

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearing November 2016
Communications Portfolio
NBN Co Limited

Question No: 176

NBN Co Limited

Hansard Ref: Page 34-35, 25/11/2016

Topic: Credit rating - Mechanism of transmitting

Senator Dastyari, Sam asked:

Senator DASTYARI: On the telephone call, or hook-up, or whatever we call it, on 8 November, you would not reveal what the credit rating was. It is the correct?

Mr Rue: That is correct.

Senator DASTYARI: Could you explain to me why? What is the decision behind not revealing it?

Mr Rue: Sure. There are two types of credit ratings that you can get. You can get a public credit rating and a private credit rating. A public credit rating is one that the credit agencies are happy for you to make public. But their requirement then is to continue to monitor the company, because, clearly, any outside body can use that credit rating as a way to make decisions. Therefore, the credit rating agencies want to have an ongoing monitoring arrangement with you. That is opposed to a private credit rating, which is clearly one that is kept between the rating agencies and the company and which is used for the company to make various decisions—in this case, to talk about debt.

Senator DASTYARI: And it was on the request of the government?

Mr Rue: It was on the request of government—yes.

Senator DASTYARI: And when you say government, does that mean a request from Treasury? Minister, you might want to jump—when you say government—

Mr Rue: I believe it was a request from both shareholder ministers.

Mr Morrow: So it would be the Department of Finance and the Department of Communications.

Senator DASTYARI: Minister, was this a cabinet decision or was it done at sub-cabinet level?

Senator Fifield: It was a decision of government which was conveyed to NBN. The mechanism of transmitting that we can take on notice.

Answer:

The decision of Government was conveyed to NBN Co Limited via a letter co-signed by the Minister for Communications and the Minister for Finance.