

Appendix A:

Submissions and comments

We have consulted with reviewed agencies, and we considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

Responses received

Agency	Page
Country Fire Authority	A-2
Department of Education	A-4
Department of Energy, Environment and Climate Action	A-5
Department of Families, Fairness and Housing	A-6
Department of Health	A-8
Department of Jobs, Skills, Industry and Regions	A-9
Department of Transport and Planning	A-13
Department of Treasury and Finance	A-14
Museums Victoria	A-15
Victorian Small Business Commission	A-17



Patron: Her Excellency Professor the Honourable Margaret Gardner AC, Governor of Victoria

Office of the Chief Executive Officer | Headquarters
8 Lakeside Drive Burwood East Vic 3151
Tel 03 9262 8444

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office

25 February 2026

Ref: PC26-022

By email: [REDACTED]

Dear Mr Greaves,

RE: Proposed report – Timely Payments Performance

Thank you for your letter dated 3 February 2026 inviting CFA's consideration and comment on the proposed report for *Timely Payments Performance*.

I have sought advice from subject matter experts within CFA on the proposed report and appreciate your patience while the following feedback was finalised, also attached for your reference:

- CFA's completed Action Plan, outlining our response to the recommendations. We have noted an 'in principle' acceptance for Recommendation 1, as the required data capture is dependent on the future implementation of a Central Invoice Management system.
- A Summary of Feedback and Performance Data, including detailed commentary on terminology, workflow distinctions, case study accuracy, invoice receipt definitions, payment process logic, and clarification of data discrepancies.

Regarding the publication of signatures in the final report, CFA notes VAGO's position and has no concerns with this approach. We also confirm that this response and the associated materials have been handled in accordance with the confidentiality provisions of the *Audit Act 1994*.

Should you require any further information, please contact CFA Chief Risk Officer, Rebecca Holding via [REDACTED].

I trust the above is of use and thank you again for the opportunity to provide feedback on the proposed report.

Sincerely,

Jason Heffernan
Acting Chief Executive Officer

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Country Fire Authority action plan to address recommendations from *Timely Payments Performance*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
7	Implement processes to identify when a correct and complete invoice is received (see Section 4 in report).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	The basis for capturing the correct invoice date will be determined by when CFA is able to implement the Central Invoice Management system and reporting.	30 June 2027

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Department of Education

Secretary

2 Treasury Place
East Melbourne Victoria 3002
Telephone +61 3 9637 2000

COR26178420

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
[REDACTED]

Dear Mr Greaves

Proposed Report: Timely Payments Performance

Thank you for your letter dated 3 February 2026 and for the opportunity to comment on the proposed report for *Timely Payments Performance*. The department is committed to paying its suppliers on time.

The department has reviewed the proposed report and has no feedback.

Should you wish to discuss the department's response, please contact Ms Shamiso Mtenje, Executive Director, Assurance, Knowledge and Executive Services on [REDACTED] 7 or [REDACTED].

Yours sincerely

Tony Bates PSM
Secretary
24/02/2026

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address





Department of Energy, Environment
and Climate Action

PO Box 500, East Melbourne,
Victoria 8002 Australia

SEC-260200089

Andrew Greaves
Auditor-General
Level 31 35 Collins Street
Melbourne Victoria 3000

Via email: [REDACTED]

Dear Auditor-General

Proposed draft report – Timely Payments Performance

Thank you for the opportunity to comment on the Victorian Auditor-General's Office (VAGO) proposed draft report for the *Timely Payments Performance* engagement, received on 3 February 2026.

The Department of Energy, Environment and Climate Action (DEECA) has reviewed the draft report and has no comments to provide.

DEECA remains committed to meeting the requirements of the Victorian Government's *Fair Payments Policy* and appreciates the work undertaken by your office in preparing this report.

I thank your staff for their work and DEECA look forward to a continued productive relationship with your office.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kate Houghton'.

Kate Houghton
Secretary





Secretary

Department of Families, Fairness and Housing

50 Lonsdale Street
Melbourne Victoria 3000
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www.dffh.vic.gov.au

BAC-EOB-1460

Andrew Greaves
Auditor-General
Level 31, 35 Collins Street
MELBOURNE VIC 3001
enquiries@audit.vic.gov.au

Dear Andrew

Thank you for your letter dated 3 February 2026, and for providing the Department of Families, Fairness and Housing (the department) with an opportunity to review and respond to the proposed report for the *Timely Payments Performance* audit.

