

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2014

Communications Portfolio

NBN Co Limited

Question No: 109

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Government Payment of Accounts

Senator Ludwig asked:

1. From Supplementary Budget Estimates in November 2013 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 7 September 2013?
8. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

1. An employee must adhere to the internal policy set out in the NBN Co Buying Guide prior to any services being procured and/or payment being made to contractors/consultants. All reasonable efforts to pay suppliers within terms are made. The rendering of an invoice by a supplier does not mean that NBN Co has accepted that it has received the deliverables from the supplier. NBN Co will only pay suppliers when it is satisfied that the contractual terms (i.e. the deliverables) have been provided.
For an analysis of invoice payment times refer to the answer to questions 2,3,4,5 and 6.
2. Analysis under this question is based on time between invoice date and payment date which does not reflect the actual terms contractually agreed which for the substantial proportion of suppliers is 30 days – end of month (EOM). This means NBN Co has up to 60 days to settle its accounts.

Month	Under 30 days			
	No of invoices	Amount	% of total payment	Total payment
Nov-13	3,837	77,131,058.10	43%	180,432,401.30
Dec-13	3,770	152,131,508.60	20%	768,524,113.70
Jan-14	3,410	142,023,114.50	40%	357,931,820.90
Feb-14	3,473	96,783,906.50	57%	169,067,146.60

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3. Analysis under this question is based on time between invoice date and payment date which does not reflect the actual terms contractually agreed which for the substantial proportion of suppliers is 30 days EOM. This means NBN Co has up to 60 days to settle its accounts.

Month	30-60 days			
	No of invoices	Amount	% of total payment	Total payment
Nov-13	1,858	103,300,479.00	57%	180,432,401.30
Dec-13	1,808	616,392,605.10	80%	768,524,113.70
Jan-14	1,920	215,553,040.10	60%	357,931,820.90
Feb-14	2,115	72,283,240.10	43%	169,067,146.60

4.

Month	60-90 days			
	No of invoices	Amount	% of total payment	Total payment
Nov-13	1	864.20	0%	180,432,401.30
Dec-13	0	-	0%	768,524,113.70
Jan-14	2	355,666.30	0%	357,931,820.90
Feb-14	0	-	0%	169,067,146.60

5. Not applicable
6. Not applicable
7. Contractors/Consultants accounts do not generally attract interest on overdue amounts.
8. Contractors/Consultants accounts do not generally attract interest on overdue amounts.