

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Supplementary Budget Estimates Hearings November 2013**  
**Communications Portfolio**  
**Department of Communications**

**Question No: 548**

**Program No. 1.1**

**Hansard Ref: In Writing**

**Topic: Review of broadband quality and availability**

**Senator Urquhart asked:**

1. When the NBN Co Strategic Review refers to peak funding (all equity) is this the same thing as unlevered peak funding as referred to in the Corporate Plan?
2. When the NBN Co Strategic Review refers to peak funding (debt and equity) is this the same thing as levered peak funding as referred to in the Corporate Plan?
3. The NBN Co Strategic Plan estimates peak funding (all equity) for the Revised Outlook as \$63 billion and peak funding (debt plus equity) as \$73 billion. Is the \$10 billion cost of debt financing based on the interest rates that would apply without an explicit guarantee?

**Answer:**

1. Yes. The NBN Co 2012-15 Corporate Plan (pg79) projected a peak unlevered funding requirement of \$40.4 billion by Financial Year 2021.

This is equivalent to the peak funding (all equity) estimate provided in the Strategic Review (pg17) for Scenario 1 of \$63 billion.

2. Yes. The NBN Co 2012-15 Corporate Plan assumed levered funding of \$44.1 billion to Financial Year 2021. This is the equivalent to the peak funding (debt and equity) financial outcomes provided in the Strategic Review (pg17) for Scenario 1 of \$73 billion.
3. Yes. The \$10 billion difference between the \$63 billion peak funding (all equity) for the Revised Outlook and the peak funding (debt plus equity) of \$73 billion relates to the cost of debt financing and is based on the interest rates that would apply without an explicit Government guarantee.