report

1 July 2019 – 30 June 2020

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Overview

This report contains the results of the Australian Government Pay On-Time Survey for the 2019–20 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)¹.

Under the Pay On-Time policy for the 2019–20 financial year, non-corporate Commonwealth entities² (NCEs) were required to pay invoices for contracts valued at \$1 million or less within 20 calendar days. Where payment was not made in full within 20 calendar days, NCEs were required to pay interest to the supplier on the outstanding amount, where the amount of interest accrued was more than \$100 (GST inclusive). As of 2019, survey participation is compulsory for all NCEs.

The 2019–20 survey shows that there has been significant improvement in the proportion of low value (less than \$1 million) invoices paid on time. At the outset of this policy in 2002, only 82 per cent of invoices for low value contracts were paid on time, which was at the time 30 calendar days. Results from the 2019–20 survey show that NCEs (referred to as ‘agencies’ from herein) are now paying almost 90.6 per cent of low value invoices on time, that is, within 20 calendar days.

For the 2019–20 financial year, performance has improved marginally for 30 day payments, and significantly for 20 day payments in comparison to the 2018–19 financial year. In 2019–20 the proportion of total invoices paid within 30 days increased by 3.0 percentage points, from 93.9 per cent to 96.9 per cent. The proportion of total invoices paid within 20 days greatly increased by 28.9 percentage points, from 61.7 per cent to 90.6 per cent.

These improvements can be in part explained by the Pay On-Time policy changing as of 1 July 2019 to stipulate 20 day payment times for low value contracts, as opposed to the previous 30 day requirement. In addition, agencies that first started reporting in the 2018–19 survey have significantly improved their payment time performance.

In conjunction with the Pay On-Time policy, from 1 January 2020 the Government began implementing an electronic invoicing framework. E-invoicing is the automated direct exchange of invoices between the supplier’s and buyer’s software. Agencies must pay valid e-invoices for contracts valued up to \$1 million within five days or pay interest. As more business adopt e-invoicing, it is anticipated that the 2020–21 Pay On-Time Survey will see an increase in the percentage of invoices paid faster than 20 days.

Background

Since 1 July 2014, the Pay On-Time policy has applied to non-corporate Commonwealth entities 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).

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

² Non-corporate Commonwealth entities are legally and financially part of the Commonwealth. Examples of NCEs include departments of state, parliamentary departments or listed entities. For more details: <https://www.finance.gov.au/about-us/glossary/pgpa/term-non-corporate-commonwealth-entity-nce>

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 2019–20 financial year.

Survey methodology

The survey requested data from agencies relating to invoices paid in full during the 2019–20 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.
- e-Invoicing capability

Results

Participants

92 agencies provided data on their 2019–20 payment time performance (100 per cent response rate). It is important to note that for the 2019–20 reporting period paying after 20 days is considered paying late, whereas in 2018–19 after 30 days was considered late. The comparisons of late payments below are made according to the benchmarks applied to each year respectively.

There was an increase in both the number and value of invoices reported, as well as an increase in both the number and value of invoices paid late. Specifically, there was a 5 per cent increase in the total number of invoices (from 978,917 to 1,031,908), and a 31 per cent increase in the total value compared to the 2018–19 survey (\$7.14 billion to \$9.38 billion).

As a proportion of the total number of invoices, 9 per cent were paid late³ in 2019–20 (96,926), increasing from last year's 6 per cent⁴ (60,190). Similarly, as a proportion of the total value of invoices, 15 per cent were paid late in 2019–20 (\$1.40 billion), compared to last year's 11 per cent (\$780 million).

The largest payers of contracts under \$1 million by both number of invoices and value were the Department of Defence and the Australian Taxation Office.

Four out of 92 agencies indicated e-invoicing capability.

³ Paying late for the 2019–20 financial year was any invoice paid after 20 days

⁴ Paying late for the 2018–19 financial year was any invoice paid after 30 days

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 2019–20, agencies that responded to the survey reported \$1.2 million in interest paid on late invoices. This is a 163 per cent increase from 2018–19's interest paid (\$438,090). Some agencies reported that a number of contracts had 30 day payment terms prior to 1 July 2019, which overlapped the 20 day requirement. We expect that as those contracts end that the 20 day payment results will improve further and the need for interest payments will reduce.

