

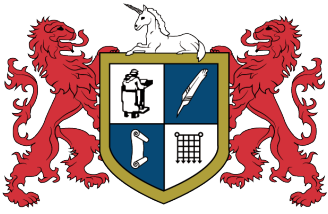
28 February 2020

Submission – Payment Times Reporting Bill Exposure Draft

Confidential

Clarification Sought

1. Neither the Paper nor the legislation adequately explain or define “Department” and we were unable to determine exactly where the responsible department is specified either in this legislation or elsewhere.
2. Entities that must report – We may be lost in the technical provisions however have you caught the normal corporate enterprise?
3. Government reporting should be brought into this central register/disclosure of payment times. Noting the legislative/constitutional issues however this should be part of the “Scheme” that is included.
4. Why have you defined the item as assessable income and then for non-taxable entities it would be as if they were taxable. This excludes non-assessable income which in some instances I expect is significant ie excluded by principle of mutuality or other definitions. Why have you not accepted “Revenue” under Accounting standards. Large companies are typically audited and / or typically reporting to ASIC in their financial statements. We would expect Accounting Standard “Revenue” is a better normal standard concept to be included. Noting that access to the ATO information may generate compliance enquiry, alternatively I would expect access to ASIC reported financial statements should also provide necessary information.
5. We do not believe the parameters, design or specifications around the “Regulator” has been adequately defined nor provided. Given the powers this legislation places upon the Regulator we believe more certainty and procedure around appointment and governance is required.
6. While we acknowledge the 18month transition (no penalty) concept, we believe that a shorter term should be considered.
7. We support 6 monthly reporting.
8. We support 3 month reporting timeframe
9. We support that Board level acknowledgement or accountability of the Payment Times Report is required. Noting our recommendation that the Report could be provided following declaration by the CEO (or appropriately defined senior executive) which includes declaration that the report will be tabled with the Board and includes a declaration that past reports have also been tabled with the Board.
10. We initially like the concept that changes of structure within a group could be reported with the subsequent 6 monthly report and that there is no need to create an additional reporting obligation.



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11. When is the start date or the real date of the invoice that is used for the purpose of counting the days? Should an entity that requires invoices for activity to be generated at the end of the month or the following month be required to report the days from the document that confirms delivery or provision of service (delivery docket etc).
12. Payments made pursuant to a contracted schedule ie lease or rental should NOT be included in the calculation.
13. What mechanism is there for a Small Business supplier to Challenge the reported figures from a Reporting Entity? What complaints process?
14. Significantly more detail is required around the "Small business Identification tool". How is this to be administered, how is the data obtained and verified, how is it modified?
15. The concepts of the Regulator requiring an Audit should be further developed. This links to whom is appointed as Regulator.

Please contact the signature of this submission if you require any clarification or further discussion on the above or other matters.

Yours sincerely

Matthew Addison
Executive Director