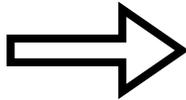


Payment Times Procurement Connected Policy (PT PCP)

What is the PT PCP?

The PT PCP requires large businesses that are awarded in-scope government contracts (over \$4 million GST inclusive) to pay their subcontractors (with contracts of up to \$1 million GST inclusive) within 20 calendar days.

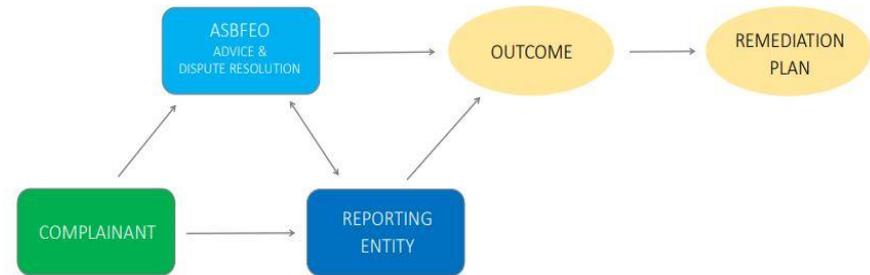


What does the Policy entail and who does it apply to?

- The policy will apply to large businesses (annual income over \$100 million) that are in-scope of the Payment Times Reporting Scheme (PTRS), known as 'Reporting Entities'.
- The PT PCP was introduced on 1 July 2021 with a transition period.
- Compliance requirements commenced from 1 October 2021.
- Under the policy Non-corporate Commonwealth Entities (NCEs) must include contract clauses that require Reporting Entities that respond to an Approach to Market (ATM) of over \$4 million (GST inclusive) to:
 - Pay direct PT PCP subcontracts (of up to \$1 million) within 20 calendar days;
 - Pass on the payment timeframe requirements to Reporting Entity subcontracts of over \$4million; and
 - May be required to pay interest on late payments.

Is there a complaints process?

- Reporting Entities must advise a PT PCP subcontractor that they have the right to make a complaint to the relevant NCE if the Reporting Entity fails to comply with the PT PCP contract.
- Reporting Entities must respond to any complaint of non-compliance and provide a PT PCP Remediation Plan.
- The Reporting Entity cannot take any prejudicial action against a subcontractor due to a PT PCP based complaint.



ASBFE0 is here to help- Support & Advice

ASBFE0 can provide advice and support to a small business* involved in a PT PCP contract at any stage of the contract life cycle. Should a dispute arise between parties to a PT PCP contract, ASBFE0 can provide guidance on how to resolve disputes, facilitate discussions between disputing parties and work towards a solution through communication. ASBFE0 can also refer parties to external alternative dispute resolution services if required.

* Please note, under the *Australian Small Business and Family Enterprise Act (Cth.) 2015*, the definition of a small business is a business that has fewer than 100 employees OR revenue below \$5 million.

 ASBFE0 Infoline on 1300 650 460