Results for payment within 20 days

Based on the aggregated data reported by surveyed agencies, compliance with the Pay On-Time policy of payment within 20 days was as follows:

- By number of invoices, 90.6 per cent (or 934,982) of invoices on contracts valued under \$1 million were paid within 20 days in 2019–20. In 2018–19, 61.7 per cent (or 604,222) of invoices were paid within 20 days.
- By dollar value, 85.2 per cent (or \$7.99 billion) of the total value of invoices on contracts valued under \$1 million was paid within 20 days in 2019–20. In 2018–19, 42.9 per cent (or \$3.06 billion) of the total value of invoices was paid within 20 days.

Results for payment within 30 days

Although the benchmark for low value contract payment time as of July 1 2019 is 20 days, it is useful to consider a 30 day benchmark for the 2019–20 data, as a comparison to last year's survey and its 30 day payment time benchmark:

- By number of invoices, 96.9 per cent (or 999,650) of invoices on contracts valued under \$1 million were paid within 30 days in 2019–20. In 2018–19, 93.9 per cent (or 918,727) of invoices were paid within 30 days.
- By dollar value, 95.2 per cent (or \$8.93 billion) of the total value invoices on contracts valued under \$1 million was paid within 30 days in 2019–20. In 2018–19, 89.1 per cent (or \$6.36 billion) of the total value of invoices was paid within 30 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 2019-20

	Number of invoices	Value of invoices
Paid within 20 days	934,982	\$7,985,275,279
Paid within 30 days	999,650	\$8,933,197,783
Paid late (after 20 days)	96,926	\$1,396,187,600
Total invoices	1,031,908	\$9,381,462,879

Note: The total in Table 1, *Total invoices*, is the sum of invoices *Paid within 30 days* and those *Paid late (after 20 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 2019–20, 76 of the 92 responding agencies paid more than 90 per cent of invoices within 30 days. In addition, 48 agencies paid more than 90 per cent of invoices within 20 days.

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

Agency	2019-20 Percentage of invoices paid within 20 days by number	2019-20 Percentage of invoices paid within 30 days by number
Administrative Appeals Tribunal	79.4%	88.1%
Aged Care Quality & Safety Commission	99.3%	99.8%
Asbestos Safety and Eradication Agency	100.0%	100.0%
Attorney-General's Department	93.6%	98.8%
Australian Building and Construction Commission	42.4%	100.0%
Australian Bureau of Statistics	97.7%	99.0%
Australian Centre for International Agricultural Research	86.2%	93.1%
Australian Commission for Law Enforcement Integrity	92.2%	97.9%
Australian Communications and Media Authority (ACMA)	94.8%	97.9%
Australian Competition and Consumer Commission	83.3%	91.2%
Australian Criminal Intelligence Commission	90.7%	95.7%
Australian Electoral Commission	69.0%	76.7%
Australian Federal Police (AFP)	91.5%	97.0%
Australian Financial Security Authority	95.9%	97.9%
Australian Fisheries Management Authority	87.0%	91.9%
Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)	59.9%	99.3%
Australian Institute of Criminology	83.8%	88.1%
Australian Institute of Family Studies	99.4%	100.0%
Australian National Audit Office	64.8%	77.8%
Australian Office of Financial Management	94.8%	98.0%
Australian Prudential Regulation Authority	55.5%	76.6%

