

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2009

Department of Finance and Deregulation

Finance and Deregulation Portfolio

Outcome 1, Output 1.1

Topic: National Broadband Network

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Senator Coonan asked:

Can you take this on notice, please, and give me a detailed answer in relation to broadband—about the mechanics of how you went about the costing process.

I am interested in the components—what you did.

Answer:

As with any costing, Finance assesses the costs proposed by the agency responsible for the policy proposal. Each costing is considered on its merits and within a particular context. In the case of the National Broadband Network proposal, the requirement was to establish a robust preliminary estimate of the cost of building the network.

The “mechanics” of the costing process, which extended over several weeks, were broadly as follows:

- Finance was provided with the preliminary costing that had been prepared by the Department of Broadband, Communication and the Digital Economy (DBCDE);
- Finance met with DBCDE officials to discuss DBCDE’s preliminary costing. Further discussions were held on an iterative basis to clarify aspects of the DBCDE information and in relation to specific areas where additional information was required;
- the final costing reflected the best preliminary cost estimate that could be developed by Finance and DBCDE prior to the National Broadband Network Implementation Study.