



THE HON SCOTT MORRISON MP

Prime Minister

SENATOR THE HON MICHAELIA CASH

Minister for Small and Family Business, Skills and Vocational Education

Thursday, 22 November 2018

PAYING SMALL BUSINESS ON TIME

Our Government is continuing to back millions of small and medium sized businesses with a new plan to ensure they get paid on time, boosting cash flow and helping them grow.

Cash flow is crucial to the health of any business, but especially small business.

Although there have been significant improvements, small businesses are still being shouldered with the burden of long payment times.

We have listened and we heard loud and clear from small business owners around Australia, and we are taking action to ensure small business is not be used as a bank.

To address this issue, we will work with the sector to develop an annual reporting framework, requiring large businesses over \$100 million turnover to publish payment information on how they engage with small businesses.

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

Through a new procurement policy we will require those same large businesses seeking to tender for government contracts to match our 20 day payment policy.

Small business are the backbone of our country and they need to get a fair go.

Trade between small, medium and large businesses totals more than \$550 billion a year and the improvements we make through this action will improve our economic growth.

The Government currently pays invoices under \$1 million within 30 days but we must do better.

By 1 July 2019 our commitment is to pay invoices under \$1 million within 20 days.

All levels of government should set the standard and there should be no excuses for not paying small businesses on time.

We want all states to follow the lead of New South Wales and adopt this practice.

At our request, small business payment times will be placed on the COAG agenda for our next meeting on 12 December in Adelaide.

We will also do more to help small and medium sized business compete for government contracts with a new commitment to have 35 per cent of all contracts up to \$20 million delivered by small businesses.

This builds on our existing 10 per cent procurement policy for small businesses.

Our commitment to small business is clear, we want them to pay less tax, deal with less red tape and have better access to finance to help grow their businesses.

We're lowering the cost of funding for smaller banks and non-banks with a \$2 billion fund, meaning cheaper loans for small and family businesses.

Because of our plan 3.3 million small and medium businesses will pay less tax, down to 25 per in 2021-22.

We've cut nearly \$6 billion in Commonwealth red tape, while improving the ability of small business to offer employee share schemes and giving small business access to the \$20,000 instant asset write off.

The Liberal National Government is backing small business.

ENDS.

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