**To whom it may concern**

**Response to the** [**Payment Times Reporting Bill**](https://consultation.business.gov.au/Consultation/Common/PublicConsultations/PublicConsultation.aspx?UrlId=14973&Email=yes)

Business Enterprise Centres Australia Ltd advocates on behalf of its national network of small business advisory centres. Our members generally are supportive of the proposed bill. However, our main concern is that the Bill does not include measures that penalize large businesses for failing to meet timing obligations when paying small businesses.

There are many instances where large businesses use their market advantage to draw out payment terms to their small business suppliers by up to 120 days. This situation has a massive impact on small businesses that need to pay employees and possibly their suppliers. They may also be servicing loans for their business and/or personal mortgages and loans.

The flow on effects of slow payments can have devasting impacts on the mental health of small business owners. They are caught in the middle of having to make prompt payments for employee wages and for their own purchases, yet they are not receiving prompt payments from their upline large business customers.

There is a real feeling amongst the small business community that large businesses are using them as a collective bank overdraft convenience without any interest payable. Small businesses often feel reluctant to go public with their concerns for fear that their relationship with their large business customers may be discontinued. Their rationale is that any income, even it is very late, is better than no income at all.

We would like to see that the proposed legislation allows for the reporting to be made available to Parliament so that there can be some public discussion over the payment times. This will hopefully lead to some shaming of those companies that are recalcitrant and ideally to a change in payment behaviour.

In summary the legislation is a good step but more is needed to improve the cashflow position of small business that are beholden to their large business customers. Ideally we would like to see legislated payment terms of a minimum 7 days and maximum of 28 days for large business to their small business providers.

Yours sincerely



John Todd

Chair