



Australian Government
The Treasury



Australian Government Pay On-Time Survey 2021–22

Performance Report

April 2023

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Overview

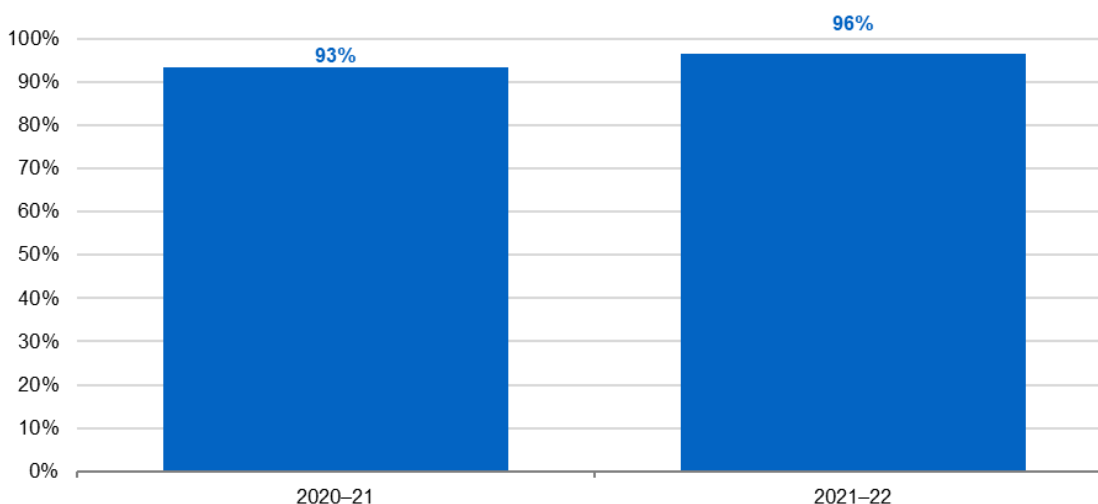
This report contains the results of the Australian Government Pay On-Time Survey for the 2021–22 financial year. The survey has been conducted annually since 2002, and collects information from Government agencies about their performance against the Department of Finance [RMG-417 Supplier Pay On-Time or Pay Interest Policy](#) (the Pay On-Time Policy).

The Pay On-Time Policy requires non-corporate Commonwealth entities (NCEs), referred to as Government agencies in this report, to pay invoices within 20 calendar days and electronic invoices (eInvoices) within 5 calendar days. Where payment is not made in full and on time, Government agencies are required to pay interest to the supplier on the outstanding amount if the interest accrued is more than \$100. Interest is payable at the general interest charge rate available from the [ATO](#), calculated for each calendar day from the day after the payment is due up to and including the day the payment is made.

The 2021–22 Pay On-Time Survey captures invoices for contracts valued up to \$1 million paid by Government agencies during the 2021–22 financial year, referred to as eligible invoices in this report. This survey demonstrates an improvement in the proportion of eligible invoices paid within 20 calendar days in the 2021–22 financial year, as compared to the previous financial year.

Chart 1 shows the percentage of eligible invoices that were paid within 20 days for the 2020–21 and 2021–22 financial years. In aggregate, government agencies paid 96 per cent of eligible invoices within 20 calendar days in the 2021–22 financial year, as compared to 93 per cent in the 2020–21 financial year. This represents a 3-percentage point improvement in the overall timeliness of payments.

Chart 1: Payments made in 20 calendar days



Improvements were also reported in the payment times for eligible eInvoices paid by Government agencies.

The number of eInvoicing-enabled Government agencies increased from 29 in the 2020–21 financial year to 71 in the 2021–22 financial year. In aggregate, in the 2021–22 financial year, Government agencies processed 1,764 eligible eInvoices with a total value of \$25.8 million, as compared to 92 eligible eInvoices with a total value of \$1 million in the previous financial year. Overall, in the 2021–22 financial year, Government agencies paid 68 per cent of eInvoices within 5 days by number, and 68 per cent by value.

From 1 July 2022, all Australian Government agencies covered by mandate must be eInvoicing enabled.

Survey of Australian Government agencies

The 2021–22 Pay On-Time Survey captured data on Government agencies' performance against the Pay On-Time Policy for the 2021–22 financial year, including:

- The total number and value of invoices for contracts up to \$1 million (GST inclusive).
- The total number and value of invoices for contracts up to \$1 million (GST inclusive) that were paid within 20 days.
- The total number and value of eInvoices for contracts up to \$1 million (GST inclusive).
- The total number and value of eInvoices for contracts up to \$1 million (GST inclusive) that were paid within 5 days.
- The total value of interest paid on late invoices and eInvoices.

