

Australian Small Business Payment Terms Q&As

What happened in the past?

In March 2017, Qantas signed up as a signatory company to the Australian Supplier Payment Code. This code, developed by the Business Council of Australia, is a voluntary, industry-led initiative which commits signatory companies to pay eligible Australian small business suppliers within 30 days of receipt of a correct invoice.

What is a correct invoice?

Invoices sent in the correct format and that contain the required information. Please refer to the Invoicing and Payment Guidelines section in the following link for guidance
<http://www.qantas.com/travel/airlines/purchasing-policy/global/en>

What is an eligible Australian small business?

To be an eligible small business, suppliers must:

- have an Australian ABN, and;
- have revenue of no more than AU\$10 million in the last financial year (excluding businesses that are part of a consolidated group of companies).

Who does this apply to?

All Australian small business who supply the Qantas Group including Jetstar.

What has recently happened?

The Australian Government established the Payment Times Reporting Scheme aimed to improve payment times for Australian small businesses which commenced on 1 January 2021. Under the scheme, large businesses need to report their small business payment terms and processing times.

Who administers the Payment Times Reporting Scheme?

The Department of Industry, Science, Energy and Resources administers the scheme and has a broad range of compliance and enforcement powers. The Scheme has a 12 month transition period before compliance and enforcement measures apply which ends in December 2021.

Where can I find further information about the Scheme?

Refer to the Australian Government website

<https://www.industry.gov.au/regulations-and-standards/payment-times-reporting-scheme>

Are the Qantas Group still a signatory company to the Australian Supplier Payment Code?

Yes. The new Australian Government established Payment Times Reporting Scheme simply means we are now obligated to report our performance of payment to Small Business to a regulator.

Are the Payment Terms of defined Australian Small Business suppliers changing?

Yes. We will now pay eligible Australian Small Business suppliers terms of 25 days of receipt of a correct invoice instead of the previously committed 30 days of receipt of a correct invoice.

When did the new payment terms commence?

1st July 2021.

Do I have to apply to have the new favourable terms applied?

No. All existing Australian Small Business suppliers with payments terms of 30 days of receipt of a correct invoice automatically had their payment terms updated. All new suppliers will have the payment terms applied upon creation.

I am a small business. How do I register?

Unlike the previous method where we required Australian Small Business suppliers to apply via an online registration form, the process of identifying an Australian Small Business has been automated through a government Small Business Identification (SBI) tool. We will simply check the relevant supplier ABN against the SBI tool to verify the status of a small business.

What if an ABN is not registered as a small business in the SBI tool?

Any business can update their own information in the SBI tool by registering their correct business details in the Payment Times Reporting Portal. To register in the portal the business will need to enter its business details, including its total income. For further information a supplier can email paymenttimesreporting@industry.gov.au

What if I don't want to provide relevant information in the SBI tool?

The requirement to verify a supplier as a small business is now dependant on the government SBI tool. The SBI tool is not a publicly available service. If a supplier is unable to provide the relevant information to be identified as a small business in the SBI tool, we will be unable to verify your eligibility.

Why am I not being paid in line with the new 25 day payment terms?

- Invoices not received in the correct format, that don't contain the required information, or are sent to an incorrect email address may delay processing and payment. Please refer to the Invoicing and Payment Guidelines section in the following link for guidance <http://www.qantas.com/travel/airlines/purchasing-policy/global/en>
- Public holidays or weekends which fall on the day payments are due may impact payment dates

I am a small business with more favourable terms than 25 days. Will I be impacted?

No. Only eligible Australian small businesses with payment terms less favourable than 25 days from invoice date received will be impacted.

Where to seek further support and assistance

- <http://www.qantas.com/travel/airlines/purchasing-policy/global/en>
- Phone: +61 2 9424 8899
- Email: supplierhelp@qantas.com.au