

# Wield carrot and stick on payment times: ASBFEO

## **BUSINESS**

*The reporting regime has failed to alter performance so there needs to be an easy way to monitor good and bad behaviour.*

By [Philip King](#) • 13 February 2023 • 5 minute read

The time has come for a carrot-and-stick approach to payment times because the payments reporting regime has failed to alter bad behaviour by the top end of town, says Australian Small Business and Family Enterprise Ombudsman (ASBFEO) Bruce Billson.

He said technology such as e-invoicing made rapid payments to small business a question of appetite rather than ability, so there was a need for mandated times and apps — like in the UK — that rated big businesses on their willingness to pay.

“These are the sorts of things that we’re aspiring to and I think the business community should be up for it,” Mr Billson said, speaking on the latest Accountants Daily podcast.

“If the bottom dwellers aren’t lifting their game there needs to be some way in which that’s visible.

“With things like e-invoicing and the like, the ability to pay in a timely way is better than ever. This is really about appetite. This is really about a preparedness to use those tools to see this as an important contribution as a good corporate citizen.

“So we’re looking at those sort of apps options.”

By the same token, it would be good to celebrate exemplary behaviour.

“Top of the class is 20 days or less,” he said. “One of the things that I hope the government might take on — in fact, what we’ve recommended — is why not have a 14-days-or-less, or seven-days-or-less category as part of that reporting framework, so that those genuinely doing the right thing can get the glow and set the example.”

He said an app would assist small business find its way through the “snowstorm” of payment data under the current regime.

“That would help inform small and family businesses about who they do business with, and the terms that they can anticipate.”

Mr Billson said big business had slipped back into bad habits after showing during the pandemic that it could pay small suppliers quickly if it wanted to.

“If they don’t take this seriously there’s other tools that can be brought to bear,” he said. “That may well include mandating performance for certain recalcitrant sectors.

“My urgings [sic] to big businesses is to take it seriously and lift their game because they can and they have ... this is a cry for the sort of performance that was able to be achieved during COVID.

“You know, just like paying your staff properly, just like paying your tax instalments ...

“My motto is ‘good business pays’. Good business pays across those various dimensions and that includes being a timely payer to your small and family business suppliers.”