

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 78

Program No. 1.1

Hansard Ref: In Writing

Topic: Rollout

Senator Birmingham asked:

Please provide a list of all suburbs which will be included in Stage 2 rollouts of the NBN.

Answer:

The second release sites include parts of: Bacchus Marsh (Vic), South Morang (Vic), Brisbane (Qld), Springfield Lakes (Qld), Toowoomba (Qld), Riverstone (NSW), Coffs Harbour (NSW), Modbury (SA), Prospect (SA), Victoria Park (WA), Geraldton (WA), Mandurah (WA), Casuarina (NT) and Gungahlin (ACT).

The second release sites announcement also included extensions to the five first release sites: Brunswick (Vic), Townsville (Qld) which includes Aitkenvale and Mundingburra, South of Wollongong (NSW) which includes Minnamurra and Kiama Down, West Armidale (NSW) and Willunga (SA) which will include nearby communities of Seaford and McLaren Vale.

The Stage 2 rollout in Tasmania will occur in Sorell, Deloraine, George Town, St Helens, Triabunna, Kingston Beach and South Hobart.

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Question No: 79

Program No. 1.1

Hansard Ref: In Writing

Topic: Rollout

Senator Birmingham asked:

When will clear maps be available of the roll out area so that people will be able to tell if their suburb or street will be affected by the rollout?

Answer:

NBN Co Limited (NBN Co) has released maps with the coverage footprints of each of the five first release sites. Those maps are available on NBN Co's website at **www.nbnco.com.au**.

NBN Co has yet to publish detailed footprints for the second release sites or the Tasmanian Stage 2 or 3 communities. When the detailed footprints are finalised, it is expected NBN Co will publish maps on the NBN Co website as was done for the first release sites.

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Question No: 80

Program No. 1.1

Hansard Ref: In Writing

Topic: Rollout

Senator Birmingham asked:

How were these and other early rollout sites selected? Are these black spot areas or areas with known poor service?

Answer:

On the mainland the first and second release sites were chosen by NBN Co Limited (NBN Co).

The first release sites were selected as part of NBN Co's live trial of its network design and construction methods. The first release sites represent the diversity of situations NBN Co will encounter across Australia in the network rollout, and sites have been selected that allow NBN Co to test different design and construction techniques.

The second release sites were selected by NBN Co based on a range of criteria including engineering and construction requirements, network design and the level of existing broadband infrastructure.

Three rollout stages have been announced in Tasmania. All Tasmanian communities were chosen as a result of detailed work undertaken by Aurora Energy and NBN Co.

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Question No: 81

Program No. 1.1

Hansard Ref: In Writing

Topic: Rollout

Senator Birmingham asked:

When will the NBN trials begin in Armidale and Kiama? When will Telehealth trials in these areas begin? How many practices will take part? What is the nature of medical services being trialled? What will this trial cost? Please provide a breakdown of these costs?

Answer:

The National Broadband Network (NBN) telehealth trial in Armidale and Kiama will commence in the second half of 2011. The trial will focus on the delivery of high quality NBN enabled telehealth services such as in-home monitoring of key health indicators and video consultations to patients with chronic conditions in Armidale and Kiama. The number of participants, including health professionals, that will take part will be agreed between NSW Health and the Department of Broadband, Communications and the Digital Economy as part of a detailed design and implementation plan to be completed by mid 2011.

As announced in December 2010, the Australian Government has made an offer of up to \$4 million to the NSW Government under an existing National Partnership Agreement for the trial.

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Question No: 82

Program No. 1.1

Hansard Ref: In Writing

Topic: Rollout

Senator Birmingham asked:

Are RSP's required to provide identical (so far as the technologies allow) basic service options at the same price through wifi or satellite service as they will to customers via fibre? Is it possible that those on wifi/satellite services might end up paying more for the equivalent basic internet services as people on fibre connections?