Results

Government agencies are paying faster

All 93 Government agencies in scope of the 2021–22 Pay On-Time Survey provided data on payment times for eligible invoices.

In the past year, both the number (Table 1) and value (Table 2) of eligible invoices paid by Government agencies has increased. There has also been an improvement in the number and value of eligible invoices paid within 20 days.

Table 1: 2020–21 and 2021–22 comparison of payment times for invoices of contracts valued up to \$1 million (GST inclusive), by number

	Number 2020–21	Number 2021–22
Paid within 20 days	869,774 (93%)	1,420,408 (96%)
Paid after 20 days	63,407 (7%)	52,290 (4%)
Total invoices	933,181	1,472,698

Table 2: 2020–21 and 2021–22 comparison of payment times for invoices of contracts valued up to \$1 million (GST inclusive), by value

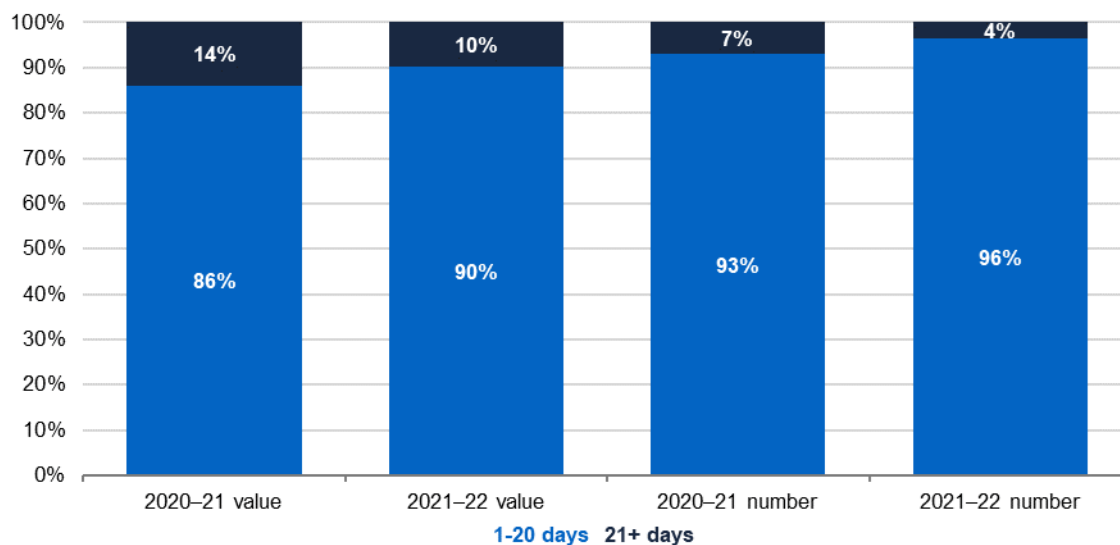
	Value 2020–21	Value 2021–22
Paid within 20 days	\$7.04bn (86%)	\$7.51bn (90%)
Paid after 20 days	\$1.14bn (14%)	\$0.81bn (10%)
Total invoices	\$8.18bn	\$8.32bn

Payment times by value and number

Overall, by both value and number, a higher proportion of eligible invoices have been paid within 20 calendar days in the 2021–22 financial year as compared to the 2020–21 financial year.

Chart 2 provides the percentage of eligible invoices paid on time (that is, within 20 days) compared to those paid late (that is, in more than 20 days) by value and number for the 2020–21 and 2021–22 financial years. As compared to the 2020–21 financial year, the percentage of eligible invoices paid on time in the 2021–22 financial year increased by 3-percentage points by number (from 93 per cent to 96 per cent) and 4-percentage point by value (from 86 per cent to 90 per cent).

