

APPENDIX 3

Commonwealth's Objectives for the National Broadband Network

The evaluation criteria in clause 10.3 include the extent to which the Proposal meets the Commonwealth's objectives for the NBN project. The Commonwealth's objectives for the NBN project are to establish a national broadband network that:

1. covers 98 per cent of Australian homes and businesses;
2. is able to offer broadband services with a minimum 12 Mbps dedicated downlink transmission speed over each connection provided to a premises;
3. supports symmetric applications such as high-definition video-conferencing;
4. is able to support high quality voice, data and video services;
5. uses fibre-to-the-node or fibre-to-the-premises network architecture;
6. enables uniform retail prices on a national basis;
7. is rolled out and made operational progressively over five years from the date of execution of a contract between the Commonwealth and successful Proponent;
8. continues to promote the long-term interests of end-users;
9. has sufficient capacity to meet current and foreseeable demand and has a specified upgrade path within clear timeframes, consistent with international trends;
10. facilitates competition through open access arrangements that ensure equivalence of price and non-price terms and conditions, and provide scope for access seekers to differentiate their product offerings;
11. enables low access prices that reflect underlying costs while allowing Proponents to earn a rate of return on their investment commensurate with the risk of the project;
12. provides benefits to consumers by providing choice to run applications, use services and connect devices at affordable prices;
13. provides the Commonwealth with a return on its investment of up to \$4.7 billion;
14. is compatible with the Government's related Fibre Connections to Schools initiative;
15. meets Government requirements for the protection of Australia's critical infrastructure;

16. is consistent with national security, e-security and e-safety policy objectives including compliance with laws relating to law enforcement assistance and emergency call services;
17. is consistent with Australia's international obligations; and
18. facilitates opportunities for Australian and New Zealand small and medium enterprises (SMEs) to provide goods and services to the project.

National Broadband Network Evaluation Criteria

The evaluation process is outlined at section 10 of this RFP. Within the framework of an overarching value-for-money assessment, the evaluation criteria against which Proposals will be assessed are:

1. the extent to which the Proposal meets the Commonwealth's objectives for the NBN project (as set out in clause 1.3);
2. the capacity of the Proponent to roll-out, maintain, upgrade and operate the network;
3. the nature, scope and impact of any legislative and/or regulatory changes that are necessary to facilitate the Proposal;
4. the cost to the Commonwealth of the Proposal;
5. the acceptability to the Commonwealth of the contract terms and conditions proposed by the Proponent and the extent to which the Proposal departs from the Commonwealth's notified commercial terms (if any); and
6. the extent of the Proponent's compliance with the RFP.

The criteria are not listed in order of importance. Subject to clauses 10.4 to 10.9, the Panel will evaluate each Proposal against each of these criteria and then undertake a comparative assessment of all Proposals in order to make a recommendation to the Minister for Broadband, Communications and the Digital Economy ('the Minister') as to which Proposal(s) offer the best overall value for money to the Commonwealth. The Minister, following consultation with Cabinet, will be the final decision maker.

