

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

**Question: bet 161**

**Topic: National Broadband Network #2**

**Hansard Page: E64-65**

**Senator Coonan asked:**

**Senator COONAN**—You were not concerned, for instance, that any take-up rates were assumed; you did not check any of the assumptions in the costings?

**Senator Conroy**—I think you are asking the officer to speculate and comment on policy formulation.

**Senator COONAN**—No. I am asking what he did.

**Senator Conroy**—No, you are not. You asked him whether they had any concerns. That is not, ‘Did you get up and walk around the table?’ It is, ‘What did you think?’

**Senator COONAN**—I will rephrase it. Did Treasury devote any resources to assessing any financial risks in the National Broadband Network?

**Mr Murray**—Again I think that goes to the heart of our advice.

**Senator BUSHBY**—No. It is not asking what the assessment was—

**Senator ABETZ**—No, not what the advice was.

**Senator BUSHBY**—just whether you conducted it.

**Senator ABETZ**—Exactly.

**Senator Conroy**—No. The process of the creation of advice involves a whole range of activities. I think the officer is rightly suggesting that you are probably crossing the line. Perhaps you would like to rephrase the question, or I can take it on notice—whichever you prefer.

**Senator ABETZ**—Once again, a material issue is being taken on notice—

**Senator Conroy**—No. I invited you to reword the question.

**Senator ABETZ**—in circumstances where it must be within Mr Murray’s personal knowledge whether or not advice of the nature asked for by Senator Coonan was obtained.

**Senator Conroy**—If you are not prepared to respect the conventions, you can pass all the resolutions that you like—

**Senator ABETZ**—Can I finish?

**Senator Conroy**—but you know that it will not matter. If you are not prepared to respect the convention—

**CHAIR**—Minister, we are going around and around in circles with this answer. Do you want to take that question on notice, or is that it?

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**Senator ABETZ**—It is.

**CHAIR**—I think Senator Coonan has the call.

**Senator ABETZ**—Senator Coonan kindly passed to me.

**CHAIR**—If Senator Coonan has finished, we have Senator Cameron waiting for the call.

**Senator ABETZ**—No, she has not finished.

**CHAIR**—If Senator Coonan is no longer asking questions, I will move to Senator Cameron.

**Senator Conroy**—I am sure that Senator Coonan has more questions.

**Senator ABETZ**—Of course she has.

**Senator COONAN**—I have quite a few other questions.

**CHAIR**—Please proceed, Senator Coonan.

**Senator COONAN**—Treasury are concerned about telling us whether or not they devoted any resources to assessing financial risks—although you must have done or you would be derelict in your duty, I would think, because there are certainly plenty of financial risks in this one.

**Senator CAMERON**—Like your roting of the Murray-Darling.

**Senator COONAN**—Take that on notice, by all means. Were any resources devoted to analysing the return to shareholders in the venture?

**Senator Conroy**—That would fall, I am sure, into the same category as the last question and it would lead to the same response..

**Answer:**

**1. Did Treasury devote any resources to assessing any financial risks in the National Broadband Network?**

Treasury considered the implications of the National Broadband Network for the Australian Government's budget, in keeping with its role in providing advice to the Treasurer on this matter. This included some consideration of financial risks. However, such matters were dealt with primarily by the Department of Broadband, Communications and the Digital Economy, which has policy responsibility for the National Broadband Network, and the Department of Finance and Deregulation, which was jointly responsible for the preliminary costings of the National Broadband Network with the Department of Broadband, Communications and the Digital Economy, and also has whole-of-government responsibility for contingent liabilities.

Further, detailed examination of the financial aspects of the National Broadband Network will be undertaken as part of the implementation study for the Network announced by the Australian Government.

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**2. Were any resources devoted to analysing the return to shareholders in the venture?**

No.

Detailed examination of shareholder returns will be undertaken as part of the implementation study for the Network announced by the Australian Government. Such analysis is the responsibility of the Department of Broadband, Communications and the Digital Economy and the Department of Finance and Deregulation, reflecting that the Australian Government shareholder ministers in the proposed National Broadband Network company are the Minister for Broadband, Communications and the Digital Economy and the Minister for Finance and Deregulation.