



Premier of Western Australia

Our Reference: 59-206917

Senator the Hon Michaelia Cash
Minister for Employment, Skills, Small and Family Business
PO Box 6100
Senate
Parliament House
CANBERRA ACT 2600

Dear Senator

A handwritten signature in blue ink that reads "Michaelia".

PAYMENT TIMES REPORTING RULES

I write regarding the Australian Government's proposed Payment Times Reporting Scheme (the Scheme) requiring large businesses with over \$100 million in annual turnover to publish information on their small business payment times and practices.

I understand that the Australian Government is currently seeking views on the Payment Times Reporting Rules, which detail how the relevant legislation will work in practice.

My Government is acutely aware of the importance of ensuring that suppliers are paid swiftly, which has only become more imperative as part of our support to small and local businesses during the economic recovery from COVID-19.

The Western Australian Government has taken clear steps to improve prompt payments to suppliers, including:

- Support for the December 2018 agreement of the Council of Australian Governments (COAG) that the Australian, State and Territory Governments would pay 80 to 100 per cent of invoices under \$1 million from small businesses within 20 days;
- The Western Australian Department of Finance is leading the way to fast-track payments to suppliers, by reducing standard payment terms to 20 days for payments under \$1 million from May 2020;
- Updating the Western Australian Treasurer's Instruction to require state agencies to pay invoices below \$1 million, regardless of supplier size, within 20 days from; 1 October 2020 for goods and services; and 1 April 2021 for works and construction and;
- Proactively working with the Western Australian Government's Government Trading Enterprises (GTEs) to improve payment terms and compliance with WA Government policy.

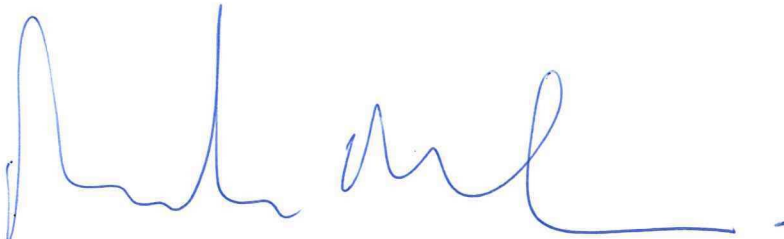
In addition, Western Australia is currently working on further initiatives to improve Government payment times for small business suppliers. This work is underpinned by our collaboration with the Australian Government, including considering e-invoice initiatives to further reduce payment times in coordination with the Australian Data and Digital Council.

The WA Government will ensure that our GTEs adhere to our expectations for payment times and we will ensure our commitments are met. I urge the Australian Government to exclude State-level GTEs from the Payment Times Reporting Rules and Scheme. My Government's strong view is that the regulation of our GTEs should remain the remit of Western Australia and that the imposition of Australian Government regulation on Western Australian GTEs' payment times, including potential penalty provisions, would result in unnecessary additional red tape, duplication of regulation and present a significant intrusion on WA Government matters.

My Government is committed to progressing meaningful outcomes to improve payment times for small business suppliers. I believe it is important that the WA Government continues to progress these outcomes by providing clear regulation and managing compliance of these payment times of all State Government entities, without the additional burden of Australian Government regulation.

Thank you for the opportunity to provide the WA Government's views on this matter.

Yours sincerely



Mark McGowan MLA
PREMIER

23 JUN 2020