



MEDIA RELEASE

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Guarantee of on-time payments for small business starts today

From today Commonwealth agencies will be required to make on-time payments for new small business contracts.

The payments for contracts of up to \$1 million must be made within 30 days otherwise small business will have the right to charge penalty interest.

As a result small businesses will be in a better position to maintain their cash flows.

This is critical at any time but even more so in the difficult economic times created by the global financial crisis.

More than 90 per cent of invoices are paid on time by Commonwealth agencies, but that's still not good enough.

Today's start-up of the on-time payment system comes on top of the historic agreement reached at the Council of Australian Governments meeting on Saturday to simplify business regulation in 27 different areas affecting small and larger businesses.

And in 2009 the Government will provide extra support and advice to small businesses through a \$4 million funding injection for business advisory services.

Applications for this funding close on 18 December and so far 245 inquiries have been made and 194 applications kits distributed.

As a result of the COAG agreement, more than \$1 billion will go towards creating a seamless national economy.

The states and territories have secured a \$550 million package that will provide genuine incentives for reform.

The Rudd Government is also investing \$475 million on landmark reforms such as the creation of a national system for registering business names and taking over responsibility for the regulation of all consumer credit.

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