



The Hon Malcolm Turnbull MP

MINISTER FOR COMMUNICATIONS

- 4 MAR 2015

Ms Christine McDonald  
Secretary  
Senate Standing Committee on Environment and Communications  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

### **Additional Estimates 2014-15**

Dear Secretary

I refer to your letter of 25 February 2015 to Mr Bill Morrow, Chief Executive Officer of NBN Co Limited (NBN Co), in which you requested that NBN Co should provide a statement of commercial harm to the Committee, if the company intends to rely on Procedural Order No. 11 relating to claims of commercial confidentiality.

I understand that NBN Co is making this claim in relation to a request from the Committee to provide information about the value of its construction contracts.

I have attached a letter from Mr Bill Morrow, Chief Executive Officer of NBN Co, in which the company provides a statement of the specific harm to the company's commercial interests which would ensue from the disclosure of detailed information about its construction contracts.

Yours sincerely

Malcolm Turnbull

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### **Additional Estimates 2014 -15**

On 25 February 2015, the Secretary of the Senate Standing Committee on Environment and Communications (the Committee) wrote to NBN Co Limited (NBN Co) requesting that the company consider whether it should submit a claim for commercial confidentiality in relation to questions around the value of NBN Co's construction contracts pursuant to Procedural Order 11.

NBN Co is transitioning its current suite of construction contracts to a multitechnology mix (MTM) model contract known as the 'Multi-technology Integrated Master Agreement' (MIMA). The MIMA contracts are currently being negotiated and prices, terms and conditions are yet to be agreed with potential vendors. Consequently, the information requested relating to the MIMA contracts is not finalised and in any event, should be considered commercial in confidence.

Disclosure could cause commercial harm to NBN Co because potential delivery partners under the MTM model could use this information to deduce what has been offered to other delivery partners including before they have agreed and committed to final contractual terms.

We consider that this awareness may significantly reduce competitive market tension between NBN Co's current and potential future delivery partners, and may also minimise the opportunity for NBN Co to realise productivity improvements and therefore achieve future cost reductions for the project.

NBN Co appreciates the importance of the company to the Government's commitment to deliver fast, affordable and reliable broadband to all Australians, and the company stands ready to assist both the Minister and the Committee towards this end.

Yours sincerely,

Bill Morrow  
Chief Executive Officer

Copied to:

Dr Ziggy Switkowski AO, Chairman, NBN Co Limited  
Mr Drew Clarke, PSM, Secretary, Department of Communications  
Ms Jane Halton, PSM, Secretary, Department of Finance  
Mr Stephen Rue, Chief Financial Officer, NBN Co Limited  
Mr Greg Adcock, Chief Operating Officer, NBN Co Limited

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