

# Consultation template

Name/Organisation: Property Council of Australia

Heading	Section # / Paragraph #	Feedback
<b>Guidance note 1 – Key concepts</b>		
<b>Reporting entities – Types of reporting entities</b>		
Entities deemed to be reporting entities		
Volunteering entities		
<b>Constitutionally covered entities</b>		
Identifying constitutionally covered entities		
Constitutional corporations		
Foreign entities		
Entities incorporated or carrying on an enterprise in a territory		
<b>Carrying on an enterprise in Australia</b>		
Carrying on an enterprise in Australia		
<b>Income thresholds</b>		

Heading	Section # / Paragraph #	Feedback
Identifying the relevant income threshold		
Applying income thresholds		
Controlling corporations and member entities		
Head entities	44	<p>For the purposes of administering the Act, 'head entity' was introduced as another entity type. The Guidance recognises that the term 'head entity' is not defined by the Act, but it refers to the ultimate parent entity of a corporate group.</p> <p>The Guidance would be benefit from a definition for 'head entity'. For example, it is not clear what happens if you have multiple Australian head entities but are subsidiaries of the same foreign parent, should the foreign parent be seen as the head entity or the ultimate Australian head entities which would align to financial reporting and tax reporting requirements from a financial statement preparation perspective.</p>
Unincorporated entities	49/ Table 2	<p>Under the accounting standard (AASB 10), there are other criteria to be considered and on this fact alone, Entity A might not 'control' Entity B. It needs to be clarified that this is a different requirement under the PTR Act i.e. we could have a scenario where Entity A doesn't consolidate Entity B in its financial statements, but will need to report Entity B's PTR stats as part of Entity A.</p>
<b>Total income</b>		
Measurement and recognition	50	<p>As noted in the submission cover letter, there should be a greater emphasis on taxable income concepts rather than IFRS accounting concepts.</p>
Foreign currency translation		
Use of tax return information		

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Business combinations and control transactions	59	Member entities should be able to exclude intercompany revenue from the calculation of the threshold as it can vary substantially from period to period.
<b>Reporting period</b>		
Income year		
Determining reporting periods		
<b>Procurement - Small business procurement</b>		
Supply of goods and services		
Trade credit arrangements	74	The examples provided seem to be examples of arrangements which are not trade credit arrangements. However, the wording prior to these points talks about what trade credit arrangements are. For the benefit of the Guidance, this should be better clarified.
Credits, rebates and discounts	NA	The Guidance would benefit from a reference to how credit notes should be applied against an invoice as this is included on the <a href="#">payment times website</a> , stating that It's up to the reporting entity how and when they apply a credit note to a small business invoice. When they do and it offsets the value of the invoice, they report the net value in their payment times report. It is also important for the Regulator to acknowledge that often entities cannot apply a credit to a specific invoice, and so there needs to be flexibility in this area.
Excluded payments		
Credit card payments		

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<b>Procurement - Payment terms</b>		
Arrangements, agreements and contracts		
Standard payment period		
<b>Procurement - Invoices</b>		
Invoices		
Combined invoices	90	The Guidance note would benefit from practical considerations as the requirement to count each invoice separately if an invoice covers multiple payments to be made under different arrangements is impractical with most accounting systems. Most systems will not record which agreement/s to which an invoice relates.
Invoice date		
Recipient-created tax invoice		
Disputed invoices		
Supply chain finance		
<b>Governance</b>		
Principal governing body		
Responsible member		

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Trusts, partnerships and unincorporated entities	111 (bullet point 3)	The Guidance note would benefit with clarification that the requirement for trusts, superannuation funds and approved deposit funds with a single trustee, obligations of the trust are imposed on the trustee to report in respect of each trust independently. The trustee must discharge the obligations of the trust only if the relevant individual trusts meet the reporting entity requirements.
<b>Other</b>		
Other feedback on Guidance note 1		
<b>Guidance note 2 – Preparing a payment times report</b>		
<b>When to prepare a report</b>		
Reporting deadline		
Mergers and acquisitions		
<b>Report data</b>		
Information to prepare a report		
Small Business Identification Tool information		
Record keeping		
<b>Payment times report content</b>		
Required content		

