



Payment Times Reporting Rules Consultation

MYOB Submission

August 2024

21 August 2024



Government Response and Reform Unit
Small and Family Business Division
Treasury
Langton Cres
Parkes ACT 2600
PaymentTimesReformSMB@treasury.gov.au

Re: Payment Times Reporting Rules consultation

Thank you for the opportunity to respond to proposed changes to the Payment Times Reporting Rules.

MYOB is a fully integrated, cloud-based business management platform that helps Australian small businesses start, survive and succeed. For more than 30 years, MYOB has been a fearless champion for small businesses across Australia and New Zealand. We see first-hand the priorities and needs of the sector, as well as the operating challenges many SMEs face.

Inflation and the rising cost of business borrowing has disproportionately affected small businesses, which tend to have thinner cash buffers than larger businesses. MYOB's Bi-Annual Business Monitor research found 35 percent of small businesses expect to feel significant cashflow pressure from heightened interest rates in the coming 12 months. 28 percent of MYOB's small business customers say cashflow will be a considerable pressure in the coming year.

Indeed, many small businesses are already experiencing this pressure. According to MYOB SME product data, during August 2023, 9.8 percent of businesses were in a cash position on the day of their pay run where an additional payment could push the business into a negative bank balance. A further 10.7 percent of businesses already had a negative bank balance on at least one pay run day during the month.

Improving payment times for small businesses is one of the most powerful ways governments can assist small businesses to manage cash flow challenges. MYOB applauds the Federal Government's work in this area. While the proposed changes to reporting rules will place an additional regulatory burden on businesses like MYOB, we believe the proposed changes will strengthen Australia's payment times reporting regime, enabling more small businesses to be paid on time, and able to get back to doing what they do best. In this way, MYOB believes the benefits outweigh any costs.

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Small businesses are the engine room of the Australian economy, employing 5.1 million people and contributing more than a third of Australia's GDP. Any measure that strengthens the health of the SME sector therefore strengthens the whole economy.

We look forward to working with the Federal Government on the implementation of this important reform. If you require further information, please contact Courtney Sloane at courtney.sloane@myob.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Paul Robson", with a long horizontal flourish extending to the right.

Paul Robson

Chief Executive Officer
MYOB