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# Appendix one – Response from entity

## Response from Department of Regional NSW

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Department of Regional NSW



RVF23/5914#4

21 June 2024

Bola Oyetunji  
Auditor-General for New South Wales  
NSW Audit Office  
Level 19, Darling Park Tower 2,  
201 Sussex Street Sydney NSW 2000

via email:

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**Re: Performance Audit – Regional Digital Connectivity Program (RDCP)**

Dear Auditor-General

Thank you for your correspondence of 24 May 2024, seeking the Department of Regional NSW's response to the final performance audit report on the Regional Digital Connectivity Program (RDCP) which supports connectivity in regional, rural and remote communities.

The Department has carefully considered the report and accepts the recommendations in full. A response to each recommendation follows:

Audit Office Recommendation	Department Response and Comment
1. Develop an overarching strategy that clarifies the overall purpose and objectives of the RDCP and how RDCP funding should be directed through project-level business cases.	The Department accepts this recommendation. RDCP currently has objectives for each of its three approved business bases within the overall program. While the three business cases have taken a project delivery approach to date mainly due to the different timing of the funding allocations, the Department believes that now is an appropriate stage to formalise an overarching (program-level) strategic direction with objectives.

Audit Office Recommendation	Department Response and Comment
2. Outline the expected timelines for RDCP projects and ensure that these timelines are updated regularly to ensure management oversight of the RDCP's progress.	The Department accepts this recommendation. The development of the overarching program-level strategy will include updating timelines based on learnings from project delivery so far and the significant changes in the commercial structure of the telecommunications markets since the business cases were originally developed.
3. Develop and report on outcome indicators that relate directly to whether the RDCP is achieving its intended purpose.	The Department accepts this recommendation and is currently developing a community outcome metric to measure RDCP's contribution to general community wellbeing and economic development. This will be reported on at various governance forums.
4. Update the RDCP evaluation plan in line with any objectives defined through implementing recommendation one.	The Department accepts this recommendation. As noted in the audit report, RDCP has developed a framework and plans to implement a Performance Management and Evaluation Program (PMEP) from mid-2025 aligned to recommendation one.
5. Update the expected benefits of the program to reflect changes in the RDCP, including the changed approach to the Gig State program and the extended timeline of the program.	The Department accepts this recommendation. An updated costs/benefits realisation plan will be developed concurrently with the RDC program's overarching strategy, objectives, and purpose, aligned to recommendation one.

I would like to thank the Audit Office for its professionalism throughout this review and their collaborative approach to providing constructive and useful feedback to improve our program.

While the report mentions the commercial complexities and national regulatory context within which the RDCP is operating, the Department would like to emphasise that the RDCP is being delivered in a patient and strategic manner to ensure NSW taxpayer money is invested wisely to maximise public benefit. The department works closely with stakeholders to improve state and national funding models including NSW Treasury, Infrastructure NSW, the telecommunications industry, the ACCC, ACMA and DITRDCA. This collaborative approach ensures value for money in the delivery of investments which are fit-for-purpose in a highly dynamic commercial telecommunications environment, where the existing incumbents are reluctant to change historic ways in which governments have subsidised their business models.

In an Australian-first, the RDCP has delivered two proof-of-concept mobile sites that actively share infrastructure in Wilcannia and Brewarrina, where all three mobile operators are able to share services utilising a single asset. This active sharing model will ultimately deliver lower cost outcomes for government and achieve significantly better citizen outcomes than historical funding models where governments have funded single operator mobile coverage. The need for this improved approach is supported by the 2023 ACCC finding that of the more than 1,270 sites currently funded under the Mobile Black Spot Program, only nine per cent of these sites have more than one mobile network carrier operating on them.

In conclusion, the Department remains committed to administering high quality and cost-effective programs that deliver on its promise to improve digital connectivity to rural, regional and remote communities across NSW. Improved digital connectivity is a critical enabler to fuel regional development, foster community wellbeing, and provide remote citizens with access to online health, education and other critical services.

Should you wish to know more about our program, please do not hesitate to contact myself or Peter Adams, Group Director, Strategic Projects and Service Delivery –

Regards,



**Steve Orr**

Secretary