



MEDIA RELEASE

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13 January 2010

Rudd Government makes a record proportion of small business payments on time

Delivering on its election promise to boost the on-time payment of small business invoices, the Rudd Government paid 96.5 per cent of small business invoices within 30 days in the latest financial year – the highest on record.

This performance is a significant improvement on the 95.0 per cent of small business invoices paid on time in 2006-07, the last full financial year of the previous government.

The improvement means that Commonwealth agencies paid an additional 36,500 small business invoices on time.

Of the 3.5 per cent of small business invoices paid late, less than half (1.4 per cent) were paid more than 14 days late – the lowest on record.

The Government is acutely aware of the importance of cash flow to small business at any time, but especially during an economic downturn.

That's why the Government is leading by example in paying the overwhelming bulk of small business invoices on time.

Small businesses shouldn't have an excessive wait for payments in their dealing with governments and larger businesses.

Yet the latest Dun & Bradstreet National Business Expectations Survey for December 2009 shows that businesses wait an average of 51 days for payment from other businesses.

Indeed, more businesses reported a negative impact from the lag in payments than reported problems with obtaining credit.

Since 1 December 2008, all new Australian Government contracts of up to \$1 million with small business have been subject to an on-time payment guarantee.

Under this guarantee small businesses can charge penalty interest if they have not been paid within 30 days.

Only one business made a claim for penalty interest in the seven months following the commencement of the guarantee.

While the lift in on-time payments is encouraging, there is still room for improvement and the Government will strive for that improvement in the next reporting period.

A full list of agency performances is attached.

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**Agency performance in terms of number of invoices paid within 30 days,
2008-09 (ordered by performance)**

Department/agency	Invoices paid on time (%)
Australian Office of Financial Management	100.0
Innovation, Industry, Science and Research	99.7
Family Court of Australia	99.3
National Blood Authority	99.2
Resources, Energy and Tourism	98.9
Finance and Deregulation	98.3
Future Fund Management Agency	97.7
Prime Minister and Cabinet	97.7
Australian Securities & Investment Commission	97.5
Defence Materiel Organisation	97.5
Broadband, Communications and the Digital Economy	97.2
Centrelink	97.1
Australian Taxation Office	96.9
Defence	96.9
Australian Bureau of Statistics	96.5
Australian Federal Police	96.5
Treasury	96.4
Education, Employment and Workplace Relations	96.3
Medicare Australia	96.3
Australian Agency for International Development	95.9
Australian Customs & Border Protection Service	95.5
Australian Research Council	95.4
Infrastructure, Transport, Regional Development and Local Govt	95.4
Agriculture, Fisheries and Forestry	95.3
Human Services	95.3
National Archives of Australia	95.0
Foreign Affairs and Trade	94.9
Health and Ageing	93.6
Australian Trade Commission	93.2
Immigration and Citizenship	93.2
Australian Electoral Commission	93.1
Australian Communications and Media Authority	92.7
National Capital Authority	92.5
Parliamentary Services	91.9
Bureau of Meteorology	90.7
Attorney-General's Department	90.5
Veterans' Affairs	90.1
Families, Housing, Community Services and Indigenous Affairs	89.8
Environment, Water, Heritage and the Arts	86.0
Climate Change*	77.5

*A newly-established department.