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For immediate release

Payment times - time for action!

The Australian Institute of Credit Management (AICM) has partnered with the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) in a bid to ensure small businesses across the country get paid in a timely fashion.

The futures of many family and small businesses are being put under serious threat by the payment times imposed by many big businesses and governments across the country, and this self-initiated enquiry aims to put a spotlight on the lengthy payment times that are being dictated, and often missed.

[In a 2013-14 ASIC report into business insolvencies](#), it was identified that inadequate cash flow contributed to 41% of companies going to the wall. This inquiry aims to build up an accurate picture of the time it takes for payment to be processed across all areas of business.

Nick Pilavidis, CEO of the AICM, whose members are professionals in managing cash flow and risks associated with credit sales, believes this inquiry is critical to not only get an accurate and realistic picture of the payment landscape in Australia, but to help small businesses succeed.

He says, "Cash flow is the lifeblood of all companies, however for small and family businesses it's absolutely critical. Small businesses are often beholden to corporate clients, who dictate payment times. Lengthy payment times and missed payments can have a significant impact on people's livelihoods and indeed lives.

"For some businesses, being paid on time will mean being able to pay staff on time. Being paid on time means being able to stay in business.

"AICM members regularly see their SME customers delaying payment to them due to the late payment by large businesses. Improving payment times for small business will have a positive effect on the whole business cycle.

"Late payments have a far greater effect than people may at first envisage. We need to raise awareness of this state of play across the country, and put pressure on big businesses to meet their payment obligations.

"The dilemma for small businesses is that they need to engage with large corporates, yet to operate they need the money to keep flowing in. It's a vicious circle.



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“We hope to get a clear understanding so small businesses will firstly have a good idea of what they’re getting into, and what resources they need to have in reserve, and secondly we hope to work with the large businesses to help them understand the real-life impact they’re having.”

As part of the inquiry, ASBFEO and AICM will be joined by state-based Small Business Commissioners in New South Wales, Victoria, South Australia and Western Australia, the Council of Small Business Australia (COSBOA), federal and state/territory governments and their agencies.

For more information visit www.asbfeo.gov.au/inquiries. Small businesses who would like to have their say can do so at the above website or by phoning 1300 650 460.

For media, Nick Pilavidis, CEO of AICM is available to comment.

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About AICM

The Australian Institute of Credit Management (AICM) is Australia’s leading professional member body for commercial and consumer credit management professionals across all industries and sectors, and the only credit industry-specific Registered Training Organisation in the country.



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