

Our invoice payment timeliness

This fact sheet outlines how we manage invoices and pays our suppliers. Paying supplier invoices on time is important to help businesses manage their cashflow. It also helps us maintain our reputation as a reliable business partner.

The government has a policy commitment to pay invoices on time

Victorian Government Fair Payment Policy In 2021, the state government amended the *Victorian Government Fair Payment Policy* (the Policy) to give businesses better certainty about their cashflows as they recovered from the effects of the COVID-19 pandemic.

Under the Policy, departments and selected agencies must pay invoices within 10 business days to vendors with contracts under \$3 million.

Our Timely Payments Performance report

We conducted a review *Timely Payments Performance (2026)* to examine if agencies are complying with the Policy and paying suppliers on time.

Although the Policy does not apply to us, we reviewed how promptly we pay our invoices to compare and benchmark with other agencies.

Our invoice payment performance

Our payments policy

As the Auditor-General is an independent officer of the Victorian Parliament, VAGO is not subject to the Policy.

Instead, we agree the terms of trade with each vendor, which typically include a requirement to pay correctly rendered invoices within 20 business days of their receipt.

How we pay

From October 2024, we changed our process for paying invoices.

We updated our ...	from ...	to ...
default payment term for all invoices	20 business days	10 business days.
accounts payable payment cycles	fortnightly	weekly.

Invoices paid in 2024–25

In 2024–25, we paid 2,477 invoices totalling \$29.5 million. All of these invoices were for contracts under \$3 million.

Payment timeliness

The Policy requires departments and applicable agencies to pay invoices within 10 business days from the receipt of a correct and complete invoice.

Figure 1 summarises our own payment performance for 2024–25. We took an average of 17.8 business days to pay invoices and paid 29 per cent of them within 10 business days. For consistency, we measured 'days to pay' from the date on the invoice to the date we paid it.

Figure 1: VAGO's payment timeliness compared to entities under the Policy (2024–25)

Metric	VAGO	Departments†	Agencies†
Average days to pay	17.8 business days*	8.8 calendar days	11.7 calendar days
Invoices paid within 10 business days (14 calendar days)	29%	90.9%	77.8%

Note: *These figures relate only to payment of invoices to businesses, so we have excluded expense claims, payroll deductions and credit card and payroll tax payments from these calculations.

†In our review, some departments and agencies told us that data collected by Department of Jobs, Skills, Industry and Regions and published by the Victorian Small Business Commission (VSBC) was incorrect. Where this was the case, we have used the corrected data that departments and agencies have provided us. The means that this table may be different to the data published by the VSBC. Source: VAGO.

Our days to pay per month

We have since improved our payment days during 2025–26, as Figure 2 shows.

For the 6 months from July to December 2025, we averaged 11.9 days to pay and paid 61 per cent of invoices within 10 days. In November 2025, we paid invoices in an average of 8.2 days, and in December 2025 the average was 6.6 days. Both months were below the Policy's 10-day requirement.

Figure 2: VAGO's average days to pay by month



Source: VAGO.

Questions and further information

If you have questions or would like further information about the way we pay our suppliers, please contact Anh Ha via email at finance@audit.vic.gov.au.