

As a sole trader, it is difficult to maintain work and cash flow during the pandemic.


This difficulty is made worse by some large organisations using the Pandemic as an excuse not to pay invoices, as shown in the example below.


Many large organisations have a culture of treating suppliers and subconsultants as sources of interest free loans with outdated payment terms such as 60, or even 90, days from end of month that the invoice is lodged. Given that many Invoices cannot be lodged until the work has been completed, this can result in suppliers and subconsultants covering large expenses such as airfares and accommodation, and its own suppliers and subconsultants, for many months without reimbursement, let alone fees for the work carried out.


A solution to this could be:

- Legislation requiring all Tax Invoices to be paid within 14 days of receipt with mandatory 'late fees' applied for every week overdue.
- Legislation requiring up-front payment, similar to that used by the legal profession.
- A government fund that pays subbies and subconsultants the amount owed with the debt recovery being passed to the government department that has the resources and clout to recover the fee from the client (with admin costs) and the ability to 'blacklist' regular offenders.

FW: Overdue Tax Invoice [REDACTED]

 [REDACTED]
To accounts@i3consultants.com
Cc [REDACTED]

 You replied to this message on 4/05/2020 10:38.

 [REDACTED].pdf File

[REDACTED],

I apologise for not contacting you earlier.

Due to the Coronavirus we have had to delay raising capital and this means most invoices are on hold for the moment.

If you want clarification as to situation please call the CEO [REDACTED] on [REDACTED]

We apologise for this situation.

Regards
[REDACTED]

David Wilkins

Principal & Senior Traffic Engineer – i3 consultants WA

Accredited Senior Road Safety Auditor - Crash Investigation Team Leader - Roadworks Traffic Manager

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