

Media Release

The Hon Jaala Pulford MLC

Minister for Employment

Minister for Innovation, Medical Research and the Digital Economy

Minister for Small Business



Friday, 27 November 2020

FAIRER PAYMENT TERMS FOR SMALL BUSINESSES HERE TO STAY

The Andrews Labor Government's commitment to pay all small business supplier invoices within 10 business days – the fastest government payments timeline in Australia – will continue beyond the coronavirus pandemic.

Minister for Small Business Jaala Pulford today announced reforms to the Labor Government's *Fair Payment Policy*, with payment terms for contracts under \$3 million to move from the current 30 days.

The Government's standing commitment to pay small business invoices within 10 business days leads all other states. Elsewhere, businesses are required to be registered or use a specific payment platform to obtain fairer payment terms.

Businesses consistently report cashflow as the most important issue facing small businesses – these reforms will provide certainty as businesses begin to recover from the effects of the pandemic.

The new payment terms will apply to all new contracts under \$3 million entered from 1 January 2021, allowing time for departments and agencies to prepare for the changes.

The Victorian Government has played a leading role in promoting fair payment terms for small businesses for more than 15 years, introducing the Fair Payment Policy in 2004 to improve cashflow certainty to operators supplying goods and services to the government.

Victoria is also the only state government signatory to the Australian Supplier Payment Code – a voluntary, industry-led initiative ensuring prompt and fair payment for suppliers through a set of best practice standards.

The latest reform will maintain Victoria's national leadership in promoting fair and timely payment terms for small businesses.

The Labor Government has announced more than \$13 billion towards measures to fight coronavirus including more than \$7 billion in direct economic support for Victorian businesses and workers.

This includes \$2.6 billion in funding which has supported more than 130,000 small and medium businesses through the Business Support Fund, rent relief through the Commercial Tenancy Relief Scheme and programs including Upskill My Business which provides free access to online short courses and the Business Recovery and Resilience Mentoring initiative.

Quotes attributable to Minister for Small Business Jaala Pulford

"As a big customer to many small businesses, we know this will make things just that little bit easier for thousands of operators from across the state."

"The pandemic has knocked about our small business community and as we start to emerge on the other side, we'll continue to provide them with practical support."