

GOVERNMENT AGENCIES — BILL PAYMENT

231. Ms L.L. BAKER to the Minister for Small Business:

This week the Auditor General released a report that found that government pays up to 30 per cent of its bills late. In November last year, *The West Australian* reported the minister as saying that he would put government agencies on notice to pay bills on time.

- (1) Did the minister go into battle for small business and raise these issues with cabinet, as he promised in November; and, if not, why not?
- (2) Is the minister concerned that government agencies do not take him seriously or follow his directives to pay bills on time?
- (3) Is the minister concerned about his personal authority in his own portfolio given that the Small Business Development Corporation was one of the worst agencies for paying bills on time?

Mr J.M. FRANCIS replied:

- (1)–(3) I thank the member for Maylands for this question. It is an excellent opportunity to set the record straight. I start by saying that the survey done by the Office of the Auditor General as to government departments that pay invoices to businesses late was conducted between 1 January and 30 June last year—some months before I made the commitment to raise this issue with my colleagues. Therefore, we have to keep that in mind. I also point out the fact that in the report, the Auditor General found that in 2007–08, under the previous Labor government, 14 per cent of bills were paid late; under our government, it is now down to 10 per cent. Therefore, we are certainly bringing down the length of time that government departments take to pay invoices. Of the 14 per cent that were late, especially in the Small Business Development Corporation, a further six per cent were paid between day 30 and day 35; therefore, between day 1 and day 35, 94 per cent of invoices are paid by the Small Business Development Corporation. We are absolutely making inroads into reducing the time that government departments take to pay invoices to the private sector.

Another point is that although any late payment is normally unacceptable, sometimes there are circumstances in which government departments, in order to be prudent with taxpayers' dollars, need to check certain goods to make sure that they are not shortshipped and also ensure that contracts are adhered to in the supply of goods and services to government departments. But the bottom line is that over the last five years, we have seen a consistent decline in the amount of time it takes government to pay its bills, and we are very proud of what we are doing on this front. We will continue to work towards reducing that time even further.