

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

23 – 24 February 2011

Question No: AET 180

Topic: Issuing Bonds to Fund the NBN

Hansard Page: E 119

Senator Cormann asked:

**Senator CORMANN**—Are you going to be involved in the context of issuing bonds to fund the NBN?

**Mr Nicholl**—My understanding is that NBN will take a share of the infrastructure bonds that are issued.

There is a gross amount of debt that will be issued and they will just take a share of that.

**Senator CORMANN**—Do you have a figure around that?

**Mr Nicholl**—No, I do not.

**Senator CORMANN**—You do not have a figure with you or you do not have a figure at all?

**Mr Nicholl**—It is in the MYEFO, as I understand. I do not have the figure with me, no.

**Senator CORMANN**—Maybe your 2IC or 3IC might be able to assist us.

**Mr Parry**—We might have to take it on notice, I think.

**Senator CORMANN**—Okay.

**Answer:**

The 2011-12 Budget indicates that, in light of the revised funding requirements outlined in the NBN Co Corporate Plan, no Aussie Infrastructure Bonds (AIBs) will be required in 2010-11 to fund the Government's investment in the National Broadband Network (NBN) (page 7-15 of Budget Paper No.1).

The initial Government investments in the NBN are being funded from the Building Australia Fund (BAF).

In 2011-12, it is expected that around \$2.7 billion of the Government's investment will be financed by AIBs, through wholesale issuance of Commonwealth Government Securities as part of the Australian Office of Financial Management's overall debt management program.

AIBs will not be separately identifiable from CGS, but will be reported as AIBs in the budget papers.