

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 2, Program 2.1

Topic: NBN Co Limited

Question reference number: F40

Type of Question: Hansard F&PA page 39, 20 October 2009

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

Number of Pages: 1

Senator Coonan asked:

Senator Coonan—Will the finance minister be required to approve the level of the company's borrowings?

Mr Tune—I am not sure of the answer to that on whether there is to be a specific borrowing limit. I guess in coming to a view about the corporate plan there is some degree of approval going on. Whether it is formally about that particular aspect I would have to take on notice.

Senator Coonan—All right...

Answer:

Consistent with all Government Business Enterprises, except for Defence Housing Australia, the Finance Minister is not required to approve the level of the company's borrowings.

NBN Co Limited (NBN Co) is subject to the *Corporations Act 2001*, *Commonwealth Authorities and Companies Act 1997* (CAC Act) and the *Governance Arrangements for Commonwealth Government Business Enterprises* (June 1997) (Governance Arrangements). Among other things, both the CAC Act and the Governance Arrangements place obligations on the directors of Government Business Enterprises (GBEs) to keep Shareholder Ministers (for NBN Co the Shareholder Ministers are the Minister for Finance and Deregulation and the Minister for Broadband, Communications and the Digital Economy) informed of significant events involving the company or any of its subsidiaries.

NBN Co is also required under the CAC Act and the Governance Arrangements to prepare a Corporate Plan, which will cover any proposed borrowings. The Corporate Plan is considered by the Shareholder Ministers each year.