



**Business
Chamber**
QUEENSLAND

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Government Response and Reform Unit
Small and Family Business Division
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Via: paymenttimesreformSMB@treasury.gov.au

To Whom It May Concern

FEEDBACK ON PROPOSED AMENDMENTS TO PAYMENT TIMES REPORTING SCHEME

Business Chamber Queensland is pleased to provide feedback on the proposed amendments to the Payment Times Reporting Act 2020 (The Act) as part of the consultation phase. After thorough consideration, I am pleased to provide this assessment on behalf of Business Chamber Queensland.

As the leading business voice in Queensland, representing businesses of all sizes across diverse industries and regions, Business Chamber Queensland draws on more than 155 years of history to navigate economic challenges and promote sustainable growth. Our submission addresses potential risks and offers recommendations for enhancing the effectiveness and fairness of the Act, with the overarching goal of safeguarding and advancing the interests of businesses in Queensland.

I. Overview

The proposed amendments seek to enhance the Scheme's operation, primarily focusing on incentivising large businesses to improve their payment practices towards small businesses. Covering various aspects of the Act, including its objectives, the role of the Regulator, entry and exit criteria for the scheme, reporting arrangements, compliance, enforcement mechanisms, and the requirement for an independent review, these amendments present a holistic approach to address payment practice issues.

II. Assessment of Likely Effectiveness



The amendments exhibit a well-structured and thoughtful approach. The revised objects of the Act, aligned with the overarching goal of enhancing payment practices, coupled with additional functions for the Regulator, will bolster its effectiveness. Clearer criteria for entry and exit and improved reporting arrangements are anticipated to streamline processes efficiently. Furthermore, we are confident the strengthened compliance and enforcement mechanisms will significantly enhance the Act's efficacy.

III. Potential Risks

Despite the anticipated effectiveness, several potential risks merit consideration. These include potential overload on the Regulator due to added responsibilities, removing the object to make information publicly available, potentially disadvantaging small businesses, and the risk of overly cumbersome regulation leading to large businesses ceasing to use smaller providers.

IV. Recommendations for Further Improvements

To mitigate these risks and ensure the Act supports all businesses adequately, Business Chamber Queensland proposes the following recommendations:

- Implement a phased approach to the new requirement that slow-paying entities publicly declare their status, allowing for adjustment and reducing resistance.
- Ensure adequate resourcing for the Regulator to manage additional functions and responsibilities effectively.
- Reconsider removing the object to make information publicly available or explore alternative measures to support small businesses in making informed decisions.
- Consider the potential impact of overly burdensome regulation on the relationship between large businesses and smaller providers. If regulations become too cumbersome, large businesses may opt to cease using smaller providers altogether, which could harm small business viability.

Furthermore, to truly demonstrate the government's commitment to improving payment times, Business Chamber Queensland recommends considering a complementary initiative: reducing government payment times for all businesses procuring from the government. By leading by example, the government can encourage prompt payments throughout the business ecosystem, fostering a culture of timely transactions and supporting the financial stability of all enterprises.

Additionally, the Business Chamber Queensland would like to highlight potential loopholes and unintended consequences that should be addressed through clear guidelines, judicious use of ministerial powers, checks and balances, and regular reviews of the Act's operation.

While the proposed amendments promise to improve payment practices and reduce regulatory burdens, addressing potential risks and ensuring fairness and effectiveness is crucial.

If you need further information or clarification regarding anything in this submission, please don't hesitate to contact me at 0425 137 320 or lcrane@businesschamberqld.com.au.



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Kind Regards,

Lachlan Crane
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