Chart 2: Percentage paid on time by value and number

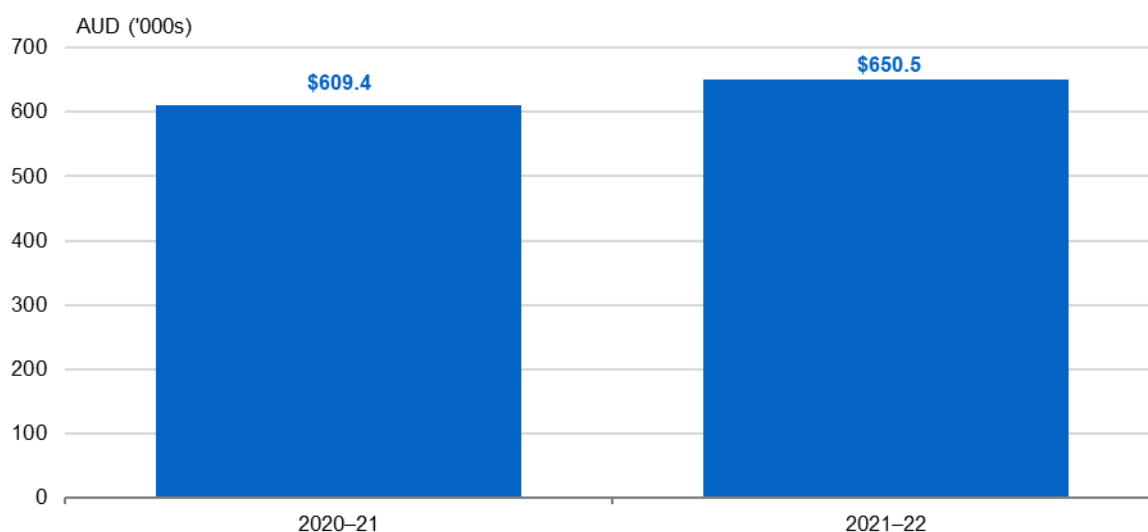


Interest payments

Under the Pay On-Time Policy, Government agencies are required to pay interest on late payments of eligible invoices if the amount of interest accrued is greater than \$100.

Chart 3 compares the amount of interest paid by Government agencies due to late payment of eligible invoices across the 2020-21 and 2021-22 financial years. The amount of interest paid on late payment of eligible invoices in the 2021-22 financial year (\$650,503) was 7-percentage points higher than in the 2020-21 financial year (\$609,404). This is likely to reflect the increase in number and total value of eligible invoices in the 2021-22 financial year, as compared to the 2020-21 financial year (see Table 1).

Chart 3: Interest paid



eInvoicing

The number of eInvoicing-enabled agencies increased from 29 in the 2020–21 financial year to approximately 71 in the 2021–22 financial year, which shows significant progress. From 1 July 2022 all Australian Government agencies covered by mandate were required to be eInvoicing-enabled.

For the 2021–22 financial year, the number and value of eligible eInvoices paid by Government agencies has substantially increased, as compared to the previous financial year.

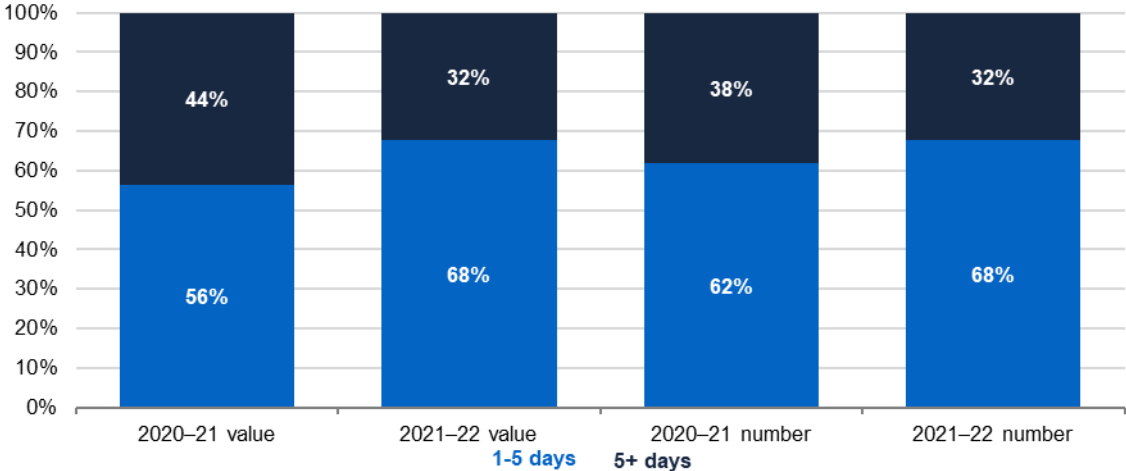
In the 2021–22 financial year, Government agencies processed 1,764 eligible eInvoices with a total value of \$25.8 million, as compared to 92 eligible eInvoices with a total value of \$1 million in the previous financial year (Table 3).