Answer:

The Australian Government has indicated that it is committed to uniform national wholesale pricing within technologies; a universal price for all customers receiving optic fibre; a universal price for all customers receiving fixed wireless, and a universal price for all customers receiving satellite. The government has also indicated that NBN Co Limited (NBN Co) has achieved uniform national entry level pricing across technologies, and where new technologies become available it will seek to maintain this principle at other product levels.

The NBN Co *Corporate Plan 2011-13*, released on 20 December 2010, confirms that NBN Co will deliver uniform national wholesale prices across its network. For the entry level service, offering 12 megabit per second download and one megabit per second upload across the fibre, wireless and satellite platforms, NBN Co will charge a national wholesale access price of \$24 a month (p121).

It will be the strength of competition between Retail Service Providers that will determine how the wholesale price translates into retail prices.

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Question No: 83

Program No. 1.1

Hansard Ref: In Writing

Topic: Destruction of the copper network

Senator Birmingham asked:

The wholesale cost for a connection to the NBN at the basic speed of 12 mbps is modelled to be \$24. How does this compare to the cheapest wholesale prices for a basic home phone service bundled with a dial-up or ADSL internet service available through copper network?

Answer:

The NBN Co \$24 per month wholesale access cost represents an attractive price for retailers and will support retailers' ability to offer improved services to end users at prices comparable to those being offered today.

This wholesale price compares favourably with a recent Australian Competition and Consumer Commission (ACCC) interim access determination which set the wholesale price for the supply of the unconditioned local loop service (ULLS) at \$16 per month. The ACCC's interim access determination prices for the wholesale line rental service and line sharing service are \$22.10 and \$1.80 respectively. These services represent a closer functionality to NBN Co's Layer 2 wholesale service than the ULLS.

The NBN Implementation Study found that indicative benefits from using fibre (including retailer cost savings, avoidance of return erosion and avoidance of additional copper churn) for retailers would be between \$12 to \$24 per month. Hence the indifference price for retailers to switch to fibre would be \$28 to \$40 per month.

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Question No: 84

Program No. 1.1

Hansard Ref: In Writing

Topic: Destruction of the copper network

Senator Birmingham asked:

Telstra's recently released half year results confirmed that demand and revenue for fixed line services is collapsing. What reasons do we have to believe that a government owned wholesale network will be able to reverse this trend and provide a positive rate of return?

Answer:

The NBN Co Limited (NBN Co) *Corporate Plan 2011-2013* (the Corporate Plan), released on 20 December 2010, confirms that the National Broadband Network will provide all Australians with access to world-class broadband on a financially viable basis with affordable prices for consumers.

The Corporate Plan (p121) notes overall Australian broadband usage trends which reflect that demand for monthly data usage per user is increasing and end users are accessing higher speed services.

The Australia Bureau of Statistics' Internet Activity Survey, published on 1 April 2011, shows the majority of data downloaded is on a fixed-line service with over 91 per cent of the total data downloaded by Australian end users being on a fixed-line service. Wireless technologies accounted for 8.8 per cent of the total data downloaded.

As these broadband usage trends continue to show increases in the amount of total data downloaded, as well as access to higher speeds by end users, the Australia Government is confident that the NBN will be the platform to provide end users with the capacity to download more data at increasingly faster speeds.

These trends have informed the Corporate Plan which indicates that under most reasonable scenarios, including expected uptake of broadband services based on historical data, returns of 7.04 per cent will be earned.

On 14 February 2011 the government released the executive summary of a report by Greenhill Caliburn which reviewed certain commercial aspects of the Corporate Plan and found that the Plan provides the government with a reasonable basis on which to make commercial decisions about NBN Co.

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Question No: 85

Program No. 1.1

Hansard Ref: In Writing

Topic: Backhaul links and usage costs

Senator Birmingham asked:

The Government provided \$250 million in Budget 2009 for the backbone Blackspots Program, to install the network of backhaul in regional Australia. Who will retain ownership of the backhaul links being rolled out by the Government – will it be NBN Co or will the Government retain ownership?

Answer:

In line with the Regional Backbone Blackspots Program (RBBP) Funding Agreement, Nextgen Networks Pty Ltd is fully responsible for the operation and maintenance of the RBBP infrastructure for the first five years of its operation. The Government will own the infrastructure and has the option to transfer it to NBN Co prior to or following the five year operational period.

