

GOVERNMENT AGENCIES AND TRADING ENTERPRISES — SMALL BUSINESS ACCOUNTS

4237. Mr P.A. Katsambanis to the Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests:

I refer to government agencies and trading enterprises paying small business accounts, and ask:

- (a) in 2017 and as of 1 October 2018, how many times were there instances where government agencies and/or trading enterprises failed to pay small business accounts within 30 days:
 - (i) what action was taken by the SBDC in each instance?

Mr P. Papalia replied:

As Minister for Small Business, I am acutely aware that timely payment to small business is crucial. Not only do small businesses rely on regular cash flow in order to function, I am aware that economies in which small businesses are paid as soon as practicable also benefit from an overall financial upsurge as a result.

The Small Business Development Corporation (SBDC) does not capture data on late payments to small business, except by way of individual complaints directly to the agency.

The SBDC is also not responsible for remedy of late payments to small business; however, any complaint of late payment by a government agency or government trading enterprise would be escalated to me so that I can make representations to the responsible minister.

In June 2017, the Office of the Auditor General (OAG) audited a sample of eight agencies from January until September 2016 to determine whether payments were being made on time. The OAG found that approximately 8 per cent of payments were made later than 30 days from the invoice date, compared with 10 per cent in a similar audit in 2014. Nevertheless, the OAG's report contained some key recommendations for agencies to improve policies and practices. [See tabled paper no 2059] for the Member's information.

As Minister, I believe it is essential that government agencies set the highest standard in ensuring small businesses are paid on time, and to that end, I wrote to all Ministers in November 2017 to seek their commitment to *Treasurer's Instruction (TI) 323 Timely Payment of Accounts*.