Table 3: 2020–21 and 2021–22 comparison of payment times for eInvoices of contracts valued up to \$1 million (GST inclusive), by value and number

	Value 2020–21	Value 2021–22	Number 2020–21	Number 2021–22
Paid within 5 days	\$575,467 (56%)	\$17,516,284 (68%)	57 (62%)	1,195 (68%)
Paid late (after 5 days)	\$446,381 (44%)	\$8,315,577 (32%)	35 (38%)	569 (32%)
Total eInvoices	\$1,021,848	\$25,831,861	92	1,764

Chart 4 provides the proportion of eligible eInvoices paid on time (that is, within 5 days) compared to those paid late (that is, more than 5 days) by number and value for the 2020–21 and 2021–22 financial years.

Chart 4: eInvoice payment times by number and value



By both value and number, the proportion of eligible eInvoices paid on time increased between the 2020–21 and 2021–22 financial years. Specifically, there has been a 6-percentage point increase by number, and a 12-percentage point increase by value between these financial years. Given that there has also been a significant increase in the number of eligible eInvoices received, this represents a substantial improvement in the timeliness of payments.

Government agencies paid a total of \$1,024 in interest due to late payment of eligible eInvoices.

Table of Agency Results

Table 4 provides the percentage of eligible invoices paid within 20 days and eligible eInvoices within 5 days, by number and value, for all Government agencies that responded to the survey.

Overall, in the 2021–22 financial year, a higher proportion of Government agencies in scope of the Pay On-Time Survey paid more than 90 per cent of eligible invoices by number within 20 days, as compared to the 2020–21 financial year. In the 2021–22 financial year, 71 of the 93 Government agencies in scope (or 76 per cent) paid more than 90 per cent of standard invoices by number within 20 days. This compares to 62 of the 91 Government agencies in scope (or 68 per cent) that paid more than 90 per cent of standard invoices by number within 20 days in the 2020–21 financial year.

Table 4: Percentage of invoices paid on time by number and value for each Government agency surveyed

Agency	2021–22 Percentage (%) of invoices paid within 20 days by number	2021–22 Percentage (%) of invoices paid within 20 days by value	2021–22 Percentage (%) of eInvoices paid within 5 days by number	2021–22 Percentage (%) of eInvoices paid within 5 days by value
Administrative Appeals Tribunal	75	70	N/A	N/A
Aged Care Quality and Safety Commission	99	99	N/A	N/A
Asbestos Safety and Eradication Agency	100	100	100	100
Attorney-General's Department	93	93	18	32
Australian Building and Construction Commission	94	94	N/A	N/A
Australian Bureau of Statistics	97	80	86	91
Australian Centre for International Agricultural Research (ACIAR)	94	96	N/A	N/A
Australian Commission for Law Enforcement Integrity (ACLEI)	91	95	N/A	N/A
Australian Communications and Media Authority (ACMA)	98	97	100	100
Australian Competition and Consumer Commission (ACCC)	88	87	N/A	N/A
Australian Crime Commission (Australian Criminal Intelligence Commission)	82	62	N/A	N/A
Australian Electoral Commission	95	95	N/A	N/A
Australian Federal Police	96	94	100	100
Australian Financial Security Authority	96	96	N/A	N/A
Australian Fisheries Management Authority	100	100	N/A	N/A

Agency	2021–22 Percentage (%) of invoices paid within 20 days by number	2021–22 Percentage (%) of invoices paid within 20 days by value	2021–22 Percentage (%) of invoices paid within 5 days by number	2021–22 Percentage (%) of invoices paid within 5 days by value
Australian Institute of Criminology	59	63	N/A	N/A
Australian Institute of Family Studies (AIFS)	100	100	N/A	N/A
Australian National Audit Office	96	95	100	100
Australian Office of Financial Management (AOFM)	89	96	100	100
Australian Prudential Regulation Authority (APRA)	100	100	100	100
Australian Public Service Commission	90	85	N/A	N/A
Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)	97	95	N/A	N/A
Australian Research Council	99	100	N/A	N/A
Australian Securities and Investments Commission (ASIC)	100	100	91	91
Australian Security Intelligence Organisation	75	70	N/A	N/A
Australian Signals Directorate	82	84	100	100
Australian Skills Quality Authority (National Vocational Education and Training Regulator)	93	88	N/A	N/A
Australian Taxation Office	95	90	89	96
Australian Trade and Investment Commission (Austrade)	87	88	N/A	N/A
Australian Transaction Reports and Analysis Centre (AUSTRAC)	97	96	N/A	N/A
Australian Transport Safety Bureau (ATSB)	81	82	100	100
Bureau of Meteorology	62	52	0	0
Cancer Australia	92	91	100	100
Clean Energy Regulator	94	93	N/A	N/A
Climate Change Authority	96	98	N/A	N/A
Commonwealth Grants Commission	99	99	N/A	N/A
Department of Agriculture, Fisheries and Forestry	96	93	75	67
Department of Defence	97	91	85	89
Department of Education	94	95	65	53
Department of Finance	96	99	N/A	N/A

