

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings November 2014

Communications Portfolio

Australian Broadcasting Corporation

Question No: 641

Program No. Australian Broadcasting Corporation

Hansard Ref: In Writing

Topic: Government Payments of Accounts

Senator Ludwig asked:

Since Budget Estimates in June, 2014:

1. 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? f) How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
6. 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 Estimates, 2014?
7. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. 41 days.
2. 208 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 208 payments are not necessarily overdue.
3. 135 payments (33%).
4. 41 payments (10%).
5. 90-120 days: 13 payments (3%)
120 days +: 16 payments (4%)
6. 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.

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7. 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 rarely is charged interest by its suppliers. An example of how interest is to be calculated is provided in *Finance Circular 2012/02*.