

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings May 2014

Communications Portfolio

NBN Co Limited

Question No: 270

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Peak funding

Senator Urquhart asked:

The assumptions used for the Revised Outlook in the Strategic Review on funding were that “the existing Equity Funding Agreement between NBN Co and its shareholders remains in place and all funding beyond \$30.4 billion would be funded by debt.” (Page 38) The NBN Co Corporate Plan 2012-15 stated that “The modelling of the long term funding profile assumes that NBN Co will seek external funding from banks and financial markets without explicit guarantees from the Shareholder Ministers.” Was this assumption changed in determining the peak funding requirement under the revised outlook?

Answer:

Please refer to page 12 of the Strategic Review December 2013 Final Report:

“... The Independent Assessment concluded that based on the Revised Outlook it is highly unlikely that debt funding will be available from a third party financier in the near to mid-term in the absence of a Government guarantee ...”.

NBN Co is preparing its 2014-17 Corporate Plan on the assumption of no explicit Government guarantee.