



**Australian Government**  
**The Treasury**

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**Secretary**  
**Ms Jenny Wilkinson PSM**

The Hon Jim Chalmers MP  
Treasurer  
Parliament House  
Canberra ACT 2600

Senator the Hon Katy Gallagher  
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Dear Ministers

**Regulatory reform opportunities**

Thank you for your correspondence of 4 July 2025 regarding regulatory reform within the Treasury. The Treasury is committed to supporting the Government's regulatory reform agenda to bolster productivity growth, including through the regulatory frameworks and functions administered within the Department.

*Foreign Investment Framework*

Foreign investment plays an important role in driving Australia's economic prosperity. In supporting the Treasurer to administer the foreign investment framework and administering the framework in relation to commercial investment, the Treasury enables foreign investment while protecting Australia's national interest and national security. This requires a risk-based approach that focuses scrutiny and compliance efforts on high-risk investments to protect the national interest, while streamlining low-risk investments to bring in the capital Australia needs quickly. Striking the right balance is critical against the backdrop of strong global competition for capital and an increasingly challenging geostrategic environment.

Since the Government's May 2024 announcement of policy and practice reforms to streamline and strengthen the framework, Treasury has implemented policy and process changes to the assessment of foreign investment applications to streamline low risk proposals. There are early signs of success from these efforts, with 52 per cent of proposals decided within 30 days in the second quarter of 2024-25, up from 35 per cent in 2023-24 and 33 per cent in 2022-23.

In addition, a new foreign investment investor portal went live in May 2025, ensuring investors provide all necessary information in a consistent format to enable faster decisions. Treasury continues to work with the investor community and our consultation partners across government to further refine and update the portal's functionality and ease of use.

Treasury is continuing to consider policy and process changes that would remove barriers and burden related to low-risk investment without raising risks related to sensitive investment. Decision-making delegations and foreign investment conditions are two areas of focus.

Reviewing decision-making delegations for foreign investment applications would further assist in streamlining low-risk applications to continue meeting the target of deciding 50 per cent of all proposals within 30 days. For example, the monetary thresholds for delegations to Treasury Officials have not changed for agricultural related or business and entity proposals for a number of years. The introduction of factors, other than the consideration value of a transaction, may also be used to further streamline decision-making. Delegation of low-risk applications to Treasury Officials would allow us to decide all low-risk cases within 30 days. Options for decision-making delegations, including any particular risks and streamlining benefits, will be put forward for your (the Treasurer's) consideration.

More than 10,000 foreign investments have been approved subject to conditions over recent years. To continue streamlining efforts, Treasury will review conditions placed on existing foreign investment approvals to identify options for reducing regulatory burden while maintaining an appropriate level of risk mitigation. The review will first consider low risk investments to identify opportunities to remove conditions or reduce the reporting requirements. This approach will minimise trade-offs between regulatory controls and risks to the national interest from these foreign investments. Options for reducing regulatory burden, any particular risks and trade-offs and options for addressing these will be put forward for your (the Treasurer's) consideration.

In the longer term, reforms to the legislative framework for foreign investment are necessary to ensure it is fit for purpose in balancing the need to enable investment while managing risks to national security. Treasury is developing proposals for legislative changes to reduce regulatory burden and streamline the process for low-risk investment while strengthening the approach to high-risk investment. In doing so, Treasury has been informed by recent experiences in administering the framework as well as feedback from major repeat investors. Potential areas of focus include:

- Enabling more flexibility to apply risk-proportionate scrutiny to investment proposals, for example by providing more flexibility to tailor scrutiny and requirements to specific circumstances.
- Reducing reporting burdens on investors, for example by simplifying reporting obligations to the Register of Foreign Ownership of Australian Assets.



- Making application fees simpler and fairer for investors.
- Enabling improvements to administrative efficiency for the regulator and investors, for example by removing inconsistencies and inefficiencies in key powers.
- Providing stronger and more flexible powers to manage high-risk investment and respond to non-compliance, for example by expanding and strengthening the Treasurer's powers to make more targeted and timely orders and directions to manage risks.

Treasury will provide you (the Treasurer) with detailed advice on these areas for reform and next steps for public consultation and further development. Implementation of reforms will take time, require substantial legislative changes, and may necessitate changes to ICT systems with a corresponding cost. However, such changes are necessary to make continued progress in ensuring a targeted and proportionate approach that reduces regulatory burdens wherever possible while protecting the national interest.

#### *Payment Times Reporting Scheme*

The Payment Times Reporting Scheme (PTRS), underpinned by the *Payment Times Reporting Act 2020*, improves large business payment times to their small business suppliers. Slow and late payments inhibit small business growth and investment. The PTRS provides transparency of payment practices and creates a range of incentives for large businesses to treat small businesses fairly and reduce unfair practices.

The PTRS started on 1 January 2021 with a statutory review in 2023 and the release of the Government's response to that review in December 2023. The Government agreed to all the review recommendations and in doing so, foreshadowed significant reform to the PTRS to ensure it was fit for purpose. The implementation of PTRS reforms is well advanced with finalisation in early 2026.

Given the improvements underway (and associated infrastructure investment), the next statutory review of the PTRS, due in the first half 2027, would be an appropriate time to revisit the need for any further material changes to the PTRS. This would enable finalisation of the existing reform program, sufficient time to be able to assess its effectiveness and a period of certainty for regulated entities.

An overhauled statutory framework commenced in September 2024 strengthening accountability and regulatory powers, increasing transparency and creating new incentives for large businesses to pay within 30 days or less, including commencement of fast and slow small business payer designations to highlight good and bad payment practices. Treasury is currently delivering in tranches new ICT infrastructure to support the PTRS with completion in early 2026. The reforms underway reduce the regulatory burden and deliver administrative efficiencies.

The reforms introduced new and streamlined obligations for all reporting entities, with those obligations taking effect for reporting periods commencing on or after 1 July 2024.

- Simplified reporting requirements – changing the definition of a reporting entity and applying Australian Accounting Standards as a well-established and practical approach for consolidated reporting across corporate groups, simplifying their compliance obligations. A parent reporting entity now submits a single consolidated report on the payment performance of all its member entities, improving transparency of reporting data on the public Payment Times Reports Register.
- Streamlined and better-quality payment data – the number of fields in a payment times report has halved and data quality has improved through detailed calculation methodologies, providing more meaningful payment times information.

The Regulator has invested heavily in stakeholder/regulated entity engagement to support them throughout the implementation. Stakeholder engagement at the Stakeholder Liaison Forums continues to trend upwards.

The Government's recent and significant investment in the reform of the PTRS is realising increasing benefits for many Australian small businesses in the supply chain and the broader Australian economy. The latest available data shows payment times to small businesses have improved since the establishment of the PTRS, with a material shift from 60+ days to payments within 30 days or between 31 and 60 days. On average, the proportion of payments made to small business suppliers within 30 days has steadily increased from 63.2 per cent in June 2021 to 70.3 per cent in December 2024.

Although Treasury recommends deferring consideration of further PTRS reforms to the next statutory review, we note that there is a significant cumulative burden on businesses and individuals of servicing requirements from multiple small regulators administering bespoke schemes. There may be opportunities within portfolios or across portfolios to amalgamate or merge small regulatory bodies, which could offer a range of benefits, primarily centred around increased efficiency, reduced costs, and improved effectiveness.

I look forward to continuing to work with you in supporting the Government's productivity and regulatory reform agenda.

Yours sincerely



Jenny Wilkinson

| August 2025