

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2015-16

Finance Portfolio
9 February 2016

Department/Agency: Department of Finance
Outcome/Program: 2/2.1
Topic: Additional NBN funding as shown in MYEFO

Senator: McAllister

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Question:

Senator McALLISTER: We might have some questions, I think, about program 2.1 and some of the government business enterprises. Can I start with MYEFO and the information that appears there about the NBN and allocations to the NBN company. In the budget papers there was an NBN investment in 2015-16 and 2016-17 that totalled \$16.165 billion in the original budget. In the MYEFO that figure has increased over that same period and is up \$148 million. I was hoping you could provide an explanation for the additional equity being provided to the NBN there.

Mr Edge: Senator, we would have to take on notice the exact reasons for that \$148 million variation. Although that sounds like a lot it is a relatively immaterial variation in terms of the equity profiles for the NBN. But we can certainly take on notice the reasons why it is varied in the MYEFO numbers.

...

Senator Cormann: But the thing is: in the context of a \$29.5 billion overall equity injection, I suspect it will be a timing issue. But why don't we take it on notice. As Mr Edge says, when taken out of context it sounds like a high number but in the context of a \$29.5 billion equity injection it is obviously a comparatively low number.

Answer:

No additional equity has been provided. The Government's equity contribution remains at \$29.5 billion. In the financial year 2014-15, NBN Co Limited received \$4.767 billion in equity, compared with \$4.917 billion forecast in the 2015-16 Budget. This underspend (approximately \$0.150 billion) was reallocated to the 2015-16 and 2016-17 financial years in the 2015-16 MYEFO.