

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates Hearings May 2014

Communications Portfolio

Australian Broadcasting Corporation

Question No: 86

Program No. Australian Broadcasting Corporation

Hansard Ref: In Writing

Topic: Government Payments of Accounts

Senator Ludwig asked:

1. From 25 February 2014 to date, what has been the average time period for the Department/Agency paid its accounts to contractors, consultants or others?
2. How many payments owed (as a number and as a percentage of the total) have been paid in under 30 days?
3. How many payments owed (as a number and as a percentage of the total) have been paid in between 30 and 60 days?
4. How many payments owed (as a number and as a percentage of the total) have been paid in between 60 and 90 days?
5. How many payments owed (as a number and as a percentage of the total) have been paid in between 90 and 120 days?
6. How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
7. For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the Portfolio/Department/Agency since 25 February 2014?
8. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. 36 days
2. 172 payments (50%), however the ABC's standard payment terms are 30 Days Commercial (30 days from the end of the month the invoice was raised) so the 172 payments were not necessarily overdue.
3. 124 payments (36%)
4. 28 payments (8%)
5. 12 payments (4%)
6. 5 payments (1%)
7. The ABC does not pay interest on overdue invoices unless a tax invoice for the interest is received from a supplier. It is extremely rare for interest to be charged by a supplier as the reason for deferred payment is typically due to a mutual understanding (i.e. disputed charges etc). Interest paid on overdue invoices YTD is insignificant.
8. Interest would theoretically be calculated in accordance with section 8AAD of the *Taxation Administration Act 1953* and would be based on the relevant daily general interest charge rate quoted for the relevant day. However, as stated above, the ABC is rarely charged interest by its suppliers. An example of how interest is to be calculated is provided in *Finance Circular 2012/02*.