



Auditor-General for Australia



23 March 2018

The Hon Sussan Ley MP
Chair
Joint Standing Committee on the National Broadband Network
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Ley

Inquiry into the rollout of the National Broadband Network (NBN) in rural and regional areas

The Australian National Audit Office (ANAO) published Audit Report No. 16 2017 -18 [Administration of the National Broadband Network Satellite Support Scheme](#) that you may find relevant to the Joint Standing Committee on the National Broadband Network.

Information about what the audit assessed, concluded and recommended is attached. The audit report is available online at www.anao.gov.au.

Should the Committee require further information in relation to these matters, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing. To arrange a briefing, please contact our External Relations area at external.relations@anao.gov.au.

Yours sincerely

Grant Hehir
Auditor-General

Report No. 16 of 2017–18, *Administration of the National Broadband Network Satellite Support Scheme* assessed whether nbn co limited (nbn) effectively administered the National Broadband Network Satellite Support Scheme.

The audit concluded that:

- nbn effectively administered the NSS Scheme to deliver subsidised satellite services to a limited number of end users for a fixed period of time.
- During the establishment of the NSS Scheme in 2013 and 2014 nbn provided timely and appropriate advice to its two Shareholder Ministers and their respective Departments (Communications and Finance). Both Departments in turn provided appropriate advice to their respective Ministers during the establishment of the NSS Scheme.
- nbn managed demand for the capped NSS Scheme by monitoring how actively the subsidy scheme was promoted by the satellite wholesaler and retail service providers, and by applying clearly defined criteria to accurately determine applicants' eligibility for access to the NSS Scheme.
- nbn's management of the contract between nbn and IPSTAR Australia Pty Ltd (IPSTAR) to deliver the NSS Scheme was largely consistent with indicators of the contract's mid-range value, risk and complexity. nbn adequately monitored the performance of IPSTAR in delivering the agreed service levels outlined in the contract, and made payments to IPSTAR in accordance with the provisions outlined in the contract.

The ANAO recommended that if a variation from the requirements contained in nbn's Purchasing Rules is needed, nbn staff should document the reasons the variance is necessary and seek approval from the delegate specified in the nbn Delegation of Authority Policy.