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Department of Industry, Science, Energy and Resources
GPO 2013
Canberra, ACT, 2601

To whom it may concern,

Re. Caltex Australia Petroleum Pty Ltd submission to the Payment Times Reporting Scheme – Rules Consultation Paper

Caltex Australia Petroleum Pty Ltd ('Caltex') welcomes the opportunity to provide feedback to the Department of Industry, Science, Energy and Resources ('the Department') on their consultation paper released regarding the Payment Times Reporting Scheme – Rules, and the associated exposure draft.

Through Caltex's role in the Australian economy as the largest supplier of liquid transport fuels, accounting for one-third of all liquid transport fuels in Australia, Caltex recognises the importance of small businesses to the Australian economy and values the contribution they make to Caltex's operations around Australia.

Caltex is supportive of the Government's objectives to improve instances of on time payments to small businesses, and their desire ultimately to see the timely payment of invoices to small businesses, which was part of their 2019 Election commitments.

Having reviewed the exposure draft and consultation paper Caltex is broadly supportive of the draft rules in their current form in providing additional clarity to aspects of the *Payment Time Reporting Bill 2020* ('the Bill') currently before the Parliament.

However, we believe that with the Payment Time Small Business Identification Tool ('the Tool') still in development, there should be added clarification applied within the draft rules to govern how the Tool is updated to maintain a current and active list of small businesses.

Specifically, Caltex believes that there should be a defined structure on how frequently the Tool is updated, or how frequently an entity is required to update their vendor records, as a means to manage the regulatory burden applied to liable entities and mitigate the risk that entities could unintentionally misreport if they had not accessed the most up to date register.

This could take the form an effective lodgement date within each period by which a small business must be registered, and authorised, within the Tool for that small business to listed on the Tool and included in the next reporting period.

For example, small businesses should be registered and authorised by 31 December in any given year to be included in an update of the tool which would take effect on 1 January the following year. This update would then be used by all liable entities for that reporting period commencing on 1 January.

This process could then be replicated on 30 June for the reporting period due to begin on 1 July.

Alternatively, this could be through requiring entities to update their vendor list once every 6 months, on the first day of the reporting period, to ensure the integrity of the data collated and better manage the allocation of resources towards ensuring the records are up to date.

We envisage that, as the Government progressively move towards their election commitment of mandating payment terms for small business, that this could help liable entities to fulfil their obligations without risk of finding out after the fact that a business was a defined small business.

Additionally, how the Tool is designed to interact with established corporate vendor systems is imperative to ensure that entities who are captured under the Bill are able to efficiently identify vendors who are small businesses through either a bulk check system, or a form of integration that allows for the Tool to directly interact with an entities systems.

Caltex's current vendor database incorporates more than 4,000 individual vendors of various sizes and we recognise that a poorly designed Tool could result in a large compliance burden through the requirement to have dedicated resourcing to manually check and verify a vendor's status in the Tool.

We recognise that this can be readily addressed through the effective design of a Tool which allows for a bulk search/verification function.

Given the importance of a well-designed tool we would welcome the opportunity to engage with the Department further to share our views and better understand what is being designed.

Should you wish to discuss this further please do not hesitate to contact Philip Skinner, Advisor – Government and Industry Affairs, on 0456 198 572 or via email at philip.skinner@caltex.com.au.

Kind Regards



Lee Holland
Head of Procurement