

Questions taken on notice and further information agreed to be supplied at the hearings.

Portfolio:	Small Business
Witness:	Mr David Latina, Deputy Secretary, Jobs Innovation and Business Engagement
Committee Member:	Mr Limbrick
Page/s of transcript:	Pages 6-7

Relevant text:

Mr LIMBRICK:

Do you know how many small businesses— actually you might have to take it on notice; I am putting you on the spot with that one—actually received government invoice payments, and how do you actually classify them as a small business when the government is dealing with them?

Answer:

The Victorian Government's *Fair Payment Policy* exists to support small businesses by increasing the timeliness and certainty of cash flow to those businesses that supply to Victorian Government departments and agencies.

The policy does not define a small business. Instead, the policy provides a contract value amount (i.e. contracts not exceeding \$3 million) as an appropriate minimum requirement to ensure the likely coverage of all contracts involving small and medium businesses. Using this methodology requires no additional burden on small businesses to ensure their invoices are paid in a timely manner.

The department does not hold the specific information you are requesting. In 2019-20, departments and applicable agencies reporting against the *Fair Payment Policy* received 1,639,420 invoices valued at less than \$3 million.

In response to the COVID-19 pandemic, the Victorian Government fast-tracked all outstanding supplier invoices to be paid within five business days, releasing up to \$750 million into the economy. Following the initial two-week blitz of payments within five business days, the Victorian Government committed to paying all outstanding invoices within ten business days. This policy has been successful in providing Victorian small businesses with increased cash flow and certainty during the State of Emergency restrictions.

Since the commitment was announced in March 2020, Victorian Government departments have paid more than 1.2 million invoices totalling \$25.321 billion.