

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates Hearings May 2015**

**Communications Portfolio**

**Australian Broadcasting Corporation**

**Question No: 37**

**Program No. Australian Broadcasting Corporation**

**Hansard Ref: Page 27-28, 27/5/2015**

**Topic: ABC Website**

**Senator Conroy, Stephen asked:**

**Senator CONROY:** I will move on. I am curious about two things. Firstly, why does your website selectively quote the coalition promises—\$29.5 billion in public funding—when the coalition policy clearly states that the \$29.5 billion was the total funding amount for the NBN; equity and debt? Second, why does your Promise Tracker website still list this promise as in progress when it was broken 18 months ago—and quite spectacularly broken, given that the coalition's NBN is \$12.5 billion over the coalition's actual stated price?

**Mr Scott:** I will take those questions on notice.

**Senator CONROY:** So the ABC website, on these two coalition promises, is just wrong. It is wrong in that it clearly favours the communications minister. Is this incompetence or design?

**Mr Scott:** I will take on notice your questions about the fact checking unit.

**Senator CONROY:** Will you undertake to correct the material on the website?

**Mr Scott:** I am interested in the assessment of the fact checking unit on the issues that you have raised. I will respond once I have heard their views.

**Senator CONROY:** The third promise that the ABC is tracking is the coalition's promise to conduct three reviews into the NBN. Your website correctly identifies that this promise has been delivered, but it does not seem to notice that he has conducted seven reviews that cost about \$12 million. Is there a reason that they have not mentioned that he has done seven reviews, rather than three?

**Mr Scott:** I will have to take that on notice. Is that a broken promise or is that exceeding a promise?

**Senator CONROY:** It depends on your definition, I guess, Mr Scott. But speaking more generally about the ABC's coverage of the NBN, the ABC's technology section used to publish an extensive amount of quality journalism on the NBN, with some very detailed pieces. I have been to it regularly. I go there to see what the latest news is, but nothing seems to be happening at all any more. There are almost no stories. Nick Ross used to write extensively for it. Now I can't find a single Nick Ross story on the website. Why is that?

**Mr Scott:** We are looking at that website. That is separate to the issue that you are raising about how many websites we run and where we run material to get its greatest audience. But again, I will take that on notice. I am not aware of any issue there.

**Answer:**

This issue is explained in the description of the Coalition's commitment in "[Promise check: Complete the National Broadband Network with \\$29.5 billion in taxpayer funding](#)".

As the promise check states, ABC Fact Check considered the Coalition's policy document *The Coalition's plan for fast broadband and an affordable NBN*. The Coalition said taxpayer funding

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would be limited to \$29.5 billion and also said that \$29.5 billion would be the total required funding.

The promise check contains these two passages:

- “The statement of expectations will specify a limit on the public capital available to NBN Co,” the plan said. “This limit will be \$29.5 billion.”
- “The Coalition also said that \$29.5 billion would be enough to implement the project.”

“This is reflected in the policy documents, which described \$29.5 billion as the project's "required funding". The detailed plan defined "required funding" as "the money a new project or company needs to raise (as equity or debt) to reach a point where it can sustain itself without assistance".”

The policy further defined "required funding" as "the sum that NBN Co needs to raise from taxpayers or investors to pay for its network and any operating losses it incurs while the network is built, up until the time that NBN Co becomes cash flow positive and financially self-sufficient".

ABC Fact Check decided to check the Coalition’s promise to build the NBN with taxpayer funds limited to \$29.5 billion, given that this commitment was of significance to all taxpayers and for the sake of clarity in tracking the promise.

According to the budget papers, the Government has so far spent less than \$29.5 billion. The 2015-16 Budget Paper No. 1 contains projected equity funding of \$21 billion in the three years to 2016-17. It says: “The Government’s equity contributions are capped at \$29.5 billion.” The 2014-15 Budget Paper No. 1 showed an additional equity funding of \$3.4 billion in 2013-14, and a total of \$24.3 billion for the five years to 2017-18.

The issue of the funding requirements described in NBN Co’s strategic review released on December 12, 2013 is dealt with in an update to “Promise check: Complete the National Broadband Network with \$29.5 billion in taxpayer funding”.

The update, headed “Strategic review forecasts cost blowout”, contains the following passage: “the MTM [Multi Technology Mix] is the cheapest of six scenarios and will cost \$41 billion - \$11.5 billion more than the Coalition's pre-election figure of \$29.5 billion”.

A footnote to the strategic review's breakdown of funding says: "Equity funding is capped at \$29.5 billion in accordance with the Government's policy statement with any further funding requirements assumed to be met by debt funding."

For these reasons, ABC Fact Check considers that the promise remains “in progress”.

The ABC’s Technology and Games website covers a wide range of technology and games related issues and developments with very few resources. The site has a single editor who edits the site and is its only dedicated writer. Prior to the last election it was appropriate for the Technology and Games site to provide its readers with explanation and analysis of the competing technologies proposed by the then government and the Opposition. The election effectively ended that debate. In the post election environment the focus has shifted to scrutiny of the roll out of the

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Government's NBN and its financial performance, not a discussion about the technology itself. The ABC continues to report and scrutinise these issues in its daily news and current affairs programs, its business and finance coverage, and on the [Fact Check website](#).