

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2012-2013

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 1/1.1

Topic: Costings for the NBN

Senator: Cormann

Question reference number: F9

Type of question: Hansard, F&PA Committee, page 27, 23 May 2012

Date set by the committee for the return of answer: Friday, 6 July 2012

Number of pages: 2

Question:

Senator CORMANN: Do you know how the costings for the NBN in relation to that were determined?

Mr Tune: In relation to the equity profile?

Senator CORMANN: Yes.

Mr Tune: They are based on the latest corporate plan. It is adjusted a little bit for experience in 2011-12.

Senator CORMANN: What recent adjustments have been made to the corporate plan?

Senator Wong: There is an adjustment for funding not spent in 2011-12, which was moved into 2012-13. I have got the revised profile. I have not got a table which shows that against it, but I do have—

Senator CORMANN: I think there is somebody rushing up from the back to furiously assist you.

Mr Tune: The profile up to the end of 2011-12 in the corporate plan was \$4.8 billion. The profile that is now in the budget to the end of 2011-12 is \$3.4 billion.

Senator Wong: I think there is an error in that.

Mr Tune: Sorry. I will retract that. I am going to take this on notice because I have got conflicting numbers here.

Senator Wong: I think the numbers I read out previously are correct. But your question is: what is the adjustment—

Senator CORMANN: Sorry. What is it?

Senator Wong: I think the numbers I read out previously about the equity profile—

Senator CORMANN: Can you remind us of what the numbers were?

Senator Wong: They are \$5.7 billion, \$6.6 billion, \$4.1 billion and \$3.6 billion over the forward estimates. What I do not have and will need to check, if I can, is how that varies from the previous.

Answer:

Statement 7, Budget Paper No.1, page 7-10 of the 2012-13 Budget notes the following:

There have been some delays to the rollout of the NBN over the course of 2011-12, owing to the delay in finalising the Definitive Agreements between NBN Co and Telstra and in NBN Co negotiating better value construction contracts. As a result, NBN Co's equity requirement from Government in 2011-12 has decreased to reflect these delays from \$3.4 billion to \$2.1 billion. The Government will provide \$20.1 billion in equity to NBN Co over four years from 2012-13.

The amended equity profile is as follows:

\$billion	2011-12	2012-13	2013-14	2014-15	2015-16
Profile in the 2011-12 MYEFO	3.44	4.40	6.60	4.10	3.60
Profile in the 2012-13 Budget	2.05	5.79	6.60	4.10	3.60