

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Department of Finance and Deregulation

Supplementary Estimates Hearing – October 2010

Outcome: 1, Program 1

Topic: Telstra

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Senator Cormann asked:

Who is providing you with that advice? I do not want to know the content of the advice, but what advice have you been seeking in terms of the categories of advice or support that you might have been accessing?

Mr Costello—That is a question that I will take on notice for a number of reasons. Clearly, to the extent that there is factual information that needs to be correct, and I do not have that with me.

Senator CORMANN—Sure.

Mr Costello—Secondly, I think there are a number of conventions around the disclosure obligations on the board itself in terms of the way it conducts its business and it would be important to clarify those.

Senator CORMANN—I am happy for you to do that. But if you can please then provide the committee with: an itemised list of the costs of you conducting the transactions that you have conducted, who has provided advice, what the cost of the contracts that you have entered into was, the names of the advisers, what was the purpose, how long the contracts were for and the end date of any contracts.

Answer:

In managing the Telstra holding the Board draws on advice, including investment and legal advice, from a number of organisations.

The Board has indicated that its intention is to reduce the Telstra holding in an orderly manner over the medium term. As such details of its advisors and their costs are commercially sensitive. In seeking external advice the Board ensures that it negotiates appropriately commercial arrangements.

The Future Fund's annual report provides details of the costs of operating the entire portfolio both including and excluding the Telstra holding.