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Question No: 86

Program No. 1.1

Hansard Ref: In Writing

Topic: Backhaul links and usage costs

Senator Birmingham asked:

Is the \$250 million budgeted for Backhaul Blackspots Program for backhaul links treated as a capital expense within the NBN's business case?

Answer:

The Regional Backbone Blackspots Program is funded through an Administered Funding Appropriation to the Department of Broadband, Communications and the Digital Economy. The \$250 million is part of the initial \$4.7 billion allocated to the National Broadband Network, which is sourced from the Building Australia Fund.

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Question No: 87

Program No. 1.1

Hansard Ref: In Writing

Topic: Backhaul links and usage costs

Senator Birmingham asked:

Given that Minister Conroy constantly refers to the Backbone Blackspots Program as part of the NBN, why was the original program budgeted separately from the NBN?

Answer:

One of the objectives of the Regional Backbone Blackspots Program (RBBP) was to provide economic stimulus as part of the government's response to the global financial crisis. As the National Broadband Network is a long term project, the RBBP provided opportunities for more immediate stimulus and improvements in competition in the provision of transmission services in regional Australia. It is intended that the infrastructure will be transferred to NBN Co.

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Question No: 88

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless technologies

Senator Birmingham asked:

The new Minister for Infrastructure in Tasmania, Mr O'Byrne has referred to the NBN's wireless service for regional Australia as not ideal and requiring a longer term fibre solution. Is this the view of NBN Co?

Answer:

The Government and NBN Co Limited consider that wireless technologies play an important role in Australia's broadband landscape and are well suited to providing broadband services to areas with a low population density as well as complementing fibre access in other areas.

Next generation wireless will provide much greater speeds and broadband access than what most Australians currently experience in the locations where the network will be deployed.

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Question No: 89

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless technologies

Senator Birmingham asked:

Does the NBN have a plan to ensure the rate of return remains above the bond rate if it becomes obvious in the next few years that the proportion of wireless-only households continues to increase exponentially?

Answer:

The NBN Co Limited (NBN Co) *Corporate Plan 2011-2013* (the Corporate Plan), released on 20 December 2010, confirms that the National Broadband Network will provide all Australians with access to world-class broadband on a financially viable basis with affordable prices for consumers.

Modelling in the Corporate Plan, based on independent data from Roy Morgan and Ovum, estimates that there will be 16.3 per cent of wireless-only homes by financial year (FY) 2025.

The Corporate Plan indicates that under most reasonable scenarios, returns of 7.04 per cent will be earned. The assumption of 16.3 per cent wireless-only homes by FY2025 was factored into these returns.

On 14 February 2011 the Government released the executive summary of a report by Greenhill Caliburn which reviewed certain commercial aspects of the Corporate Plan and found that the Corporate Plan provides the Government with a reasonable basis on which to make commercial decisions about NBN Co.

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Question No: 90

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless technologies

Senator Birmingham asked:

The European technology research group Idate released a report last week suggesting that global usage of Long Term Evolution wireless services will increase from almost zero penetration globally in 2011 to 371 million global users in 2015. Does the Department/NBN Co expect similar types of growth rates from LTE and 4G technology in Australia?

Answer:

As Long Term Evolution (LTE) and fourth generation networks are upgrade paths for existing wireless networks, the Department of Broadband, Communications and the Digital Economy considers that these new technologies will over time, be adopted in Australia. However, it is ultimately a commercial decision for wireless providers as to how and when they wish to upgrade their networks and this will affect the take up rates in Australia.

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Question No: 91

Program No. 1.1

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

The Tasmanian legislation stipulates that where owner(s) of a premise have elected not to have the NBN cable installed, that election is binding on any person to whom ownership of the premises is transferred unless the new owner consents. How will the new owner be informed that there is no NBN Cable installed in the premises?

Answer:

It is expected that NBN Co Limited will be able to confirm for an owner if their property has been connected to the National Broadband Network (NBN).

