

## **MEDIA STATEMENT**

1 April 2020

### **COVID-19 not an excuse to delay paying small businesses: Ombudsman**

The Australian Small Business and Family Enterprise Ombudsman Kate Carnell says she's disappointed by reports of big businesses using COVID-19 as an excuse to delay payments to their small business suppliers.

Echoing the Minister for Small and Family Business, Senator the Hon Michaelia Cash, Ms Carnell says it is vital large businesses pay their small business suppliers on time, for the sake of the small business as well as the national economy.

"Now is the time for big businesses to do the right thing and be a part of the solution in this very difficult period," Ms Carnell says.

"Cash flow is always king for small businesses and never more so than now, particularly for small businesses struggling with the ripple-effects of coronavirus.

"That's why it's so important for big businesses to step up and pay on time or reduce payment times.

"We know that by paying small businesses on time, the whole economy benefits.

"Both our [Payment Times Inquiry](#) and our [Insolvency Practices Inquiry](#) show that cash flow is the leading cause of insolvency.

"It's been so encouraging to see some big Australian businesses such as Telstra, BHP, Rio Tinto and more recently Woolworths, commit to faster payment times and there's no reason why others can't adopt the same practices.

"Any small business experiencing issues with payment times are encouraged to contact my office for assistance."

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