

# SUBMISSION

## Submission to the Treasury — Consultation on Payment Times Reporting Rules amendments

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19 August 2024

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19 August 2024

Dear Sir/Madam,

### **Consultation on the proposed Payment Times Reporting Rules amendments**

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to Treasury's consultation on the proposed Payment Times Reporting Rules amendments.

### **ABOUT ASFA**

ASFA, the voice of super, has been operating since 1962 and is the peak policy, research and advocacy body for Australia's superannuation industry. ASFA represents the APRA regulated superannuation industry with over 100 organisations as members from corporate, industry, retail and public sector funds, and service providers.

We develop policy positions through collaboration with our diverse membership base and use our deep technical expertise and research capabilities to assist in advancing outcomes for Australians.

ASFA seeks to ensure that member outcomes are appropriate, optimised and there are no unintended consequences flowing from policy decisions relating to superannuation.

### **GENERAL COMMENTS**

ASFA's member organisations have provided the following feedback on the proposed Payment Times Reporting Rules amendments.

#### **Group reporting**

Member organisations have indicated that where superannuation funds do not consolidate for accounting purposes, under the AASB10 Investment Entities standard where they meet the definition of an investment entity (AASB 10 paragraph 31).

Under this standard, all controlled entities are recognised at fair value through profit and loss. In this instance and where consolidation is not required due to materiality, it is not readily apparent how they should complete 'group' reporting.

Given this, guidance on this aspect would be appreciated.

### **Controlling shares in companies**

Superannuation funds that do not consolidate may hold controlling shares in companies that already report individually on their payment times.

In these circumstances it is unclear whether these are required to be rolled up into a single submission or submitted separately (i.e. not consolidated).

Member organisations have indicated a strong preference not to consolidate. This is in line with the accounting standards and would reduce the complexity and the, arguably unnecessary, expense of having to compile such a dataset, the cost of which ultimately would be borne by members.

### **Backdating of requirements to 1 July**

Member organisations have indicated that the backdating of the requirements to 1 July 2024 creates technical issues, as some new inputs/data that are required may not be available currently in reporting systems.

Given this, we recommend that the effective date of the amendments should be 1 January 2025, to allow sufficient time to implement any necessary changes to systems and processes to capture and record all relevant data.

If this is not possible then entities should be able to report the data on a 'best endeavours' basis until that time.

### **Genuinely enforceable**

Member organisations have requested guidance to provide clarity with respect to what constitutes a 'genuinely enforceable' policy and whether there needs to be 'regular ongoing monitoring' or if requiring attestations from managers and staff would be considered to be sufficient.

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If you have any queries or comments in relation to the content of our submission, please contact Fiona Galbraith, Director Policy, on 0431 490 240 or by email [fgalbraith@superannuation.asn.au](mailto:fgalbraith@superannuation.asn.au).

Yours sincerely

James Koval

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