

LATE PAYMENTS

How late Government payments hurt small business

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The Weatherill Labor Government has consistently failed to pay bills to South Australian businesses on time, leading to a huge drain on the resources of the small business sector.

Late payments from Government can have a disastrous effect on small business, leading to serious cash flow problems and forcing many businesses to delay payments to their own staff and suppliers.

The Liberal Party understands small business. We understand that if the government doesn't pay you, then you can't afford to pay your employees, suppliers or your bank overdraft.

The Labor Government's late payments to small business have escalated, particularly over the last four years.

Over the past two financial years, over \$2 billion was paid late, placing a serious drain on the cash flow of the small business sector.

Small business is the engine room of our economy. The Weatherill Labor Government is putting the handbrake on their ability to get on with the job.

Labor Failures

The Labor government set a target of 90% of its bills to be paid on time.

It has failed to achieve this.

In response to Opposition pressure over their woeful track record of paying businesses on time, the Government announced it would introduce the Prompt Payment Bill before the end of 2012.

Now, well into 2013, this bill has yet to reach the Parliament.

For example, SA Health's Annual Report shows that a staggering 54% of accounts were paid late in the 2011/12 financial year. This is up from 26% the previous year and comes after the department spent more than \$20m of taxpayers' money to update their financial systems.

Labor has failed to protect small business from its own bureaucratic bungling.

Liberal Solution

The SA Liberals won't stand for government ineptitude getting in the way of business.

We expect that government departments will pay their bills on time.

This is why our policy states that a department *'pays on time or pays interest—automatically'*

The SA Liberals will ensure automatic penalties are made payable to businesses:

- for any contract worth up to \$1 million;
- where the amount has been outstanding for more than 60 days;
- where there is no dispute over the matter; and
- where the penalty interest exceeds \$10.

A Liberal Government will require each Cabinet Minister to report on monthly payment performance. These statistics will then be released to the public in the following month.

It is part of our promise to make it easier to do business in South Australia and letting you get on with the job.

...a government department *'pays on time or pays interest - automatically.'*

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