

**OPENING STATEMENT BY THE DEPARTMENT OF BROADBAND,
COMMUNICATIONS AND THE DIGITAL ECONOMY TO THE JCPAA
REVIEW OF AUDIT REPORT NO 20 OF 2009-10 *THE NATIONAL
BROADBAND NETWORK REQUEST FOR PROPOSAL PROCESS***

The Department welcomes the opportunity to discuss the ANAO report into the RFP process with the Committee.

We note the ANAO's overall conclusion that the Department conducted the request for proposals (RFP) process well, within the parameters of the Government's broadband policy and in accordance with the *Commonwealth Procurement Guidelines*. Notwithstanding that, the process did not result in a successful outcome for a number of reasons including:

- no proposal was sufficiently well developed to present a value for money outcome
- proposals lacked committed private sector funding
- regulatory changes sought by some proponents could have given rise to significant risks for the Commonwealth.

The ANAO also referred in its report the impact of the unforeseen global financial crisis and concluded that this factor significantly reduced the prospect of a successful outcome.

The Department notes that the NBN RFP process was designed to meet the clearly stated policy commitments of a newly elected Government. This commitment extended not only to the reach of a national broadband network, but also to both the technology on which it was to be based and the time frame in which the Government wished to see the project implemented.

In its report, the ANAO has canvassed all relevant aspects of this process fully. The Department welcomes the ANAO conclusions that the Department identified the key risks to a successful outcome to the RFP process, kept the Minister informed of progress throughout the process, and that there was a strong commitment to the time frame.