

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2014
Communications Portfolio
NBN Co Limited

Question No: 75

Program No. NBN Co Limited

Hansard Ref: Page 47 (25/2/2014)

Topic: FSAMs

Senator Conroy asked:

Depending on your definition of 'design' and 'construction'—but, as we have said, Dr Switkowski has accepted. But also Visionstream obviously had some difficulties, so it is possible that they, as you suggest, had done no work at all, not even the trundling down the street. Will Visionstream be paid in full for their original contract? Will they receive the same amount of money?

Mr Brown: Will they be paid in full when they finish the work?

Senator CONROY: Will they receive the same amount of money as they were forecast and announced on the stock exchange that they were going to receive for the 36,000 premises?

Mr Brown: The amending agreement included new commercial terms, which are commercially sensitive and in confidence and we are not going to—

Senator CONROY: I am just asking whether they are going to be paid the amount of money announced on the stock exchange and that you—not you, but the NBN has previously acknowledged. The question I am asking is: are they going to be paid the same amount of money for 225,000 premises or are they going to get paid for whatever they have already done, plus the 36,000? This is a very germane question that you will ultimately have to answer. It is not about the sensitivity about per FSAM; this is about a quantum, and quantum you have to tell us. So what is the quantum of the new contract?

Mr Brown: As I have attempted to point out, the 36,000 premises that are covered by the 16 FSAMs under the amending agreement is a subset of the original contract. They will be paid consistent with the terms of the original contract and any amendments we make as part of that—

Senator CONROY: Are you getting any money back from the—was the original contract \$350 million?

Mr Brown: I would need to take that on notice. That is approximately correct.

Answer:

Visionstream will be paid for the work they complete. The original contract sum for the four year contract term is \$171 million for the Brownfield's fibre rollout.