

**Standing Committee on Finance and Public Administration**

ANSWER TO QUESTION ON NOTICE

Supplementary Budget Estimates Hearing – October 2009

Department of Finance and Deregulation

Finance and Deregulation Portfolio

**Outcome 1, Program 1.1**

**Topic: National Broadband Network**

**Question reference number: F36a to F36c**

**Type of Question: Hansard F&PA Page 36, 20 October 2009**

**Date set by the committee for the return of answer: 4 December 2009**

**Number of Pages: 2**

**Senator Coonan asked:**

a)

Mr Tune—The [NBN Co. equity injection] approval was given in the context of the budget, so there would have been a budget decision. As to the issue about when, I do not think it has actually gone in yet. I know some has gone in.

Senator COONAN—Could you take that on notice?

b)

Mr Lewis—Again, we can check this, but we understand that there have been three equity injections to date. The first one was for \$10, the second one was for \$10 million and the third one was for \$50 million. If you are after dates, I am sure we could persist with that.

Senator COONAN—Perhaps you could tell me where—

Mr Lewis—Source and date?

Senator COONAN—Yes, please...

c)

Senator COONAN—What is the time frame for future equity injections in the company?

Mr Lewis—It may be better to take that question on notice. The only reason I say that is that it is obviously going to be dependent on the work currently underway in relation to the implementation study, which is looking at a whole range of elements, from network design through to what that means for the expenditure profile for NBN. It might be better if I take that question on notice. It may well be one that I need to consult the broadband department about as well.

[...]

Senator COONAN—But, anyway, you will give me the time frame when you have consulted about it?

Mr Tune—I am not clear there is a time frame for the rest of the equity to go in at this point in time. There is nothing definite at this point in time.

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Senator COONAN—There will have to be something, so I would like you to take the question on notice, or give me the answer now if you can, about the future time frame for equity injections in the company.

Mr Tune—Yes.

**Answer:**

a)

In response to parliamentary question on notice No. 2213 asked by Senator Minchin on 15 September 2009 Minister Stephen Conroy stated:

(1)(a) The Government has injected equity of \$60 million into NBN Co Limited (NBN Co). A further \$10 was provided as initial share capital on incorporation on 9 April 2009.

(1)(b) The equity injections occurred on the following dates:

- 30 June 2009 – \$10 million; and
- 21 August 2009 – \$50 million.

(1)(c) The funds were transferred from the Building Australia Fund Special Account to the Building Australia Fund Communications Portfolio Special Account prior to the transfer to NBN Co.

This response was tabled on 29 October 2009.

b)

As per answer (a) above.

c)

Budget Paper No. 2 of 2009-10 (page 409) stated that the profile of these equity injections is expected to be \$30.0 million in 2008-09, \$750.0 million in 2009-10 and \$3,670.0 million in 2010-11.

Provision has been made in the contingency reserve for future equity investments in the National Broadband Network (NBN). As stated in Budget Paper No. 1 of 2009-10 (page 6-53) the amount of this provision has not been disclosed because it is subject to the outcome of the Implementation Study and subsequent commercial negotiations. The timing of the Government's future equity contributions will be further considered in the context of the NBN Implementation Study.