Australian Small Business Payment Terms Q&As

What is happening?
Lendlease is a member of the Business Council of Australia and a signatory company to the Australian Supplier Payment Code. This code is voluntary, industry-led initiative which commits signatory companies to pay Australian small business suppliers within 30 days of receipt of a correct invoice or receipt of a correct product from the supplier (whichever is the later) or on mutually agreed terms, or on terms that are consistent with a standard industry practice.

Where can I find a copy of the code?
Refer to the Business Council of Australia's website
http://www.bca.com.au/policy-agenda/australian-supplier-payment-code

What is a correct invoice?

A correct invoice needs to contain:
- Company name and ABN
- Your company's registered address
- Your Lendlease supplier number
- Your Lendlease Purchase Order Number
- Your contact details (email or phone number)
- Your banking details including a BSB and account number
- Date of invoice
- Description of the goods or services the invoice relates to
- Amount of the invoice, including a separate line for GST if applicable.

Please note that the amount on the invoice will need to be checked and approved by the Lendlease business unit paying for the goods or services you have provided.

What are payment terms?
Payment terms relate to the number of days from receipt of a correct invoice that Lendlease will endeavour to pay you within.
No other terms or conditions in your supplier agreement with Lendlease will be changed and no variation to contracts will be required.

What is an Australian small business?
Lendlease will identify small business suppliers using the Australian Government's Small Business Identification (SBI) tool. The SBI tool is prescribed for use by large businesses in Australia who are required to report under the Payment Times Reporting Scheme (PTRS) as governed by the Payment Times Reporting Act 2020 (Cth). The tool identifies businesses as small businesses if they carry on an enterprise in Australia, have an ABN and their annual turnover was less than $10 million for the most recent income year.

Refer to the Payment Times Report Scheme website's guidance material for more information on the SBI tool https://www.industry.gov.au/data-and-publications/payment-times-reporting-scheme-guidance-for-reporting-entities/how-to-report/small-business-identification-tool

Who does this apply to?
Australian small businesses who supply Lendlease companies.

Payment terms for Construction?
The Australian Supplier Payment Code allows for payment terms that are consistent with a standard industry practice and acknowledges that the industry standard for construction is 45 days.

What is a construction supplier defined as?

Any supplier that supplies services and/or products directly associated with construction activities. This includes, but is not limited to: hardware stores providing materials used for construction purposes, an engineering or surveying firm, a construction labour hire company or scaffolding company.

Why am I not being paid in line with the new small business payment terms?

- Invoices not received in the correct format, that do not contain the required information, are in dispute, or are sent to an incorrect email address may delay processing and payment.
- Please refer to the FAQ titled 'what is a correct invoice
- 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 that offered by Lendlease as small business payment terms (for example, eligible Indigenous Australian businesses). Will I be impacted?

No. If you have agreed payment terms in your contract that are shorter than those contemplated as small business payment terms in this FAQ, then Lendlease will continue to pay you in accordance with your contract.

Where to seek further support and assistance

- Email: globalsupplychain@lendlease.com