



Australian
**Small Business and
Family Enterprise**
Ombudsman

MEDIA STATEMENT

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New report shines light on national cash-flow crisis

The Australian Small Business and Family Enterprise Ombudsman, Kate Carnell says fresh data reveals the extent of the cash flow crisis for small and medium-sized businesses in Australia.

The latest *SME Growth Index* has found one in five SMEs are experiencing cash flow problems due to business loans being rejected.

According to the data, the percentage of SMEs reporting significantly worse cash flow has doubled since March 2018, with 7.3% saying it is significantly worse and 12.3% saying it is worse than the previous year.

“Australian small businesses are in the midst of a cash flow crisis and the *SME Growth Index* indicates the situation is getting worse,” Ms Carnell said.

“Small businesses are telling us time and time again that a lack of access to funding is their biggest barrier to growth. This has major implications for the sector as a whole as well as the economy more broadly.

“Interestingly, the Index found just one in 10 SMEs said they had no cash flow concerns in the past year.

“This highlights why it is so important for small businesses to be paid on time.

“More than a quarter of small businesses (27.8%) said they had difficulty meeting tax payments on time – up by around 12% from March 2018.

“That’s why it has never been more important for small businesses to understand the range of funding options available on the market. The big four banks are not the only game in town!

“My office, in partnership with Scottish Pacific, has created the *Business Funding Guide* which not only offers comprehensive, up-to-date information about what’s out there in terms of finance options, but also helps small businesses get ‘finance fit’ to give them the best chance at securing the funding they need.

“At the moment we are seeking feedback on the guide from businesses and their advisors before it’s finalised later this year.”

Feedback on the *Business Funding Guide* can be provided by completing this [survey](#) before the 18 October deadline.

Background: *SME Growth Index* research is conducted twice yearly by banking analysts East & Partners on behalf of national working capital funder Scottish Pacific. More than 1000 owners, CEOs or senior financial staff of SMEs across a range of industries and all states, with annual revenues of \$A1-20 million, are surveyed.

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