

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 2/2.1

Topic: Meetings with NBN Co

Senator: Cormann/Ryan

Question reference number: F17

Type of question: Written; & Hansard F&PA Committee, page 58, 14 February 2012

Date set by the committee for the return of answer: Friday, 30 March 2012

Number of pages: 2

Question:

- a) How many times has Senator Wong met with the head of NBN Co. Mike Quigley since her appointment as Finance Minister?
- b) How many times have you met with any of the other board members
 - Mr. Harrison Young – Chairman,
 - Ms Diane Smith-Gander (Deputy Chair and Chair of the People and Performance Committee)
 - Mr. Clement (Clem) Doherty,
 - Mr. Terrence (Terry) Francis (Non Executive Director and Chair of the Implementation Committee)
 - Mr. Peter Hay (Non Executive Director)
 - Ms Siobhan McKenna (Non Executive Director and Chair of the Communications Committee) Mr. Gene Tilbrook (Non Executive Director and Chair of the Audit Committee)
 - Mr Richard (Rick) Turchini (Non Executive Director)
- c) Do you regularly meet with other senior members of the company to receive updates, or do they seek your counsel or opinions in relation to the direction of the company?
- d) Have you attended any NBN Co board meetings, presuming you are permitted to do so?

Answer:

- a) In addition to the Strategy Meeting noted in d) below, the Minister for Finance and Deregulation had met with Mr Mike Quigley, CEO and Director of NBN Co, on eight occasions (22 September 2010, 1 December 2010, 20 December 2010, 1 April 2011, 8 June 2011, 20 June 2011, 23 June 2011 and 30 November 2011).

- b) In addition to the Strategy Meeting noted in d) below, the Minister for Finance and Deregulation had met with Mr Harrison Young, Chair of NBN Co, on seven occasions (13 October 2010, 1 April 2011, 8 June 2011, 20 June 2011, 19 August 2011, 22 September 2011 and 30 November 2011).
- c) NBN Co is a Corporation Act company that is prescribed as a Government Business Enterprise (GBE). Consistent with the *Corporations Act 2001* and the Commonwealth GBE Governance and Oversight Guidelines (2011) (GBE Guidelines), NBN Co's Board is responsible for the performance and strategic direction of the GBE.

The Minister for Finance and Deregulation, as a Shareholder Minister, works closely with NBN Co when developing their Corporate Plans and Quarterly Reports and other key policy decisions to ensure that objectives are met.

NBN Co is required to notify Shareholder Ministers of significant events and the operations of the company and its subsidiaries, similar to the continuous disclosure arrangements of the Australian Stock Exchange listing rules. Under these requirements, NBN Co, like any GBE, regularly reports to Shareholder Ministers on its progress. In particular, NBN Co provides advice on a regular basis on the progress of the NBN rollout, signing of key contracts, tracking of performance and flagging any issues at an early stage.

- d) The Minister for Finance and Deregulation has not attended any NBN Co Board meetings. However, consistent with Section 3.26 of the Commonwealth Government Business Enterprise Governance and Oversight Guidelines, the Board held an annual strategy day on 15 March 2012, which was attended by the Minister for Finance and Deregulation.