

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Budget Policy Division

Question No: 219

Topic: 2016-17 MYEFO measure – NBN Co Limited – Loan

Reference: Written

Senator: Ketter, Chris

Question:

1. Provide the assumption for the calculations for the interest being paid.
2. Provide the profile of the revenue to be received in underlying cash balance terms.
3. What is the effect on the balance sheet due to the provision of the \$19.5 billion loan?
Does the loan affect the headline cash balance? If so, explain how, and provide the profile over the forward estimates as well as 2020-21.
4. What happens if NBN Co is unable to re-finance the loan, either in full or in part, on external markets?

Answer:

This information requested is largely available in 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO). Page reference numbers are included in the answers below.

1-2. Refer to page 103 of MYEFO for details of the loan.

3. The loan is recorded as a financial asset in the balance sheet (page 208 refers).

Refer to page 238 for details on how the headline cash balance is calculated.

Refer to page 53 of MYEFO for the drawdown profile for the NBN loan.

4. The loan will be re-financed by NBN Co on external markets in 2020-21 as stated on page 103 of MYEFO.