New owners of properties for which the previous owners did not elect to receive an NBN connection during the initial scheduled rollout period will be able to obtain a connection by contacting a retail service provider and requesting a service delivered over the NBN.

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Question No: 92

Program No. 1.1

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

Who will the new owner be required to contact to receive an installation – will it be NBN Co or the contracting company? How will the contact details be provided to the new owner?

Answer:

New owners will be able to obtain a connection by contacting a retail service provider and requesting a service delivered over the National Broadband Network (NBN).

Consumers will have a choice as to which retail service provider they choose to provide NBN services.

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Question No: 93

Program No. 1.1

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Can NBN Co explain the difference between the community consultation sessions it undertakes and the Community Forums held by the Department?

Answer:

The NBN Co community consultation sessions were held in the first three Tasmanian communities to receive fibre to the premises technology and the five first release sites on the Australian mainland to inform communities about the company's plans in relation to the NBN rollout in those areas. The Department of Broadband, Communications and the Digital Economy community forums are to provide information for local government, resident and businesses on the benefits that affordable high-speed broadband provides for all Australians.

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Question No: 94

Program No. 1.1

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Does NBN Co believe it is necessary to hold both community consultations sessions and departmental community forums?

Answer:

Yes. The NBN Co community consultation sessions were held in the first three Tasmanian communities to receive fibre to the premises technology and the five first release sites on the Australian mainland to inform communities about the company's plans in relation to the NBN rollout in these areas. The Department of Broadband, Communications and the Digital Economy community forums are to provide information for local government, residents and businesses on the benefits that affordable high speed broadband provides for all Australians.

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Question No: 95

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

Do NBN Co and the Government agree with the assessment of Shaw Stockbroking, that this wholesale price is likely to result in a retail price of \$56 per month for a 50Gb 12mbps down speed and a 1mbps up speed?

Answer:

The NBN Co Limited (NBN Co) *Corporate Plan 2011-2013* indicates that NBN Co will provide uniform national wholesale prices with an access price for a basic service of 12 megabits per second download and 1 megabit per second upload at \$24 per month across all technologies. The government expects this will translate into retail prices that will be both affordable and very competitive.

NBN Co has indicated that wholesale prices of approximately \$24 per month for 12 megabits per second download and 1 megabit per second upload may translate into retail prices of approximately \$56 per month with a 50 Gigabyte (GB) monthly data allowance (NBN Co *Corporate Plan 2011-2013*, page 105). This would represent a competitively priced product in today's market.

Retail services and pricing offered to end users will ultimately be determined by retail service providers.

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Question No: 96

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What analysis has been undertaken with respect to price points for basic broadband services specifically in lower socio-demographic areas?

Answer:

In designing its products and pricing, NBN Co Limited (NBN Co) examined a range of inputs including the residential and business market nationally, industry trends, bandwidth demand, and retail products and pricing available today (see NBN Co *Corporate Plan 2011-2013*).

It is the Australian Government's objective that broadband services be affordable and available to all Australians. The government expects NBN Co's approach to pricing will recognise the importance of maintaining affordability to drive take-up rates.

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Question No: 97

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What analysis has been undertaken with respect to price points for basic broadband services in rural and regional Australia?

Answer:

In designing its products and pricing, NBN Co Limited examined a range of inputs including the residential and business market nationally, industry trends, bandwidth demand, and retail products and pricing available across Australia today.

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Question No: 98

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless bandwidth

Senator Birmingham asked:

On p.305 of the McKinsey NBN Implementation Report, it states: “Industry participants are better positioned than NBN Co to construct the [wireless] network as they would be able to construct and operate a network at a significant discount to NBN Co.” Why does the NBN Co believe that it will be able to operate the wireless market more efficiently than private companies?

Answer:

In the Statement of Expectations released on 20 December 2010, the Australian Government requested that NBN Co Limited (NBN Co) provide the fixed wireless solution and use existing infrastructure in providing this service, where efficient and economic to do so.

