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Government Response and Reform Unit
Small and Family Business Division
Treasury
Langton Cres
Parkes ACT 2600

Via email: paymenttimesreformSMB@treasury.gov.au

Payment Times Reporting Rules amendments

19 August 2024

The FBAA appreciates the opportunity to make a submission to this consultation.

Slow payment is a material concern for small businesses in Australia. The consultation around Payment Times Reporting drew out useful information around the types of issues affecting small businesses and the practices of large businesses - including large businesses using payment delays as part of their contract negotiations with small business.

We feel it is a missed opportunity to only focus on naming and shaming slow payers rather than taking stronger measures that include penalising offending businesses. We welcome the changes allowing representative bodies to escalate concerns to the ACCC although there is still a considerable distance between raising an issue with ACCC and securing an outcome. If anything, the Reporting Times Framework appears to be a very costly and bureaucratic approach that does not address the core problem. It is our understanding that appearing on the slow payers register does little to cause businesses to change their practices. There are also ways to delay payments without them being identified as slow, late or overdue and will therefore not be reported.

Participants in the finance industry continue to experience interference with their payments and the power imbalance between brokers and banks is enormous. We hope that payment practices continue to be a focus of Government and that observing and reporting poor payment practices is the first step towards taking action to stop poor payment practices.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter J White'.

Peter J White AM MAICD
Managing Director of the FAMNZ
& FBAA in Australia

Life Member – FBAA
Life Member – Order of Australia Association

Advisory Board Member – Small Business Association of Australia (SBAA)
Chairman of the Global Board of Governors – International Mortgage Brokers Federation (IMBF)