

**GOVERNMENT AGENCIES, PAYMENT OF ACCOUNTS**

*Statement by Minister for Small Business*

**MR J.B. D'ORAZIO (Ballajura - Minister for Small Business)** [12.06 pm]: Mr Speaker, before I proceed with my statement I welcome to this Parliament the Ballajura senior citizens who are in the public gallery.

I advise the house of progress in meeting the state government's commitment to having government agencies pay their accounts within 30 days. A survey of 58 government agencies indicates that up to 80 per cent of bills are paid within 30 days.

In April 2001, the Gallop government amended Treasurer's Instruction 308 to require that agencies pay creditors within 30 days of receipt of a claim for payment. This initiative has benefited thousands of Western Australian businesses by effectively halving the time that some businesses had to wait for payment from the state government. Importantly, the 30-day payment requirement assists businesses in managing their cash flow. For many small businesses, these payments may be a significant part of their income.

Under the coalition government, agencies were instructed to make payments within 30 days of the end of the month in which the claim for payment was received - a delay in some cases of about eight weeks. This approach might have earned the state government a significant amount of interest, but only by imposing added costs and hardship on thousands of Western Australian small businesses.

Mr Speaker, with regard to the Gallop government's record, I advise that in June 2004 the government owed \$180 million to 33 233 creditors. Of this amount, \$141 million, or about 78 per cent of the value owed to creditors, was paid inside the 30-day limit and 91 per cent was inside 60 days; more than 70 per cent of creditors had accounts paid inside the 30-day limit; 19 of the agencies surveyed had no creditors outside the 30-day limit; and comparable figures for June 2003 showed about 80 per cent of the value owed to creditors was paid inside the 30-day limit.

These survey figures are generally positive, but some agencies are still tardy in paying their bills. Of course, there will always be some accounts that take more than 30 days to settle because invoices are presented late or are incorrectly addressed, accounts are in dispute or grant payments are awaiting confirmation of milestones. I have asked the Premier to remind agencies of their responsibility to meet the 30-day requirement.

As the Minister for Small Business, I am keen to ensure that this level of performance continues and where possible improves. This policy is helping small business provide new jobs and opportunities for all Western Australians.