Agency	2019-20 Percentage of invoices paid within 20 days by number	2019-20 Percentage of invoices paid within 30 days by number
Australian Public Service Commission	92.8%	95.9%
Australian Radiation Protection and Nuclear Safety Agency	94.0%	98.9%
Australian Research Council	93.5%	96.6%
Australian Securities and Investment Commission	93.8%	99.2%
Australian Security Intelligence Organisation	80.6%	89.9%
Australian Skills Quality Authority (National Vocational Education and Training Regulator)	97.4%	98.5%
Australian Sports Anti-Doping Authority	70.5%	83.9%
Australian Taxation Office	78.4%	98.0%
Australian Trade and Investment Commission (Austrade)	79.4%	88.7%
Australian Transaction Reports and Analysis Centre (AUSTRAC)	91.6%	96.8%
Australian Transport Safety Bureau	74.5%	85.0%
Bureau of Meteorology	66.1%	98.6%
Cancer Australia	80.1%	100.0%
Clean Energy Regulator	91.5%	96.6%
Climate Change Authority	87.5%	87.5%
Commonwealth Grants Commission	100.0%	100.0%
Department of Agriculture, Water and the Environment	90.1%	95.0%
Department of Defence	95.8%	97.7%
Department of Education, Skills and Employment	82.7%	88.9%
Department of Finance	73.3%	86.4%
Department of Foreign Affairs and Trade	92.1%	95.9%
Department of Health	54.8%	90.3%
Department of Home Affairs	83.1%	97.7%
Services Australia (was Department of Human Services)	98.1%	99.0%
Department of Industry, Science, Energy and Resources	97.8%	99.3%

Agency	2019-20 Percentage of invoices paid within 20 days by number	2019-20 Percentage of invoices paid within 30 days by number
Department of Infrastructure, Transport, Regional Development and Communications	86.1%	94.4%
Department of Parliamentary Services	76.1%	92.2%
Department of Social Services	97.7%	99.4%
Department of the House of Representatives	79.5%	89.9%
Department of the Prime Minister and Cabinet	98.0%	99.6%
Department of the Senate	92.9%	99.8%
Department of the Treasury	93.3%	96.9%
Department of Veterans' Affairs	79.3%	92.1%
Digital Transformation Agency	83.8%	93.0%
Fair Work Commission	98.5%	99.6%
Fair Work Ombudsman and Registered Organisations Commission Entity	49.4%	99.9%
Federal Court of Australia	93.2%	97.9%
Future Fund Management Agency	63.1%	80.2%
Geoscience Australia	86.7%	94.6%
Independent Parliamentary Expenses Authority (IPEA)	85.0%	92.6%
Infrastructure and Project Financing Agency	89.3%	98.9%
Inspector-General of Taxation and Taxation Ombudsman	66.7%	88.9%
IP Australia	39.2%	96.2%
National Archives of Australia	82.8%	92.8%
National Blood Authority	88.2%	99.7%
National Capital Authority	96.0%	99.3%
National Competition Council	100.0%	100.0%
National Faster Rail Agency	90.5%	92.9%
National Health and Medical Research Council	80.9%	95.0%

Agency	2019-20 Percentage of invoices paid within 20 days by number	2019-20 Percentage of invoices paid within 30 days by number
National Health Funding Body	60.5%	73.4%
National Indigenous Australians Agency	96.3%	98.4%
National Mental Health Commission	88.8%	93.5%
NDIS Quality and Safety Commission	97.8%	99.3%
North Queensland Water Infrastructure Authority	83.3%	100.0%
Office of National Intelligence	92.6%	96.5%
Office of Parliamentary Counsel (OPC)	89.3%	98.7%
Office of the Australian Accounting Standards Board & Office of Audit and Assurance Standards Board	88.4%	99.2%
Office of the Australian Information Commissioner	73.5%	94.2%
Office of the Commonwealth Director of Public Prosecutions (CDPP)	71.5%	92.5%
Office of the Commonwealth Ombudsman	99.3%	99.8%
Office of the Inspector-General of Intelligence and Security	99.8%	100.0%
Office of the Official Secretary to the Governor-General	100.0%	100.0%
Organ and Tissue Authority	91.2%	97.4%
Parliamentary Budget Office	96.2%	100.0%
Productivity Commission	98.5%	100.0%
Professional Services Review	98.6%	99.4%
Royal Australian Mint	90.1%	100.0%
Safe Work Australia	93.8%	98.9%
Tertiary Education Quality and Standards Agency	98.3%	99.8%
The Great Barrier Reef Marine Park Authority	90.5%	100.0%
Workplace Gender Quality Agency	100%	100%
Total	90.6%	96.9%