The department notes the findings and recommendations specified in the proposed report and confirms acceptance of those recommendations applicable to the department. The details of the department's proposed actions in relation to each of the recommendations, and when those actions will be completed, is included in the Agency Action Plan.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. McCammon'.

Peta McCammon PSM
Secretary

23/02/2026



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Department of Families, Fairness and Housing action plan to address recommendations from *Timely Payments Performance*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
8	Explore options to enable the invoice received date to be more accurately reported on for invoices processed in legacy systems (see Section 4).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	Review business rules for determining which invoices should be reported. Explore options for legacy systems to calculate and send the due date to Oracle based on invoice received date. Explore options for ensuring invoices processed in DFFH legacy systems are more accurately reported from a Policy perspective. Implement agreed option.	30 April 2026 30 June 2026 30 June 2026 30 April 2027



Secretary

Department of Health

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BAC-CO-62119

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office

Via e-mail: [REDACTED]

Dear Mr Greaves

Thank you for the opportunity to review and comment on the *Timely Payments Performance* proposed report.

I have reviewed the findings outlined in the report and support the key findings as relevant to my department. The findings provide useful insights into opportunities to strengthen processes and improve consistency in the calculation and reporting of payment timeliness.

The department is committed to addressing the matters identified within the scope of its responsibilities and will consider the findings as part of ongoing efforts to enhance financial controls, reporting accuracy and compliance with the Victorian Government Fair Payment Policy.

Should you have any queries in relation to this response please contact Karen Olesnick on [REDACTED], or at [REDACTED].

Yours sincerely

Jenny Atta PSM
Secretary

4/03/2026





Department of Jobs, Skills, Industry and Regions

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Ref: CSEC-2-26-27907

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VICTORIA 3000

Dear Mr Greaves

PROPOSED REPORT: TIMELY PAYMENTS PERFORMANCE LIMITED ASSURANCE REVIEW

Thank you for your letter of 3 February 2026 sharing the proposed report on the Timely Payments Performance audit engagement.

The Department of Jobs, Skills, Industry and Regions (the department) accepts VAGO's recommendations and will continue to foster best practices regarding timely payment performance.

I am pleased to note from your report that, under Victoria's Fair Payment Policy, the average time taken to pay small businesses has improved significantly – from 18.2 calendar days in 2021-22 to 10.8 calendar days in 2024-25.

This reduction of 7.4 calendar days demonstrates the positive impact of the policy and the tangible benefits it delivers for small businesses without imposing additional requirements on industry.

Enclosed with this correspondence are actions the department will take in response to each relevant recommendation, including completion dates.

If your team requires any further information, please contact Karan Gill, Chief Audit Officer on [REDACTED] or [REDACTED].

Yours sincerely

Matt Carrick
Secretary

Date: 03/03/2026



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Department of Jobs, Skills, Industry and Regions action plan to address recommendations from *Timely Payments Performance*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Implement processes to ensure:</p> <ul style="list-style-type: none"> all agencies provide complete <i>Victorian Government Fair Payment Policy</i> reporting data and follow-up where there are gaps reporting data is captured correctly (see Section 3). 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>Action: DJSIR has updated reporting requirements and processes, performance reporting templates and developed new performance reporting guidance to support all agencies to complete, certify and return performance reporting templates.</p> <p>Summary Improved processes and requirements have been implemented to support the collection of complete and certified Fair Payment Policy performance reporting data, including improved coordination through portfolio departments, validation and certification of reporting data and active follow-up where data is incomplete, inconsistent or missing. These improved processes and requirements will support timely submission, improve data quality and strengthen assurance over entity performance data prior to public reporting.</p>	June 2026
2	<p>Develop guidance materials and update reporting templates so that agencies need to:</p> <ul style="list-style-type: none"> explain how they calculate their data (including if they measure timeliness from a date other than 'invoice received') quality check <i>Victorian Government Fair Payment Policy</i> reporting 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>Action: DJSIR has developed new performance reporting guidance material and updated reporting templates to support accurate and certified performance reporting by agencies. DJSIR will share and communicate the updated guidance and reporting templates to agencies.</p> <p>Summary: The new guidance material clarifies reporting obligations, definitions and certification requirements for entities, explanation on calculation of payment days,</p>	June 2026

