

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates Hearings May 2014**

**Communications Portfolio**

**NBN Co Limited**

**Question No: 353**

**Program No. NBN Co Limited**

**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. 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 are made to pay suppliers within terms. 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. The analysis below is based on the number of days between invoice date and payment date. The actual terms contractually agreed per supplier may differ.

Month	Under 30 days			
	No of invoice	Amount	% of total payment	Total payment
Mar-14	3,142	66,397,265.91	22%	304,959,863.49
Apr-14	2,978	84,722,247.72	26%	325,662,764.76
May-14	3,798	86,445,845.91	33%	258,615,114.49

3. The analysis below is based on the number of days between invoice date and payment date. The actual terms contractually agreed per supplier may differ.

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Month	30-60 days			
	No of invoice	Amount	% of total payment	Total payment
Mar-14	2,933	238,562,597.58	78%	304,959,863.49
Apr-14	2,846	240,940,517.04	74%	325,662,764.76
May-14	3,537	172,169,268.58	67%	258,615,114.49

4. Not applicable.
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.