

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates February 2017**

**Communications Portfolio**

**Department of Communications and the Arts**

**Question No: 14**

**Department of Communications and the Arts**

**Hansard Ref: Written, 14/03/2017**

**Topic: MBP Grant Reporting**

**Senator Urquhart, Anne asked:**

The Department's Grant Reporting says that a grant of \$94,800,140 was made to Telstra and a grant of \$15,199,860 to Vodafone for Round 1 – does that mean that money has been paid to Telstra and Vodafone? If not, please explain how the funding is paid to the mobile network providers and the milestones that are used for payments.

**Answer:**

The reported amounts are the total values of the respective funding agreements with Telstra and Vodafone. Upon execution of each funding agreement, the Department paid an initial mobilization payment to Telstra (10 per cent) and Vodafone (20 per cent).

Under the funding agreement, the Department makes payments upon completion of individual base stations. The individual payments are a fixed portion of the respective base station's contract value:

- Telstra: 80 per cent of the base station's contract value
- Vodafone: 70 per cent of the base station's contract value

The Department makes a final 10 per cent payment at the end of the program, when each carrier completes their rollout. This payment is adjusted to reflect any savings achieved through the rollout.