



Australian Government

Department of Communications and the Arts

Mr Wayne Poels
Deputy Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
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Dear Mr Poels

**Regulation Impact Statement (OBPR ID Number 20479) – second pass final assessment –
The Regional Broadband Scheme**

Thank you for your letter of 6 June 2017 including comments on the first pass final assessment of the Regulation Impact Statement (RIS) prepared for the Regional Broadband Scheme. We have amended the RIS in response as set out below.

We have included an additional subsection on how the Government intends to control nbn's costs in relation to the delivery of its fixed wireless and satellite networks. This is under the Implementation section on pages 27 and 28.

We have included further information on why funding the net costs of nbn's fixed wireless and satellite networks through the Regional Broadband Scheme (a levy on a targeted group of companies) is preferable to direct Budget funding (broad-based taxation) (page 11).

We have included further information to explain why a discount rate of 6.46 per cent was used to assess the financial impacts (page 10) including a graph showing the sensitivity of the discount rate (page 43).

We provided additional information on why detailed modelling of Option 4 (targeted post market subsidies) has not been undertaken (page 13).

We have described the status of the RIS at each major decision point (pages 2 and 3).

I am submitting this RIS under delegations made by the Secretary of the Department of Communications and the Arts on 12 April 2016.

I am satisfied that the updated RIS for the Regional Broadband Scheme meets best practice consistent with the *Australian Guide to Regulation* and I submit the RIS for second pass final assessment.

Yours sincerely

A handwritten signature in black ink that reads "Andrew Madsen". The signature is written in a cursive, slightly slanted style.

Andrew Madsen
Assistant Secretary
Broadband Implementation Branch

8 June 2017