

Education and Employment Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Australian Small Business and Family Enterprise Ombudsman

INQUIRY: Payment Times Reporting Bill 2020 [Provisions] and Payment Times Reporting (Consequential Amendments) Bill 2020 [Provisions]

TOPIC: Consultancies offering supply chain finance products to improve working capital for large businesses by extending payment times to suppliers.

REFERENCE: Spoken Question (Hansard Page)

QUESTION DATE: 7 July 2020

Senator O'NEILL asked:

Senator O'NEILL: Could you provide on notice the entities that are advocating this model which is designed to circumstance decent payment times?

ANSWER

The following consulting firms publically present supply chain finance as a favourable means of improving working capital for large businesses by extending payment times to suppliers:

1. Deloitte Touche Tohmatsu Limited
2. Ernst & Young Global Limited
3. KPMG International Cooperative
4. PricewaterhouseCoopers

INQUIRY: Payment Times Reporting Bill 2020 [Provisions] and Payment Times Reporting (Consequential Amendments) Bill 2020 [Provisions]

TOPIC: Multinationals who will not reduce payment terms until required by legislation

REFERENCE: Spoken Question (Hansard Page)

QUESTION DATE: 7 July 2020

Senator DAVEY asked:

Senator DAVEY: You have mentioned a couple of times today that there are multinational that won't reduce their payment terms and they're dictated by head office. Perhaps on notice, can you provide the names of the companies that have said that they won't reduce their terms?

ANSWER

The following multinationals have previously indicated that they would not reduce their payment terms until required to do so by legislation:

1. UGL Limited (a member of CIMIC Group Limited)
2. Fonterra Co-operative Group Limited
3. Kellogg (Australia) Proprietary Limited
4. Mondelēz International Incorporated

We note that Mondelēz International Incorporated signed up to the Business Council of Australia's Australian supplier payment code (the code) on 26 May 2020, which will require Mondelēz to pay eligible Australian small business suppliers on time and within 30 days of receiving a correct invoice. Signatories have six months from date of signing to achieve full compliance with the code.