Heading	Section # / Paragraph #	Feedback
Other content		
Reporting for groups		
Reporting nil values		
Misleading information		
<b>Submitting a payment times report</b>		
The Payment Times Reporting Portal		
Signing reports and declarations	48	<p>The responsible member declaration template currently requires the responsible member of the entity to declare that they will provide the report to the principal governing body of the reporting entity. Given:</p> <ul style="list-style-type: none"> <li>- The uncertainty about when a report (as lodged) may be published the Payment Times Report register; and</li> <li>- There is currently no ability to download an ‘as lodged’ version of a report for an entity or multiple entities in a group,</li> </ul> <p>It is unclear how a responsible member may comply with this requirement, other than by providing a copy of the data uploaded to the register to the principal governing body. It would be appreciated if the form of the report referred to in the declaration be clarified to confirm that a copy of the data uploaded to the register, in a format readily understandable by the principal governing body, be sufficient to satisfy this requirement.</p>
Publication of reports		
<b>Guidance note 2: Appendix 1 – Payment times reporting template instructions</b>		

Heading	Section # / Paragraph #	Feedback
Instructions on how to complete the payment times reporting templates		
Payment Times Reports Register		
<b>How to complete the Payment Times Reporting Template</b>		
Entity information		
Reporting period dates		
Standard payment periods		
Small business payments		
Invoicing arrangements		
Small business procurement		
Supply chain financing		
Notifiable events		
Report comments		
Submission and approval details		
Principal governing body		
<b>How to complete the Responsible Member Declaration Template</b>		

Heading	Section # / Paragraph #	Feedback
Responsible member approval		
Provision to the Principal Governing Body		
<b>Other</b>		
Other feedback on Guidance note 2		The appendix Guidance would benefit from clarification as whether it is required that responsible member to sign each section, or if it is a single signature as stated in paragraph 48.
<b>Guidance note 3 – Applications and notifications</b>		
<b>Applications - Extension of time to lodge a payment times report</b>		
When we can give an extension		
Circumstances that are exceptional or outside an entity's control		
Severity of circumstances		
Length of extension		
Applying for an extension		
Assessing your application		
Review of decision		
<b>Applications - Cease to be a reporting entity</b>		



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Eligibility for a determination to cease being a reporting entity	Key Point Box	A determination is unlikely to <b>[be]</b> (insert) granted for member entities with income falling below A\$10 million for two consecutive income years and entities that cease to exist or cease to be a constitutionally covered entity.
Applying for a determination to cease being a reporting entity	Key Point Box	The Guidance would benefit from stronger language where it states that the regulator “may not” grant a determination as it is understood that an entity ceased to be a reporting entity if it dips below the income threshold for 2 years. This is unlikely to require a determination. As a suggestion, this bullet point categorically rule any determination on this, i.e. The Regulator “ <b>will not</b> ” make a determination.
	Table 4 and Table 5	We would appreciate guidance as to whether an entity whose income exceeds A\$10 million, and is part of a corporate group, but who makes no payments required to be reported under the Act, would be eligible for consideration for a determination to cease to be a reporting entity. An example of such a situation is where an receives intra group income in excess of A\$10 million, and distributes that income to other group entities, but does not itself make any payments to small business suppliers as such payments are made by the Group’s operating companies.
Assessing your application		
Effect of determination		
Review of decision		
<b>Applications - Revised payment times reports</b>		
When to give a revised report		
Applying to register a revised report		
Assessing your application		

Heading	Section # / Paragraph #	Feedback
<b>Applications - Redaction of commercial-in-confidence information</b>		
Redaction of commercial-in-confidence information		
Requesting a redaction		
Assessing your request		
<b>Notifications – Volunteering entities</b>		
Volunteering entities		
Notifiable events		
<b>Other</b>		
Other feedback on Guidance note 3		