



Australian
**Small Business and
Family Enterprise**
Ombudsman

MEDIA STATEMENT

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Big businesses urged to act quickly to report payment times

The Australian Small Business and Family Enterprise Ombudsman Kate Carnell has urged big businesses to report their payment times to small business suppliers as soon as possible, with the Payment Times Reporting Scheme to come into effect from January 2021.

Ms Carnell says it is important businesses with an annual turnover of \$100 million-plus heed the intention of the legislation early.

“These new laws represent important progress at a time when Australian small businesses are hurting and need to be paid on time to survive,” Ms Carnell says.

“I am strongly encouraging the 3,000 businesses this legislation applies to, to do the right thing and comply with the payment time reporting requirements as soon as possible.

“Big businesses should act quickly to be up front and honest about the time it takes to pay their small business suppliers.

“Delaying compliance until penalties apply would be unacceptable.

“While we support the Payment Times Reporting Scheme as a step in the right direction, it won’t solve the problem of late payment times on its own.

“The latest CreditorWatch data for September shows businesses are being paid an average of 37 days overdue – an increase of more than 200% on this time last year. This is having a devastating impact on small businesses, particularly those hit hard by the COVID crisis.

“That’s why my office continues to call for legislation requiring SMEs to be paid in 30 days. This is the more effective way to drive meaningful change in business payment performance across the economy.

“Cash flow is king for small businesses and when small businesses are paid on time, the entire economy benefits.”

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