

One in four big businesses takes 120 days to pay up

BUSINESS

“Appalling” figures show SMEs are kept waiting four months or more.

By [Philip King](#) • 15 November 2022 • 4 minute read

Small businesses are kept waiting an “appalling” 120 days for bill payment by one in four big companies, according to research by ASBFEO.

The Australian small business ombudsman said its analysis of payment data showed most big businesses were failing to meet a 30-day payment deadline as the norm, a target set by one of its main representative bodies.

ASBFEO said information supplied by big business to the Payment Times Reporting Regulator revealed the worst payment offenders to be those in manufacturing, retail trade and construction.

“These figures are appalling,” said the Australian Small Business and Family Enterprise Ombudsman Bruce Billson.

“I say to the nation’s big businesses who are making small business wait four months to get paid, ‘You can’t be serious’.

“Good businesses pay. That’s a vital part of business relationships.

“Big business must show leadership, respect and care for our small businesses and pay their bills on time.

“And for big business leaders urging support for small business ‘doing it tough’, a practical and achievable measure is to get serious about improving payment performance to small business.”

Analysis of the data provided to the government regulator by 7,000 businesses, many with a turnover of more than \$100 million, revealed 70 per cent failed to meet the BCA’s self-declared 30-day payment goal and fewer one in three were achieving it.

ASBFEO’S breakdown of payment times shows:

- 23 per cent of big business take more than 120 days to pay their small business suppliers.
- 9 per cent take 61-90 days to pay.
- 37 per cent take 31-60 days to pay.
- 18 per cent take 21-30 days to pay.
- 13 per cent pay their bills in fewer than 20 days.

The worst performing sectors trailed the average by a substantial margin, with only 22 per cent of big businesses in retail trade or construction paying small businesses within 30 days.

For manufacturing businesses, the figure was just 14 per cent.

The best performers were big businesses operating in public administration and safety, but even there just a small majority (54 per cent) paid within the 30-day target.

The next best was accommodation and food services where 49 per cent of small businesses were paid within 30 days.

The data showed that while two-thirds of big businesses adopted standard payment terms of aspiring to pay within 30 days, fewer than one-third met that ambition.