

Senate Standing Committee on Education and Employment
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Payment Times Reporting Bill 2020, and the Payment Times Reporting (Consequential
Amendments) Bill 2020
7 July 2020

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Reasons for the definitions

REFERENCE: Question on Notice - Written

QUESTION No.: 2

In relation to answers to questions on notice received 14 July 2020 from Chartered Accountants Australia & New Zealand and CPA, can the Department please detail any reasons the definitions suggested by CAANZ & CPA are not or cannot be used within the legislation? I note that the suggested definitions are substantially similar to the manner in which the Government identifies its small business suppliers.

ANSWER

For the purposes of the Payment Times Reporting Scheme, a 'small business' is a business with an annual turnover of less than \$10 million. The Department consulted on a number of options to define a 'small business' including by employee numbers and the value of expenditure.

Annual turnover was the preferred measure supported by most stakeholders as an expenditure threshold as suggested by CAANZ and CPA would capture large and medium businesses that contract below that value.

The use of definitions from taxation legislation will facilitate the Australian Taxation Office disclosing to the Regulator whether an entity should be reporting under the Scheme.