



Bringing expert global and local knowledge to your environment

PAYMENT TIMES REPORTING SCHEME

Long (after 30 days) and late payments are a significant problem for Australia's 3.5 million small businesses. This has negative impacts not only on these businesses but also more broadly across the economy. Small businesses that are paid slowly, in turn, pay their suppliers more slowly also.

A 2019 study by AlphaBeta highlighted that normalising a 30-day payment time from large business to small business would have an estimated net benefit to the Australian economy of \$313 million per year.

The Payment Times Reporting Act 2020 introduces a new Payment Times Reporting Scheme which aims to improve payment outcomes for small businesses by creating transparency around payment practices.

Who must report?

Businesses required to report are those that are:

- Constitutionally-covered;
- Carry on an enterprise in Australia; and
- Meet the income threshold of **over \$100 million in total annual income**.

Also required to report are:

- Commonwealth corporate entities and Commonwealth companies that meet the income threshold; or
- Entities with a total income of over \$10 million that are members of a controlling corporation with a combined income of over \$100 million.

What is reported?

For all arrangements where a large business and a small business supplier agree that payment is to be delayed to a time after the supply, the reporting requirements include:

- Standard payment periods;
- Proportion of invoice paid across time based categories;
- Proportion of business procurement from Australian small business suppliers;
- Details of the use of supply chain finance; and
- Notifiable events.

When is it reported?

The first reporting period will be 1 January 2021 to 30 June 2021 with each subsequent period covering the following 6 months, e.g. 31 July 2021 to 31 December 2021.

The reports will be due to the payment times reporting regulator within 3 months of the end of each reporting period, being **30 September 2021** for the first.

How can RSM help?

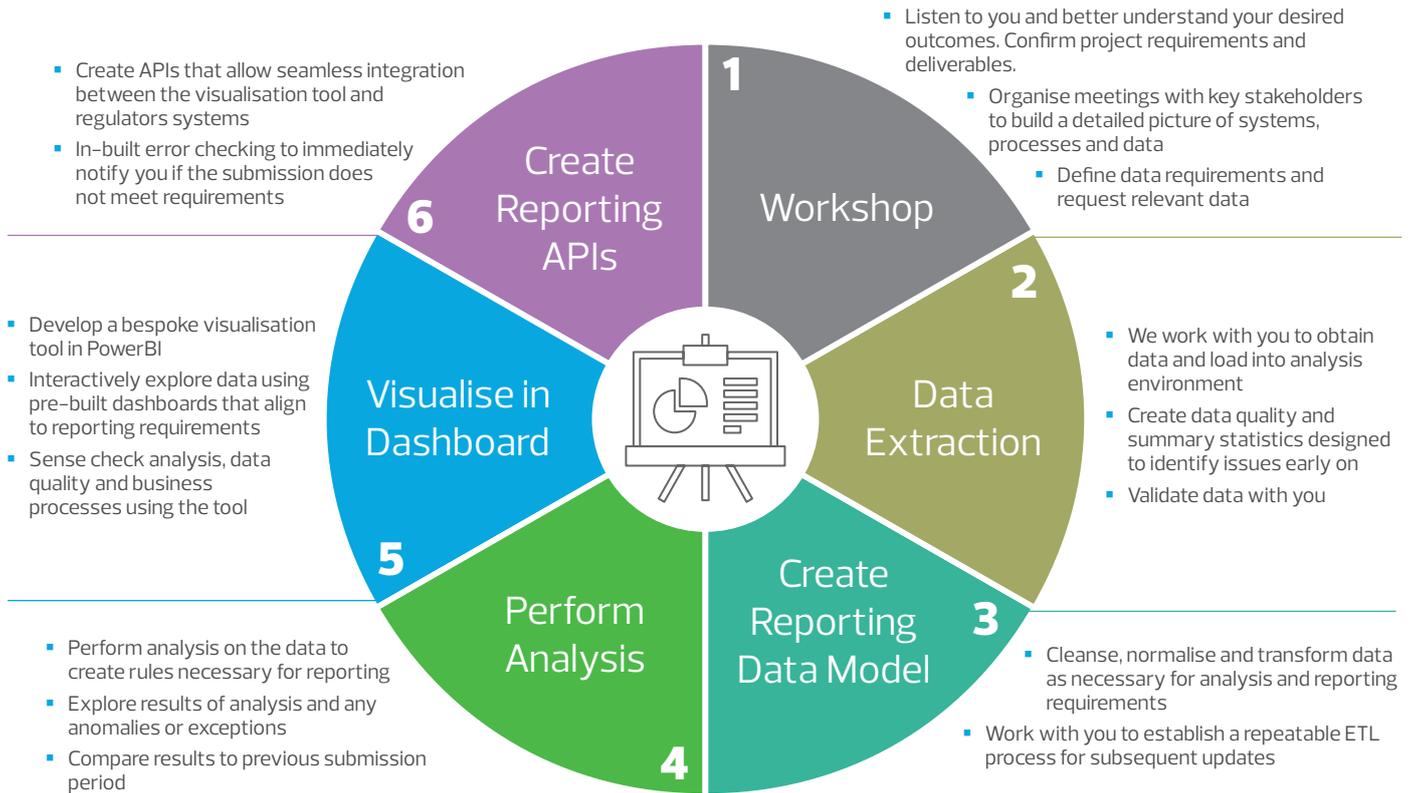
RSM have developed a 6-step process to deliver our Payment Times Reporting (PTR) solution and ensure you meet your obligations quickly and easily. We work closely with you to ensure that PTR need not be a burden to your business.

RSM's PTR solution uses the latest statistical tools and data visualisation software to prepare and structure your data, before interrogating and summarising in precisely the way required for reporting obligations.

Our tool allows you to visualise results to ensure they make sense, as well as providing additional insights around the small businesses you interact with. Our custom-built Application Programming Interfaces (APIs) allow you to submit reporting at the click of a button once they have been verified. Updating the underlying data for each reporting period is taken care of by our ETL (Extract, Transform and Load) process which can be integrated with your own finance or Enterprise Resource Planning (ERP) systems.

Using RSM's PTR tool provides operational efficiencies in meeting your obligations and enables you to uncover additional business insights through the analysis and visualisation of your data.

HOW IT WORKS: THE 6-STEP PROCESS



Outcomes that make a difference

<ul style="list-style-type: none">  Assisting you to interpret the mandatory and optional requirements and which entities need to report  Facilitating education sessions on the new legislation and how it applies to you  Formulate rules aligned to the reporting requirements which produce succinct PDRS disclosures  Training and development of inhouse resources to operate the reporting tool or outsource and receive a managed reporting and update service 	<ul style="list-style-type: none">  Providing assurance over the accuracy and completeness of the data sources, reports and disclosures  Creating APIs to seamlessly submit reporting to the regulator  Customising visualisations to enable the effective internal communication of information considered valuable and useful  Creating an easily repeatable process
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ABOUT RSM

The RSM global network is represented in over 120 countries, enabling us to access best practice insights and local expertise. Our services include Data analytics, Governance, Risk and compliance, Information security and technology consulting, Fraud control, Internal audit and risk consulting, and Culture and wellbeing.

RSM Australia provides you with a seamless, effortless, and cost-effective end to end solution to meeting the requirements of the PTRS and generating additional value along the way. It is our strong understanding of the business environment, industry and collaborative approach that differentiates us.

By sharing the ideas and insights of our most senior professionals, we bring our expert local and global knowledge and resources to your business, so you feel understood and empowered to move forward with confidence. This is the **power of being understood**. This is the RSM experience.

