



## Sydney Airport

# Australian Small Business Supplier Payment Code

Effective Date: 1 August 2018

### What is happening?

Sydney Airport recognises that prompt, and on-time payments can help small suppliers improve their viability and enhance their ability to create jobs. To reflect our commitment, Sydney Airport has signed up to the Australian Supplier Payment Code (the Code). The 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** or receipt of a correct product/service from the supplier (whichever is the later)
- **pay suppliers on time**
- provide clear guidance about payment procedures to suppliers
- work with suppliers to improve invoicing and payments practices
- a process for resolving payment disputes and complaints
- basic reporting on company policies and practices in place to comply with the Code.

To be an eligible small business, Sydney Airport is using the following criteria:

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

### What is changing?

We have identified small business suppliers, based on our current spend with these suppliers, and updated 'Standard' payment terms in Oracle from 30 days from the month of invoiced date to 30 days from invoice date for ALL suppliers<sup>1</sup>.

Information for suppliers can be found here:

<https://www.sydneyairport.com.au/corporate/partner-with-us/services>

### What is required from me?

When engaging with a new small business supplier, make sure you identify them as such on the Oracle Supplier Creation form.

The target payment terms compliance rate for eligible small business suppliers is 95% based on total number of invoices. The compliance rate will be measured and reported on (Quarterly) and is based on the number of invoices paid to eligible suppliers within 30 days

1. Some selected suppliers (e.g. contractors and those covered by the security Payment Act) are already on shorter payment terms e.g. 7 or 14 days

for that period.

To meet our obligations under the Code it is critical that supplier **invoices are reviewed, and correct invoices approved, in a timely manner.**

Currently payment terms compliance rate averages 65% across the business. Compliance reporting will be split by business owner and supplier, so improvement opportunities can be identified and addressed.

If submitted invoices are incorrect, please provide feedback as soon as possible to suppliers to improve the invoice template for future.

### **What are the next steps?**

The Finance team will perform ongoing monitoring and compliance reporting to identify areas within the business for improvement. Finance will collaborate with individual business units to help support any relevant areas for improvement.

### **Where can I find a copy of the code?**

Learn more about the Business Council of Australia's Australian Supplier Payment Code here <http://www.bca.com.au/policy-agenda/australian-supplier-payment-code>

For more information contact your Strategic Sourcing business partner.