

29 April 2024



Government Response and Reform Unit
Small and Family Business Division
Treasury, Langton Crescent
Parkes ACT 2600

Sent via email: paymenttimesreformSMB@treasury.gov.au

PAYMENT TIMES REPORTING ACT 2020 PRIMARY LEGISLATION AMENDMENTS

Dear Government Response and Reform Unit,

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 20 per cent of Australia's corporate income tax receipts in 2022-23.¹

Our members support fairer, faster payment terms, times and practices for small, local and Indigenous-owned or Indigenous-run businesses. In 2022-23, a surveyed sample of these members made supply chain payments to 18,712 local businesses, 1,396 community organisations and 78 local governments in Australia.²

As identified by the Statutory Review, we strongly support amendments to the *Payment Times Reporting Act 2020* (Cth) to reduce the administrative burden imposed on large businesses to comply with an 'poorly functioning reporting scheme [with] unwieldy legislative requirements.'

Specifically, we welcome the new laws to allow the top entity in a consolidated group to provide a payment times report for that entire group using AASB standards and the flexibility to alter this default reporting arrangement for individual subsidiaries within a group. This new law will centralise the compliance burden to a corporate group's resources, minimise productivity losses and may encourage a whole-of-group focus on improving payment behaviour.

Under the current law, it is unclear if individual entities to an unincorporated joint venture are captured as reporting entities. For medium-sized entities party to the joint venture without control on payment practices, this creates an unnecessary administrative burden to report on their agreed portion of the invoice. To reflect variety in contracting relationships across industries, we recommend revision of the Regulator's guidance notes with better examples on when entities are determined to be a reporting entity based on application of the accounting standards of control to payment practices.

We also support the Regulator's new functions to undertake research and analysis on the Register's data, noting the proposed use and disclosure of protected information for regulatory activities. Like compliance with the *Workplace Gender Equality Agency Act 2012* (Cth), industry benchmarking makes the data useful to reporting entities.

Should you have questions regarding this submission, please contact Aaron Walker, Manager – Industry Competitiveness and Economics, on 0477 679 195 or at A.Walker@cmewa.com. We also consent for our submission to be published on the Treasury's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Adrienne LaBombard', written over a light blue background.

Adrienne LaBombard
Director – Policy & Advocacy

¹ Includes company tax, fringe benefits tax, petroleum resource rent tax and excise duty. Commonwealth of Australia, [Final Budget Outcome 2022-23](#), The Treasury, 22 September 2023, Note 3: Taxation revenue by type, p 39.

² CME, [2022-23 Economic Contribution to Australia](#), 18 March 2024.