



ATTENTION DEFENCE SUPPLIERS

TIPS TO HELP THE DEPARTMENT OF DEFENCE PAY YOU ON TIME

Defence's responsibility to pay our suppliers on time is something we take very seriously. As a consequence, a number of activities have been conducted to improve performance in this area including investment in systems, resources and people. The new procedures aim to improve the visibility and tracking of payments to Defence suppliers which will result in increased efficiencies. For this new processing system to be successful, Defence needs your support in the way you do business with us to ensure prompt payment of all Defence accounts. Defence's policy states there are two acceptable methods to procure goods and/or services.

- 1. For purchases under \$5,000 the preferred method of payment is the Defence Purchasing Card (DPC). The DPC is a Commonwealth Credit Card.**

For the provision of goods and/or services under \$5,000 you can request payment by DPC from your Defence customer. However, Defence's policy includes several exceptions for which the DPC cannot be used, such as purchases made through the Standard Defence Supply System (SDSS). Payment by DPC means you receive payment immediately and you should not submit an invoice. DPC receipts should be submitted only to your Defence customer. If you currently receive payment from your Defence customer by DPC this process is encouraged and should continue.

- 2. For purchases where the method of payment was not via DPC, the acceptable method of procurement is a Defence Purchase Order followed by a correctly rendered tax invoice.**

If you have not arranged to receive immediate payment by DPC you will need to claim payment through submission of a correctly rendered tax invoice. Defence's standard payment terms are within 30 days from receipt of goods and/or services, or a correctly rendered tax invoice, whichever is the latter. A correctly rendered tax invoice must be completed in accordance with *A New Tax System (Goods and Services Tax) Act 1999* and include the following Defence specific requirements:

- 1. A Defence Purchase Order number;**
- 2. The name of the relevant Defence contact officer, full telephone number and email address;**
- 3. An invoice number; and**
- 4. Description and value of goods and/or services supplied.**

Please ensure you forward your invoice to the correct address. The correct invoicing address is located on the Defence Purchase Order; alternatively, you can request the information from your Defence customer.

Accompanying this letter is a supplier information pack. This contains information cards to assist you to submit a correctly rendered tax invoice. Please ensure a supplier information pack reaches all personnel within your organisation who deal with Defence at any point in the purchase-to-payment process.

Further information regarding the purchase-to-payment process in Defence can be obtained by contacting the Defence Invoice Advice Line (DIAL) on 1800 064 957. Alternatively you can visit the web site at <http://www.defence.gov.au/ISIS>.

For information regarding invoices submitted to Defence Accounts Payable please contact the Defence Accounts Payable Help Desk on **1300 134 346**.