

Senator the Hon Michaelia Cash
Minister for Small and Family Business, Skills and Vocational
Education
Senator for Western Australia

MEDIA RELEASE

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PAYING SMALL BUSINESS ON TIME

Large and small businesses will help design the Commonwealth's new business payments reporting scheme to encourage fairer and faster payment times for small businesses.

The scheme will cover 3,000 of the largest businesses in Australia, including foreign companies and government entities.

Minister for Small and Family Business, Senator the Hon Michaelia Cash, said the Australian Government would consult with large and small businesses on the design and implementation of the scheme, which will require businesses with a turnover of more than \$100 million to publish how and when they pay their small business suppliers and contractors.

“The new Payment Times Reporting Scheme has the potential to transform the way large and small business work together by easing cash flow stresses on small businesses, improving transparency of large companies' procurement terms and strengthening the resilience of Australian businesses,” Minister Cash said.

“Similar models in the US and Europe have demonstrated wider economic benefits, such as stronger employment and wages, when small businesses and family-owned enterprises get paid on time.”

The Department of Jobs and Small Business today released a discussion paper to canvass the scheme's design, administration, data collection and reporting arrangements. Stakeholders will have until 28 February to comment on the proposed model.

Business owners and others interested in the scheme, such as business software providers and credit reporting agencies, will also have an opportunity to provide input through workshops and submissions to the discussion paper.

“One of the issues consistently raised with me as Minister for Small and Family Business has been payment practices,” Minister Cash said.

“Reports that some large businesses push out payment terms to 60 or even 120 days, or demand discounts just for paying on time, place huge financial and mental stress on business owners.”

For information about the Payment Times Reporting Scheme consultation process, please visit www.jobs.gov.au/PaymentTimes or email: PaymentTimes@jobs.gov.au