

Media Release

Senator the Hon Stephen Conroy

Minister for Broadband, Communications and the Digital Economy
Deputy Leader of the Government in the Senate

Telstra proposal excluded from further consideration under Government's NBN process

The Minister for Broadband Communications and the Digital Economy, Senator Stephen Conroy, today confirmed that Telstra has been excluded from any further consideration in the National Broadband Network (NBN) Request for Proposals (RFP) process.

The Minister has also confirmed that the five proponents who have made public statements about their participation in the process Acacia, Axia, Optus-Terria, TransACT and the Tasmanian Government have all met the requirements and conditions for participation.

Telstra excluded itself from the NBN process for failing to submit a Small and Medium Enterprise (SME) Participation Plan, which is one of five mandatory requirements of the RFP.

"The RFP was specifically designed to give proponents flexibility in preparing their proposals, and there are very few mandatory requirements," Senator Conroy said.

These mandatory requirements are outlined in Sections 10.8 and 10.9 of the RFP, and include that:

- Proposals are written in English;
- Australian legal units of measurement are used;
- Proposals include a complete and signed Proponent's Declaration;
- Proposals for more than one State or Territory must include a proposal for all States and Territories; and
- An SME plan is the condition for participation.

Furthermore clause 1.5.32 of the RFP explicitly states: ***It is a condition for participation in this process that Proponents submit a plan outlining opportunities for Australian and New Zealand SMEs to provide goods and services to the project.***

"There was nothing to stop Telstra from submitting a complete proposal and competing vigorously with other proponents in this process," Senator Conroy said.

"Instead, the Telstra Board failed to comply with the mandatory requirements of the RFP."

"Industry was offered the chance to compete on a level playing field under the RFP. However, the Telstra Board sought special treatment by proposing its own process."

"The rules for the NBN process were set down eight months ago. The rules are publicly available and are exactly the same for all parties."

"NBN proponents were also informed in writing of the mandatory requirements of the RFP on two occasions in November."

"Telstra had more than enough time and resources to fully understand what was required of proponents in this process."

"Telstra's Board will have to explain to its shareholders why it has decided to sideline itself from a process that will shape the Australian communications sector for the next decade."

"The Government's NBN process has always been bigger than Telstra."

"The lengthy and detailed proposals for the NBN that have been received are a vindication of the competitive process established by the Government."

"The Rudd Government stands ready to take the tough decisions necessary to ensure that the telecommunications sector delivers what the nation needs for its long term economic prosperity," Senator Conroy said.

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