NBN Co will be able to achieve efficiencies through consistency across its business and operational systems for the three technology platforms. NBN Co will also be able to better manage the service boundaries between the fibre, wireless and satellite networks than if the fixed wireless network were offered by another network operator.

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Question No: 99

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless bandwidth

Senator Birmingham asked:

The Government's NBN website states that under the NBN people in regional and rural areas will either receive optical fibre, or next generation wireless and satellite services. What is the Government's definition of "next-generation"? Does it relate to 3 g or to 4g technology?

Answer:

The Government announced that seven per cent of Australian premises outside the fibre footprint will be served by a combination of next generation fixed wireless and satellite technologies. In the context of the NBN the term next generation does not specifically refer to 4G or 3G technology. Next generation is a broad term used to describe technologies which are capable of satisfying the Government's requirement of providing peak speeds of at least 12 megabits per second.

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Question No: 100

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless bandwidth

Senator Birmingham asked:

In terms of wireless growth, the Minister said in a speech to the AMTA in March last year that “looking to the future, in terms of demand for wireless broadband, it looks like there will be exponential growth for years to come.” Is this still the view of the Minister, and the Department?

Answer:

The Minister and the Department of Broadband, Communications and the Digital Economy support and welcome the rapid rollout and take-up of wireless broadband across Australia. The trend for wireless growth is expected to continue in the short to medium term (p 41, NBN Co *Corporate Plan 2011-2013*).

The government considers fibre and wireless technologies to be complementary.

The Minister’s comments on 3 March 2010 were not that the ‘exponential’ growth in wireless demand was at the expense of fixed infrastructure. The Minister stated that “the importance of fixed services to provide backhaul and handle very high bandwidth services is vital to the delivery and reliability of wireless services...”

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Question No: 101

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless bandwidth

Senator Birmingham asked:

If the Minister believes that wireless growth will be exponential, why does the NBN business case predict that wireless-only households will only grow by 25 per cent over the next 14 years, when wireless only households have grown by over 200 per cent in the last 6 years?

Answer:

The basis of the forecasts on wireless only households is described in the detail in the NBN Co Corporate Plan, page 32.

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Question No: 102

Program No. 1.1

Hansard Ref: In Writing

Topic: Wireless bandwidth

Senator Birmingham asked:

Will the Department confirm whether or not the NBN will be profitable if wireless technologies continue at the current take-up rate as the past few years?

Answer:

See answer to Question on Notice No. 89.

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Question No: 103

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What steps has the Government taken to ensure the company's internal controls and financial governance are robust, and the interests of Australian taxpayers are fully and properly protected?

Answer:

The Australian Government endeavours to ensure that NBN Co Limited's (NBN Co) internal controls and financial governance remains transparent and robust in order to ensure the interests of Australia taxpayers are fully protected.

As NBN Co is a wholly-owned Commonwealth company, it has been prescribed as a Government Business Enterprise (GBE). NBN Co is subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act), the *Corporations Act 2001* (Corporations Act) and the Governance Arrangements for Commonwealth Government Business Enterprises (June 1997) (Governance Arrangements).

The Governance Arrangements set out the broader policy framework under which GBEs operate and shapes the relationship between NBN Co and the Shareholder Ministers. Key documents to be submitted by NBN Co over a yearly reporting period include: The Annual Reports and Statement of Corporate Intent, which are tabled in Parliament; and the Corporate Plan and Progress Reports which are commercially sensitive documents provided to Shareholder Ministers. Regular reporting ensures that the interests of Australian taxpayers are fully protected.

NBN Co maintains regular reporting to its Shareholder Ministers and as a government-owned company is publicly accountable and subject to Parliamentary scrutiny through a number of Senate committees and audit by the Auditor General.

NBN Co is committed to meeting high standards of corporate governance while meeting its obligations to its Shareholder Ministers and compliance requirements under the CAC Act, Corporations Act and Governance Arrangements.

A number of internal committees have been established to ensure that NBN Co fulfils its governance responsibilities.