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Response provided by the Secretary, Department of Jobs, Skills, Industry and Regions, *continued*

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	information sent to the Department of Jobs, Skills, Industry and Regions. Share and communicate guidance and updated templates to agencies (see Sections 3 and 4).		how to complete the updated reporting templates and certification and submission requirements.	
3	<p>Develop <i>guidance materials and update reporting templates</i> to:</p> <ul style="list-style-type: none"> define what receipt of a correct and complete invoice is clarify which transactions should be reported <p>Share and communicate guidance and updated templates to agencies (see Section 4).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>Action: DJSIR has developed new performance reporting guidance material that includes advice on definitions and scope.</p> <p>Summary: The new guidance material explicitly states the definition of a correct and complete invoice and invoices to be included and those not included.</p>	June 2026
4	<p>Find out how agencies calculate payment timeliness data and:</p> <ul style="list-style-type: none"> provide information on how agencies calculate payment timeliness to the Victorian Small Business Commission and use a weighted average to calculate the overall average days to pay analyse the reasons why agencies calculate payment timeliness for the <i>Victorian Government Fair Payment Policy</i> differently (see Sections 3 and 4). 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>Action: DJSIR has updated performance reporting templates to provide for departments and applicable agencies to include how they calculate payment times.</p> <p>DJSIR will use a weighted average in future reporting cycles.</p> <p>DJSIR will continue to analyse reasons why agencies have calculated payment timeliness differently, and continue to use this information to inform continuous improvement.</p> <p>Summary: Reporting templates have been updated to include a section requiring entities to explain how their payment times are calculated where the invoice received date</p>	<p>June 2026</p> <p>Weighted average methodology will be implemented by November 2026 for the 2026-27 reporting cycle.</p>

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			<p>has not been used. This change supports transparency, consistent interpretation of results and improved assurance over Fair Payment Policy performance reporting.</p> <p>DJSIR has been analysing the reasons for different payment calculation methods throughout the existence of the policy, and has used this information for continual improvement. DJSIR will continue to do this.</p>	
9	<p>Develop guidance materials so that agencies identify:</p> <ul style="list-style-type: none"> • reasons for non-compliance and develop remediation actions • continuous improvement opportunities, including where businesses processes can be streamlined (see Section 5). 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>Action</p> <p>DJSIR will continue to use insights and performance data to drive continuous improvement of payment timeliness by agencies, including through guidance material and stakeholder engagement that shares process and technical learnings.</p> <p>Summary</p> <p>Since 2021, DJSIR has used Fair Payment Policy data to identify causes of late payment and target support to improve agency payment practices.</p> <p>Insights from agency reporting have been used to drive continuous improvement through tailored presentations by DJSIR at inter-government forums, supporting agencies to identify opportunities to improve processes and increase automation to support timely payment. This is an ongoing work program for DJSIR</p>	31 December 2026

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Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-26-56

Mr Andrew Greaves
Auditor-General of Victoria
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

Victorian Auditor-General's Office - Timely payment performance - Proposed report

Thank you for your letter of 3 February 2026 inviting the Department of Transport and Planning (the Department) to respond to the *Timely Payments Performance* proposed report (the Report).

On behalf of the Department, I welcome the Report's analysis of the Department's timely payment performance, particularly the significant improvement in the average time taken to pay suppliers which reduced by more than 20 days from 2022-23 to 2024-25.

The Department notes that the Report's findings and conclusions are focused on the six agencies examined in detail. The Department acknowledges the recommendations to the Department of Jobs, Skills, Industry and Regions and Victorian Small Business Commissioner to improve the *Victorian Government Fair Payments Policy* (the Policy).

The Department is committed to ensuring compliance with the Policy and will continue to manage and report on its supplier payments accordingly.

Thank you for the opportunity to comment on the Report.

Yours sincerely

Jeroen Weimar
Secretary

Date: 19 February 2026





Department of Treasury and Finance

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CSEC-260200042

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Email: [REDACTED]

Dear Auditor General

PROPOSED REPORT REVIEW LETTER - TIMELY PAYMENTS PERFORMANCE

Thank you for your letter, dated 3 February, inviting the Department of Treasury and Finance to review and comment on the proposed report *Timely Payments Performance*.