Agency	2021–22 Percentage (%) of invoices paid within 20 days by number	2021–22 Percentage (%) of invoices paid within 20 days by value	2021–22 Percentage (%) of invoices paid within 5 days by number	2021–22 Percentage (%) of invoices paid within 5 days by value
Department of Foreign Affairs and Trade	97	96	24	23
Department of Health and Aged Care	80	82	30	25
Department of Home Affairs	97	91	100	100
Department of Industry, Science and Resources	93	92	64	74
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	89	86	67	99
Department of Parliamentary Services	86	77	N/A	N/A
Department of Social Services	98	96	81	44
Department of the House of Representatives	97	99	N/A	N/A
Department of the Prime Minister and Cabinet	100	100	100	100
Department of the Senate	95	98	0	0
Department of the Treasury	95	94	100	100
Department of Veterans' Affairs	89	89	N/A	N/A
Digital Transformation Agency	93	93	61	53
Fair Work Commission	99	95	N/A	N/A
Fair Work Ombudsman and Registered Organisations Commission Entity	91	84	N/A	N/A
Federal Court of Australia	93	91	N/A	N/A
Future Fund Management Agency	79	77	N/A	N/A
Geoscience Australia	90	89	100	100
Great Barrier Reef Marine Park Authority	98	98	100	100
Independent Parliamentary Expenses Authority	98	97	100	100
Inspector-General of Taxation	86	87	N/A	N/A
IP Australia	100	100	N/A	N/A
National Archives of Australia	97	99	100	100
National Blood Authority	100	100	N/A	N/A
National Capital Authority	87	88	100	100
National Competition Council	100	100	N/A	N/A
National Emergency Management Agency	100	100	100	100
National Faster Rail Agency	99	100	N/A	N/A

Agency	2021–22 Percentage (%) of invoices paid within 20 days by number	2021–22 Percentage (%) of invoices paid within 20 days by value	2021–22 Percentage (%) of invoices paid within 5 days by number	2021–22 Percentage (%) of invoices paid within 5 days by value
National Health and Medical Research Council (NHMRC)	93	94	N/A	N/A
National Health Funding Body (NHFB)	82	91	N/A	N/A
National Indigenous Australians Agency	100	100	N/A	N/A
National Mental Health Commission	89	89	N/A	N/A
NDIS Quality and Safeguards Commission	96	93	N/A	N/A
North Queensland Water Infrastructure Authority	93	99	N/A	N/A
Office of National Intelligence	90	91	N/A	N/A
Office of Parliamentary Counsel	93	95	N/A	N/A
Office of the Australian Accounting Standards Board (AASB)	96	96	N/A	N/A
Office of the Australian Information Commissioner	92	87	N/A	N/A
Office of the Commonwealth Director of Public Prosecutions (CDPP)	94	93	100	100
Office of the Commonwealth Ombudsman	97	92	N/A	N/A
Office of the Inspector-General of Intelligence and Security	100	100	100	100
Office of the Official Secretary to the Governor-General	100	100	N/A	N/A
Office of the Special Investigator	83	87	N/A	N/A
Organ and Tissue Authority	97	99	N/A	N/A
Parliamentary Budget Office	91	91	N/A	N/A
Productivity Commission	94	99	N/A	N/A
Professional Services Review	100	100	100	100
Royal Australian Mint	100	100	75	80
Safe Work Australia	100	100	N/A	N/A
Services Australia	100	95	0	0
Sport Integrity Australia	76	58	100	100
Tertiary Education Quality and Standards Agency	99	100	N/A	N/A
Workplace Gender Equality Agency	93	95	N/A	N/A
Total across all agencies (%)	96	90	68	68

N/A: Agency was not eInvoice enabled or did not pay eInvoices up to \$1 million in the 2021–22 financial year.

Note 1: Names of agencies are based on the Flipchart of PGPA Act Commonwealth entities and companies from the Department of Finance as of 15 November 2022.

Note 2: The 2021–22 Survey was completed by 93 agencies compared to 91 in 2020–21. It is common for the number of recorded agencies to vary each year due to Machinery of Government changes or through agencies under the same portfolio merging their submissions due to shared financial functions.