

## **EXPOSURE DRAFT EXPLANATORY STATEMENT**

The purpose of the *Treasury Laws Amendment (Miscellaneous and Technical Amendments No. 1) Instrument 2025* (the Amending Instrument) is to make miscellaneous and technical amendments to instruments in the Treasury portfolio.

Miscellaneous and technical amendments are periodically made to Treasury portfolio legislation to correct errors and unintended outcomes, make technical changes, and improve the quality of Treasury portfolio legislation. The process was first supported by a recommendation of the 2008 Tax Design Review Panel, which considered ways to improve the quality of tax legislation. It has since been expanded to all Treasury legislation.

The Amending Instrument amends various Treasury portfolio instruments to correct drafting errors and unintended outcomes, repeal inoperative provisions, and make other technical changes. The amendments demonstrate the Government's commitment to the care and maintenance of Treasury portfolio legislation.

Details of the Amending Instrument are set out in Attachment A.

## **Consultation preamble**

Treasury seeks feedback on the effectiveness of this exposure draft explanatory material in explaining the policy context and operation of the proposed new law, including, but not limited to:

- how the new law is intended to operate;
- whether the background and policy context is sufficiently comprehensive to support understanding of the policy intent and outcomes of the new law;
- the use of relevant examples, illustrations or diagrams as explanatory aids; and
- any other matters affecting the readability or presentation of the explanatory material.

EXPOSURE DRAFT

**Details of the Treasury Laws Amendment (Miscellaneous and Technical Amendments No. 1) Instrument 2025**

**Section 1 – Name**

This section provides that the name of the instrument is the *Treasury Laws Amendment (Miscellaneous and Technical Amendments No. 1) Instrument 2025* (the Amending Instrument).

**Section 2 – Commencement**

Schedule 1 to the Amending Instrument commences the day after the instrument is registered on the Federal Register of Legislation.

**Section 3 – Authority**

The Amending Instrument is made under the *Local Government (Financial Assistance) Act 1995*, the *Payment Times Reporting Act 2020*, and the *Tax Agent Services Act 2009* (collectively the Authorising Acts).

**Section 4 – Schedules**

This section provides that each instrument that is specified in the Schedules to this instrument are amended or repealed as set out in the applicable items in the Schedules, and any other item in the Schedules to this instrument has effect according to its terms.

**Schedule 1 – Amendments**

Legislative references are made to Schedule 1 to the Amending Instrument unless otherwise stated.

***Local Government (Financial Assistance) (Final Factor for 2022-23 and Estimated Factor for 2023-24) Determination 2023***

**Items [1 to 3] – Subsection 8(3)**

Items 1 to 3 amend subsection 8(3) of the *Local Government (Financial Assistance) (Final Factor for 2022-23 and Estimated Factor for 2023-24) Determination 2023* (the Financial Assistance Determination) to correct typographical errors in cross-references.

Each year, the level of financial assistance available to the States and Territories from the Commonwealth for local government purposes is indexed by a factor which is to be estimated before the start of each financial year.

Section 8 of the Financial Assistance Determination provides for the details of working out the estimated factor for the 2023-24 financial year. Subsection 8(3) of the Financial Assistance Determination incorrectly referred to “subsection (3)” and “sub (3) factor”. The amendments correct these references to “subsection (2)” and “sub (2) factor” respectively.

The amendments do not change the estimated factor for the 2023-24 financial year.

## ***Payment Times Reporting Rules 2024***

### **Items [4 and 5] – paragraph 13(1)(a) and section 101**

Item 4 amends paragraph 13(1)(a) of the *Payment Times Reporting Rules 2024* (PTR Rules) to correct a typographical error.

Paragraph 13(1)(a) of the PTR Rules provides that the payment times report of a reporting entity must include the proportion of the total number of payments in the trade credit payments dataset for a reporting period that comprises payments in the small business trade credit payments dataset for the reporting period (expressed as a percentage).

The amendment corrects the provision by replacing the word ‘number of payments’ with ‘value of payments’ in the calculation. The amendment ensures continuity with the previous scheme of payment reporting provided for under the *Payment Times Reporting Rules 2020* and affords greater insight into economic impact. The continuity with the previous scheme effected by the amendment also prevents imposition of administrative burden on reporting entities.

Item 5 of the amendment inserts an application provision to ensure consistency with the application of the PTR Rules and to reports given to the Regulator on or after 1 January 2025 for a reporting period starting on or after 1 July 2024.

## ***Tax Agent Services (Code of Professional Conduct) Determination 2024***

### **Item [6] – subsection 151(1)**

The Code of Professional Conduct (the Code), set out in section 30-10 of the *Tax Agent Services Act 2009* (the TAS Act), establishes ethical principles that apply to all registered tax agents and business activity statement (BAS) agents (together referred to as ‘tax practitioners’). The *Tax Agent Services (Code of Professional Conduct) Determination 2024*, made under section 30-12 of the TAS Act, sets out additional professional and ethical obligations that supplement the Code.

Item 6 corrects a typographical error in a cross-reference in the transitional provisions of subsection 151(1) of the *Tax Agent Services (Code of Professional Conduct) Determination 2024* to paragraph 45(1)(d) instead of 45(1)(c). The amendment confirms that section 45 of the *Tax Agent Services (Code of Professional Conduct) Determination 2024* applies only in relation to events that have arisen on or after 1 July 2022.