

## Resolution of Council

**9 September 2019**

### Item 13.7

#### Payments from the City of Sydney

Moved by Councillor Scott, seconded by Councillor Forster –

It is resolved that:

- (A) Council note:
  - (i) small business is a vibrant and important part of our city's economy, but every year small and medium businesses extend \$216 billion of trade credits to large businesses (Paying the Price, June 2019). This has huge impacts on small and medium businesses and the potential working capital of our city; and
  - (ii) the City of Sydney is a large contractor in the city and should be exhibiting best practice with our partners; and
- (B) the Chief Executive Officer be requested to examine the feasibility of a City of Sydney payment policy that allows all businesses contracted for services to, upon request, receive payment within seven days of receipt of a valid invoice.

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Note – the motion above was not carried. The resolution below was carried.

It is resolved that Council note:

- (A) small business is a vibrant and important part of our city's economy. But every year small and medium businesses extend \$216 billion of trade credits to large businesses (Paying the Price, June 2019). This has huge impacts on small and medium businesses and the potential working capital of our city;
- (B) the City of Sydney is a large contractor in the city and exhibits best practice with our partners; and

- (C) in a response to a question on notice at the 19 August meeting of Council, the Chief Executive Officer informed Council that:
- (i) the City does not categorise its suppliers into large, medium and small businesses and notes that there are numerous definitions for these categories from a range of organisations;
  - (ii) the City's standard terms of trade for the payment of suppliers, are 30 days from the date of the invoice, unless subject to Security of Payment legislation or other contractual agreement;
  - (iii) the City has the capacity to negotiate terms of payment with suppliers, based on an assessment of their liquidity requirements and commercial terms, with any amendments from the standard terms approved by the Chief Procurement Officer; and
  - (iv) many small catering, Indigenous businesses, and some small artists, are paid in seven days.

The amendment was carried on the following show of hands –

Ayes (6) The Chair (the Lord Mayor), Councillors Kok, Miller, Scully, Thalys and Vithoukias.

Noes (3) Councillors Forster, Phelps and Scott.

Amendment carried.

The substantive motion was carried unanimously.

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