DTF notes the recommendations as outlined in the proposed report. Consistent with the findings in the report, DTF acknowledges that agencies aim to pay suppliers on time, but internal processes and systems have limitations.

I appreciate your consultative approach to this report.

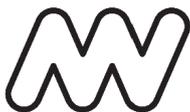
Yours sincerely

Chris Barrett
Secretary

22 / 2 / 2026

CC: [REDACTED]





**MUSEUMS
VICTORIA**

2 March 2026

Mr Andrew Greaves
Auditor General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
Melbourne VIC 3000

Dear Mr Greaves

Thank you for your letter dated 3 February 2026 and the provision of the proposed report on the performance audit of the Timely Payments Performance data.

I welcome this opportunity to provide Museums Victoria's response to the recommendations made by your office. I am also pleased to provide you with advice regarding the actions we are taking in relation to the recommendation made by your office.

I would like to thank your team for working with our staff so productively. I note and appreciate the inclusion of our feedback in the draft final report.

Museums Victoria has reviewed the report and accepts the report and the recommendation in principle. The implementation of the action plan will be targeted by 30 June 2026.

Please find attached the department's Action Plan addressing the recommendation made by your office.

Yours sincerely

Lynley Crosswell
Chief Executive Officer and Director

Encl. **Attachment 1** – Museums Victoria Action Plan

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Museums Victoria action plan to address recommendations from *Timely Payments Performance*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
6	Identify ways to automate your accounts payable systems, including the capture of a correct and complete invoice (see Section 4 in report).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	<p>Museums Victoria notes the current system limitations that prevent the automated capture of invoice receipt dates. The age of the current system means enhancements are not a feasible option to pursue. Until a new financial system can be implemented, MV will strengthen its internal control environment by implementing a standardised manual process to support more accurate Fair Payments Policy (FPP) reporting. This will include:</p> <ul style="list-style-type: none"> • Provide clear guidance to vendors on resubmission of correct undisputed invoice as needs to be re-dated to the date the corrected, valid invoice is provided. • Establishing a manual disputed invoices log which records on a spreadsheet when the 10-day clock is “suspended” due to an invoice dispute. • Providing clear procedural guidance and training to relevant staff to reinforce responsibilities under the FPP. Monitor and implement corrective feedback where non-compliance trends emerge. 	30 June 2026

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20 February 2026



Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office

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W www.vsbcc.vic.gov.au
E [REDACTED]

By email: [REDACTED]

Dear Mr Greaves,

Thank you for sharing the proposed report on *Timely Payments Performance* (Proposed Report). I appreciate the opportunity to review its findings and acknowledge the importance of ensuring the consistency and accuracy of reporting of entities in the Victorian Small Business Commission (VSBC) Annual Report.

I'm confident that our reporting upon the performance of entities with regards to the Fair Payments Policy, and our joint engagement with the Department of Jobs, Skills, Industry and Regions (DJSIR) and finance teams and secretaries' offices across the Victorian Government, has driven the uplift of payment processes since 2021 in support of Victoria's small businesses.

We are committed to addressing your recommendation for the VSBC, through the actions outlined below.

Victorian Small Business Commission (VSBC) action plan to address recommendations from *Timely Payments Performance*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
5	Include an explanation or note in the published data if an agency uses a date other than 'invoice received' to calculate their results (see Section 4 in report).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>Request that agencies are consistent with their reporting systems to ensure that payment timeframes are calculated accurately and in accordance with the Policy, using "invoice received" as the default marker.</p> <p>Hold an information session for financial officers across relevant agencies to reinforce the importance of using the "invoice received" date for calculations and maintaining accurate records.</p> <p>Include a note in published</p>	Begin implementation with the VSBC Annual Report 2025-26 – to be tabled in parliament in late 2026.

			performance data if an agency calculates payment timelines using a date other than "invoice received" (eg. "invoice approval" or "invoice entry" date).	
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We will continue working collaboratively with DJSIR and reporting entities to strengthen our processes and reporting to ensure consistency and transparency for Victorian small businesses.

I look forward to updating you as we implement your recommendations.

Yours sincerely,



Lynda McAlary-Smith
Victorian Small Business Commissioner