The Audit Committee, consisting of at least three members of the Board - the majority being independent Non-Executive Directors, provides assurance to the Directors that NBN Co is complying with its obligations under the CAC Act and the Corporations Act and provides a forum for communication between the Directors, senior managers and internal and external auditors of NBN Co.

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NBN Co also has an Executive Committee, comprised of the Business Function Heads and the Chief Executive Officer. The Executive Committee is the senior management body which advises the Chief Executive Officer on operational matters and reviews strategies, position papers, policies and proposals for referral to the Board.

The Implementation Committee assists the Board in fulfilling its governance responsibilities in connection with the procurement, construction and implementation processes of the NBN. The Committee consists of at least two Non-Executive Directors.

The People and Performance Committee assists the Board in fulfilling its overseeing and governance responsibilities for people management and remuneration policies. The Committee consists of not less than three members of the Board, the majority being independent Non-Executive Directors.

In addition, NBN Co voluntarily adopts the Australian Securities Exchange's Corporate Governance Principles and Recommendations (Second Edition, August 2007 as amended in 2010) as these principles and recommendations deal with ethical behaviour, respecting the rights of shareholders and recognising and managing risk

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Question No: 104

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What formal recruitment and vetting processes were used by the Government and NBN Co in 2009 prior to choosing Mr Quigley and Mr Beaufret for their respective roles at NBN Co?

Answer:

The Australian Government utilised the services of the Egon Zehnder International executive search agency in the search for the NBN Co Limited's (NBN Co) Chief Executive Officer. Thorough background checks were undertaken on all candidates which included police and credit record checks as well as personal references to ensure all candidates were suitable.

Mr Beaufret was appointed by NBN Co following a recruitment process initiated by Mr Quigley with Egon Zehnder International for a number of senior executive appointments.

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Question No: 105

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What knowledge of the bribery investigation by the US Securities and Exchange Commission at Alcatel did the Government have prior to appointing Mr Quigley as CEO in July 2009 and Mr Beaufret as CFO in September 2009?

Answer:

The Australian Government stands behind Mr Quigley's appointment as CEO of NBN Co Limited because of his vast experience and outstanding qualities.

At the time of Mr Quigley's appointment the US Securities and Exchanges Commission investigation was focused on the operation of Alcatel-Lucent's subsidiary in Costa Rica, with actions restricted to those directly involved in Costa Rica. The government was not aware of the US Securities and Exchange Commission and the US Department of Justice investigation into Alcatel-Lucent when Mr Quigley and Mr Beaufret were appointed to NBN Co. The government would like to emphasise that the investigation focused on Alcatel's South American offices and neither Mr Quigley nor Mr Beaufret were questioned as part of the investigation.

The Australian Government utilised the services of the Egon Zehnder International executive search agency in the search for the NBN Co Limited's (NBN Co) Chief Executive Officer. Thorough background checks were undertaken on all candidates which included police and credit record checks as well as personal references to ensure all candidates were suitable.

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Question No: 106

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

Did Mr Quigley or Mr Beaufret disclose it was underway prior to their appointment? If the Government was aware of the investigation, as it ought to have been, how did it establish that Mr Quigley and Mr Beaufret were neither directly involved nor indirectly responsible for the “lax corporate control environment” noted by the SEC?

Answer:

The Australian Government was not aware of the United States Securities and Exchanges Commission and the United States Department of Justice investigation into Alcatel-Lucent when Mr Quigley or Mr Beaufret were appointed. Mr Quigley and Mr Beaufret did not declare the investigation at the time of appointment to NBN Co Limited as neither were questioned as part of the investigation.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 107

Program No. 1.1

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

Is it correct that Mr Beaufret is in charge of NBN Co's internal controls and financial governance? How exactly has the Government made itself comfortable with the proposition that Mr Beaufret will perform these duties better as CFO of NBN Co than he did as CFO of Alcatel?

Answer:

Yes, as Chief Financial Officer (CFO), Mr Beaufret is responsible for NBN Co Limited's (NBN Co) internal controls and financial governance.

Mr Beaufret was appointed by NBN Co due to his skills, previous experiences and ability to perform the duties of CFO to a high standard.