

MEDIA STATEMENT

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Supplier payment code recommendations a step in the right direction

“The actions recommended in the independent review of the Business Council of Australia (BCA) [Australian Supplier Payment Code](#) are a step in the right direction, but have fallen short of small business expectations,” the Australian Small Business and Family Enterprise Ombudsman, Kate Carnell said.

“We support the establishment of a register of small businesses with a turnover of less than \$10 million and with easily referenced ABNs,” Ms Carnell said.

“We agreed if that is not feasible, a large business register should be established and identify small businesses by exception. We also support a maximum of six months to achieve full compliance with the code.

“What is missing from the review is there is no mechanism to check compliance, such as standard reporting.

“While large businesses with \$100 million turnover will be captured by the new government requirement to publish payment information annually on a reporting framework, those with a turnover less than this will be overlooked.

“Adoption of the code needs to increase, particularly by BCA members.

The Ombudsman noted that overseas experience shows voluntary measures do not compel all businesses to change their practices on extended payment terms or late payments.

“The problem with voluntary codes is that the worst performers don’t sign up, which is a serious issue,” she said. “And even when they do, there is no transparency on their payment time performance.

“It is however pleasing to see recent signatories to the code include Woolworths, Coles, BHP, Nestle, Mars, etc.

““In our continued efforts to improve payment times and terms for all small businesses, we will closely monitor the promotion of the code and take-up by big business across Australia.

“Big business and governments must stop using small business as banks. It impacts on our economy and is just not acceptable.”

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